

**FRAMEWORK AGREEMENT TO PROMOTE ECONOMIC COOPERATION BETWEEN
THE REPUBLIC OF CHILE
AND
THE REPUBLIC OF INDIA**

The Republic of Chile and the Republic of India (hereinafter jointly referred to as the "Parties" and in the singular as a "Party");

Resolved to promote reciprocal trade and investment through the establishment of clear and mutually advantageous trade rules and the avoidance of trade and investment barriers;

Reaffirming the rights, obligations and undertakings of the respective Parties under the World Trade Organisation (WTO) and other multilateral, regional and bilateral agreements and arrangements;

Recognising that regional trade agreements can contribute towards accelerating regional and global liberalization and as building blocks within the framework of the multilateral trading system;

Considering that the process of economic integration includes not only gradual and reciprocal trade liberalization but also the strengthening of greater economic cooperation between them;

HEREBY AGREE as follows:

ARTICLE 1

The aim of this Framework Agreement is to strengthen relations between the Parties, to promote the expansion of trade and to provide the conditions and mechanisms to negotiate a Free Trade Agreement in conformity with the rules and disciplines of the WTO and in accordance with the provisions of Article 4 of this Framework Agreement.

ARTICLE 2

1. As a first step towards the objective referred to in Article 1, the Parties agree to conclude in 2005 a limited scope Preferential Trade Agreement (PTA), aimed at increasing bilateral trade through the granting of preferential access to their respective markets by means of mutual concessions.

2. The Parties further agree to undertake periodic negotiations with a view to expanding the scope of the PTA.

ARTICLE 3

1. In order to achieve the aim set out in Article 2, the Parties agree to set up a Negotiating Committee which shall be headed by the Director General of International Economic Affairs or his representative for the Republic of Chile and by the Secretary of Commerce or his representative for the Republic of India. The other members of the Negotiating Committee shall be decided by the respective Parties.

2. The Negotiating Committee shall establish a schedule of work for the negotiations.

3. The Negotiating Committee shall meet as often as the Parties agree.

4. With a view to negotiate and conclude a PTA, the Negotiating Committee shall serve as the forum to:

- i. Exchange information on tariff applied by each Party;
- ii. Exchange information on bilateral trade, trade with third parties as well as on their respective trade policies;
- iii. Exchange information on market access and non-tariff measures; sanitary and phytosanitary measures, technical regulations, rules of origin, safeguard, anti-dumping and countervailing measures; special customs regimes and dispute settlement, among other matters;
- iv. Identify and propose measures relating to trade facilitation;
- v. Carry out other tasks as determined by the Parties.

ARTICLE 4

1. In order to achieve the aim set out in Article 1, the Parties agree to set up a Joint Study Group (JSG) which shall be headed by the Director General of International Economic Affairs or his representative for the Republic of Chile and by the Secretary of Commerce or his representative for the Republic of India. The other members of the JSG shall be decided by the respective Parties.

2. The objectives of the JSG shall include:

(i) To study the present status of commercial and economic exchanges between India and Chile, and the existing institutional framework, infrastructure and mechanisms for bilateral trade;

(ii) To identify potential for cooperation between the growing economies of the two countries in:

- a. trade in goods;
- b. trade in services;
- c. investment; and
- d. other areas of economic cooperation

(iii) To identify priority areas for closer cooperation;

(iv) To identify constraints, barriers and impediments to closer cooperation, and recommend measures to remove these constraints;

(v) To make recommendations regarding moving towards a Free Trade Agreement (FTA) / Comprehensive Economic Cooperation Agreement (CECA), if such an arrangement is found to be feasible.

ARTICLE 5

In order to broaden reciprocal knowledge about trade and investment opportunities, the Parties shall encourage trade promotion activities such as seminars, trade missions, fairs, symposia and exhibitions.

ARTICLE 6

The Parties shall promote the development of joint activities aimed at the implementation of joint projects in mutually agreed areas by means of information exchange, training programmes and technical missions.

ARTICLE 7

The Parties agree to cooperate in promoting a closer relationship among their relevant organisations in the areas of customs, plant and animal health, technical standards and regulations, food safety, mutual recognition of sanitary and phytosanitary measures, including through equivalence agreements in accordance with relevant international criteria.

ARTICLE 8

1. This Framework Agreement shall enter into force thirty days after the Parties have notified formally in writing through diplomatic channels, the completion of the internal procedures necessary to that effect.

2. This Framework Agreement shall remain in force, unless terminated by either Party by giving six months written notice in advance through the diplomatic channel of its intention to terminate it.

3. This Framework Agreement may be amended by mutual consent of the Parties by an exchange of Notes through diplomatic channels.

ARTICLE 9

Any dispute between the Parties arising out of the interpretation or implementation of this Framework Agreement shall be settled amicably through consultation or negotiation between the Parties.

Done in the city of New Delhi on the 20th January 2005 in two copies in the Spanish, English and Hindi languages, all texts being equally authentic. In case of any inconsistency, the English text shall prevail.

KAMAL NATH

MINISTER FOR COMMERCE & INDUSTRY

For the Republic of India

IGNACIO WALKER

MINISTER OF EXTERNAL AFFAIRS

For the Republic of Chile

