

FREE TRADE AGREEMENT BETWEEN TURKEY AND LITHUANIA

Article 1

Objectives

1. Turkey and Lithuania shall gradually establish during a transitional period ending at the latest 1 January 2001 a free-trade area 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 Turkey and Lithuania;
 - (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 co-operation between the Parties.

Article 2

Basic Duties

1. For commercial exchanges covered by this Agreement, the Lithuanian Customs Tariffs shall be applied to the classification of goods for imports into Lithuania. The Turkish Customs Tariffs shall be applied to the classification of goods for imports into Turkey.
2. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be:
 - for products originating in Lithuania, the m.f.n. duty that was in force in Turkey, *erga omnes*, on date of entry into force of this Agreement.
 - for products originating in Turkey, the m.f.n. duty that was in force on *erga omnes* on 1 April 1997 in Lithuania.
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.
4. Lithuania and Turkey shall communicate each other their respective basic duties.

CHAPTER I

Industrial Products

Article 3 Scope

1. The provisions of this Chapter shall apply to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System excluding the products listed in Annex I.
2. The provisions of Articles 4 to 8 included do not apply to textile products as mentioned in Article 9.

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 Turkey and Lithuania from the date of entry into force of this Agreement. The Parties shall abolish on their imports from each other all charges having equivalent effect to customs duties.
2. Customs duties on imports applicable in Lithuania to products originating in Turkey which are not listed in Annex II shall be abolished on the date of entry into force of this Agreement.
3. Customs duties on imports applicable in Lithuania to products originating in Turkey which are listed in Annex II shall be reduced in accordance with the timetable defined below:
 - For the products listed in Table A:
 - on 1.1.1998 - to 50% of the basic duty
 - on 1.1.2001 - to 0% of the basic duty
 - For the products listed in Table B customs duties shall be abolished by 1.1.2001
4. Customs duties on imports applicable in Turkey to products originating in Lithuania which are not listed in Annex III shall be abolished on the date of entry into force of the Agreement.
5. Customs duties on imports applicable in Turkey to products originating in Lithuania which are listed in Annex III shall be abolished in accordance with the timetable defined below:
 - For the products listed in Table A:
 - on 1.1.1998 - to 50% of the basic duty
 - on 1.1.2001 - 0% of the basic duty

- For the products listed in Table B:
- on the date of entry into force of the Agreement to 85% of the basic duty
- on 1.1.1998 - to 75% of the basic duty
- on 1.1.1999 - to 65% of the basic duty
- on 1.1.2000 - to 40% of the basic duty
- on 1.1.2001 - to 0% of the basic duty

Any changes in Turkish and Lithuanian 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.

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 Turkey and Lithuania upon entry into force of this Agreement, with the exception of those listed in Annex IV, which shall be abolished by Lithuania at the latest on 1.1.2001.

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 Turkey and Lithuania from the date of entry into force of this Agreement.
2. Quantitative restriction 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, nor shall those existing be made more restrictive in trade between Turkey and Lithuania 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

1. The textile products of Lithuanian origin listed in Annex V shall benefit from a suspension of customs duties on imports into Turkey, under the conditions set out in that Annex. The Annex may be revised by decision of the Joint Committee.

2. Protocol 1 lays down the arrangements applicable to the textile products referred to therein.

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 Turkey and Lithuania.

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

Article 11

Exchange of Concessions

1. The Parties to the Agreement declare their readiness to foster, insofar 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 2 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.