

1. The following are incompatible with the proper functioning of this Agreement insofar as they may affect trade between Estonia, Latvia and Lithuania:

- (a) all agreements between undertakings, decisions taken by associations of undertakings and concerted practices between undertakings which have as their object or effect the prevention, restriction or distortion of competition;
- (b) abuse one or more undertakings of a dominant position in the territories of the Parties as a whole or in a substantial part thereof.

2. If a Party to this Agreement considers that a given practice is incompatible with the provisions of paragraph 1 of this Article, it may take appropriate measures after consultations within the Joint Committee or after thirty days following referral to such consultations.

Article 16

State aid

1. Any aid granted by a Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertaking or the production of certain goods shall, insofar as it may affect trade between the Parties, be incompatible with the proper functioning of this Agreement.

2. The Parties shall ensure transparency of state aid by exchanging information on the request of any Party.

3. The Joint Committee shall keep the situation regarding the application of state aid measures under review, and shall with regard to other state aid than export aid, elaborate further rules of implementation.

4. If a Party considers that a given practice is incompatible with paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 22.

Article 17

Dumping

If a Party finds that dumping within the meaning of Article 6 of the General Agreement on Tariffs and Trade is taking place in trade relations governed by this Agreement, it may take appropriate measures against that practice in accordance with that Article and agreement related to, under conditions and in accordance with the procedure laid down in Article 22 of this Agreement.

Article 18

Emergency action on imports of a particular product