

AGREEMENT
on Free Trade Between the Government of Georgia and the Government of the Republic of Azerbaijan

The government of Georgia and the government of the Republic of Azerbaijan, further referred to as “the parties,”
reaffirming their willingness to develop freely the economic cooperation;
taking into consideration the existing integration economic ties between Georgia and the Republic of Azerbaijan,
striving to develop commercial and economic cooperation between Georgia and the Republic of Azerbaijan on the basis of equality and mutual benefit,
recognising that free movement of goods and services requires undertaking of coordinated measures,
guided by the provisions of the Declaration on the Fundamentals of the Economic Relations between Georgia and the Republic of Azerbaijan, proceeding from each state’s sovereign right to conduct an independent foreign economic policy,
intending to promote the economic growth, full employment, productivity growth and resource mobilisation,
striving to promote harmonisation and growth of the world commerce eliminating the obstacles hindering its development,
reaffirming the intention of Georgia and the Republic of Azerbaijan to join the GATT/WTO participants, sharing the GATT/WTO goals and principles and taking into consideration the results of the agreements and negotiations, reached within the framework of the Uruguay Multilateral Trade Negotiations Round,

have agreed upon the following:

Article 1

1. The parties shall not apply customs duties and similar fees for export and import of goods, originated from the customs territory of one of the parties and designated for the other party’s customs territory. Exclusions from this trade regime, if the parties deem it necessary, shall be put into a document, which shall be an integral part of the present agreement.

2. For the goals of this agreement and during the term of its validity, the goods originated from the territory of one of the parties are considered the goods defined as such in accordance with the international law.

Article 2

Neither party shall:

impose on the other party’s goods envisaged by the present agreement direct or indirect internal taxes exceeding the corresponding taxes or duties imposed on the similar products manufactured in their own country or the products manufactured in the countries non-members of the agreement.

Impose on the import and export of goods under this agreement any special restrictions and requirements, not applied in similar conditions for the similar goods produced inside the country or originated from any other country.

Apply for storage, unloading, transportation, also for payment and bank transfer transactions connected with the goods originated from the territory of the other party the rules different from those applied in similar conditions for the goods originated from their own country or from any other country.

Article 3

The parties shall refrain from undertaking discriminating measures in mutual trade as well as from setting quantitative restrictions or equivalent measures in export and import of goods described in the present agreement.

The quantitative restrictions stated in this article can be set unilaterally and for a strictly defined term only:

during the acute deficit of these good in the home market;
before the stabilisation of the taxation balance,
if one of the goods is imported to the territory of one of the parties in such a big amount, or under such circumstances, that cause damage, or threaten to cause damage to the local entrepreneurs producing similar or competitive goods, or
with the purpose of undertaking measures stipulated by the article regulating the reexport transactions.

A party which will apply quantitative restrictions in accordance with this article, shall, at his convenience and in advance present to the other party full information about the reasons, forms and supposed term of application of these restrictions, after which consultations are set and a separate protocol is created.

The parties strive to resolve by means of consultations all questions relating to the introduction of quantitative restrictions, which arise in accordance with the second paragraph of this article.

During selecting measures in accordance with this article, the parties shall give preference to the measures affecting least negatively the achievement of the agreement's goals.

Article 4

The parties, on a regular basis, shall exchange information on:

- laws and other normative acts, connected with the economic activities, including trade and transport, investments, taxation, bank and insurance activities and other financial services, including customs service and customs statistics.

The parties shall immediately inform each other of the changes in the national legislation, which can affect the realisation of the present agreement.

The authorised bodies of the parties agree upon the procedure of such information exchange.

Article 5

The parties agree that export is allowed only in case of existence of the written agreement from the authorised body of the exporting country.

Article 6

The parties shall inform each other of the acting customs tariffs and all exclusions from them.

Article 7

The parties deem it inconsistent with the goals of this agreement dishonest activities and commit themselves to prevent the following, and not only:

- agreements between the enterprises, decisions taken by the corporations, and certain activities aiming at hindering or restricting the competition, or violating its conditions on the parties' territories.;

- activities, with the help of which one or more enterprise using its dominating position restricts the competition on the whole or a considerable part of the parties' territories.

Article 8

While conducting the tariff and non-tariff regulation of bilateral economic relations, in order to exchange statistical information and carry out the customs procedures, the parties agree to use a common nine-bar nomenclature of the trade foreign economic activities, based on the description of goods and the harmonised system of the goods bar coding and the EU combined tariff statistical nomenclature. In addition, the parties, for their own purposes, if necessary, can introduce the goods nomenclature other than the nine-bar standard.

The introduction of the trade nomenclature standard takes place on the basis of mutual agreements via existing missions in respective international organisations.

Article 9

The parties agree that adherence to the principle of free transit is the principal condition to guarantee achievement of goals of this agreement and an essential element for their inclusion into the system of international labour division and cooperation.

With regard to this, each party, except the cases, which concerns the national security interests of the parties, shall guarantee within its territory the transit of goods originated from the other party's and/or any other country's customs territory and designated for the other party's or any other country's customs territory, and shall provide the exporters, importers or deliverers transports with all means and services necessary for guaranteeing the transit under the conditions which shall not be less favourable than those provided for the same type of services and means to the exporters, importers and transports of their own country or any other country.

The parties agree that tariffs for transit conducted by any means of transport, including the loading and unloading tariffs, will be economically documented.

Article 10

The present agreement is not in conflict with the right of any party to take measures accepted in the international practice, which the party deems necessary to undertake in order to protect its vital interests, or, which are necessary to fulfil those international agreements the member of which the party is or intends to become, if these measures concern:

- information connected with the national security interests;
- trade with weapon, ammunition and military technique;
- production and research connected with the defence;

- delivery of materials and machinery used in the nuclear industry;
- maintaining public moral and public order;
- protection of intellectual and industrial property;
- gold, silver, or any other precious stones and metals;
- protection of public health, flora and fauna, environmental protection.

Article 11

In order to conduct a coordinated export control policy towards other countries, the parties shall conduct regular consultations and take co-ordinated measures to create a more effective export control system.

Article 12

The provisions of the present agreement shall replace the provisions of the agreements made between the parties, where they are not consistent or are identical.

Article 13

The disputes between the parties concerning the application and interpretation of the provisions of the present agreement shall be resolved by means of negotiations. The parties shall try to avoid conflict situations in mutual trade. The parties shall determine that all claims and disputes arisen during the interpretation and fulfilment of the commercial contracts and deals between the industrial entities of both countries, if their resolution is not reached after consultations and negotiations, and if other provisions are not set, shall be within the competence of the arbitrary courts, created on the territory of the parties or any other country, determined by the parties having signed the contract.

The latter can also define the used material rights, norms and procedures, also the site of arbitration.

Each party guarantees that effective means exist on its territory for recognition and implementation of the arbitration decisions.

Article 14

In order to elaborate recommendations aimed at realisation of the present agreement and perfection of the commercial economic cooperation between the two countries, the parties have agreed to found a Joint Commission of Georgia and Azerbaijan, which will meet at the wish of one of the parties, in either Azerbaijan or Georgia.

Article 15

All payments and transfer of money for the commercial economic cooperation between Georgia and Azerbaijan shall take place in accordance with the agreement between the authorised banks of the parties.

Article 16

Nothing in this agreement prevents the parties, without violating its provisions and goals, from establishing relationship with the states, which are not the parties of this agreement, also with their unions and international organisations.

Article 17

Any country provided that the parties approve of it, can join the present agreement with the conditions agreed upon by the parties and the country willing to join the agreement.

Article 18

The present agreement comes into force as of the date of exchange of the final written notification about the fulfilment of all intra-state formalities.

The agreement becomes invalid after the expiration of twelve months as of the date of the written notification by one of the parties about the intention to stop the agreement.

the agreement is made in Tbilisi on March 1996, in two copies, each one in Georgian, Azeri, and Russian. All texts have an equal force.

In case of any difference in interpretation of any of the article of the present agreement, the Russian text shall be referred to.

On behalf of the Georgian Government

On behalf of the Azerbaijan Government

AGREEMENT

on Free Trade Between the Government of Georgia and the Government of Turkmenistan

The government of Georgia and the government of Turkmenistan, further referred to as “the parties,”

reaffirming their willingness to develop freely the economic cooperation;
taking into consideration the existing integration economic ties between Georgia and the Republic of Turkmenistan,

striving to develop commercial and economic cooperation between Georgia and Turkmenistan on the basis of equality and mutual benefit,

recognising that free movement of goods and services requires undertaking of coordinated measures,

proceeding from each state’s sovereign right to conduct an independent foreign economic policy,

intending to promote the economic growth, full employment, productivity growth and resource mobilisation,

striving to promote harmonisation and growth of the world commerce eliminating the obstacles hindering its development,

have agreed upon the following:

Article 1

1. The parties shall not apply customs duties and similar fees for export and import of goods, originated from the customs territory of one of the parties and designated for the other party’s customs territory. Exclusions from this trade regime, if the parties deem it necessary, shall be put into a document, which shall be an integral part of the present agreement.

2. For the goals of this agreement and during the term of its validity, the goods originated from the territory of one of the parties are considered the following goods

a) fully manufactured on the territory of one of the parties;
b) processed on the territory of one of the parties using raw materials, materials and spare parts of any other country, which causes the change of ownership according to the classification of goods nomenclature of the foreign economic activities.

c) produced using raw materials, materials and spare parts listed in item b of this article provided that their total cost does not exceed the fixed export share of the goods sold.

Such rules of the goods origin shall be agreed upon by the parties in a separate document, which shall be an integral part of the present agreement.

Article 2

Neither party shall:

impose on the other party’s goods for which the present agreement is valid direct or indirect internal taxes exceeding the corresponding taxes or duties imposed on the similar product manufactured in the country or the product manufactured in the countries non-members of the agreement.

Impose on the import and export of goods under this agreement any special restrictions and requirements, not applied in similar conditions for similar goods produced inside the country or originated from any other country.

Apply for storage, unloading, transportation, also for payment and bank transfer transactions of the goods originated from the territory of the other party the rules different from those applied in similar conditions for the goods originated from their own country or from any other country.

permit a non-sanctioned reexport of the goods, towards the export of which the party, from whose territory the goods are originated, applies measures of tariff and non-tariff regulation.

Article 3

The parties will refrain from undertaking discriminating measures in mutual trade, also from setting quantitative restrictions or equivalent measures for export and import of goods described in the present agreement.

The quantitative restrictions stated in this article can be set unilaterally and for a strictly defined term only:

during the acute deficit of these good in the home market;

before the stabilisation of the taxation balance,

if one of the goods is imported to the territory of one of the parties in such a big amount, or under such circumstances, that cause damage, or threaten to cause damage to the local entrepreneurs producing similar or competitive goods, in order to realise the measures stipulated under article 6 of this agreement.

A party which will apply quantitative restrictions in accordance with this article, shall, at his convenience, in advance present to the other party full information about the reasons, forms and supposed term of application of these restrictions, after which consultations are set.

In accordance with this article, for introduction of quantitative restrictions a separate protocol shall be created.

Article 4

Payments and money transfers connected with the commercial economic cooperation between the parties shall take place in accordance with the mechanisms defined by the central banks of the states. Payment and credit relations shall be defined in a separate agreement.

Article 5

The parties, on a regular basis, shall exchange information on:

- laws and other normative acts, connected with economic activities, including trade and transport, investments, taxation, bank and insurance activities and other financial services as well as customs service and customs statistics.

The parties shall immediately inform each other of the changes in their national legislation, which can affect the realisation of the present agreement.

The authorised bodies of the parties agree upon the procedure of the information exchange.

Article 6

The parties deem it inconsistent with the goals of this agreement dishonest activities and commit themselves to prevent the following methods of this, and not only:

- agreements between the enterprises, decisions taken by the corporations, and certain activities, aiming at hindering or restricting the competition, or violating its conditions on the parties' territories:

- activities, with the help of which one or more enterprise using its dominating position restricts the competition on the whole or a considerable part of the parties' territories.

Article 7

While conducting tariff and non-tariff regulation of bilateral economic relations, in order to exchange statistical information and to carry out the customs procedures, the parties agree to use a common nine-bar nomenclature of the trade foreign economic activities, based on the description of goods and the harmonised system of the goods bar coding and the EU combined tariff statistical nomenclature. In addition, the parties, for their own purposes, if necessary, can create the goods nomenclature outside the limits of the nine-bar standard.

Introduction of the standard trade nomenclature shall take place on the basis of mutual agreements via existing missions in respective international organisations.

Article 8

The parties agree that adherence to the principle of free transit is the principal condition to guarantee achievement of goals of this agreement and an essential element for their inclusion into the system of international labour division and cooperation.

With regard to this, each party, except the cases, concerning the national security interests of the parties, shall guarantee within its territories the transit of goods originated from the other party's and/or any other country's customs territory and designated for the other party's or any other country's customs territory, and shall provide the exporters, importers or deliverers and transports with all means and services necessary for guaranteeing the transit under the conditions which shall not be less favourable than those provided for the same type of services and means to the exporters, importers and transports of their own country or any other country.

2. The procedure and conditions for the transit of goods on the territory of states shall be regulated in accordance with the international law.

Article 9

The present agreement does not contradict the right of any party to take measures accepted in the international practice, which it deems necessary to undertake in order to protect its vital interests, or, which are necessary to fulfil those international agreements the member of which it is, or intends to become, if these measures concern:

- information connected with the national security interests;
- trade with weapons, ammunition and military technique;
- production and research connected with the defence;
- delivery of those materials and machinery used in the nuclear industry;
- maintaining public moral and public order;
- protection of intellectual and industrial property;
- gold, silver, or any other precious stones and metals;

- protection of public health, flora and fauna, environmental protection.
- protection of arts, archaeological and historical values, representing the national treasure;
- protection of irreversible natural resources;
- restriction of the products export, when, due to the state support programmes, the internal price on this product is lower than the world price;
- violation of the payments balance.

Article 10

In order to conduct a coordinated export control policy towards other countries, the parties shall conduct regular consultations and take coordinated measures to create a more effective export control system.

Article 11

The provisions of the present agreement shall replace the provisions of the agreements previously made between the parties, if they are in conflict or are identical.

Article 12

The disputes between the parties concerning the application and interpretation of the provisions of the present agreement shall be resolved by means of negotiations.

The parties shall try to avoid conflict situations in the mutual trade.

The parties shall determine that all claims and disputes arisen during the interpretation and fulfilment of the commercial contracts and deals between the industrial entities of both countries, if their resolution is not reached after consultations and negotiations, and if other provisions are not defined, shall be within the competence of the arbitrary courts of the parties or shall be discussed in any other country, determined by the parties having signed the contract.

Each party shall guarantee that effective means exist on its territory for recognition and implementation of the arbitration decisions.

Article 13

In order to elaborate recommendations aimed at realisation of the present agreement and perfection of the commercial economic cooperation between the two countries, the parties have agreed to found a Joint Commission of Georgia and Turkmenistan, which shall meet, at the wish of one of the parties, in either Turkmenistan or Georgia.

Article 14

Amendments and additions made to the present agreement shall be described in separate protocols which shall be an integral part of the agreement.

Article 15

The present agreement comes into force as of the date of exchange of the final written notification about the fulfilment of all intra-state formalities and remains in force until the expiration of twelve months as of the date of the written notification of one of the parties about its intention to stop the agreement.

The provisions of this agreement, after its stopping, are applied for the contracts between the enterprises and organisations of both countries concluded earlier but not fulfilled during the validity of the agreement.

The agreement is made in Tbilisi on --- March 1996, in two copies, each one in Georgian, Turkmen, and Russian. All texts have equal force.

In case of any difference in interpretation of any of the articles of the present agreement, the Russian text shall be referred to.

Georgian Government represented by Turkmenistan Government represented by

