

"GATT") and the World Trade Organization (hereinafter referred to as "WTO"), the provisions and instruments of which constitute a basis for their foreign trade policy;

Considering the respective commitments of the Parties to free trade and in particular to compliance with the rights and obligations arising out of the GATT and the WTO.

HAVE DECIDED, in pursuance of these objectives, to conclude the following Agreement (hereinafter referred to as "this Agreement"):

Article 1 Objectives

1. Turkey and Latvia establish a free trade area upon the entry into force of this Agreement, in accordance with the provisions of this Agreement and in conformity with those of the GATT 1994 and the WTO.
2. The objectives of this Agreement are:
 - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the Parties;
 - (b) to provide fair conditions of competition for trade between the Parties;
 - (c) to contribute in this way, by removal of barriers to trade, to the harmonious development and expansion of world trade;
 - (d) to enhance cooperation between the Parties.

Article 2 Basic Duties

1. For commercial exchanges covered by this Agreement, the Latvian Combined Nomenclature shall be applied to the classification of goods for imports into Latvia. The Turkish Customs Tariffs shall be applied to the classification of goods for imports into Turkey.
2. For each product originating in the Parties the basic duty to which successive reductions set out in this Agreement are to be applied shall be the MFN duty that applied in the Parties, erga omnes, 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, 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 communicate to each other their respective 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. The Parties shall abolish on their imports from each other all customs duties and charges having equivalent effect on imports on the date of entry into force of this Agreement, with the exception of those listed in Annex II.
3. Customs duties for products originating in the Parties which are listed in Annex II to this Agreement shall be abolished in accordance with the conditions set out therein.

Article 5

Customs Duties of a Fiscal Nature

No Customs duties of a fiscal nature shall be introduced in trade between the Parties. The provisions of Article 4 concerning the abolition of customs duties on imports 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 charge having equivalent effect shall be introduced in trade between the Parties.
2. Customs duties on exports and any charges having equivalent effect shall be abolished between the Parties upon entry into force of this Agreement, with the exception of those listed in Annex III, which shall be abolished by Latvia at the latest by the end of 1998.

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 in trade between the Parties from the date of entry into force of this Agreement.
2. Quantitative restrictions on imports shall be abolished between the Parties upon the date of entry into force of this Agreement.

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 in trade between the Parties as from the date of entry into force of this Agreement.

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

Article 9

Trade in Textile Products

Protocol A lays down the other arrangements applicable to the textile products.

CHAPTER II

Agricultural, Processed Agricultural and Fishery Products

Article 10

Scope

1. The provisions of this Chapter shall apply to agricultural, processed agricultural and fishery 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.

3. In trade between the Parties from the date of entry into force of this Agreement no new customs duty on import or exports or charges having equivalent effect shall be introduced, nor shall those already applied be increased.

Article 11

Exchange of Concessions

1. The Parties to this Agreement declare their readiness to foster, in so far as their agricultural policies allow, the harmonious development of trade in agricultural products and to discuss this issue periodically in the Joint Committee.

2. In pursuance of this objective Protocol B providing for measures to facilitate trade in agricultural, processed agricultural and fishery 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.

CHAPTER III

Right of Establishment and Supply of Services

Article 13