

ARRANGEMENT ON TRADE AND ECONOMIC COOPERATION

BETWEEN

THE GOVERNMENT OF CANADA AND

THE GOVERNMENT OF THE REPUBLIC OF ICELAND

The Government of Canada and the Government of the Republic of Iceland (hereinafter referred to as "the Parties),

Desiring to enhance the traditional bonds of friendship and cooperation between the two countries,

Reaffirming their respective rights and obligations under the Marrakesh Agreement establishing the World Trade Organization, (hereinafter the "WTO Agreement") and other multilateral instruments, in particular of the Organization for Economic Cooperation and Development (OECD), as well as under bilateral instruments of trade and economic cooperation,

Acknowledging their mutual commitment toward the effective implementation of the WTO Agreement,

Noting the importance they attach to the development of transatlantic relations,

Aspiring to strengthen through continued and institutionalized dialogue, framework conditions favourable to the expansion and diversification of bilateral trade and investment,

Wishing to explore opportunities to strengthen bilateral cooperation in other areas and activities,

Have reached the following understanding:

Article I. Objectives

The Parties will seek to:

- a. enhance economic relations between the two countries, in particular trade in goods and services as well as investment;
- b. strengthen their cooperation with a view to liberalizing trade between them by identifying and working toward the removal of measures that impede or distort bilateral trade and investment flows; and
- c. increase the participation of the private sector in both countries, in particular smaller and medium-sized enterprises, in bilateral cooperation.

Article II. Liberalization of Trade and Investment

1. In conformity with their international commitments, especially within the context of the WTO Agreement and the Organization for Economic

Cooperation and Development (OECD), the Parties will endeavour to create the most favourable conditions for the liberalization of trade in goods and services as well as of investment between them in accordance with the enclosed Joint Work Program.

2. The Parties will collaborate on investment issues, with a particular focus on cooperating in the development of a Multilateral Agreement on Investment and an effective work program in the WTO.

3. The Parties will examine all questions defined in the Joint Work Program influencing bilateral economic relations or their respective interests in respect of trade and investment in third countries, including multilateral and plurilateral questions of

common interest arising in appropriate fora.

Article III. Promotion of Trade and Investment

1. The Parties will encourage the expansion of trade and investment between the private sectors of both countries.
2. To this end they will, in particular, foster regular exchanges of information on opportunities for trade and investment and for other promotional initiatives, including contacts at the business level, in accordance with the Joint Work Program attached to this Arrangement.

Article IV. Consultative Group

1. The Parties hereby establish a Consultative Group to ensure the implementation of this Arrangement and the fulfillment of its objectives. The Government of Canada will be represented by the Minister for International Trade and the Government of the Republic of Iceland will be represented by the Minister for Foreign Affairs and External Trade, or their designees. Private sector representatives may participate in the Consultative Group, with the consent of both Parties.
2. The Consultative Group will convene periodically, ordinarily every eighteen months, alternatively in Canada and Iceland, as may be arranged by the Parties. Sessions of the Consultative Group will be chaired by the host Party.

Article V. Consultations

Either Party may request consultations with the other Party regarding any question

Relative to bilateral economic relations, trade and investment. Such consultations will

Take place promptly.

Article VI. Final Clauses

1. Nothing in this Arrangement affects the respective rights and obligations of either Party to the other Party under Agreements, Conventions or other instruments to which they are both Parties.
2. This Arrangement may be amended by the written concurrence of both Parties.
3. The Arrangement comes into effect on signature and will remain in effect unless terminated by either Party on 180 days notice to the other Party.

Done in duplicate at Reykjavik, on March 24 th, 1998 in the French, English and Icelandic languages, each language version being equally valid.

FOR THE GOVERNMENT OF CANADA FOR THE GOVERNMENT OF THE REPUBLIC OF ICELAND

Annex. Joint Work Program

1. This Joint Work Program constitutes an integral part of the Arrangement on Trade and Economic Cooperation between the Government of Canada and the Government of the Republic of Iceland signed at Reykjavik on March 24 th 1998.
2. The Joint Work Program, in conformity with the objectives of the said Arrangement, will include the following areas of priority interest:

a. Liberalization of trade and strengthening of economic cooperation

Identification and analysis of factors and measures, including those of third countries, influencing bilateral trade and investment;

Definition of options and appropriate actions in order to promote market access for goods and services; and

Cooperation in the WTO inter alia in trade and environment, trade and competition, trade-related intellectual property measures and technical barriers to trade, as well as the progressive liberalization of public procurement and investment.

b. Promotion of trade and investment

The exchange of information on technology, international trade and on business opportunities in all economic sectors;

The encouragement of small and medium-sized enterprises to participate in trade and economic cooperation;

The promotion of economic missions, trade fairs and industrial expositions, symposia, conferences and technical presentations;

The encouragement of joint efforts of the private sector in third country markets; and the promotion of cooperation in the fisheries sector.

3. The present Joint Work Program may be reviewed and revised periodically by the Consultative Group.