

FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF SLOVENIA AND THE REPUBLIC OF LITHUANIA

PREAMBLE

The Republic of Slovenia and the Republic of Lithuania (hereinafter called the Parties),

Reaffirming their firm commitment to democracy based on the rule of law, human rights and fundamental freedoms,

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to co-operate in seeking ways and means to strengthen this process,

Reaffirming their firm commitment to the principles of a market economy which constitutes the basis for their relations,

Recalling their firm commitment to the Final Act of the Conference on Security and Co-operation in Europe, the Paris Charter, and in particular the principles contained in the final document of the Bonn Conference on Economic Co-operation in Europe,

Having regard to the Declaration of Intent on the conclusion of the Free Trade Agreement between the Parties signed on March 29, 1994,

Resolved to this end to eliminate progressively the obstacles to substantially all their mutual trade, in accordance with the provisions of the General Agreement on Tariffs and Trade 1994 and the Agreement establishing the World Trade Organization,

Firmly convinced that this Agreement will foster the intensification of mutually beneficial trade relations among them and contribute to the process of integration in Europe,

Considering that no provision of this Agreement may be interpreted as exempting the Parties from their obligations under other international agreements, especially the General Agreement on Tariffs and Trade 1994 and the Agreement establishing the World Trade Organization,

Have decided as follows:

Article 1 Objectives

1. The Parties shall gradually establish, during a transitional period ending at the latest on January 1, 1999 a free trade area in accordance with the provisions of the present Agreement and in conformity with those of the General Agreement on Tariffs and Trade 1994, in particular Article XXIV of the GATT, and

the Agreement establishing the World Trade Organization.

2. The objectives of the present Agreement are:
 1. to promote, through the expansion of trade, the harmonious development of economic relations between the Parties and thus to foster the advance of their economic activity, the improvement of living and employment conditions, and increase of the productivity and financial stability;
 2. to provide fair conditions of competition in trade between the Parties;
 3. to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of the world trade.

Chapter I - Industrial products

Article 2 Scope

Provisions of this Chapter shall apply to industrial products originating in the Parties. For the purpose of this Agreement "industrial products" mean products falling within Chapters 25 to 97 of the Harmonised Commodity Description and Coding System, with the exception of the products listed in Annex I.

Article 3 Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the Most Favoured Nation rate of duty applicable on July 1, 1996.
2. If, after entry into force of the Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular reductions resulting from the tariff agreement concluded as a result of the Uruguay Round of multilateral trade negotiations, such reduced duties shall replace the basic duties referred to in paragraph 1 as from the 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 4 Customs duties on imports

1. No new customs duties on imports shall be introduced in trade between the Parties as from the entry into force of this Agreement.
2. Customs duties on imports for products originating in the Parties shall be abolished in accordance with the provisions laid down in Protocol 1.

Article 5

Charges equivalent to import duties

1. No new charges having an effect equivalent to customs duties on imports shall be introduced in trade between the Parties as from the entry into force of this Agreement.
2. All charges having an effect equivalent to customs duties on imports shall be abolished on the date of the entry into force of this Agreement.

Article 6

Fiscal duties

The provisions of Article 4 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 duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.
2. All existing customs duties on exports and any charges having equivalent effect shall be abolished on the date of entry into force of this Agreement, except as provided for in Annexes II and III.

Article 8

Quantitative restrictions on imports and measures having equivalent effect

1. No new quantitative restrictions on imports or measures having equivalent effect shall be introduced in trade between the Parties as 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 the Agreement.

Article 9

Quantitative restrictions on exports and measures having equivalent effect

1. No new quantitative restrictions on exports or measures having equivalent effect shall be introduced in trade between the Parties as from the date of the entry into force of this Agreement.
2. All quantitative restrictions on exports from the Parties and measures having equivalent effect shall be abolished on the date of the entry into force of the Agreement.

Article 10

Information procedure on draft technical regulations

1. The Parties shall co-operate and exchange information in the field of standardisation, metrology, conformity, assessment and accreditation with the aim of reducing technical barriers to trade.

2. To eliminate technical barriers and effectively implement this agreement, the Parties can on the basis hereby conclude an arrangement for mutual recognition of test reports, certificates of conformity and other documents directly or indirectly related to conformity assessment of products which are the subject of the goods exchange between the Parties on the basis of regulation in force in the importing state.
3. A specification of conditions and methods for conformity assessment shall be prepared in mutual agreement by the competent national authorities for the carrying out of procedures of conformity assessment on the basis of the regulations in force in the exporting state.

Chapter II - Agricultural products

Article 11

Scope

1. Provisions of this Chapter shall apply to agricultural products originating in the Parties to this Agreement.
2. For the purpose of this Agreement "agricultural products" mean products falling within Chapter 1 to 24 of the Harmonised Commodity Description and Coding System and the products listed in Annex I.

Article 12

Exchange of concessions

1. The Parties to this Agreement grant each other concessions specified in Protocol 2 in accordance with the provisions of this Chapter and those laid down in this Protocol.
2. Taking account of:
 - the role of agriculture in their economies,
 - the development of trade in agricultural products between the Parties,
 - the particular sensitivity of the agricultural products,
 - the rules of their agricultural policies,
 - the consequences of the multilateral trade negotiations under the General Agreement on Tariffs and Trade and of the World Trade Organization,

the Parties shall examine the possibilities of granting each other further concessions.

Article 13

Concessions and agricultural policies

1. Without prejudice to the concessions granted under Article 12, provisions of this Chapter shall not restrict in any way the pursuance of the respective agricultural policies of the Parties or application of any measures under such policies, including the implementation of the results of the Uruguay Round agreements.