

FREE TRADE AGREEMENT BETWEEN TURKEY AND BOSNIA AND HERZEGOVINA

The following text reproduces the Free Trade Agreement between the Republic of Turkey and Bosnia and Herzegovina.¹

PREAMBLE

The Republic of Turkey and Bosnia and Herzegovina (hereinafter "the Parties"),

Reaffirming their firm commitment to pluralistic democracy based on the rule of law, human rights and fundamental freedoms;

Recalling their intention to participate actively in the process of economic integration in Europe as an important dimension of the stability on the European continent and expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

Reaffirming their commitment to the principles of a market economy, which constitutes the basis for their relations;

Considering the importance of the links existing between the Parties, their desire to strengthen those links and to further extend the relations established previously;

Taking into consideration the Agreement Establishing an Association between Turkey and the European Economic Community and the Stabilisation and Association Process offering the prospect of integration into European structures for Bosnia and Herzegovina;

Convinced that this Agreement will create a new climate for economic relations between the Parties and above all for the development of trade and investment;

Resolved to eliminate progressively the obstacles to substantially all their mutual trade, in accordance with the provisions of the General Agreement on Tariffs and Trade 1994 (hereinafter "GATT 1994") and the Agreement establishing the World Trade Organisation (hereinafter "WTO"), Bosnia and Herzegovina having objective to become a member of the WTO;

Considering that no provision of this Agreement may be interpreted as exempting the Parties from their obligations under other international agreements;

Firmly convinced that this Agreement will foster the intensification of mutually beneficial trade relations between the Parties and contribute to the process of integration in Europe;

¹ The full text of the Agreement together with its annexes and protocols is available at the following URL address: <http://www.dtm.gov.tr/ab/ingilizce/sta/stamenu.htm>

Have agreed as follows:

Article 1

Objectives

1. The Parties shall establish a free trade area on substantially all their bilateral trade in a transitional period ending on 31 December 2006, 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 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 Parties and thus to foster in the Parties the advance of economic activity, the improvement of living and employment conditions, and financial stability;
 - (b) to provide fair conditions of competition for trade between the Parties;
 - (c) to contribute by the removal of barriers to trade, to the harmonious development and expansion of world trade.

CHAPTER I: PRODUCT COVERAGE

Article 2

Scope

The provisions of this Chapter shall apply to products listed in Chapters 1 to 24 of the Harmonized Commodity Description and Coding System and the products listed in Annex I of this Agreement (hereinafter referred to as "agricultural products") and products listed in Chapters 25 to 97 of the Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I of this Agreement (hereinafter referred to as "industrial products") originating in the Parties.

Article 3

Basic Duties

1. In trade between the Parties covered by this Agreement, the Parties shall apply their respective Customs Tariffs and other regulations concerning classification of goods for imports into them.
2. For each product the basic duty to which the successive reductions set out in this Agreement are to be applied shall be the Most Favoured Nation rate of duty in force 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 or accession of Bosnia and Herzegovina to the WTO, such reduced duties shall replace the basic duty referred to in paragraph 2 of this Article as from the date when such reductions are applied.