

FREE TRADE AGREEMENT

BETWEEN

THE EFTA STATES

AND

MERCOSUR



## **PREAMBLE**

Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (EFTA States),

and

The Common Market of the South (MERCOSUR) and its State Parties, signatories of this Agreement, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay (MERCOSUR States),

hereinafter referred to as the “Parties”<sup>1</sup>

**RECOGNISING** the common wish to strengthen the links between the Parties by establishing close and lasting relations;

**DESIRING** to create favourable conditions for the development and diversification of trade between the Parties and for the promotion of commercial and economic cooperation in areas of common interest on the basis of mutual benefit, non-discrimination and international law;

**DETERMINED** to promote and further strengthen the multilateral trading system, building on their respective rights and obligations under the Marrakesh Agreement establishing the World Trade Organization (WTO Agreement) and the other agreements negotiated thereunder to which they are a party, thereby contributing to the harmonious development and expansion of world trade;

**REAFFIRMING** their commitment to democracy, the rule of law, human rights and fundamental freedoms in accordance with their obligations under international law, including as set out in the United Nations Charter and the Universal Declaration of Human Rights;

**AIMING** to promote economic and social development, to create new employment opportunities, to improve living standards and to ensure high levels of protection of health and safety and of the environment;

**RECOGNISING** the importance of coherent and mutually supportive trade, environmental and labour policies and reaffirming their commitment to pursue the objective of sustainable development, their rights and obligations under multilateral environmental agreements to which they are a party, and the respect for the fundamental principles and rights at work, including the principles set out in the International Labour Organisation (ILO) Conventions to which they are a party;

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<sup>1</sup> For the purposes of this Agreement, “State Party” means an EFTA State or a MERCOSUR State.

**DETERMINED** to implement this Agreement in line with the objectives to preserve and protect the environment through sound environmental management and to promote an optimal use of the world's resources in accordance with the objective of sustainable development;

**RECOGNISING** the importance of ensuring predictability for the trading communities of the Parties;

**AFFIRMING** their commitment to prevent and combat corruption, including bribery of foreign public officials, in international trade and investment and to promote the principles of transparency and good public governance;

**ACKNOWLEDGING** the importance of good corporate governance and corporate social responsibility for sustainable development, and affirming their aim to encourage enterprises to observe internationally recognised guidelines and principles in this respect, such as the OECD Guidelines for Multinational Enterprises, the OECD Principles of Corporate Governance and the UN Global Compact;

**CONVINCED** that this Agreement will enhance the competitiveness of their firms in global markets and create conditions encouraging economic, trade and investment relations between the Parties;

**HAVE AGREED**, in pursuit of the above, to conclude the following Free Trade Agreement (Agreement):