

**TRADE AGREEMENT¹ BETWEEN THE
GOVERNMENT OF INDIA AND THE
GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF BANGLADESH
Dacca, 4 October 1980**

The Government of the Republic of INDIA

AND

The Government of the People's Republic of BANGLADESH,

CONSCIOUS of the urge of their two peoples to enlarge areas of mutual co-operation;

DESIROUS of strengthening economic relations between the two countries on the basis of equality and mutual benefit;

HAVE AGREED as follows :

Article I

The two Governments recognising the need and requirement of each other in the context of their developing economies undertake to explore all possibilities for expansion and promotion of trade between the two countries on the basis of mutual advantage.

Article II

The two Governments agree to take appropriate measures in accordance with the evolving international commercial policy for the benefit of developing countries in so far as such measures are consistent with their individual, present and future development, financial and trade needs.

Article III

The two Governments agree that expansion of their mutual trade exchanges would make an important contribution towards their development. To this end, they agree to take appropriate measures

1. Came into force on 4 October 1980.

through negotiations with a view to augmenting and diversifying their mutual trade specially in respect of specific products currently or potentially of export interest to them.

Article IV

All payments and charges in connection with trade between the two countries shall continue to be effected in freely convertible currencies in accordance with the foreign exchange regulations in force in each country from time to time.

Article V

Imports and exports of commodities and goods produced or manufactured in India or Bangladesh, as the case may be, shall be permitted in accordance with the import, export and foreign exchange laws, regulations and procedures in force in either country from time to time.

Article VI

Each Government shall accord to the commerce of the country of the other Government, treatment no less favourable than that accorded to the commerce of any third country.

Article VII

The provisions of Article VI shall not prevent the grant or continuance of :

- (a) privileges which are or may be granted by either of the two Governments in order to facilitate frontier trade;
- (b) advantages and privileges which are or may be granted by either of the two Governments to any of their respective neighbouring countries;
- (c) advantages resulting from a customs union, a free trade area or similar arrangements which either of the two Governments has concluded or may conclude in the future;
- (d) advantages or preferences accorded under any scheme for expansion of trade and economic co-operation among developing countries, which is open for participation by all developing countries, and to which either of the two Governments is or may become a Party.

Article VIII

The two Governments agree to make mutually beneficial arrangements for the use of their water ways, railways and roadways for commerce between the two countries and for passage of goods between two places in one country through the territory of the other.

Article IX

Each Government will grant merchant vessels of the other country while entering, putting off and lying at its ports the most-favoured nation treatment accorded by their respective laws, rules and regulations to the vessels under the flag of any third country.

Both the Governments agree, on the basis of shippers preference, to utilise to the maximum extent possible, the vessels owned/chartered by shipping organisations of the two countries concerned for shipping cargoes imported or exported under this Agreement at competitive freight rates.

Article X

The two Governments agree to cooperate effectively with each other to prevent infringement and circumvention of the laws, rules and regulations of either country in regard to matters relating to foreign exchange and foreign trade.

Article XI

The two Governments agree to accord, subject to their respective laws and regulations, reasonable facilities for the holding of trade fairs and exhibitions and visits of business and trade delegations sponsored by the Government concerned.

Article XII

In order to facilitate the implementation of this Agreement, the two Governments shall consult each other as and when necessary and shall review the working of the Agreement, at intervals of six months.

Article XIII

This Agreement shall come into force on the 4th October, 1980. It shall remain in force for a period of three years. It may be extended by a further period of three years by mutual consent subject to such modifications as may be agreed upon.

DONE in Dacca on the 4th October, 1980, in two original copies, each in Hindi, Bengali and English, all the texts being equally authentic. In case of difference, the English text shall prevail.

Sd/-

PRANAB MUKHERJEE
Minister of Commerce
Steel and Mines,
Government of the
Republic of India

Sd/-

CHOWDHURY TANBIR AHMED SIDDIKY
Minister of State in charge of
the Ministry of Commerce
Government of the
People's Republic of Bangladesh
