

## CHAPTER ONE

### OBJECTIVES AND GENERAL DEFINITIONS

#### ARTICLE 1.1: OBJECTIVES

1. The Parties hereby establish a free trade area on goods, services, establishment and associated rules in accordance with this Agreement.
2. The objectives of this Agreement are:
  - (a) to liberalise and facilitate trade in goods between the Parties, in conformity with Article XXIV of the *General Agreement on Tariffs and Trade 1994* (hereinafter referred to as “GATT 1994”);
  - (b) to liberalise trade in services and investment between the Parties, in conformity with Article V of the *General Agreement on Trade in Services* (hereinafter referred to as “GATS”);
  - (c) to promote competition in their economies, particularly as it relates to economic relations between the Parties;
  - (d) to further liberalise, on a mutual basis, the government procurement markets of the Parties;
  - (e) to adequately and effectively protect intellectual property rights;
  - (f) to contribute, by removing barriers to trade and by developing an environment conducive to increased investment flows, to the harmonious development and expansion of world trade;
  - (g) to commit, in the recognition that sustainable development is an overarching objective, to the development of international trade in such a way as to contribute to the objective of sustainable development and strive to ensure that this objective is integrated and reflected at every level of the Parties’ trade relationship; and
  - (h) to promote foreign direct investment without lowering or reducing environmental, labour or occupational health and safety standards in the application and enforcement of environmental and labour laws of the Parties.

#### ARTICLE 1.2: GENERAL DEFINITIONS

Throughout this Agreement, references to:

**the Parties** mean, on the one hand, the European Union or its Member States or the European Union and its Member States within their respective areas of competence as derived from the *Treaty on European Union* and *the Treaty on the Functioning of the European Union* (hereinafter referred to as the “EU Party”), and on the other hand, Korea;

**the Framework Agreement** mean the *Framework Agreement for Trade and Cooperation between the European Community and its Member States, on the one hand, and the Republic of Korea, on the other hand*, signed at Luxembourg on 28 October 1996 or any agreement updating, amending or replacing it; and

**the Customs Agreement** mean the *Agreement between the European Community and the Republic of Korea on Cooperation and Mutual Administrative Assistance in Customs Matters*, signed at Brussels on 10 April 1997.