

MINUTES OF THE FIRST MEETING OF THE
JOINT COMMITTEE ON TRADE BETWEEN GOVERNMENT
OF THE REPUBLIC OF INDIA AND GOVERNMENT
OF THE REPUBLIC OF ARGENTINA.

MINUTES OF THE FIRST MEETING OF THE JOINT
COMMITTEE ON TRADE BETWEEN GOVERNMENT OF THE
REPUBLIC OF INDIA AND GOVERNMENT OF THE
REPUBLIC OF ARGENTINA HELD IN NEW DELHI FROM
24-26TH SEPTEMBER, 1984.

DESIROUS to promote, expand and diversify cooperation between the Republic of India and the Republic of Argentina on the basis of the principles of mutual benefit and interest.

CONVINCED that this cooperation would further strengthen the traditional friendship and solidarity between the peoples of India and Argentina.

COMMITTED to the objective of demonstrating the viability of South-South cooperation met for its first session in New Delhi from 24-26th September, 1984.

The Indian delegation was led by H.E. Mr. Abid Hussain Secretary to the Government of India, Ministry of Commerce. The Argentine delegation was led by H.E. Dr. Raul Prebisch, Personal Adviser to the President of Argentina.

The members of the two delegations are listed in Annexure I and II of the Minutes.

The Joint Committee on Trade agreed in its plenary meeting to an Agenda, placed at Annexure III of the minutes. For further consideration of the Agenda the Committee agreed to set up four Working Groups to consider matters relating to : -

- i) Trade, commercial and economic cooperation, including shipping;
- ii) Cooperation in Agriculture, Livestock and forestry ;
- iii) Industrial cooperation including cooperation in Petroleum, Iron and Steel and Technology;

11/1

11/1

- iv) Finalisation of the draft economic agreement between the Republic of India and the Republic of Argentina.

The Joint Committee on Trade arrived at the following conclusions:-

I- TRADE AND COMMERCE

i) The two sides reviewed the existing level of bilateral trade and agreed that it was not reflective of the potentiality that existed, given the complementarities of the economies of the two countries;

ii) It was agreed that in the spirit of South-South Cooperation, both countries should look to each other for supply of items which they are presently buying from other countries;

iii) It was agreed that the two sides would endeavour to reach a bilateral trade level of US \$ 100 million in 1985 and US \$ 500 million by the end of the decade;

iv) It was agreed that bilateral trade should be based on the principle of progressive dynamic equilibrium and balanced benefits in trade.

v) With a view to achieve a trade level of US \$ 500 million, it was agreed that a mechanism should be evolved to promote and monitor bilateral trade. In this context the Indian side suggested that both countries should designate nodal points for conducting and promoting trade on each side. The State Trading Corporation of India could function as a nodal point on the Indian side.


See

vi) The Argentine delegation suggested the possibility of a bi-national Indo-Argentine Trade Company being established for promoting trade between the two countries. Both sides agreed to consider the proposals further.

vii) It was agreed that the low level of bilateral trade as well as the existing imbalance against India could be rectified by identifying specific items for trade between the two countries based on exportable surplus and import requirements. The Indian delegation provided a list of items of export interest to India which is placed at Annexure IV.

viii) It was agreed that the list of items should be analysed further and intensive discussions should be held before the end of December 1984, in order to prepare a bilateral trade plan for 1985. The Argentine delegation invited an Indian delegation to visit Argentine to discuss the modalities and framework for the 1985 Trade Plan as well as to achieve the target for trade of US \$ 500 million by the end of the 1989.

ix) The Indian delegation suggested that Kudremukh Iron Ore Company could supply pellets to Somisa and other Argentine Steel Companies as it was scheduled to go into commercial production by June, 1985. The Indian side suggested and the Argentine delegation responded to consider the possibility of harmonising the import plan for pellets in 1985 with the possibility of import from Kudremukh Iron Ore Company Ltd., (KIOCL) in the last quarter of 1985. The commercial contracting would dependent upon specifications



and price being found suitable by the Argentine users, after testing of pellet production from KIOCL's plant.

With regard to some of the other engineering items incorporated in Annexure IV, the Argentine delegation indicated the possibility of import of highly specialised and sophisticated types of handtools, textile machinery very heavy earth moving machinery and some types of railway equipment. It was also indicated that scope existed for import of jute mill machinery. It would, however, be necessary for these items to be identified in more specific details. The Argentine side also indicated that import of jute products would be an item of interest. For other items on the list detailed consultations would be necessary between Commercial Undertakings on both sides.

The Argentine side referred to the possibility of import of diesel locomotives and indicated that there was scope for setting up joint ventures for manufacture of these items in Argentina, commencing with import and assembly operations in Argentina and moving progressively towards manufacture.

(x) The Indian delegation invited Argentine participation in the International Trade Fair to be held in New Delhi in November 1984. The Argentine side indicated that while efforts would be made to participate in the 1984 Trade Fair, the time available for organising participation was very short. It was however, agreed that the two sides should participate in each others Trade Fairs in order to enhance trade flows and the Argentine side agreed to participate in the International Trade Fair to be held in India in 1985.

Gor

(xi) Keeping in view the enhanced trade flows to which the two sides had agreed, State Trading Corporation of India could consider the possibility of opening an office in Argentina.

II- SHIPPING

i) It was agreed that M/S. Shipping Corporation of India Ltd., (SCI) and EMPRESA LINEAS MARITIMAS ARGENTINAS S.A.(EIMA), who are operating a Joint Shipping Service from India to Argentina and vice-versa, will consider fixing a promotional and concessional freight tariff in order to develop Indo-Argentine trade. Shippers both on the Indian and Argentine sides would be advised to extend maximum cargo support to this joint shipping service to make the operation viable. The concessional freight tariff should be finalised by the end of December 1984.

ii) In order to strengthen the existing commercial shipping agreement concluded in April, 1984 between SCI and EIMA, the Argentine side presented a draft Bilateral Shipping Agreement to be concluded at the Governmental level between India and Argentina. A copy of the draft presented is kept at Annexure V. It was agreed that the draft shipping agreement would be examined by the Indian side and their comments conveyed to the competent Argentine Authorities (Subsecretaria de Transporte Fluvial Y Maritimo) within 45 days. *led*

FINANCIAL COOPERATION

As a measure of further promoting two-way-trade between the two countries the Argentine side made an offer of US \$ 50 million line of credit from the Central Bank of Argentina to its Indian counterpart institutions. Elaborating on the line of credit the Argentine delegation indicated that such credit could be used for financing export from Argentina of capital goods inclusive of ships, durables and semi-durables, other goods and technical services, research and studies, industrial plants/turn-key projects. They indicated that while the interest rates on these would be $7\frac{1}{2}\%$, the repayment schedules for each of the categories indicated above would be different. Discussions were held between Members of the Argentine delegation and officials of the Ministry of Finance, Government of India to discuss further details of the proposal. The Argentine delegation also indicated that reciprocal credit arrangements for financing exports from India would also be desirable to induce their private sector entrepreneurs to increase their purchases from India. The Indian side agreed to examine, in detail, the credit offered with a view to determining as to how best reciprocal credit arrangements could be arrived at. They further stressed that the interest rates on export credits from India were higher and that, therefore, it may not be possible to match the rate of $7\frac{1}{2}\%$ indicated by the Argentine side. Indicating that Export Import Bank of India (Exim Bank) would be the institution which would put together export finance arrangements, the Indian side stated that deferred payment arrangements were extended normally on capital goods *bel*

and turn-key industrial project alone in the form of buyers/suppliers credits carrying interest rates of approximately 10% and repayment schedules of 5 to 8 years. Referring to short-term export financing, the Indian side indicated that these were considered to be commercial transactions not covered by deferred payment arrangements. While indicating that they may perhaps not be able to match or accept the necessity of extending US \$ 50 million as credit line, the Indian side indicated that they would be able to arrive at a figure which would be adequate to meet the requirements of the present level of trade as also the expected enhancement in two-way-trade. Referring to finalisation of terms of financing imports the Indian side indicated that the nodal agency for this purpose would be the Industrial Development Bank of India (IDBI). The two sides agreed that further discussions would be necessary to work out the modalities.

COOPERATION IN AGRICULTURE LIVESTOCK
AND FORESTRY

After exchange of information on the organisation of agricultural research and development in both the countries, the following areas of interest to Argentine for cooperation were identified:

- (1) Forestry research with special reference to Eucalyptus.
- (2) Agriculture -
 - (a) Soil and water conservation
 - (b) Water management
 - (c) Nutrient management
 - (d) Arid zone research with special reference to soil erosion problems.
 - (e) Saline and alkaline affected soils. *(we)*

(3) Crops -

- (a) Cotton
- (b) Sugarcane.
- (c) Grain legumes.
- (d) Potato
- (e) Tropical Grasses and fodders.
- (f) Aromatic plants.

(4) Livestock -

- (a) Tropical cattle breeding - crossbreeding.
- (b) Poultry production - tropicalised strains of broilers and layers.
- (c) Swine diseases.

(5) Extension education (Transfer of Technology).

(6) Development projects with small farmers.

On the Indian side, the following areas of cooperation were identified:

(1) Farm machinery.

(2) Agro-forestry.

(3) Crops -

- (a) Cotton.
- (b) Sunflower
- (c) Groundnut.
- (d) Soyabean
- (e) Aromatic plants.

(4) Livestock -

- (a) Tropical cattle breeding.
- (b) Tropical livestock diseases.

The two sides suggested that cooperation may be in the form of -

- (i) Exchange of scientists.
- (ii) Exchange of scientific literature.
- (iii) Exchange of genetic material for research both in the case of plants and livestock.

The Argentine side identified their two national institutes of agricultural and forestry research (INTA and IFONA) for cooperation in agriculture, livestock and forestry research and education. *bu*

It is further suggested that a detailed work plan for agricultural research and education may be developed between the ICAR/DARE on one side and the Department of Agriculture, Government of Argentina on the other side through exchange of delegation after a MOU/ Agreement is signed between the two sides (DARE and the Department of Agriculture, Government of Argentina) in the field of agricultural research and education under the umbrella agreement on scientific and technical cooperation to be signed between the two Governments.

INDUSTRIAL CO-OPERATION INCLUDING CO-OPERATION
IN PETROLEUM, IRON & STEEL & TECHNOLOGY

Both sides underlined the importance of evolving strategies for strengthening bilateral cooperation in the fields of industry, science & technology. Both countries have developed sound industrial base in various engineering and scientific sectors and both sides felt that the exchange of each other's experience and capabilities would be of great mutual benefit. Both the sides further observed that there was general lack of awareness of each other's capabilities and developmental programmes and resolved to take necessary steps to bridge this information gap.

The Indian side gave a broad description of the industrial policy of their country and the progress achieved there-under in various sectors of industry. Particular mention was made of the high level of technological development achieved in the areas of machine tools, power generation, cement, textiles, oil and gas exploration and exploitation, fertilizers, automobiles, earthmoving equipment,

G. L.

railways, agricultural machinery and light engineering industry. The Indian side also explained the proficiency achieved by them in the field of consultancy services and setting up of turn-key projects.

In this background, the Indian side offered technical collaboration in the fields of textile machinery, hydrocarbon exploration and production, cement plants, sugar plants, fertilizer plants, pharmaceuticals, automotive components, manufacturing facilities for 2-wheelers, manufacture of earthmoving machinery, heavy duty cranes (both stationery and mobile), construction machinery, power generation and allied goods and services, boilers and other plate vessels. The Indian side also referred to their strength in surveying, designing, setting up and maintenance of railway systems and tele-communication systems including satellite tele-communications.

The Argentine side gave in turn a picture of their capabilities in different technologies, namely oil exploration manufacturing of petroleum products, supply of pipes for gas and oil pipelines, technology and cement for oil wells, software in different areas of engineering and plant design, management and supervision for erection and detail engineering for power plants and certain types of process plants, machine tools for the automobile industries etc.

Because some of these capabilities are in some cases complementary both parties expressed their interest to set up projects in either of the countries in order to increase the cooperation in these areas. Joint Ventures in third countries are of interest to the Argentine and Indian parties as a way

Cw

to expand their own export markets for goods and services.

Indian side referred to the strong base developed in the country in the field of iron and steel industry including exploration of raw-materials and offered to cooperate with the Argentine organisations particularly in the field of consultancy, feasibility studies and engineering and design services. Both sides mentioned the possibilities of identifying the specific areas of cooperation in this sector. The Argentine side expressed their interest, in the first instance, in the purchase of high alloy and silicon oriented steels.

The Argentine side expressed their interest in the supply of know-how and techniques in the field of oil exploration and in the field of engineering and construction ~~services~~ related to the oil, gas and petrochemical industries.

The Indian side mentioned that India has been in the recent past endeavouring to develop oil industry on a large scale and has also acquired sufficient scientific and engineering capabilities in this field. However, some areas still existed where both the countries could cooperate to their mutual benefit. The Indian side mentioned that concerned Argentine organisations in the field of oil exploration and petroleum products may get in touch with the Indian organisations like Oil India Ltd., Oil & Natural Gas Commission and Engineers India Ltd., to discuss the possibilities of such cooperation. *Ca*

After further exchange of information both sides agreed that there existed strong possibility of setting up of joint ventures in Argentina in the following sectors:-

Power generation and allied sectors.

Petroleum industry, pharmaceuticals, machine tools, earthmoving equipment, management and setting up of railway systems and tele-communication systems including satellite technology, fertiliser plants etc.

Similarly, there existed possibility of joint ventures in India in the following sectors:-

Petroleum industry, paper industry specially newsprint technology based on baggasse, 500 KV transmission lines, optical fibres in telephone cables fabrication, design and engineering of gas and oil pipelines etc.

Both sides further recognised the advantages of exchange of experts and training each other's personnel in various sectors of industry. In this context, Indian side offered training facilities to the Argentine experts and personnel in Indian industrial units as well as in its research and developmental laboratories. The same offer was expressed by the Argentine side. Both sides agreed to communicate to each other the details of their training requirements.

Both sides felt the necessity of closer and more frequent contacts between the industrial organisations and experts of both the countries with a view to create greater awareness of each other's capabilities which would help in identifying further specific and fruitful areas of bilateral

industrial cooperation. Both sides agreed that a suitable forum should be set up whereby industrial and consultancy organisations of both countries could have regular consultations with each other with a view to increase industrial collaboration between the two countries. The Indian side invited an industrial delegation from Argentina to visit India. The Argentine side also made a similar offer. The Indian side mentioned that the visit of Argentine delegation could take place in February 1985 when an Engineering Industry Trade Fair is also being organised in New Delhi.

The two delegations expressed hope that negotiations between the two Governments on the signing of an Agreement on Cooperation in Science and Technology would be finalised in the near future. Following this, a concrete programme of cooperation could be worked out in areas of priority mutual interest to the two countries. In this context, some of the possible areas cited as examples included Computer Software, Satellite Communications and Remote Sensing, Basic Research in Fluid Dynamics and Aeronautics, Wind Energy, Photo-Voltaics, Aromatic Plantations, Laser Technology, Bio-technology, Non-Destructive Testing etc. Exchange of information, exchange visits of research scientists, training programmes and joint R & D programmes could be the possible mechanism of cooperation in agreed upon areas. *ve*

Finally, both sides expressed satisfaction that there existed mutual interest for cooperation and ample opportunities were available for this on account of the complementarity in the industrial and scientific sectors of two countries.

DRAFT ECONOMIC AGREEMENT

The draft agreement on Economic Cooperation between Government of the Republic of India and Government of the Republic of Argentina was finalised and initialed by the two sides.


The talks were held in a spirit of mutual friendship and Cooperation that exists between the two country.

Done in New Delhi, the 26th September, 1984 in English language.


For the Indian Delegation

ABID HUSSAIN

Secretary to the Govt. of India
Ministry of Commerce.


For Argentine Delegation

Dr. Raul Prebisch

Personal Adviser to the
President of Argentina.

MEMBERS OF THE INDIAN DELEGATION

1. Shri Abid Hussain, Secretary, Ministry of Commerce - LEADER
2. Shri Romesh Bhandari, Secretary, Ministry of External Affairs.
3. Shri L.L. Mehrotra, Ambassador of India in Argentina.
4. Shri Girish Dhume, Joint Secretary, Ministry of External Affairs.
5. Shri N.N. Khanna, Joint Secretary, Ministry of Commerce.
6. Shri T.S.R. Subramanian, Joint Secretary, Ministry of Commerce.
7. Shri S. Sundar, Joint Secretary, Ministry of Finance.
8. Shri K.S. Bains, Joint Secretary, Department of Heavy Industry.
9. Shri P.G. Ramrakhiani, Joint Secretary, Department of Steel.
10. Shri G.V. Viswanath, Joint Secretary, Department of Food.
11. Dr. R.M. Acharya, Deputy Director General, Indian Council of Agricultural Research.
12. Shri L.M. Goyal, Joint Secretary, Department of Petroleum.
13. Shri S.V.S. Raghavan, Chairman, Minerals & Metals Trading Corporation.
14. Shri P.C. Luther, Chairman, State Trading Corporation of India.
15. Shri Rajiv Srivastava, Director, Department of Shipping.
16. Shri B.A. Chitnavis, Deputy General Manager, Export Import Bank of India.
17. Shri C.B. Kukreti, Joint Director, Ministry of Commerce.
18. Shri A.N. Kapur, Deputy Director, Ministry of Commerce.
19. Shri S.S. Sahni, Under Secretary, Ministry of Commerce.

MEMBERS OF THE ARGENTINE DELEGATION

1. Dr. Raul Prebisch, Personal Adviser to the President of Argentina - LEADER
2. H.E. Ambassador Mr. Oscar Jorge Romero, Deputy Foreign Minister for International Economic Relations in the Ministry of Foreign Affairs and Worship of Argentina.
3. H.E. Dr. Fernando Fernandez Escalante, Ambassador of Argentina to India.
4. H.E. Engineer Ernesto Weinschelbaum, Deputy Minister of Industry.
5. Dr. Alberto Ferrary Etcheberry, President, National Grains Board.
6. Dr. Horacio Hugo Kugler, Interventor, National Institute of Forestry.
7. Dr. Roberto Gudino, National Director of Bilateral Economic Negotiations.
8. Agronomy Engineer Jorje Roman Elustondo, National Director, Agricultural & Livestock Policy, Secretariat of Agriculture.
9. Dr. Carlos Eduardo Quirruene, Member of the Executive Council of the National Institute of Industrial Technology.
10. Engineer Carlos A. Ingaramo, National Grains Board.
11. Dr. Arturo Ravina, Director of Transport Policy Under Secretariat of Water & Maritime Transport.
12. Engineer Luis Lazaro Maria Martinel, Manager, International Relations, Argentine State Oil Fields "Y.P.F."
13. Dr. Pablo Jorge Quiroga, Economic and Commercial Minister Adviser to the Minister of Economy.
14. Mr. Honorio Pueyrredon, Economic and Commercial Counsellor, Secretariat of Commerce.
15. Engineer Oscar Wotman, Chief of ATUCHA II Atomic Power Plant Project, National Commission of Atomic Energy (C.N.E.A)
16. Mr. Alberto Moschini, First Secretary, Argentine Foreign Ministry.
17. Mr. Carlos Eduardo Cascon, Second Secretary (Economic & Commercial), Embassy of Argentina in India.
18. Mr. Arnaldo Tomas Ferrari, Third Secretary, Embassy of Argentina in India.
19. Architect Carlos Bruno, Adviser to the Deputy Foreign Minister Ambassador Oscar Jorge Romero
20. Mr. Carlos Bruzzi, Chief of the Asia Department, Under Secretariat of Foreign Trade.

A G E N D A

1. Finalisation of the draft agreement on Economic Cooperation between the Govt. of Republic of Argentina and the Govt. of Republic of India.
2. Review of Indo-Argentine Trade Agreement and the present position of bilateral trade.
3. Discussions on measures to enhance bilateral trade, including financial arrangements, tariff services and protectionism.
4. Formulation of exhaustive list of exports towards each country.
5. Industrial Cooperation: 'Joint Ventures in Third Countries'.
6. Review and exchange of views on recent developments in multilateral fora like GATT and UNCTAD.
7. Review of the Shipping Agreement between ELMA and the Shipping Corporation of India.
8. Trade prospects for 1984 and 1985.
9. Commercial Analysis of Petroleum products- Cooperation with Argentine firm YPF in the field of oil exploration Sale of technology.
10. Analysis of possibilities of cooperation in the field of agriculture and cattle-breeding.
11. Measures to facilitating exchanges in:
 - a) Participation in fairs and exhibitions;
 - b) Exchange of delegations of private industries/ entrepreneurs; and
 - c) Opening of the office of STC in Buenos Aires.
12. Exchange of products and raw-materials relating to Iron and steel industry on behalf of the Argentine Plant Somisa.

LIST OF ITEMS IDENTIFIED FOR EXPORTS FROM INDIA

ENGINEERING GOODS:

Light engineering goods like:

Bicycles, household sewing machines

Cycle components

Auto parts

Handtools

Machine tools

Pneumatic tools

Diesel engines

Scientific instruments

Batteries

Electronic items

Fans

Motors

Textile, cement, paper, sugar and jute mill machinery

Commercial vehicles like trucks, buses, lorries,
motor cycles etc.

Agricultural machinery and tractors.

Railway equipment for rail electrification, bogies,
rails workshop equipment, diesel locomotives.

Power distribution equipment like transmission line
towers, electric motors and switch gears.

TEXTILE ITEMS:

Textiles including:

Garments

Cotton fabrics

Synthetic blended Yarn containing 60% or more of
Synthetic fibre.

Woollen carpets

Handicrafts

Jute products including:

Jute carpet

Jute blanket

Hessian cloth

Blended fabrics for school bags

Shopping bags

Tapestry and furnishings

AGRICULTURAL ITEMS:

Shellac
Fruits and Vegetables
Cashew
Pepper
Tea
Spices
Marine products
Guar gum
Tobacco
Senna Leaves and pods

MINERALS:

Barytes
Bentonite
Felspar
Graphite Electrodes
Gypsum
Kaolin
Micaceous hematite (dried at 105°C)
Crystalline flake graphite products
Quartz
Steatite powder (cosmetic and industrial)
Wollastonite
Mica and mica products

MISCELLANEOUS ITEMS:

Sports goods
Semi-processed leather
Gem & Jewellery
Cair
Feature films

PELLETS:

4 lakh tonnes for Argentine Steel Plant
(Supply to be made in 1985 from Mangalore Port)
(West Coast)

CHEMICAL & ALLIED PRODUCTS:

Automobile tyres and tubes
Papin
Strychnine alkaloids
Brucine alkaloids
Emetine HCL
Berberi Hydrochloride
Benzoic acid
Sodium Benzoic
Ferrous gluconate
Dyes and dye intermediates

Rape earth chloride
Sulfamic acid
Aluminium phosphide
Essential oils
Sandalwood oil
Palmarose oil
Processed talc
Synthetic dyes
Finished drugs and pharmaceuticals
Veneer plywood and furnitures
Paints, Varnish and allied products
Soaps
Cosmetics
Toiletry products
Artificial Plastic materials

Cold rolled stainless steel coils (1000 tonnes) as
per following details:

Specification	:	AISI 304
Thickness range	:	0.50 to 1.25 mm
Width	:	1000 X 1250 mm X Coil

Consultancy services for industrial projects/
infrastructural development in Argentina.

ANNEXURE V

AGREEMENT BETWEEN THE REPUBLIC OF ARGENTINA AND
THE REPUBLIC OF INDIA ON SHIPPING

The Government of the Republic of Argentina
and the Government of the Republic of India

Considering the interest to develop the trade
between the Republic of Argentina and the Republic of India

Bearing in mind the special interest to promote
reciprocal trade through the strengthening and the adequate
protection of the economic stability of their respective
merchant navies, whose existence and development are consi-
dered essential not only for the expansion and diversification
of the economic relations between the two countries, but
also to secure the bases for facilitating the increase of
trade.

Considering that the commercial exchange of products
should be accompanied by an efficient exchange of services.

Recognising the need to contribute to the efficiency
and regularity of shipping services and the adoption of
adequate and stable freight rates.

Recognising that the genuine merchant navies of the
two countries have the right to transport on a priority
basis the cargoes of reciprocal trade, which results in a
significant saving in foreign exchange.

Taking into consideration that the Argentine
and Indian shipping companies are directly interested in
the maritime cargoes of trade between the two countries
and that the freights arising from the maritime transport
of those cargoes should benefit the shipping lines of the
two countries.

With a view to expand their economic and trade
relations and intensify cooperation in maritime transport
avoiding the outflow of foreign exchange to

third countries.

AGREE TO THE FOLLOWING:

ARTICLE I

1. The maritime transport of goods exchanged between the two countries will be done primarily in the ships of Argentine and Indian flags in conformity with the regime envisaged in the present Agreement, including the cargoes which receive governmental favour in either of the two countries.

2. In the said transport the principle of equal distribution between the two flags shall be observed.

3. The freight rates applied to the maritime transport of the goods which are the object of commercial exchange between the two countries shall be approved by the competent authorities established in Article XIII.

4. It is understood that the goods transported in accordance with the agreement signed between the "Shipping Corporation of India" (SCI) and the "Empress Lines Maritimes Argentinas S.A." (EIMA S.A.), signed in the city of Buenos Aires on the 27th April 1984, comply with the principle established in sub-section 2) of the present Article.

ARTICLE II

1. Only the shipping companies, authorised by the respective competent authorities to serve the traffic, can transport the cargoes embarked in Argentine ports and destined to the ports of India, and viceversa.

2. The authorised shipping companies are all the shipping lines of the Contracting Parties which have obtained the corresponding permission of their respective competent authorities, to undertake the services of maritime transport in the traffic which the present Agreement regulates.

3. At the moment of signing the present Agreement, the authorised shipping companies are the Shipping Corporation of India (SCI) and the Empresa de Lineas Maritimas Argentinas S.A. (ELMA S.A.) which have signed a Memorandum of Agreement on the 27th April 1984.

ARTICLE III

In case one of the Contracting Parties does not, eventually, find itself in a position to undertake the transport as established in Article I, the said transport, should be done, if possible, in the ships of the other Contracting Party.

ARTICLE IV

1. The ships of Argentine or Indian flags are those which are registered as such respectively, in accordance with the existing legislation in each one of the Contracting Parties.

2. The authorised shipping companies can use their own vessels, hired or chartered, to undertake the transport of the goods included in the present Agreement. The use of hired or chartered vessels is subject to the permission of the respective competent authorities who shall communicate reciprocally the permission granted.

3. In cases of hiring or chartering, the shipping companies of one of the Contracting Parties should give preference, on equal terms, to the ships of its own flag and, if these are not available, in the first place to ships of the other flag and in the second place to ships of third flags.

ARTICLE V

The preference of flag shall not cause a delay of more than five (5) days for the embarkation of perishable or rapidly deteriorating goods and of more than fifteen (15) days for other cargoes.

ARTICLE VI

Within the scope of the present Agreement, when the exporters of one of the Contracting Parties use, for the transport of their merchandise, the ships of the other Contracting Party mentioned in Article III, shall enjoy on the basis of reciprocity, the same treatment in respect of government incentives of the Contracting Parties.

ARTICLE VII

1. In order the competent authorities of the two Contracting Parties can proceed to control the services and the degree of participation of the shipping companies and the flag in the traffic envisaged in the present Agreement the two authorities shall adopt uniform statistical systems which shall demonstrate the said degree of participation as well as the cargoes transported in third flag vessels.

2. The competent authorities shall exchange information in order to achieve the best efficiency of maritime transport between the Contracting Parties.

ARTICLE VIII

1. Only for the right of cargo, in either of the two countries, the vessels operated by Argentine and Indian shipping companies shall enjoy a treatment equivalent to that of the national flag which operate in the same traffic. Without prejudice to the sovereign rights of each country to delimit certain zones for reasons of national security.

2. At the same time, the status of national ship shall be given to each Contracting Party in respect of port procedures and services, providing of services for loading, unloading, storage, destowage, use of piers and towing.

3. The provisions of sub-section 1) of this Article shall not affect the payment of the corresponding taxes and duties or to the obligation to use the piloting services which are applied to foreign merchant navy vessels in the national waters of each country, in accordance with the internal regulations of each Contracting Party.

ARTICLE IX

The Contracting Parties undertake not to adopt or impose restrictions of any kind or similar measures for the operation, reception or despatch of national vessels of both countries, which would signify unequal or less favourable treatment than that is applied to ships of third flags.

ARTICLE X

The application of the clauses of this Agreement shall not mean discriminations of cargoes, or unjustified rejection of shipments, or charging of excessive freights, or delays in shipments, or granting of rebates or adoption of other measures which would constitute unfair practices, which will affect the participation of ships of each one of the flags of the Contracting Parties.

ARTICLE XI

The Contracting Parties undertake to facilitate, on the basis of reciprocity, the smooth and rapid payment and transfer of the amounts charged by the authorised shipping companies in respect of freights and other revenues generated by the transport.

This commitment shall be in accordance with the rules which regulate reciprocal payments between the two PARTIES.

ARTICLE XII

1. None of the dispositions of the present Agreement shall be interpreted as a restriction on the right of each country to regulate its national coasting trade as well as the transport to and from third countries.

2. Nor shall they be considered as a restriction on the right of each country to facilitate, in any manner, its national coasting trade services undertaken by its ships.

3. For the purpose of the present Agreement, national coasting trade and navigation means the water transport services operating between ports or geographical points of a same country, according to its legislation.

ARTICLE XIII

1. The competent authority means in the Republic of Argentina the "Subsecretaria de Transporte Fluvial y Maritimo de la Secretaria de Transporte del Ministerio de Obras y Servicios Publicos" and in the Republic of India, the

2. In case of any change in the competent authority, due to changes in any legislation of the Contracting Parties, the same shall be communicated to the other Contracting Party through a diplomatic note.

ARTICLE XIV

1. Each Contracting Party shall request for consultative meetings between the competent authorities on the dispositions and the application of the present Agreement, which should commence within a period of ninety (90) days, with effect from the notification of the respective request and shall be held in the territory of the country to which it is requested unless otherwise agreed upon in any other manner. These requests for consultation should be effected through normal diplomatic channels.

2. The competent authorities shall also communicate directly between them, either through correspondence or representatives, to deal with matters whose importance does not require formal consultation and to evaluate the conditions and results of the application of the present Agreement, in order to improve its working and to deal with matters of mutual interest.

ARTICLE XV

The present Agreement can be revised or modified by mutual agreement between the Contracting Parties - as and when necessary. Such modifications must be approved through exchange of diplomatic notes, in conformity with the legal dispositions and institutions of each country.

ARTICLE XVI

The present Agreement shall come into force with effect from thirty (30) days of the exchange of the instruments of ratification of the Contracting Parties and will have a duration of two (2) years, being automatically renewable for equal periods, unless one of the Contracting Parties communicate to the other at any time its desire to terminate it, by giving (90) days notice.

Done in the city of on
in two copies both equally valid in (Language).

For the Government of India

For the Government of the
Republic of Argentina