

- (b) to gradually eliminate difficulties and restrictions on trade in goods, including also the agricultural products;
- (c) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the Parties;
- (d) to provide fair conditions of competition for trade between the Parties;
- (e) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;
- (f) to enhance cooperation between the Parties;
- (g) to create conditions for further encouragement of investments particularly for the development of joint investments in both countries;
- (h) to promote trade and cooperation between the Parties in third country markets.

Article 2

Basic Duties

1. For commercial exchanges covered by this Agreement, the Customs Tariffs of the Parties shall be applied to the classification of goods for imports into them.
2. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be the MFN duty that was in force in the Parties on the date of entry into force of this Agreement.
3. 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 as a result of the GATT Uruguay Round or accession of Macedonia to the WTO and Turkey-EC Customs Union or reductions applied by Macedonia to the products originating in the EC, such reduced duties shall replace the basic duties referred to in paragraph 2 as from that date when such reductions are applied.
4. The Parties shall mutually exchange their basic duties.

CHAPTER I

Industrial Products

Article 3

Scope

The provisions of this Chapter shall apply to products falling within Chapters 25 to 97 of Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I.

Article 4

Customs Duties on Imports and Charges having Equivalent Effect

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

2. Customs duties on imports applicable in Macedonia to products originating in Turkey shall be abolished in accordance with Annex II to this Agreement.

3. Subject to special provisions laid down in Annex III to this Agreement, products originating in Macedonia shall be imported in Turkey free of customs duties or charges having equivalent effect.

4. Any changes in Turkish and Macedonian commitments to the European Communities in this regard shall be referred to the Joint Committee.

Article 5

Customs Duties of a Fiscal Nature

The provisions of Article 4 shall also apply to customs duties of a fiscal nature, except the charge for the customs record keeping applied by Macedonia.

Article 6

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 the Parties.

2. All customs duties on exports and any charges having equivalent effect shall be abolished between the Parties upon entry into force of this Agreement.

Article 7

Quantitative Restrictions on Imports and Measures having Equivalent Effect

1. No new quantitative restriction on imports or measure having equivalent effect shall be introduced nor shall those existing be made more restrictive in trade between the Parties from the date of entry into force of this Agreement.

2. All quantitative restrictions on imports and measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of this Agreement with the exception of textile products which are covered by the Memorandum of Understanding between the Government of Macedonia and the Government of Turkey signed on 27 October 1997.

Article 8

Quantitative Restrictions on Exports and Measures having Equivalent Effect

1. No new quantitative restriction on exports or measure having equivalent effect shall be introduced nor shall those existing be made more restrictive in trade between the Parties from the date of entry into force of this Agreement.

2. All quantitative restrictions on exports and any measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of this Agreement.

Article 9

Technical Regulations

1. The rights and obligations of the Parties relating to standards or technical regulations and related measures shall be governed by the WTO Agreement on Technical Barriers to Trade.

2. Each Party, upon request of the other Party, shall provide information on particular individual cases of standards, technical regulations and related measures.

3. The Parties shall aim to reduce technical barriers to trade. To this end the Parties will enter where appropriate into negotiations for the conclusion of the agreements for the mutual recognition in the field of conformity assessment, in the spirit of the recommendations of the WTO Agreement on Technical Barriers to Trade.

CHAPTER II

Agricultural, Processed Agricultural and Fish Products

Article 10

Scope

1. The provisions of this Chapter shall apply to agricultural, processed agricultural and fish products originating in the Parties.

2. The term "agricultural products" means for the purpose of this Agreement the products falling within Chapters 1 to 24 of the Harmonized Commodity Description and Coding System and the products listed in Annex I.

Article 11

Exchange of Concessions

1. The Parties to this Agreement shall mutually allocate concessions set forth in Protocol 1 in accordance with the provisions of this Chapter.

2. Taking into account the role of agriculture in their respective economies; the development of trade in agricultural products between the Parties; the high sensitivity of agricultural products; the rules of their respective agricultural policy, the Parties shall examine in the Joint Committee the possibilities for mutual allocation of future concessions.

3. In pursuance of this objective, Protocol 1 providing for measures to facilitate trade in agricultural products has been concluded between the Parties.

Article 12

Sanitary and Phytosanitary Measures

The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them. The Parties shall apply their sanitary measures within the spirit of the provisions of the GATT and the other relevant WTO agreements.

CHAPTER III

Right of Establishment and Supply of Services

Article 13