Euro-Mediterranean Agreement establishing an Association between the European Community and its Member States, of the one part, and the People's Democratic Republic of Algeria, of the other part

THE KINGDOM OF BELGIUM,

THE KINGDOM OF DENMARK,

THE FEDERAL REPUBLIC OF GERMANY,

THE HELLENIC REPUBLIC,

THE KINGDOM OF SPAIN,

THE FRENCH REPUBLIC,

IRELAND,

THE ITALIAN REPUBLIC,

THE GRAND DUCHY OF LUXEMBOURG,

THE KINGDOM OF THE NETHERLANDS,

THE AUSTRIAN REPUBLIC,

THE PORTUGUESE REPUBLIC,

THE REPUBLIC OF FINLAND,

THE KINGDOM OF SWEDEN,

THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND,

Contracting Parties to the Treaty establishing the European Community,

Hereinafter referred to as the ‘Member States', and

THE EUROPEAN COMMUNITY, hereinafter referred to as the Community, of the one part, and

THE PEOPLE'S DEMOCRATIC REPUBLIC OF ALGERIA hereinafter referred to as ‘Algeria',

Of the other part,

CONSIDERING the proximity and interdependence which historic links and common values have established between the Community, its Member States and Algeria,

CONSIDERING that the Community, its Member States and Algeria wish to strengthen those links and to establish lasting relations, based on reciprocity, solidarity, partnership and co-development,

CONSIDERING the importance which the Parties attach to the principles of the United Nations Charter, particularly the observance of human rights and political and economic freedom, which form the very basis of the Association,

CONSCIOUS, on the one hand, of the importance of relations in an overall Euro-Mediterranean context and, on the other, of the objective of integration between the countries of the Maghreb,

DESIROUS of fully achieving the objectives of the association between them by implementing the relevant provisions of this Agreement to bring the levels of economic and social development of the Community and Algeria closer to each other,

CONSCIOUS of the importance of this Agreement, which is based on reciprocity of interests, mutual concessions, cooperation and dialogue,

DESIROUS of establishing and developing political consultation on bilateral and international issues of mutual interest;

CONSCIOUS that terrorism and international organised crime represent a threat to the fulfilment of the objectives of the partnership and to stability in the region,

TAKING ACCOUNT of the Community's willingness to provide Algeria with decisive support in its endeavours to bring about economic reform and adjustment and social development,

CONSIDERING the commitment of both the Community and Algeria to free trade, in compliance with the rights and obligations arising out of the General Agreement on Tariffs and Trade (GATT) in its post-Uruguay Round form,

DESIROUS of establishing cooperation sustained by regular dialogue on economic, scientific, technological, social, cultural, audio-visual and environmental issues in order to achieve better mutual understanding,

CONFIRMING that the provisions of this Agreement that fall within the scope of Part III, Title IV of the Treaty establishing the European Community bind the United Kingdom and Ireland as separate Contracting Parties, and not as Member States of the Community, until the United Kingdom or Ireland (as the case may be) notifies Algeria that it has become bound as part of the Community in accordance with the Protocol on the position of the United Kingdom and Ireland annexed to the Treaty on European Union and the Treaty establishing the European Community. The same applies to Denmark, in accordance with the Protocol on the position of Denmark,

CONVINCED that this Agreement provides a suitable framework for the development of a partnership based on private initiative, and that it will create a climate conducive to economic, trade and investment relations between the Parties, a consideration which offers vital backing for economic restructuring and technological modernisation,

HAVE AGREED AS FOLLOWS:

Article 1.

1. An Association is hereby established between the Community and its Member States of the one part and Algeria of the other part.

2. The aims of this Agreement are to:

- Provide an appropriate framework for political dialogue between the Parties, allowing the development of close relations and cooperation in all areas they consider relevant to such dialogue,

- Promote trade and the expansion of harmonious economic and social relations between the Parties and establish the conditions for the gradual liberalisation of trade in goods, services and capital,

- Facilitate human exchanges, particularly in the context of administrative procedures,

- Encourage integration of the Maghreb countries by promoting trade and cooperation within the Maghreb group and between it and the Community and its Member States,

- Promote economic, social, cultural and financial cooperation.

Article 2.

Respect for the democratic principles and fundamental human rights established by the Universal Declaration of Human Rights shall inspire the domestic and international policies of the Parties and shall constitute an essential element of this Agreement.

Article TITLE I. Political Dialogue

Article 3.

1. A regular political and security dialogue shall be established between the Parties. It shall help build lasting links of solidarity between the partners which will contribute to the prosperity, stability and security of the Mediterranean region

and bring about a climate of understanding and tolerance between cultures.

2. Political dialogue and cooperation are intended in particular to:

(a) Facilitate rapprochement between the Parties through the development of better mutual understanding and regular coordination on international issues of common interest;

(b) Enable each party to consider the position and interests of the other;

(c) Contribute to consolidating security and stability in the Euro-Mediterranean region;

(d) Help develop joint initiatives.

Article 4.

Political dialogue shall cover all issues of common interest to the Parties, in particular the conditions required to ensure peace, security and regional development through support for cooperation.

Article 5.

Political dialogue shall be established at regular intervals and whenever necessary, notably:

(a) At ministerial level, mainly in the framework of the Association Council;

(b) At the level of senior officials representing Algeria, on the one hand, and the Council Presidency and the Commission on the other;

(c) Taking full advantage of all diplomatic channels including regular briefings, consultations on the occasion of international meetings and contacts between diplomatic representatives in third countries;

(d) Where appropriate, by any other means which would contribute to consolidating dialogue and increasing its effectiveness.

Article TITLEII . FREE MOVEMENT OF GOODS

Article 6.

The Community and Algeria shall gradually establish a free-trade area over a transitional period lasting a maximum of twelve years starting from the date of the entry into force of this Agreement in accordance with the following provisions and in conformity with those of the 1994 General Agreement on Tariffs and Trade and the other multilateral agreements on trade in goods annexed to the Agreement establishing the World Trade Organisation (WTO), hereinafter referred to as "GATT".

Chapter 1. Industrial Products

Article 7 .

The provisions of this Chapter shall apply to products originating in the Community and Algeria falling within Chapters 25 to 97 of the Combined Nomenclature and of the Algerian Customs tariff with the exception of the products listed in Annex 1.

Article 8 .

Products originating in Algeria shall be imported into the Community free of customs duties and charges having equivalent effect.

Article 9.

1. Customs duties and charges having equivalent effect applicable on import into Algeria of products originating in the Community listed in Annex 2 shall be abolished upon the entry into force of this Agreement.

2. Customs duties and charges having equivalent effect applicable on import into Algeria of the products originating in the Community listed in Annex 3 shall be progressively abolished in accordance with the following timetable:

– two years after the date of entry into force of this Agreement each duty and charge shall be reduced to 80% of the basic duty;

– three years after the date of entry into force of this Agreement each duty and charge shall be reduced to 70% of the basic duty;

– four years after the date of entry into force of this Agreement each duty and charge shall be reduced to 60% of the basic duty;

– five years after the date of entry into force of this Agreement each duty and charge shall be reduced to 40% of the basic duty;

– six years after the date of entry into force of this Agreement each duty and charge shall be reduced to 20% of the basic duty;

– seven years after the date of entry into force of this Agreement the remaining duties shall be abolished.

3. Customs duties and charges having equivalent effect applicable on import into Algeria of the products originating in the Community other than those listed in Annexes 2 and 3 shall be progressively abolished in accordance with the following timetable:

– two years after the date of entry into force of this Agreement each duty and charge shall be reduced to 90% of the basic duty;

– three years after the date of entry into force of this Agreement each duty and charge shall be reduced to 80% of the basic duty;

– four years after the date of entry into force of this Agreement each duty and charge shall be reduced to 70% of the basic duty;

– five years after the date of entry into force of this Agreement each duty and charge shall be reduced to 60% of the basic duty;

– six years after the date of entry into force of this Agreement each duty and charge shall be reduced to 50% of the basic duty;

– seven years after the date of entry into force of this Agreement each duty and charge shall be reduced to 40% of the basic duty;

– eight years after the date of entry into force of this Agreement each duty and charge shall be reduced to 30% of the basic duty;

– nine years after the date of entry into force of this Agreement each duty and charge shall be reduced to 20% of the basic duty;

– ten years after the date of entry into force of this Agreement each duty and charge shall be reduced to 10% of the basic duty;

– eleven years after the date of entry into force of this Agreement each duty and charge shall be reduced to 5% of the basic duty;

– twelve years after the date of entry into force of this Agreement the remaining duties shall be abolished.

4. In the event of serious difficulties for a given product, the timetables established in accordance with paragraphs 2 and 3 may be reviewed by the Association Committee by common accord on the understanding that the schedule for which the review has been requested may not be extended in respect of the product concerned beyond the maximum transitional period referred to in Article 6. If the Association Committee has not taken a decision within 30 days of its application to review the timetable, Algeria may suspend the timetable provisionally for a period which may not exceed one year.

5. For each product concerned, the basic duty to be gradually reduced as provided in paragraphs 2 and 3 shall be the rates referred to in Article 18.

Article 10 .

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

Article 11.

1. Exceptional measures of limited duration which derogate from the provisions of Article 9 may be taken by Algeria in the form of an increase or reintroduction of customs duties.

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

Customs duties on imports applicable in Algeria to products originating in the Community introduced by these measures may not exceed 25% ad valorem and shall maintain an element of preference for products originating in the Community. The total value of imports of the products subjected to such measures may not exceed 15% of total imports of industrial products from the Community during the last year for which statistics are available.

These measures shall be applied for a period not exceeding five years unless a longer duration is authorised by the Association Committee. They shall cease to apply at the latest on expiry of the maximum transitional period referred to in Article 6. No such measures may 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 equivalent effect concerning that product.

Algeria shall inform the Association Committee of any exceptional measures it intends to take and, at the request of the Community, consultations shall be held on such measures and the sectors to which they apply before they are implemented. When adopting such measures, Algeria shall provide the Association Committee with a schedule for the abolition of the customs duties introduced pursuant to this Article. Such schedule shall provide for the phasing-out of the duties concerned by equal annual instalments, starting no later than the end of the second year following their introduction. The Association Committee may decide on a different schedule.

2. By way of derogation from the fourth subparagraph of paragraph 1, the Association Committee may exceptionally, in order to take account of the difficulties involved in setting up a new industry, authorise Algeria to maintain the measures already taken pursuant to paragraph 1 for a maximum period of three years beyond the transitional period referred to in Article 6.

Chapter 2 . AGRICULTURAL, FISHERY AND PROCESSED AGRICULTURAL PRODUCTS

Article 12.

The provisions of this Chapter shall apply to products originating in the Community and Algeria falling within Chapters 1 to 24 of the Combined Nomenclature and of the Algerian Customs tariff and to the products listed in Annex 1.

Article 13.

The Community and Algeria shall progressively establish a greater liberalisation of their reciprocal trade in agricultural, fisheries and processed agricultural products of interest to both Parties.

Article 14.

1. Agricultural products originating in Algeria listed in Protocol No 1 on importation into the Community shall be subject to the arrangements set out in that Protocol.

2. Agricultural products originating in the Community listed in Protocol No 2 on importation into Algeria shall be subject to the arrangements set out in that Protocol.

3. Fishery products originating in Algeria listed in Protocol No 3 on importation into the Community shall be subject to the arrangements set out in that Protocol.

4. Fishery products originating in the Community listed in Protocol No 4 on importation into Algeria shall be subject to the arrangements set out in that Protocol.

5. Trade in processed agricultural products falling under this Chapter shall be subject to the arrangements set out in Protocol No 5.

Article 15.

1. Five years after the entry into force of this Agreement, the Community and Algeria shall assess the situation in order to determine the liberalisation measures to be applied by the Community and Algeria six years after the entry into force of the Agreement, in accordance with the objective set out in Article 13.

2. Without prejudice to the provisions of paragraph 1 and taking account of the patterns of trade in agricultural products, fishery products and processed agricultural products between the Parties and the particular sensitivity of such products, the Community and Algeria shall examine in the Association Council, product by product and on a reciprocal basis, the possibilities of granting each other further concessions.

Article 16.

1. Should specific rules be introduced as a result of implementation of their agricultural policies or modification of their existing rules, or should the provisions on the implementation of their agricultural policies be modified or developed, the Community and Algeria may modify the arrangements laid down in this Agreement in respect of the products concerned.

2. The Party carrying out such modification shall inform the Association Committee thereof. At the request of the other Party, the Association Committee shall meet to take due account of the interests of the other Party.

3. If the Community or Algeria, in applying paragraph 1, modifies the arrangements made by this Agreement for agricultural products, they shall accord imports originating in the other Party an advantage comparable to that provided for in this Agreement.

4. Any modification of the arrangements made by this Agreement shall be the subject, at the request of the other Contracting Party, of consultations within the Association Council.

Chapter 3. Common Provisions

Article 17.

1. No new customs duties on imports or exports or charges having equivalent effect shall be introduced in trade between the Community and Algeria, nor shall those already applied upon entry into force of this Agreement be increased.

2. No new quantitative restriction on imports or exports or measure having equivalent effect shall be introduced in trade between the Community and Algeria.

3. Quantitative restrictions on imports or exports and measures having equivalent effect in trade between Algeria and the Community shall be abolished upon the entry into force of this Agreement.

4. Algeria shall abolish by 1 January 2006 at the latest the provisional additional duty applied to the products listed in Annex 4. That duty shall be reduced on a linear basis by 12 points per year starting on 1 January 2002.

If Algeria's commitments in respect of its accession to the WTO provide for a shorter period for the abolition of the provisional additional duty, that shorter period shall be applicable.

Article 18.

1. For each product concerned, the basic duty to be reduced as provided in Article 9(2) and (3) and in Article 14 shall be the rate actually applied vis-à-vis the Community on 1 January 2002.

2. In the event of Algerian accession to the WTO, the applicable rates for imports between the Parties shall be the WTO bound rate or lower applied rate enforced as of accession. If, after accession to the WTO, a tariff reduction is applied on an erga omnes basis, the reduced rate shall apply.

3. The provisions of paragraph 2 shall apply to any tariff reduction applied erga omnes introduced after the date on which the negotiations are concluded.

4. The Parties shall communicate to each other their respective basic rates applied on 1 January 2002.

Article 19.

Products originating in Algeria shall not enjoy more favourable treatment when imported into the Community than that applied by Member States among themselves.

The provisions of this Agreement shall apply without prejudice to the provisions of Council Regulation (EEC) No 1911/91 of 26 June 1991 on the application of the provisions of Community law to the Canary Islands (OJ L 171, 29.6.1991, p. 1), as last amended by Regulation (EC) No 1105/2001 (OJ L 151, 7.6.2001, p. 1).

Article 20.

1. Both Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Party and like products originating in the territory of the other Party.

2. Products exported to the territory of one of the Parties may not benefit from repayment of indirect internal taxation in excess of the amount of indirect taxation imposed on them directly or indirectly.

Article 21.

1. This Agreement shall not preclude the maintenance or establishment of customs unions, free trade areas or arrangements for frontier trade insofar as they do not have the effect of altering the trade arrangements provided for in this Agreement.

2. Consultation between the Parties shall take place within the Association Committee concerning agreements establishing customs unions or free trade areas and, where requested, on other major issues related to their respective trade policies with third countries. In particular in the event of a third country acceding to the Community, such consultations shall take place so as to ensure that account is taken of the mutual interests of the Community and Algeria stated in this Agreement.

Article 22.

If one of the Parties finds that dumping is taking place in trade with the other Party within the meaning of Article VI GATT 1994, it may take appropriate measures against this practice in accordance with the WTO Agreement on the Implementation of Article VI of GATT 1994, related internal legislation and the procedures laid down in Article 26.

Article 23.

The WTO Agreement on Subsidies and Countervailing Measures shall be applicable between the Parties.

If one of the Parties finds that subsidies are being used in trade with the other Party within the meaning of Articles VI and XVI GATT 1994, it may take appropriate measures against this practice in accordance with the WTO Agreement on Subsidies and Countervailing Measures and its own legislation on the matter.

Article 24.

1. Except where otherwise stated in this Article, the provisions of Article XIX GATT 1994 and of the WTO Agreement on Safeguards are applicable between the Parties.

2. Each Party shall inform the Association Committee forthwith of any step that it takes or intends to take with regard to the application of safeguard measures. Each Party shall send the Association Committee, immediately or at least one week in advance, a communication in writing containing all information pertinent to:

1. – the opening of a safeguard investigation;
2. – the outcome of the investigation. The information provided shall include an explanation of the procedure on which the investigation is based and details of the schedule of hearings and other suitable occasions for the parties concerned to submit their opinions. Each Party shall also give the Association Committee an advance written notification containing all relevant information about the decision to apply provisional safeguard measures; this notification must be received at least one week before the measures are applied.

3. On being notified of the final results of the investigation and before applying safeguard measures in accordance with Article XIX of GATT 1994 and the WTO Agreement on Safeguards, the Party intending to apply such measures shall refer the matter to the Association Committee for a thorough examination of the situation with a view to finding a mutually acceptable solution.

4. In order to find such a solution, the Parties shall immediately hold consultations within the Association Committee. If the Parties fail to reach an agreement within 30 days of the initiation of such consultations on a solution to avoid the application of the safeguard measures, the Party intending to apply safeguard measures may apply the provisions of Article XIX of GATT 1994 and of the WTO Agreement on Safeguards.

5. In the selection of safeguard measures pursuant to this Article, the Parties shall give priority to those which cause least disturbance to the achievement of the objectives of this Agreement. Such measures shall not go beyond what is necessary to remedy the difficulties arising and shall maintain the level or margin of preference granted pursuant to this Agreement.

6. The Party intending to apply safeguard measures pursuant to this Article shall offer the other Party compensation in the form of liberalisation of trade vis-à-vis imports from the latter; that compensation will be essentially equivalent to the adverse trade effects of the measures on the other Party with effect from the date of their implementation. The offer shall be made before the safeguard measure is adopted and concurrently with the notification of and referral to the Association Committee, in accordance with paragraph 3. If the Party whose product is the intended subject of the safeguard measure considers the offer of compensation unsatisfactory, the two Parties may agree to other forms of trade compensation in the framework of the consultations referred to in paragraph 3.

7. If the Parties fail to agree on the matter of compensation within 30 days of the initiation of the above consultations, the Party whose product is the subject of safeguard measures may adopt compensatory tariff measures having trade effects essentially equivalent to the safeguard measure adopted pursuant to this Article.

Article 25.

Where compliance with the provisions of Article 17(3) leads to:

1. (i) re-export towards a third country against which the exporting party maintains, for the product concerned, quantitative export restrictions, export duties, or measures having equivalent effect, or
2. (ii) 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 26. The measures shall be non-discriminatory and shall be abolished when conditions no longer justify their maintenance.

Article 26.

1. In the event of the Community or Algeria subjecting imports of products liable to give rise to the difficulties referred to in Article 24 to an administrative procedure having as its purpose the rapid supply of information on trade flow trends, it shall inform the other Party.

In the cases specified in Articles 22 and 25, before taking the measures provided for therein or, in cases to which paragraph 2(c) of this Article applies, as soon as possible, the Community or Algeria, as the case may be, shall supply the Association Committee with all relevant information with a view to seeking a solution acceptable to the two Parties.

In the selection of measures, priority shall be given to those which least disturb the functioning of this Agreement.

2. For the implementation of the second subparagraph of paragraph 1, the following provisions shall apply:

1. (a) as regards Article 22, the exporting Party shall be informed of the dumping case as soon as the authorities of the importing Party have initiated an investigation. When no end has been put to the dumping within the meaning of Article VI of GATT 1994 or no other satisfactory solution has been reached within 30 days of the matter being referred, the importing Party may adopt the appropriate measures;
2. (b) as regards Article 25, the difficulties arising from the situations referred to in that Article shall be referred for examination to the Association Committee. The Association Committee may take any decision needed to put an end to the difficulties. If it has not taken such a decision within 30 days of the matter being referred to it, the exporting party may apply appropriate measures on the exportation of the product concerned;

(c) where exceptional circumstances requiring immediate action make prior information or examination, as the case may be, impossible, the Community or Algeria, whichever is concerned, may, in the situations specified in Articles 22 and 25, apply forthwith the precautionary measures strictly necessary to deal with the situation and shall inform the other Party immediately thereof.

Article 27.

Nothing in this Agreement shall preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security, of the protection of health and life of humans, animals or plants, of the protection of national treasures possessing artistic, historic or archaeological value, of the protection of intellectual, industrial and commercial property or of regulations concerning gold and silver. Such prohibitions or restrictions shall not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Parties.

Article 28.

The concept of "originating products" for the application of the provisions of the present Title and the methods of administrative cooperation relating to them are set out in Protocol No 6.

Article 29.

The Combined Nomenclature of goods shall be applied to the classification of goods for imports into the Community. The Algerian customs tariff shall be applied to the classification of goods for imports into Algeria.

Article TITLE III. Trade In Services

Article 30. Reciprocal Commitments

1. The European Community and its Member States shall extend to Algeria the treatment which they are obliged to grant under Article II. I of the General Agreement on Trade in Services, hereinafter referred to as GATS.

2. The European Community and its Member States shall grant to Algerian service suppliers no less favourable treatment than that accorded to like service suppliers as specified in the schedule of specific commitments taken by the European Community and its Member States under the GATS to which it is annexed.

3. This treatment shall not apply to advantages accorded by either Party under the terms of an agreement of the type defined in Article V of the GATS or to measures taken on the basis of such an agreement and to other advantages granted in accordance with the list of most-favoured-nation exemptions annexed by the European Community and its Member States to the GATS.

4. Algeria shall grant no less favourable treatment to service suppliers of the European Community and its Member States than that specified in Articles 31 to 33.

Article 31. Cross-border Supply of Services

With regard to the supply of services by Community service suppliers into the territory of Algeria, other than through a commercial presence or the presence of natural persons, as referred to in Articles 32 and 33, Algeria shall grant treatment to Community service suppliers no less favourable than that accorded to companies of any third country.

Article 32. Commercial Presence

1. (a) Algeria shall grant for the establishment of Community companies in its territory treatment no less favourable than that accorded to companies of any third country;

(b) Algeria shall grant to subsidiaries and branches of Community companies, established in its territory in accordance with its legislation, in respect of their operations, treatment no less favourable than that accorded to its own companies or branches, or to Algerian subsidiaries or branches of companies of any third country, whichever is the better.

2. The treatment referred to in paragraph 1(a) and (b) shall be granted to companies, subsidiaries and branches established in Algeria on the date of entry into force of this Agreement and to companies, subsidiaries and branches established there after that date.

Article 33. Temporary Presence of Natural Persons

1. A Community company or Algerian company established in the territory of Algeria or the Community respectively shall be entitled to temporarily employ, or have temporarily employed by one of its subsidiaries or branches, in accordance with the legislation in force in the host country of establishment, employees who are nationals of Community Member States and Algeria respectively, provided that such employees are key personnel as defined in paragraph 2, and that they are employed

exclusively by such companies, subsidiaries or branches. The residence and work permits of such employees shall only cover the period of such employment.

2. Key personnel of the abovementioned companies herein referred to as "organisations" are "intra-corporate transferees" as defined in (c) in the following categories, provided that the organisation is a legal person and that the persons concerned have been employed by it or have been partners in it (other than as majority shareholders), for at least the 12 months immediately preceding such movement:

(a) Persons working in a senior position with an organisation, who primarily direct the management of the establishment, receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent, including:

- Directing the establishment or a department or sub-division of the establishment,

- Supervising and controlling the work of other supervisory, professional or managerial employees,

- Having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions,

(b) Persons working within an organisation who possess uncommon knowledge essential to the establishment's service, research equipment, techniques or management. The assessment of such knowledge may reflect, apart from knowledge specific to the establishment, a high level of qualification referring to a type of work or trade requiring specific technical knowledge, including membership of an accredited profession,

(c) An "intra-corporate transferee" is defined as a natural person working within an organisation in the territory of a Party, and being temporarily transferred in the context of pursuit of economic activities in the territory of the other Party; the organisation concerned must have its principal place of business in the territory of a Party and the transfer be to an establishment (branch, subsidiary) of that organisation, effectively pursuing like economic activities in the territory of the other Party.

3. The entry into and the temporary presence within the respective territories of Algeria and the Community of nationals of the Member States or of Algeria respectively shall be permitted when these representatives of companies are persons working in a senior position, as defined in paragraph 2(a), within a company, and are responsible for the establishment of an Algerian or a Community company, in the Community or Algeria respectively, when:

- Those representatives are not engaged in making direct sales or supplying services, and

- The company has no other representative, office, branch or subsidiary in a Community Member State or Algeria respectively.

Article 34. Transport

1. Articles 30 to 33 shall not apply to air, inland waterway or land transport or to national shipping (cabotage), subject to the provisions of paragraphs 2 to 6 of this Article.

2. In respect of activities undertaken by shipping agencies for the provision of international maritime transport services, including inter-modal activities involving a sea leg, each Party shall permit to the companies of the other Party their commercial presence in its territory in the form of subsidiaries or branches, under conditions of establishment and operation no less favourable than those accorded to its own companies or to subsidiaries or branches of companies of any third country, whichever are the better. Such activities include, but are not limited to:

(a) Marketing and sales of maritime transport and related services through direct contact with customers, from quotation to invoicing, whether these services are operated or offered by the service supplier itself or by service suppliers with which the service seller has established standing business arrangements;

(b) Purchase and use, on their own account or on behalf of their customer (and the resale to their customers), of any transport and related services, including inward transport services by any mode, particularly inland waterways, road and rail, necessary for the supply of an integrated service;

(c) Preparation of transport documents, customs documents, or other documents related to the origin and character of the goods transported;

(d) Provision of business information of any means, including computerised information systems and electronic data interchange (subject to any non-discriminatory restrictions concerning telecommunications);

(e) Setting up of any business arrangement, including participation in the company's stock and the appointment of personnel recruited locally (or, in the case of foreign personnel, subject to the relevant provisions of this Agreement), with any locally established shipping agency;

(f) Acting on behalf of the companies, organising the call of the ship or taking over cargoes when required.

3. With respect to maritime transport, the Parties undertake to apply effectively the principle of unrestricted access to the international market and traffic on a commercial basis.

However, the legislation of each Party shall apply to the preferential right of the national flag for national cabotage and for salvage, towage and pilotage.

These provisions do not prejudice the rights and obligations arising under the United Nations Convention on a Code of Conduct for Liner Conferences, as applicable for either Party to this Agreement. Non-conference lines shall be free to operate in competition with a conference line as long as they adhere to the principle of fair competition on a commercial basis.

The Parties affirm their commitment to a freely competitive environment as being an essential feature of the dry and liquid bulk trade.

4. In applying the principles of paragraph 3 above, the Parties shall:

(a) Not introduce cargo-sharing arrangements in future bilateral Agreements with third countries concerning dry and liquid bulk and liner trade. However, this does not exclude the possibility of such arrangements concerning liner cargo in those exceptional circumstances where liner shipping companies from one or other Party to this Agreement would not otherwise have an effective opportunity to ply for trade to and from the third country concerned;

(b) Abolish, upon entry into force of this Agreement, all unilateral measures, administrative, technical and other obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of services in international maritime transport.

5. Each Party shall grant, inter alia, a treatment no less favourable than that accorded to its own ships, for the ships used for the transport of goods, passengers or both, sailing under the flag of the other Party or operated by its nationals or companies, with respect to access to ports, the use of infrastructure and auxiliary maritime services of those ports, as well as related fees and charges, customs facilities and the assignment of berths and facilities for loading and unloading.

6. With a view to coordinated development of transport between the Parties, adapted to their commercial needs, the conditions of mutual market access and provision of air, road, rail and inland waterway transport services may be dealt with by specific arrangements, where appropriate, negotiated between the Parties after the entry into force of this Agreement.

Article 35. Domestic Regulation

1. The provisions of Title III shall not prejudice the application by each Party of any measures necessary to prevent the circumvention of its measures concerning third country access to its market, through the provisions of this Agreement.

2. The provisions of this Title shall be applied subject to limitations justified on grounds of public policy, public security or public health. They shall not apply to activities which in the territory of either Party are connected, even occasionally, with the exercise of official authority.

3. The provisions of this title do not preclude the application by a Party of particular rules concerning the establishment and operation in its territory of branches of companies of another Party not incorporated in the territory of the first Party, which are justified by legal or technical differences between such branches as compared to branches of companies incorporated in its territory or, as regards financial services, for prudential reasons. The difference in treatment shall not go beyond what is strictly necessary as a result of such legal or technical differences or, as regards financial services, for prudential reasons.

4. Notwithstanding any other provisions of this Agreement, a Party shall not be prevented from taking measures for prudential reasons, including for the protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of the Agreement, they shall not be used as a means of avoiding the obligations of a Party under the Agreement.

5. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers or any confidential or proprietary information in the possession of public entities.

6. For the purpose of the movement of natural persons supplying a service, nothing in this Agreement shall prevent the Parties from applying their laws and regulations regarding entry and stay, work, labour conditions and establishment of natural persons and supply of services, provided that, in so doing, they do not apply them in a manner as to nullify or impair the benefits accruing to any Party under the terms of a specific provision of the Agreement. The above provision does not prejudice the application of paragraph 2.

Article 36. Definitions

For the purposes of this Agreement:

(a) A "service supplier" shall mean any natural or legal person who supplies a service from the territory of one Party into the territory of the other Party, in the territory of one Party to the service consumer of the other Party, through commercial presence (establishment) in the territory of the other Party and through the presence of a natural person of a Party in the territory of the other Party;

(b) A "Community company" or "Algerian company" respectively shall mean a company set up in accordance with the laws of a Member State or of Algeria respectively and having its registered office or central administration or principal place of business in the territory of the Community or Algeria respectively.

However, should the company, set up in accordance with the laws of a Member State or Algeria respectively, have only its registered office in the territory of the Community or Algeria respectively, the company shall be considered a Community or Algerian company respectively if its operations possess a real and continuous link with the economy of one of the Member States or Algeria respectively;

(c) "subsidiary" of a company shall mean a company which is controlled by the first company;

(d) "branch" of a company shall mean a place of business not having legal personality which has the appearance of permanency, such as the extension of a parent body, has a management and is materially equipped to negotiate business with third parties so that the latter, although knowing that there will, if necessary, be a legal link with the parent body, the head office of which is abroad, do not have to deal directly with such parent body but may transact business at the place of business constituting the extension;

(e) "establishment" shall mean the right of Community or Algerian companies as referred to in subparagraph (b) to take up economic activities by means of the setting-up of subsidiaries and branches in Algeria or in the Community respectively;

(f) "operation" shall mean the pursuit of economic activities;

(g) "economic activities" shall mean activities of an industrial, commercial and professional character;

(h) "national of a Member State or of Algeria" shall mean a natural person who is a national of one of the Member States or of Algeria respectively.

With regard to international maritime transport, including inter-modal operations involving a sea leg, nationals of the Member States or of Algeria established outside the Community or Algeria respectively, and shipping companies established outside the Community or Algeria and controlled by nationals of a Member State or Algerian nationals respectively, shall also be subject to the provisions of this Title if their vessels are registered in that Member State or in Algeria respectively in accordance with their respective legislations.

Article 37. General Provisions

1. The Parties shall avoid taking any measures or actions which render the conditions for the establishment and operation of each other's companies more restrictive than the situation existing on the day preceding the date of signature of this Agreement.

2. The Parties undertake to consider development of this Title with a view to the establishment of an "economic integration agreement" as defined in Article V of GATS. In making such recommendations, the Association Council shall take account of past experience of implementation of the most-favoured-nation treatment and of the obligations of each Party under the GATS, and in particular Article V thereof.

The Association Council shall also, when making such examination, take into account progress made in the approximation of laws between the Parties in the relevant activities. This objective shall be subject to a first examination by the Association Council at the latest five years after the entry into force of this Agreement.

Article TITLE IV. Payments, Capital, Competition and other Economic Provisions

Chapter 1. Current Payments and Movement of Capital

Article 38.

Subject to the provisions of Article 40, the Parties undertake to allow all current payments for current transactions to be made in a freely convertible currency.

Article 39.

1. The Community and Algeria shall ensure, from the entry into force of the Agreement, that capital relating to direct investments in Algeria in companies formed in accordance with current laws can move freely and that the yield from such investments and any profit stemming therefrom can be liquidated and repatriated.

2. The Parties shall consult each other and cooperate with a view to establishing the necessary conditions for facilitating and fully liberalising the movement of capital between the Community and Algeria.

Article 40.

Where one or more Member States of the Community, or Algeria, is in serious balance of payments difficulties, or under threat thereof, the Community or Algeria, as the case may be, may, in accordance with the conditions established under the General Agreement on Tariffs and Trade and Articles VIII and XIV of the Articles of Agreement of the International Monetary Fund, adopt restrictions on current transactions which shall be of limited duration and may not go beyond what is strictly necessary to remedy the balance of payments situation. The Community or Algeria, as the case may be, shall inform the other Party forthwith and shall submit to it as soon as possible a timetable for the abolition of the measures concerned.

Section CHAPTER 2. Competition and other Economic Matters

Article 41.

1. The following are incompatible with the proper functioning of the Agreement, insofar as they may affect trade between the Community and Algeria:

(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 a dominant position in:

1. – the whole of the territory of the Community or in a substantial part thereof;
2. – the whole of the territory of Algeria or in a substantial part thereof. 2. The Parties shall ensure administrative cooperation in the implementation of their respective competition legislations and exchange information taking into account the limitations imposed by the requirements of professional and business secrecy in accordance with the procedures laid down in Annex 5 to this Agreement.

3. If the Community or Algeria considers that a particular practice is incompatible with the terms of paragraph 1, and if such practice causes or threatens to cause serious prejudice to the interest of the other Party, it may take appropriate measures after consultation within the Association Committee or after 30 working days following referral for such consultation.

Article 42.

The Member States and Algeria shall progressively adjust, without prejudice to their commitments to the GATT, any State monopolies 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 procuredand marketed exists between nationals of the Member States and Algeria. The Association Committee will be informed about the measures adopted to implement this objective.

Article 43.

With regard to public enterprises and enterprises which have been granted special or exclusive rights, the Association

Council shall ensure, from the fifth year following the entry into force of this Agreement, that no measure which disturbs trade between the Community and Algeria in a manner which runs counter to the interests of the Parties is adopted or maintained. This provision should not obstruct the performance in law or in fact of the particular tasks assigned to these enterprises.

Article 44.

1. The Parties shall provide suitable and effective protection of intellectual, industrial and commercial property rights, in line with the highest international standards. This shall encompass effective means of enforcing such rights.

2. Implementation of this Article and of Annex 6 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.

Article 45.

The Parties undertake to adopt appropriate measures to ensure the protection of personal data in order to eliminate barriers to the free movement of such data between the Parties.

Article 46.

1. The Parties shall set as their objective a reciprocal and gradual liberalisation of public procurement contracts.

2. The Association Council shall take the steps necessary to implement paragraph 1.

Article TITLE V. Economic Cooperation

Article 47. Objectives

1. The Parties undertake to step up economic cooperation in their mutual interest and in the spirit of partnership which is at the root of this Agreement.

2. The objective of economic cooperation shall be to support Algeria's own efforts to achieve sustainable economic and social development.

3. Such economic cooperation is in keeping with the objectives set out in the Barcelona Declaration.

Article 48. Scope

1. Cooperation will be targeted first and foremost at areas of activity suffering the effects of internal constraints and difficulties or affected by the process of liberalising Algeria's economy as a whole, and more particularly by the liberalisation of trade between Algeria and the Community.

2. Similarly, cooperation shall focus on areas likely to bring the economies of the Community and Algeria closer together, particularly those which will generate growth and employment, and foster the development of trade flows between Algeria and the Community, notably by encouraging the diversification of Algerian exports.

3. Cooperation shall foster economic integration within the Maghreb group of countries using any measures likely to further such relations within the region.

4. Preservation of the environment and ecological balances shall constitute a central component of the various fields of economic cooperation.

5. The Parties may determine by agreement other fields of economic cooperation.

Article 49. Methods

Economic cooperation shall be implemented in particular by:

(a) Regular economic dialogue between the Parties covering all areas of macro-economic policy;

(b) Communication and exchanges of information;

(c) Transfer of advice, expertise and training;

(d) Implementation of joint actions;

(e) Technical, administrative and regulatory assistance;

(f) Measures to support partnerships and direct investment by operators, in particular private operators, and privatisation programmes.

Article 50. Regional Cooperation

In order to maximise the impact of this Agreement vis-à-vis the development of the Euro-Mediterranean partnership and within the countries of the Maghreb, the Parties shall foster all activities which have a regional impact or involve third countries, notably:

(a) Economic integration;

(b) Development of economic infrastructure;

(c) Environmental matters;

(d) Scientific and technological research;

(e) Education, teaching and training;

(f) Cultural matters;

(g) Customs matters;

(h) Regional institutions and the establishment of common or harmonised programmes and policies.

Article 51. Scientific, Technical and Technological Cooperation

Cooperation shall be aimed at:

(a) Encouraging the establishment of permanent links between the Parties' scientific communities, notably by means of:

- The access of Algeria to Community technological research and development programmes, in conformity with Community provisions concerning the participation of third countries in those programmes;

- The participation of Algeria in decentralised cooperation networks;

- The promotion of synergy between training and research;

(b) Strengthening research capacity in Algeria;

(c) Stimulating technological innovation, the transfer of new technologies and know-how, implementation of technological research and development projects and optimisation of the results of scientific and technical research;

(d) Encouraging all activities aimed at establishing synergy at regional level.

Article 52. Environment

1. The Parties shall encourage cooperation in preventing deterioration of the environment, controlling pollution and ensuring the rational use of natural resources, with a view to ensuring sustainable development and guaranteeing the quality of the environment and the protection of public health.

2. Cooperation shall in particular focus on:

- Issues related to desertification,

- Rational water resource management,

- Salinisation,

- The impact of agriculture on soil and water quality,

- The appropriate use of energy and transport,

- The impact of industrial development on the environment, in particular the safety of industrial plant,

- Waste management, in particular toxic waste,

- The integrated management of sensitive areas,

- The control and prevention of urban, industrial and marine pollution,

- Use of advanced environmental management and monitoring tools, particularly environmental information and statistical systems,

- Technical assistance, in particular for the preservation of bio-diversity.

Article 53. Industrial Cooperation

Cooperation shall be aimed at:

(a) Encouraging or supporting measures designed to promote direct investment and industrial partnership ventures in Algeria;

(b) Encouraging direct cooperation between the Parties' economic operators, including cooperation in the context of access for Algeria to Community business networks and decentralised cooperation networks;

(c) Backing the effort to modernise and restructure Algeria's public and private sector industry (including the agri-food industry);

(d) Fostering the development of small- and medium-sized enterprises;

(e) Fostering an environment which favours private initiative, with the aim of stimulating and diversifying output for the domestic and export markets;

(f) Making the most of Algeria's human resources and industrial potential through better use of policy in the fields of innovation and research and technological development;

(g) Supporting the restructuring of industry and the industrial upgrading programme with a view to the creation of the free trade area so as to make products more competitive;

(h) Contributing to the development of exports of Algerian manufactures.

Article 54. Promotion and Protection of Investments

The aim of cooperation shall be to create a favourable climate for investment flows, in particular by means of the following:

(a) The establishment of harmonised and simplified procedures, co-investment machinery (especially to link small and medium-sized enterprises) and methods of identifying and providing information on investment opportunities;

(b) A legal environment conducive to investment between the two Parties, where appropriate through the conclusion by the Member States and Algeria of investment protection agreements, and agreements to prevent double taxation;

(c) Technical assistance to schemes to promote and guarantee national and foreign investments.

Article 55. Standardisation and Conformity Assessment

Cooperation shall aim at reducing divergences in standardisation and certification.

Cooperation shall be realised in particular through:

- Encouraging the use of European standards and conformity assessment procedures and techniques;

- Upgrading Algerian conformity assessment and metrology bodies and helping to establish the necessary conditions for the eventual negotiation of mutual recognition agreements in these fields;

- Cooperation in the area of quality management;

- Providing assistance to the Algerian bodies responsible for intellectual, industrial and commercial property and for standardisation and quality.

Article 56. Approximation of Laws

Cooperation shall be aimed at helping Algeria to bring its legislation closer to that of the Community in the areas covered by this Agreement.

Article 57. Financial Services

Cooperation shall be aimed at the improvement and development of financial services.

This will basically involve:

- The exchange of information concerning financial regulations and practices and training schemes, in particular with a view to the creation of small and medium-sized enterprises;

- Support for the reform of Algeria's banking and financial system, including development of the stock market.

Article 58. Agriculture and Fisheries

Cooperation shall be aimed at the modernisation and restructuring, where necessary, of the agriculture, forestry and fisheries sectors.

It shall in particular be aimed at:

- Support for policies geared to developing and diversifying production,

- Food security,

- Integrated rural development, including improvement of basic services and development of ancillary economic activities,

- Promoting environmentally-friendly forms of agriculture and fisheries,

- The evaluation and rational management of natural resources,

- Establishing closer relations, on a voluntary basis, between enterprises, groupings and professional organisations representing the agricultural, fisheries and agri-business sectors,

- Technical assistance and training,

- Harmonising phytosanitary and veterinary standards and checks,

- Cooperation between rural areas, exchange of experience and know-how on rural development,

- Support for privatisation,

- The evaluation and rational management of fish stocks,

- Support for research programmes.

Article 59. Transport

The aims of cooperation shall be:

- To support the restructuring and modernisation of transport,

- To improve the movement of passengers and goods,

- The establishment and enforcement of operating standards comparable to those prevailing in the Community.

The priority areas of cooperation shall be:

- Road transport, including the gradual improvement of transit,

- The management of railways, airports and ports and cooperation between the relevant national authorities,

- Modernisation of road, rail, port and airport infrastructure on major trans-European routes of mutual interest and routes of regional interest, and navigation aids,

- Upgrading of technical equipment to bring it up to Community standards for road/rail t ransport, inter-modal transport, containerisation and transhipment,

- Technical assistance and training.

Article 60. Information Society and Telecommunications

Cooperation in this field shall focus in particular on:

- A dialogue on issues related to the different aspects of the information society, including telecommunications policies,

- The exchange of information and provision of any technical assistance required on regulations and standardisation, conformity testing and certification of information and communication technologies,

- The dissemination of advanced information and telecommunication technologies, including satellite technology and information services and technologies,

- The promotion and implementation of joint projects for research, technical development or industrial applications in information technologies, communications, telematics and information society,

- Giving Algerian bodies the opportunity to participate in pilot projects and European programmes under the specific arrangements pertaining to them in the sectors concerned;

- The interconnection and interoperability of Community and Algerian networks and telematic services,

- Technical assistance with the planning and management of the radio frequency spectrum with a view to coordinated and effective use of radio communications in the Euro-Mediterranean region.

Article 61. Energy and Mining

The aims of cooperation in the energy and mining sectors shall be:

(a) Institutional, legislative and regulatory upgrading to ensure that activities are regulated and investment promoted;

(b) Technical and technological upgrading to prepare energy and mining companies for the requirements of the market economy and competition;

(c) The development of partnerships between European and Algerian companies in the activities of exploration, production, processing, distribution and services in the energy and mining sectors.

The priority areas of cooperation in this respect shall be:

- Adaptation of the institutional, legislative and regulatory framework of activities in the energy and mining sectors to market economy rules by means of technical, administrative and regulatory assistance,

- Support for efforts to restructure public enterprises in the energy and mining sectors,

- Building partnerships in the areas of,

- Oil and gas exploration, production and processing,

- Electricity production,

- Distribution of petroleum products,

- Production of equipment and services used in the production of energy products,

- Developing and transforming the potential of mining,

- Development of gas, oil and electricity distribution,

- Support for the modernisation and development of energy networks and for their linking to European Community networks,

- The setting-up of databases on the mining and energy sectors,

- The support and promotion of private investment in energy and mining sector activities,

- The environment, the development of renewable energies and energy efficiency,

- The promotion of technology transfers in the energy and mining sectors.

Article 62. Tourism and the Craft Sector

Cooperation in this field will principally be aimed at:

- Stepping up the exchange of information on flows and policies on tourism, spa tourism and craft trades,

- Stepping up hotel administration and management training schemes and training in other areas of the tourism and craft sectors,

- Promoting exchanges of experiences with a view to the smooth and sustainable development of tourism,

- Encouraging youth tourism,

- Helping Algeria to develop its potential in the area of tourism, spas and crafts and to improve the image of its tourism products,

- Supporting privatisation.

Article 63. Cooperation In Customs Matters

1. The aim of cooperation shall be to ensure compliance with the free trade arrangements. The priority areas shall be:

(a) The simplification of customs controls and procedures;

(b) The introduction of a single administrative document similar to the Community's and a possible link-up between the Community and Algerian transit systems.

Technical assistance may be provided where necessary.

2. Without prejudice to other forms of cooperation envisaged in this Agreement, notably for the fight against drugs and money laundering, the administrative authorities of the Contracting Parties shall provide mutual assistance in accordance with the provisions of Protocol No 7.

Article 64. Cooperation In Statistics

The main objective of cooperation in this sphere should be to ensure, in particular through the harmonisation of the methods used by the Parties, the comparability and usefulness of statistics on foreign trade, public finance and balance of payments, population, migration, transport and communications, and generally all the fields covered by this Agreement. Technical assistance may be provided where necessary.

Article 65. Cooperation on Consumer Protection

1. The Parties agree that cooperation in this area should be aimed at making their respective consumer protection systems compatible.

2. Cooperation shall focus mainly on:

(a) The exchange of information on legislative activities and exchanges of experts, in particular consumer interest representatives;

(b) The organisation of seminars and training courses;

(c) The establishment of permanent systems of mutual information on dangerous products, i.e. those which constitute a hazard to health or consumer safety;

(d) Improving information provided to consumers especially on prices, characteristics of products and services offered;

(e) Institutional reforms;

(f) Technical assistance;

(g) The establishment of Algerian laboratories for comparative analysis and testing and assistance with the introduction of a decentralised consumer information system;

(h) Assistance with the organisation and introduction of a warning system to be integrated into the European system.

Article 66.

Given the particularities of the Algerian economy, both Parties shall establish the methods and procedures for implementing the economic cooperation activities agreed pursuant to this Title in order to support the process of modernising the Algerian economy and the creation of the free trade area.

The identification and evaluation of requirements and the procedures for implementing the economic cooperation activities shall be examined in a framework to be introduced in accordance with the conditions laid down in Article 98.

The Parties shall agree on the priorities to be carried out in the abovementioned framework.

Article TITLE VI. Social and Cultural Cooperation

Chapter 1. Workers

Article 67.

1. Each Member State shall accord to workers of Algerian nationality employed in its territory treatment which is free from any discrimination based on nationality, as regards working conditions, remuneration and dismissal, relative to its own nationals.

2. All Algerian workers allowed to undertake paid employment in the territory of a Member State on a temporary basis shall be covered by the provisions of paragraph 1 with regard to working conditions and remuneration.

3. Algeria shall accord the same treatment to workers who are nationals of a Member State and employed in its territory.

Article 68.

1. Subject to the provisions of the following paragraphs, workers of Algerian nationality and any members of their families living with them shall enjoy, in the field of social security, treatment free from any discrimination based on nationality relative to nationals of the Member States in which they are employed.

The term "social security" shall cover the branches of social security dealing with sickness and maternity benefits, invalidity, old-age and survivors' benefits, industrial accident and occupational disease benefits and death, unemployment and family benefits.

These provisions shall not, however, cause the other coordination rules provided for in Community legislation based on Article 42 of the Treaty establishing the European Community to apply, except under the conditions set out in Article 70 of this Agreement.

2. All periods of insurance, employment or residence completed by such workers in the various Member States shall be added together for the purpose of pensions and annuities in respect of old age, invalidity and survivors' benefits, family, sickness and maternity benefits, and medical care for the workers and for members of their families resident in the Community.

3. The workers in question shall receive family allowances for members of their families who are resident in the Community.

4. The workers in question shall be able to transfer freely to Algeria, at the rates applied by virtue of the legislation of the debtor Member State or States, any pensions or annuities in respect of old age, survivor status, industrial accident or occupational disease, or of invalidity resulting from industrial accident or occupational disease, except in the case of special non-contributory benefits.

5. Algeria shall accord to workers who are nationals of a Member State and employed in its territory, and to the members of their families, treatment similar to that specified in paragraphs 1, 3 and 4.

Article 69.

The provisions of this Chapter shall apply to nationals of the Parties residing or working legally in the territory of their host countries.

Article 70.

1. Before the end of the first year following the entry into force of this Agreement, the Association Council shall adopt provisions to implement the principles set out in Article 68.

2. The Association Council shall adopt detailed rules for administrative cooperation providing the necessary management and monitoring guarantees for the application of the provisions referred to in paragraph 1.

Article 71.

The provisions adopted by the Association Council in accordance with Article 70 shall not affect any rights or obligations arising from bilateral agreements linking Algeria and the Member States where those agreements provide for more favourable treatment of nationals of Algeria or of the Member States.

Chapter 2. Dialogue In Social Matters

Article 72.

1. The Parties shall conduct regular dialogue on any social matter which is of interest to them.

2. Such dialogue shall be used to find ways to achieve progress in the field of movement of workers and equal treatment and social integration for Algerian and Community nationals residing legally in the territories of their host States.

3. The dialogue shall cover, inter alia, all issues related to:

(a) The living and working conditions of workers and their dependants;

(b) Migration;

(c) Illegal immigration and the conditions governing the return of individuals who are in breach of the legislation dealing with the right to stay and the right of establishment in the host State;

(d) Schemes and programmes to encourage equal treatment between Algerian and Community nationals, mutual knowledge of cultures and civilisations, the furthering of tolerance and the removal of discrimination.

Article 73.

Dialogue on social matters shall be conducted at the same levels and in accordance with the same procedures as provided for in Title I of this Agreement, which can itself provide a framework for that dialogue.

Chapter 3. Cooperation In the Social Field

Article 74.

1. The Parties recognise the importance of social development, which must go hand in hand with economic development. They will give priority to respect for fundamental social rights.

2. With a view to consolidating cooperation between the Parties in the social field, projects and programmes shall be carried out in any area of interest to them.

In this context, the following shall be priority measures:

(a) Contributing to the improvement of living conditions, job creation and the development of training in areas from which emigrants come;

(b) Resettling those repatriated because of their illegal status under the legislation of the state in question;

(c) Productive investment or the creation of businesses in Algeria by Algerian workers legally settled in the Community;

(d) Promoting the role of women in the economic and social development process through education and the media, in keeping with Algerian policy;

(e) Bolstering Algerian family planning and mother and child protection programmes;

(f) Improving the social welfare and health systems;

(g) Implementing and financing exchange and leisure programmes for mixed groups of Algerian and European young people residing in the Member States, with a view to promoting mutual knowledge of their respective cultures and fostering tolerance;

(h) Improving living conditions in poor areas;

(i) Promoting socio-professional dialogue;

(j) Promoting respect for human rights in the socio-professional context;

(k) Contributing to the development of the housing sector, especially with regard to low-cost housing;

(l) Alleviating the adverse impact of the adjustment of economic and social structures;

(m) Improving the vocational training system.

Article 75.

Cooperation schemes may be carried out in conjunction with the Member States and the relevant international organisations.

Article 76.

A working party shall be set up by the Association Council by the end of the first year following the entry into force of this Agreement. It shall be responsible for the continuous and regular evaluation of the implementation of Chapters 1 to 3.

Chapter 4. Cooperation In the Fields of Education and Culture

Article 77.

This Agreement shall aim to promote the exchange of information and cultural cooperation, taking account of bilateral schemes in the Member States.

Greater knowledge and better mutual understanding of the respective cultures will be promoted.

Special attention must be paid to promoting joint activities in various fields, including the press, cinema and television, and to encouraging youth exchange schemes.

This cooperation could cover the following areas:

- Literary translation,

- Conservation and restoration of monuments and sites of historical and cultural interest,

- Training of persons working in the cultural field,

- Exchanges of artists and works of arts,

- Organisation of cultural events,

- Raising mutual awareness and disseminating information on important cultural events,

- Encouragement of cooperation in the audiovisual field, particularly training and co-production,

- Distribution of literary, technical and scientific journals and publications.

Article 78.

The aim of cooperation in the field of education and training shall be to:

(a) Contribute to the improvement of the education and training system, including vocational training;

(b) Place special emphasis on giving the female population access to education, including technical training, higher education and vocational training;

(c) Develop the level of expertise of senior staff in the public and private sectors;

(d) Encourage the establishment of lasting links between specialist bodies on the Parties' territories in order to pool and exchange experience and methods.

Article TITLE VII. Financial Cooperation

Article 79.

In order to support the objectives of this Agreement, Algeria shall receive financial cooperation Algeria in accordance with the appropriate procedures and with the appropriate financial resources.

These procedures shall be adopted by mutual agreement between the Parties by means of the most suitable instruments once this Agreement enters into force.

In addition to the areas covered by Titles V and VI of this Agreement, cooperation shall apply to the following:

- Facilitating reforms designed to modernise the economy, including rural development,

- Upgrading economic infrastructure,

- Promoting private investment and job-creating activities,

- Offsetting the effects on the Algerian economy of the progressive introduction of a free trade area, in particular where the updating and restructuring of industry is concerned,

- Accompanying measures for policies implemented in the social sectors.

Article 80.

Within the framework of the Community instruments designed to support structural adjustment programmes in the Mediterranean countries in order to restore key financial equilibria and create an economic environment conducive to faster growth and enhanced social welfare, the Community and Algeria, in close coordination with other contributors, in particular the international financial institutions, shall adapt the instruments intended to accompany development and liberalisation policies for the Algerian economy.

Article 81.

In order to ensure a coordinated approach to dealing with any exceptional macroeconomic or financial problems which might stem from the progressive implementation of the provisions of this Agreement, the Parties shall closely monitor the development of trade and financial relations between the Community and Algeria as part of the regular economic dialogue established under Title V.

Article TITLE VIII. Cooperation In the Field of Justice and Home Affairs

Article 82. Institution-building and the Rule of Law

In their cooperation in the field of justice and home affairs, the Parties shall attach particular importance to institution-building in the areas of law enforcement and the machinery of justice. This includes the consolidation of the rule of law.

In this context the Parties shall also ensure that the rights of nationals of both Parties are respected without discrimination in the territory of the other Party.

The provisions of this Article do not relate to differences of treatment based on nationality.

Article 83. Movement of Persons

Desirous of facilitating the movement of persons between them, the Parties shall ensure, in accordance with the relevant Community and national legislation in force, that the formalities for the issue of visas are carefully applied and executed and shall agree to examine, within the limits of their powers, ways of simplifying and speeding up the issue of visas to persons contributing to the implementation of this Agreement. The Association Committee shall periodically examine the implementation of this Article.

Article 84. Cooperation In the Prevention and Control of Illegal Immigration; Readmission

1. The Parties reaffirm the importance which they attach to the development of mutually beneficial cooperation in relation to the exchange of information on illegal immigration flows and agree to cooperate in order to prevent and control illegal immigration. To this end:

- Algeria, on the one hand, and each Member State of the Community, on the other hand, agree to readmit any of their nationals illegally present on the territory of the other Party after the necessary identification formalities have been completed,

- Algeria and the Member States of the Community shall provide their nationals with the appropriate identity documents for this purpose.

2. Desirous of facilitating the movement and residence of their nationals whose status is regular, the Parties agree to negotiate, at the request of either Party, the conclusion of agreements on combating illegal immigration and on readmission. If either Party considers it necessary, such agreements shall cover the readmission of nationals of other countries arriving in their territory direct from the territory of the other. The practical arrangements for the implementation of the abovementioned agreements shall be laid down, where appropriate, by the Parties in the agreements themselves or in their implementing protocols.

3. The Association Council shall examine the possibility of other forms of joint action for the prevention and control of illegal immigration, including ways of detecting forged documents.

Article 85. Legal and Judicial Cooperation

1. The Parties agree that cooperation in the legal and judicial fields is essential and a necessary adjunct to the other forms of cooperation provided for in this Agreement.

2. Such cooperation may include, where appropriate, the negotiation of agreements in these fields.

3. Civil judicial cooperation will in particular cover:

- Strengthening mutual assistance with regard to cooperation in the handling of disputes or cases of a civil, commercial or family nature,

- The exchange of experience in relation to managing and improving the administration of civil justice.

4. Criminal judicial cooperation will cover:

- Strengthening existing mutual assistance or extradition arrangements,

- The development of exchanges, in particular in relation to the practice of criminal judicial cooperation, the protection of individual rights and freedoms, action against organised crime and improving the efficiency of criminal justice.

5. Cooperation in this area shall in particular include the introduction of specialist training courses.

Article 86. Preventing and Tackling Organised Crime

1. The Parties agree to cooperate in order to prevent and fight organised crime, in particular in the following fields: human trafficking; exploitation for sexual purposes; the illicit traffic of prohibited, counterfeited or pirated products, and illegal transactions concerning, in particular, industrial refuse or radioactive material; corruption; the trafficking of stolen cars; the trafficking of firearms and explosives; computer crime; and trafficking in cultural goods.

The Parties shall cooperate closely in order to establish appropriate mechanisms and standards.

2. Technical and administrative cooperation in this field may include training and improving the effectiveness of the authorities and bodies responsible for fighting and preventing crime and the design of crime prevention measures.

Article 87. Combating Money Laundering

1. The Parties agree on the need to work towards and cooperate on preventing the use of their financial systems to launder the proceeds of criminal activities in general and drug trafficking in particular.

2. Cooperation in this area shall include administrative and technical assistance with the purpose of adopting and implementing suitable standards against money laundering equivalent to those adopted by the Community and international authorities active in this field, including the Financial Action Task Force (FATF).

3. Cooperation shall have the objective of:

(a) Training agents of the services responsible for preventing, detecting and combating money laundering, and officials of the judiciary;

(b) Appropriate support for the creation of specialist institutions and the strengthening of existing institutions.

Article 88. Combating Racism and Xenophobia

The Parties agree to take appropriate steps to prevent and combat discrimination in all its forms and manifestations, whether it be on grounds of race, ethnic origin or religion, particularly in the fields of education, employment, training and housing.

Public information and awareness campaigns will be organised to this end.

The Parties shall in particular ensure in this context that all persons who consider themselves victims of such discrimination have access to judicial and administrative procedures.

The provisions of this Article do not relate to differences of treatment based on nationality.

Article 89. Combating Drugs and Drug Addiction

1. Cooperation shall be aimed at:

(a) Improving the effectiveness of policies and measures to prevent and combat the growing, production, supply and consumption of, and trafficking in, narcotics and psychotropic substances;

(b) Eliminating illicit consumption of such products.

2. The Parties shall determine together, in accordance with their respective laws, the strategies and cooperation methods appropriate for attaining these objectives. Their operations, other than joint operations, shall be the subject of consultation and close coordination.

Such action may involve the appropriate public and private sector institutions and international organisations, in collaboration with the Government of Algeria and the relevant authorities in the Community and the Member States.

3. Cooperation shall take the following forms in particular:

(a) Establishment or extension of social and health institutions and information centres for the treatment and rehabilitation of drug addicts;

(b) The implementation of prevention, information, training and epidemiological research projects;

(c) The establishment of standards for preventing diversion of precursors and other essential ingredients for the illicit manufacture of narcotics and psychotropic substances, which are equivalent to those adopted by the Community and the appropriate international authorities;

(d) Support for the creation of special anti-drug trafficking services.

4. Both Parties shall encourage cooperation at regional and sub-regional level.

Article 90. Fight Against Terrorism

In accordance with the international conventions to which they are party and with their respective laws and regulations, both Parties agree to cooperate with a view to preventing and penalising acts of terrorism:

- through the implementation in its entirety of United Nations Security Council resolution 1373 and other related resolutions,

- Through the exchange of information on terrorist groups and their support networks in accordance with international and national law,

- By pooling experience of means and practices for combating terrorism, including experience in the technical and training fields.

Article 91. Fight Against Corruption

1. The Parties agree to cooperate, on the basis of the relevant international legal instruments, on action to combat corruption in international business transactions:

- By taking effective practical measures against all forms of corruption, bribery and illicit activities of every sort in international business transactions practised by individuals or corporate bodies,

- By providing mutual assistance in criminal investigations into acts of corruption.

2. Cooperation shall also cover technical assistance for the training of officials and magistrates responsible for tackling corruption and support for initiatives designed to organise action against this form of crime.

Article TITLE IX. Institutional, General and Final Provisions

Article 92.

An Association Council is hereby established which shall meet at ministerial level once a year, where possible, on the initiative of its Chair and in accordance with the conditions laid down in its rules of procedure.

It shall examine any major issues arising within the framework of this Agreement and any other bilateral or international issues of mutual interest.

Article 93.

1. The Association Council shall consist of the members of the Council of the European Union and members of the Commission of the European Communities, on the one hand, and of members of the Government of Algeria, on the other.

2. Members of the Association Council may arrange to be represented in accordance with the provisions laid down in its rules of procedure.

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

4. The Association Council shall be chaired in turn by a member of the Council of the European Union and a member of the Government of Algeria in accordance with the provisions laid down in its rules of procedure.

Article 94.

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.

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

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

Article 95.

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

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

Article 96.

1. The Association Committee, which shall meet at official level, shall consist of representatives of members of the Council of the European Union and of the Commission of the European Communities, on the one hand, and of representatives of the Government of Algeria, on the other.

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

3. The Association Committee shall meet in the Community or in Algeria.

Article 97.

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

Decisions shall be adopted by agreement between the Parties and shall be binding on the Parties, which shall take the measures necessary to implement them.

Article 98.

The Association Council may decide to set up any working group or body necessary for the implementation of this Agreement.

Article 99.

The Association Council shall take all appropriate measures to facilitate cooperation and contacts between the European Parliament and the parliamentary institutions of Algeria, and between the Economic and Social Committee of the Community and its counterpart in Algeria.

Article 100.

1. Each of the Parties may refer to the Association Council any dispute relating to the application or interpretation of this Agreement.

2. The Association Council may settle the dispute by means of a decision.

3. Each Party shall be bound to take the measures involved in carrying out the decision referred to in paragraph 2.

4. In the event of it not being possible to settle the dispute in accordance with paragraph 2, either Party may notify the other of the appointment of an arbitrator; the other Party must then appoint a second arbitrator within two months. For the application of this procedure, the Community and the Member States shall be deemed to be one party to the dispute.

The Association Council shall appoint a third arbitrator.

The arbitrators' decisions shall be taken by majority vote.

Each party to the dispute must take the steps required to implement the decision of the arbitrators.

Article 101.

Nothing in this Agreement shall prevent a Contracting Party from taking any measures:

(a) Which it considers necessary to prevent the disclosure of information contrary to its essential security interests;

(b) Which relate to the production of, or trade in, arms, munitions or war materials or to research, development or production indispensable for defence purposes, provided that such measures do not impair the conditions of competition in respect of products not intended for specifically military purposes;

(c) Which it considers essential to its own security in the event of serious internal disturbances affecting the maintenance of law and order, in time of war or serious international tension constituting threat of war or in order to carry out obligations it has accepted for the purpose of maintaining peace and international security.

Article 102.

In the fields covered by this Agreement, and without prejudice to any special provisions contained therein:

- The arrangements applied by Algeria in respect of the Community shall not give rise to any discrimination between the Member States, their nationals or their companies or firms,

- The arrangements applied by the Community in respect of Algeria shall not give rise to any discrimination between Algerian nationals, companies or firms.

Article 103.

Nothing in this Agreement shall have the effect of:

- Extending the fiscal advantages granted by either Party in any international agreement or arrangement by which it is bound,

- Preventing the adoption or application by either Party of any measure aimed at preventing the avoidance or evasion of taxes,

- Opposing the right of either Party to apply the relevant provisions of its tax legislation to taxpayers who are not in identical situation, in particular as regards their place of residence.

Article 104.

1. The Parties shall take any general or specific measures required to fulfil their obligations under this Agreement. They shall see to it that the objectives set out in the Agreement are attained.

2. If either Party considers that the other Party has failed to fulfil an obligation under the Agreement, it may take appropriate measures. Before so doing, except in cases of special urgency, it shall supply the Association Council with all the relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement. These measures shall be notified immediately to the Association Council and shall be the subject of consultations within the Association Council if the other Party so requests.

Article 105.

Protocols 1 to 7 and Annexes 1 to 6 shall form an integral part of this Agreement.

Article 106.

For the purposes of this Agreement, "Parties" shall mean, on the one hand, the Community or the Member States, or the Community and its Member States, in accordance with their respective powers, and, on the other hand, Algeria.

Article 107.

This Agreement shall be concluded for an unlimited period.

Each of the Parties may denounce this Agreement by notifying the other Party. The Agreement shall cease to apply six months after the date of such notification.

Article 108.

This Agreement shall apply, on the one hand, to the territories in which the Treaty establishing the European Community is applied and under the conditions laid down in that Treaty and, on the other, to the territory of the People's Democratic Republic of Algeria.

Article 109.

This Agreement shall be drawn up in duplicate in the Danish, Dutch, English, Finnish, French, German, Greek, Italian, Portuguese, Spanish, Swedish and Arabic languages, each of these texts being equally authentic.

Article 110.

1. This Agreement will be approved by the Contracting Parties in accordance with their own procedures.

This Agreement shall enter into force on the first day of the second month following the date on which the Contracting Parties notify each other that the procedures referred to in the first subparagraph have been completed.

2. Upon its entry into force, this Agreement shall replace the Cooperation Agreement between the European Economic Community and the People's Democratic Republic of Algeria and the Agreement between the Member States of the European Coal and Steel Community and the People's Democratic Republic of Algeria, both of which were signed in Algiers on 26 April 1976.

Done at Valencia on the twenty-second day of April in the year two thousand and two.

For the Kingdom of Belgium

This signature binds the German-speaking Community, the Flemish Community, the French Community, the Walloon Region, the Flemish Region and the Brussels-Capital Region.

For the Czech Republic

For the Federal Republic of Germany

For the Republic of Estonia

For The Hellenic Republic,

For The Kingdom Of Spain,

For The French Republic,

For Ireland,

For The Italian Republic,

For The Republic Of Cyprus,

For The Republic Of Latvia,

For The Republic Of Lithuania,

For The Grand Duchy Of Luxembourg,

For The Republic Of Hungary,

For The Republic Of Malta,

For The Kingdom Of The Netherlands,

For The Republic Of Austria,

For The Republic Of Poland,

For The Portuguese Republic,

For The Republic Of Slovenia,

For The Slovak Republic,

For The Republic Of Finland,

For The Kingdom Of Sweden,

For The United Kingdom Of Great Britain And Northern Ireland,

For the European Communities.