

agreements on trade in goods annexed to the Agreement establishing the WTO, hereinafter referred to as the "GATT".

2. The objectives of this Agreement are:

- a) to promote, through the expansion of reciprocal trade in goods and services, the harmonious development of the economic relations between Turkey and Israel;
- b) to provide fair conditions of competition for trade between Turkey and Israel;
- c) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;
- d) to enhance co-operation between Turkey and Israel.

ARTICLE 2

Basic Duties

- 1. For commercial exchanges covered by this Agreement, the Israel Customs Tariff shall be applied to the classification of goods for imports to Israel. The Turkish Customs Tariff shall be applied to the classification of goods for imports into Turkey.
- 2. For each product listed in Chapter I of this Agreement the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the MFN duties that are applied erga omnes on the date of the entry into force of the 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 and Turkey-EC Customs Union, such reduced duties shall replace the basic duties referred to in paragraph 2 as from that date when such reductions are applied, unless otherwise agreed in this Agreement, its Protocols and Annexes.
- 4. Turkey and Israel shall communicate each other their respective basic duties.

CHAPTER 1

INDUSTRIAL PRODUCTS

ARTICLE 3

Scope

The provisions of this Chapter shall apply to products originating in Turkey and Israel listed in Chapters 25 to 97 of the 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 duties on imports or charges having equivalent effect shall be introduced, nor shall those already applied be increased, in trade between Turkey and Israel from the date of entry into force of this Agreement.
2. Customs duties on imports applicable in Israel to products originating in Turkey which are not listed in **Annex II, Annex III and Annex VIII** shall be abolished on the entry into force of the Agreement.
3. Customs duties on imports applicable in Israel to products originating in Turkey which are listed in **Annex II** shall be gradually reduced in accordance with the timetable provided in that Annex and abolished on January 1, 2000 at the latest.
4. Customs duties on imports applicable in Israel to products originating in Turkey which are listed in **Annex III** shall be gradually abolished in accordance with the following timetable:

- upon the entry into force of the Agreement each duty shall be reduced to 2/3 of the basic duty,

- on January 1, 1998 to 1/3 of the basic duty,

- on January 1, 1999 the remaining duties shall be eliminated.

5. Customs duties on imports applicable in Turkey to products originating in Israel other than those products listed in **Annex IV, Annex V, Annex VIa, Annex VIb, Annex VII and Annex VIII** shall be abolished on the entry into force of this Agreement.
6. Customs duties on imports applicable in Turkey to products originating in Israel listed in **Annex IV and Annex V** shall be gradually abolished according to the following timetable:

- upon the entry into force of the Agreement duties shall be reduced to 75 % of the basic duty,

- on January 1, 1998 to 50 % of the basic duty,

- on January 1, 1999 to 25 % of the basic duty,

- on January 1, 2000 the remaining duties shall be eliminated.

7. Customs duties on imports applicable in Turkey to products originating in Israel which are listed in **Annex VIa and VIb** shall be gradually abolished in accordance with the timetable provided in that Annex.
8. Customs duties on imports applicable in Turkey to products originating in Israel which are listed in **Annex VII** shall be gradually abolished:

- upon the entry into force of the Agreement duties shall be reduced to 50 % of the basic duty,

- on January 1, 1997 to 25 % of the basic duty,

- on January 1, 1999 the remaining duties shall be eliminated.

9. Customs duties on imports applicable in a Party to products originating in the other Party which are listed in **Annex VIII** shall be gradually abolished:

- upon the entry into force of the Agreement duties shall be reduced to 2/3 of the basic duty,

- on 1.1.1998 the remaining duties shall be eliminated.

ARTICLE 5

Customs Duties of a Fiscal Nature

The provisions of Article 4 shall also apply to customs duties of a fiscal nature.

ARTICLE 6

Customs Duties on Exports and Charges Having Equivalent Effect

1. No new customs duty on exports or charges having equivalent effect shall be introduced in trade between Turkey and Israel.
2. Upon the entry into force of this Agreement, customs duties on exports and any charges having equivalent effect shall be abolished.

ARTICLE 7

Quantitative Restrictions on Imports and Exports and Measures Having Equivalent Effect

1. No new quantitative restrictions on imports and exports or measures having equivalent effect shall be introduced, nor shall those existing be made more restrictive, in trade between the Parties from the date of the entry into force of this Agreement.
2. For the purpose of this Agreement "quantitative restrictions and measures having equivalent effect" mean prohibitions or restrictions on imports or exports into Turkey from Israel or into Israel from Turkey made effective through quotas, import licenses or other administrative measures and requirements restricting trade.

CHAPTER II

AGRICULTURAL, PROCESSED AGRICULTURAL AND FISHERY PRODUCTS

ARTICLE 8

Scope

The provisions of this Chapter shall apply to agricultural, processed agricultural and fishery products originating in the Parties falling within Chapters 1-24 of the Harmonized Commodity Description and Coding System as well as the products listed in Annex I of this Agreement.