Article 1
Objectives

1. The Contracting Parties shall gradually establish a free trade area on substantially all their bilateral trade in a transitional period ending on **1 January 2008**, in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994 and the WTO.

2. The objectives of this Agreement are:

   a) to promote through the expansion of mutual trade the harmonious development of economic relations between the Contracting Parties and thus to foster in the Contracting Parties the advance of economic activity, the improvement of living standards, increase of employment, and financial stability;

   b) to provide fair conditions of competition for trade between the Contracting Parties;

   c) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade;

   d) to improve trade and co-operation of the Contracting Parties in the third countries markets.

Article 2
Basic duties

1. For each product the basic duty to which the successive reductions set out in this Agreement are applied shall be the Most Favoured Nation rate of duty in force on the date of entry into force of this Agreement.

2. If, after the date of entry into force of this Agreement, any tariff reduction is applied on an *erga omnes* basis, in particular reductions resulting from the agreement on tariffs concluded by the GATT direction of the Uruguay Round of multilateral negotiations on trade, such reduced duties shall replace the basic duty referred to in paragraph 1 of this Article as from the date when such reductions are applied.

3. In the Contracting Parties, the reduced duties, calculated in accordance with paragraph 2 of this Article, shall be rounded without decimal numbers, in accordance with arithmetical rules. This, decimal additions from 0.1 - 0.4 should be avoided, while decimal 0.5 - 0.9 shall increase the principal by 1.

4. The Contracting Parties shall communicate to each other their respective basic duties.

CHAPTER I - INDUSTRIAL PRODUCTS

Article 3
Scope

1. The provisions of the Chapter I of this Agreement, shall apply to industrial products originating in the Contracting Parties.

2. The term "industrial products" for the purposes of this Agreement refers to the products listed in Chapters 25 to 97 of the Harmonised Commodity Description and Coding System, with the exception of the products listed in Annex 1 of this Agreement.

Article 4
Customs duties on imports

1. No new customs duties on imports, charges having an effect equivalent to customs duties and other import duties of a fiscal nature shall be introduced in trade in industrial products between the Contracting Parties, as from the date of entry into force of this Agreement.

2. Customs duties on imports, charges having equivalent effect to customs duties and other import duties of a fiscal nature applicable to industrial products originating in the Contracting Parties shall be reduced progressively, as follows:

- on the date of entry into force of this Agreement	to 80% of their value
- on 1 January 2005	to 50% of their value
- on 1 January 2006	to 30% of their value
- on 1 January 2007	fully abolished.

Article 5
Customs duties on exports and charges having equivalent effect

1. No new customs duties on exports or charges having equivalent effect to customs duties, and other export duties of a fiscal nature shall be introduced in trade between the Contracting Parties, as from the date of entry into force of this Agreement.

2. The Contracting Parties shall abolish all customs duties on exports or charges having equivalent effect to custom duties, and other export duties of a fiscal nature on the date of entry into force of this Agreement.

Article 6
Quantitative restrictions on exports and imports
and measures having equivalent effect

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

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

Article 7

Technical barriers to trade

1. The rights and obligations of the Contracting Parties, relating to technical barriers to trade (technical regulations, standards and conformity assessment procedures) and the respected measures, shall be governed by the WTO Agreement on Technical Barriers to Trade.

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

3. Each Contracting Party, upon request of the other Contracting Party, shall provide information and in individual cases on standards, technical norms or related measures.

4. The Contracting Parties shall conclude an agreement on 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 PRODUCTS

Article 8
Scope

1. The provisions of the Chapter II of this Agreement shall apply to agricultural products originating in the Contracting Parties.

2. The term "agricultural products" for the purposes of this Agreement refers to the products listed in Chapters 1 to 24 of the Harmonised Commodity Description and Coding System, including products listed in Annex 1 of this Agreement.

Article 9
Customs duties on imports

1. No new customs duties on imports, charges having an effect equivalent to customs duties and other import duties of a fiscal nature shall be introduced in trade in agricultural products between the Contracting Parties as from the date of entry into force of this Agreement.

2. Customs duties on imports, charges having an effect equivalent to customs duties and other import duties of a fiscal nature applicable to agricultural products specified in Annex 2 to this Agreement, originating in the Contracting Parties, shall be abolished on the date of entry into force of this Agreement.

3. Customs duties on imports, charges having an effect equivalent to customs duties and other import duties of a fiscal nature applicable to agricultural products specified in Annex 3 to this Agreement, originating in the Contracting Parties, shall be progressively reduced, as follows:

- on the date of entry into force of this Agreement	to 90% of their value
- on 1 January 2005	to 70% of their value
- on 1 January 2006	to 40% of their value
- on 1 January 2007	to 20% of their value