

Free Trade Agreement Between the Republic of Turkey and the Republic of Albania

PREAMBLE

Desirous to develop and strengthen friendly relations, especially in the fields of economic co-operation and trade, with an aim to contribute to the progress of economic co-operation between the two countries and to increase the scope of mutual trade exchange,

The Republic of Turkey and the Republic of Albania (hereinafter referred to as “the Parties” or “Turkey” and “Albania” where appropriate.)

CONFIRMING their intention to participate actively in the process of economic integration in Europe expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

TAKING INTO CONSIDERATION the “Agreement Establishing an Association between the Republic of Turkey and the European Economic Community” and the “Stabilisation and Association Agreement between the European Communities and their Member States and the Republic of Albania”;

HAVING regard to the experience gained from the co-operation developed between the Parties to this Agreement as well as between them and their main trading partners;

DECLARING their readiness to undertake activities with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in the fields of joint interest, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality, non discrimination, and a balance of rights and obligations;

REFERRING to the mutual interest of the Parties in the continual reinforcement of the multilateral trading system and considering that the provisions and instruments of the General Agreement on Tariffs and Trade 1994 (hereinafter “GATT 1994”) and the World Trade Organization (hereinafter “WTO”) constitute a basis for their foreign trade policy;

RESOLVED to lay down for this purpose provisions aimed at the progressive abolition of the obstacles to trade between the Parties in accordance with the provisions of these instruments, in particular those concerning the establishment of free trade areas;

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

ARTICLE 1

Objectives

1. The Parties, by taking into account Turkey's obligations arising from the Customs Union with the EU and the Stabilisation and Association Agreement between the Republic of Albania and the EU, shall gradually establish a free trade area on substantially all their trade between them in a transitional period lasting a maximum of five years starting from the date of entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994 and the other multilateral agreements on trade in goods annexed to the Agreement establishing the WTO.
2. The objectives of this Agreement are:
 - a) to increase and enhance the economic cooperation between the Parties and raise the living standard of the population of the two countries;
 - b) to gradually eliminate difficulties and restrictions on trade in goods;
 - 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 in trade between the Parties;
 - e) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade;
 - f) to create conditions for further encouragement of investments particularly for the development of joint investments in both countries;
 - g) to promote trade and cooperation between the Parties in third country markets.

ARTICLE 2

Basic Duties

1. In the trade between the Parties covered by this Agreement, the Parties shall apply their respective Customs Tariffs on 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 Most Favored Nation (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 negotiations in the WTO, such reduced duties shall replace the basic duties referred to in paragraph 2 as from that date when such reductions are applied.
4. The reduced duties to be applied by Albania calculated, as set out in this Agreement shall be rounded to whole numbers using common arithmetical principles. Therefore, all figures which have less than 50 (included) after the decimal point shall be rounded down to the nearest whole number and all figures, which have more than 50 after the decimal point shall be rounded up to the nearest whole number.
5. 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 originating in the Parties falling within Chapters 25 to 97 of Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I of this Agreement.

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 in trade between the Parties from the date of entry into force of this Agreement.
2. Customs duties on imports into Turkey of goods originating in Albania shall be abolished upon the entry into force of this Agreement.
3. Customs duties on imports into Albania of goods originating in Turkey other than those listed in Annex II shall be abolished upon the entry into force of this Agreement.
4. Customs duties on imports into Albania of goods originating in Turkey, which are listed in Annex II shall be progressively reduced in accordance with the timetable laid down thereof.