

FREE TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF KOREA AND THE GOVERNMENT OF THE REPUBLIC OF CHILE

The Government of the Republic of Korea ("Korea") and the Government of the Republic of Chile ("Chile"), hereinafter referred to as "the Parties";

Committed to strengthening the special bonds of friendship and cooperation between their countries;

Sharing the belief that a free trade agreement shall produce mutual benefits to each Party and contribute to the expansion and development of world trade under the multilateral trading system embodied in the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement");

Building on their respective rights and obligations under the WTO Agreement and other multilateral, regional and bilateral instruments of cooperation, including APEC;

Resolved to promote reciprocal trade and investment through the establishment of clear and mutually advantageous trade rules and the avoidance of trade and investment barriers;

Recognizing that this Agreement should be implemented with a view toward raising the standard of living, creating new work opportunities, and promoting sustainable development in a manner consistent with environmental protection and conservation;

Committed to promoting the public welfare within each of their countries; and

Desiring to strengthen the parallel development of market economy and democracy within their countries;

HAVE AGREED as follows:

PART I GENERAL ASPECTS

CHAPTER 1 INITIAL PROVISIONS

Article 1.1: Establishment of the Free Trade Area

The Parties to this Agreement, consistent with Article XXIV of the General Agreement on Tariffs and Trade 1994 ("GATT") and Article V of the General Agreement on Trade in Services ("GATS"), which are part of the WTO

Agreement, hereby establish a free trade area.

Article 1.2: Objectives

1. The objectives of this Agreement, as elaborated more specifically through its principles and rules, including national treatment, most-favoured-nation treatment and transparency, are to:

- (a) encourage expansion and diversification of reciprocal trade between the Parties;
- (b) eliminate barriers to trade in, and facilitate the cross-border movement of, goods and services between the territories of the Parties;
- (c) promote conditions of fair competition in the free trade area;
- (d) substantially increase investment opportunities between the territories of the Parties;
- (e) provide adequate and effective protection and enforcement of intellectual property rights in each Party's territory;
- (f) create effective procedures for the implementation and application of this Agreement, for its joint administration, and for the resolution of disputes; and
- (g) establish a framework for further bilateral and multilateral cooperation in order 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 the objectives set out in paragraph 1 and in accordance with the applicable rules of international law.

Article 1.3: Relation to Other International Agreements

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

2. In the event of any inconsistency between this Agreement and such other agreements under paragraph 1, this Agreement shall prevail to the extent of the inconsistency, except as otherwise provided in this Agreement.

Article 1.4: Succession of Treaties or International Agreements

Any reference in this Agreement to any other treaty or international agreement shall be made in the same terms to its successor treaty or international agreement to which the Parties are party.

Article 1.5: Extent of Obligations

The Parties shall ensure that all necessary measures are taken in order to give effect to the provisions of this Agreement in their respective territories.