

FREE TRADE AGREEMENT BETWEEN THE REPUBLIC OF ESTONIA,
THE REPUBLIC OF LATVIA AND THE REPUBLIC OF LITHUANIA

Preamble

The Republic of Estonia, the Republic of Latvia and the Republic of Lithuania (hereinafter referred to as "the Parties"),

Recalling their intention to participate actively in the process of economic integration in Europe and expressing their preparedness to cooperate in seeking ways and means to strengthen this process,

Having regard to the Protocol on the Development of Free Trade Regime between the Republics of Estonia, Latvia and Lithuania signed in Tallinn on 26 March, 1992,

Taking into account the need for the better trade and economic cooperation between the three Baltic countries as well as to foster the process of the full implementation of the common Baltic market,

Recalling their firm commitment to the Final Act of the Conference on Security and Cooperation in Europe, the Charter of Paris for a New Europe, and in particular the principles contained in the final document of the CSCE Bonn Conference on Economic Cooperation in Europe,

Reaffirming their commitment to the idea of creating the State based on the rule of law, human rights and fundamental freedoms,

Desiring to create favourable conditions for the development and diversification of the trade between them and for the promotion of commercial and economic cooperation in areas of common interest on the basis of equality, mutual benefit and international law,

Resolved to contribute to the strengthening of the multilateral trading system and develop their relations in the field of trade in accordance with the basic principles of the General Agreement on Tariffs and Trade,

Declaring their readiness to examine, in the light of any relevant factor, the possibility of developing and deepening their relations in order to extend them to fields not covered by this Agreement,

Have decided to conclude this Agreement:

Article 1

Objectives

1. The Parties shall establish a free trade area in accordance with the provisions of this Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies, are:

- (a) to promote, through the expansion of mutual trade, the harmonious development of the economic relations between Estonia, Latvia and Lithuania and thus to foster the advancement of economic activity, the improvement of living and employment conditions, increased productivity, financial stability and sustainable growth of all three Parties;
- (b) to provide fair conditions of competition for the trade between the Parties;
- (c) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of trade in the Baltic Sea area;
- (d) to develop and intensify, as far as possible, cooperation in the areas which are not covered by this Agreement, especially in the promotion of investments, economic and scientific cooperation, economic aid in the environment protection.

Article 2

Scope

This Agreement shall apply to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, originating in Estonia, Latvia or Lithuania.

Article 3

Trade in agricultural products

1. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products.
2. The Parties shall conclude a separate Agreement on Trade in Agricultural Products falling within Chapters 1-24 of the Harmonized Commodity Description and Coding System.
3. The Parties shall apply their regulations in veterinary, plant health and health matters in a non-discriminatory fashion and shall not introduce any new measures that have the effect of unduly obstruction trade.

Article 4

Rules of origin and cooperation in customs administration

1. Protocol A lays down the rules of origin and methods of administrative cooperation.
2. Protocol B lays down the provisions of cumulation.