

No. 33410

**LITHUANIA,
EUROPEAN ECONOMIC COMMUNITY
and
EUROPEAN ATOMIC ENERGY COMMUNITY**

Agreement on trade and commercial and economic cooperation. Signed at Brussels on 11 May 1992

Authentic texts: Lithuanian, Spanish, Danish, German, Greek, English, French, Italian, Dutch and Portuguese.

Registered by Lithuania on 11 December 1996.

**LITUANIE,
COMMUNAUTÉ ÉCONOMIQUE EUROPÉENNE
et
COMMUNAUTÉ EUROPÉENNE
DE L'ÉNERGIE ATOMIQUE**

Accord concernant le commerce et la coopération commerciale et économique. Signé à Bruxelles le 11 mai 1992

Textes authentiques : lituanien, espagnol, danois, allemand, grec, anglais, français, italien, néerlandais et portugais.

Enregistré par la Lituanie le 11 décembre 1996.

AGREEMENT¹ BETWEEN THE REPUBLIC OF LITHUANIA, OF
THE ONE PART, AND THE EUROPEAN ECONOMIC COMMU-
NITY AND THE EUROPEAN ATOMIC ENERGY COMMUNITY,
OF THE OTHER PART, ON TRADE AND COMMERCIAL AND
ECONOMIC CO-OPERATION

THE REPUBLIC OF LITHUANIA,

hereinafter called "Lithuania", of the one part, and

THE EUROPEAN ECONOMIC COMMUNITY

AND

THE EUROPEAN ATOMIC ENERGY COMMUNITY,

hereinafter together called the "Community", of the other
part,

CONSIDERING the importance of establishing and expanding trade links between
the Community and Lithuania;

DESIROUS of creating favourable conditions for a substantial and harmonious
development and diversification of trade and the promotion of commercial and
economic co-operation in areas of mutual interest on the basis of equality,
non-discrimination, mutual benefit and reciprocity;

AWARE of the particular importance of foreign trade and other forms of
international economic co-operation for the economic and social development of
each of the Contracting Parties;

AWARE of the importance of giving full effect to all the provisions and
principles of the CSCE process, and in particular those set out in the
Helsinki Final Act,² the concluding documents of the Madrid,³ Vienna⁴ and
Copenhagen meetings, and those of the Charter of Paris for a new Europe⁵
particularly with regard to the rule of law, democracy and human rights, as
well as those of the Bonn CSCE Conference on Economic Co-operation;⁶

¹ Came into force on 1 February 1993 by notification, in accordance with article 21.

² *International Legal Materials*, vol. XIV (1975), p. 1292 (American Society of International Law).

³ *Ibid.*, vol. XXII (1983), p. 1395 (American Society of International Law).

⁴ *Ibid.*, vol. XXVIII (1989), p. 527 (American Society of International Law).

⁵ United Nations, *Official Records of the General Assembly, Forty-fifth Session*, document A/45/859, p. 3.

⁶ *International Legal Materials*, vol. XXIX, No. 4 (1990), p. 1054 (American Society of International Law).

RECOGNIZING the importance of guaranteeing the rights of ethnic and national groups and minorities, in accordance with the undertakings made within the context of the CSCE;

AWARE of the importance of strengthening their democratic institutions and of supporting the process of economic reform in Lithuania;

BELIEVING that a further impetus should be given to the trading and economic relationship between the Community and Lithuania by establishing contractual links which will contribute to progress towards the objective of an association agreement in due course, when conditions are met, and to further development of relations between them;

TAKING INTO ACCOUNT the favourable implications for trade and economic co-operation between the Contracting Parties of reform under way in Lithuania;

HAVE DECIDED to conclude this Agreement and to this end have designated as their Plenipotentiaries:

THE REPUBLIC OF LITHUANIA:

Algirdas SAUDARGAS,
Minister for Foreign Affairs,

THE EUROPEAN ECONOMIC COMMUNITY

João de Deus PINHEIRO,
Minister for Foreign Affairs of the Portuguese Republic,
President-in-Office of the Council of the European Communities,

Frans ANDRIESEN,
Vice-President of the Commission of the European Communities,

THE EUROPEAN ATOMIC ENERGY COMMUNITY:

Frans ANDRIESEN,
Vice-President of the Commission of the European Communities,

WHO, having exchanged their full powers, found in good and due form,

HAVE AGREED AS FOLLOWS:

TITLE I

General

ARTICLE 1

Respect for the democratic principles and human rights established by the Helsinki Final Act and the Charter of Paris for a New Europe inspires the domestic and external policies of the Community and Lithuania and constitutes an essential element of the present agreement.

ARTICLE 2

Within the framework of their respective laws and regulations, the Contracting Parties undertake to facilitate and promote:

- the harmonious development and diversification of trade between them;
- the development of various types of commercial and economic co-operation.

They therefore confirm their resolve to consider favourably, each for its own part, suggestions made by the other Party with a view to attaining these aims.

TITLE II

Trade and commercial co-operation

ARTICLE 3

1. This Agreement shall apply to trade in all products originating in the Community and in Lithuania with the exception of products covered by the

Treaty establishing the European Coal and Steel Community¹ and of the textiles and apparel covered by Section XI of the Harmonized System.²

2. The provisions of this Agreement may be supplemented if necessary by sectoral agreements or arrangements concluded between the Community and Lithuania. In particular, a separate agreement for textile products will be negotiated.

ARTICLE 4

Unless otherwise specified in this Agreement, trade and other commercial co-operation between the Contracting Parties shall be conducted in accordance with their respective regulations.

ARTICLE 5

1. The Contracting Parties shall accord each other most-favoured-nation treatment in all matters regarding:

- customs duties and charges of any kind imposed on or in connection with importation or exportation,
- the method of levying such duties and charges,
- all rules and formalities in connection with importation and exportation, including provisions relating to customs clearance, transit, warehousing and transshipment,
- taxes and other internal charges levied directly or indirectly on imported products,
- methods of payment and the transfer of such payments,
- the regulations affecting the sale, purchase, transport, distribution and use of goods on the domestic market.

¹ United Nations, *Treaty Series*, vol. 261, p. 140.

² See "International Convention on the Harmonized Commodity Description and Coding System", United Nations, *Treaty Series*, vol. 1503, p. 3.

2. The provisions of paragraph 1 shall not apply to:

- (a) advantages accorded to adjacent countries in order to facilitate frontier traffic;
- (b) advantages accorded with the aim of creating a customs union or a free trade area or pursuant to the creation of such a union or area;
- (c) advantages accorded to particular countries in accordance with the General Agreement on Tariffs and Trade¹ and other international arrangements in favour of developing countries.

ARTICLE 6

Without prejudice to the rights and obligations stemming from international conventions on the temporary admission of goods which bind both Contracting Parties, the Contracting Parties shall furthermore grant each other reciprocal exemption from import charges and duties on goods admitted temporarily, in the instances and according to the procedures stipulated by any other international convention on this matter binding only one of them. Account shall be taken of the conditions under which the obligations stemming from such a convention have been accepted by the Contracting Party in question.

ARTICLE 7

Lithuania shall grant imports of products originating in the Community treatment which is non-discriminatory in relation to products originating in other countries, as regards the application of quantitative restrictions, the granting of licences and access to the foreign currency needed to pay for such imports.

ARTICLE 8

1. Without prejudice to Article 7, each of the Contracting Parties shall grant imports of products originating in the other the highest degree of

¹United Nations, *Treaty Series*, vol. 55, p. 187 and vol. 61, p. 3.

liberalization generally extended to third countries. To that end, the specific quantitative restrictions applying to imports from Lithuania into the Community shall be eliminated.

2. For the purposes of this Agreement, "specific quantitative restrictions" shall mean those quantitative restrictions applied by the Community to imports originating in Lithuania under Regulation (EEC) No 3420/83, which concerns products other than those to which quantitative restrictions are applied under Regulation (EEC) No 288/82.

ARTICLE 9

The Parties shall inform each other of any changes in their tariff or statistical nomenclature or of any decision taken in accordance with the procedures in force concerning the classification of products covered by this Agreement.

ARTICLE 10

Goods shall be traded between the Contracting Parties at market-related prices.

ARTICLE 11

1. The Contracting Parties shall consult each other if any product is being imported into the territory of one of them in such increased quantities or on such terms as to cause or threaten to cause serious injury to domestic producers of like or directly competing products.

2. The Contracting Party claiming serious injury or threat thereof shall request consultations by notification in writing and shall provide the other Party with all the relevant information required for a detailed examination of the situation.

3. The consultations requested pursuant to paragraph 1 shall be held with a view to seeking mutually satisfactory solutions and with due regard for the

fundamental aims of the Agreement; they shall be completed not later than 30 days from the date of notification of the request by the Party concerned, unless the Parties agree otherwise.

4. If, as a result of such consultations, it is agreed that the situation referred to in paragraph 1 exists, exports shall be limited or such other action taken, possibly with regard to the price at which these exports are sold, as will prevent or remedy the injury.

5. If, following action under paragraphs 1 to 4, agreement is not reached between the Contracting Parties, the Contracting Party which requested the consultations shall be free to restrict the imports of the products concerned to the extent and for such time as is necessary to prevent or remedy the injury. The other Contracting Party shall then be free to deviate from its obligations towards the first Party in respect of substantially equivalent trade.

6. In critical circumstances, where delay would cause damage difficult to repair, such preventive or remedial action may be taken provisionally without prior consultation, provided consultations are held immediately after such action is taken.

7. In the selection of measures under this Article, the Contracting Parties shall give priority to those which cause the least disturbance to the functioning of this Agreement.

8. Where necessary the Contracting Parties may hold consultations to determine when the measures adopted pursuant to paragraphs 4 to 6 shall cease to apply

ARTICLE 12

1. This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, public policy or public security, the protection of life and health of humans, animals or plants, the protection of industrial, commercial and intellectual property, or rules relating to gold or silver or imposed for the protection of national treasures of artistic, historic or archaeological value.

Such prohibitions and restrictions must not, however, constitute a means of arbitrary discrimination or disguised restrictions on trade between the Contracting Parties.

2. This Agreement shall not preclude the taking of action justified on grounds of protection of essential security interests:

- (a) relating to fissionable materials or the materials from which they are derived;
- (b) relating to traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
- (c) taken in time of war or other emergency in international relations or to allow it to comply with obligations it has accepted in connection with the maintenance of international peace and security.

ARTICLE 13

1. The Contracting Parties shall make every effort to promote, expand and diversify their trade on the basis of non-discrimination and reciprocity. In the spirit of this Article, the Joint Committee established under Title V of this Agreement will attach special importance to examining ways of encouraging the reciprocal and harmonious expansion of trade.

2. In furtherance of the aims of this Article and within the limits of their respective powers, the Contracting Parties agree on the necessity to improve favourable business regulations and facilities for each other's firms or companies on their respective markets, inter alia by taking steps:

- to ensure the publication and facilitate exchanges of commercial and economic information on all matters which would assist the development of commercial and economic co-operation, for example:
 - general and sectoral import arrangements,
 - economic and commercial law, including regulations on markets, companies and investment,

- macroeconomic information and statistics, including production, consumption and foreign trade statistics,
- to facilitate the establishment and operation of each other's companies,
- to encourage trade promotion activities,
- to provide natural and legal persons of the other Party with guarantees of their individual and property rights, such as non-discriminatory access for that purpose to courts and appropriate administrative bodies of the Community and Lithuania.

3. Lithuania will take measures guaranteeing an effective and adequate protection of intellectual, industrial and commercial property, at a level similar to that which exists in the Community, and will adhere to International Conventions on intellectual, industrial and commercial property.

4. The Contracting Parties undertake to facilitate, within the limits of their respective powers, administrative co-operation between the appropriate authorities in matters relating to customs, in particular in the following areas:

- vocational training,
- simplification of customs documentation and procedures, and
- prevention and detection of infringements of the rules on customs matters, including the rules governing import quotas.

ARTICLE 14

Within the limits of their respective powers, the Contracting Parties:

- shall encourage the adoption of arbitration for the settlement of disputes arising out of commercial and co-operation transactions concluded by companies, enterprises or economic organizations of the Community and those of Lithuania,

- agree that when a dispute is submitted to arbitration, each party to the dispute may freely choose its own arbitrator, irrespective of nationality, and that the presiding third arbitrator or the sole arbitrator may be a citizen of a third State,

- shall encourage recourse to the arbitration rules developed by the United Nations Commission on International Trade Law (UNCITRAL)¹ and to arbitration by any centre of a State signatory to the Convention on Recognition and Enforcement of Foreign Arbitral Awards concluded in New York on 10 June 1958.²

TITLE III

Economic Co-operation

ARTICLE 15

1. In the light of their respective economic policies and objectives, the Contracting Parties, within the limits of their respective powers, shall foster economic co-operation on as broad a base as possible in all fields deemed to be in their mutual interest.

The objectives of such co-operation shall be, inter alia:

- to reinforce and diversify economic links between the Contracting Parties,

- to contribute to the development of their respective economies and standards of living,

- to open up new sources of supply and new markets,

- to encourage co-operation between economic operators with a view to promoting joint ventures, licensing agreements, and other forms of industrial co-operation to develop their respective industries,

¹ United Nations, *Official Records of the General Assembly, Thirty-first Session, Supplement No. 17 (A/31/17)*, p. 34.

² United Nations, *Treaty Series*, vol. 330, p. 3.

- to encourage scientific and technological progress,
- to support structural changes in the Lithuanian economy which will increase and diversify trade in goods and services with the Community,
- to encourage the participation of small and medium-sized enterprises in trade and industrial co-operation.

2. In order to achieve these objectives, the Contracting Parties shall make efforts to encourage and promote economic co-operation in areas of mutual interest, in particular in the following sectors:

- industry,
- mining,
- agriculture, including agro-industry,
- fisheries,
- science and technology in areas in which the Contracting Parties are active and which they consider to be of mutual interest, including nuclear research,
- telecommunications,
- energy, including nuclear energy and nuclear safety (physical safety and radiation protection), the prevention and notification of accidents and the management of radioactive waste,
- environmental protection, including protection from water and air pollution and industrial accidents, and the management of natural resources; also taking into account environmental requirements in other policy areas such as industry, agriculture, energy, transport,
- transport, communications and the running of ports,
- tourism and other service activities,

- economic, monetary, banking, insurance and financial services,
- development of human resources and training,
- health,
- economic policy,
- standards,
- statistics.

3. To give effect to the objectives of economic co-operation and within the limits of their respective powers, the Contracting Parties shall encourage the adoption of measures aimed at creating favourable conditions for economic and industrial co-operation, including:

- the facilitation of exchanges of commercial and economic information,
- the development of a favourable climate for investment, notably by the extension by the Member States of the Community and Lithuania of arrangements for investment promotion and protection, in particular for the transfer of profits and the repatriation of invested capital and also of agreements on the avoidance of double taxation,
- exchanges and contacts between persons and delegations representing commercial or other appropriate organizations,
- the organization of seminars, fairs or exhibitions, symposia and business weeks,
- the encouragement of activities contributing to technical competence in specific fields, notably commercialization.

ARTICLE 16

Without prejudice to the relevant provisions of the Treaties establishing the European Communities,¹ this Agreement and any action taken pursuant to it shall in no way affect the powers of the Member States of the Community to undertake bilateral activities with Lithuania in the field of economic co-operation and to conclude, where appropriate, new economic co-operation agreements with Lithuania.

TITLE IV

Accession to international organizations and conventions

ARTICLE 17

The Community undertakes, within the limits of its powers, to support the accession of Lithuania to international organizations and conventions to which the Community is a party, in order to enable Lithuania to become more active in the world economic system.

TITLE V

Joint Committee

ARTICLE 18

1. A Joint Committee shall be set up, comprising representatives of the Community, on the one hand, and representatives of Lithuania, on the other.

The Joint Committee shall formulate recommendations by mutual agreement between the Contracting Parties.

¹ For the Treaty instituting the European Coal and Steel Community, see United Nations, *Treaty Series*, vol. 261, No. 3729. For the Treaty establishing the European Community, see United Nations, *Treaty Series*, vols. 294 to 298, 1376 to 1378, 1383, 1452 and 1453, No. 4300. For the Treaty establishing the European Atomic Energy Community, see United Nations, *Treaty Series*, vols. 294 to 298, 1376 to 1378, 1383, 1452 and 1453, No. 4301.

The Joint Committee shall, as necessary, adopt its own rules of procedure and programme of work.

The Joint Committee shall meet once a year in Brussels and Vilnius alternately. Special meetings may be convened by mutual agreement, at the request of either Contracting Party. The Joint Committee shall be chaired alternately by each of the Contracting Parties. Wherever possible, the agenda for meetings of the Joint Committee shall be agreed beforehand.

The Joint Committee may decide to set up working parties to assist it in carrying out its duties.

2. The Joint Committee shall ensure the proper functioning of this Agreement and shall devise and recommend practical measures for achieving its objectives, keeping in view the economic and social policies of the Contracting Parties.

3. The Joint Committee shall endeavour to find ways of encouraging the development of trade and commercial and economic co-operation between the Contracting Parties. In particular, it shall:

- examine the various aspects of trade between the Parties, notably its overall pattern, rate of growth, structure and diversification, the trade balance and the various forms of trade and trade promotion;
- make recommendations on any trade or economic co-operation problem of mutual concern;
- seek appropriate means of avoiding possible difficulties in the fields of trade and co-operation and encourage various forms of commercial and economic co-operation in areas of mutual interest;
- consider measures likely to develop and diversify trade and economic co-operation, notably by improving import opportunities in the Community and in Lithuania;
- exchange information on macroeconomic plans and forecasts for the economies of the two Parties which have an impact on trade and co-operation and, by extension, on the scope for developing complementarity between their respective economies and also on proposed programmes of economic reform;

- examine the situation concerning procedures for the award of contracts for supplying goods and services following an international invitation to tender;
- exchange information on amendments to and developments in the laws, regulations and formalities of the Contracting Parties in the areas covered by this Agreement;
- examine favourably ways of improving conditions for the development of direct contacts between firms established in the Community and those established in Lithuania;
- formulate and submit to the authorities of both Contracting Parties recommendations for resolving any problems that arise, where appropriate by means of the conclusion of arrangements or agreements.

TITLE VI

General and final provisions

ARTICLE 19

Subject to the provisions of Article 16, the provisions of this Agreement shall replace the provisions of agreements concluded between Member States of the Community and Lithuania where the latter provisions are either incompatible with or identical to the former.

ARTICLE 20

This Agreement shall apply, on the one hand, to the territories in which the Treaties establishing the European Economic Community and the European Atomic Energy Community are applied and under the conditions laid down in those Treaties and, on the other, to the territory of the Republic of Lithuania.

ARTICLE 21

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 legal procedures necessary to this end have been completed. The Agreement is concluded for an initial period of ten years. The Agreement shall be automatically renewed year by year provided that neither Contracting Party gives the other Party written notice of denunciation of the Agreement six months before it expires.

However, the two Contracting Parties may amend the Agreement by mutual consent in order to take account of new developments, notably the situation which would arise from the accession of Lithuania to the General Agreement on Tariffs and Trade. In the latter case, the Contracting Parties shall prepare together the amendments to this Agreement necessary to take account of the protocol of accession of Lithuania to the General Agreement. If the Parties are unable to agree on this subject they reserve the right to denounce this Agreement.

The parties reserve the right to suspend this Agreement in whole or in part with immediate effect if a serious violation occurs of the essential provisions of the present Agreement.

ARTICLE 22

This Agreement is drawn up in duplicate in the Lithuanian, Danish, Dutch, English, French, German, Greek, Italian, Portuguese and Spanish languages, each text being equally authentic.

[For the testimonium and signatures, see p. 232 of this volume.]