

1. Payments relating to trade between Estonia, Latvia and Lithuania and the transfer of such payments to the territories of the Parties where the creditor resides, shall be free from any restrictions. Payments between the Parties shall be effected in freely convertible currencies, unless otherwise agreed by individual companies in individual cases.

2. The Parties shall refrain from any currency exchange or administrative restrictions on the grant, repayment or acceptance of short and medium-term credits covering commercial transactions in which a resident participates.

Article 11

Export subsidies

1. Export subsidies granted by a Party which distort or threaten to distort competition by favouring certain undertakings or the production of certain goods shall, insofar as it may affect trade between Estonia, Latvia and Lithuania, be incompatible with the proper functioning of this Agreement.

2. If a Party considers that a given practice is incompatible with the provisions of paragraph 1 of this Article, it may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16 (Procedure for the application of safeguard measures).

Article 12

Dumping

If a Party finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade 1994 is taking place in trade with other Party, the Party concerned may take appropriate measures against this practice in accordance with the procedure laid down in Article 16 (Procedure for the application of safeguard measures).

Article 13

Emergency action on imports of particular products

Where any product originating in Estonia, Latvia or Lithuania is being imported in such increased quantities and under such conditions as to cause, or threaten to cause:

- (a) serious injury to domestic producers of like or directly competitive products in the territory of the Party, or
- (b) serious disturbances in any related sector of the economy or difficulties which could bring about serious deterioration in the economic situation of a Party,

the Party concerned may take appropriate measures under the conditions and in accordance with the procedure laid down in Article 16 (Procedure of application of safeguard measures).

Article 14

Balance of payments difficulties

1. Notwithstanding the provisions of Article 3 (Customs duties on imports and charges having equivalent effect), Article 4 (Fiscal duties) and Article 6 (Quantitative restrictions on imports or exports and measures having equivalent effect), a Party may, consistently with its other international obligations, introduce restrictive measures on trade if it is in serious balance of payments difficulties or under imminent threat thereof. Such measures shall be of limited duration and non-discriminatory, and may not go beyond what is necessary to remedy the balance of payments situation. Preference shall be given to price-based measures which shall be progressively relaxed as balance of payments conditions improve and eliminated when conditions no longer justify their maintenance.
2. Measures taken in accordance with paragraph 1 of this Article shall be notified to the Joint Committee, if possible prior to their introduction. The Joint Committee shall, upon the request of the other Party, examine the need for maintaining the measures taken.
3. The Parties shall, nevertheless, endeavour to avoid the imposition of restrictive measures for balance of payments purposes.

Article 15

Re-export and serious shortage

Where compliance with the provisions of Article 5 (Customs duties on exports and charges having equivalent effect) and Article 6 (Quantitative restrictions on imports or exports and measures having equivalent effect) leads to:

- (a) re-export towards a third country against which the exporting Party maintains for the product concerned quantitative export restrictions, export duties or measures or charges having equivalent effect; or
- (b) a serious shortage, or threat thereof, of a product essential to the exporting Party; and where the situations referred to above give rise or are likely to give rise to major difficulties for the exporting Party, that Party may take appropriate measures under the conditions and in accordance with the procedures laid down in Article 16 (Procedure for the application of safeguard measures). The measures referred to in subparagraph (b) shall be non-discriminatory. The measures shall be eliminated when conditions no longer justify their maintenance.