

Article 1

Objectives

1. The objectives of this Agreement are:

(a) to establish gradually a free-trade area between Turkey and Romania, covering substantially all trade between them in a transitional period ending on 1.1.2002 at the latest in accordance with the provisions of the present Agreement and in conformity with Article XXIV of the General Agreement on Tariffs and Trade 1994 and WTO;

(b) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between Turkey and Romania;

(c) to provide fair conditions of competition for trade between Turkey and Romania;

(d) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade;

(e) to enhance cooperation between Turkey and Romania.

CHAPTER I

Industrial Products

Article 2

Scope

1. The provisions of this Chapter shall apply to industrial products originating in the Parties. The term "industrial products" means for the purpose of this Agreement the products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I.

2. The provisions of Articles 3 to 9 do not apply to products mentioned in Articles 10 and 11.

Article 3

Customs Duties on Imports

1. No new customs duty on imports shall be introduced nor shall those already applied be increased in trade between the Parties from the date of entry into force of this Agreement.
2. Customs duties on imports applicable in Romania to products originating in Turkey which are listed in Annex II shall be abolished on the entry into force of this Agreement.
3. Customs duties on imports applicable in Romania to products originating in Turkey listed in Annexes III and IV shall be gradually abolished in accordance with the timetable provided in these Annexes.
4. Customs duties on imports applicable in Romania to products originating in Turkey which are not listed in Annexes II, III and IV shall be gradually abolished in accordance with the following timetable:
 - to 80 per cent on the entry into force of this Agreement
 - to 60 per cent on 1.1.1998;
 - to 50 per cent on 1.1.1999;
 - to 35 per cent on 1.1.2000;
 - to 20 per cent on 1.1.2001;
 - to 0 per cent on 1.1.2002.
5. Customs duties on imports applicable in Turkey to products originating in Romania which are not listed in Annex V shall be abolished on the entry into force of this Agreement.
6. Customs duties on imports applicable in Turkey to products originating in Romania which are listed in Annex V shall be abolished in accordance with the timetable provided in that Annex.
7. Any change in Turkish and Romanian commitments to the European Community in this regard shall be referred to the Joint Committee.

Article 4

Basic Duties

1. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be the most-favoured-nation rate of duty in force on 1.1.1997.
2. If after entry into force of this Agreement, any tariff reduction is applied on an erga omnes basis, in particular reductions resulting from the tariff agreement concluded within the WTO such reduced duties shall replace the basic duties referred to in paragraph 1 as from that date when such reductions are applied.

3. The reduced duties calculated in accordance with paragraph 2 shall be applied rounded to the first decimal place.

4. The Parties shall communicate to each other their respective customs duties.

Article 5

Charges Equivalent to Duties

1. No new charge having effect equivalent to customs duty on imports shall be introduced in trade between the Parties from the date of entry into force of this Agreement.

2. All charges having effect equivalent to customs duties on imports shall be abolished on the date of entry into force of this Agreement, except for the charge of 0.5 per cent ad valorem for customs formalities applied by Romania, which will be reduced to 0.25 per cent on the date of entry into force of this Agreement and eliminated by the end of 1997 at the latest.

Article 6

Fiscal Duties

The provisions of Article 3 shall also apply to customs duties of a fiscal nature.

Article 7

Customs Duties on Exports and Charges Having Equivalent Effect

1. No new customs duty on exports or charge having equivalent effect shall be introduced in trade between Turkey and Romania.

2. All charges having effect equivalent to customs duties on exports shall be abolish on the date of entry into force of this Agreement, except for the charge of 0.5 per cent ad valorem for customs formalities applied by Romania, which will be reduced to 0.25 per cent on the date of entry into force of this Agreement and eliminated by the end of 1997 at the latest.

Article 8

Quantitative Restrictions on Imports and Measures Having Equivalent Effect

1. No new quantitative restriction on imports or measures having equivalent effect shall be introduced in trade between the Parties from the date of entry into force of this Agreement.

2. All quantitative restrictions and measures having equivalent effect on imports of products originating in the Parties shall be abolished on the date of entry into force of this Agreement.

Article 9

Quantitative Restrictions on Exports and Measures Having Equivalent Effect

1. No new quantitative restriction on exports or measures having equivalent effect shall be introduced nor shall those be made more restrictive in trade between the Parties from the date of entry into force of this Agreement.
2. Quantitative restrictions on exports to Romania and any measures having equivalent effect shall be abolished by Turkey on the date of entry into force of this Agreement.
3. Quantitative restrictions on exports to Turkey and any measures having equivalent effect shall be abolished by Romania upon entry into force of this Agreement except for those listed in Annex VI which shall be progressively reduced and shall be eliminated at the latest by 1998.

Article 10

Trade in Textile Products

Protocol A lays down the arrangements applicable to the textile products referred to therein.

Article 11

Trade in Iron and Steel Products

Protocol B lays down the arrangements applicable to the iron and steel products referred to therein.

CHAPTER II

Agricultural and Fishery Products

Article 12

Scope

1. The provisions of this Chapter shall apply to agricultural and fishery products originating in the Parties.
2. The term "agricultural products" means the products listed in Chapters 1-24 of the Combined Nomenclature and the products listed in Annex I of this Agreement.

Article 13

Processed Agricultural Products

Protocol C lays down the trade arrangements for processed agricultural products which are listed in such a Protocol.

Article 14

Exchange of Concessions