APPENDIX - IV

PRESS RELEASE ON INDO-BANGLADESH TRADE AGREEMENT ISSUED IN NEW DELHI,
17 December, 1974 *

(Full Text)

The representatives of the Government of India and of the People's Republic of Bangladesh, in the course of discussions in New Delhi between working of the Balanced Trade and Payments Arrangements under the Protocol to the Trade Agreement entered into between the two countries on 5 July 1973 and supplemented by the documents exchanged on 30 September, 1974 and determined to improve and increase their two way trade, have agreed as follows:

(1) With effect from 1 January, 1975, all payments and charges in connection with trade between the two countries shall be affected in freely convertible currencies in accordance with the foreign exchange regulations in force in each country from time to time.

(Contd:...)

* Foreign Affairs Record, Vol. XX, No. 12, December, 1974, p. 318.
(2) The existing arrangements as envisaged in the documents exchanged on 30 September, 1974 in respect of coal, jute, tobacco, newsprint and fresh fruit for which commercial contracts have already been concluded, will be extended upto 28 February, 1975 to enable uncompleted deliveries to be completed. For this purpose, where necessary, the existing contracts will be extended upto 28 February, 1975 on existing terms and conditions including prices and payment arrangements. This will be in partial exception to the arrangements envisaged in paragraph (1) above.

(3) Coal and Jute will be supplied by India and Bangladesh respectively during this year 1975 on terms and conditions and for such quantities as may be mutually decided upon.

(4) India will buy fish valued approximately at Rs. 350 lakhs during 1975 at prices acceptable to the contracting agencies in the two countries.

(5) The existing institutional arrangements for trade in general and in specific commodities, e.g., Joint Review of the Trade Agreement, Transport Coordination Committee and Operational levels, Review Committee on Fish, would continue to function as before.

(Contd. .... )
(6) It was agreed that the technical credit outstanding against Bangladesh as on 28.2.75 will be converted into an inter-Governmental loan to be repaid to the Government of India in such instalments that 50 percent of the amount of loan is repaid by or on 31 March, 1976 and the balance by or on 31 March, 1977. The outstanding amount of the loan will carry interest at 5 percent per annum which will be paid along with the instalments of the loan.

Done in New Delhi on 17 December, 1974 in two Original Copies in the English Language, both of which are equally authentic.