

**HAVE AGREED** as follows:

**PART ONE: GENERAL PART**

**Chapter I: Objectives**

**Article I.1 Establishment of the Free Trade Area**

The Parties to this Agreement, consistent with Article XXIV of the *General Agreement on Tariffs and Trade 1994* which is part of the *Marrakesh Agreement Establishing the World Trade Organization*, hereby establish a free trade area.

**Article I.2 Objectives**

1. The objectives of this Agreement are to:

- (a) establish a free trade area in accordance with this Agreement;
- (b) promote regional integration through an instrument that contributes to the establishment of the Free Trade Area of the Americas (FTAA) and to the progressive elimination of barriers to trade and investment;
- (c) create opportunities for economic development;
- (d) eliminate barriers to trade in, and facilitate the cross-border movement of goods between the territories of the Parties;
- (e) increase substantially investment opportunities in the territories of the Parties;
- (f) facilitate trade in services and investment with a view to developing and deepening the Parties' relations under this Agreement;
- (g) promote conditions of fair competition in the free trade area;
- (h) establish a framework for further bilateral, regional and multilateral cooperation to expand and enhance the benefits of this Agreement; and
- (i) create effective procedures for the implementation and application of this Agreement, for its joint administration and for the resolution of disputes.

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 applicable rules of international law.

**Article I.3 Relation to Other Agreements**

1. The Parties affirm their existing rights and obligations with respect to each other under the *Marrakesh Agreement Establishing the World Trade Organization* and other agreements to which such Parties are party.

2. In the event of any inconsistency between this Agreement and such other agreements, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

#### **Article I.4 Relation to Environmental and Conservation Agreements**

In the event of any inconsistency between this Agreement and the specific trade obligations set out in:

(a) the *Convention on International Trade in Endangered Species of Wild Fauna and Flora*, done at Washington, March 3, 1973, as amended June 22, 1979;

(b) the *Montreal Protocol on Substances that Deplete the Ozone Layer*, done at Montreal, September 16, 1987, as amended June 29, 1990; or

(c) the *Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal*, done at Basel, March 22, 1989, such obligations shall prevail to the extent of the inconsistency, provided that where a Party has a choice among equally effective and reasonably available means of complying with such obligations, the Party chooses the alternative that is the least inconsistent with the other provisions of this Agreement.

#### **Article I.5 Extent of Obligations**

Each Party is fully responsible for the observance of all provisions of this Agreement and shall take such reasonable measures as may be available to it to ensure observance of the provisions of this Agreement by the regional and local governments and authorities within its territory.