

March 24, 1971

**TRADE AND PAYMENTS AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND  
THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF ROMANIA**

**Bucharest**

The Government of INDIA and The Government of the SOCIALIST REPUBLIC OF ROMANIA, NOTING with satisfaction the successful development of economic and trade relations, and DESIROUS of further increase and diversification in trade and of further expansion and strengthening of economic cooperation between the two countries;

HAVE agreed as follow :

**Article I**

Both Governments will, in every possible way, develop and strengthen the trade and economic relations between the two countries on the principles of equality and mutual benefit. 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 period of validity of this Agreement, the total value of imports will be equal to the total value of exports effected by either country. For this purpose imports whether on deferred payment, terms or on cash basis relating to the contracts concluded and to be concluded on the basis of this and earlier Trade Agreement as well as all payments of a non-commercial nature, will be taken into account as and when payments are made. Likewise, repayments of credits under the Agreement on

Economic and Technical Cooperation, and payments of interest thereon will also be similarly taken into consideration.

### **Article III**

1. Both Government will accord upon importation and exportation of goods from one country to the other maximum facilities allowed by their respective laws, rules and regulations.
2. Both Government will accord to each other most-favoured nation treatment in respect of customs duties and charges of any kind imposed on imports or exports or in connection herewith of the methods of levying such duties and charges and in respect of rules, formalities and charges in connection with customs clearing operations and with respect to the application of internal taxes or other charges of any kind imposed on or in connection with imported goods.
3. Both Government will accord to each other in respect of the issuance of import and export licenses or permission where such licenses/permission are prescribed under their regulations, treatment no less favorable than that granted to any other country.

### **Article IV**

Any advantage, favour, privilege or immunity granted by either of the two Governments to the import or export of any product originating in the territory of a third country or destined for its territory, shall be accorded immediately and unconditionally to the like product originating in the territory of either of the two countries or destined to be imported into its territory.

### **Article V**

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

1. Advantages which are or will be accorded by either Governments to contiguous countries for the purpose of facilitating frontier trade;
2. advantages, favours, privileges or immunities as well as preferences accorded, by either of the Government to any their country and which are in force on the date of coming into effect of this Agreement or in replacement thereof;
3. advantages, granted by virtue of customs union and of association for economic cooperation of which either Government is already or may become a member, and which are in pursuance of trade development and liberalization programs.

### **Article VI**

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 regulation of such other country which are generally applicable to all foreigners alike.

### **Article VII**

The export of goods from India to the Socialist Republics 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" (List of Goods available for export from the Socialist Republic of Romania to India and Schedule "B" (List of Goods available for export from India to the Socialist Republic of Romania) which constitute an integral part of this Agreement. The Schedules can be extended or altered from time to time as may be agreed upon between both Governments.

#### **Article VIII**

The import and export of goods stipulated in Article VII 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 organization on the one side and the Romanian enterprises and organizations duly authorized under the Romanian laws to carry on foreign trade activities as juridical persons on the other.

#### **Article IX**

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 organizations authorized 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 Schedule "A" and "B".

#### **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 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 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 this Article,
  - I. 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 authorized to deal in foreign exchange.
  - II. 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 credits.
  - III. The accounts with the Commercial Bank(s) in India will be used for carrying out all operations of commercial and non-commercial nature.

3.
  - I. The Central Account will be replenished by transfers of funds From the Accounts (s) with Commercial Bank(s) and by receipts on account of technical credit.
  - II. The Accounts(s) with Commercial Bank (s) will be replenished by transfers of funds from other such account(s) and from the Central Account.
  
4.
  - I. Payment permitted in accordance with the Indian Exchange Control Laws and Regulations and the 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 payment to the said accounts(s) of the Romanian Bank for Foreign Trade with the Commercial Bank(s) in India.
  - II. 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 Bank(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 of 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 ensuring 12 months for the purchase of Indian or Romanian goods as the case may be. After the expiry of this period of 12 months, any balances outstanding will be settled in such other ways as may be agreed upon between both Government.
  
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 a non-convertible Indian Rupees which will be utilized for the case this amount in rupees remains unutilized, after the expiry of 12 months form the date of its accrual, and the Long tern Trade and Payments Agreement is not renewed it will be settled in such other ways as may be agreed upon between both government.

## Article XII

1. Both governments will render all possible assistance for the equipment 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 ports of other country enjoy the most-favoured facilities ranted by their laws, rules and Regulations to ships under Third Country's Flags. This principle shall not, apply to ships engaged in coastal navigation.

## Article XIII

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

#### **Article XIV**

In order to expand and diversify the mutual trade, both Governments area to facilitate in increasing contracts between the Indian and Romanian Trading as well as manufacturing and Actual Users Organizations through exchange of visits and information, participation in fairs and exhibitions, and promoting joint operation in studying each other's requirements and consumer references.

#### **Article XV**

The two Governments agree that periodic discussions should take place between both sides for identifying new avenues of industrial cooperation and for securing development of resources as well as fuller utilisation of existing and creating of additional production facilities in either country on a mutually beneficial basis with a view to bringing about further growth and diversification in the bilateral trade exchanges.

#### **Article XVI**

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 programs in third countries in the basis of joint cooperation.

With a view to furthering their common desire to cultivate markets in third countries, both Governments will also consider ports 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 XVII**

The present Agreement is in suppression of the Long-Term Trade and Payments Agreement signed between the Government of India and the Government of Socialist Republic of Romania in New Delhi on the 4th, 1968 and valid up to 31st December 1970. The present Long-Term Trade and Payments Agreement shall come into force from 1st January 1971 with retrospective effect and shall be valid till the 31st December, 1975.

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

DONE in Bucharest, on 24th March, 1971, in two originals in the English Language both texts being equally authentic.

**For the Government of Of India**  
Sd /-

**For the Government the Socialist Republic Of Romania**  
Sd /-

SCHEDULE "A"

LIST OF GOODS AVAILABLE FOR EXPORT FROM SOCIALIST REPUBLIC OF ROMANIA TO INDIA

1. Equipment for :

I. Oil refineries producing fuel and lubricants as well as technological installations and separate equipment for oil refineries

II. the ore and mineral mining industry

III. Siderurgical industry

IV. Oil field drilling equipment, part of drilling equipment, accessories and tools including casings (seamless pipes)

V. Oil field production

VI. Water drilling

VII. Plants for the chemical and petro-chemical industry; calcinated soda and caustic soda plants, sulphuric acid plants based on pyrite, carbon-black plant, installations for producing detergents from oil-products other plants, installation and separate equipment, for the chemical industry

VIII. Steel tube rolling mills and other related equipment

2. Tractors, spares and components and tyres

3. Agricultural machinery and implements including pumps

4. River and Sea Vessels, such as;  
(a) Cargo vessels and tankers

5. Machine tools, metal and wood working

6. Diesel Locomotive

7. Various industrial machines and equipment

8. Laboratory scientific equipment and apparatus (permissible types) and Electric calculating machines

9. Ball, roller and taper bearings including steel ball or bearings

10. Rolled steel and steel products

11. Oil products, kerosene, gasoil, mazoot, lubricants, petroleum, coke, naphetic acid a.o.

12. Fertilizers of various kinds including urea and C.A.N

13. Chemical and pharmaceutical products, calcinated soda, salicylic carbide, salicylic acid, natrium benzoate metaxylene, P.V.C. natrium bichromate, methylene chloride, sulfanilamide, pharmaceutical Vaseline, gerovital a.o.
14. Intermediates and dyestuffs
  - (a) Aniline oil
  - (b) betanaphtol a.o.
15. Synthetic tanning material
16. Bleached cellulose of reed
17. Newsprint
18. Various kinds of cardboard and paper, such as cigarette paper, tissue paper, manifold paper, crepped toilet paper, napkins paper
19. Beach wood and wooden tea cases
20. Books, magazines, records
21. Cinema films
22. Handicrafts and cottage industry products.

#### **SCHEDULE "B"**

#### **LIST OF GOODS AVAILABLE FOR EXPORT FROM INDIA TO THE SOCIALIST REPUBLIC OF ROMANIA**

1. Spices. Including pepper
2. Coffee including instant coffee
3. Tea
4. Tinned fruits, vegetables, coconuts and juices (topical)
5. Vegetable oils (cottonseed oil, linseed oil, groundnut oil etc.)
6. Decorticated de-oiled cottonseed and de-oiled groundnut extractions
7. Cashew kernel
8. H.P.S. groundnuts
9. Essential oil
10. Animal casing, animal hair an bristles
11. Drugs and pharmaceutical products including patent medicines
12. Crushed bones
13. Organic and inorganic chemicals
14. Shellac and shellac based products
15. Medicinal herbs
16. Gum tragacanth

17. Linoleum
18. Cotton textiles including yarns up to 20 counts
19. Bengal deshi cotton
20. wollen textiles and carpets
21. Jute bags and products
22. Sisal and paryyra fibers
23. Coir products and yarn
24. Hides and skins, tanned and semi-tanned
25. Finished leather
26. Tanning materials myrobalan and extracts
27. Iron ore
28. Mineral ores such as manganese bauxite, barytes, etc.
29. Pig iron
30. Ferro-alloys : ferro-charome, ferro-manganese, Ferro silicon etc.
31. Mica and Micanite products
32. Electrical manufactures
33. Wire ropes
34. Cooking coal and cottage metallurgical coke
35. Handicrafts and cottage industry products
36. Sports goods
37. Cinematography films exposed
38. Gramophone records
39. Books. Magazines and stamps
40. Internal combustion engines, components and accessories thereof
41. Commercial vehicles, components and accessories thereof
42. Auto ancillaries and spares
43. Industrial machinery, components and accessories thereof
44. Rolled steel products including rails
45. Various metal manufactures
46. Engineering goods such as small hand tools, builders hardware, petrol metering and dispensing pumps, industrial sewing machines, diesel engines, electric bulbs, switcher low and high tension, office type-writers, textile machinery etc.
47. Machine Tools



48. Rubber goods including tyres and footwear
49. Dry salted and tinned fish, prawns
50. Asbestos manufactures
51. Paints, pigments, varnishes and enamels
52. Mother of pearl button
53. Abrasives
54. Hosiery knitwear and ready-made garments
55. Surgical instruments and hospital equipment.