TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF MALDIVES

The Government of the Republic of India and the Government of the Republic of Maldives, hereinafter referred to as the Contracting Parties:

Desirous of developing and strengthening trade and economic relations between their respective countries in accordance with their development and trade needs and objectives on a mutually beneficial basis :

Have agreed as follows:

ARTICLE I

The Contracting Parties shall promote the development of trade and economic relations between their respective countries within the framework of their laws, rules and regulations.

ARTICLE II

Each Government shall accord to the commerce of the other Government treatment no less favourable than that accorded to the commerce of any third country.

ARTICLE III

The provisions of Article II shall not prevent the grant or continuance of:

a) Privilege which are or may be granted by either of the two Governments in order to facilitate frontier trade.

b) Advantages and privileges which are or may be granted by either of the two Governments to any of their respective neighbouring countries.

c) Advantages resulting from a customs union, a free trade area or similar arrangements which either of the two Governments has concluded or may conclude in the future.

d) Advantages or preferences accorded under any scheme for expansion of trade and economic co-operation among developing countries, which is open for participation by all developing countries and to which either of the two Governments is or may become a party.

ARTICLE IV

All payments between the two countries shall be made in freely convertible currency, subject to foreign exchange regulations and other pertinent laws, rules and regulations effective in either country.

ARTICLE V

In order to develop further trade between two countries, the Contracting Parties shall encourage and facilitate the visit of commercial and technical representatives, groups and delegations of either party to the country of the other and the participation by either country in trade fairs and in arranging exhibitions of either country in the territory of the other, on terms to be agreed between their competent authorities.

The exemption from customs duties and other similar charges on articles and samples intended for fairs and exhibitions, as well as their sale and disposition, shall be subject to the laws and regulations of the country where such fairs and exhibitions are held.

ARTICLE VI

Notwithstanding the foregoing provisions, either Contracting Party may maintain or introduce such restrictions as are necessary for the purpose of:

a) Protecting public morals;

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b) Protecting human, animal and plant life;

c) Safeguarding national treasures;

d) Safeguarding the implementation of laws relating to the import and export of gold and silver bullion; and

e) Safeguarding such other interests as may be mutually agreed upon.

ARTICLE VII

Merchant cargo-bearing vessels of either Contracting Party shall be granted most-favoured nation treatment in respect of entry into, stay in and departure from the ports of the other Party as well as in the use of the facilities therein in accordance with laws, rules and regulations in force in the said other Party.

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

ARTICLE VIII

Notwithstanding the other provisions of this Agreement, the Government of the Republic of India, having regard to the fact that it has traditionally been supplying certain essential commodities to the Maldives, has agreed to facilitate supply to the Maldives of specified quantities of commodities, to be determined bilaterally, even if they may fall under the prohibited or restricted category and in terms of the stipulations of Article IX below.

ARTICLE IX

In order to effect to the provisions of Article VIII the Contracting Parties have agreed that the Government of the Republic of Maldives will furnish to the Government of the Republic of India a list of the essential commodities required by the former in a calendar year by the end of the month of November of the year preceding the year to which the requirement relates. Specified quota allocations for the following calendar year shall be made by the Government of the Republic of India by the end of December with due regard to the supply availability and the overall need of the Government of the Republic of Maldives.

ARTICLE X

In order to facilitate the implementation of this Agreement, the two Governments shall consult each other as and when necessary.

ARTICLE XI

This Agreement shall come into force on the 31st day of March, 1981. It shall remain in force for a period of 1 year. The Agreement shall thereafter continue to remain in force until it is modified or terminated by either Contracting Party on giving 3 months notice to the other Party.

Done in Male on the 31st day of March, 1981 in two original copies, each in Hindi and English both the texts being equally authentic. In case of doubt, the English text shall prevail.

Sd/- x x x	Sd/- x x x
(KHURSHEED ALAM KHAN)	**(ABDUL SATTAR)**
Minister of State, Ministry of Commerce,	*Minister of Fisheries,*
GOVERNMENT OF THE REPUBLIC OF INDIA	**GOVERNMENT OF THE REPUBLIC OF MALDIVES**