

**AGREEMENT ON AMENDMENTS
TO THE FREE TRADE AGREEMENT BETWEEN
THE REPUBLIC OF CROATIA AND THE REPUBLIC OF MACEDONIA**

The Republic of Croatia and the Republic of Macedonia (hereinafter “the Contracting Parties),

Considering that the conditions have been met for amendments to the Free Trade Agreement between the Republic of Croatia and the Republic of Macedonia, signed in Skopje, on May 9th, 1997 (hereinafter “ Agreement”), in accordance with the provisions of Article 36 paragraph 2 of this Agreement, Have agreed as follows:

Article 1

The Preamble of this Agreement shall be amended by adding the new sentence after the last sentence, which sentence reads as follows:

“Desiring to conduct the mutual trade in accordance to the Stabilisation and Association Agreement between the Republic Croatia and the European Community and their member states, as well as the Stabilisation and Association Agreement between the Republic of Macedonia and the European Community”

Article 2

Article 1 paragraph 1 of this Agreement shall be amended and reads as follows:

“The Contracting Parties shall progressively establish a free trade area during a transitional period ending on 31st December 2004 in accordance with the provisions of this Agreement, and with Article XXIV of the General Agreement on Tariffs and Trade 1994.”

Article 3

Article 2 paragraph 2 of this Agreement shall be amended and reads as follows:

“The term “industrial products” for the purpose of this Agreement means the products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, with the exception of the products listed in Annex I which shall constitute an integral part of this Amendments to the Agreement.”

Article 4

Article 3 paragraph 2 of this Agreement shall be amended and reads as follows:

“The Republic of Croatia shall abolish all customs duties on imports of products originating in the Republic of Macedonia.”

Article 3 paragraph 3 of this Agreement shall be amended and reads as follows:

“The Republic of Macedonia shall abolish all customs duties on imports of products originating in the Republic of Croatia.”

Article 5

Article 7 paragraph 2 of this Agreement shall be amended and reads as follows:

“All quantitative restrictions on imports of products originating in Contracting Parties as well as measures having

equivalent effect shall be abolished on the date of the entry into force of this Agreement, excluding the products listed in Annex II, being an integral part of this Amendments to the Agreement.”

Article 6

In Article 7 of this Agreement after paragraph 2 a new paragraph shall be added, which reads as follows:

“All quantitative restrictions and measures having equivalent effect on products listed in Annex II, which is an integral part of this Amendments to the Agreement, shall be abolished on 31st December 2003.
“

Article 7

In Article 9 of this Agreement the new paragraph shall be added, which reads as follows:

“Rights and obligations of the Contracting Parties regarding the norms and technical regulations as well as corresponding measures shall be governed in accordance with provisions of the WTO Agreement on Technical Obstacles in Trade.

Article 8

Paragraph 2 of the Article 10 of this Agreement shall be amended and reads as follows:

“For the purpose of this Agreement the term “agricultural and food products” means the products falling within Chapter 1 to 24 of the Harmonized Commodity Description and Coding System, including the products listed in Annex I, which is an integral part of this Amendments to the Agreement.”

Article 9

In Article 15 of this Agreement after paragraph 1 the new paragraph shall be added which reads as follows:

“Protocol 2 from paragraph 1 of this Article is done in two originals, each in Croatian, Macedonian and English languages, all three texts being equally authentic. In case of divergence in interpretation the English text shall prevail.

Paragraphs 2 and 3 of Article 15 of this Agreement become paragraphs 3 and 4.

Article 10

Article 30 paragraph 4b of this Agreement shall be amended and reads as follows:

“Regarding Article 29 of the Agreement the Contracting Party concerned may take appropriate measures upon the held consultations or expiry of the three months’ period from the date of the first written notice to the other Contracting Party”

Article 11

Paragraph 1 of Article 33 of this Agreement shall be amended and reads as follows:

“A Joint Committee is hereby established, composed of representatives of the Contracting Parties.”

Article 12

Paragraph 3 of Article 34 of this Agreement shall be amended and reads as follows:

“If a representative of a Contracting Party in the Joint Committee has accepted a decision subject to the fulfillment of

internal legal requirements, the decision shall enter into force, if no later date is contained therein, on the day of the receipt of the written notification, about the fulfillment of such requirements.”

Article 13

In Article 39 of this Agreement after paragraph 2 the new paragraph shall be added, which reads as follows:

“In the event of any Contracting Party to this Agreement becoming a member of the European Union, that Contracting Party will withdraw from this Agreement at the latest the day before membership takes effect without any compensation to the other Contracting Party.”

Article 14

Memorandum of understanding, which is an integral part of the Agreement, is hereby terminated.

Article 15

Protocol 1 from Article 11, paragraph 1 of the Agreement shall be amended, and the provisions of the amended Protocol shall be an integral part of the Amendments to the Agreement.

Article 16

Protocol 2 from paragraph 1 of the Article 11 of this Agreement shall be amended and provisions of the amended

Protocol shall be an integral part of the Amendments of the Agreement.

Protocol 2, being an integral part of this Amendments to the Agreement is done in two originals in Croatian,

Macedonian and English languages, all three texts being equally authentic. In case of divergence in interpretation the English text shall prevail.

Article 17

As integral part of the Amendments to the Agreement shall be considered:

- Protocol 1 – Exchange of concessions between the Republic of Croatia and the Republic of Macedonia
- Protocol 2 – on definition of the term” product with origin” and methods of administrative co-operation
- Annex I – list of products pursuant to Articles 3 and 8 of this Amendments to the Agreement
- Annex II – list of products pursuant to Article 6 of this Amendments to the Agreement

Article 18

The Contracting Parties have agreed to implement the provisions of this Amendments to the Agreement temporary as of 1st July 2002.

Article 19

This Amendments to the Agreement shall enter into force on the day of the receipt of the last written notification by which the Contracting Parties inform each other through diplomatic channels that the internal legal requirements for the entry into force of this Amendments to the Agreement have been fulfilled.

IN WITNESS WHEREOF the undersigned plenipotentiaries, being duly authorised thereto, have signed this

Amendments to the Agreement

Done at _____ day of _____ in two originals, each in the Croatian and Macedonian languages, all two texts being equally authentic.

For the Republic of Croatia For the Republic of Macedonia

ANNEX I

Heading Abbreviated Product Description

2905 43 Mannitol

2905 44 D-glucitol (sorbitol)

3301 Essential oils, resinoids, extracted oleoresins, terpenic by-products, aqueous distillates and solutions of essential oils

3501 to 3505 Casein, caseinates, casein glues, albumins, albuminates, gelatine, isinglass, other glues of animal

origin, peptones and their derivatives, hide powder, dextrans and other modified starches, glues

based on starches or on dextrans

3809 10 Finishing agents, dye carriers with a basis of amylaceous substances

3824 60 Sorbitol other than that of subheading 2905 44

4101 to 4103 Raw hides and skins of bovine or equine animals and of sheep or lambs; other raw hide and skins

4301 Raw furskins

5001 to 5003 Silk-worm cocoons, suitable for reeling; raw silk and silk waste

5101 to 5103 Wool, fine or coarse animal hair; waste of wool or animal hair

5201 to 5203 Cotton and cotton waste

5301 Flax, raw or processed but not spun; flax tow and waste

5302 True hemp; tow and waste of true hemp

ANNEX II

(referred to Article 6 of the Amendments to the Agreement)

QUANTITATIVE BANS AND RESTRICTIONS ON IMPORTS

The Republic of Macedonia shall proceed with application of the import licence regime on non-discriminatory basis by

31st December 2002 affecting industrial products originating in the Republic of Croatia for the HS Heading 2710 11

and 2710 19.

PROTOCOL 1

EXCHANGE OF CONCESSIONS BETWEEN THE REPUBLIC OF CROATIA AND THE REPUBLIC OF MACEDONIA FOR AGRICULTURAL AND FOOD PRODUCTS

1. All customs duties on imports or charges having equivalent effect applicable to products originating in the

Republic of Croatia shall be abolished for imports in the Republic of Macedonia on the day of provisory

application of the Amendments to the Free Trade Agreement between the Republic of Croatia and the Republic

of Macedonia (hereinafter: Amendments to the Agreement), with the exception of the products listed in Annex I to

this Protocol.

2. All customs duties on imports or charges having equivalent effect applicable to products originating in the Republic of Macedonia shall be abolished for imports in the Republic of Croatia on the day of provisory application of the Amendments to the Agreement, with the exception of the products listed in Annex II to this Protocol.

3. The products listed in Annex 1a, originating in the Republic of Croatia shall be imported in the Republic of Macedonia at the 0% customs rate within the customs quotas stipulated in Annex 1a. The customs duties on imports of quantities exceeding these quotas shall be reduced to 50% of the basic duty on the day of provisory implementation of the Amendments to the Agreement.

4. The products listed i Annex 1b, originating in the Republic of Croatia shall be imported in the Republic of Macedonia at the 0% customs rate within the customs quotas stipulated in Annex 1b. The customs duties on imports applicable to quantities exceeding these quotas shall be reduced as follows:

Year 2002 2003 2004 2005

Customs rate 50% of the
basic MFN

customs duty

30% of the

basic MFN

customs duty

20% of the

basic MFN

customs duty

0%

5. The products listed in Annex 1c, originating in the Republic of Croatia shall be imported in the Republic of Macedonia at the Most Favoured Nation customs rate.

6. The products listed in Annex 2a, originating in the Republic of Macedonia shall be imported in the Republic of Croatia at the 0% customs rate within the customs quotas stipulated in Annex 2a. The import customs duties applicable to quantities exceeding these quotas shall be reduced to 50% of the basic customs duty on the day of provisory implementation of the Amendments to the Agreement.

7. The products listed in Annex 2b, originating in the Republic of Macedonia shall be imported in the Republic of Croatia at the 0% customs rate within the customs quotas stipulated in Annex 2b. The import customs duties applicable to quantities exceeding these quotas shall be reduced as follows:

Year 2002 2003 2004 2005

Customs rate 50% of the
basic MFN

customs duty

30% of the
basic MFN
customs duty
20% of the
basic MFN
customs duty
0%

8. The Products listed in Annex 2c, originating in the Republic of Macedonia shall be imported in the Republic of Croatia at the Most Favoured Nation customs rate

9. The basic duty for each product, to which the reductions specified in the Amendments to the Agreement are to be applied, shall be the customs duties applied on an *erga omnes* basis effective on the day before the day of signing the Amendments to the Agreement.

In case any customs duty reductions on erga omnes bases are applied upon signing of the Amendments to the Agreement, in particularly reductions pursuant to the negotiations on customs duties within the World Trade Organization, such reduced customs duties shall substitute the basic duties from paragraph 1 of this Article as of the date of application of the said reductions.

ANNEX I

CONCESSIONS FOR AGRICULTURAL AND FOOD PRODUCTS ORIGINATING IN THE REPUBLIC OF CROATIA

Annex 1.a

CN Code Quantity / Tons

0203 21
0203 22
0203 29
300
0401 20 600
0402 21 10
0406 30 150
0406 90 150
1001 20.000
1101 200
1512 19 200
1601 400
1602 1.000
2103 90 90 150
2104 10 400
2106 500
2401 10 2.500
2402 20 10

Annex 1.b

CN Code Quantity / Tons

0207 12

0207 14
1.200
1704 90 300
1806 550
1905 90 110
2202 90 350
2208 20 800
2209 500

Annex 1.c

CN Code

0203 11
0203 12
0203 19
1701 99
2204
2401 20

ANNEX 2.

**CONCESSIONS FOR AGRICULTURAL AND FOOD PRODUCTS
ORIGINATING IN THE REPUBLIC OF MACEDONIA**

Annex 2.a

CN Code Quantity / Tons

0203 21
0203 22
0203 29
300
0204 10 800
0402 10
0406 100
0702 00 4.000
0707 00 1.200
0709 60 3.500
0807 11 7.500
0808 10 1.000
1101 200
1512 19 200
1601 150
1602 150
2001 10 400
2002 1.500
2005 90 10
2005 90 30
2005 90 50
2005 90 60
2005 90 70 10
2005 90 80
2005 90 80 10
1.200
2204 4.000

2401 10 2.500

2402 20 180

Annex 2.b

CN Code Quantity / Tons

0704 90 2.000

0710 80 51

0710 80 59

400

0710 90 100

0806 10 90 8.000

1001 20.000

1704 90 200

1806 200

1905 90 70

2001 90 550

2201 270

2208 20 100

22 09 60

Annex 2.c

CN Code

0203 11

0203 12

0203 19

1701 99

2106 (except 2106909840)

2401 20