

**FREE TRADE AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND
SYRIA**

**COOPERATION AGREEMENT BETWEEN THE EUROPEAN ECONOMIC COMMUNITY
AND THE SYRIAN ARAB REPUBLIC**

PREAMBLE

HIS MAJESTY THE KING OF THE BELGIANS, HER MAJESTY THE QUEEN OF DENMARK, THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY, THE PRESIDENT OF THE FRENCH REPUBLIC, THE PRESIDENT OF IRELAND, THE PRESIDENT OF THE ITALIAN REPUBLIC, HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG, HER MAJESTY THE QUEEN OF THE NETHERLANDS, HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND, and THE COUNCIL OF THE EUROPEAN COMMUNITIES, of the one part,

and

THE PRESIDENT OF THE SYRIAN ARAB REPUBLIC, of the other part,

WISHING to demonstrate their common desire to maintain and strengthen their friendly relations in accordance with the principles of the United Nations Charter,

RESOLVED to establish wide-ranging cooperation which will contribute to Syria's economic and social development and help to strengthen relations between the Community and Syria,

RESOLVED to promote, having regard to their respective levels of development, economic and trade cooperation between the Community and Syria and to provide a sound basis therefor in conformity with their international obligations,

RESOLVED to establish a new model for relations between developed and developing States, compatible with the aspirations of the international community towards a more just and more balanced economic order,

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

HIS MAJESTY THE KING OF THE BELGIANS:
Renaat VAN ELSLANDE, Minister for Foreign Affairs;

HER MAJESTY THE QUEEN OF DENMARK:
Jens CHRISTENSEN, Ambassador, Permanent Under-Secretary;

THE PRESIDENT OF THE FEDERAL REPUBLIC OF GERMANY:
Hans-Dietrich GENSCHER, Federal Minister for Foreign Affairs;

THE PRESIDENT OF THE FRENCH REPUBLIC:
Louis de GUIRINGAUD, Minister for Foreign Affairs;

THE PRESIDENT OF IRELAND:
Garret FITZGERALD, Minister for Foreign Affairs;

THE PRESIDENT OF THE ITALIAN REPUBLIC:
Arnaldo FORLANI, Minister for Foreign Affairs;

HIS ROYAL HIGHNESS THE GRAND DUKE OF LUXEMBOURG:
Gaston THORN, President and Minister for Foreign Affairs of the Government of the Grand Duchy of Luxembourg;

HER MAJESTY THE QUEEN OF THE NETHERLANDS:
Max van der STOEL, Minister for Foreign Affairs of the Kingdom of the Netherlands;

HER MAJESTY THE QUEEN OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND:
Anthony CROSLAND MP, Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom of Great Britain and Northern Ireland;

THE COUNCIL OF THE EUROPEAN COMMUNITIES:
Anthony CROSLAND MP, President in Office of the Council of the European Communities, Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom of Great Britain and Northern Ireland;
Claude CHEYSSON, Member of the Commission of the European Communities;

THE PRESIDENT OF THE SYRIAN ARAB REPUBLIC:
Mohammed IMADI, Minister of Economic Affairs and Foreign Trade.

Article 1

The object of this Agreement between the Community and Syria is to promote overall cooperation between the Contracting Parties with a view to contributing to the economic and social development of Syria and helping to strengthen relations between the Parties. To this end provisions and measures will be adopted and implemented in the fields of economic, technical and financial cooperation and of trade.

TITLE I

ECONOMIC, TECHNICAL AND FINANCIAL COOPERATION

Article 2

The Community and Syria shall institute cooperation with the aim of contributing to Syria's development by means of efforts complementary to those made by Syria itself, and of strengthening existing economic links on as broad a basis as possible for the mutual benefit of the Parties.

Article 3

In order to achieve the cooperation referred to in Article 2, account shall be taken, in particular, of the following:

- the objectives and priorities of Syria's development plans and programmes,
- the importance of schemes into which different operations are integrated,
- the importance of promoting regional cooperation between Syria and other States.

Article 4

1. The purpose of cooperation between the Community and Syria shall be to promote, in particular:

- participation by the Community in the efforts made by Syria to develop its production and economic infrastructure in order to diversify its economic structure. Such participation should be connected, in particular, with the industrialization of Syria and the modernization of its agriculture,
- the marketing and promotion of sales of products exported by Syria,
- industrial cooperation aimed at boosting Syria's industrial production through measures:
 - to encourage participation by the Community in the implementation of Syria's industrial development programmes,
 - to foster the organization of contacts and meetings between Syrian and Community industrial policy-makers, promoters and firms in order to promote the establishment of new relations in the industrial field in conformity with the objectives of the Agreement,
 - to facilitate the acquisition on favourable terms of patents and other industrial property by means of financing in conformity with Protocol 1 and/or by other appropriate arrangements with undertakings and institutions in the Community,
 - to permit the removal of non-tariff and nonquota barriers likely to impede access to either market,
- cooperation in the fields of science, technology and the protection of the environment,
- participation by Community operators in programmes for the exploration, production and processing of Syria's resources and any activities which would develop these resources on the spot, and the proper performance of cooperation and investment contracts concluded for this purpose between their operators,
- cooperation in the fisheries sector,
- the encouragement of private investments which are in the mutual interest of both Parties,

- exchange of information on the economic and financial situation, and on developments therein, as required for the proper functioning of the Agreement.
2. The Contracting Parties may decide on further areas of cooperation.

Article 5

1. The Cooperation Council shall periodically define the guidelines of cooperation for the purpose of attaining the aims set out in the Agreement.
2. The Cooperation Council shall be responsible for seeking ways and means of establishing cooperation in the areas defined in Article 4. To that end it is empowered to make decisions.

Article 6

The Community shall participate in the financing of any measures to promote Syria's development under the conditions laid down in Protocol 1 on technical and financial cooperation, account being taken of the possibilities offered by triangular cooperation.

Article 7

The Contracting Parties shall facilitate the proper performance of cooperation and investment contracts which are of interest to both Parties and come within the framework of the Agreement.

TITLE II

TRADE COOPERATION

Article 8

In the field of trade, the object of this Agreement is to promote trade between the Contracting Parties, taking account of their respective levels of development and of the need to ensure a better balance in their trade, with a view to increasing the rate of growth of Syria's trade and improving the conditions of access for its products to the Community market.

A. Industrial products

Article 9

Subject to the provisions of Articles 13, 14 and 16, customs duties and charges having equivalent effect on imports into the Community of products originating in Syria other than those listed in Annex II to the Treaty establishing the European Economic Community, and other than those listed in Annex A, shall be abolished in accordance with the following timetable:

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Article 10

1. For each product, the basic duties to which the reductions provided for in Article 9 are to be applied are:
 - for the Community as originally constituted : those duties actually applied in respect of Syria on 1 January 1975,
 - for Denmark, Ireland and the United Kingdom : those duties actually applied in respect of Syria on 1 January 1972.
2. The reduced duties calculated in accordance with Article 9 shall be applied rounded to the first decimal place.

Subject to the application by the Community of Article 39 (5) of the Act concerning the conditions of accession and the adjustments to the Treaties of 22 January 1972, as regards the specific duties or the specific part of the mixed duties in the Customs Tariffs of Ireland and of the United Kingdom, Article 9 shall be applied, with rounding to the fourth decimal place.

Article 11

1. In the case of customs duties comprising a protective element and a fiscal element, Article 9 shall apply to the protective element.
2. The United Kingdom shall replace customs duties of a fiscal nature and the fiscal element of such duties by an internal tax, in accordance with Article 38 of the Act concerning the conditions of accession and the adjustments to the Treaties referred to in Article 10.

Article 12

Quantitative restrictions on imports into the Community of products originating in Syria other than those listed in Annex II to the Treaty establishing the European Economic Community shall be removed on the date of the entry into force of the Agreement, and measures having an effect equivalent to quantitative restrictions on imports shall be abolished on the date of the entry into force of the Agreement.

Article 13

The measures provided for in Article 1 of Protocol 7 to the Act concerning the conditions of accession and the adjustments to the Treaties referred to in Article 10, concerning imports of motor vehicles and the motor vehicle assembly industry in Ireland, shall apply to Syria.

Article 14

1. Imports of the following products shall be subject to annual ceilings above which the customs duties actually applied in respect of third countries may be reintroduced in accordance with paragraphs 2 to 6, the ceiling fixed for the year of the entry into force of the Agreement being indicated in each case:
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2. From the following year, the ceilings indicated in paragraph 1 shall be raised annually by 5 %.

3. For products falling within Common Customs Tariff heading Nos 28.40 B II (phosphates, including polyphosphates, other than of ammonia), 31.03 (mineral or chemical fertilizers, phosphatic), ex 31.05 (fertilizer compounds containing phosphates), 55.05 (cotton yarn, not put up for retail sale), and Chapter 76 (aluminium) of the Common Customs Tariff, the Community reserves the right to introduce ceilings.

4. When a ceiling fixed for imports of a product covered by this Article is reached, the customs duties actually applied in respect of third countries may be reimposed on imports of the product in question until the end of the calendar year.

5. When imports into the Community of a product subject to ceilings reach 75 % of the level fixed, the Community shall inform the Cooperation Council.

6. The ceilings provided for in this Article shall be abolished not later than 31 December 1979.

Article 15

1. The Community reserves the right to modify the arrangements applicable to the petroleum products falling within Common Customs Tariff heading Nos 27.10, 27.11 A and B I, 27.12, 27.13 B and 27.14:

- upon the adoption of a common definition of origin for petroleum products,
- upon the adoption of decisions under a common commercial policy, or
- upon the establishment of a common energy policy.

2. In that event the Community shall ensure that imports of these products will enjoy advantages equivalent to those provided for in this Agreement.

For the application of this paragraph consultations shall be held within the Cooperation Council at the request of the other Party.

3. Subject to paragraph 1, this Agreement shall not affect the non-tariff rules applied to imports of petroleum products.

Article 16

For goods resulting from the processing of agricultural products listed in Annex B, the reductions specified in Article 9 shall apply to the fixed component of the charge levied on imports of these products into the Community.

B. Agricultural products

Article 17

Customs duties on imports into the Community of the following products originating in Syria shall be reduced by the rates indicated for each of them:

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Article 18

Customs duties on imports into the Community of the following products originating in Syria shall be applied at the following rates:

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Article 19

1. The rates of reduction specified in Article 17 shall apply to the customs duties actually applied in respect of third countries.
2. However, the duties resulting from the reductions made by Denmark, Ireland and the United Kingdom may in no case be lower than those applied by the said countries to the Community as originally constituted.
3. In derogation from paragraph 1, should the application thereof temporarily result in tariff movements away from alignment on the final duty, Denmark, Ireland and the United Kingdom may maintain their duties until the level of these duties has been reached on the occasion of a subsequent alignment, or they may apply the duty resulting from a subsequent alignment as soon as a tariff movement reaches or passes the said level.
4. The reduced duties calculated in accordance with Article 17 shall be rounded off to the first decimal place.

However, subject to the application by the Community of Article 39 (5) of the Act concerning the conditions of accession and the adjustments to the Treaties referred to in Article 10, as regards the specific duties or the specific part of the mixed duties in the Customs Tariffs of Ireland and of the United Kingdom, the reduced duties shall be rounded off to the fourth decimal place.

Article 20

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

In such cases the Community shall take appropriate account of Syria's interests.

2. If the Community, in applying paragraph 1, modifies the arrangements made by this Agreement for products covered by Annex II to the Treaty establishing the European Economic Community, it shall accord imports originating in Syria an advantage comparable to that provided for in this Agreement.
3. The application of this Article may be the subject of consultations in the Joint Committee.

C. Common provisions

Article 21

1. The products originating in Syria referred to in this Agreement may not enjoy more favourable treatment when imported into the Community than that applied by the Member States between themselves.
2. For the application of paragraph 1, account shall not be taken of the customs duties and charges having equivalent effect resulting from the application of Articles 32, 36 and 59 of the Act concerning the conditions of accession and the adjustments to the Treaties referred to in Article 10.

Article 22

1. Subject to the special provisions relating to frontierzone trade, Syria shall grant the Community treatment in the field of trade no less favourable than mostfavoured-nation treatment.
2. Paragraph 1 shall not apply in the case of the maintenance or establishment of customs unions or free-trade areas.
3. Furthermore, Syria may derogate from the provisions of paragraph 1 in the case of measures adopted with a view to regional economic integration or measures benefiting the developing countries. The Community shall be notified of such measures.

Article 23

1. The Contracting Parties shall inform each other on the occasion of the signing of this Agreement of the provisions they apply under their trade arrangements.
2. Syria shall be entitled to introduce into its trade arrangements with the Community new customs duties or charges having equivalent effect and new quantitative restrictions or measures having equivalent effect and to increase the duties and the quantitative restrictions or charges or measures having equivalent effect applied to products originating in or going to the Community, where such measures are necessitated by Syria's industrialization and development requirements. The Community shall be notified of such measures.

For the application of these measures consultations shall be held within the Cooperation Council at the request of the Contracting Party.

Article 24

Where Syria applies quantitative restrictions in the form of quotas to a given product in accordance with its own legislation it shall treat the Community as a single entity.

Article 25

On the occasion of the reviews provided for in Article 44 of the Agreement, the Contracting Parties shall seek opportunities to make progress towards the removal of obstacles to trade, while having regard to Syria's essential development requirements.

Article 26

For the purposes of implementing this Title, Protocol 2 to this Agreement shall determine the rules of origin.

Article 27

In the event of modifications to the nomenclature of the customs tariffs of the Contracting Parties affecting products referred to in this Agreement, the Cooperation Council may adapt the tariff nomenclature of these products to conform with such modifications.

Article 28

The Contracting Parties shall refrain from any measure or practice of an internal fiscal nature establishing, whether directly or indirectly, discrimination between the products of one Contracting Party and like products originating in the territory of the other Contracting Party. Products exported to the territory of one of the Contracting Parties may not benefit from repayment of internal taxation in excess of the amount of direct or indirect taxation imposed upon them.

Article 29

Payments relating to commercial transactions carried out in accordance with foreign trade and exchange regulations and the transfer of such payments to the Member State of the Community in which the creditor is resident or to Syria shall be free from any restrictions.

Article 30

The 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 the health and life of humans, animals or plants ; the protection of national treasures of artistic, historical or archaeological value ; the protection of industrial and commercial property, or rules relating to gold or silver. Such prohibitions or restrictions must not, however, constitute a means of arbitrary discrimination or a disguised restriction on trade between the Contracting Parties.

Article 31

1. If one of the Contracting Parties finds that dumping is taking place in trade with the other Contracting Party, it may take appropriate measures against this practice in accordance with the Agreement on implementation of Article VI of the General Agreement on tariffs and trade, under the conditions and in accordance with the procedures laid down in Article 33.
2. In the event of measures being directed against bounties or subsidies, the Contracting Parties undertake to respect the provisions of Article VI of the General Agreement on tariffs and trade.

Article 32

If serious disturbances arise in any sector of the economy or if difficulties arise which might bring about a serious deterioration in the economic situation of a region, the Contracting Party concerned may take the necessary safeguard measures under the conditions and in accordance with the procedures laid down in Article 33.

Article 33

1. In the event of a Contracting Party's subjecting imports of products liable to give rise to the difficulties referred to in Article 32 to an administrative procedure the purpose of which is to provide rapid information on the trend of trade flows it shall inform the other Contracting Party.

2. In the cases specified in Articles 31 and 32, before taking the measures provided for therein, or as soon as possible in cases to which paragraph 3 (b) applies, the Contracting Party in question shall supply the Cooperation Council with all relevant information required for a thorough examination of the situation with a view to seeking a solution acceptable to the Contracting Parties.

In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement. Such measures must not exceed the limits of what is strictly necessary to counteract the difficulties which have arisen.

The Cooperation Council shall be notified immediately of any safeguard measures, and these shall be the subject of periodic consultations within the Cooperation Council particularly with a view to their abolition as soon as circumstances permit.

3. For the implementation of paragraph 2, the following provisions shall apply:
- (a) as regards Articles 31 and 32, consultation in the Cooperation Council shall take place before the Contracting Party concerned takes the appropriate measures;
 - (b) where exceptional circumstances requiring immediate action make prior examination impossible, the Contracting Party concerned may, in the situations specified in Articles 31 and 32, apply forthwith such precautionary measures as are strictly necessary to remedy the situation.

Article 34

Where one or more Member States of the Community or Syria is in serious difficulties or is seriously threatened with difficulties as regards its balance of payments, the Contracting Party concerned may take the necessary safeguard measures. In the selection of measures, priority must be given to those which least disturb the functioning of the Agreement. The other Contracting Party shall be notified of them immediately and they shall be the subject of periodic consultations within the Cooperation Council particularly with a view to their abolition as soon as circumstances permit.

TITLE III

GENERAL AND FINAL PROVISIONS

Article 35

1. A Cooperation Council is hereby established which, for the purpose of attaining the objectives set out in the Agreement, shall have the power to take decisions in the cases provided for in the Agreement.

The decisions taken shall be binding on the Contracting Parties, which shall take such measures as are required to implement them.

2. The Cooperation Council may also formulate any resolutions, recommendations or opinions which it considers desirable for the attainment of the common objectives and the smooth functioning of the Agreement.

3. The Cooperation Council shall adopt its rules of procedure.

Article 36

1. The Cooperation Council shall be composed, on the one hand, of representatives of the Community and of its Member States and, on the other hand, of representatives of Syria.

2. The Cooperation Council shall act by mutual agreement between the Community, on the one hand, and Syria, on the other.

Article 37

1. The office of President of the Cooperation Council shall be held alternately by the Contracting Parties, in accordance with the modalities to be laid down in the rules of procedure.

2. Meetings of the Cooperation Council shall be called once a year by its President.

The Cooperation Council shall, in addition meet whenever necessary, at the request of either Contracting Party, in accordance with the conditions to be laid down in its rules of procedure.

Article 38

1. The Cooperation Council may decide to set up any committee that can assist it in carrying out its duties.

2. In its rules of procedure, the Cooperation Council shall determine the composition and duties of such committees and how they shall function.

Article 39

The Cooperation Council shall take any appropriate measures to facilitate the necessary cooperation and contacts between the European Parliament and the representatives of the People's Assembly of Syria.

Article 40

Either Contracting Party shall, if so requested by the other Contracting Party, provide all relevant information on any agreements it concludes involving tariff or trade provisions, and on any amendments to its customs tariff or external trade arrangements.

Where such amendments or agreements have a direct and particular effect on the functioning of the Agreement, appropriate consultations shall be held within the Cooperation Council at the request of the other Contracting Party so that the interests of the Contracting Parties may be taken into consideration.

Article 41

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

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

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

Article 42

Nothing in the 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 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 security in time of war or serious international tension.

Article 43

In the fields covered by the Agreement: - the arrangements applied by Syria 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 Syria shall not give rise to any discrimination between Syrian nationals, companies or firms.

Article 44

The Contracting Parties shall, in accordance with the procedure adopted for the negotiation of the Agreement itself, in the first place from the beginning of 1979 and again from the beginning of 1984, review the results of the Agreement and any improvements which could be made by either side as from 1 January 1980 and 1 January 1985, on the basis of the experience gained during the functioning of the Agreement and of the objectives defined therein.

Article 45

Protocols 1 and 2 and Annexes A and B shall form an integral part of the Agreement. The declarations and exchanges of letters shall appear in the Final Act, which shall form an integral part of the Agreement.

Article 46

Either Contracting Party may denounce this Agreement by notifying the other Contracting Party. The Agreement shall cease to apply 12 months after the date of such notification.

Article 47

This Agreement shall apply, on the one hand, to the territories to which the Treaty establishing the European Economic Community applies under the conditions laid down in that Treaty and, on the other, to the territory of the Syrian Arab Republic.

Article 48

This Agreement is drawn up in duplicate in the Danish, Dutch, English, French, German, Italian and Arabic languages, each of these texts being equally authentic.

Article 49

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 notification that the procedures referred to in the first paragraph have been completed.

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 affixed their signatures below this Agreement.

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

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

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

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Udfærdiget i Bruxelles, den attende januar nitten hundrede og syvoghalvfjerds.

Geschehen zu Brüssel am achtzehnten Januar neunzehnhundertsiebenundsiebzig.

DONE AT Brussels on the eighteenth day of January in the year one thousand nine hundred and seventy-seven.

Fait à Bruxelles, le dix-huit janvier mil neuf cent soixante-dix-sept.

Fatto a Bruxelles, addì diciotto gennaio millenovecentosettantasette.

Gedaan te Brussel, de achttiende januari negentienhonderd zevenenzeventig.

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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