

TRADE AGREEMENT BETWEEN THE GOVERNMENT OF  
THE REPUBLIC OF INDIA AND THE GOVERNMENT  
OF THE PEOPLE'S REPUBLIC OF CHINA

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

Being desirous of further promoting:

friendly relations between the  
two countries and the peoples;

trade and economic relations  
on the basis of equality and  
mutual benefit;

Have agreed as follows:

ARTICLE I

The two contracting parties shall promote  
the development of trade relations of the two  
countries within the framework of this agreement  
and of laws and regulations in force in their  
respective countries.

ARTICLE II

1. Each party shall accord to the commerce of  
the other party the Most-Favoured-Nation treatment,

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in particular with respect to:

- (a) customs duties, taxes, and charges of any kind, including the method of levying such duties, taxes and charges, imposed on or in connection with importation and exportation of goods;
- (b) all rules, procedures and formalities in connection with importation and exportation as well as customs declaration and customs clearance;
- (c) all internal taxes or other internal charges of any kind imposed on or in connection with imported and exported goods;
- (d) juridical person (including foreign trade organisations) and natural persons of either Contracting Party shall be accorded treatment no less favourable than that accorded to juridical persons (including foreign trade organisations) and natural persons of any third country with respect to payments, remittances, and transfers of funds or financial instruments between the territories of the two Contracting Parties as well as between the territories of the other Contracting Party and a third country.

2. The provisions of para 1 shall not, however, apply to:

- (a) advantages accorded by either party to contiguous countries for the purpose of facilitating frontier traffic;
- (b) advantages resulting from any customs union or free trade area to which either party is or may become a party, or any advantage or preference, continuing under Commonwealth Preferences, or accorded under multilateral agreements for expansion of trade among developing countries to which either of the governments is or may become a party.

#### ARTICLE III

Merchant ships of either country with cargoes and crews, or without cargoes on board, will, while entering, staying in or leaving the ports of the other country, enjoy the Most-Favoured-Nation treatment granted by their respective laws, rules and regulations to ships under third country flag. This principle shall not, however, apply to ships engaged in coastal navigation of either party.

#### ARTICLE IV

Each party shall give full consideration to suggestions that may be made from time to time by the other party for facilitating the import into one country of commodities which are available for export from the other, and for the development and expansion of commerce, and diversification of trade between the two countries.

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ARTICLE V

The import and export of goods/commodities will be carried out in accordance with the effective laws and rules on import, export and foreign exchange control in either country on the basis of agreements concluded between import and export traders or trading organisations of the two countries.

ARTICLE VI

All payments for trade between the two countries shall be made in freely convertible currencies, acceptable to both countries, subject to regulations of foreign exchange control in force in either country.

ARTICLE VII

The contracting parties shall encourage the parties involved in a dispute arising from or relating to a trade contract between trade organisations or import and export traders of the two countries, to settle their disputes through friendly negotiations. If the dispute cannot be settled through negotiations, the parties concerned may present the dispute to the permanent arbitration organisation of the defendant's country for conciliation or arbitration, in accordance with its procedures and regulations. The parties may also submit it for arbitration on the basis of the arbitration clause which is stipulated by the parties in their contract. The contracting parties shall provide necessary facilities for the enforcement of arbitral awards made in either of the countries, in their respective countries.

ARTICLE VIII

The two contracting parties shall facilitate

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each other's participation in trade fairs to be held in either country and shall, subject to its internal laws and regulations and subject to such conditions as may be prescribed, exempt goods meant for any fair/exhibition, demonstration, seminar, congress or conference in the territory of either contracting party and not intended for sale, from customs duties and other similar charges leviable thereon in its territory.

#### ARTICLE IX

The contracting parties agree to provide facility to the import and export of goods listed in schedules "A" and "B" attached to this Agreement. The said schedules may, by mutual consent, be amended or modified.

The above provision shall not preclude commercial transactions in goods not listed in the said schedules.

#### ARTICLE X

The provisions of this Agreement shall continue to be applied, after its expiry, to all contracts for trade transactions concluded but not fully executed before the termination of this Agreement.

#### ARTICLE XI

In order to facilitate the implementation of this Agreement the contracting parties shall consult each other, as and when necessary, and meet alternately in New Delhi and Beijing.

#### ARTICLE XII

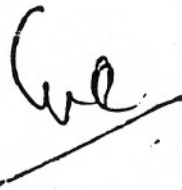
This Agreement shall come into force on the



date of its signature and shall remain valid for a period of three years. Thereafter, it shall be automatically extended for subsequent periods of three years unless a written notice is given by either side for the termination of this Agreement six months before the date of its expiry.

IN WITNESS WHEREOF the undersigned being duly authorised by their respective Governments have signed the present Agreement.

Done in Beijing on 15th August, 1984 in two original copies each, in Hindi, Chinese and English languages. The three texts shall be equally authentic, but in case of any divergence of interpretation, the English text shall prevail.



FOR THE GOVERNMENT OF  
THE REPUBLIC OF INDIA



FOR THE GOVERNMENT OF THE  
PEOPLE'S REPUBLIC OF CHINA

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