

CHAPTER 1

GENERAL PROVISIONS

ARTICLE 1

Objectives

1. The Parties shall establish a free trade area by means of this Agreement, with a view to spurring prosperity and sustainable development.

2. The objectives of this Agreement, which is based on trade relations between market economies, are:

(a) to achieve the liberalization 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) to mutually increase investment opportunities between the Parties, and to gradually develop an environment conducive to enhanced trade in services;

(c) to provide fair conditions of competition for trade between the Parties and to ensure adequate and effective protection of intellectual property rights;

(d) to gradually achieve further understanding of the government procurement of the Parties;

(e) 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

(f) to contribute in this way to the harmonious development and expansion of world trade.

ARTICLE 2

Territorial Application

Without prejudice to Chapter 3 and related Annexes, this Agreement shall apply:

(a) With respect to China, the entire customs territory of the People’s Republic of China, including land territory, territorial airspace, internal waters, territorial sea as well as their bed and subsoil, and any area beyond its territorial sea within which it may exercise sovereign rights and/or jurisdiction in accordance with international law and its domestic law;

(b) With respect to Serbia, the territory of the Republic of Serbia, including land territory, internal waters and territorial airspace, in accordance with international law and its domestic law.

ARTICLE 3

Central, Regional and Local Government

Each Party shall ensure the observance of all obligations and commitments under this Agreement by its respective central, 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 4

Transparency

1. The Parties shall publish or otherwise make publicly available their laws, regulations, judicial decisions, administrative rulings of general application and their respective international agreements that may affect the operation of 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. They are not required to disclose confidential information.

3. The contact points established in Article 71 (Contact Points) shall facilitate communications between the Parties on matters covered in this Agreement. Upon request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the responding Party.