

FREE TRADE AGREEMENT BETWEEN UKRAINE AND MOLDOVA

FREE TRADE AGREEMENT BETWEEN THE CABINET OF MINISTERS OF UKRAINE AND THE GOVERNMENT OF THE REPUBLIC OF MOLDOVA

Date of signing: November 13, 2003

Date of ratification: May 19, 2005 (with reservations)

The Cabinet of Ministers of Ukraine and the Government of the Republic of Moldova, referred to hereinafter as the Parties,

confirming their desire to take an active part in the process of economic cooperation, which is an important factor of stability on the European continent, and expressing their readiness to cooperate in seeking ways and means of strengthening this process.

recognizing their commitments to the principles of market economy which is the underlying basis of their bilateral relations,

confirming their commitments in accordance with the Final Act of the Conference on Cooperation and Security in Europe of August 1, 1975, the Charter of Paris for a New Europe of November 21, 1999 and with allowance for the principles set out in the final document of the Bonn Conference on Economic Cooperation in Europe,

showing in this connection a resolve to remove the existing obstacles in the way of mutual trade as a whole in compliance with the agreements of the World Trade Organization (hereinafter – WTO);

expressing firm conviction that the present Agreement will promote the strengthening of beneficial commercial exchange and the process of European integration,

believing that not a single provision of the present Agreement shall be interpreted as a departure of the Parties from their commitments concerning other international bilateral and multilateral agreements in this area and, in particular those implied under the status of a WTO member,

have agreed as follows:

Article 1

1. The Parties shall establish a free trade area in their bilateral trade in compliance with the provisions of the present Agreement as well as in compliance with the General Agreement on Tariffs and Trade (GATT 1994), specifically with Article XXIV and the agreement on the interpretation of Article XXIV GATT 1994.

2. The objectives of the present Agreement are to:

- a) facilitate the liberalization of mutual trade and thereby the political and economic stability in the region, as well as the harmonious development and enlargement of world trade in compliance with the WTO principles;
- b) promote through the enlargement of a mutually beneficial trading regime the predictable, transparent and long-term harmonious development of economic relations between the Parties, which would contribute to the improvement of living standards and conditions of work, increase in production and financial stability;
- c) ensure equal conditions for fair competition in trade between the Parties.

Section I

Article 2

Scope of Application

The provisions of the present Agreement shall not apply to agricultural and industrial products originating in the customs territories of the State Parties. In the present Agreement, the term “agricultural products” shall mean the commodities of sections 1-24, while the term “Industrial commodities” shall mean the commodities of sections 25-97 of the Harmonized System of Description and Coding of Commodities (HS 96).

Article 3

Import and/or Export Duties and Duties of Equivalent Effect

In mutual trade the Parties shall not apply duties and charges as well as duties of equivalent effect.

Article 4

Quantitative Restrictions and Measures of Equivalent Effect on Import and/or Export

1. All quantitative restrictions and measures of equivalent effect on import and/or export of products originating from the territories of the State Parties shall be abolished from the moment the present Agreement comes into force.
2. Not a single restriction or measure of equivalent effect on import and/or export shall be applied in trade between the Parties except for cases stipulated in Article 22.

Article 5

Import Licenses

If one of the parties applies the regime of licensing imports originating from the territory of the state of another Party, the regime of licensing imports of a corresponding Party shall comply with the norms of articles I and III GATT 1994 as well as the WTO Agreement on the procedure of licensing imports.

Article 6

Technical Norms and Rules

All technical norms and rules of the Parties, which concern trade, shall be designed, adopted and applied in compliance with the provisions of the WTO Agreement on Technical Barriers to Trade from the moment Ukraine accedes to WTO.