

**AGREEMENT BETWEEN THE GOVERNMENT
OF INDIA AND THE GOVERNMENT OF THE
CZECHOSLOVAK SOCIALIST REPUBLIC
ON COOPERATION IN SHIPPING**
New Delhi, 3 November 1978

The Government of the Republic of INDIA

AND

The Government of the CZECHOSLOVAK Socialist Republic,

DESIROUS of developing and strengthening maritime relations and shipping services between the two countries;

REFERRING to the Trade and Payments Agreement between both countries dated December 4th, 1974;¹

TAKING INTO consideration the recommendations of the Czechoslovak-Indian Committee for Economic, Trade and Technical Cooperation;

TAKING INTO account the geographical position of the Czechoslovak Socialist Republic, which being a land-locked country has to make use of the seaports of third countries;

HAVE AGREED as follows :

Article I

1. The cooperation between the two countries in the field of maritime navigation shall be based on the principles of sovereign equality, national interests and mutual advantage and assistance.
2. The provisions of this Agreement shall be applicable to bilateral shipping between the two Contracting Parties.

1. IBTA Vol. 8 Doc. No. 549.

Article II

1. In accordance with Article I of this Agreement, both Parties agree to contribute to the participation of their vessels in the carriage of cargo between the two countries in order to assist the promotion of bilateral trade.
2. The Parties will contribute to the development of shipping services between the ports nominated by Czechoslovakia and the ports of India, and develop mutual contacts among their organisations responsible for shipping activities.

Article III

1. The term "vessel" of the Contracting Party shall mean any merchant vessel sailing under the flag of that Party or time chartered by the respective shipping organisations of either Party, in accordance with its laws.
2. This term would exclude warships and fishing vessels of both the Parties.
3. The term "member of the crew" of a merchant vessel shall mean any person actually employed for duties on board during voyage in the service of a vessel included in the crew list.
4. Ports nominated by Czechoslovakia according to Article 2 are ports nominated by the concerned Czechoslovak organisations.

Article IV

1. The Contracting Parties agreed to take due note of the geographical position of the Czechoslovak Socialist Republic and the capacity of the Czechoslovak fleet, as well as the necessity resulting therefrom to utilize the transport of goods by vessels of third countries, especially those via whose sea-ports the goods are transhipped and whose ships maintain maritime service between their own ports and ports in India in cooperation with Indian liner companies.
2. In recognition of the above mentioned position both Parties agree to give a reasonable share of their national cargo to third flag vessels especially those through whose ports national cargoes get transported.
3. The Contracting Parties further agree that the shipping organisations of the two sides have the right to participate equally in the carriage of national cargoes moving between the two countries, consistent with reservation made under para 2 above.

Article V

1. The Parties entrust Cechofracht Prague on behalf of Czechoslovak side and the Shipping Corporation of India Limited, Bombay on behalf of Indian side with the task to co-ordinate the activities resulting from this Agreement.
2. Each national shipping line shall operate and administer its vessels assigned to this service independently and shall assume full responsibility for financial results of such operations as well as for claims which might arise due to the operation of the vessels.
3. Each Party may, if necessary, nominate any other organisation in place of the above by notifying to the other Party.

Article VI

Each Party will avoid competition with the fleet of the other in its trade with third countries and desist from such activities as would prejudice the growth and utilisation of the merchant fleet of the other Party.

Article VII

Each Party may establish a representation for its shipping companies in the territory of the other Party in accordance with the laws of that country.

Article VIII

1. Vessels of either country with or without cargoes therein, will, while entering, staying in or leaving the ports of the other country, enjoy the most favoured facilities granted by their laws, rules and regulations to ships under third countries flags. This principle shall not, however, apply to ships engaged in coastal navigations.
2. The Parties shall endeavour to take effective measures aiming at conveyance of assistance to vessels in their ports concerning particularly delivery of bunkers, spare parts, catering, etc. repairs and docking, simple formalities of vessels despatch, and enrollment of crews.

Article IX

All ships documents including those relating to nationality, registration, tonnage and survey issued or recognised by one Party shall be recognised by the other Party.

Article X

If a vessel of one of the Parties suffers shipwreck, runs aground, is cast ashore or suffers any other accident, the vessel, the cargo, the crew and the passengers shall receive in the territory of the other Party the same assistance which is accorded to its national vessels, cargo, crew and passengers. This will be subject to the respective laws and the international obligations of each of the Parties.

Article XI

All payments relating to sea transport between the two countries shall be effected in accordance with the provisions of the payments agreement in force between the two countries.

Article XII

No Indian Income Tax shall be levied or collected by Indian Authorities on freight-earnings of Czechoslovak vessels on the basis of reciprocity.

Article XIV

All differences between Contracting Parties concerning the implementation of this Agreement shall be settled by negotiation.

Article XV

1. All matters concerning the operation of shipping services between both countries will be discussed between the authorised organisations of both countries, who for this purpose will conclude agreements for specified periods.
2. Such agreements shall particularly deal with matters such as frequency of services, nomination of loading and discharging ports, freight rates, and other details relating to shipping services.

Article XV

The present Agreement will come into force on the date of the exchange of notes confirming that it has been approved in accordance with the constitutional requirements of both Parties and will remain valid for a period of five years. After the expiry of this period the Agreement will be automatically renewed always for one year unless notified to the contrary by one of the Parties by giving notice six months prior to the expiry of the period of validity.

DONE and signed in New Delhi on the 3rd Day of November One Thousand Nine Hundred and Seventy Eight in two original copies in English both texts being equally authentic.

Sd/-

S.Y. RANADE

On behalf of the
Government of India

Sd/-

FRANTISEK MARES

On behalf of the Government
of the Czechoslovak
Socialist Republic

EXCHANGE OF LETTERS

Side Letter

New Delhi
3 November, 1978

Reference Article IV

EXCELLENCY,

While discussing various aspects of the bilateral shipping agreement between India and Czechoslovakia the question of sharing all cargo between the two countries on the basis of equality was also carefully considered. Article 4 of the said Agreement broadly states the basis on which this sharing will be effected. The following guidelines will be followed to make the sharing arrangements more precise and specific.

(A) National General Cargo :

1. Reference to reservation of national general cargo for third flag vessels in Article IV(2) of the said Agreement will imply that 20% of all national general cargo moving between the two countries will be reserved for the vessels of third flag countries especially those through whose ports national cargo moves.
2. The national flag vessels of the two Parties will have the right to carry the remaining 80% of the national general cargo on the basis of equality both in respect of lifting and freight earnings as far as practicable and subject to the service usual in this trade being rendered.

(B) National Bulk Cargo :

1. In the carriage of all national bulk cargo the national flag

vessels of the two countries will have the right to participate on the basis of equality subject to competitive freight rates and conditions.

2. The coordinating bodies in the case of bulk cargo on behalf of the Parties will be : Cechofracht, Praha on Czechoslovak side and Transchart, New Delhi, and the Shipping Corporation of India, Bombay, on Indian side.

(C) Within six months of the conclusion of this Agreement the competent organisations specified under this Agreement will conclude the necessary commercial arrangements for regulating the operational aspects.

I shall feel grateful for the confirmation of the contents of this letter.

Assuring you of my highest consideration,

Yours sincerely,

Sd/-

S.Y. RANADE

Secretary to the Government of India
Ministry of Shipping & Transport

H.E. Mr. FRANTISEK MARES,
First Deputy Minister of Foreign Trade,
Government of the Czechoslovak Socialist Republic

Side Letter

New Delhi
3 November, 1978

Reference Article IV

EXCELLENCY,

I acknowledge receipt of your letter of 3 November 1978 which reads as follows :

[Not reproduced]

I have the honour to confirm that the contents of your letter correctly set out the understanding reached between us.

Assuring you of my highest consideration,

Yours sincerely,

Sd/-

FRANTISEK MARES
First Deputy Minister of Foreign Trade
Government of the Czechoslovak
Socialist Republic

H.E. Mr. S.Y. RANADE,
Secretary to the Government of India,
Ministry of Shipping and Transport
