

TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA.

The Government of the Republic of India and the Government of the Democratic People's Republic of Korea (hereinafter referred to as Contracting Parties),

Noting with satisfaction the successful development of economic and trade relations between the two countries,

And desirous of further developing the economic and trade relations between the two countries on the basis of equality and mutual benefit,

Have agreed as follows :

ARTICLE I

The Contracting Parties shall take all appropriate measures, within the framework of their respective laws and regulations in force from time to time, to maximise trade between the two countries, particularly with regard to the goods and commodities mentioned in the Schedules "A" and "B" attached to this Agreement and forming an integral part thereof. Schedule "A" indicates the goods and commodities to be exported from the Democratic People's Republic of Korea to the Republic of India and Schedule "B" indicates the goods and commodities to be exported from the Republic of India to the Democratic People's Republic of Korea. The Schedules "A" and "B" are indicative lists of goods and commodities available for export from either country. These Schedules may be extended, altered or reviewed through letters exchanged between the Contracting Parties, and, in any case, shall not be construed as excluding goods and commodities not enumerated therein.

ARTICLE II

Each Contracting Party shall give full consideration to suggestions that may be made from time to time by the other Contracting Party for facilitating the import into its 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.

ARTICLE III

The trade between the Contracting Parties shall take place through contracts to be concluded under this Agreement between the exporters and importers of India, including state-owned organisations, and the Foreign Trade Corporations of the Democratic People's Republic of Korea.

ARTICLE IV

1. The Contracting Parties shall accord each other Most-favoured Nation treatment in all matters relating to trade between the two countries, among others with respect to :-

- a) taxes, custom-duties and charges of any kind on, or in connection with, importation and exportation, or on the international transfer of payment for imports and exports;
- b) the method of levying such duties and charges;
- c) all rules and formalities in connection with importation and exportation;
- d) the application of internal taxes or other internal charges of any kind on, or in connection with, imported or exported goods;

- e) the application of any form of control on means of payment or foreign exchange regulations that are existing or may be established in future.
2. The provisions of paragraph 1 shall not, however, apply to any :
- a) advantages accorded by either Contracting Party to contiguous countries for the purpose of facilitating frontier traffic;
  - b) preferences or advantages already accorded or that may be accorded by either Contracting Party to any other country/countries by virtue of sub-regional, regional or multilateral economic co-operation arrangements designed to facilitate international commerce.

ARTICLE V

The Contracting Parties may hold trade fairs or exhibitions in each other's country.

Each Contracting Party shall render to the other all facilities for holding such fairs and exhibitions within the framework of its laws, rules and regulations.

ARTICLE VI

The Contracting Parties shall explore ways and means and take necessary steps for the most convenient and economical transportation of commodities and goods between the two countries.

ARTICLE VII

1. Each Contracting Party shall grant the vessels of the other Contracting Party, whilst in its ports, and territorial waters, the Most-favoured Nation treatment under its respective laws, rules and regulations relating to their entry, stay and departure from ports and facilities for maritime commercial navigation.

2. The provisions of the preceding paragraph shall not be applied to maritime activities legally reserved by each Contracting Party for its organisations or enterprises including coastal shipping, pilotage and ocean fishing.

ARTICLE VIII

All trade transactions and payments between the exporters and importers of India, including State-owned organisations, and the Foreign Trade Corporations of Democratic People's Republic of Korea, shall be made in freely convertible currency mutually agreed upon between them in accordance with their foreign exchange laws, rules and regulations.

ARTICLE IX

In order to facilitate the implementation of this Agreement, the Contracting Parties shall consult each other as and when necessary. They shall review the working of the Agreement, preferably once a year.

ARTICLE X

This Agreement may be amended or complemented by the Contracting Parties through mutual consent in writing.

ARTICLE XI

All contracts concluded within the period of the validity of this Agreement, but not fulfilled upon its expiry, shall continue to be executed under the provisions of this Agreement.

ARTICLE XII

This Agreement shall come into force from 1st March, 1978 and shall remain valid for a period of two years. Thereafter it shall be extended automatically for a period of one year each time unless either Contracting Party gives to the other a notice in writing three months before the

expiry of the said period, of its intention to terminate this Agreement.

With the coming into force of this Agreement, the Trade and Payments Agreement concluded on 18th February, 1974 between the two Parties shall lapse.

Notwithstanding the provisions contained in Article VIII of this Agreement, all payments arising from export/import contracts and other contracts concluded between the exporters and importers of India, including State-owned organisations, and the Foreign Trade Corporations of Democratic People's Republic of Korea before the commencement of this Agreement shall continue to be governed by the Trade & Payments Agreement dated February 18, 1974 and settled as early as possible through export of goods and commodities by mutual agreement between the Contracting Parties.

Done in New Delhi on 3rd February, 1978 in two originals each in the Hindi, Korean and English languages, all texts being equally authentic.

In the event of any difference of interpretation, the English text shall prevail.

*Mahesh Prasad*

(MAHESH PRASAD)

For the Government of the Republic of India.

*류인관*

(LYU IN KWAN)

For the Government of the Democratic People's Republic of Korea.

SCHEDULE "A"

COMMODITIES AVAILABLE FOR EXPORT  
FROM DEMOCRATIC PEOPLE'S REPUBLIC  
OF KOREA TO INDIA.

1. Machinery
2. Transformers
3. Rock drill and accessories
4. Rims and accessories of wagons
5. Various kinds of tools
6. Graphite electrodes
7. Carbon rods
8. Magnesia clinker
9. Anthracite coal
10. Flourspar (acid grade)
11. Graphite crystalline
12. Graphite amorphous
13. Sulphur
14. Various kinds of refractories
15. Alloy steel
16. Rolled steel products including mild steel plates
17. Stainless steel
18. Zinc
19. Lead
20. Other non-ferrous metals and their products
21. Cement
22. Peppermint oil
23. Sodium bicarbonate
24. Polyvinyl alcohol
25. Calcium Carbide
26. Arsenic Trioxide
27. Various chemicals
28. Urea and other fertilizers
29. Vinylon fibre and other synthetic fibres
30. Hops
31. Red Insam
32. Insam products
33. Medical herbs
34. Dye and dye intermediates
35. Fog type insulators
36. Others.

SCHEDULE "B"

COMMODITIES AVAILABLE FOR EXPORT FROM  
INDIA TO THE DEMOCRATIC PEOPLE'S  
REPUBLIC OF KOREA.

1. Buses and their accessories
2. Trucks and their accessories
3. Dumpers
4. Machinery
5. Various kinds of tools
6. Bearings
7. Rolled steel products including steel billets
8. Chrome ore
9. Manganese ore
10. Iron Ore
11. Mica and mica products
12. Bauxite
13. Coal
14. Wire-netting for paper making
15. Wire rope
16. Shellac
17. Chemicals and other chemical products
18. Various kinds of dye-stuffs and dye intermediates
19. Drugs and pharmaceuticals
20. Glycerine
21. Tyres and tubes
22. Jute products
23. Textiles (cotton, woollen, silk and synthetics)
24. Cotton and rayon yarn
25. Oil for production of soaps
26. Leather and leather goods
27. Black pepper and other spices
28. Electrical goods
29. Detergents (washing powder)
30. Coir goods
31. Tobacco
32. Cigarette paper
33. Sugar
34. Cashew and other nuts
35. Rubber
36. Others.