

## **CHAPTER 1**

### **INITIAL PROVISIONS AND GENERAL DEFINITIONS**

#### **Article 1.1: Objectives**

The objectives of this Agreement are to:

- (a) increase and enhance the economic cooperation for mutual benefit of the Parties;
- (b) promote the expansion of trade through the harmonious development of the economic relations between the Parties;
- (c) gradually eliminate difficulties and restrictions on trade between the Parties so as to improve the efficiency and competitiveness of their respective sectors;
- (d) establish a framework of transparent and predictable rules to facilitate trade between the Parties; and
- (e) create environment conducive to broadening and supplementing the scope of this Agreement to include trade in services and bilateral investment.

#### **Article 1.2: Establishment of a Free Trade Area**

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

#### **Article 1.3: Relation to Other Agreements**

1. Each Party reaffirms its existing rights and obligations with respect to each other in relation to existing international agreements to which both Parties are party, including the WTO Agreement.
2. In the event of any inconsistency between this Agreement and any other agreement to which both Parties are party, the Parties shall immediately consult with each other with a view to finding a mutually satisfactory solution.

#### **Article 1.4: Definitions of General Application**

For the purposes of this Agreement, unless otherwise specified:

(a) **Agreement** means the Free Trade Agreement between the Kingdom of Thailand and the Democratic Socialist Republic of Sri Lanka;

(b) **Commission** means the Free Trade Commission established under Article 14.1 (Free Trade Commission);

(c) **customs authority** means the authority that, according to the legislation of each Party, is responsible for the administration and enforcement of its customs laws and regulations:

(i) in the case of Thailand, the Customs Department;

(ii) in the case of Sri Lanka, Sri Lanka Customs;

(d) **customs duties** means any duties or charges, including any form of surtax or surcharge, imposed in connection with the importation of goods, except for:

(i) charges equivalent to an internal tax imposed in conformity with Article III of GATT 1994;

(ii) duties imposed in conformity with Section IV (Bilateral Safeguard Measures) of Chapter 7 (Trade Remedies), Article XIX of GATT 1994, the Agreement on Safeguards, and Article 5 of the Agreement on Agriculture, contained in Annex 1A to the WTO Agreement;

(iii) anti-dumping or countervailing duties imposed in conformity with Article VI of GATT 1994, the Agreement on Implementation of Article VI of GATT 1994, and the SCM Agreement, contained in Annex 1A to the WTO Agreement; or

(iv) fees or other charges imposed in conformity with Article VIII of GATT 1994;

(e) **Customs Valuation Agreement** means the Agreement on Implementation of Article VII of GATT 1994, contained in Annex 1A to the WTO Agreement;

(f) **days** means calendar days, including weekends and public holidays;

- (g) **existing** means in effect on the date of entry into force of this Agreement;
- (h) **GATT 1994** means the General Agreement on Tariffs and Trade 1994, contained in Annex 1A to the WTO Agreement;
- (i) **goods** means any merchandise, product, article or material;
- (j) **Harmonized System** or **HS** means the Harmonized Commodity Description and Coding System governed by the International Convention on the Harmonized Commodity Description and Coding System, including its General Rules of Interpretation, Section Notes, and Chapter Notes, as may be amended, adopted and implemented by the Parties in their respective tariff laws;
- (k) **heading** means the first four digits in the tariff classification number under the Harmonized System;
- (l) **Import Licensing Agreement** means the Agreement on Import Licensing Procedures, contained in Annex 1A to the WTO Agreement;
- (m) **measure** means any measure by a Party, whether in the form of a law, regulation, rule, procedure, practice, decision, administrative action or any other form;
- (n) **originating** means qualifying under the rules of origin set out in Chapter 3 (Rules of Origin);
- (o) **preferential tariff treatment** means the duty rate applicable under this Agreement to an originating good;
- (p) **Safeguards Agreement** means the Agreement on Safeguards, contained in Annex 1A to the WTO Agreement;
- (q) **SCM Agreement** means the Agreement on Subsidies and Countervailing Measures, contained in Annex 1A to the WTO Agreement;
- (r) **SPS Agreement** means the Agreement on the Application of Sanitary and Phytosanitary Measures, contained in Annex 1A to the WTO Agreement;
- (s) **subheading** means the first six digits in the tariff classification number under the Harmonized System;
- (t) **TBT Agreement** means the Agreement on Technical Barriers to Trade, contained in Annex 1A to the WTO Agreement;

(u) **territory** means:

(i) in the case of Thailand, its land territory, its internal waters, its territorial sea, and the air space above them, the exclusive economic zone, the continental shelf, and any maritime areas over which it exercises rights or jurisdiction in accordance with international law.

(ii) in the case of Sri Lanka, the land territory including the territorial sea and the airspace above such territory, and the maritime and submarine areas adjacent to its coast, including the exclusive economic zone and the continental shelf, over which Sri Lanka exercises sovereign rights or jurisdiction under its national law, international law and the United Nations Convention on the Law of the Sea (1982);

(v) **Trade Facilitation Agreement** means the Agreement on Trade Facilitation, contained in Annex 1A to the WTO Agreement;

(w) **WTO** means the World Trade Organization; and

(x) **WTO Agreement** means the Marrakesh Agreement Establishing the World Trade Organization, done at Marrakesh on 15 April 1994.