

Supplementary Agreement Shipping

March 20, 1964

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE UNITED ARAB REPUBLIC REGARDING THE TERMS FOR THE SHIPPING SERVICE

New Delhi

In pursuant to the Government Agreement on Shipping dated 2nd January, 1964 concluded between the Government of the United Arab Republic and the Government of India, the following Competent Authorities designated by the respective Governments namely :

1. The Egyptian General Organization for Maritime Transport an authority appointed under the U.A.R. Law No. 12 of 1964 for the purpose of exercising or discharging the powers, authority or duties conferred or imposed under that law and competent to designate the Organization for the implementation of this Agreement, has so designated the United Arab Company for Maritime Transport, Cairo, U.A.R. hereinafter referred to as "MARTRANS".
2. The Director General of Shipping, India, an authority appointed under the Indian Merchant Shipping Act, 1958 for the purpose of exercising or discharging the powers, authority or duties conferred or imposed under that Act and competent to designate the Organization for the implementation of this Agreement, has so designated the Shipping Corporation of India Ltd., Bombay, hereinafter referred to as "The Corporation"; HAVE agreed as follows :

Article I

The distribution of all cargoes assigned to this service shall be effected on the basis of 50% for each side, regardless of the terms of purchase, F.O.B., C.I.F., C & F. etc., provided that either flag will secure 50% of the total payable freight at the end of each year.

The cargoes are to be specified for distribution purposes into two main kinds, namely, General cargo and Bulk cargo. Each party will be entitled to a share of 50% of each of the above two mentioned kinds, separately, to be carried by national vessels.

Basically the cargo shall be shipped by the national liner vessels of both sides running the regular service.

Cargo exceeding the capacity of the national liner vessels operating regularly in the India-U.A.R. Shipping Service may be carried by other vessels.

Article II

The terms, rates of freight and conditions concerning the liner vessels of this service shall be negotiated and fixed from time to time by the Competent Authorities of the respective parties.

Article III

With a view to ensure the smooth carriage of cargoes in due time without delay the following system will be applied :

1. "The Corporation" will collect all information for the cargo to be shipped from Indian ports to U.A.R. ports. Information for F.O.B. cargo shall be supplied by "MARTRANS".
2. "MARTRANS" will collect all information for the cargo to be shipped from the U.A.R. ports to Indian ports. Information for F.O.B. cargo shall be supplied by "The Corporation".

3. "The Corporation" will handle the booking of all cargoes moving on regular service vessels from Indian ports to U.A.R. ports in connection with and upon confirmation by "MARTRANS".
4. "MARTRANS" will handle the booking of all cargoes moving on regular service vessels from the U.A.R. ports to Indian ports in consultation with and upon confirmation by "The Corporation".
5. Not later than the fifteenth of each month, each party will inform the other party of the booking position at his end and the needs for shipment by vessels other than those of the regular service. On receipt of the above information it will be the responsibility of each party to arrange for necessary shipping space expeditiously.
6. Each party will endeavour to maintain parity in the allocation of cargoes. There shall be quarterly review of the allocation of cargoes and if there is any disparity found at the end of each quarter, the same shall be rectified by suitable adjustments during the next quarter. At the end of the year the entire system will be reviewed and in the light of the experience gained a method will be devised for the maintenance of parity in the allocation of cargoes and freights between the two parties.
7. In case of need for chartering vessels "The Corporation" will be responsible for fixing chartered vessels for cargoes sold from India on C.I.F. and C and F basis and purchased from U.A.R. on F.O.B. basis. Likewise "MARTRANS" will be responsible for fixing chartered vessels for cargoes sold from U.A.R. on C.I.F. and C and F basis and purchased from India on F.O.B. basis.

Article IV

1. commission of 5% of the freight will be collected by the booking authorities of the parties concerned for cargoes booked on the regular service.
For chartered vessels, a commission of 5% of the freight shall be paid by the Shipowners to the Organisation booking the cargo. The commission collected in both cases will be divided equally between the parties annually.

Article V

Both parties agree to exchange monthly statements regarding shipments effected between the two countries.

Both parties will periodically exchange information regarding the cargo movements and the market situation in general and will mutually co-operate in all matters leading to the development of the shipping interests of both countries.

Article VI

For the purpose of studying the fulfilment of obligations under this Agreement by the parties thereto, exchanging experience and development of further contacts the parties shall arrange meetings of their representatives when necessary.

Article VII

Any alterations and amendments to this Agreement are to be agreed to by both parties in writing.

Article VIII

Any dispute arising under or out of this Agreement is to be referred to the final judgement of arbitration in Cairo if the Indian party is asking for arbitration or in New Delhi, if arbitration is asked for by Arab party.

Each party involved in the dispute shall appoint its arbitrator within 4 weeks of the demand of arbitration with power to such arbitrators to appoint an Umpire. Should any party fail to nominate its arbitrator, this arbitrator shall be nominated by the President of the Chamber of Commerce of the country of that party. Should the arbitrators disagree in respect of the Umpire to be appointed, arbitrators shall ask the President of the Chamber of Commerce of the defendant's country to nominate an Umpire. The award of the majority shall be binding, the Umpire to have the casting vote.

Payment of the costs of arbitration shall be settled by arbitrators.

Article IX

This Agreement shall come into force from the date of signatures and shall remain valid till the 31st December, 1966. It will continue thereafter in conformity with the prolongation of the Agreement between the two respective Governments.

DONE and signed in English in two originals one for each Party both being equally authentic, in New Delhi on the 20th March, 1964.

(1) The Competent Authority for the Republic of UAR

Sd /--

MOHAMED NADIM

Chairman of the Egyptian General Organisation for Maritime Transport.

(2) The Designated Organisation

Sd /--

HASSAN HAMDY

Chairman of the United Arab Company for Maritime Transport.

(1) The Competent Authority for the Government of India

Sd /--

NAGENDRA SINGH

The Director General of Shipping to the Government of India and Additional Secretary, Ministry of Transport.

(2) The Designated Organisation

Sd /--

C.P. SRIVASTAVA

Managing Director The Shipping Corporation of India Ltd.