

DECLARATION

by

THE EFTA STATES

and

THE FEDERAL REPUBLIC OF YUGOSLAVIA

12 December 2000

EUROPEAN FREE TRADE ASSOCIATION

DECLARATION

The Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (hereinafter referred to as “the EFTA States”), on the one hand,

and

the Federal Republic of Yugoslavia (hereinafter referred to as “Yugoslavia”), on the other:

Considering the importance of existing links between the EFTA States and Yugoslavia and the common values they share,

Recognising the EFTA States' and Yugoslavia's desire to strengthen their economic co-operation and trade relations,

Recalling the intention of the Yugoslavian Government to participate actively and fully in the integration process in Europe and expressing their willingness to co-operate in seeking ways and means to strengthen this process,

Recognising the commitment of Yugoslavia to the full implementation of the Dayton Agreement,

Reaffirming their full acceptance of UN Security Council Resolution 1244 (1999),

Reaffirming the EFTA States' and Yugoslavia's commitment and readiness to making substantial contributions to the development of the region and thereby supporting the Stability Pact for South Eastern Europe,

Adhering to the principles of democracy, political pluralism, human rights and the market economy, inspired by the common objective of fostering human, cultural and economic contacts across borders,

Aware of the importance of giving full effect to all the provisions and principles of the CSCE/OSCE process, in particular the Helsinki Final Act and the Charter of Paris for a new Europe, as well as the final document of the Bonn Conference on economic co-operation in Europe,

Recognising the importance of guaranteeing the rights of ethnic and national groups and minorities, in accordance with the undertakings made in the context of the CSCE/OSCE and the Council of Europe,

Conscious of the need to associate their efforts to strengthen security, political stability and economic development in the region,

Noting the intention of the EFTA States to make a dynamic and independent contribution to improving economic conditions across Europe and beyond, as re-affirmed in their Ministerial Declarations of 14 June 1995 and, most recently, 19 June 2000,

Determined to promote, expand and diversify trade and economic relations, based on the principles and rules of the WTO, thus creating the basis for further co-operation and an environment conducive to foreign direct investment,

Determined to make all efforts to develop relations between the EFTA States and Yugoslavia, which may eventually lead to the establishment of a free trade area,

Hereby declare the following:

I OBJECTIVES

1. The EFTA States and Yugoslavia shall, building on already existing forms of co-operation, deepen and extend that co-operation within the EFTA framework, with the aim of further improving relations based on market-economy principles.

2. The EFTA States and Yugoslavia shall to this end develop their co-operation, in particular with the aim of strengthening the environment conducive to, and supportive of, private entrepreneurship, free competition and economic activity based on market forces.

II TRADE

3. The EFTA States and Yugoslavia shall examine, within the EFTA context, concrete ways and means of expanding and liberalising their trade relations taking into account their international obligations, in particular the principles and provisions of the WTO.

4. The EFTA States and Yugoslavia shall seek to create conditions favourable to the expansion of trade, *inter alia*, by

- removing technical barriers to trade, in accordance with the principles and provisions of the WTO,
- developing customs and tariff co-operation,
- facilitating exchange of information on foreign trade.

5. The EFTA States and Yugoslavia shall seek to broaden co-operation in areas particularly important to liberalising their trade relations, *inter alia*, by

- facilitating an exchange of views on conditions for free and undistorted competition without government intervention in the market,
- exchanging information on an opening up of public procurement markets,
- encouraging co-operation in the area of intellectual property rights.

6. The EFTA States and Yugoslavia shall encourage and stimulate business contacts, notably between enterprises and organisations concerned with foreign trade, with the aim of developing their mutual trade.

III FURTHER DEVELOPMENT OF TRADE RELATIONS

7. The EFTA States and Yugoslavia shall take all measures with the aim of creating conditions necessary for the establishment of a free trade area, taking into account the provisions of the WTO.

IV PRIVATE SECTOR CO-OPERATION AND INVESTMENT

8. The EFTA States and Yugoslavia shall seek to improve conditions for the implementation of private sector industrial co-operation projects, *inter alia*, by creating favourable conditions conducive to capital flows and investment in all economic sectors of mutual concern, as well as securing the interests of the partners involved.

V JOINT COMMITTEE

9. The EFTA States and Yugoslavia hereby establish a Joint Committee.

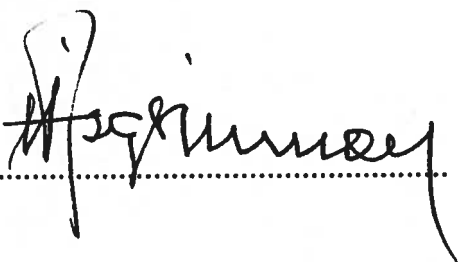
10. The Joint Committee shall review the co-operation in areas referred to in the present Declaration and shall discuss any other issue of mutual interest. The Joint Committee shall formulate appropriate recommendations on any co-operation between the EFTA States and Yugoslavia.

11. The Joint Committee shall meet on a regular basis, as and when necessary.

12. The secretariat services for the Joint Committee shall be performed jointly by the EFTA Secretariat and the Ministry of Foreign Economic Relations of Yugoslavia.

DONE at Geneva, this 12 day of December 2000, in two original copies in the English language.

For the Republic of Iceland




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For The Federal Republic of Yugoslavia



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For the Principality of Liechtenstein



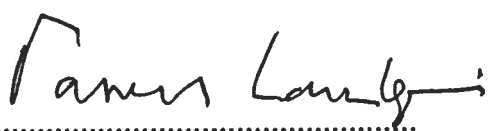
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For the Kingdom of Norway



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For the Swiss Confederation



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