

A G R E E M E N T

On Trade and Economic Relations between the Government of the Republic of Armenia and the Government of the Republic of Estonia

The Government of the Republic of Armenia and the Government of the Republic of Estonia, hereinafter referred to as “the Parties”,

Wishing to contribute to the development of trade and further strengthen economic relations between the two countries on the basis of equality and mutual benefit,

Witnessing the importance of measures directed at the creation of a solid basis for the development of cooperation in trade and economy between Estonian and Armenian legal and natural persons,

Intending to develop their trade relations in accordance with the basic principles of the General Agreement on Tariffs and Trade “GATT-94” and the Agreement establishing the World Trade Organization “WTO”;

Have agreed as follows:

Article 1

The Parties agree to implement the trade and economic cooperation of the two countries in accordance with this Agreement, as well as their countries laws and international regulations.

Article 2

With the objective to secure mutually beneficial conditions for the development of trade and economic relations between the two countries, the Parties shall grant each other the most-favored-nation treatment in mutual trade of goods and services originating from the territory of their states, concerning:

- customs duties and charges of any kind imposed on or in connection with exportation or importation, including the methods of levying and determining such duties and charges;
- methods relating to payments and the transfer of such payments;

- rules and formalities in connection with import and export of goods and services, including those relating to customs clearance, transit, storage and transshipment;
- taxes and other internal charges of any kind applicable directly or indirectly in respect of imported goods and services;
- laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution and use of imported goods and services in the domestic market.

Article 3

The provisions of Article 2 of this Agreement shall no apply to:

- advantages, accorded by the Parties to adjacent countries in order to facilitate frontier traffic;
- advantages, granted to developing countries in accordance with the GATT/WTO or other international agreements as well as national legislation of the states of the Parties;
- advantages resulting from the effective or possible participation of either Party in a customs union and/or free trade area and/or regional economic organization in accordance with the provisions and principles of the GATT/WTO.

Article 4

The country of origin shall be considered a country in which the product has been produced or has undergone sufficient processing in accordance with laws and regulations of this country and in accordance with international agreements.

The Parties reserve the right to request of origin when importing any goods.

Article 5

Export and import of goods and services shall be carried out in accordance with the legislation of the each Party on the basis of agreements and contracts concluded between Armenian and Estonian legal and natural persons on business conditions recognized in international practice.

Any payments deriving from foreign trade transactions concluded within he framework of this Agreement shall be carried out in freely convertible currency or in other currency defined in the particular contracts, in accordance with the legislation of the respective Party.

Article 6

The Parties shall recommended to legal and natural persons of their respective countries to settle disputes arising from, or/and related to commercial transactions and commercial cooperation through negotiations.

The Parties, in accordance with the legislation of their countries, shall encourage recourse to the arbitration rules elaborated by the United Nations Commission on International Trade Law (UNCITRAL).

Article 7

Each Party shall grant to the legal and natural persons of the other Party national treatment in respect of access to its competent organs to defend their individual and property rights.

Article 8

In accordance with the provisions of the GATT-94 the Agreement shall not preclude the rights of either Party or its obligations foreseen by the other international agreements, to adopt the regulatory measures, customary in international practice in the field of foreign economic relations, if the measures are related to:

- the protection of public morals or public security;
- the protection of health and life of people;
- the protection of animals and plants;
- the environmental protection;
- the conservation of exhaustible natural resources;
- the protection of national treasures of artistic, historic or archaeological value;
- the protection of intellectual, industrial and commercial property;
- the importation and/or exportation of precious metal including gold and/or silver as well as precious stones.

Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or concealed limitation of trade between the Parties.

Article 9

The Parties shall consult promptly at the request of either Party whenever imports of products originating in the territory of the other Party causes or threatens to causes injury to domestic producers of like or directly competitive products.

The consultations requested pursuant to above paragraph shall be held with a view to seeking mutually satisfactory solutions, they shall be completed not later than 45 days from the date of written request by the Party concerned, unless the Parties agree otherwise.

If as result of the said consultations the Parties are unable to reach agreement on the means of preventing or remedying injury, the importing Party shall be free to take appropriate measures relative to the import of the products concerned to the extent and for such time as is necessary to prevent occurrence of injury.

In critical circumstances, where emergency action is necessary to prevent or remedy such the importing Party may take appropriate measures without prior consultation on the condition that be offer immediately after taking such measures.

In the selection of measures under this Article the Parties shall endeavor to give priority to those measures which cause the least disturbances to the functioning of this Agreement and shall be ruled by the Article XIX of the GATT-94, Agreement on Safeguards, or respective national legislation.

Article 10

If either Party determines that dumping, definition of which is given in Article VI of the GATT-94, has occurred in trade between the Parties, then this Party can take necessary measures opposing such a practice, in accordance with the rules of the same time Article of GATT-94.

Article 11

The Parties agree that the principle of freedom of transit is an essential condition of attaining the objectives of this Agreement.

In this connection each Party shall provide for freedom of transit through its territory of goods originating in the customs territory or destined for the customs territory of the other Party in accordance with the legislation of the Parties and the principles and provisions of the GATT-94.

Article 12

Any dispute between the Parties relating to the interpretation or application of this Agreement shall be settled through consultations and negotiations.

Article 13

The Parties agree to establish a Joint Committee composed of representatives of the competent courts and administrative organs of the both Parties with the objectives of facilitating the implementation of this Agreement. The Committee shall meet alternately in Yerevan and Tallinn once a year.

The Committee shall determine its own procedure.

The principle tasks of the Committee shall be:

- to follow and to analyze the development of the trade and economic relations between the two countries;
- to review implementation of this Agreement and to work out respective recommendations;
- to make suggestions to the Parties for improving the conditions of trade and economic co-operation between the two countries.

Article 14

This Agreement may be amended by mutual consent of the Parties. The Amendments shall constitute an integral part of this Agreement. Such Amendments will be formalised through diplomatic channels.

Article 15

This Agreement shall enter into force from the date of latter notification, confirming that each Party has fulfilled all internal legal requirements for its entry into force.

This Agreement shall remain in force indefinitely. Either Party may terminate it by means of a written notification. The termination shall become effective six months after the date of the receipt of such notification by the other Party. Both Parties agree that, in the event of a Party to this Agreement becoming a member of the European Union, that Party will withdraw from this Agreement at the latest one day before membership takes affect. The other Party renounces all possible claims for compensations vis-a-vis the enlarged European Union for the change in the conditions of trade.

Done at Tallin 27 June 2002 in two original copies, each in the Armenian, Estonian and English languages, all texts being equally authentic. In case of any divergence of interpretation of the provisions of this Agreement the English text shall prevail.

The Agreement has entered into force on November 26, 2002