

Chapter I

Initial Provisions

Article 1 Establishment of a Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994*, hereby establish a free trade area.

Article 2 Objectives

1. The objectives of this Agreement are to:
 - (a) strengthen the mutual friendship between the Parties;
 - (b) encourage expansion and diversification of trade between the Parties;
 - (c) eliminate barriers to trade in, and facilitate the cross-border movement of, goods between the Parties;
 - (d) provide fair conditions of competition for trade between the Parties
 - (e) establish a framework for further bilateral economic 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 in accordance with customary rules of interpretation of public international law.

Article 3 Relation to Other Agreements

The Parties affirm their existing rights and obligations with respect to each other under the WTO Agreement and other agreements to which both Parties are parties.

Article 4 Application of this Agreement

The free trade area to which this Agreement applies consists of the territory of the parties with the exception of any part thereof which constitute separate customs territories.