

ARTICLE 19

State aid

1. Any aid granted by a State Party to this Agreement or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods shall, in so far as it may affect trade between an EFTA State and Romania, be incompatible with the proper functioning of this Agreement.
2. Any practices contrary to paragraph 1 should be assessed on the basis of criteria set out in Annex XII.
3. For the purpose of applying the provisions of paragraphs 1 and 2, the States Parties to this Agreement recognize that during the first five years after the entry into force of this Agreement Romania shall be regarded as an area where the standard of living is abnormally low or where there is serious unemployment, implying that Romania may grant aid with a higher intensity than would be tolerated for EFTA States according to the criteria set out in Annex XII. The Joint Committee may, taking into account the economic situation of Romania, decide on a prolongation of the application of this provision.
4. The States Parties to this Agreement shall ensure transparency of state aid measures by exchanging information as provided in Annex XIII.
5. If a State Party to this Agreement considers that a given practice is incompatible with the provisions of paragraph 1, it may take appropriate measures against this practice, which shall not be in excess of the injury caused by the practice, under the conditions and in accordance with the procedures laid down in Article 25.

ARTICLE 20

Dumping

If an EFTA State finds that dumping within the meaning of Article VI of the General Agreement on Tariffs and Trade is taking place in trade with Romania, or if Romania finds that dumping within this meaning is taking place in trade with an EFTA State, the State Party concerned may take appropriate measures against this practice in accordance with the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade and with the procedure laid down in Article 25.

ARTICLE 21

Emergency action on imports of particular products

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