

**TRADE AND PAYMENTS AGREEMENT¹ BETWEEN
THE GOVERNMENT OF INDIA AND THE
GOVERNMENT OF THE SOCIALIST
REPUBLIC OF ROMANIA
New Delhi, 2 December 1980**

The Government of INDIA

AND

The Government of the Socialist Republic of ROMANIA,

HAVING in view the present situation of friendly relations between the two countries and desiring to develop the existing economic and commercial relations between the respective countries, and

DESIRING to further strengthen and diversify the commercial and economic relations between them in conformity with their development and commercial objectives on the basis of equality and mutual advantage,

RECOGNISING the usefulness of the long term agreements for the promotion of stable and long term trade exchanges,

HAVE agreed as follows :

Article I

Both Governments shall promote the expansion of trade and economic relations between them within the framework of this agreement and in conformity with their respective laws and regulations. They will study and with utmost goodwill take decision on the suggestions which either of them would like to present for the consideration of the other with the purpose of achieving closer trade and economic relations.

Article II

During the validity of this Agreement the trade exchanges, between the two countries shall be effected on a balanced basis. For

1. Came into force on 1 January 1981.

this purpose the imports whether on deferred payment terms or on cash basis under the contracts concluded or which are to be concluded on the basis of this or earlier trade and payments agreement as well as payments of non-commercial nature will be taken into account as and when payments are made Likewise re-payments of credits under the agreement on economic and technical cooperation and payments of interest thereon will also be similarly taken into consideration.

Article III

- (a) Both Governments shall accord to each other most-favoured-nation treatment with respect of imports and exports, custom duties and other charges and taxes applicable to importation, exportation or transit of commodities and also with respect to rules and formalities in connection with such importation and exportation.
- (b) Both Governments shall grant each other in respect of import and export licences or permissions where such licences or permissions are prescribed under their regulations, treatment no less favourable than that granted to any other country.
- (c) Both Governments shall grant each other the most-favoured-nation treatment in respect of :
 - (i) All internal taxes or other internal-charges of any kind imposed on or in connection with imports and exports; and
 - (ii) Laws, regulations and requirements affecting internal sale of such imported or exported commodities.
- (d) Any advantage, favours, privilege or immunity granted by either of the two Governments to any product originating in the territory of a third country or destined for its territory shall be granted immediately and unconditionally to the like product originating in the territory of either of the two Governments or destined to be imported into its territory.

Article IV

The provisions of Article III above, shall not, however, apply to the grant or continuance, of any,

- (a) Advantages accorded by either Government to contiguous countries for the purpose of facilitating frontier traffic;
- (b) Preferences or advantages, accorded by either Government to any country, as existing on the date of the conclusion of

the present Agreement or in replacement of such preferences or advantages that existed prior to the 10th April 1947;

- (c) Any advantage or preference accorded under any scheme for expansion of trade and economic cooperation among developing countries which is open for participation by developing countries and to which either of the Government is or may become a party;
- (d) Advantages and preferences, resulting from a customs union and/or free trade area of which either country is or may become a party.

Article V

Juridical and physical persons of either of the two countries shall enjoy the most-favoured-nation treatment in respect of personal protection and protection of property when effecting commercial activities in the territory of the other country provided that the enjoyment of this treatment shall be subject to the laws and regulations of such other country which are generally applicable to all foreigners alike.

Article VI

The export of goods from India to the Socialist Republic of Romania and from the Socialist Republic of Romania to India during the period of validity of this Agreement will be carried out in accordance with the attached schedule "A"¹ (list of Goods available for the export from the Socialist Republic of Romania to India) the Schedule "B"² (list of Goods available for export from India to the Socialist Republic of Romania) which constitute an integral part of this Agreement. The Schedule can be extended or altered from time to time as may be agreed upon between both Governments.

Article VII

The import and export of goods stipulated in Article VI will be carried out in accordance with the export, import and foreign exchange regulations in force from time to time in either country and on the basis of contracts to be concluded between Indian physical and juridical persons including Indian state-owned organisations on the one side and the Romanian enterprises and organisations duly authorised under the Romanian laws to carry on foreign trade activities as juridical persons on the other.

1. Not printed.

2. Not printed.

Article VIII

The provisions of the present Agreement do not affect the rights of the Indian physical and juridical parties and the rights of the Romanian enterprises and organisations authorised to carry on foreign trade activities subject to the import, export and foreign exchange regulations in force in both countries of concluding commercial transactions concerning the import or export of goods not included in the Schedules "A" and "B".

Article IX

Both Governments shall encourage and facilitate the conclusion of the long term contracts as appropriate relating to imports and exports between governmental trading organisations of the two countries based on each country's trade and development policies and objective.

Article X

The goods so exported from India to the Socialist Republic of Romania and from the Socialist Republic of Romania to India are meant for use in the Socialist Republic of Romania and India respectively and shall not be re-exported to any other country.

Article XI

1. All payments of a commercial and non-commercial nature between physical and juridical persons residing in India and physical and juridical persons residing in the Socialist Republic of Romania as well as any other payments between the two countries on which agreement will be reached between the Reserve Bank of India, Bombay and the Romanian Bank of Foreign Trade, Bucharest will be effected in non-convertible Indian rupees.
2. For the purpose of paragraph 1 of the article :
 - (a) The Romanian Bank for Foreign Trade will continue to maintain a central account with the Reserve Bank of India and one or more account(s) with one or more Commercial Bank(s) in India authorised to deal in foreign exchange.
 - (b) The Central Account will be used for depositing the rupee balances and for replenishing the account(s) with the commercial Bank(s) and for operating transactions relating to technical credit.
 - (c) The accounts with the Commercial Bank(s) in India will be

used for carrying out all operations of commercial and non-commercial nature.

3. (a) The Central Account will be replenished by transfers of funds from the Account(s) with Commercial Bank(s) and by receipts on account of technical credits.
- (b) The account(s) with Commercial Bank(s) will be replenished by transfers of funds from other such accounts(s) and from the Central Account.
4. (a) Payments permitted in accordance with the Indian Exchange Control laws and Regulations and Rules made thereunder will be effected on the basis of this Agreement to the physical and juridical persons residing in the Socialist Republic of Romania by the physical and juridical persons residing in India, by crediting the amounts of such payments to the said accounts(s) of the Romanian Bank for Foreign Trade with the Commercial Bank(s) in India.
- (b) Likewise payments permitted under the Romanian Foreign Exchange Control laws and Regulations and the rules made thereunder, will be effected by the physical and juridical persons residing in the Socialist Republic of Romania to the physical and juridical persons residing in India by debiting the amounts of such payments to the said account(s) with the Commercial Banks(s) in India.
5. The details in regard to the procedure for operation of the Central Account will be mutually agreed upon between the Reserve Bank of India and the Romanian Bank for Foreign Trade.
6. Any balances in the Rupee Accounts of the Romanian Bank for Foreign Trade or any debt of the Romanian Bank for Foreign Trade in connection with the grant of technical credit will, upon expiry of this Agreement, be used during the ensuing 12 months for purchase of Indian or Romanian goods as the case may be. After the expiry of this period of 12 months, any balance outstanding will be settled in such manner as may be agreed upon between both the Governments.
7. Payments arising from the contracts concluded during the validity and falling due after the expiry of this agreement, shall, notwithstanding the expiry of this Agreement, be effected in non-convertible Indian rupees which will be utilized for the purchase of Indian or Romanian goods as the case may be. In case this amount in rupees remains unutilized after the expiry of 12 months from the date of its accrual, and the Long-term

Trade and Payments Agreement is not renewed, it will be settled in such manner as may be agreed upon between both Governments.

Article XII

1. Both Governments will render all possible assistance for the shipment of the goods exported and imported under this Agreement from one country to the other to the fullest extent possible in Indian and Romanian Ships on the basis of world competitive freight rates and conditions.
2. Mercantile ships 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 country's flags. This principle shall not, however, apply to ships engaged in coastal navigation.

Article XIII

In order to expand and diversify the mutual trade, both Governments agree to facilitate increasing contacts between the Indian and Romanian Trading as well as manufacturing and actual Users organisations through exchange of visits and information, participation in fairs and exhibitions and promoting joint cooperation in studying each other's requirements and consumer preferences.

Article XIV

The two Governments agree to examine periodically, within the framework of the Indo-Romanian Governmental Joint Economic Commission and also as often as considered necessary, how the provisions of this Agreement are carried out and organize discussions between the two Parties for identifying new avenues of industrial cooperation and for securing development of resources as well as fuller utilisation of existing and creation of additional production facilities in either country on a mutually beneficial basis with view to bringing about further growth and diversification in the bilateral trade exchanges.

Article XV

The two Governments agree to promote collaboration between industrial and trading enterprises in the two countries for the purpose of pooling together their resources and expertise for joint marketing

in third countries and for meeting the needs of industrial development programme in third countries on the basis of joint cooperation.

With a view to further their common desire to cultivate markets in third countries, both Governments will also consider imports of engineering goods, equipment and components from each other, for being incorporated in the exports of complete plants, equipment and projects to third countries.

Article XVI

Both Governments shall consult each other at the request of either Government as and when necessary in regard to the implementation of this Agreement.

Article XVII

The present Long-term Trade and Payments Agreement shall come into force from 1st January, 1981 after both Governments have informed each other in writing of the approval of this Agreement, and shall be valid till the 31st December, 1985.

This Agreement may be extended or renewed by negotiations between the two Governments.

DONE in New Delhi on 2nd December, 1980 in three originals in the Hindi, Romanian and English Languages, all texts being equally authentic.

For the Government of the
Republic of India

For the Government of the
Socialist Republic of Romania

Sd/-

PRANAB MUKHERJEE
Minister of Commerce,
Steel & Mines

Sd/-

CORNEL PURTICA
Vice-Prime Minister,
Minister of Foreign Trade
and International Economic
Cooperation