

Chapter 1 Initial Provisions

Article 1: Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of GATT 1994 and Article V of GATS, hereby establish a free trade area.

Article 2: Objectives

1. The objectives of this Agreement are to:
 - (a) encourage expansion and diversification of trade between the Parties;
 - (b) facilitate trade in goods and services;
 - (c) establish comprehensible rules in order to ensure a regulated and transparent environment for the trade of goods and services between the Parties;
 - (d) increase investment opportunities in the territories of the Parties;
 - (e) ensure an adequate and effective protection of intellectual property rights in the territories of the Parties, taking into consideration the economic situation and the social or cultural need of each Party; as well as to promote technological innovation and the transfer and dissemination of technology between the Parties;
 - (f) confirm their commitment to the promotion of trade and reaffirm their aspiration to achieve an appropriate balance between the economic, social and environmental components of sustainable development;
 - (g) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
 - (h) establish a framework for further bilateral cooperation to expand and enhance the benefits of this Agreement.

2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objectives set out in paragraph 1 and shall also interpret them in accordance with customary rules of interpretation of public international law.

Article 3: Relation to Other International Agreements

1. Nothing in this Agreement shall derogate from the existing rights and obligations of a Party under the WTO Agreement or any other multilateral or bilateral agreement to which it is a party.

2. In the event of any inconsistency between this Agreement and any other agreement to which the Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution in accordance with customary rules of interpretation of public international law.

Article 4: Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement in their respective territories.