

TRADE AGREEMENT BETWEEN THE
GOVERNMENT OF INDIA AND
THE GOVERNMENT OF CEYLON

The Government of India and the Government of Ceylon, being desirous of maintaining on an enduring basis and of further developing the trade between the two countries, have resolved to conclude a Trade Agreement and have agreed as follows:-

ARTICLE I

The two contracting parties, recognizing the needs and requirements of their respective countries in the context of their developing economies, undertake, on the basis of mutual advantage, to maintain as far as is practicable the traditional pattern of trade hitherto existing, and to explore all possibilities of expanding trade.

ARTICLE II

Each Contracting Part shall, within the framework of its laws and regulations, afford all facilities for the importation of goods produced in the country of the other Contracting Party.

Each Contracting Party shall give full consideration to the suggestions made by the other Party facilitating the export and import of specific commodities.

ARTICLE III

In recognition of the changing patterns of production and consumption resulting from the fruition of the economic development plans of India and Ceylon, the two Contracting Parties undertake to explore, through consultation from time to time, the possibility of trading in new goods.

ARTICLE IV

The two Contracting Parties shall endeavour their utmost to maintain the volume of the trade between their respective countries at the highest possible level having due regard to the changing patterns of production and consumption.

ARTICLE V

The two Contracting Parties will use their best endeavours to promote the development of shipping of both countries and, in particular, shall accord to the ships sailing under the flag of each country while entering, staying in or leaving the ports of the other country, all facilities consistent with their respective Laws and Regulations.

The above arrangements shall not apply to any concessions made to ships engaged in the coastal trade of either country.

ARTICLE VI

This Agreement shall come into force provisionally on the date of its signature by the accredited Representative of the two Contracting Parties and finally on its ratification according to the constitutional procedures prevailing in their respective countries. It shall remain in force until it is modified or terminated by either Contracting Party on giving three months' notice to the other Party.

Done at New Delhi on Saturday, the 28th day of October, 1961, in two original copies in English, both of which are authentic.