

Agreement on Economic and Technical Co-operation

April 06, 1973

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF IRAQ ON ECONOMIC AND TECHNICAL COOPERATION

New Delhi

The Government of INDIA, and The Government of the Republic of IRAQ,

ANIMATED by the desire to develop, extend and consolidate economic, technical and trade relations between their respective countries on the basis of equality and mutual benefit,

HAVE agreed on the following:

Article 1

The Government of India and the Government of the Republic of Iraq shall co-operate with each other in the development of industry and agriculture and for the industrialisation of mineral and hydrocarbon resources as well as tourist.

Article 2

Taking into consideration the good relationship between the two countries, the Government of India and the Government of the Republic of Iraq shall through their respective authorised organisations and enterprises, facilitate and stimulate in every possible way within the limits of their respective legislations in force every kind of participation in the economic development of both countries.

Article 3

The Government of India shall assist the Government of the Republic of Iraq in implementing the projects mentioned in the list No. 1 attached to this Agreement and for this purpose shall endeavour to supply the following :

1. Economic and technical studies;
2. Complete plants, machinery and equipment of Indian manufacture;
3. Designs, plans, technological know-how, documents and studies connected with erection works;
4. Production licences and patents;
5. Spare parts of Indian manufacture for the initial outfit of the respective plants, machinery and equipment;
6. Other Indian goods and products as may be mutually agreed to between the two Governments;
7. The services of Indian specialists, technicians and experts and training facilities for Iraqi nationals in India, as may be requested for by the Government of the Republic of Iraq from time to time.

As regards projects, not included in List No. 1, Indian organisations will have the option to bid for them also. Such bids will be evaluated, along with others on a competitive basis.

Article 4

Subject to mutual agreement and in accordance with the Trade Plans referred to in Article 7 of this

Agreement, both Parties shall endeavour to realise the objective that at least 20% of the FOB value of Indian exports of projects, goods and services to Iraq shall be matched by exports of Iraqi goods as mentioned in List No. 2 attached to this Agreement, other than crude oil, and that at least 80% of Iraqi exports to India shall be in the form of crude oil.

Article 5

Deliveries of products, machinery and equipment from India to Iraq shall be effected on FOB or C&F basis. Deliveries of crude oil and other goods from Iraq to India shall be effected on FOB basis.

Article 6

The costs and prices of complete plants and projects, the prices of products, machinery, equipment, spare parts and services contracted in accordance with the Agreement as well as the prices of crude oil and other Iraqi goods shall be determined by mutual agreement between the competent organisations of both sides on the basis of the prices prevailing in the international markets for similar goods in quantity and specification at the time of the conclusion of the respective contracts.

Article 7

The two Governments shall, within the terms of the present Agreement and the Trade Agreement of 1971 enter into arrangements with regard to the Trade Plans concerning the goods and services to be supplied and the monetary ceilings of each goods and services over a period of one year or more as may be mutually agreed upon between the two Governments. Arrangements for the first Trade Plan under this Agreement shall be concluded between the two Governments within 3 months of the date of coming into force of this Agreement.

The Trade Plans will be formulated on the basis of the requirements of the projects, goods and services from one side to the other, matched against the availability of such projects, goods and services in the other country. The Plans would be on a balanced basis to the extent possible.

The Governments of Iraq and India shall, in pursuance of the Trade Plans to be drawn up by the representatives of the two Governments, make their own arrangements to settle the claims of their respective exporting organisations in accordance with their rules and regulations. Both sides may commence their exports immediately after the Trade Plans have been signed, irrespective of the fact whether funds in favour of either country have been generated or not.

Article 8

The settlement of payments and other charges relating to the implementation of this Agreement shall be effected in the manner stipulated in the Payments Arrangements attached to this Agreement which shall form an integral part of this Agreement.

Article 9

The two Governments shall ensure that their competent authorities shall grant export and import licences in accordance with the laws and regulations in force in the two countries.

Article 10

The two Governments agree that the goods and services delivered under this Agreement shall not be re-exported to third countries except with the prior approval of the Government whose goods and services are affected.

Article 11

In order to ensure the smooth implementation of this Agreement, the two Governments agree to establish within 3 months from the date of coming into force of this Agreement, a Joint Committee composed of representatives to be appointed by the two Governments. This Committee shall

convene upon request of either Party in New Delhi and Baghdad alternatively and shall have the following tasks :

1. To eliminate all difficulties which might arise from the implementation of this Agreement;
2. To make suggestions aiming at the improvement and expansion of the economic relations between the two countries;
3. To modify the lists numbered 1 and 2 attached to this Agreement.

Article 12

Disputes between the juridical persons of both countries which may result from delivery and service contracts shall be settled according to the provisions made in the contracts.

Article 13

The respective Indian organisations may set up technical offices and after-sale service in the Republic of Iraq in connection with the implementation of contracts concluded under this Agreement in accordance with laws and regulations in force in Iraq. The Iraqi side may set up offices in India to promote trade between the two countries in accordance with laws and regulations in force in India.

Article 14

All taxes and duties which may be imposed within the territory of Iraq in connection with the implementations of projects and supplies mentioned in list No. 1 shall be borne by the Iraqi Government excluding income tax on personnel and sub-contracts.

All other taxes and fees shall be borne by the Indian side.

Article 15

The Agreement shall come into force as from the date of exchanging official notes confirming both Governments' approval of it. It should be valid for 5 years and shall thereafter be automatically renewed for similar periods unless a notice of termination in writing is given by either Party 3 months prior to the expiry of the period of this Agreement. This Agreement and the two lists thereto may be modified and/or amended after mutual consultations between the two Governments.

DONE and signed in New Delhi on the sixth day of April, one thousand nine hundred and seventy three in two originals in the English language, both texts being equally authentic.

Sd/-

D.P. CHATTOPADHYAYA

For the Government of Republic of India

Sd/-

SADOUN HAMMADI

For the Government of the Republic of Iraq

LIST NO. 'A'

1. Railway Project - Baghdad - Ramadi - Al Qaim
2. Steel Rolling Mills
3. Electric Power Transmission facilities

4. Ship Building and Ship Repair facilities
5. Supply of Iron Ore for the Iraqi Iron and Steel Project
6. Equipment & Machinery for the Cotton Textile and Jute Industries
7. Cotton Textile Mills
8. Woollen Textile Mills
9. Sugar Factories
10. Power Transmission and Distribution Equipment
11. Soda-ash Plant
12. Manufacture of Water Pumps and other items of light engineering industries
13. Wire and Cable Factory
14. Paper Mill Expansion
15. Aluminium Project and the supply of raw materials
16. Fertilizer Project
17. Storage tanks, pipe lines and equipment for the petroleum and chemical industries
18. Equipment and machinery for fertilizer and natural gas plants.

LIST NO. 'B'

1. Crude Oil
2. Petroleum Products
3. Sulphur and other Mining Products
4. Dates
5. Raw Hides and Skins
6. Vegetable oils
7. Rayon and Rayon Yarns
8. Liquerice Roots for the Pharmaceutical Industry
9. Chemical Products of engineering and electric or technical engineering
10. Products from Projects which are established under this Agreement
11. Wool
12. Gall Nuts
13. Linseed
14. Woollen carpets and Mats
15. Detergents

16. Date Syrup

17. Fertilizers.