

No. 18543

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**FEDERAL REPUBLIC OF GERMANY  
and  
INDIA**

**Agreement concerning commodity aid in 1979 (with annex).  
Signed at New Delhi on 28 June 1979**

*Authentic texts: German, Hindi and English.*

*Registered by the Federal Republic of Germany on 14 April 1980.*

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**RÉPUBLIQUE FÉDÉRALE D'ALLEMAGNE  
et  
INDE**

**Accord concernant une aide pour l'achat de marchandises  
en 1979 (avec annexe). Signé à New Delhi le 28 juin  
1979**

*Textes authentiques : allemand, hindi et anglais.*

*Enregistré par la République fédérale d'Allemagne le 14 avril 1980.*

AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE FEDERAL  
REPUBLIC OF GERMANY AND THE GOVERNMENT OF INDIA  
CONCERNING COMMODITY AID IN 1979

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The Government of the Federal Republic of Germany and the Government of India,

In the spirit of the traditional friendly relations existing between the Federal Republic of Germany and India,

Desiring to strengthen and intensify those friendly relations through fruitful co-operation in the field of development assistance,

Aware that the maintenance of those relations constitutes the basis of this Agreement,

Intending to contribute to social and economic development in India,

Have agreed as follows:

*Article 1.* (1) The Government of the Federal Republic of Germany shall extend to the Government of India bilateral commodity aid of up to DM 70 million (seventy million deutsche mark). The Government of the Federal Republic of Germany shall enable the Government of India to raise a loan up to that amount with the Kreditanstalt für Wiederaufbau (Development Loan Corporation), Frankfurt/Main.

(2) The loan shall be used to finance the importation of goods to cover current civilian requirements of India as listed in the annex to the present Agreement, including the cost of related services. Only imports for which shipping documents have been issued after 31 December 1978 or services which have been rendered since that date shall be eligible for financing. When utilizing this amount, favourable consideration shall be given to the requirements of enterprises established in India with German participation, as well as to holders of German licences, to the extent that such requirements are not to be met within the scope of the measures adopted by the Government of India for the liberalization of imports. The Government of the Federal Republic of Germany proceeds on the assumption that the Government of India will use the equivalent in rupees accruing from the sale of the loan in deutsche mark for development projects.

(3) The loan shall be used exclusively to cover costs arising in currencies other than Indian currency.

(4) The utilization of the loan as well as the terms and conditions on which it is granted shall be governed by the provisions of the agreements to be concluded between the Government of India and the Kreditanstalt für Wiederaufbau, which shall be subject to the laws and regulations applicable in the Federal Republic of Germany.

(5) If the Reserve Bank of India or any other agency is granted powers with respect to the transfer of payments, such agency shall, independently of the Government of India, also guarantee the transfer of payments resulting from the loan agreements.

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<sup>1</sup> Came into force on 28 June 1979 by signature, in accordance with article 6.

*Article 2.* The Government of India shall ensure that the Kreditanstalt für Wiederaufbau is exempted from all taxes and other public charges levied in connection with the conclusion and implementation of the agreements to be concluded pursuant to article 1 (4) of the present Agreement.

*Article 3.* Both Governments shall allow passengers and suppliers free choice of transport enterprises for such transportation by sea or air of persons and goods as results from the granting of the loan, abstain from taking any measures that might exclude or impair the participation on equal terms of transport enterprises having their place of business in the area of application of this Agreement, and grant any necessary permits for the participation of such enterprises.

*Article 4.* With regard to supplies and services resulting from the granting of the loan, the Government of the Federal Republic of Germany attaches particular importance to preferential use being made of the economic potential of Land Berlin.

*Article 5.* With the exception of those provisions of article 3 which refer to air transport, this Agreement shall also apply to Land Berlin, provided that the Government of the Federal Republic of Germany does not make a contrary declaration to the Government of India within three months of the date of entry into force of this Agreement.

*Article 6.* This Agreement shall enter into force on the date of signature thereof.

DONE at New Delhi on the 28th June 1979 in duplicate in the German, Hindi and English languages, all three texts being authentic. In case of divergent interpretations of the German and Hindi texts, the English text shall prevail.

For the Government  
of the Federal Republic  
of Germany:

[Signed — Signé]<sup>1</sup>

For the Government  
of India:

[Signed — Signé]<sup>2</sup>

ANNEX TO THE AGREEMENT OF 28TH JUNE 1979 BETWEEN THE GOVERNMENT OF THE FEDERAL REPUBLIC OF GERMANY AND THE GOVERNMENT OF INDIA CONCERNING COMMODITY AID IN 1979

List of goods and services eligible for financing from the loan under article 1 (2) of the Agreement:

- (a) Industrial raw and auxiliary materials as well as semi-manufactures;
- (b) Industrial equipment as well as agricultural machinery and implements;
- (c) Spare parts and accessories of all kinds;
- (d) Chemical products, in particular fertilizers, plant protection agents, pesticides, medicaments;
- (e) Other industrial products of importance for the economic development of India;

<sup>1</sup> Signed by Dirk Oncken — Signé par Dirk Oncken.

<sup>2</sup> Signed by Manmohan Singh — Signé par Manmohan Singh.

- (f) Equipment and apparatus for scientific and technical civilian research institutes as well as hospital supplies;
- (g) Advisory services, licence fees, acquisition of patents;
- (h) The costs of transport, insurance and assembly arising in connection with the importation of goods financed under the Agreement, even if such costs are incurred in local currency.

Imports not included in the above list may only be financed with the prior approval of the Government of the Federal Republic of Germany.

The importation of consumer goods, especially luxury goods, as well as any goods and facilities serving military purposes may not be financed from the loan.

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