

With regard to international maritime transport, including inter-modal operations involving a sea leg, nationals of the Member States or of Algeria established outside the Community or Algeria respectively, and shipping companies established outside the Community or Algeria and controlled by nationals of a Member State or Algerian nationals respectively, shall also be subject to the provisions of this Title if their vessels are registered in that Member State or in Algeria respectively in accordance with their respective legislations.

ARTICLE 37

General provisions

1. The Parties shall avoid taking any measures or actions which render the conditions for the establishment and operation of each other's companies more restrictive than the situation existing on the day preceding the date of signature of this Agreement.
2. The Parties undertake to consider development of this Title with a view to the establishment of an "economic integration agreement" as defined in Article V of GATS. In making such recommendations, the Association Council shall take account of past experience of implementation of the most-favoured-nation treatment and of the obligations of each Party under the GATS, and in particular Article V thereof. The Association Council shall also, when making such examination, take into account progress made in the approximation of laws between the Parties in the relevant activities. This objective shall be subject to a first examination by the Association Council at the latest five years after the entry into force of this Agreement.

TITLE IV

PAYMENTS, CAPITAL, COMPETITION AND OTHER ECONOMIC PROVISIONS

CHAPTER 1

CURRENT PAYMENTS AND MOVEMENT OF CAPITAL

ARTICLE 38

Subject to the provisions of Article 40, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

ARTICLE 39

1. The Community and Algeria shall ensure, from the entry into force of the Agreement, that capital relating to direct investments in Algeria in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.
2. The Parties shall consult each other and cooperate with a view to establishing the necessary conditions for facilitating and fully liberalising the movement of capital between the Community and Algeria.

ARTICLE 40

Where one or more Member States of the Community, or Algeria, is in serious balance of payments difficulties, or under threat thereof, the Community or Algeria, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go

beyond what is strictly necessary to remedy the balance of payments situation. The Community or Algeria, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the abolition of the measures concerned.

CHAPTER 2

COMPETITION AND OTHER ECONOMIC MATTERS

ARTICLE 41

1. The following are incompatible with the proper functioning of the Agreement, insofar as they may affect trade between the Community and Algeria:

(a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

(b) abuse by one or more undertakings of a dominant position in:

– the whole of the territory of the Community or in a substantial part thereof;

– the whole of the territory of Algeria or in a substantial part thereof.

2. The Parties shall ensure administrative cooperation in the implementation of their respective competition legislations and exchange information taking into account the limitations imposed by the requirements of professional and business secrecy in accordance with the procedures laid down in Annex 5 to this Agreement.

3. If the Community or Algeria considers that a particular practice is incompatible with the terms of paragraph 1, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party, it may take appropriate measures after consultation within the Association Committee or after 30 working days following referral for such consultation.

ARTICLE 42

The Member States and Algeria shall progressively adjust, without prejudice to their commitments to the GATT, any State monopolies of a commercial character, so as to ensure that, by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed exists between nationals of the Member States and Algeria. The Association Committee will be informed about the measures adopted to implement this objective.

ARTICLE 43

With regard to public enterprises and enterprises which have been granted special or exclusive rights, the Association Council shall ensure, from the fifth year following the entry into force of this Agreement, that no measure which disturbs trade between the Community and Algeria in a manner which runs counter to the interests of the Parties is adopted or maintained. This provision should not obstruct the performance in law or in fact of the particular tasks assigned to these enterprises.

ARTICLE 44

1. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights, in line with the highest international standards. This shall encompass effective means of enforcing such rights.

2. Implementation of this Article and of Annex 6 shall be regularly assessed by the Parties. If difficulties which affect trade arise in connection with intellectual, industrial and commercial

property rights, either Party may request urgent consultations to find mutually satisfactory solutions.

ARTICLE 45

The Parties undertake to adopt appropriate measures to ensure the protection of personal data in order to eliminate barriers to the free movement of such data between the Parties.

ARTICLE 46

1. The Parties shall set as their objective a reciprocal and gradual liberalisation of public procurement contracts.
2. The Association Council shall take the steps necessary to implement paragraph 1.

TITLE V

ECONOMIC COOPERATION

ARTICLE 47

Objectives

1. The Parties undertake to step up economic cooperation in their mutual interest and in the spirit of partnership which is at the root of this Agreement.
2. The objective of economic cooperation shall be to support Algeria's own efforts to achieve sustainable economic and social development.
3. Such economic cooperation is in keeping with the objectives set out in the Barcelona Declaration.

ARTICLE 48

Scope

1. Cooperation will be targeted first and foremost at areas of activity suffering the effects of internal constraints and difficulties or affected by the process of liberalising Algeria's economy as a whole, and more particularly by the liberalisation of trade between Algeria and the Community.
2. Similarly, cooperation shall focus on areas likely to bring the economies of the Community and Algeria closer together, particularly those which will generate growth and employment, and foster the development of trade flows between Algeria and the Community, notably by encouraging the diversification of Algerian exports.
3. Cooperation shall foster economic integration within the Maghreb group of countries using any measures likely to further such relations within the region.
4. Preservation of the environment and ecological balances shall constitute a central component of the various fields of economic cooperation.
5. The Parties may determine by agreement other fields of economic cooperation.

ARTICLE 49

Methods

Economic cooperation shall be implemented in particular by:

- (a) regular economic dialogue between the Parties covering all areas of macro-economic policy;
- (b) communication and exchanges of information;