

No. 5427

**ITALY
and
INDIA**

Exchange of notes (with annexes and agreed minute) constituting a trade agreement. Rome, 6 October 1959

Official text: English.

Registered by Italy on 2 November 1960.

**ITALIE
et
INDE**

Échange de notes (avec annexes et procès-verbal approuvé) constituant un accord commercial. Rome, 6 octobre 1959

Texte officiel anglais.

Enregistré par l'Italie le 2 novembre 1960.

No. 5427. EXCHANGE OF NOTES CONSTITUTING A TRADE AGREEMENT¹ BETWEEN ITALY AND INDIA. ROME, 6 OCTOBER 1959

I

Rome, the 6th October 1959

Dear Mr. Caruso,

During the course of recent discussions between the representatives of the Governments of India and Italy regarding closer economic relations between the two countries, it has been confirmed that these relations will be regulated by the following provisions :

(1) The Governments of India and Italy will give all facilities to promote trade between the two countries and will treat fairly and equitably all questions arising in this connection.

(2) The representatives of the Government of India have confirmed that within the currency groups adopted by India, there will be no territorial discrimination and, accordingly, applications for licences for import and export of goods from and to Italy shall be treated equally favourably with applications for import and export from and to any other country of the currency group, in which Italy may be placed, in accordance with the import, export and foreign exchange laws and regulations in force from time to time, saving any specific commitments in particular trade agreements and ad hoc arrangements.

(3) The representatives of the Government of Italy have confirmed that as regard imports or exports into and from Italy, India shall enjoy the same treatment as is accorded to countries of the sterling area group in the Italian foreign trade regulations, saving any specific commitments in particular quota trade agreements.

(4) The regulations relating to the control of imports and exports as established by the two Governments for each period will be made known through Public Notices. It is understood that these regulations are liable to be modified from time to time.

(5) The representatives of the two Governments have agreed to give all possible facilities for publicity in their respective countries to the commodities

¹ Came into force on 6 October 1959, in accordance with the provisions of the said notes,

available for export in the other country. The lists of some of the goods available for export from Italy to India and from India to Italy are enclosed at Schedules A¹ and B,² respectively.

(6) The lists of commodities mentioned in paragraph (5) above are without prejudice to the right of persons or firms of either country to enter into business transactions in respect of goods and commodities not forming part of these lists, subject to and in conformity with the import, export and foreign exchange regulations in force from time to time in either country.

(7) Pending the conclusion of a more permanent and complete agreement, meant to regulate all matters inherent to navigation, all ships belonging to either of the two countries shall be accorded in respect of their movement in the ports of the other country, use of the port plants, bunkering and other services as well as of duties and taxes, treatment no less favourable than that granted to ships of any other foreign country.

The above arrangements shall not apply to any concessions made to ships engaged in the coastal trade of either country.

(8) As regards airlines, the Government of India and Italy will use their best endeavours to promote the air lines of the two countries for their carriage of goods and passengers, and they will give fair and equitable treatment to all questions arising in this connection.

(9) The two Governments undertake to facilitate to the extent possible mutual interchange and import of films produced in either country.

(10) All payments and settlements in relation to imports and exports between the two countries shall be made in accordance with their respective foreign exchange laws and regulations.

(11) The representatives of the two Governments agree that transfers of salaries and wages by nationals of either country working for a limited period in the other country would be freely allowed, after deduction of living expenses, taxes, and social assurances, subject to exchange control permission having previously been obtained for such employment and remittances.

This is without prejudice to nationals of either country availing themselves in full of the facilities permitted under the foreign exchange regulations in force in either country from time to time if such facilities should be more liberal.

¹ See p. 274 of this volume.

² See p. 280 of this volume.

(12) The representatives of the two Governments, taking note of the desire of both the countries for expanding trade and closer economic and industrial cooperation, and recognising that an increase in Indian exports to Italy is important for the fulfilment of this desire, have emphasised the need for practical measures to strengthen mutually beneficial economic cooperation between industrial enterprises, sales organisations and banking institutions on both sides.

To this end and in order to facilitate the implementation of the present Agreement, it has been agreed that the two Governments will consult each other from time to time on measures for the promotion and extension of trade relations between the two countries. For this purpose, a Commission composed of the representatives of the two Governments will meet at the request of either party at a place and time to be mutually agreed upon. The Commission will endeavour to take such steps as may be found necessary to widen and deepen economic relations between the two countries on a mutually beneficial basis.

(13) The terms and conditions of the letters exchanged between the representatives of the two Governments on the 14th December 1955 are embodied in this Agreement.

(14) This Agreement will come into effect immediately and shall remain valid up to 30th June, 1960. The Agreement shall continue to operate for another year unless either Party inform the other of their intention to terminate it within three months of the above-mentioned date.

The schedules A and B will, however, be subject to revision, if necessary, at the commencement of July, 1960.

Yours sincerely,

K. B. LALL, I.C.S.
Additional Secretary to the Government of India
Ministry of Commerce and Industry
Leader of the Indian Government
Trade Delegation

S. E. l'Ambasciatore Casto Caruso
Direttore Generale degli Affari Economici
Ministero degli Affari Esteri
Roma¹

¹ His Excellency Mr. Casto Caruso, Ambassador,
Director-General for Economic Affairs,
Ministry of Foreign Affairs,
Rome.

SCHEDULE A

LIST OF SOME OF THE GOODS AVAILABLE FOR EXPORT FROM ITALY TO INDIA

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| 1. Dairy products | 36. Staple fibre |
| 2. Fruits and peels, candied | 37. Velvet and ribbons |
| 3. Starch, farine and dextrans | 38. Mixed fabrics, made of any textile fibre |
| 4. Seed, potatoes and spring potatoes | 39. Elastic ribbons and fabrics |
| 5. Garlic, onions and other fresh vegetables | 40. Haberdashery |
| 6. Dried fruit | 41. Snap fasteners |
| 7. Tomato conserves | 42. Zip fasteners |
| 8. Canned foodstuffs (fruit pulp, pickles, etc.) | 43. Hats and caps |
| 9. Macaroni, spaghetti and vermicelli | 44. Buttons |
| 10. Preserved foodstuffs | 45. Corozo nut blanks for buttons |
| 11. Beverages, non alcoholic, and mineral waters | 46. Manufactures of aluminium and alloys thereof |
| 12. Wines, vermouth, marsala, liqueurs | 47. Magnesium alloys and manufactures thereof |
| 13. Forage seeds | 48. Manufactures of lead, tin, zinc and alloys thereof |
| 14. Sewing thread, cotton | 49. Collapsible tubes for paints, perfumery, varnishes and the like |
| 15. Cotton yarn | 50. Domestic hardware, stoves, enamelled for bath tubs |
| 16. Cotton fabrics | 51. Builder's hardware, viz. door-locks, suitcase locks, hinges, etc. |
| 17. Cotton knitted apparel | 52. Other hardware, viz. panel pins, screws, ox and dog chains, etc. |
| 18. Shoddy wool and wool waste | 53. Incandescent pressure lamps |
| 19. Wool, raw, synthetic, in tops | 54. Incandescent mantles |
| 20. Hand knitting wool | 55. Table glassware |
| 21. Woollen yarn, pure and mixed | 56. Vacuum flasks |
| 22. Shoddy woollen yarn | 57. Glass articles for technical uses |
| 23. Woollen hosiery and knitted apparel | 58. Other glass manufactures |
| 24. Woollen fabrics and manufactures | 59. Domestic china and porcelainware |
| 25. Blankets, plaids, scarves and shawls | 60. Porcelain insulators |
| 26. Woollen carpets, floor rugs | 61. Other porcelain, majolica and ceramic products |
| 27. Felts for paper mills | 62. Earthenware, pipes and sanitaryware |
| 28. Felts for caps and hats | 63. Glazed tiles |
| 29. Raw silk | 64. Table cutlery |
| 30. Silk cocoons | |
| 31. Spun silk yarn | |
| 32. Silk and artsilk socks and stockings | |
| 33. Silk fabrics and manufactures | |
| 34. Artificial silk yarn | |
| 35. Artificial silk fabrics | |

65. Railway rolling stock
66. Railway and tramway axles, wheels and tyres
67. Ball and roller bearings and axle boxes
68. Other iron and steel manufactures
69. Agricultural machinery and parts thereof
70. Tractors and spare parts thereof
71. Building and construction machinery and parts thereof
72. Dyeing, bleaching and mercerizing machinery and parts thereof
73. Machinery for mines and quarries, and parts thereof
74. Tanning machinery and machinery for the leather industry, and parts thereof
75. Machinery for flour-mills, macaroni works, bakeries, etc. and parts thereof
76. Machinery for confectioneries, and parts thereof
77. Machinery for aerated-water industry, and parts thereof
78. Machinery for paper industry, and parts thereof
79. Printing machinery and parts thereof
80. Printing types
81. Machinery for book-binding, and parts thereof
82. Machinery for working moulding powders, and parts thereof
83. Machinery and plant for refrigeration and cold storage, and parts thereof
84. Air conditioning machinery and plant, and parts thereof
85. Machinery and instruments for the manufacture of electric bulbs, and parts thereof
86. Tools and instruments for arts and crafts
87. Woodworking machinery
88. Textile machinery including machinery for hosiery, hatmaking, net-making, and parts thereof
89. Textile mill stores (tubes, bobbins, shuttles, etc.)
90. Card clothing
91. Sewing machines, domestic and industrial, and parts thereof
92. Typewriters, adding machines and calculating machines, and parts thereof
93. Cash-registers, and parts thereof
94. Presses, hydraulic, and of other types
95. Pumps, compressors, motor-compressors, ventilators and parts thereof
96. Transformers and auto-transformers
97. Electrical generators and motors
98. Turbines
99. Electric stoves, cooking ranges, refrigerators, water-heaters, and parts thereof
100. Exhaust fans
101. Electric table fans
102. Other electrical appliances
103. Machine tools, including automatic machine tools
104. Internal combustion engines for vehicles of cylinder capacity about 4,000 cu. cm.
105. Motors, including piston engines
106. Industrial furnaces
107. Other machinery
108. Scientific, engineering, optical instruments and apparatus
109. Spectacles, including glare glasses and goggles
110. Alarm clocks, watches including time indicators
111. Meters, all sorts

112. Apparatus and material for radio-telephony, radiotelegraphy, and radio reception and broadcasting
113. Apparatus and equipment for cinematography
114. Photographic material (photographic papers, films, plates, etc.)
115. Photographic cameras, including carrying cases
116. Raw films for cinematography
117. Italian films, exposed
118. X-Ray tubes and valves
119. Electric bulbs, and electrical material including carbon brushes and graphite electrodes
120. Welding electrodes
121. Auto-vehicles, and parts thereof
122. Industrial auto-vehicles and parts thereof
123. Spare parts and accessories for auto-vehicles
124. Motor-cycles, bicycles and parts thereof, and motor-scooters
125. Auto attachments for bicycles
126. Pneumatic motor tyres and tubes
127. Giant rubber tyres and tubes, not manufactured in India
128. Rubber tubes, pipes belting threads, and other rubber manufactures
129. Rubber shoes
130. Oil-cloth, parchments and artificial leather
131. Marble and raw alabaster
132. Marble and alabaster, wrought
133. Gypsum
134. Sulphur, raw and refined
135. Asbestos, raw and in sheets, unsuitable for weaving
136. Articles made of asbestos-cement
137. Cement other than Portland and plaster of Paris
138. Articles made of cement, viz. pipes, tubes, tiles, etc.
139. Refractory materials, and articles thereof
140. Abrasive products, namely, emery carborundum, and the like, including sand and emery-paper and cloth
141. Earths, bleaching, viz. Fuller's earth, talc and similar
142. Bleaching powder
143. Graphite crucibles
144. Mercury
145. Acetic acid
146. Citric acid
147. Tartaric acid and cream of tartar
148. Tanning materials
149. Tanning extracts
150. Dyestuffs
151. Inorganic chemical products
152. Organic chemical products
153. Motor spirit, kerosene and other petroleum products
154. Antibiotics and sulfa preparations
155. P. A. S.
156. Other medicinal and pharmaceutical preparations
157. Pesticides and weedicides
158. Perfumery, synthetic perfumes and essences
159. Essential oils
160. Raw cork and cork manufactures
161. Hardboards, porous or impermeable
162. Moulding powders, celluloid, bakelite and the like
163. Cellulose transparent paper
164. Cigarette paper
165. Paper, other types and card boards
166. Manufactures of paper and boards
167. Books, magazines, newspapers, printed papers and music scores and music books
168. Stationery articles, including fountain pens and nibs

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| <ul style="list-style-type: none"> 169. Accordions and other musical instruments 170. Gramophones and parts thereof 171. Long-playing gramophone records 172. Tobacco, unmanufactured 173. Cigarettes and cigars 174. Smokers' pipes 175. Sporting and hunting arms and ammunition 176. Cartridge cases filled and empty 177. Toys, educational | <ul style="list-style-type: none"> 178. Fishing rods, reels and hooks 179. Fire extinguishers and fire-fighting equipment 180. Vulcanised fibre 181. Umbrellas, and parts thereof 182. Brushes, all sorts 183. Dentalgoods, apparatus and appliances 184. Steelscrews, bolts and nuts 185. Leather belting |
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SCHEDULE B

LIST OF SOME OF THE GOODS AVAILABLE FOR EXPORT FROM INDIA TO ITALY

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| <ul style="list-style-type: none"> 1. Tea 2. Coffee 3. Tobacco 4. Spices : turmeric, cardamoms, ginger, pepper 5. Cigarettes and cigars 6. Dried fruits including cashew kernel and walnuts 7. Coal 8. Preserved fruits 9. Fish and tinned prawns 10. Hides and skins, raw and vegetable tanned and lamb fur skins 11. Hydrogenated oils 12. Bones crushed and bonegrist 13. Sheep casings 14. Animal hair and animal horns 15. Vegetable oils, linseed oil, castor oil, niger seed oil, kardi seed oil, groundnut oil and cotton seed oil 16. Essential oils 17. Mineral ores : manganese ore, iron ore, kyanite ore, chrome ore (other than high grade chrome ore) and bauxite 18. Pig iron 19. Mica 20. Groundnuts | <ul style="list-style-type: none"> 21. Cotton raw and cotton waste 22. Silk waste 23. Wool, raw 24. Myrobalan and myrobalan extract 25. Drugs and medicines and other pharmaceutical product, e. g., <i>nux vomica</i>, chiratto, senna leaves, papain, morphine, etc. 26. Cotton twist and yarn 27. Jute twist and yarn 28. Cotton fabrics mill made 29. Cotton fabrics handloom 30. Jute gunny bags 31. Jute gunny cloth 32. Woollen art silk and rayon fabrics 33. Ethyl alcohol (rectified spirit) 34. Leather footwear 35. Carpets 36. Coir, coir yarn and other coir manufactures 37. Bristle 38. Fibres and brushes and brooms 39. Certain types of wood and timber 40. Railway rubber components (vacuum brake hoses and rubber springs) 41. Linoleum |
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| 42. Sports goods | 46. Lac and shellac |
| 43. Handicrafts including zari goods,
filigree, bidri, <i>papier mâché</i> , wood
carvings, ivoryware and artificial
jewellery | 47. Canes and rattans |
| 44. Indian films, exposed | 48. Shells : tortoise shells and sea shells |
| 45. Gums & Resins other than gum arabic
and resin | 49. Carding engines |
| | 50. Glassware : other than thermos flasks |
| | 51. Oilseeds |

II

MINISTERO DEGLI AFFARI ESTERI¹

Rome, the 6th October 1959

Dear Mr. Lall,

I write to acknowledge receipt of your letter of today's date, which reads as follows :

[See note I]

I confirm that this sums up correctly the results of the discussions between the representatives of India and Italy.

Yours sincerely,

Ambasciatore Casto CARUSO
Direttore Generale Affari Economici
Ministero degli Affari Esteri²

K. B. Lall, Esq.
Additional Secretary to the Government of India
Ministry of Commerce and Industry
Leader of the Indian Government
Trade Delegation
Rome

¹ Ministry of Foreign Affairs.

² Director-General for Economic Affairs.
Ministry of Foreign Affairs.

AGREED MINUTE

During the discussions that have taken place in Rome, on the 28th, 29th and 30th September and the 1st and 6th October, 1959, between an Indian and an Italian Trade Delegation for the renewal of the Trade Agreement¹ between the two Countries, the trend of the Italo-Indian trade has been reviewed with the following results :

(a) The two Parties have noted with concern the recent decline in Italian exports to India and Indian exports to Italy and are resolved to take such steps as may be mutually agreed upon from time to time to reverse the declining trend.

(b) India is concerned over the serious lack of balance in the trade between the two Countries and in this connection it has been considered that the promotion of Indian exports to Italy is essential in the interest of maintenance of a high and stable level of trade between the two Countries.

(c) It has been explained that there are no quantitative restrictions on the imports into Italy of goods which India is in a position to supply and the Italian Authorities would welcome, according to the Italian regulations, any improvement of imports of Indian goods into Italy. It has been recognised that a major obstacle to larger exports from India is the inadequacy of contacts between Indian and Italian trade organisations and businessmen.

The two Parties have agreed to use their best endeavours to foster contacts between Italian and Indian trade and industrial firms and organisations, and in particular, to facilitate the exchange of information and development of fruitful cooperation between the trade and industrial organisations and institutions of the two Countries.

(d) India's large requirements of industrial plants and equipment, industrial raw and processed materials and of fertilisers for the maintenance and development of her economy during the remaining years of the Second Plan and during the Third Plan have been noted. It has been recognised that Italian industrial organisations and business firms are able to participate in supplying the aforesaid goods and materials up to the maximum extent India is in a position to find the wherewithal therefor.

(e) It has been recognised that, in the context of Italian industrial and commercial expansion there is scope for increase in Indian sales to the Italian market. In this connection, it has been considered that it will be mutually beneficial if Italian and Indian producers and manufacturers could explore possibilities of meeting each others' requirements on a long term basis.

Similarly, it is thought that more intimate relationship between the banking institutions and the sales organisations of the two countries would help to overcome current difficulties.

¹ See p. 268 of this volume.

(f) The two Parties have agreed to give favourable consideration to proposals for facilitating — in accordance with laws and regulations in force in either Country — such business arrangements as sales and industrial organisations on either side may enter into for promoting mutual sales and purchases.

(g) It has been represented by India that Indian exporters are in a position to supply to the Italian State Monopoly qualities and grades of tobacco comparable to those currently imported into Italy or likely to be of interest to Italian manufacturers of cigarettes and cigars.

The Italian representatives have agreed that this offer will be brought to the attention of the Italian State Monopoly for favourable action.

(h) It has been represented by the Indian Delegation that the temporary duty levied by Italy on the import of Indian vegetable tanned goat skins and the level of Italian taxation on tea have a restrictive effect on Indian exports of these commodities to Italy.

The representatives of the Government of Italy will bring these problems to the attention of the competent Italian authorities with a view to solving these problems.

Rome, 6th October, 1959.

Leader of the Italian Delegation :
G. V. SORO

Leader of the Indian Delegation :
K. B. LALL