

AGREEMENT ON FREE TRADE BETWEEN THE GOVERNMENT OF THE REPUBLIC OF GEORGIA AND THE GOVERNMENT OF UKRAINE

The Government of the Republic of Georgia and the Government of Ukraine, hereinafter referred to as the "Sides" to the agreement,

Guided by provisions of the agreement on Partnership and Cooperation between the Republic of Georgia and Ukraine since 13 April 1993;

Striving for development of trade and economic cooperation between the Republic of Georgia and Ukraine on the bases of equality and mutual advantage;

Guided by the Agreement of the Council of Heads of CIS on establishment of a free-trade area since 15 April 1994;

Expressing the readiness to develop a bilateral relationship in the sphere of trade and economic relations taking into account principles of the General Agreement on Tariffs and Trade (GATT);

Agreed on the following:

Article 1

1. Sides do not impose customs duties, taxes and charges having equivalent effect on import or export of commodity originated from the customs area of one of the Sides and designated for the customs area of another Side. If Sides consider it necessary, exclusions from such trade regime on the agreed commodity nomenclature are generally drawn up through separate Protocol.

2. For objectives and operating period of the present agreement, following commodities are considered to be originated from areas of the Sides:

- (a) goods fully produced on the territories of the Sides;
- (b) goods that are subjects to processing on the territories of the Sides, through utilization of raw materials and accessory items originated from third countries, and goods that have changed their identities in this connection according to the harmonized system of description and coding of goods, proceeded from the first four marks;
- (c) goods produced through utilization of raw materials and accessory items noted in the paragraph (b).

Detailed rules of origin of commodity will be agreed by Sides in the separate document, which will be the inherent part of the present agreement.

Article 2

Sides will not impose local taxes or charges, directly or indirectly on goods, covered by the present agreement, at the rate that exceeds the level of relevant taxes and charges imposed on analogous goods of the local production or those produced in third countries;

Sides will not introduce special restrictions or demands towards export or import 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;

Sides will not use different rules towards warehousing, unloading, storage, shipment of goods, originated from another country, as well as towards repayments and remittances, with the exception of rules that in similar cases are used towards domestic goods or those originated from third countries.

Article 3

The present agreement does not prevent the right of any Side to take governmental regulation measures, adopted in international practice, in the sphere of foreign economic relations that are considered to be necessary for fulfilment of international agreements, participant of which the Side is or intends to be, if such measures concern the following:

- Protection in human health and life;
- Protection of animals and plants;
- Protection of environment;
- Protection of works of art, historical and archaeological valuables;
- Protection of industrial and intellectual property;
- Trade in gold, silver or other precious stones and metals;
- Maintenance of irreplaceable natural resources;
- Restriction of import of goods, when the internal price on such a product is lower than the world price as a result of implementation of governmental assistance programmes;
- Violation of balance-of-payments.
- Nothing in the present agreement prevents the right of any Side to apply any measures of governmental regulation that are considered to be necessary, if such measures concern the following:
 - maintenance of national security, including prevention of the leakage of confidential information related to the governmental secret;
 - trade in weapon, military equipment, ammunition, military services, transfer of technologies and services for the production of armament and military equipment;
 - delivery of fissionable materials and sources of radioactive substances; utilization of radioactive waste products;
 - measures applied in wartime or in case of emergency in international relations;
 - actions for the fulfilment of commitments undertaken by the Side on the basis of UNO provisions for the maintenance of the world peace and security.

Article 4

In accordance with the mutual agreement between Sides, the re-export of separate goods may be restricted according to the volume and nomenclature that is determined in the agreement on trade and economic export of separate goods as well as to the volume and nomenclature determined in the agreement on trade and economic cooperation.

Re-export of such goods to third countries may be implemented only through the letter of consent and in terms defined by the authorized bodies of the producer country. In case of nonobservance of the present provision, after preliminary consultations with another Side, the interested Side has the right to introduce unilaterally measures on regulation of exportation of such goods at the territory of the other Side, which has committed uncoordinated re-export.

Under the re-export is considered the export of commodity, originated from the customs area of one of the Sides, by another Side out of its customs area with the purpose of the commodity's exportation to the third country.

Article 5

Sides will exchange on regular basis an information about customs issues, including customs statistics, that are subjects to the present agreement. Relevant authorized bodies to the Sides coordinate the order of exchange of such information.

Article 6

1. Sides will exchange the information about agreements on free trade between the Sides and third countries.
2. Sides will inform each other about all changes of customs tariffs operating in their countries.

Article 7

In accordance with their legislation, Sides consider that unfair business practice is incompatible with the agreement's objectives and undertake not to permit the following methods:

- agreements between enterprises and their associations that aim to prevent or restrict competition or violate its conditions at the territories of the Sides;
- actions, through which one or several enterprises, using their dominant condition, restrict competition on the whole or on the substantial part of the Sides' territories.

Article 8

During implementation of tariff and non-tariff regulation of bilateral economic relations, for exchange of statistics and for implementation of customs procedures, Sides agreed to apply common nine-digit commodity nomenclature of foreign economic activity based on the harmonized system of description and coding of goods and on the combined tariff and statistic nomenclature of the European Economic Community. Herewith, for their governmental needs, Sides implement, in case of necessity, the development of commodity nomenclature beyond the bounds of nine-digits.

The establishment of a standard pattern of commodity nomenclature is implemented on the basis of mutual agreements through representatives in relevant international organizations.

Article 9

According to the existing internal legislation, each Side will insure free transit, through its territory, of commodity originated from the customs area of another Side or of third countries and designated for the customs area of another Side or of the third country. Each Side guarantees exemption of transit goods, originated from the customs area of another Side, from customs duties and transit charges and this is drawn up through the separate agreement.

Article 10

Nothing in the present agreement prevents the Sides from establishing relations, without violating objectives and terms of the agreement, with countries that are not participants of the present agreement as well as with their associations and international organizations.

Article 11

Disputes between the Sides concerning interpretation or application of the agreement's provisions will be settled through negotiations.

Article 12

Proceeding from the objectives of the present agreement and for elaboration of recommendations for improvement of trade and economic cooperation between two countries, Sides agreed to establish the bipartite Commission. The main objectives of this commission are:

- discussion of the issues concerning the interpretation and application of the present agreement and the settlement of disputes between Sides as well;
- analyze of the development of bilateral trade and economical relations;
- elaboration of proposals on the improvement of the terms of the trade and economic cooperation between two countries and its further development;
- discussion of export control issues, including the list of goods that are subject to control, methods and forms of controlling their export, facts of violation of the requirements of export control and preparation of proposals on adoption and abolition of sanctions;
- discussion of implementation of the present agreement and elaboration of relevant recommendations;
- sessions of the commission are held according to the request of one of the Sides, per annum, by turns in the Republic of Georgia and Ukraine.

Article 13

The present agreement comes into effect from the date of exchanging notifications, where Sides notify each other of implementation of intergovernmental procedures that are necessary for the agreement's coming into force, and will be in force until one of the Sides sends the written notification to another one with six months in advance about the agreement's termination.

DONE in Tbilisi on 9 January 1995, in two originals, each in Georgian, Ukrainian and Russian languages. All texts are equally authentic.

Text in Russian language will be used in case of disagreement during interpretation, application and fulfilment of the present agreement.
