

PART ONE**GENERAL PART****CHAPTER ONE****Objectives****Article 1.1: Establishment of the Free Trade Area**

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994*, as specified in Annex 1A of the *Agreement Establishing the World Trade Organization*, hereby establish a free trade area.

Article 1.2: Objective

1. The objective of this Agreement, as elaborated more specifically in its provisions, is to eliminate barriers to trade in, and facilitate the movement of, goods between the territories of the Parties, and thereby to promote conditions of fair competition and increase substantially investment opportunities in the free trade area.
2. The Parties shall interpret and apply the provisions of this Agreement in the light of its objective set out in paragraph 1 and in accordance with applicable rules of international law.
3. Each Party shall administer in a consistent, impartial and reasonable manner all laws, regulations, decisions and rulings affecting matters covered by this Agreement.

Article 1.3: Relation to Other Agreements

1. The Parties affirm their existing rights and obligations with respect to each other under the *Agreement Establishing the World Trade Organization*, (hereinafter referred to as the WTO Agreement), including the *General Agreement on Tariffs and Trade 1994*, (hereinafter referred to as GATT 1994), and its successor agreements and other agreements to which both Parties are party.
2. In the event of any inconsistency between this Agreement and such other agreements, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.