CHAPTER 1

GENERAL PROVISIONS

ARTICLE 1.1

Objectives

1. The Parties hereby establish a free trade area in accordance with the provisions of this Agreement and the complementary agreements on agriculture, concurrently concluded between the EFTA States and Hong Kong, China.

2. The objectives of this Agreement are:

(a) to achieve the liberalisation of trade in goods, in conformity with Article XXIV of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as the "GATT 1994");

(b) to 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) to mutually enhance investment opportunities;

(d) to facilitate and expand trade in goods and services;

(e) to ensure adequate and effective protection of intellectual property rights, in accordance with international standards applicable to the Parties;

(f) to improve access to each other's government procurement markets on a mutual basis;

(g) to promote competition in their economies, particularly as it relates to economic relations between the Parties;

(h) to develop international trade in such a way as to contribute to the objective of sustainable development and to ensure that this objective is integrated and reflected in the Parties' trade relationship; and

(i) to contribute thereby to the harmonious development and expansion of world trade.

ARTICLE 1.2

Geographical Scope

1. This Agreement shall, except as otherwise specified in Annex IV, apply:

   (a) for an EFTA State:

      (i) to its land territory, internal waters, and territorial sea, and the air-space above, in accordance with international law; and

      (ii) beyond the territorial sea, with respect to measures taken in the exercise of its sovereign right or jurisdiction in accordance with international law;

   (b) for Hong Kong, China: to the land and sea comprised within the boundary of the Hong Kong Special Administrative Region only, including Hong Kong Island, Kowloon, the New Territories, and the waters of Hong Kong.

2. This Agreement shall not apply to the Norwegian territory of Svalbard, with the exception of trade in goods.

ARTICLE 1.3

Trade and Economic Relations Governed by this Agreement

1. This Agreement shall apply to the trade and economic relations between, on the one side, the individual EFTA States and, on the other side, Hong Kong, China, but not to the trade relations between individual EFTA States, unless otherwise provided for in this Agreement.

2. As a result of the Customs Treaty of 29 March 1923 between Switzerland and Liechtenstein, Switzerland shall represent Liechtenstein in matters covered thereby.

ARTICLE 1.4

Relationship to Other International Agreements

1. The Parties confirm their rights and obligations under the Marrakesh Agreement establishing the WTO (hereinafter referred to as the "WTO Agreement") and the other agreements negotiated thereunder to which they are a party and any other international agreements to which they are a party or which are applicable to a Party. If a Party considers that there is an inconsistency between this Agreement and any other international agreements to which they are a party or which are applicable to a Party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution in accordance with customary rules of public international law.

2. If a Party considers that the maintenance or establishment of customs unions, free trade areas, arrangements for frontier trade or other preferential agreements by another Party has the effect of altering the trade regime provided for by this Agreement, it may request consultations with that Party. That Party shall afford adequate opportunity for consultations with the requesting Party.[1]

ARTICLE 1.5

Regional and Local Government

Each Party shall take every available measure to ensure the observance of all obligations and commitments under this Agreement by its respective regional and local governments and authorities, and by non-governmental bodies in the exercise of governmental powers delegated to them by central, regional and local governments or authorities.

ARTICLE 1.6

Transparency

1. The Parties shall publish, make publicly available, or, if not publicly available, provide upon request, their laws, regulations, judicial decisions, administrative rulings of general application as well as their respective international agreements, that are relevant to this Agreement.

2. The Parties shall promptly respond to specific questions and provide, upon request, information to each other on matters referred to in paragraph 1.

3. Nothing in this Agreement shall require any Party to disclose information, in particular confidential information, that would impede law enforcement or violate domestic law, or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of any economic operator.

4. In case of any inconsistency between the provisions of this Article and provisions relating to transparency in other Chapters of this Agreement, the latter shall prevail to the extent of the inconsistency.

[1] It is understood that consultations held pursuant to paragraph 2 shall be without prejudice to the rights and obligations of the Parties under Chapter 10 or under the WTO Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as the "WTO Dispute Settlement Understanding").

Article 1.7

Confidentiality

Where a Party provides information to another Party in accordance with this Agreement and designates the information as confidential,[2] the Party receiving the information shall treat the information as confidential in accordance with its domestic law and practice. Such information shall be used only for the purpose for which the information is provided, and shall not be otherwise disclosed without the specific written permission of the Party providing the information.

[2] It is understood that all information provided in relation to the rules of origin under Annex IV or the importation, exportation, advance rulings or transit of goods under Annex V shall be confidential, regardless of designation.