

ARTICLE 1

Objectives

1. The EFTA States and Romania shall during a transitional period ending not later than 31 December 2002 gradually 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 Romania and thus to foster in the EFTA States and in Romania 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 the harmonious development and expansion of world trade.

ARTICLE 2

Scope

The Agreement shall apply:

- (a) to products falling within Chapters 25 to 97 of the Harmonized Commodity Description and Coding System, excluding the products listed in Annex I;
- (b) to products specified in Protocol A, with due regard to the arrangements provided for in that Protocol;
- (c) to fish and other marine products as provided for in Annex II;

originating in an EFTA State or Romania.

ARTICLE 3

Rules of origin and co-operation in customs administration

1. Protocol B lays down the rules of origin and methods of administrative co-operation.

2. The States Parties to this Agreement shall take appropriate measures, including regular reviews by the Joint Committee and arrangements for administrative co-operation, to ensure that the provisions of Articles 4 to 9, 14 and 23 of the Agreement and Protocol B are effectively and