

**PROTOCOL¹ BETWEEN THE GOVERNMENT OF
INDIA AND THE GOVERNMENT OF THE
ISLAMIC REPUBLIC OF PAKISTAN ON
RESUMPTION OF TRADE
New Delhi, 30 November 1974**

RECALLING the provisions of the Simla Agreement² of 1972 to progressively restore and normalise relations between the two countries,

REAFFIRMING the desire of their respective Governments for resumption of trade and cooperation in economic and other agreed fields,

RESOLVING to explore possibilities of establishing channels of trade on a mutually beneficial basis,

REALISING the significant opportunities arising out of economic growth in the two countries, and

DESIRING to develop and extend the commercial relations between their two countries on the basis of equality and mutual benefit.

The Delegations of India and Pakistan which met in New Delhi from 26 to 30 November, 1974,

HAVE agreed as follows :

1. Necessary steps will be taken by both countries to lift the embargo on trade between the two countries with effect from 7th December, 1974.
2. Trade will be conducted on the basis of free convertible currency in accordance with the foreign exchange regulations in force from time to time in each country.
3. Trade between the two countries will be on the basis of the most-favoured-nation treatment in accordance with the provisions and decisions of the GATT.

1 Came into force on 30 November 1974

2 IBTA Vol. 7 Doc. No. 463.

4. To begin with, and unless otherwise agreed, trade will be conducted on Government-to-Government basis or through Government Controlled Trade Corporations of the two countries, for which purposes representatives of the concerned organisations will meet from time to time.

In this connection, the immediate possibilities of commencing trade in the following commodities was noted :

Cotton
Engineering goods
Jute manufactures
Iron Ore
Railway equipment
Rice and
Tea.

5. Keeping in view the importance of immediate restoration of direct shipping services between the two countries for facilitating the movement of goods and trade, it was agreed that experts of the two countries should meet in December, 1974 to work out details in this regard.

Likewise, discussions will be arranged at a mutually convenient time for the restoration of the rail links to serve mutual trade.

6. A Trade Agreement will be concluded between India and Pakistan in the near future for which purpose a delegation from India will visit Pakistan in the first week of January, 1975.

This Protocol will come into force on the date of signing.

Sd/-

Y.T. SHAH
Commerce Secretary
Government of India

Sd/-

EJAZ AHMAD NAIK
Commerce Secretary
Government of Pakistan
