

AGREED MINUTES

of the Latvian – Serbian Transport Experts meeting held in Riga, 17th -18st May, 2010

The delegations agreed upon the following agenda:

1. Exchange of information regarding the development of road transport and trade between Latvia and Serbia;
2. Draft Agreement between the Government of the Republic of Latvia and the Government of the Republic of Serbia on International Transport by Road;
3. Quota of goods transport permits for 2010 and preliminary for 2011;
4. Miscellaneous.

The composition of the two delegations is annexed to the Agreed Minutes (Annex 1).

1. Exchange of information regarding the development of road transport and trade between Latvia and Serbia

The delegations informed each other about trade relations between both the countries and organization of road transport sector in their countries. The Latvian delegation presented the information on passenger and goods transport by road in Latvia as well as information on international trade between Serbia and Latvia. The Latvian side noted that export to Serbia in 2009 in comparison with the previous year in tones has increased by 22,6% but in euro decreased by 26,6%.

The Serbian delegation informed that in its country there are registered approximately 1200 international goods transport companies by road having at their disposal about 7000 goods transport vehicles and approximately 350 international passenger transport companies. Most of the companies have in average 2 – 10 goods vehicles.

The Latvian side informed about the structure of the heavy goods vehicle fleet and noted that in 2009 in comparison with the previous year the fleet involved in international carriage has decreased approximately by 2500 units and at the beginning of this year it comprised approximately 10 000 vehicles. At the beginning of the year 2010 the number of Latvian companies involved in international goods transport operations was around 4 300.

Both delegations expressed their hope that international road transport operations between Latvia and Serbia will develop after the signing of the bilateral Agreement.

2. Draft Agreement between the Government of the Republic of Latvia and the Government of the Republic of Serbia on International Transport by Road

The Latvian delegation asked the Serbian delegation to provide comments on the draft Treaty establishing the Transport Community between the European Union and the South East European Countries. Both the sides noted that the draft Treaty does not affect the ability of Latvia and Serbia to conclude bilateral agreements.

Both delegations noted that before negotiations the draft texts of the Agreement were exchanged by correspondence and agreed that the amended Serbian version could be taken as the basis for drafting of the Agreement between the Government of the Republic of Latvia and the Government of the Republic of Serbia on International Transport by Road. The delegations discussed the draft of the Agreement article by article and agreed on the final version of the draft Agreement between the Government of the Republic of Latvia and the Government of the Republic of Serbia on International Transport by Road (*Annex 2*).

In order to meet the national legal requirements both the sides will coordinate the draft of the Agreement with their relevant competent authorities of their countries and by correspondence will inform each other about future steps for preparing of the Agreement for signing.

3. Quota of goods transport permits for 2010 and preliminary for 2011

The Latvian delegation informed that for the year 2010 Latvia and Serbia have exchanged the following number of international goods transport permits:

- 300 permits valid for bilateral and transit transport operations by road for Serbian carriers;
- 500 permits valid for bilateral and transit transport operations by road for Latvian carriers.

The Latvian side noted that in the year 2009 their carriers used 113 Serbian permits, but till the middle of the May this year already 54 permits have been issued. It shows that volume of transport operations between both the countries is increasing. The Serbian delegation informed that by middle of the May around 200 Latvian permits have already been issued to Serbian hauliers.

Taking into account principles of the agreed draft of the Agreement the Latvian delegation proposed to liberalizing of transit transport operations and introducing permits for third country transport operations starting as from the first of July this year.

The Serbian delegation accepted the Latvian proposal.

After having discussed the proposals regarding number of permits for international goods transport operations in the year 2010 the delegations agreed to establish the following quota of permits:

- 500 permits for bilateral transport operations;
- 50 universal permits valid for bilateral and to/from third countries transport operations.

Delegations noted that in case of necessity additional permits may be exchanged upon request by either party. The permits of current year will be valid till the 31 January next year.

Permits for the year 2010 will be exchanged by July 1, 2010.

Both the delegations agreed to established preliminary quota for the year 2011 equal to the quota of the year 2010. Permits for the next year will be exchanged till the 15th December this year.

The Serbian delegation informed that in accordance with their national legislation each universal permit can be used for one third country transport operation to the territory of Serbia and for one bilateral transport operation from the territory of Serbia to the territory of Latvia or in the opposite way.

The Latvian delegation handed over to the Serbian delegation 200 Latvian permits AA 816092 – AA816242; AA816342 – AA816390 valid for bilateral and transit goods transport operations in the year 2010 and 50 universal Latvian permits AA816292 – AA816341 valid for bilateral, transit and to/from third countries transport operations in the year 2010.

Both the sides agreed that carriers of both the countries may use hired or leased vehicles. The vehicle must be at the exclusive disposal of the carrier using it and must be driven by the staff of this carrier. The following documents must be carried on board the vehicle:

- a) the contract of hire or lease, or a certified conformed extract from that contract giving in particular the name of the lessor, the name of the lessee, the date and duration of the contract and the identification number of the vehicle (VIN);
- b) where the driver is not the person hiring the vehicle, the driver's employment contract or a certified extract from that contract giving in particular the name of the employer, the name of the employee and the date and duration of the employment contract or a recent payslip.

These documents should also at least be translated in annex in English, French or German.

4. Miscellaneous

Both the delegations informed each other about international agreements and conventions they are parties to.

The Serbian side forwarded the information about road taxes and user charges in Serbia and noted that they apply only to motorways depending on distances.

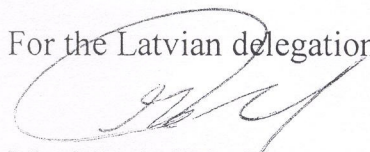
Latvian side informed that it is planning to introduce road user charge in Latvia starting from year 2012.

The meeting was held in a friendly and constructive atmosphere. Both delegations emphasized the usefulness of the meeting.

The Serbian delegation proposed to organize the next meeting on international road transport in Serbia in 2011. The exact time of which will be agreed by correspondence.

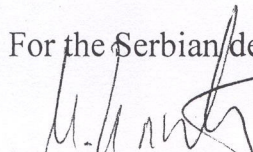
Done in Riga, on 18th May, 2010, in two originals in the English language.

For the Latvian delegation



Mr. Māris Pēkalis

For the Serbian delegation



Mr. Milorad Ilic

Composition of the delegations:

Latvian delegation:

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| Mr. Māris Pēkalis | - Head of the delegation, Deputy Director of Land Transport Department, Ministry of Transport |
| Ms. Annija Novikova | - Senior Officer, Road Transport Division, Land Transport Department, Ministry of Transport |
| Mrs. Indra Gromule | - Head of International Road Carriage Co-ordination Division, Road Transport Administration |
| Mr. Aivars Olants | - Senior Expert, International Road Carriage Co-ordination Division, Road Transport Administration |
| Mr. Alvis Keziks | - Expert, International Road Carriage Co-ordination Division, Road Transport Administration |
| Mr. Valdis Trēziņš | - President of Latvian Association of Road Carriers "Latvijas auto" |

Serbian delegation:

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| Mr. Milorad Ilic | - Assistant Minister, Ministry of Infrastructure, Head of Delegation |
| Mr. Damir Ledencan | - Head of International Road Transport Sector, Ministry of Infrastructure |
| Ms. Mira Marinkovic-Aleksic | - Advisor, Ministry of Infrastructure |
| Ms. Jelena Topalovic-Kitanovic | - Advisor, Ministry of Infrastructure |
| Mr. Dusan Mladenovic | - Secretary of Transport Association of Chamber of Commerce |
| Mr. Branko Grba | - Representative of International Transport Association |