

Agreement between the European Economic Community and the People's Republic of Bulgaria on trade and commercial and economic cooperation (Brussels, 9 May 1990)

Caption: On 9 May 1990, in Brussels, two years after establishing diplomatic relations with the European Economic Community, Bulgaria signs an agreement on trade and commercial cooperation with the EEC.

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THE EUROPEAN ECONOMIC COMMUNITY,
hereinafter called 'the Community', of the one part, and

THE PEOPLE'S REPUBLIC OF BULGARIA,
hereinafter called 'Bulgaria', of the other part,

CONSIDERING the importance of trade and economic links between the Community and Bulgaria;

CONSIDERING that the existing flows of trade and their structure do not correspond to the potential of their current levels of economic development and their future prospects;

DESIROUS of creating favourable conditions for a substantial and harmonious development and diversification of trade and the promotion of commercial and economic cooperation 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 cooperation for the economic and social development of each of the Contracting Parties;

AWARE of the importance of giving full effect to the Final Act of the Conference on Security and Cooperation in Europe, the Concluding Document of the Madrid meeting and the Concluding Document of the Vienna meeting;

BELIEVING that a further impetus should be given to the trading and economic relationship between the Community and Bulgaria;

RECOGNIZING that the Community and Bulgaria desire to establish more extensive contractual links with each other which will complement the relations already existing between them, and permit further development at a later stage;

TAKING INTO ACCOUNT the favourable implications for trade and economic cooperation between the Contracting Parties of reform under way in Bulgaria;

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

THE EUROPEAN ECONOMIC COMMUNITY:

Gerard COLLINS,
Minister for Foreign Affairs of Ireland,
President-in-Office of the Council of the European Communities;
Frans ANDRIESEN,
Vice-President of the Commission of the European Communities;

THE PEOPLE'S REPUBLIC OF BULGARIA:

Andrei LUKANOV,
Prime Minister for the People's Republic of Bulgaria;

WHO, having exchanged their Full Powers, found in good and due form,
HAVE AGREED AS FOLLOWS:

Title I

General

Article 1

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

- the harmonious development and diversification of their trade, and
- the development of various types of commercial and economic cooperation.

Therefore, they 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 cooperation****Article 2**

1. This Agreement shall apply to trade in all products originating in the Community or in Bulgaria with the exception of products covered by the Treaty establishing the European Coal and Steel Community.

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

Article 3

1. This Agreement shall not affect the provisions of the existing Agreements on trade in textile products between the Community and Bulgaria, nor of any such agreements subsequently concluded.

Not later than six months before the expiry of the Agreements on trade in textile products referred to above, the Contracting Parties shall consult each other with a view to determining the arrangements to be applied to trade in textile products after the expiry of the said Agreements.

2. This Agreement shall not affect specific agreements of arrangements covering agricultural products in force between the Contracting Parties, or any successor agreements or arrangements.

Article 4

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, warehouses 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.

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 Trade and with other international arrangements in favour of developing countries.

Article 5

Bulgaria shall grant imports of products originating in the Community non-discriminatory treatment as regards the application of quantitative restrictions, the granting of licences and access to the foreign currency

needed to pay for such imports.

Article 6

Taking into account the importance of their trade in agricultural products, the Contracting Parties shall examine in the Joint Committee referred to in Article 23 the possibility of granting each other reciprocal concessions on a product by product basis in the field of trade in agricultural products on the basis of Article 4.

Article 7

The Contracting Parties undertake to allow relief from duties, taxes and other charges and to grant licences in respect of goods temporarily remaining in their territories for re-exportation either in the unaltered state or after inward processing.

Article 8

The Community undertakes to eliminate, within one year of the entry into force of the Agreement, specific quantitative restrictions on imports of the products listed in Annex I into the regions of the Community indicated in that Annex.

For the purposes of this Agreement, 'specific quantitative restrictions' shall mean those quantitative restrictions applied by the Community to imports originating in Bulgaria 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 process of liberalization shall take account of the trend of trade between the two Parties, any changes in market conditions and rules concerning trade in Bulgaria or in the Community and progress made in applying the Agreement.

Article 10

The Community undertakes to suspend within one year of the entry into force of the Agreement the application of specific quantitative restrictions on imports of the products listed in Annex II into the regions indicated in that Annex on the terms and conditions specified therein.

Article 11

1. For each calendar year the Community shall open import quotas for products which are of interest for Bulgaria and which are subject to quantitative restrictions.
2. The two Parties shall hold consultations each year in the Joint Committee referred to in Article 23 to determine what increases in the quotas referred to in paragraph 1 can be made for the following year.

Article 12

Imports into the Community of products covered by this Agreement shall not be charged against the quotas referred to in Article 11 where they are declared as being intended for re-export and are actually re-exported from the Community either in the unaltered state or after inward processing under the administrative control arrangements in force in the Community.

Article 13

The Contracting Parties shall examine before 30 June 1992 in the framework of the Joint Committee referred to in Article 23 whether it can be agreed to make changes with regard to the specific quantitative restrictions still maintained at that time. Changes to be considered may include:

- liberalization,
- liberalization with surveillance of imports,
- adoption of appropriate measures by Bulgaria such as the issue of export licences or certificates to ensure that exports remain within specified levels.
- measures that may be required to adapt existing Community import arrangements.

Article 14

1. The Community undertakes to abolish by 31 December 1995 at the latest the remaining specific quantitative restrictions with the exception of those concerning a limited number of products which might be deemed sensitive at that time.
2. The Joint Committee set up pursuant to Article 23 shall during its meeting in 1995 draw up the arrangements which shall apply for a prescribed period after 31 December 1995 to the imports of the sensitive products referred to in paragraph 1.

Article 15

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 16

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

Article 17

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 under such conditions as to cause or threaten 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 and 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 consultation, it is agreed that the situation referred to in paragraph 1 exists, exports shall be limited or such other action shall be taken as will prevent or remedy the injury.
5. If, following action under paragraphs 1 to 4 above, agreement is not reached between the Contracting Parties, the Contracting Party which requested the consultation 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 actions may be taken provisionally without prior consultation, on the condition that the consultation shall be effected immediately after taking such action.
7. In the selection of measures under this Article, the Contracting Parties should 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 pursuant to paragraphs 4, 5 and 6 shall cease to apply.

Article 18

1. This Agreement shall not preclude prohibitions or restrictions on imports, exports or goods in transit justified on grounds of public morality, law and order 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 the 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.

Article 19

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 IV 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 that they shall maintain and improve favourable business regulations and facilities for each other's firms or companies on their respective markets, by the following measures and inter alia, by those specified in Annex III:

- ensuring publication and facilitating exchanges of commercial and economic information on all matters which would assist the development of trade and economic cooperation, for example:
- economic development plans or forecasts,
- general and sectoral import arrangements,
- economic and commercial law, including regulations on markets and companies,
- macroeconomic information and statistics, including production, consumption and foreign trade statistics,
- facilitating the establishment and operation of each other's companies,
- encouraging trade promotion activities,
- providing 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 Bulgaria.

3. The Contracting Parties undertake to facilitate, within the limits of their respective competences, administrative cooperation between their customs services, 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 application of import quotas.

4. Within the limits of their respective powers, the Contracting Parties undertake to:

- ensure adequate protection and enforcement of industrial, commercial and intellectual property rights,
- ensure that their international commitments in the field of industrial, commercial and intellectual property rights are honoured,
- encourage appropriate arrangements between undertakings and institutions within the Community and Bulgaria with a view to due protection of industrial, commercial and intellectual property rights,
- to encourage cooperation and exchanges of views between organizations and institutions responsible for

industrial, commercial and intellectual property.

5. The Contracting Parties agree that counter-trade practices may create distortions in international trade and they should be regarded as temporary and exceptional.

For this reason they agree not to impose counter-trade requirements on companies established in Bulgaria or in the Community nor to compel them to engage in such trade practices.

Nevertheless, where firms or companies decide to resort to counter-trade operations, the Contracting Parties will encourage them to furnish all relevant information to facilitate the transaction.

Article 20

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 cooperation transactions concluded by companies or firms, enterprises and economic organizations of the Community and those of Bulgaria,
- agree that when a dispute is submitted to arbitration, each party to the dispute may freely choose its own arbitrator, irrespective of his 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 elaborated by the United Nations Commission on International Trade Law (Uncitral) and to arbitration by any centre of a State signatory to the Convention on Recognition and Enforcement of Foreign Arbitral Awards done at New York on 10 June 1958.

Title III

Economic cooperation

Article 21

1. In the light of their respective economic policies and objectives, the Contracting Parties shall foster economic cooperation on as broad a base as possible in all fields deemed to be in their mutual interest. The objective of such cooperation 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 cooperation between economic operators with a view to promoting investment, joint ventures, licensing agreements, and other forms of industrial cooperation to develop their respective industries,
- to encourage scientific and technological progress,
- to support structural changes in the Bulgarian 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 cooperation.

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

- industry,
- mining,
- agriculture, including agroindustries, and cooperation in animal and plant health,
- construction and housing,
- science and technology in areas in which the Contracting Parties are active and which they consider to be of mutual interest,
- energy including the development of new sources of energy,
- environmental protection including protection from water and air pollution and industrial accidents, and the management of natural resources,

- transport, communications, tourism and other service activities,
- economic, monetary, banking, insurance and financial services,
- vocational and management training,
- health,
- standards,
- statistics.

3. To give effect to the objectives of economic cooperation 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 cooperation, 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 Bulgaria of arrangements for investment promotion and protection in particular for transfer

of profits and the repatriation of invested capital on

the basis of the principles of non-discrimination and reciprocity, as well as of agreements on the avoidance of double taxation,

- exchanges and contacts between persons and delegations representing commercial or other relevant organizations,
- the organization of seminars, fairs or exhibitions, symposia and business weeks,
- the encouragement of activities involving the provision of technical expertise in specific areas, including marketing.

Article 22

Without prejudice to the relevant provisions of the Treaties establishing the European Communities, 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 Bulgaria in the field of economic cooperation and to conclude, where appropriate, new economic cooperation Agreements with Bulgaria.

Title IV

Joint Committee

Article 23

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

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

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

(d) The Joint Committee shall meet once a year in Brussels and Sofia 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.

(e) The Joint Committee may decide to set up working groups to assist it in carrying out its duties.

2. (a) 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.

(b) The Joint Committee shall endeavour to find ways of encouraging the development of trade and commercial and economic cooperation 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 commercial or economic cooperation issues of mutual interest,
- seek appropriate means of avoiding possible difficulties in the fields of trade and cooperation and encourage various forms of commercial and economic cooperation in areas of mutual interest,
- consider measures likely to develop and diversify trade and economic cooperation, notably by improving import opportunities in the Community and in Bulgaria,
- exchange information on macroeconomic plans and forecasts for the economies of the two Parties which have an impact on trade and cooperation and, by extension, on the scope for developing complementarity between their respective economies and also on proposed economic development programmes,
- exchange information about amendments and developments in the laws, regulations and formalities of the Contracting Parties in the areas covered by this Agreement,
- seek methods of arranging and encouraging the exchange of information and contacts in matters relating to cooperation in the economic field between the Contracting Parties on a mutually advantageous basis, and work towards the creation of favourable conditions for such cooperation,
- examine the situation as regards the award of contracts for the supply of goods or services consequent upon international invitation to tender,
- examine favourably ways of improving conditions for the development of direct contacts between firms established in the Community and those established in Bulgaria,
- formulate and submit to the authorities of both Contracting Parties recommendations for solving any problems that arise, where appropriate by means of the conclusion of arrangements or agreements.

Title V

General and final provisions

Article 24

Subject to the provisions of Article 22, the provisions of this Agreement shall replace the provisions of Agreements concluded between Member States of the Community and Bulgaria to the extent to which the latter provisions are either incompatible with or identical to the former.

Article 25

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

Article 26

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 shall be concluded for an initial period of 10 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 Bulgaria 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 Bulgaria to the General Agreement. If the Parties are unable to agree on this subject they reserve the right to denounce this Agreement.

The Annexes and Exchange of Letters attached to this Agreement shall form an integral part thereof.

Article 27

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

En fe de lo cual, los plenipotenciarios abajo firmantes suscriben el presente Acuerdo.

Til bekræftelse heraf har undertegnede befuldmægtigede underskrevet denne aftale.

Zu Urkund dessen haben die unterzeichneten Bevollmächtigten ihre Unterschriften unter dieses Abkommen gesetzt.

In witness whereof the undersigned Plenipotentiaries have signed this Agreement.

En foi de quoi, les plénipotentiaires soussignés ont apposé leurs signatures au bas du présent accord.

In fede di che, i plenipotenziari sottoscritti hanno apposto le proprie firme in calce al presente accordo.

Ten blijke waarvan de ondergetekende gevolmachtigden hun handtekening onder deze Overeenkomst hebben gesteld.

Em fé do que, os plenipotenciários abaixo assinados apuseram as suas assinaturas no final do presente Acordo.

Hecho en Bruselas, el ocho de mayo de mil novecientos noventa.

Udfærdiget i Bruxelles, den ottende maj nitten hundrede og halvfems.

Geschehen zu Brüssel am achten Mai neunzehnhundertneunzig.

Done at Brussels on the eight day of May in the year one thousand nine hundred and ninety.

Fait à Bruxelles, le huit mai mil neuf cent quatre-vingt-dix.

Fatto a Bruxelles, addì otto maggio millenovecentonovanta.

Gedaan te Brussel, de achtste mei negentienhonderd negentig.

Feito em Bruxelas, em oito de Maio de mil novecentos e noventa.

Por el Consejo de las Comunidades Europeas

For Rådet for De Europæiske Fællesskaber

Für den Rat der Europäischen Gemeinschaften

For the Council of the European Communities

Pour le Conseil des Communautés européennes

Per il Consiglio delle Comunità europee

Voor de Raad van de Europese Gemeenschappen

Pelo Conselho das Comunidades Europeias

Por la República Popular de Bulgaria

For Folkerepublikken Bulgarien

Für die Volksrepublik Bulgarien

For the People's Republic of Bulgaria

Pour la République populaire de Bulgarie

Per la Repubblica popolare di Bulgaria

Voor de Volksrepubliek Bulgarije

Pela República Popular da Bulgária