

TRADE AGREEMENT BETWEEN THE GOVERNMENT
OF THE REPUBLIC OF SOUTH AFRICA AND THE
GOVERNMENT OF THE REPUBLIC OF INDIA

PREAMBLE

WHEREAS the Government of the Republic of South Africa (hereinafter referred to as "South Africa"), and the Government of The Republic of India (hereinafter referred to as "India") having regard to the new bonds of friendship between their countries;

RECOGNISING their mutual desire directly to establish relations with each other which will support, complement and extend co-operation between them;

HAVING RESOLVED to consolidate, strengthen and diversify the trade relations between their countries to the full extent of their growing capacity to meet each other's requirements on the basis of mutual benefit founded on most-favoured-nation ("MFN") treatment in accordance with the principles contained in the General Agreement on Tariffs and Trade ("GATT");

CONSCIOUS of the flow of trade between the Republic of South Africa and the Republic of India;

MINDFUL that the more dynamic trade relationship desired by South Africa and India calls for close co-operation across the whole range of trade activities;

CONVINCED that such co-operation should be realised in evolutionary pragmatic fashion, as their policies develop;

DESIRING FURTHERMORE to strengthen their relations and to

HAVE DECIDED to enter into an agreement with one another in regard to trade co-operation;

NOW THEREFORE South Africa and India (hereinafter jointly referred to as the Contracting Parties") hereby agree as follows:

ARTICLE I

- (1) Each contracting party shall grant to the country of the other most-favoured-nation treatment in all matters relating to import and export licenses, custom duties and all other charges and taxes applicable to importation, exportation and transit of goods.
- (2) In all matters relating to import and export licences or permission where such licenses or permissions are prescribed under its regulations each contracting party shall grant to the country of the other treatment not less favourable than that granted to third countries.

ARTICLE II

Any advantages, favours, privileges or immunities which any contracting party has granted or may grant to a third country in respect of any product originating in the territory of that third country or destined for its territory, shall be granted immediately and unconditionally by such contracting party in respect of like products originating in the territory of the other contracting party or destined to be imported into its territory.

ARTICLE III

The provisions of Article I and II above shall not, however, apply to the grant or continuance, if any, of -

- (a) advantages which either of the Contracting Parties has granted or may grant contiguous countries to facilitate frontier traffic;
- (b) preferences or advantages, accorded by either contracting party to any other country, in accordance with a bilateral preferential trade agreement or arrangement existing on the date of signature of this Agreement or in replacement of such preferences or advantages that existed prior to the 10th April, 1947;
- (c) advantages or preferences which either of the Contracting Parties has granted or may grant under any scheme for the expansion of trade and economic cooperation among developing countries which scheme is open for participation by developing countries and to which either of the Contracting Parties is or may become a party;
- (d) advantages or preferences which result from membership of a Customs Union and/or Free Trade Area to which either of the Contracting Parties is or may become a party.

ARTICLE IV

- (1) The exchange of goods within the framework of this Agreement shall be carried out in terms of contracts concluded between either juristic or natural persons of the Republic of South Africa of the one part and juristic or natural persons of the Republic of India of the other part.
- (2) The said party to a contract contemplated in sub-Article (1) shall be responsible for the fulfilment of the contracts concluded by them in compliance of the laws and regulations in force in the country where any obligations thereunder is to be fulfilled.

ARTICLE V

Each contracting party shall, for the purpose of this Agreement and subject to the relevant laws and regulations in force in its country, encourage enterprises and firms of the country of the other contracting party to organise trade fairs and exhibitions in the first mentioned country and shall actively facilitate the staging of such fairs and exhibitions.

ARTICLE VI

(1) Each contracting party shall, subject to the laws and regulations in force in its country, allow the importation from the country of the other, free from customs duties and other levies, of -

(a) the following goods destined for any fair, exhibition, demonstration, seminar, congress or conference in the country of the other contracting party and not intended for sale, namely -

(i) goods to be displayed, exhibited or demonstrated at such a fair, exhibition or demonstration;

(ii) goods necessary for the purpose of demonstrating foreign machines or apparatus to be displayed or exhibited;

(iii) advertising and publicity materials such as posters, books and pamphlets, advertising and demonstration materials (which are demonstrably publicity material for the goods displayed) such as sound recordings, films and lantern slides as well as apparatus for the use thereof;

- (iv) equipment including interpretation and sound recording apparatus; and
- (v) construction and decorating materials and electrical fittings for the temporary stands or for the display or exhibition, of the goods contemplated in subparagraph (i);
- (b) goods and instruments which are part of the personal baggage of technicians and experts and destined to be used by them in the course of duties to be performed by them in relation to such fairs, exhibition, demonstration, seminar, congress or conference by virtue of their assignment thereto;
- (c) articles which, after having been exported, are returned for repairs, provided such articles are re-exported after such repairs;
- (d) containers of a durable nature.

ARTICLE VII

Payment for goods and services arising from the implementation of this Agreement shall be made in freely convertible currencies in accordance with the foreign exchange laws and regulations in force in the Republic of South Africa and the Republic of India respectively.

ARTICLE VIII

- (1) The Contracting Parties agree that the authorities responsible for the implementation of the provisions of this Agreement and other matters relating thereto shall, in the case of South Africa be its Department of Trade and Industry and, in the case of India, the latter's Ministry of Commerce.

- (2) These responsible authorities of the Contracting Parties shall communicate to their principals to the extent possible, all useful information which could contribute to the expansion of trade and commercial activities between the two countries.

ARTICLE IX

- (1) In order to review the working and facilitate the effective implementation of this Agreement, the Contracting Parties shall establish a joint intergovernmental committee consisting of not more than ten South African and Indian representatives respectively.
- (2) The said joint committee shall meet at such times as may be agreed upon by the Contracting Parties alternatively in the Republic of South Africa and in the Republic of India.

ARTICLE X

- (1) Either contracting party may, by a written notice transmitted through appropriate diplomatic channels, present to the other contracting party a request for revision or amendment of this Agreement, which revision or amendment, if mutually agreed upon by the Contracting Parties in writing, shall form an integral part of this Agreement.
- (2) Any amendment of this Agreement or the termination thereof shall not adversely effect or in any way prejudice any rights or obligations accrued or incurred by virtue of the application of this Agreement prior to the effective date of such amendment or termination.

ARTICLE VI

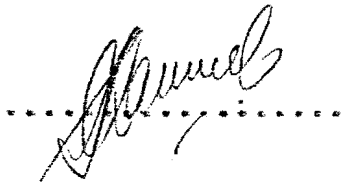
Any dispute as to the interpretation and the implementation of this Agreement shall be resolved through negotiations between the Contracting Parties.

ARTICLE VII

- (1) This Agreement shall enter into force on the date of signature and shall remain in force until terminated in terms of sub-Article (2).
- (2) This Agreement shall terminate on a day three months after the date upon which either contracting party has given the other notice in writing of the proposed termination.

IN WITNESS WHEREOF, the duly authorised representatives of the Contracting Parties have signed and sealed this Agreement in four originals in the English language.

DONE AT JOHANNESBURG ON THIS DAY OF 22 AUGUST
IN THIS YEAR ONE THOUSAND NINE HUNDRED AND NINETY-FOUR.



(TREVOR MANUEL)
MINISTER OF TRADE AND INDUSTRY
FOR AND ON BEHALF OF THE
GOVERNMENT OF THE
REPUBLIC OF SOUTH AFRICA.



(PRANAB MUKHERJEE)
MINISTER OF COMMERCE
FOR AND ON BEHALF OF THE
GOVERNMENT OF THE
REPUBLIC OF INDIA.