

TRADE AGREEMENT **BETWEEN INDIA AND BANGLADESH**

The Government of the Republic of India and the Government of the People's Republic of Bangladesh,

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

Desirous of expanding trade and strengthening economic relations between the two countries on the basis of equality and mutual benefit;

Have agreed as follows:

Article I

The two Governments recognizing the need and requirement of each other in the context of their developing economies undertake to explore all possibilities, including economic and technical cooperation, for promotion, facilitation, expansion and diversification of trade between the two countries on the basis of equality and mutual benefit.

Article II

The two Governments agree to take appropriate measures in accordance with the evolving international trading system for mutual benefit of developing countries and least developed countries in so far as such measures are consistent with their individual, present and future development, financial and trade facilitation.

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 and special measures during periodic reviews taking into account the asymmetries between the two countries with a view to augmenting and diversifying their mutual trade specially in respect of specific products as may be agreed upon.

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 taking into account asymmetries between the two countries.

Article VI

Each Government shall accord to the commerce of the country of the other Government, treatment no less 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 by separate agreement(s);
- b) Advantages and privileges which are or may be granted by either of the respective neighbouring countries;
- c) Advantages resulting from any 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 cooperation 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 waterways, roadways and railways for commerce between the two countries 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 shipper's preference, to utilize to the maximum extent possible, the vessels owned/chartered by shipping organizations 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 at least once in a year or earlier as and when necessary, and shall review the working of the Agreement with special attention to the asymmetries between the two countries.

Article XIII

This amended Agreement shall come into force on the 1st April, 2006. 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 New Delhi, on the 21st March, 2006, in two original copies, each in Hindi, Bangla and English, all the texts being equally authentic. In case of difference, the English text shall prevail.

(Kamal Nath)
Minister of Commerce and Industry
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