

CHAPTER 1 INITIAL PROVISIONS AND GENERAL DEFINITIONS

ARTICLE 1.1: ESTABLISHMENT OF A FREE TRADE AREA

The Parties hereby establish a free trade area in accordance with this Framework Agreement.

ARTICLE 1.2: OBJECTIVES

The objectives of the Turkey-Korea FTA are:

- (a) to gradually liberalise and facilitate substantially all trade in goods between the Parties in conformity with Article XXIV of “GATT 1994”;
- (b) to gradually liberalise trade in services and investment between the Parties, in conformity with Article V of “GATS”;
- (c) to promote competition in their economies, particularly as it relates to economic relations between the Parties;
- (d) to adequately and effectively protect intellectual property rights;
- (e) to contribute, by removing barriers to trade and by developing an environment conducive to increased investment flows, to the harmonious development and expansion of world trade;
- (f) to commit, in the recognition that sustainable development is an overarching objective, to the development of international trade in such a way as to contribute to the objective of sustainable development and strive to ensure that this objective is integrated and reflected at every level of the Parties’ trade relationship; and
- (g) to promote foreign direct investment without lowering or reducing environmental, labour or occupational health and safety standards in the application and enforcement of environmental and labour laws of the Parties.

ARTICLE 1.3: GENERAL DEFINITIONS

For the purposes of this Framework Agreement, unless otherwise specified

days means calendar days;

DSU means *Understanding on Rules and Procedures Governing the Settlement of Disputes*, in Annex 2 to the WTO Agreement;

existing means in effect on the date of entry into force of this Framework Agreement;

GATS means the *General Agreement on Trade in Services*, in Annex 1B to the WTO Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, in Annex 1A to the WTO Agreement;

goods means products as understood in GATT 1994;

Joint Committee means the Joint Committee established under Article 7.1 (Joint Committee);

Turkey-Korea FTA means the Turkey-Korea Free Trade Agreement established by this Framework Agreement and other relevant agreements stipulated in Article 1.4.2;

measure means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action or any other form;

national means:

- (a) for Korea, a Korean national within the meaning of the *Nationality Act*; and
- (b) for Turkey, a Turkish citizen within the meaning of the *Turkish Constitution*;

person means a natural person or a juridical person;

state enterprise means an enterprise that is owned, or controlled through ownership interests, by a Party;¹

territory means:

- (a) for Korea, the land, maritime, and airspace under its sovereignty, and those maritime areas, including the seabed and subsoil adjacent to and beyond the outer limit of the territorial seas over which it may exercise sovereign rights or jurisdiction in accordance with international law and its law; and
- (b) for Turkey, the land territory, internal waters, the territorial sea and the airspace above them, as well as the maritime areas over which Turkey has sovereign rights or jurisdiction for the purpose of exploration, exploitation and preservation of natural resources whether living or non-living pursuant to international law;

¹ For greater certainty, ownership, or control through ownership interests, may be direct or indirect.

TRIPS Agreement means the *Agreement on Trade-Related Aspects of Intellectual Property Rights*, in Annex 1C to the WTO Agreement;²

WTO means the World Trade Organization; and

WTO Agreement means the *Marrakesh Agreement Establishing the World Trade Organization*, done on April 15, 1994.

ARTICLE 1.4: RELATION WITH OTHER AGREEMENTS

1. The Parties confirm their rights and obligations under the WTO Agreement and under any other international agreements to which they are a party.
2. The following agreements shall form part of legal instruments establishing the Turkey-Korea FTA upon their respective entry into force:
 - (a) this Framework Agreement;
 - (b) the Agreement on Trade in Goods under this Framework Agreement as provided for in Article 1.5.1;
 - (c) agreements on trade in services and on investment that may be concluded in accordance with Article 1.5.2 to Article 1.5.4; and
 - (d) any other agreements such as government procurement that may be concluded in the context of the Turkey-Korea FTA.
3. Except as otherwise provided in this Framework Agreement, this Framework Agreement or any action taken under it shall not affect or nullify the rights and obligations of a Party under the existing agreements to which it is a party.

ARTICLE 1.5: LIBERALISATION

1. The Parties shall gradually liberalise substantially all the trade in goods between the Parties over a transitional period starting from the date of entry into force of and in accordance with the Agreement on Trade in Goods under this Framework Agreement and in conformity with Article XXIV of GATT 1994.
2. The Parties shall gradually liberalise trade in services and investment between the Parties in conformity with Article V of GATS.
3. The Parties shall begin negotiations on agreements on trade in services and on investment immediately after entry into force of the Agreement on Trade in Goods.

² For greater certainty, “TRIPS Agreement” includes any waiver in force between the Parties of any provision of the TRIPS Agreement granted by WTO Members in accordance with the WTO Agreement.

4. The Parties, without prejudging the outcome of the negotiations, shall facilitate negotiations on agreements on trade in services and investment under this Framework Agreement with a goal of concluding the negotiations no later than one year after entry into force of the Agreement on Trade in Goods.

ARTICLE 1.6: DISPUTE SETTLEMENT

1. Without prejudice to the outcome of negotiations on the agreements to be concluded stipulated in Article 1.4.2, any dispute concerning the interpretation, implementation or application of the Turkey-Korea FTA shall be resolved through the procedures and mechanism as set out in Chapter 6 (Dispute Settlement).

2. Notwithstanding paragraph 1, any disputes arising from paragraph 4 of Article 1.5 shall not be subject to Chapter 6 (Dispute Settlement).