

**AGREEMENT¹ BETWEEN THE GOVERNMENT
OF INDIA AND THE GOVERNMENT OF THE
UNION OF SOVIET SOCIALIST REPUBLICS
ON COOPERATION IN THE FIELD OF
ECONOMIC AND TRADE RELATIONS**
New Delhi, 29 November 1973

The Government of the Republic of INDIA

AND

The Government of the UNION of SOVIET SOCIALIST REPUBLICS,

DESIRING to further strengthen and develop friendship and cooperation between their two countries on the basis of the Treaty² of Peace, Friendship, and Cooperation between the Republic of India and the Union of Soviet Socialist Republic of August 9, 1971,

RECALLING that as a result of a wide range of cooperation between the two countries in many branches of the economy of India a number of major industrial enterprises and projects have been established and are being set up, such as iron and steel plants in Bhilai and Bokaro, machine building plants in Ranchi, Hardwar, Durgapur, refineries in Barauni and Koyali, oil production projects, electric power stations and other projects, and that these conform to the programme of the Government of India for developing its economy and strengthening the economic independence of India,

PROCEEDING from their common aspiration for all possible expansion and deepening of mutually beneficial economic and trade cooperation between the two countries and convinced that such

1. Came into force on 29 November 1973.

2. IBTA Vol. No. 7 Doc. No. 434.

cooperation will be in the interests of the people of both the countries in their struggle for economic and social progress,

HAVE AGREED to conclude this Agreement which provides as follows :

Article 1

The Parties to this Agreement shall continue to further develop and strengthen economic and technical cooperation as well as trade between the two countries on the basis of the principles of respect for sovereignty, territorial integrity, non-interference in internal affairs of each other, equality, and mutual benefit. Such cooperation shall be implemented and strengthened in the fields of industry, power, agriculture, geological surveys, training of personnel, and trade, as well as in all other branches of the economy of the two countries where the necessary economic pre-requisites are favourable for rapid development.

Article 2

The cooperation mentioned in Article 1 hereof shall aim at exploring the possibilities of developing the economies of the two countries, in production collaboration and in the sharing and utilisation of up-to-date technical and technological achievements on mutually favourable terms, particularly bearing in mind the following objectives :

- (i) Cooperation in designing and construction of mutually agreed enterprises and projects in the field of iron and steel and non-ferrous metals production, prospecting, production and refining of oil, natural gas, coal and other minerals, power engineering, petrochemical industry, shipping and other branches of industry, agriculture as well as providing facilities for training personnel, will be effected by expanding projects previously undertaken with the assistance of the USSR, by setting up new industrial and agricultural and other projects and also by assisting in establishing institutes for specialised training. The Parties will cooperate in further expansion of iron and steel plants in Bhilai and Bokaro to increase their annual capacity to 7 and 10 million tonnes respectively, in the construction of the oil refinery in Mathura with the annual capacity of 6 million tonnes of oil, of the copper mining complex in Malanjkhand, of the Calcutta underground railway project, and also of other projects as may be further agreed upon between the two parties, as well as in development of the manufacturing cooperation in the field of

non-ferrous metals production, and light and other branches of industry.

- (ii) For the aforementioned purposes the Government of the Union of Soviet Socialist Republics will extend to the Government of the Republic of India credits, the amounts and terms and conditions of which will be settled by separate agreements.
- (iii) Steady development of goods turnover by increasing deliveries of complete and other equipment, expanding the nomenclature and increasing the quantities of goods of mutual interest, will be furthered.
- (iv) Methods of reciprocal settlement of accounts and terms of credit relations will be streamlined and improved.
- (v) The two parties shall cooperate in the matter of supply of equipment and services for setting up plants in third countries.

Article 3

Attaching great importance to the scientific and technical cooperation between the Union of Soviet Socialist Republics and the Republic of India contributing to the scientific and technical progress of both countries, including in the fields of atomic energy for peaceful uses, space, electronics, as well as to the development of economic relations, the two parties deem it necessary to further develop and strengthen this cooperation.

Article 4

The Parties to this Agreement shall promote in every possible way cooperation between the concerned organisations of the Republic of India and the Union of Soviet Socialist Republics in the field of economic and trade relations, as well as facilitate the conclusion of appropriate long-term agreements and contracts on the basis hereof, consistent with the mutual interests of the parties and in conformity with the laws in force in each of the two countries.

Article 5

The Parties to this Agreement, noting that the promotion of exports of each country to the markets of the other remains their common aspiration for the future, shall, consistent with their international obligations, further grant mutual advantages, privileges, facilities and favourable terms in the field of trade and economic relations in compliance with the agreements and treaties in force between them.

Article 6

The Parties to this Agreement shall regularly consult each other on matters of mutual interest pertaining to economic and trade relations between the two countries.

Article 7

This Agreement shall enter into force on the date of signature. The present Agreement is signed for a term of FIFTEEN years and shall be prolonged automatically for every subsequent period of five years unless one of the Parties declares its intention to terminate its operation by notifying the other Party six months before the expiration of the term of the Agreement.

DONE in New Delhi on 29th November, 1973 in two original copies, each in the Russian, Hindi and English languages, all texts being equally authentic.

Sd/-

INDIRA GANDHI
Prime Minister of India

Sd/-

L. I. BREZHNEV
General Secretary of the
Central Committee of the CPSU
and Member of the Presidium
of the Supreme Soviet.
