

- (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.

3. The Parties of this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative cooperation, to ensure that the provisions of Article 5 (Prohibition and abolition of customs duties and imports and charges having equivalent effect), Article 7 (Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect), Article 11 (Internal taxation) and Article 20 (Re-exports and serious shortage) of this Agreement and Protocol A are effectively and harmoniously applied, and to reduce, as far as possible, the formalities imposed on trade, and to achieve mutually satisfactory solutions to any difficulties arising from the operation of those provisions.

Article 5

Prohibition and abolition of customs duties of imports and charges having equivalent effect

1. No new customs duty on imports or charge having equivalent effect shall be introduced in trade between the Parties.
2. Customs duties on imports and charges having equivalent effect shall be abolished upon the date of entry into force of this Agreement.
3. The provisions of this Article shall also apply to customs duties of a fiscal nature. The Parties may replace a customs duty by an internal tax.

Article 6

Prohibition and abolition of customs duties on exports and charges having equivalent effect

1. No new customs duty on exports and charges having equivalent effect shall be introduced in trade between Estonia, Latvia and Lithuania.
2. Customs duties on exports and charges having equivalent effect shall be abolished upon the entry into force of this Agreement except as provided for in Annex 1.

Article 7

Prohibition and abolition of quantitative restrictions on imports or exports and measures having equivalent effect

1. No new quantitative restriction on imports or exports and measures having equivalent effect shall be introduced in trade between Estonia, Latvia and Lithuania.
2. Quantitative restrictions on imports or exports and measures having equivalent effect shall be abolished on trade upon the date on entry into force of this Agreement except as provided for in Annex 2.

Article 8