

No. 29868

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**AUSTRIA
and
CROATIA**

**Agreement on bilateral foreign trade relations (with annex).
Signed at Vienna on 15 July 1992**

Authentic text: German and Croatian.

Registered by Austria on 31 March 1993.

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**AUTRICHE
et
CROATIE**

**Accord relatif aux relations économiques extérieures bila-
térales (avec annexe). Signé à Vienne le 15 juillet 1992**

Textes authentiques : allemand et croate.

Enregistré par l'Autriche le 31 mars 1993.

[TRANSLATION — TRADUCTION]

AGREEMENT¹ BETWEEN THE REPUBLIC OF AUSTRIA AND THE
REPUBLIC OF CROATIA ON BILATERAL FOREIGN TRADE
RELATIONS

The Republic of Austria and the Republic of Croatia, hereinafter called “the Contracting Parties”,

Guided by the desire to strengthen existing bilateral foreign trade relations and to promote the exchange of goods and economic, industrial, technical and technico-economic cooperation on the basis of equal rights and mutual advantage,

Convinced that a new agreement on bilateral foreign trade relations creates favourable conditions and an appropriate basis for the further development of bilateral foreign trade relations,

With the intention of continuing to apply the provisions of the General Agreement on Tariffs and Trade (GATT)² in a pragmatic manner in the relationship between the Republic of Austria and the Republic of Croatia until the accession of the Republic of Croatia to that Agreement,

In harmony with the laws prevailing in the two States,

On the basis of market economy principles,

Have agreed as follows:

Article 1

The Contracting Parties agree, in the context of their prevailing laws, to facilitate and promote their bilateral foreign trade relations between enterprises, organizations, companies and institutions, hereinafter called “enterprises”, of the two States.

Article 2

(1) The Republic of Austria and the Republic of Croatia shall accord each other most-favoured-nation treatment in respect of customs and other duties and of the procedure for the determination of such customs and other duties as are levied on the occasion of the import or export of goods.

(2) The Contracting Parties agree that most-favoured-nation treatment shall in particular not apply to concessions, advantages or exemptions that either of the Contracting Parties grants or will grant:

(a) To neighbouring States for the facilitation of border traffic,

(b) To States that are fellow members with it of a customs union or a free trade or preferential trade area that already exists or will be set up in the future,

¹ Came into force on 1 March 1993, i.e., the first day of the third month following the month in which the Parties had notified each other (on 30 November and 22 December 1992) of the completion of their respective domestic requirements, in accordance with article 14 (1).

² United Nations, *Treaty Series*, vol. 55, p. 187.

(c) To third States in the application of multilateral agreements in which the other Contracting Party does not participate.

Article 2 (a)

Until the relevant agreements under international law are put into operation for Croatia, the Contracting Parties shall apply to bilateral trade in goods *mutatis mutandis* the multilateral conventions under international law that were in effect for trade in goods between Austria and the former Yugoslavia in its frontiers of 1 January 1991 and that are quoted in the annex.

Article 3

(1) So far as lies within their power pursuant to the law prevailing in the State in question, the Contracting Parties will in particular support and promote cooperation in the economic, industrial, technical and technico-scientific fields, for example, in:

- Agriculture and forestry,
- Animal and plant breeding,
- Management training,
- Standards, and
- Testing of building materials.

(2) The Contracting Parties agree that special possibilities for cooperation exist in the following fields:

- Construction (civil engineering),
- Environmental protection according to the latest standard of environmental technology available from time to time,
- Electrical engineering,
- The food industry,
- The construction of plant and machinery,
- Chemical engineering,
- The further development of joint trade activities in third markets, and
- Petroleum and refinery technology and related know-how marketing.

Article 4

The Contracting Parties agree that tourism can contribute to the intensification of bilateral foreign trade relations.

(1) The two Contracting Parties will promote tourism in the framework of the law in effect in the State in question and on the basis of the recommendations of the United Nations Conference on International Travel and Tourism, Rome, 1963,¹ and of the “Tourism Bill of Rights and Tourist Code”, Sofia, 1985.

(2) Economic, industrial, technical and technico-scientific collaboration in tourism projects and in the further development of the corresponding infrastructure

¹ See “Final Report of the United Nations Conference on International Travel and Tourism”, *United Nations, Official Records of the Economic and Social Council, Thirty-sixth Session (E/CONF/47/17)*.

should be conducted in the light of the principles of environmental protection and should take into consideration the quality of tourism.

Article 5

Mindful of the need to set up economically sound and ecologically safe infrastructural systems, the Contracting Parties will devote the greatest attention to cooperation in the following fields:

- Railways,
- Shipping,
- Air travel,
- Telecommunication,
- Road-building, and
- Water resource management.

Article 6

Payment transactions between the Republic of Austria and the Republic of Croatia shall take place in conformity with the foreign exchange regulations in force from time to time in each of the two States, and in freely convertible currency.

Article 7

- (1) Trade in goods and economic, technical and technico-scientific cooperation in the framework of this Agreement shall be conducted on a commercial basis.
- (2) Trade between enterprises of the two States shall be conducted at fair market prices.

Article 8

(1) The Contracting Parties shall enter into consultations as soon as any goods are imported in trade between the Contracting Parties in such quantities or under such conditions that serious damage is caused or threatened to be caused to domestic manufacturers of goods of the same type or of directly competing goods.

(2) If the Contracting Parties both come to the conclusion in such consultations that a situation such as is mentioned in paragraph (1) above exists, exports shall be restricted or other measures shall be taken to prevent or eliminate damage.

(3) If the Contracting Parties do not reach agreement, the Contracting Party that has called for the consultations shall be at liberty to restrict imports of the goods in question to such an extent and for so long a period as is required to prevent or eliminate damage. The other Contracting Party shall then be at liberty to derogate from its commitments towards the former Contracting Party in respect of a volume of trade of essentially equal value.

(4) In cases in which delay would cause serious damage, provisional measures can be taken without prior consultations. In the latter case, however, consultations must be entered into immediately.

(5) In the choice of measures pursuant to this Article, the Contracting Parties shall give preference to measures that least impair the continued operation of this Agreement.

Article 9

The Contracting Parties recognize the utility and necessity of greater participation by small and medium-sized enterprises in bilateral foreign trade relations.

Article 10

(1) The Contracting Parties recommend mutually agreed amicable solutions as the primary means for the settlement of disputes between enterprises.

(2) In the framework of prevailing law:

The Contracting Parties shall promote the settlement by arbitration tribunals of disputes between enterprises in relation with trade and cooperation transactions and in the establishment of joint enterprises and direct investments between the enterprises of the Contracting Parties,

The Contracting Parties agree that in the event of the submission of any dispute to an arbitral tribunal by an enterprise, each party to the dispute can freely choose its own arbitrator. The parties to the dispute shall by mutual consent appoint a sole arbitrator or the third presiding arbitrator,

The Contracting Parties shall promote the application of the Arbitration Rules prepared by the United Nations Commission on International Trade Law (UNCITRAL)¹ and recourse to an arbitral tribunal of a State signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards concluded in New York on 10 June 1958.² Such awards shall constitute titles of execution in the States of both Contracting Parties, in conformity with their domestic legislation.

Article 11

Amendments to, or the expiration of the period of validity of, the present Agreement shall not affect the implementation of contracts concluded earlier between enterprises in the two States.

Article 12

(1) A joint commission shall be established under the present Agreement and shall meet alternately in Austria and the Republic of Croatia at the request of either of the two Contracting Parties.

(2) The special tasks of the joint commission shall include, *inter alia*

- Review of the development of bilateral foreign trade relations,
- Coordination and development of new possibilities for, and promotion of, future economic cooperation,
- Monitoring of the attainment of goals and recommendations for expanding the scope of this Agreement,

Preparation of proposals for the improvement of the conditions for economic, industrial, technical and technico-scientific cooperation between the enterprises of the two States.

¹ United Nations, *Official Records of the General Assembly, Thirty-first Session, Supplement No. 17 (A/31/17)*, chap. V, sect. C.

² *Ibid.*, *Treaty Series*, vol. 330, p. 3.

Article 13

In the event of the participation of a Contracting Party or both Contracting Parties in the European Economic Area (EEA) or of accession to the European Communities (EC) or a successor organization thereof, the Contracting Parties shall not be bound by this Agreement, in so far as the latter is incompatible, for a participant in the EEA or a member of the EC, or of a successor organization thereof, with the obligations incurred thereby in the light of the legal situation prevailing at any time.

Article 14

(1) This Agreement shall enter into force on the first day of the third month following the month in which the Contracting Parties have informed one another that their respective domestic requirements for the entry into force of this Agreement have been met.

(2) This Agreement shall be concluded for the period of one year and shall be extended from time to time by one further year unless it has been terminated in writing by one of the two Contracting Parties through diplomatic channels.

DONE at Vienna on 15 July 1992 in duplicate in the German and Croatian languages, both texts being equally authentic.

For the Republic of Austria:

SCHÜSSEL

For the Republic of Croatia:

ZDUNIC

ANNEX TO THE AGREEMENT BETWEEN THE REPUBLIC OF AUSTRIA AND THE
REPUBLIC OF CROATIA ON BILATERAL TRADE RELATIONS

Article 2 (a) refers to the following multilateral conventions under international law:

- Customs Convention on the A.T.A. carnet for the temporary admission of goods (Brussels, 6 December 1961)¹
- Customs Convention on the temporary importation of professional equipment (Brussels, 8 June 1961)²
- Customs Convention concerning facilities for the importation of goods for display or use at exhibitions, fairs, meetings or similar events (Brussels, 8 June 1961)³
- International Convention to Facilitate the Importation of Commercial Samples and Advertising Material (Geneva, 7 November 1952)⁴
- Customs Convention on the international transport of goods under cover of TIR carnets (Geneva, 14 November 1975)⁵
- Customs Convention on containers (Geneva, 2 December 1972)⁶

¹ United Nations, *Treaty Series*, vol. 472, p. 219.

² *Ibid.*, p. 153.

³ *Ibid.*, p. 187.

⁴ *Ibid.*, vol. 221, p. 255.

⁵ *Ibid.*, vol. 1079, p. 89.

⁶ *Ibid.*, vol. 988, p. 43.