

RECOGNISING the importance of trade facilitation in promoting efficient and transparent procedures to reduce costs and ensure predictability for the Parties' respective trading communities;

COMMITTED to co-operate in promoting recognition that States must maintain the ability to preserve, develop and implement their cultural policies for the purpose of strengthening cultural diversity;

RECOGNISING the need for mutually supportive trade and environmental policies in order to achieve the objective of sustainable development;

AFFIRMING their commitment to economic and social development and the respect for the fundamental rights of workers and the principles set out in the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work*; and

DECLARING their readiness to examine the possibility of developing and deepening their economic relations in order to extend them to fields not covered by this Agreement;

HAVE AGREED as follows:

I OBJECTIVES AND SCOPE

ARTICLE 1

Objectives

1. The Parties hereby establish a free trade area in accordance with this Agreement.
2. The objectives of this Agreement are:
 - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between Canada and the EFTA States and thus to foster in Canada and in the EFTA States the advancement of economic activity;
 - (b) to provide fair conditions of competition affecting trade between the Parties;
 - (c) to establish a framework for further co-operation between Canada and the EFTA States in the light of developments in international economic relations, in particular with the aim of liberalising trade in services and increasing investment opportunities; and

- (d) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Geographical scope

1. Without prejudice to Annex C and except as otherwise provided elsewhere in this Agreement, this Agreement shall apply to:
 - (a) the land territory, air space, internal waters and territorial sea over which a Party exercises sovereignty; and
 - (b) the exclusive economic zone and the continental shelf of a Party, as determined by its domestic law, consistent with international law.
2. Annex A applies with respect to the Kingdom of Norway.

II TRADE IN GOODS

ARTICLE 3

Coverage

1. This Agreement applies to trade in goods of a Party, except as otherwise provided in this Agreement and in the bilateral Agreements on trade in agricultural products referred to in paragraph 2.
2. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products. In pursuance of this objective, Canada and each individual EFTA State have concluded bilateral Agreements on trade in agricultural products. These Agreements shall form part of the instruments establishing the free trade area between Canada and the EFTA States.
3. In this Agreement:
 - (a) “goods of a Party” means domestic products as these are understood in the *General Agreement on Tariffs and Trade 1994* (hereinafter referred to as the “GATT 1994”), or such goods as the Parties may agree, and includes originating products of that Party;