

Memorandum
between the Governments of the Member States of the Shanghai
Cooperation Organization on Fundamental Goals and Directions of Regional
Economic Cooperation and Launch of the Process of Creating Favourable
Conditions for Trade and Investment

The Government of the Republic of Kazakhstan, the Government of the People's Republic of China, the Government of the Republic of Kyrgyz, the Government of the Russian Federation, the Government of the Republic of Tajikistan, the Government of the Republic of Uzbekistan (hereinafter referred to as “the Parties”),

Guided by the provisions and principles of the Declaration on the Establishment of the Shanghai Cooperation Organization signed on June 15, 2001 by the Heads of State of the Parties in Shanghai,

Bearing in mind norms and rules of the World Trade Organization,

Believing that establishing and developing trade and economic relations as well as creating favourable environment for trade and investment in accordance with the principles of full equality, mutual respect and mutual benefit, non-discrimination, phased approach and openness will contribute to the higher level of economic development of the Member States of the Shanghai Cooperation Organization,

Being convinced that the establishment of the Shanghai Cooperation Organization will enable to more fully tap the huge potential and a wide range of opportunities for the development of the mutually beneficial and multifaceted cooperation and will facilitate establishing a fair and rational international economic order,

Believing that launching the process of creating favourable conditions for trade and investment is an important task towards establishment of the regional economic cooperation in the framework of the Shanghai Cooperation Organization,
Have agreed as follows:

Article 1

The key goals for the development of the regional economic cooperation among the Member States of the Shanghai Cooperation Organization shall be as follows:

Identifying economic complementarity of Member States in order to promote common development of their economies;

Expanding trade and investment;

Promoting development of joint ventures and trade and economic activities of business entities;

Improving the trade and investment climate, creating necessary conditions for the gradual progress towards the free flow of commodities, capital, services and technology;

Harmonizing national legislation of the Parties on foreign economic activities;

Encouraging and supporting of various forms of direct links between administrative and territorial units of the Member States of this organization in accordance with the legislation of each Party;

Efficient use of existing infrastructure in transportation and communication, further developing transit potential;

Developing cooperation in trade in services;

Ensuring sound environmental management and implementing joint environmental programs and projects;

Establishing and developing mechanism for regional economic cooperation.

Article 2

Creating favourable conditions for trade and investment shall be achieved through:

- Gradually removing trade and investment barriers;
- Ensuring legal, economic, organizational and other conditions for transportation of goods and passengers, including transit;
- Developing checkpoint infrastructure;
- Harmonizing standards for goods and technologies;
- Expanding exchange of legal and regulatory information;
- Attracting and protecting mutual investments.

Article 3

The parties consider it necessary to focus on important areas of sectoral cooperation such as energy, transport, telecommunication, agriculture, tourism, credit and banking, water and environmental protection and other areas of common interests, as well as to facilitate direct contacts between small and medium-sized enterprises.

Article 4

The Parties shall establish the mechanism of meetings of the ministers of the Member States of the Shanghai Cooperation Organization responsible for foreign economic activities, including foreign trade. The structure, functions and objectives of this mechanism shall be specified by a separate document.

Article 5

The Parties shall develop a long-term program for multilateral economic and trade cooperation that will identify specific directions, priorities, areas and sites.

In order to implement this Memorandum, the Parties shall conclude respective agreements.

Article 6

In order to prepare the required documents indicated in Article 4 and 5 of this Memorandum, the Parties shall establish an expert working group composed of the representatives of interested ministries and agencies of the Member States of the Shanghai Cooperation Organization.

Article 7

The cooperation in the framework of the Shanghai Cooperation Organization shall be without prejudice to the rights and obligations of the Parties arising from other international treaties to which they are parties to.

Article 8

With mutual consent of the Parties, this Memorandum may be changed and amended in the form of respective protocols that form an integral part of this Memorandum.

Disputes and disagreement regarding the implementation and/or interpretation of this Memorandum shall be settled through negotiation.

This Memorandum shall enter into force from the date of its signing.

This Memorandum was signed at Alma-Ata this fourteenth of September, two thousand and one, in a single original, in Chinese and Russian languages, both texts being equally authentic.

The Republic of Kazakhstan shall be the Depositary of this Memorandum, which shall forward to the other Member States of Shanghai Cooperation Organization certified copies thereof.

Signatures