

CHAPTER 1
INITIAL PROVISIONS AND DEFINITIONS

ARTICLE 1.1: ESTABLISHMENT OF A FREE TRADE AREA

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

ARTICLE 1.2: RELATION TO OTHER AGREEMENTS

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

ARTICLE 1.3: GEOGRAPHICAL APPLICABILITY

1. For China, this Agreement shall apply to the entire customs territory of China, including land territory, territorial airspace, internal waters, territorial sea as well as their bed and subsoil, and any area beyond its territorial sea within which it may exercise sovereign rights and/or jurisdiction in accordance with international law and its domestic law.

2. For Mauritius, this Agreement shall apply to

(a) all the territories and islands which, in accordance with the laws of Mauritius, constitute the State of Mauritius;

(b) the territorial sea of Mauritius; and

(c) any area outside the territorial sea of Mauritius, which in accordance with international law, has been or may hereafter be designated, under the laws of Mauritius, as an area, including the Continental Shelf, within which the rights of Mauritius with respect to the sea, the sea-bed and sub-soil and their natural resources may be exercised.

3. 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 its observance by local governments and authorities in its territory.

ARTICLE 1.4: GENERAL DEFINITIONS

For the purposes of this Agreement, unless otherwise specified:

customs duty means a customs or import duty and a charge of any kind, including any form of surtax or surcharge, imposed on or in connection with the importation of a good, but does not include any:

(a) charge equivalent to an internal tax imposed consistently with the provisions of paragraph 2 of Article III of the GATT 1994, in respect of like goods, directly competitive goods, or substitutable goods of a Party, or in respect of goods from which the imported goods have been manufactured or produced in whole or in part;

(b) anti-dumping or countervailing duty applied in accordance with the domestic law of a Party, and applied consistently with the provisions of Article VI of the GATT 1994, the Agreement on the Implementation of Article VI of the GATT 1994, and the Agreement on Subsidies and Countervailing Measures;

(c) safeguard duty applied in accordance with the domestic law of a Party and applied consistently with the provisions of Article XIX of the GATT 1994, and the Agreement on Safeguards; or

(d) other fees or charges commensurate with the cost of services rendered.

days means calendar days;

existing means in effect on the date of entry into force of this Agreement;

GATS means the *General Agreement on Trade in Services*, contained in Annex 1B to the WTO Agreement;

GATT 1994 means the *General Agreement on Tariffs and Trade 1994*, contained in Annex 1A to the WTO Agreement;

Harmonised System or HS means the Harmonized Commodity Description and Coding System, which is set out in the Annex to the International Convention on the Harmonized Commodity Description and Coding System, done at Brussels on 14 June 1983, and subsequent amendments thereto;

measure includes any law, regulation, procedure, requirement or practice;

WTO means the World Trade Organization; and

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