

CHAPTER I

INITIAL PROVISIONS

ARTICLE 1

Establishment of a free trade area

The EFTA States and Chile hereby establish a free trade area by means of this Agreement and the complementary agreements on trade in agricultural goods, concurrently concluded between Chile and each individual EFTA State.

ARTICLE 2

Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, are to:

- (a) achieve the progressive and reciprocal liberalisation of trade in goods, in conformity with Article XXIV of the General Agreement on Tariffs and Trade (hereinafter referred to as “the GATT 1994”);
- (b) achieve the liberalisation of trade in services, in conformity with Article V of the General Agreement on Trade in Services (hereinafter referred to as “the GATS”);
- (c) open the government procurement markets of the Parties;
- (d) promote conditions of fair competition in the free trade area;
- (e) substantially increase investment opportunities in the free trade area;
- (f) provide adequate and effective protection and enforcement of intellectual property rights; and
- (g) establish a framework for further bilateral and multilateral cooperation to expand and enhance the benefits of this Agreement.

ARTICLE 3

Territorial application

1. Without prejudice to Annex I, this Agreement shall apply to the territory of each Party, as well as to areas beyond the territory in which each Party may exercise sovereign rights or jurisdiction in accordance with international law.
2. Annex II shall apply with respect to Norway.

ARTICLE 4

Relation to other international agreements

The Parties confirm their rights and obligations under the Marrakech Agreement establishing the World Trade Organization and the other agreements negotiated thereunder (hereinafter referred to as “the WTO Agreement”) to which they are party, and under any other international agreement to which they are a party.

ARTICLE 5

Trade and economic relations governed by this Agreement

1. The provisions of this Agreement apply to the trade and economic relations between, on the one side, the individual EFTA States and, on the other side, Chile, but not to the trade relations between individual EFTA States, unless otherwise provided for in this Agreement.
2. As a result of the customs union established by the Treaty of 29 March 1923 between Switzerland and the Principality of Liechtenstein, Switzerland shall represent the Principality of Liechtenstein in matters covered thereby.

ARTICLE 6

Regional and local governments

Each Party is fully responsible for the observance of all obligations and commitments under this Agreement and shall ensure their observance by its respective regional and local governments and authorities and by non-governmental bodies in the exercise of governmental powers delegated by central, regional and local governments or authorities within its territory.