The Association Agreement Establishing a Free Trade Area between the Republic of Turkey and the Hashemite Kingdom of Jordan

The Republic of Turkey and the Hashemite Kingdom of Jordan (hereinafter referred to as “the Parties” or “Turkey” and “Jordan” where appropriate);

DESIROUS to develop and strengthen the existing friendly relations, especially in the fields of economic co-operation and trade, with an aim to contribute to the progress of economic co-operation between the two countries and to increase the scope of mutual trade exchanges;

CONFIRMING their intention to participate actively in the process of economic integration in Europe and in the Mediterranean Basin expressing their preparedness to co-operate in seeking ways and means to strengthen this process;

TAKING INTO CONSIDERATION the “Agreement Establishing an Association between Turkey and the European Economic Community” and “the EuroMediterranean Agreement Establishing an Association between the European Communities and their Member States and the Hashemite Kingdom of Jordan”;

HAVING regard to the experience gained from the co-operation developed between the Parties to this Agreement as well as between them and their main trading partners;

TAKING INTO ACCOUNT the difference in economic and social development existing between the Parties and the need to intensify existing efforts to promote economic and social development in the Hashemite Kingdom of Jordan;

DECLARING their readiness to undertake activities with a view to promoting harmonious development of their trade as well as to expanding and diversifying their mutual co-operation in the fields of joint interest, including fields not covered by this Agreement, thus creating a framework and supportive environment based on equality, non discrimination, and a balance of rights and obligations;

REFERRING to the mutual interest of the Parties in the continual reinforcement of the multilateral trading system and considering that the provisions and instruments of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as “GATT 1994”) and the World Trade Organisation (hereinafter referred to as “WTO”) constitute a basis for their foreign trade policy;

CONSIDERING the rights and obligations of the Parties stemming from the GATT 1994 and the WTO;

RESOLVED to lay down for this purpose provisions aimed at progressive abolition of the obstacles to trade between the Parties in accordance with the provisions of this Agreement, in particular those concerning the establishment of free trade area;

BELIEVING that development of trade and cooperation in the economic and technical fields is one of the main elements of rapid development strategies of both countries;

HAVE DECIDED, in pursuance of these objectives, to conclude the following Agreement (hereinafter referred to as “this Agreement”).

Article 1. Objectives

The objectives of this Agreement are:

a) to increase and enhance economic co-operation between the Parties and to raise the living standards of the population of the two countries;

b) to gradually eliminate difficulties and restrictions on trade in goods, including the agricultural products;

c) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between

the Parties;

d) to provide fair conditions of competition in trade between the Parties;

e) to create conditions for further encouragement of investments particularly for the development of joint investments in both countries;

f) to promote trade and co-operation between the Parties in third country markets.

Title I. Free Movement of Goods

Article 2. Establishment of a Free Trade Area

The Parties shall gradually establish a free trade area on substantially all their trade between them in a transitional period lasting a maximum of 12 years starting from the entry into force of this Agreement in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994 and the other multilateral agreements on trade in goods annexed to the Agreement establishing the WTO.

Article 3. Basic Duties and Classification of Goods

1. In trade between the Parties covered by this Agreement, the Parties shall apply their respective National Customs Tariffs on the classification of goods for imports into them.

2. For each product the basic duty to which successive reductions set out in this Agreement are to be applied shall be the Most Favoured Nation (MFN) duty that was in force in the Parties on 1 January 2009.

3. If, after 1 January 2009, any tariff reduction is applied on an erga omnes basis, in particular, reductions resulting from the tariff negotiations in the WTO, such reduced duties shall replace the basic duties referred to in paragraph 2 as from that date when such reductions are applied.

4. The Parties shall communicate to each other their respective basic duties.

Chapter I. Industrial Products

Article 4. Scope

The provisions of this Chapter shall only apply to products originating in the territory of each Party falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System with the exception of the products listed in Annex I of this Agreement.

Article 5. Customs Duties on Imports and Charges Having Equivalent Effect

1. From the date of entry into force of this Agreement no new customs duties on imports or charges having equivalent effect shall be introduced, nor shall those existing be increased, other than as permitted by this Agreement.

2. Customs duties and charges having equivalent effect on imports applicable in Turkey to products originating in Jordan, which are not listed in List A of Annex II shall be abolished upon the entry into force of this Agreement.

3. Customs duties and charges having equivalent effect on imports applicable in Jordan to products originating in Turkey which are not listed in List A and List B1, B2, B3 of Annex II shall be abolished on the date of entry into force of this Agreement.

4. Customs duties and charges having equivalent effect on imports applicable in Jordan to products originating in Turkey which are listed in List B1 of Annex II shall be abolished as follows:

- on 1 January 2011 each duty and charge shall be reduced to 75% of the basic duty,

- on 1 January 2012 each duty and charge shall be reduced to 50% of the basic duty,

- on 1 January 2013 each duty and charge shall be reduced to 25% of the basic duty,

- on 1 January 2014 the remaining duties and charges shall be abolished.

5. Customs duties and charges having equivalent effect on imports applicable in Jordan to products originating in Turkey which are listed in List B2 of Annex II shall be abolished as follows: -on 1 January 2012 each duty and charge shall be reduced to 80% of the basic duty,

- on 1 January 2013 each duty and charge shall be reduced to 65% of the basic duty,

- on 1 January 2014 each duty and charge shall be reduced to 50% of the basic duty,

- on 1 January 2015 each duty and charge shall be reduced to 35% of the basic duty,

- on 1 January 2016 each duty and charge shall be reduced to 20% of the basic duty,

- on 1 January 2017 the remaining duties and charges shall be abolished.

6. Customs duties and charges having equivalent effect on imports applicable in Jordan to products originating in Turkey which are listed in List B3 of Annex II shall be abolished as follows: -on 1 January 2013 each duty and charge shall be reduced to 75% of the basic duty, -on 1 January 2014 each duty and charge shall be reduced to 60% of the basic duty, -on 1 January 2015 each duty and charge shall be reduced to 45% of the basic duty, -on 1 January 2016 each duty and charge shall be reduced to 30% of the basic duty, -on 1 January 2017 each duty and charge shall be reduced to 15% of the basic duty, - on 1 January 2018 the remaining duties and charges shall be abolished.

7. For the products originating in Turkey and for the products originating in Jordan which are listed in List A of Annex II, the arrangements to be applied shall be re-examined by the Association Council three years after the entry into force of the Agreement. At the time of that re-examination, the Association Council shall determine the transitional period during which tariff-dismantling for those products will be applied.

Article 6. Customs Duties of a Fiscal Nature

The provisions concerning the abolition of customs duties on imports shall also apply to customs duties of a fiscal nature.

Article 7. Customs Duties on Exports and Charges Having Equivalent Effect

Without prejudice to the provisions of Article 45 of this Agreement and other related provisions of the GATT 1994:

1. From the date of the entry into force of this Agreement no new customs duties on exports or charges having equivalent effect shall be introduced in trade between the Parties.

2. All customs duties on exports and any charges having equivalent effect shall be abolished between the Parties upon entry into force of this Agreement.

Article 8. Quantitative Restrictions on Imports and Measures Having Equivalent Effect

Without prejudice to the provisions of Articles 14 and 19 of this Agreement and other related provisions of the GATT 1994:

1. From the date of the entry into force of this Agreement no new quantitative restriction on imports or measure having equivalent effect shall be introduced in trade between the Parties.

2. All quantitative restrictions on imports and measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of this Agreement.

Article 9. Quantitative Restrictions on Exports and Measures Having Equivalent Effect

Without prejudice to the provisions of Article 45 of this Agreement and other related provisions of the GATT 1994:

1. From the date of the entry into force of this Agreement no new quantitative restriction on exports or measure having equivalent effect shall be introduced in trade between the Parties.

2. All quantitative restrictions on exports and any measures having equivalent effect shall be abolished between the Parties upon the date of entry into force of this Agreement.

Article 10. Standardization

1. The rights and obligations of the Parties in respect of technical regulations, standards and conformity assessment shall be

governed by the WTO Agreement on Technical Barriers to Trade.

2. The Parties shall strengthen their co-operation in the fields of technical regulations, standards, conformity assessment, metrology and accreditation with a view to increasing the mutual understanding of their respective systems and facilitating access to their respective markets, thereby preparing the ground for mutual recognition agreements. The Parties shall consult each other in the Association Committee in view of the implementation of the objective set out in this Article.

3. Without prejudice to paragraph 1, the Parties agree to hold immediate consultations in the framework of the Association Committee where either Party has taken measures which are likely to create, or have created an obstacle to trade, in order to find an appropriate solution in conformity with the WTO Agreement on Technical Barriers to Trade.

4. The Parties agreed to revise the existing bilateral cooperation agreement in the field of standardization signed in 1998.

Chapter II. Basic Agricultural, Processed Agricultural and Fishery Products

Article 11. Scope

1. The provisions of this Chapter shall apply to basic agricultural and processed agricultural products and fishery products originating in the territory of each Party.

2. The term "basic agricultural and processed agricultural products and fishery products" means (hereinafter referred to as agricultural products), for the purpose of this Agreement, the products falling within Chapters 01 to 24 of the Harmonised Commodity Description and Coding System and the products listed in Annex I of this Agreement.

Article 12. Exchange of Concessions

1. The Parties to this Agreement shall mutually allocate concessions set forth in Protocol I in accordance with the provisions of this Chapter.

2. Taking into account the role of agriculture in their respective economies, the development of trade in agricultural products, the high sensitivity of agricultural products and the rules of their respective agricultural policy, the Parties shall examine in the Association Committee the possibilities of granting further concessions to each other in trade in agricultural products.

Article 13. Sanitary and Phytosanitary Measures

The Parties shall not apply their regulations in sanitary and phytosanitary matters as an arbitrary or unjustifiable discrimination or a disguised restriction on trade between them. The rights and the obligations of the Parties in respect to sanitary and phytosanitary measures shall be governed by the WTO SPS Agreement.

Article 14. Special Safeguards

Notwithstanding other provisions of this Agreement, given the particular sensitivity of the agricultural products, if imports of products originating in a Party, which are the subject of concessions granted under this Agreement, cause or threaten to cause serious injury to the markets or to their domestic regulatory mechanisms, in the other Party, both Parties shall enter into consultations immediately to find an appropriate solution according to rules indicated in Article 21. Pending such solution, the Party concerned may take the measures it deems necessary to repair the situation in domestic industry, in accordance with the relevant WTO rules.

Chapter III. Common Provisions

Article 15. Internal Taxation

1. The Parties commit themselves to apply any internal taxes and other charges and regulations in accordance with Article III of the GATT 1994 and other relevant WTO Agreements.

2. Exporters shall not benefit from refunds of internal indirect taxation, which exceeds the amount of indirect taxation that has been directly or indirectly imposed on products exported to the territory of one of the Parties.

Article 16. Trade Relations Governed by other Agreements

This Agreement shall not prevent the maintenance or establishment of customs unions, free trade areas or arrangements for cross-border trade of the Parties with third countries.

Article 17. Structural Adjustment

1. Exceptional measures of limited duration which derogate from the provisions of Article 5 may be taken by Jordan in the form of increased customs duties.

2. These measures may only concern infant industries, or certain sectors undergoing restructuring or facing serious difficulties, particularly where these difficulties produce important social problems.

3. Customs duties applicable on imports into Jordan to products originating in Turkey introduced by these measures may not exceed 25% ad valorem and shall maintain an element of preference for products originating in Turkey. The total value of imports of the products, which are subject to these measures, may not exceed 20 % of total imports of industrial products from Turkey as defined in Article 4, during the last year for which statistics are available.

4. These measures shall be applied for a period not exceeding five years unless a longer duration is authorized by the Association Committee. They shall cease to apply at the latest on the expiry of the transitional period.

5. No such measures can be introduced in respect of a product if more than three years have elapsed since the elimination of all duties and quantitative restrictions or charges or measures having an equivalent effect concerning that product.

6. Jordan shall inform the Association Committee of any exceptional measures she intends to take. At the request of Turkey, consultations shall be held in the Association Committee on such measures and the sectors to which they apply before they are applied. When taking such measures Jordan shall provide the Association Committee with a schedule for the elimination of the customs duties introduced under this Article. This schedule shall provide for a phasing out of these duties starting at the latest two years after their introduction, at equal rates. The Association Committee may decide on a different schedule.

Article 18. Dumping

If a Party finds that dumping, within the meaning of the Agreement on Implementation of Article VI of the GATT 1994 is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with Article VI of the GATT 1994 and the rules established by the Agreement on Implementation of Article VI of the GATT 1994.

Article 19. General Safeguards

Where any product is being imported into either of the Parties in such increased quantities, each Party retains its rights and obligations under Article XIX of GATT 1994 and the WTO Agreement on Safeguard Measures. This Agreement does not confer any additional rights or obligations on the Parties with regard to safeguard measures.

Article 20. Re-export and Serious Shortage

Where compliance with the provisions of Article 7 and 9 leads to:

a) re-export towards a third country against which the exporting Party to this Agreement maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or

b) a serious shortage, or threat thereof, of a product essential to the exporting Party;

and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 21 of this Agreement. The measures shall be non-discriminatory and shall be eliminated when conditions no longer justify their maintenance.

Article 21. Notifications and Consultations Procedure

1. Before initiating the procedure for the application of the measures mentioned in Articles 14, 20, 25, 26 and 47 set out in

this Article, the Parties shall endeavour to solve any differences between themselves through direct consultations, and shall inform the other Party thereof.

2. In these cases specified in paragraph 1 of this Article, a Party which is considering to resort to a measure shall promptly notify the Association Committee thereof. The Party concerned shall provide the Association Committee with all relevant information and give it the assistance required to examine the case. Consultations between the Parties shall take place without delay in the Association Committee with a view to finding a commonly acceptable solution.

3. If, within 30 days of the matter being notified to the Association Committee, the Party in question fails to put an end to the practice objected to or to the difficulties notified and in the absence of a decision by the Association Committee in the matter, the Party willing to apply the measure may adopt the measures it considers necessary to remedy the situation.

4. The measures taken shall be notified immediately to the Association Committee. They shall be restricted, with regard to their extent and to their duration, to what is strictly necessary in order to rectify the situation giving rise to their application and shall not be in excess of the damage caused by the practice or the difficulty in question. Priority shall be given to such measures that will least disturb the functioning of this Agreement.

5. The measures taken shall be the subject of regular consultations within the Association Committee with a view to their relaxation, or abolition when conditions no longer justify their maintenance.

6. Where exceptional circumstances requiring immediate action make prior examination impossible, the Party concerned may, in the cases of Articles 14, 20, 25, 26 and 47 apply forthwith the precautionary measures strictly necessary to remedy the situation. The measures shall be notified without delay to the Association Committee and consultations between the Parties to this Agreement shall take place within the Association Committee.

Article 22. Rules of Origin and Co-operation In Customs Administration

1. Protocol II lays down the rules of origin and methods of administrative cooperation.

2. The Parties shall apply the harmonised preferential rules of origin in the context of the System of Pan-Euro-Med Cumulation of Origin.

Chapter IV. State Monopolies, Competition Rules, Payments and other Economic Provisions

Article 23. State Monopolies

1. The Parties shall progressively adjust any state monopoly of a commercial character so as to ensure that by the end of the fifth year following the entry into force of this Agreement, no discrimination regarding the conditions under which goods are procured and marketed will exist between nationals of the Parties.

2. The Association Committee shall be informed about the measures adopted to implement this objective.

Article 24. Payments

Any payment arising from trade between the Parties shall be made in convertible currency, in accordance with the respective national legislation of the Parties.

Article 25. Rules of Competition Concerning Undertakings

1. The following are incompatible with the proper implementation of this Agreement, in so far as they affect trade between the Parties:

a) all agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;

b) abuse by one or more undertakings of dominant positioning the territories of the Parties as a whole or in a substantial part thereof.

2. If the Parties consider that a particular practice is incompatible with the terms of the first paragraph of this Article, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party or material injury to its

domestic industry, including its services industry, it may take appropriate measures in accordance with the procedures laid down in Article 21 of this Agreement.

3. The Parties shall establish co-operation, exchange experiences and provide mutual technical assistance in the field of competition laws and policies with a view to increase the mutual understanding of their respective systems. The Parties shall consult each other in the Association Committee in view of the implementation of the objective set out in this paragraph.

4. Notwithstanding any provisions to the contrary adopted in conformity with this article, the Parties shall exchange information taking into account the limitations imposed by the requirements of professional and business secrecy.

Article 26. Subsidies

1. The rights and obligations of the Parties in respect of subsidies shall be governed by Articles VI and XVI of the GATT 1994, the WTO Agreement on Subsidies and Countervailing Measures and the WTO Agreement on Agriculture.

2. In the case of practices incompatible with paragraph 1 of this Article, such appropriate measures may, where the WTO/GATT 1994 applies thereto, only be adopted in conformity with the procedures and under the conditions laid down by the WTO/GATT 1994 and any other relevant instrument negotiated under its auspices which are applicable between the Parties.

3. Each Party shall ensure transparency in the area of state aid. Upon request by one Party, the other Party shall provide information on particular individual cases of state aids.

Article 27. Balance of Payments Difficulties

Where either Party is in serious balance of payments difficulties or under threat thereof, the Party concerned may in accordance with the conditions laid down within the framework of WTO/GATT 1994, adopt restrictive measures, which shall be of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. The Party concerned shall inform the other Party forthwith of their introduction and present to the other Party, as soon as possible, a time schedule of their removal.

Article 28. Intellectual, Industrial and Commercial Property Rights

1. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights in line with WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

2. Implementation of this Article shall be regularly assessed by the Parties. If difficulties which affect trade arise in connection with intellectual, industrial and commercial property rights, either Party may request urgent consultations to find mutually satisfactory solutions within the framework of the Association Committee.

Article 29. Public Procurement

The Parties agree on the objective of a progressive liberalization of public procurement. The Association Council will hold consultations on the implementation of this objective.

Title II. Economic and Technical Co-operation

Article 30. Objective

1. The Parties will exert all necessary efforts to develop economic, scientific, technical and commercial co-operation between the two Sides.

2. The Parties will promote and facilitate continuously the enhancement and diversification of trade exchanges and economic and technical co-operation between their economic establishments, enterprises, organisations and institutions within the framework of their respective rules and regulations as well as their international obligations.

3. Turkey shall give priority for providing Jordan with technical assistance in the primary fields of economic co-operation referred to in Article 33.

4. The Parties will encourage operations designed to develop co-operation among the countries of the region and particularly the ones taking part within the Euro-Mediterranean Partnership.

Article 31. Scope

1. Co-operation and technical assistance shall;

a) focus primarily on infant industries, sectors suffering from internal difficulties or affected by the overall process of the liberalisation of trade between Turkey and Jordan.

b) focus on areas likely to bring the economies of the Parties closer together.

c) focus on capacity building and training programs, which would assist in creating the necessary institutions and human resources for implementation of this Agreement with Jordan.

e) support joint-ventures, twinning initiatives and joint investments amongst the private sector institutions.

f) support joint marketing and promotion of the Parties' products and services in both countries' markets and third countries' markets.

2. The Parties agree to extend economic co-operation to other areas not covered by the provisions of this Chapter such as and not inclusive to irrigation, transportation, communications, higher education, tourism, banking and finance, public works, shipping, shipbuilding, development and planning, engineering, consultancy, contracting works and other possible economic transactions.

Article 32. Methods and Modalities

1. The Agreements concluded between the Parties in the fields of the economic, commercial, technical and scientific co-operation shall be implemented without prejudice to the provisions of this Agreement.

2. The Parties shall further determine the methods and modalities for economic cooperation and technical assistance; in particular within the work of the Association Council referred to in Article 40. In this regard, the Association Council may decide to establish sub-committees.

3. Economic co-operation and technical assistance shall be implemented in particular by:

a) regular exchange of information and ideas in every sector of co-operation including meetings of officials and experts;

b) encouragement of reciprocal participation in fairs and exhibitions;

c) transfer of advice, expertise and training;

d) implementation of joint actions such as seminars and workshops;

e) technical, administrative and regulatory assistance;

f) encouragement and establishment of joint ventures;

g) dissemination of information on co-operation;

h) exchange of information in economic, scientific and technical field;

i) granting scholarships in various fields of technical and scientific cooperation;

j) transfer of technology and know-how in specific industries to be determined by the parties within the context of Association Committee;

k) supporting the establishment of joint marketing companies targeting both countries' markets as well as the markets of third countries.

4. Projects relating to economic, scientific and technical cooperation applications shall be arranged by individual programs, agreements and contracts which will be concluded between the participating companies and establishments of the Parties in accordance with their respective legislation in force.

5. The matters relating to the providing of expert, advisor and other technical persons by the Parties shall be arranged by individual protocols to be concluded between the competent authorities of the Parties.

Article 33. Primary Fields of Economic Co-operation

The co-operation under the scope of this Agreement shall primarily involve the following fields referred in detail between Articles 34 to 38 of the Agreement:

a) Industry;

b) Agriculture;

c) Services;

d) Transportation;

e) Small and medium-sized enterprises (SMEs);

f) Trade development including business cooperation.

Article 34. Industrial Co-operation

The main aim of industrial co-operation will be to support Jordan, in its efforts to modernize and diversify industry and, in particular, to create an environment favourable to private sector and industrial development by enhancing co-operation between the two Parties' economic operators.

Article 35. Co-operation In Agriculture

Taking into account the importance of co-operation in agriculture towards the enhancement of bilateral relations, the Parties agreed to cooperate in, inter alia, the following fields:

a) exchange of scientific and technical information and expertise relating to agriculture, forestry, water resources and rural development;

b) reciprocal exchange of experts;

c) organization of training, seminars, conferences and meetings, in either of both countries;

d) establishment of direct joint activities between the respective institutions;

e) encouragement of investment and trade on agricultural production, processing and marketing in both countries and in other markets; f) transfer of technology and know-how in agro industry.

Article 36. Co-operation In Services

1. The Parties to this Agreement recognize the growing importance of trade in services. In their efforts to gradually develop and broaden their co-operation, in particular in the context of the Euro-Mediterranean Partnership, they will cooperate with the aim of further promoting investments and achieving a progressive liberalization and mutual opening of their markets for trade in services, taking into account relevant provisions of the WTO-General Agreement on Trade in Services (GATS) and the services ongoing negotiations under the auspices of the WTO.

2. The Parties will discuss the means of co-operation in the area of services at the Association Council.

Article 37. Co-operation In Transport

1. The Parties shall promote co-operation between enterprises, organizations and authorities, operating in the fields of land, maritime and aviation transport.

2. The Parties shall take the necessary measures to facilitate procedures in the field of transportation for the purposes of enhancing bilateral trade.

Article 38. Co-operation between SMEs

1. With the view to further enhance trade and economic activities, the Parties shall give priority to promoting business and investment opportunities as well as joint ventures between SMEs of the two countries. Within this context, the Parties will, inter alia;

a) exchange expertise on entrepreneurship, management, research and management centers, quality and production

standards;

b) provide market information to create investment opportunities;

c) furnish published documents concerning SMEs.

2. Turkey shall support Jordan's efforts towards capacity building for the related private sector institutions.

Article 39. Trade Development

Trade co-operation shall primarily focus on:

a) developing, diversifying and increasing trade between them and improving the Parties' competitiveness on domestic, regional and international markets;

b) the updating of Jordanian laboratories, leading eventually to the conclusion of mutual recognition agreements for conformity assessments;

c) enhancing co-operation in customs and origin matters including vocational training in the customs field;

d) ensuring technical support for intellectual, industrial and commercial property in Jordan; including the implementation of international IPR Agreements, such as the PCT (Patent Cooperation Agreement) and Madrid Protocol, and exchanging information and expertise for the reinforcement of national organizations involved in enforcement and protection against counterfeiting and piracy;

e) enhancing cooperation to improve education and training, including vocational training;

f) drawing up appropriate trade development strategies and creation of a trade environment supportive of competitiveness;

g) capacity building and development of human resources and professional skills in the field of trade and support services in both the public and private sector;

h) exchange of information on market requirements know-how and technology transfer through investments and joint-ventures;

i) establishment, adaptation and strengthening of organizations concerned with the development of trade and support services;

j) regional co-operation for the development of trade and trade-related infrastructure and services in third countries;

k) enhancing cooperation between business associations in both countries.

Title III. Institutional and Final Provisions

Article 40. Establishment of the Turkey-jordan Association Council

An Association Council is hereby established which as a rule shall be headed by Ministers in charge of foreign trade and meet at least once a year in accordance with the conditions laid down in its rules of procedure.

Article 41. Duties of the Association Council

The Association Council shall review the progress made in the implementation of this Agreement. It shall also examine any major issues arising within the framework of this Agreement including its economic and social impact and any other bilateral or international issues of mutual interest.

Article 42. Procedures of the Association Council

1. The Association Council shall consist of officials and public sector representatives of both Parties. The Association Council may invite private sector representatives to its meetings upon its approval.

2. The Association Council shall establish its rules of procedure.

3. The Association Council shall, for the purpose of attaining the objectives of this Agreement, have the power to take decisions in the cases provided for therein.

4. The decisions taken shall be binding on the Parties that shall take the measures necessary to implement the decisions taken. The Association Council may also make appropriate recommendations.

5. The Association Council may upon necessity establish working groups or bodies for the implementation of the Agreement.

6. It shall draw up its decisions and recommendations by agreement between the two Parties.

Article 43. Establishment of the Association Committee

1. Subject to the powers of the Association Council, an Association Committee is hereby established which shall be responsible for the settlement implementation of the Agreement.

2. The Association Council may delegate to the Association Committee, in full or in part, any of its powers.

Article 44. Procedures of the Association Committee

1. The Association Committee shall meet at an appropriate level whenever necessary upon the request of the Parties, but at least once a year alternatively in Turkey and Jordan.

2. The Association Committee shall establish its rules of procedure.

3. The Association Committee shall have the power to take decisions for the implementation of the Agreement as well as in the areas in which the Council has delegated its powers to it.

4. It shall draw up its decisions by agreement between the two Parties. These decisions shall be binding on the Parties that shall take the measures necessary to implement the decisions taken.

Article 45. Security Exceptions

Nothing in this Agreement shall prevent a Party from taking any measures which it considers necessary to its essential security interests as long as these measures are consistent with Article XXI of the GATT 1994.

Article 46. General Exceptions

This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security; the protection of health and life of humans, animals or plants; the protection of national treasures possessing artistic, historic or archaeological value; the protection of intellectual, industrial and commercial property. Such prohibitions or restrictions must not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 47. Fulfilment of Obligations

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfilment of their obligations under this Agreement.

2. If either Party considers that the other Party has failed to fulfil an obligation under this Agreement, the Party concerned may take the appropriate measures under the conditions and in accordance with the procedures laid down in Article 21 of this Agreement.

Article 48. Dispute Settlement

1. The Parties shall take all necessary measures to ensure the achievement of the objectives of this Agreement and the fulfillment of their obligations under this Agreement.

2. If either Party considers that the other Party has failed to fulfill an obligation under this Agreement or in the case of a dispute relating to interpretation of the provisions of this Agreement, the complaining Party may refer the dispute to the Association Committee. If the Association Committee settles the dispute referred to it, it shall take a decision on the matter, and the Parties shall be bound to take the necessary measures to carry out this decision.

3. If the dispute referred to the Association Committee has not been settled within 60 days after the dispute was referred to

it, or within such other period as the Association Committee has agreed upon, the complaining Party may notify the other Party by a written request to establish an arbitration tribunal.

4. The arbitration tribunal shall be composed of three members. Each Party shall appoint one arbitrator within 30 days from receiving the request for appointing an arbitration tribunal and the two appointees shall choose, within 30 days after their nomination, a third who will serve as the chairman.

5. The arbitration tribunal shall, within 90 days after the third member is appointed, present to the Parties an initial report. The panel shall base its report on the relevant provisions of this Agreement and the arguments of the Parties and shall make recommendations for the resolution of the dispute.

6. After considering any comments by the Parties on the initial report, the arbitration tribunal may modify its report and make any further examination it considers appropriate. The arbitration tribunal shall present the final report to the Association Committee within 30 days of the presentation of the initial report.

7. The Association Committee shall take a decision to settle the dispute on the basis of the final report of the arbitration tribunal and the Parties shall be bound to take the necessary steps required to implement this decision.

8. If the Party complained against fail to implementing the decision mentioned in paragraph 7 of this article, the complaining Party shall be entitled to take measures in line with the decision of the Association Committee. 9. The Parties shall also enter into discussion with a view to developing rules for the selection and conduct of members of arbitration tribunal and model rules of procedure for arbitration tribunal at the first Association Committee meeting.

Article 49. Evolutionary Clause

1. Where either Party considers that it would be useful and in the interest of the economies of the Parties to develop the relations established by this Agreement by extending them to fields not covered thereby, it shall submit a reasoned request to the other Party. The Association Council may instruct the Association Committee to examine this request and, where appropriate, to make recommendations to them, particularly with a view to opening negotiations.

2. Agreements resulting from the procedure referred to in paragraph 1 will be subject to ratification or approval by the Parties to this Agreement in accordance with their national legislation.

Article 50. Amendments

Amendments to this Agreement, as well as to its Annexes and Protocols, shall enter into force on the date of receipt of the latter written notification through diplomatic channels, by which the parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

Article 51. Protocols and Annexes

Protocols and Annexes to this Agreement shall form an integral part thereof. The Association Council may decide to amend the Protocols and Annexes in accordance with the national legislation of the Parties.

Article 52. Duration and Denunciation

1. This Agreement is concluded for an indefinite period of time.

2. Either Party may denounce this Agreement by a written notification to the other Party. The Agreement shall terminate on the first day of the seventh month following the date when the other Party received the denunciation notice.

Article 53. Entry Into Force

1. This Agreement shall enter into force on the first day of the second month, following the date of the receipt of the latter written notification through diplomatic channels, by which the Parties inform each other that all necessary requirements foreseen by their national legislation for the entry into force of this Agreement have been fulfilled.

2. Upon its entry into force, this Agreement shall replace the following Agreements between the Parties:

a) Trade Agreement between the Government of the Republic of Turkey and the Government of the Hashemite Kingdom of Jordan (signed on 17 June 1980).

b) Agreement on Economic, Industrial and Technical Co-operation between the Government of the Republic of Turkey and the Government of the Hashemite Kingdom of Jordan (signed on 4 December 1983).

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this Agreement.

DONE at Amman, this first day of December two thousand and nine, in three originals each in Turkish, Arabic and English languages, all texts being equally authentic. In case of any divergence in the interpretation of this Agreement, the English text shall prevail.

For the Republic of Turkey

Nihat ERGÜN

Minister of Industry and Trade

For the Hashemite Kingdom of Jordan

Amer Al HADİDİ

Minister of Industry and Trade