

AGREEMENT  
ON TRADE AND ECONOMIC COOPERATION  
BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF INDIA  
AND  
THE COUNCIL OF MINISTERS OF SERBIA AND MONTENEGRO

The Council of Ministers of Serbia and Montenegro and the Government of the Republic of India, hereinafter referred to as: "the Contracting Parties",

Wishing to further strengthen their traditional friendship and cooperation,

Desiring to further develop, expand and intensify trade and economic relations between the two countries on the basis of reciprocity and mutual benefit,

Convinced that the present Agreement provides an appropriate and stable basis for lasting and efficient development and diversification of trade and economic cooperation between the two countries,

Endeavouring to consolidate, develop and diversify the trade relations between their two countries in accordance with the laws and regulations in force in both countries as well as by rules and regulations generally applied in international trade, including those of the World Trade Organization (WTO),

Conscious of the necessity of existence of an adequate legal framework for the relations between two countries in accordance with the applicable legislation and regulations in their respective countries,

Have agreed as follows

#### Article 1

The Contracting Parties shall take all necessary measures to facilitate and promote trade and strengthen economic cooperation in various fields between their two countries, on the long term and stable basis in accordance with national laws and regulations in force in their respective countries.

#### Article 2

The Contracting Parties shall grant each other the Most Favoured Nation Treatment in mutual trade of goods and services originating in the territories of their countries.

#### Article 3

The provisions of Article 2 of this Agreement shall, however, not apply to:

a - advantages granted or may be granted by either Contracting Party to contiguous countries to facilitate frontier trade;

b - advantages resulting from the effective or possible participation of either Contracting Party in a customs union or a free trade area;

c - advantages granted or may be granted to any third country within the framework of a bilateral or multilateral agreement aiming at economic integration.

#### Article 4

The export and import of goods and services shall be carried out on the basis of the contracts concluded between natural and legal persons of both countries in accordance with the laws and regulations of each country and in accordance with international trade practice.

#### Article 5

Payments for goods and services under the contracts concluded within the framework of this Agreement shall be effected in a freely convertible currency, in accordance with the laws and regulations of both countries of the Contracting Parties.

#### Article 6

Subject to the laws and regulations of the two countries, each Contracting Party shall provide freedom of transit in its territories, of goods originating from or destined to the territories of the other Contracting Party.

#### Article 7

Contracting Party shall, for the purpose of this Agreement, encourage contracts between natural and legal persons of their countries in particular through exchange of delegations, participation in trade fairs and exhibitions.

## Article 8

Each Contracting Party shall, in accordance with their respective laws and regulations, provide each other assistance in organizing fairs, specialized exhibitions and promoting activities.

## Article 9

In order to accomplish the objectives of this Agreement, the Contracting Parties have agreed to establish a Joint Economic Committee, hereafter referred to as "the Committee", comprised of the representatives of both countries.

The meetings of the Committee shall be convened at least once a year, or as deemed necessary, on the territory of each of the Contracting Parties alternately, on the dates and place mutually agreeable.

The scope of tasks of the Committee shall include:

- Monitoring of the implementation of this Agreement
- Analyzing of the development of trade and bilateral economic relations;
- Identifying new possibilities for further development of trade and economic cooperation;
- Elaborating of suggestions for improving of the conditions of trade and economic cooperation between the two countries;
- Recommending and proposing measures aimed to adequately solve problems and obstacles on the way of the bilateral trade and economic cooperation.

#### Article 10

For the purpose of the proper implementation of this Agreement, the Contracting Parties shall exchange information which could contribute to the expansion of trade and commercial activities between the two countries.

#### Article 11

Disputes between the Contracting Parties concerning the interpretation and implementation of the provisions of this Agreement shall be settled amicably, through consultations and negotiations between the Contracting Parties.

#### Article 12

This Agreement may be amended and modified by mutual written consent of the Contracting Parties through an exchange of notes through the diplomatic channels. These modifications or amendments shall be integral part of this Agreement.

#### Article 13

The present Agreement shall enter into force on the last notification by one of the Contracting Parties to the other Contracting Party confirming the completion of the legal formalities required for its entry into force in conformity with the law and legislation applicable in each country.

The present Agreement shall be valid for a period of five years and thereafter automatically renewable for similar periods, unless either Contracting Party notifies the other, in writing, of its intention to terminate it, six months prior to its expiration.

After the termination of this Agreement, its provisions shall continue to apply to the contracts concluded during the period of validity of this Agreement but not fully completed on the date of termination of this Agreement.

#### Article 14

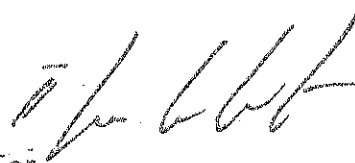
As of entry into force of this Agreement, Trade Agreement between the Socialist Federal Republic of Yugoslavia and the Republic of India, signed on November 4 1972 shall cease to be valid.

IN WITNESS WHEREOF the following representatives duly authorized by their respective Authorities have signed the Agreement.

DONE at...*New Delhi*...on this...*7.2.2006*... in two originals in the Serbian, Hindi and English languages, all the texts being equally authentic. In case of any divergence, however, the English text shall prevail.



For  
the Government of the  
Republic of India



For  
the Council of Ministers  
of Serbia and Montenegro