

Desiring to create favourable conditions for the development and diversification of trade between them and for the promotion of commercial and economic co-operation in areas of common interest on the basis of equality, mutual benefit, most-favoured-nation treatment and international law,

Resolved to contribute to the strengthening of the multilateral trading system and to develop their relations in the field of trade in accordance with the principles of the Agreement Establishing the World Trade Organization (WTO), Lithuania having the objective to become a Member of WTO,

Considering that no provision of this Agreement may be interpreted as exempting the States Parties to this Agreement from their obligations under other international agreements, especially WTO,

Determined to implement this Free Trade Agreement with the objective to preserve and protect the environment and to ensure an optimal use of natural resources in accordance with the principle of sustainable growth,

Firmly convinced that this Free Trade Agreement will foster the creation of an enlarged and harmonious free trade area within Europe, thus constituting an important contribution to European integration,

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

HAVE DECIDED, in pursuit of the above, to conclude the following Agreement (hereinafter called this Agreement):

Article 1

Objectives

1. The EFTA States and Lithuania shall establish a free trade area in accordance with the provisions of the present Agreement.
2. The objectives of this Agreement, which is based on trade relations between market economies and on the respect of democratic principles and human rights, are:
 - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between the EFTA States and Lithuania and thus to foster in the EFTA States and in Lithuania the advance of economic activity, the improvement of living and employment conditions, and increased productivity and financial stability;
 - (b) to provide fair conditions of competition for trade between the States Parties to this Agreement;
 - (c) to contribute in this way, by the removal of barriers to trade, to European economic integration and to the harmonious development and expansion of world trade.