

**TRADE AGREEMENT BETWEEN THE  
GOVERNMENT OF INDIA AND  
THE GOVERNMENT OF  
THE REPUBLIC OF  
AFGHANISTAN**

**New Delhi, 3 September 1975**

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The Government of INDIA

AND

The Government of the Republic of AFGHANISTAN,

RECALLING the provisions of the Treaty<sup>1</sup> of Trade and Commerce between their two Governments, signed on 4th April, 1950, especially Article 15 thereof,

DESIROUS of further increase and diversification in trade, and

WITH A VIEW to further strengthening economic cooperation between the two countries,

HAVE AGREED as follows :

*Article 1*

The Contracting Parties undertake to explore all possibilities for expansion and promotion of trade between the two countries on the basis of mutual advantage, keeping in view the requirements of each other in the context of their developing economies. The Contracting Parties undertake to grant import/export licences in accordance with their respective laws and regulations relating to import/export and foreign exchange. The exports of goods from India to Afghanistan and Afghanistan to India during the period of validity of the present Agreement will be carried out in accordance with the attached Schedules 'A' and 'B', the details of which shall be agreed upon between the Contracting Parties for every calendar year. The total value of

1. IBTA Vol. 1 Doc. No. 33.

imports from Schedule 'A' will be equal to the total value of exports effected from Schedule 'B'.

Schedules 'A' and 'B' can be extended, altered or reviewed through letters exchanged between the Contracting Parties.

#### *Article 2*

The import and export of goods not included in Schedules 'A' and 'B' shall also be permitted in accordance with the laws and regulations in force in either country from time to time. The payments for such imports/exports shall, however, be effected in freely convertible currencies acceptable to both countries.

#### *Article 3*

The accounts pertaining to the exchange of goods may be maintained by either side in Rupees or Afghanis according to its convenience. On the basis of this Agreement, the Afghanistan Bank and the State Bank of India will conclude a banking arrangement regulating payments between the commercial establishments of the two countries and if necessary arrange for inclusion of other authorised banks of their respective countries for this purpose.

#### *Article 4*

The goods exported from India and Afghanistan under the present Agreement shall be of Indian/and Afghan origin and for consumption in India and Afghanistan respectively. The said goods shall not be re-exported to third countries.

#### *Article 5*

The Contracting Parties agree to co-operate effectively with each other to prevent infringement and circumvention of their laws, rules and regulations relating to foreign exchange and foreign trade.

#### *Article 6*

The Contracting Parties agree in principle to use part of the proceeds of goods exported to either country by either party for payment of services in either country. Implementation of this Article is subject to the agreement of the respective authorities of the Contracting Parties.

#### *Article 7*

In order to secure a desirable rate of growth over the present

volume of trade and to facilitate the implementation of the present Agreement and to remove any difficulties which may arise, the Contracting Parties agree :

- (a) to review the working of the present Agreement at least once a year or as often as may be necessary in India and Kabul alternately;
- (b) to set out a rate of growth of trade based on the total volume of trade between the two countries in the 1974-75 trade period in terms of quantity and value.

*Article 8*

The export of Afghan commodities shall take place by real or legal persons who have been authorised by the Government of the Republic of Afghanistan to those real or legal persons in India that are authorised by the Government of India. The exports of goods from India shall be made by real or legal persons who have been authorised by the Government of India to those real or legal persons in Afghanistan, who have been authorised by the Government of the Republic of Afghanistan. However, the Contracting Parties agree that fifty per cent of the volume of trade be carried by Afghan real or legal persons and fifty per cent by Indian real or legal persons.

*Article 9*

For the promotion of a better introduction of their respective products, the Contracting Parties agree to provide in accordance with their respective laws and regulations, the necessary facilities for the holding of trade fairs and exhibitions in their respective countries as well as to assure greater participation in International Trade Fairs. They also agree to accord facilities for the display of goods of each country in the permanent exhibition centres of the other.

*Article 10*

This Agreement shall come into force as from the date of exchange of notes between the Contracting Parties confirming the approval of the Agreement by their respective authorities, and shall remain in force for a period of three years. Thereafter, it shall be extended for such periods as may be mutually agreed upon. This Agreement may be altered or modified by either Government through the exchange of letters.

DONE at New Delhi on 3rd September, 1975, in two original copies in English language, both of which are equally authentic.

*Sd/-*  
A. N. VARMA,  
Joint Secretary  
Ministry of Commerce,  
For the Government of  
India.

*Sd/-*  
ABDUL SALAM,  
President of Foreign Trade,  
Ministry of Commerce,  
For the Government of the  
Republic of Afghanistan.

### SCHEDULE 'A'

#### COMMODITIES FOR EXPORT FROM AFGHANISTAN TO INDIA

- |    |  |                          |
|----|--|--------------------------|
| 1. | Fruits (dry and fresh all kinds).  |                          |
| 2. | Asafoetida.  |                          |
| 3. | Cumin Seeds.   |                          |
| 4. | Hides and skins.   |                          |
| 5. | Medicines, Extracts of Medicinal Herbs and Plants produced in Afghanistan. |                          |
| 6. | Medicinal herbs (detailed as under):                                       |                          |
|    | <i>English</i>   | <i>Farsi</i>             |
|    | Hysop  | Zoofa.                   |
|    | Rosa Rose Flower (dried)   | Gule Golab.              |
|    | Buglass (Borage)   | Bule-Gawzaban.           |
|    | Quince (Borage)  | Had-Denna.               |
|    | White and red Behmen (Urdu)  | Bahmane(Safid wa Sorkh). |
|    | Jujube   | Onnab.                   |
|    | Raten jot (Hindi)  | Yarland.                 |
|    | Manna  | Turanjabeen.             |
|    | Doroncum   | Darawenj.                |
|    | Manna(taken from<br>Atrapharis Spinosa).                                   | Shear-Khest.             |
|    | Liquoric (Mulathi).  | Shireen Beia             |
|    | Wild Carrot  | Shakakul                 |
| 7. | Oilseeds.  |                          |
| 8. | Any other commodity that may be agreed upon between the two Governments.   |                          |

### SCHEDULE 'B-I'

#### COMMODITIES FOR EXPORT FROM INDIA TO AFGHANISTAN

1. Tea other than CTC and Dust.
2. Coffee.
3. Cardamom (Big and Small).
4. Pepper.
5. Tobacco—raw and unmanufactured.

6. Coir and Coir Products.
7. Dyeing and Tanning Substances (natural).
8. Myroblam and Myroblam extracts.
9. Leather Manufactures imported by private parties excluding Leather Boxes and Ladies Handbags.
10. Jute Manufactures imported by private parties.
11. Cotton Yarn, Cotton twist and cotton thread.

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**SCHEDULE 'B-II'**

*COMMODITIES FOR EXPORT FROM INDIA TO AFGHANISTAN*

1. Fabrics—mill-made and handloom, including sarees of cotton, rayon and wool; hosiery and knitted garment of cotton, rayon and wool; other manufactures of cotton, rayon and wool; Fabrics and other manufactures of silk excluding saree fabrics, sarees, scarves and zari.
2. Food Products—  
Confectionery (excluding chewing gum).  
Fish—dried and salted.  
Fish prawns—dried.  
Oilman's stores.  
Sago.  
Tapioca and its products.  
Cane Jaggery / cane jaggery powder (India gur).
3. Agricultural Products—  
Hydrogenated oils, i.e., 'Vanaspati' or vegetable ghee.  
Vegetable oils excluding Castor Oil.
4. Chemical Products and Soaps—  
Chemicals and Chemical preparations.
5. Drugs, Medicines and Antibiotics—  
Sera and Vaccines.  
Alkloids of opium and its derivatives.  
Napthalene.  
Soap—toilet and household.  
Toilet requisites and perfumery.  
Paints, pigments and varnishes.
6. Engineering goods—  
Printing machinery

- Diesel engines.
- Pumps driven by diesel engines and electric motors.
- Sewing machines.
- Bicycles and their parts.
- Textile machinery such as Carding machinery and Weaving looms.
- Machine tools.
- Handtools and small tools, small rivercrafts.
- Sugarcane crushing machinery.
- Rice, Flour and oil crushing machinery.
- Ball bearings.
- Agricultural implements.
- Automobiles parts other than those sent as spares with automobiles.
- Gliders.
- 7. Electrical Goods--
  - Electrical appliance and accessories such as conduit pipes, switches, bells, holders, cut-outs etc.
  - Electrodes.
  - Electric bulbs and tubes.
  - Electric fans and their parts.
  - Electric torch lights.
  - Batteries (dry and wet).
  - Electric motors.
  - Ebonite sheets, rods and tubes.
  - Cables and wires.
- 8. Household and Building Requirements--
  - Utensils.
  - Cooking ranges, heaters, electric iron, toasters, kettles, etc.
  - Household electrical fittings and fixtures.
  - Roofing tiles.
  - Bricks.
  - Linoleum.
  - Sanitaryware.
  - G.I. Pipes and fittings.
  - Manhole covers and plates.
  - Kerosene stoves.
  - Incandescent oil pressure lamps.
  - Room fittings

9. Hardware—
    - Locks and padlocks.
    - Cutlery.
    - Bolts, nuts, screws and hinges.
    - Scientific instruments of all types.
    - Weighing machines.
    - Surgical and medical instruments.
    - Steel buckets.
    - Hospital appliances.
  10. Rubber Manufactures—
    - Tyres and Tubes.
    - Other rubber manufactures.
  11. Leather Manufactures—
    - Imported by Government or Government Undertakings.
    - Artificial leather goods.
  12. Handicrafts and Cottage Industry Products—
    - Stationery and paper.
  13. Miscellaneous—
    - Exposed Cinema Films imported by Government or Government undertakings.
    - Glassware including tableware, glass bottles and bangles.
    - Artificial porcelain teeth.
    - Synthetic stones.
    - Books and printed matter.
    - Cigarettes.
    - Postage stamps.
    - Refined mineral oils.
    - Bichromates.
    - Sports goods.
    - Firebricks and fireclay.
    - Ropes.
  14. Jute Manufactures imported by Government or Government undertakings.
  15. Any other commodities agreed upon between the two Governments.
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**SCHEDULE 'C'***ILLUSTRATIVE LIST OF PRODUCTS AVAILABLE FOR EXPORT FROM INDIA AND  
AFGHANISTAN***I—EXPORTS FROM INDIA**

1. Machinery and Plants and parts there of e.g.
    - (i) Mining Machinery & Equipment.
    - (ii) Canning Machinery and parts thereof.
    - (iii) Slaughter House Machinery.
    - (iv) Cement Plants.
  2. Road Making and Construction Machinery e.g.
    - (i) Cement mixers.
    - (ii) Vibrators.
    - (iii) Stone crushers.
    - (iv) Polishing equipment.
    - (v) Road Rollers.
    - (vi) Bulldozers.
  3. Iron and Steel Construction Materials not mentioned under the heading "Hardware" in Schedule 'B'.
  4. Petrol Pumps.
  5. Electric Generation, distribution and Sub-Station equipment-including portable and fixed generators.
  6. Water treatment, Sewage and Public Health Engineering Products.
  7. Telecommunication Equipment e.g.  
Telegraph and Telegraph Apparatus & Equipment, Telephone Equipment, etc.
  8. Motor vehicles e.g. trucks, buses, dumpers and jeeps, including parts and ancillaries imported with motor vehicles.
  9. Wood working machinery.
  10. Refrigerators.
  11. Tractors.
  12. Compressors.
  13. Lathes.
  14. Graders.
  15. Central Airconditioning equipment.
  16. Accounting Machines.
  17. Cutting Tools.
  18. Ferrous and Non-ferrous casting & forgings.
  19. P.V.C.products-including P.V.C. footwear.
  20. Radio Receivers.
  21. Cranes.
  22. Sugar.
  23. Other items not included in Schedules 'B-I' and 'B-II' to the Trade Agreement
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II—EXPORTS FROM AFGHANISTAN

1. Fertiliser
  2. Wool.
  3. Cotton.
  4. Castings.
  5. Cotton seed cakes.
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