AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA CONCERNING THE DEVELOPMENT OF TRADE AND INVESTMENT RELATIONS

The Government of the Republic of Turkey and the Government of the United States of America (individually a Party and collectively the (Parties):

1) Desiring to enhance the partnership, friendship, and spirit of cooperation between the two countries;

2) Desiring to develop further both countries international trade and economic interrelationship;

3) Taking into account the membership of both countries in the World Trade Organization (WTO), and noting that this Agreement is without prejudice to the rights and obligations of the Parties under the Marrakech Agreement Establishing the World Trade Organization and the agreements, understandings, and other instruments relating thereto or concluded under the auspices of the WTO;

4) Recognizing the importance of fostering an open and predictable environment for international trade and investment;

5) Recognizing the benefits to each Party resulting from increased international trade and investment, and that trade-distorting investment measures and protectionism would deprive the Parties of such benefits;

6) Recognizing the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology and enhancing economic development;

7) Recognizing that foreign direct investment confers positive benefits on each Party;

8) Acknowledging previous Agreements between the Republic of Turkey and the United States, and noting that this Agreement is without prejudice to the rights and obligations of the Parties under such Agreements;

9) Recognizing the increased importance of services in their economies and in their bilateral relations;

* Source: The Government of the United States and the Government of Turkey (1999). "Agreement between the Government of the Republic of Turkey and the Government of the United States of America Concerning the Development of Trade and Investment Relations", Official Gazette of the Government of Turkey No. 23961, 11 February 2000; available also on the Internet (http://www.turkev.org/business/TIFA-E.htm). [Note added by the editor.]

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10) Recognizing the need to eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries;

11) Recognizing the importance of providing adequate and effective protection and enforcement of intellectual property rights and of adherence to intellectual property rights conventions;

12) Recognizing the significance to both countries economic welfare of working toward the observance and promotion of internationally recognized core labor standards based on the principles underlying core ILO Conventions.

13) Desiring to ensure that trade and environmental policies are mutually supportive in furtherance of sustainable development;

14) Desiring to encourage and facilitate private sector contacts between the two countries;

15) Recognizing the principles set forth in the Joint Communique of the Turkey-U.S. Joint Economic Commission of October 20-21, 1998 and the Memorandum of Understanding on establishing a mechanism of commercial consultation signed in

Ankara on January 28,1998;

16) Considering that it would be in their mutual interest to establish a bilateral mechanism to explore methods to liberalize trade and investment, including the negotiation of agreements to facilitate freer trade.

To this end, the Parties agree as follows:

Article ONE.

The Parties affirm their desire to expand trade in products and services consistent with the terms of this Agreement. They shall take appropriate measures to encourage and facilitate in a mutually beneficial way the exchange of goods and services and to secure favorable conditions for long-term development and diversification of trade between their respective nationals and companies.

Article TWO.

The Parties shall establish a Turkey-United States Council on Trade and Investment, the Council, which shall be composed of representatives of both Parties. The Turkish side will be chaired by the Undersecretariat of Foreign Trade; and the U.S. side will be chaired by Office of the U.S. Trade Representative (USTR). Both Parties may be assisted by officials of other government entities as circumstances require. The Council will meet at least once a year on mutually accepted dates.

Article THREE.

The objectives of the Council are to hold consultations on specific trade and investment matters of interest to the Parties; to identify agreements appropriate for negotiation; and to identify and work toward the removal of impediments to trade and investment.

International Investment Instruments: A Compendium

Article FOUR.

For the purpose of further developing bilateral trade and providing for a steady increase in the exchange of products and services, the Parties shall consider whether further agreements relating to trade, taxation, intellectual property, investment, labor and environmental issues and to any other matters agreed upon by the Parties would be desirable.

Article FIVE.

1. Either Party may raise for consultation between the Parties any investment matter not arising under the Treaty between the Parties concerning the Reciprocal Encouragement and Protection of Investments, signed in Washington on December 3, 1985, the Investment Treaty, or any trade matter. Requests for consultation shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within 30 days of the request, unless the requesting Party agrees to a later date.

2. This Agreement shall be without prejudice to the rights of either Party under its domestic law or under any other instrument to which either country is a party.

Article SIX.

The present Agreement shall enter into force on the date on which the Parties exchange notification that each has completed the legal procedures necessary for this purpose.

Article SEVEN.

The Parties agree to formulate an action agenda for the Council within 30 days of the entry into force of this Agreement.

Article EIGHT.

The present Agreement shall remain in force for a period of five (5) years and thereafter its validity shall be automatically

extended on a yearly basis, unless a written notice of termination is given by either Party six (6) months prior to the end of any such period.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Agreement.

DONE at Washington this 29th day of September 1999, in duplicate in the Turkish and English languages, both texts being equally authentic.

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