

PART I**TRADE COOPERATION****ARTICLE I**

1. The Contracting Parties shall, in accordance with the provisions of the General Agreement on Tariffs and Trade, foster co-operation in the field of trade with the aim of expanding the exchange of goods between them, having due regard to the provisions of Part IV of the General Agreement and the particular development needs of the Member States to expand and diversify their commercial exchanges in order to accelerate their rate of economic growth.

2. Pursuant to these objectives, the Contracting Parties undertake to accord to products originating in the territories of the other Contracting Parties Most Favoured Nation treatment not less favourable than that accorded to products originating in third countries.

ARTICLE II

Canada and the Member States agree to apply to goods originating in each other's territories the highest degree of liberalization which they apply to third countries in general, and undertake to endeavour to grant each other the widest possible facilities for the expansion of trade in products in which Canada or any Member State has an interest.

ARTICLE III

Subject to the provisions of Article IV, nothing in this Agreement shall preclude Member States from applying import restrictions or prohibitions for reasons of their development needs including balance of payments difficulties.

ARTICLE IV

Except as provided for in relevant provisions of the General Agreement on Tariffs and Trade, prohibitions or restrictions shall not be applied by the Contracting Parties to imports of products originating in each other's territories unless the importation of like products originating in third countries is similarly prohibited or restricted. Such prohibitions or restrictions shall only be applied to the extent and for such time as may be necessary.

ARTICLE V

The treatment provided for under the above Articles shall be applied in a manner consistent with the provisions of the General Agreement on Tariffs and Trade. Any Member State which, in pursuance of the objective of promoting trade among Developing Countries, enters into a preferential agreement with any other Developing Country is not required under this Agreement to extend similar or comparable treatment to Canada provided such preferential arrangements are entered into in