

CHAPTER 1

INITIAL PROVISIONS

Article 1 Establishment of the Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of *GATT 1994* and Article V of *GATS*, hereby establish a free trade area.

Article 2 Objectives

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

- (a) strengthen the Parties' bilateral relationship through the establishment of a mutually beneficial closer economic partnership;
- (b) liberalise, facilitate and expand bilateral trade in goods and services, including through the removal of trade barriers and the disciplined use of trade remedy measures;
- (c) ensure a liberal, open bilateral environment to expand investment;
- (d) promote conditions for an open and competitive market in the free trade area for the purposes of enhancing trade and investment;
- (e) ensure measures affecting trade and investment between the two economies are transparent, fair and equitable;
- (f) promote effective protection and enforcement of intellectual property rights in each Party's Area;

- (g) provide an effective mechanism to prevent and resolve trade disputes;
- (h) support the wider liberalisation process in APEC and in particular the efforts of all APEC economies to meet the APEC goal of free and open trade and investment; and
- (i) support the WTO in its efforts to create a predictable, freer and more open global trading environment.