

DECLARATION

by

THE EFTA STATES

and

**THE PALESTINE LIBERATION ORGANIZATION
(PLO) FOR THE BENEFIT OF THE PALESTINIAN
INTERIM SELF-GOVERNMENT AUTHORITY OF
THE WEST BANK AND GAZA STRIP**

16 December 1996

EUROPEAN FREE TRADE ASSOCIATION

DECLARATION

The Republic of Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (hereinafter called the EFTA States)

and

the Palestine Liberation Organization (PLO) for the benefit of the Palestinian Interim Self-Government Authority of the West Bank and Gaza Strip (hereinafter called the Palestinian Authority)

Considering the importance of existing links between them and the common values they share,

Considering that the EFTA States and the Palestinian Authority wish to strengthen these links and establish lasting relations based on partnership and reciprocity,

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

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

Considering the rights and obligations under the international agreements which they have signed and the importance of the Oslo agreements,

Considering the importance of the Middle East peace process leading to a permanent settlement based on Security Council Resolutions 242 and 338,

Mindful of 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 Declaration on 14 June 1995,

Mindful of the intention of the EFTA States to contribute to the development of the Palestinian economy,

Resolving to undertake new and sustained efforts to consolidate, develop and diversify their mutual co-operation in fields of common interests,

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,

Desirous of building on existing trade arrangements and developing them on a contractual basis,

Determined to make all efforts to develop relations between the EFTA States and the Palestinian Authority, eventually leading to the conclusion of a free trade agreement,

Hereby declare the following:

I OBJECTIVES

1. The EFTA States and the Palestinian Authority shall promote, through the facilitation and expansion of reciprocal trade, the harmonious development of the economic relations between them.
2. The EFTA States and the Palestinian Authority shall work to establish and deepen co-operation, in different fields of interest, within the EFTA framework.
3. The EFTA States and the Palestinian Authority shall to this end develop their co-operation, in particular with the aim of creating an environment conducive to, and supportive of, private entrepreneurship, free competition and economic activity based on market forces.

II TRADE

4. The EFTA States and the Palestinian Authority shall examine and work on finding, within the EFTA context, concrete ways and means of expanding their trade relations taking into account their obligations and the principles of the WTO.
5. The EFTA States and the Palestinian Authority shall seek to broaden co-operation in areas particularly important to expanding their trade relations, *inter alia*, by facilitating an exchange of views on conditions for free and undistorted competition.
6. The EFTA States and the Palestinian Authority shall encourage and stimulate business contacts, notably between enterprises and organisations concerned with foreign trade, with the aim of developing their mutual trade.

III DEVELOPMENT OF TRADE RELATIONS

7. Based on existing practice, the EFTA States reaffirm their willingness to continue granting preferential treatment to imports originating in the West Bank and Gaza Strip until the conclusion of the interim free trade agreement referred to in paragraph 8 below. The Palestinian Authority equally declares its willingness to grant imports originating in the EFTA States free trade treatment, to be extended under such an interim free trade agreement.

8. The EFTA States and the Palestinian Authority declare their willingness to establish an interim free trade agreement incorporating and consolidating, *inter alia*, the treatment described in paragraph 7, taking into account the provisions of the WTO. Consequently, they agree to start, as soon as possible, negotiations on the proposed interim free trade agreement.

IV PRIVATE SECTOR CO-OPERATION AND INVESTMENT

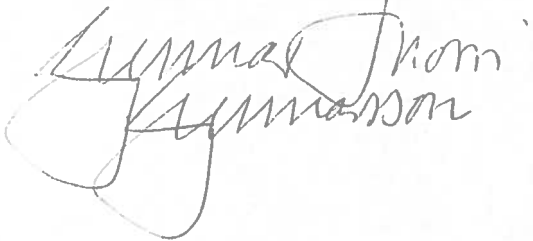
9. The EFTA States and the Palestinian Authority declare their willingness to improve conditions for the implementation of private sector economic, commercial and industrial co-operation projects, *inter alia* by creating favourable conditions conducive to capital flows and investment in all economic sectors of mutual concern, as well as securing the interests of the partners involved.

V FORUM FOR CONSULTATIONS

10. The implementation of this Declaration shall require close co-ordination and consultations between the EFTA States and the Palestinian Authority. They therefore agree to meet on a regular basis to discuss areas of co-operation as well as measures to facilitate and develop free trade between them.

DONE at Geneva this 16th day of December 1996.

For the Icelandic Delegation

A handwritten signature in dark ink, appearing to read 'Gunnar Thorm Gunnarsson'. The signature is fluid and cursive, with the first name 'Gunnar' being the most prominent.

For the PLO Delegation

A handwritten signature in dark ink, appearing to read 'Yasser Arafat'. The signature is cursive and includes a long horizontal stroke at the end.

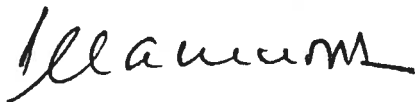
For the Liechtenstein Delegation

A handwritten signature in dark ink, appearing to read 'Alois W. O.'. The signature is cursive and includes a long horizontal stroke at the end.

For the Norwegian Delegation

A handwritten signature in dark ink, appearing to read 'Siri Bjelke'. The signature is cursive and includes a long horizontal stroke at the end.

For the Swiss Delegation

A handwritten signature in dark ink, appearing to read 'Jean-Marc'. The signature is cursive and includes a long horizontal stroke at the end.

DONE at Geneva this 16th day of December 1996.

For the Icelandic Delegation

Gunnar Snorri Gunnarsson

For the PLO Delegation

Nabil Sha'ath

For the Liechtenstein Delegation

Andrea Willi

For the Norwegian Delegation

Siri Bjerke

For the Swiss Delegation

Jean-Pascal Delamuraz