

FREE TRADE AGREEMENT

BETWEEN

CANADA

AND

THE STATES OF THE
EUROPEAN FREE TRADE ASSOCIATION
(ICELAND, LIECHTENSTEIN, NORWAY AND
SWITZERLAND)

Canada, and the Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (the “EFTA States”), hereinafter collectively referred to as the “Parties”,

RESOLVED to strengthen the special bonds of friendship and co-operation among their nations;

REAFFIRMING their commitment to the *United Nations Charter* and the *Universal Declaration of Human Rights*;

DESIRING to contribute to the harmonious development and expansion of world trade and provide a catalyst to broader international and transatlantic co-operation;

DETERMINED to create an expanded and secure market for the goods produced in their territories;

WISHING to establish a free trade area through the removal of trade barriers;

COMMITTED to reduce distortions of trade;

RESOLVED to establish clear and mutually advantageous rules governing their trade;

INTENDING to enhance the competitiveness of their firms in global markets;

AIMING to create new employment opportunities and improve working conditions and living standards in their respective territories;

DETERMINED to ensure that the gains from trade liberalisation are not offset by the erection of private, anti-competitive barriers;

RECALLING the *Arrangements on Trade and Economic Co-operation* that were signed: between the Government of Canada and the Government of the Kingdom of Norway, on 3 December 1997; between the Government of Canada and the Government of the Swiss Confederation, on 9 December 1997; and between the Government of Canada and the Government of the Republic of Iceland, on 24 March 1998;

BUILDING on their respective rights and obligations under the *Marrakesh Agreement Establishing the World Trade Organization*, done on 15 April 1994 (hereinafter referred to as the “WTO Agreement”), the other agreements negotiated thereunder and other multilateral and bilateral instruments of co-operation;

TAKING INTO ACCOUNT the *Agreement on Mutual Recognition in Relation to Conformity Assessment between Canada and Switzerland*, done at Ottawa on 3 December 1998; and the *Agreement on Mutual Recognition in Relation to Conformity Assessment between Canada and the Republic of Iceland, the Principality of Liechtenstein, and the Kingdom of Norway*, done at Brussels on 4 July 2000;

RECOGNISING the importance of trade facilitation in promoting efficient and transparent procedures to reduce costs and ensure predictability for the Parties' respective trading communities;

COMMITTED to co-operate in promoting recognition that States must maintain the ability to preserve, develop and implement their cultural policies for the purpose of strengthening cultural diversity;

RECOGNISING the need for mutually supportive trade and environmental policies in order to achieve the objective of sustainable development;

AFFIRMING their commitment to economic and social development and the respect for the fundamental rights of workers and the principles set out in the International Labour Organization's *Declaration on Fundamental Principles and Rights at Work*; and

DECLARING their readiness to examine the possibility of developing and deepening their economic relations in order to extend them to fields not covered by this Agreement;

HAVE AGREED as follows:

I OBJECTIVES AND SCOPE

ARTICLE 1

Objectives

1. The Parties hereby establish a free trade area in accordance with this Agreement.
2. The objectives of this Agreement are:
 - (a) to promote, through the expansion of reciprocal trade, the harmonious development of the economic relations between Canada and the EFTA States and thus to foster in Canada and in the EFTA States the advancement of economic activity;
 - (b) to provide fair conditions of competition affecting trade between the Parties;
 - (c) to establish a framework for further co-operation between Canada and the EFTA States in the light of developments in international economic relations, in particular with the aim of liberalising trade in services and increasing investment opportunities; and

- (d) to contribute in this way, by the removal of barriers to trade, to the harmonious development and expansion of world trade.

ARTICLE 2

Geographical scope

1. Without prejudice to Annex C and except as otherwise provided elsewhere in this Agreement, this Agreement shall apply to:
 - (a) the land territory, air space, internal waters and territorial sea over which a Party exercises sovereignty; and
 - (b) the exclusive economic zone and the continental shelf of a Party, as determined by its domestic law, consistent with international law.
2. Annex A applies with respect to the Kingdom of Norway.

II TRADE IN GOODS

ARTICLE 3

Coverage

1. This Agreement applies to trade in goods of a Party, except as otherwise provided in this Agreement and in the bilateral Agreements on trade in agricultural products referred to in paragraph 2.
2. The Parties declare their readiness to foster, in so far as their agricultural policies allow, harmonious development of trade in agricultural products. In pursuance of this objective, Canada and each individual EFTA State have concluded bilateral Agreements on trade in agricultural products. These Agreements shall form part of the instruments establishing the free trade area between Canada and the EFTA States.
3. In this Agreement:
 - (a) “goods of a Party” means domestic products as these are understood in the *General Agreement on Tariffs and Trade 1994* (hereinafter referred to as the “GATT 1994”), or such goods as the Parties may agree, and includes originating products of that Party;