

# WORLD TRADE ORGANIZATION

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Committee on Regional Trade Agreements

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## FREE TRADE AGREEMENT BETWEEN GEORGIA AND TUKMENISTAN

### Communication by Georgia

#### I. BACKGROUND INFORMATION ON THE AGREEMENT

##### 1. Membership, Dates of Signature, Ratification and Entry into Force

Date of Signature: 20 March 1996 in Tbilisi (Georgia)  
Entry into Force: 1 January 2000

The Agreement will be terminated after twelve months from the date when one of the Parties to the Agreement submits the written notification to the other Party with the purpose of termination of the Agreement.

##### 2. Type of Agreement

The Agreement establishes a free-trade area in conformity with the definition set out in Article XXIV:8(b) of GATT 1994.

##### 3. Scope

The free-trade area established by this Agreement provides the framework for future trade relations between Georgia and Turkmenistan.

The Agreement covers commodity and services.

With the entry into force of this Agreement, Parties to the Agreement will not impose customs duties, taxes or charges of equivalent effect on exports and imports of commodities originated from the customs territories of the contracting Parties. Parties to the Agreement will also not impose, directly or indirectly, local taxes or charges on goods covered by the present Agreement, in excess of the rate of relevant taxes or charges imposed on analogous goods of local production or those produced in third countries.

##### 4. Trade Data

#### Imports from Turkmenistan into Georgia, 1997-2000 (million US\$)

	Total Trade	Trade Covered	% of Trade Covered
1997	-	13.6	
1998	-	10.1	
1999	-	22.2	
2000	32.9	32.6	99.1%

## **II. TRADE PROVISIONS**

### **1. Import Restrictions**

#### **1.1 Duties and charges**

As provided for by Article 1 of the Agreement, the Parties shall introduce no customs duties on imports or taxes and charges having equivalent effect.

#### **1.2 Quantitative restrictions**

The Parties will refrain from applying the quantitative restrictions on imports of goods or their equivalent measures in the framework of the present Agreement.

The Parties have also agreed on freedom of transit.

### **2. Export Restrictions**

#### **2.1 Duties and charges**

The Parties do not charge the export of goods.

#### **2.2 Quantitative restrictions**

The sides will not introduce special restrictions or demands towards export of goods, covered by the present Agreement, that in similar cases are not used towards analogous goods of the local production or those produced in third countries.

### **3. Rules of Origin**

For objectives and within operating period of this Agreement, the following commodity is considered being originated from the customs areas of the Parties:

- (a) Commodity entirely produced on the areas of the Parties;
- (b) Commodity processed on the areas of the Parties using raw materials and accessory items of the third countries, and relatively changed the identity according to the classification of the commodity nomenclature of foreign economic activity.
- (c) Commodities produced by using raw materials and accessory items noted in the paragraph "b", provided that their aggregate cost does not exceed the fixed share in export part of realized commodity.

### **4. Standards**

The Agreement does not stipulate any provisions regarding the standards.

The Agreement does not provide for the provisions concerning sanitary and phytosanitary measures.

## **5. Safeguards**

Quantitative restrictions may be introduced unilaterally in a reasonable manner having strictly determined period and in the following cases only:

- In case of sharp commodity deficiency at the domestic market-till stabilization of situation at the market;
- In case of a balance-of-payments deficit-till stabilization of the balance-of-payments;
- In case when a commodity is imported to the territory of one of the Parties in such an increased quantity or in conditions which are threatening to cause the damage to domestic procedures of similar or directly competitive goods.

## **6. Anti-Dumping and Countervailing Measures**

The Parties to the Agreement consider that unfair business practice is incompatible with the Agreement's objective.

# **III. GENERAL PROVISIONS OF THE AGREEMENT**

Nothing in this Agreement shall prevent any Party from using the measures that it deems necessary in order to protect its vital interests or implement the provisions of international agreements to which it is a contracting Party, if such measures concern the following:

- Information concerning interest of national defense;
- Trade in weapon, ammunition, military equipment;
- Investigations and production concerning defensive needs;
- Supply with materials and equipment applied in nuclear industry,
- Protection of the public moral and public order;
- Protection of industrial or intellectual property;
- Gold, silver or other precious stones and metals;
- Care of human, animal, plant health and environment.

## **3. Dispute Settlement Procedures**

Disputes regarding interpretation and application of provisions of the Agreement will be settled through bilateral negotiations.

## **5. Institutional Framework**

In order to realize objectives of the present Agreement and to elaborate recommendation for improvement of trade and economic cooperation between two countries, the Parties agreed to establish the joint Georgian-Turkmenistanian Commission.

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