

[EXECUTIVE ORDER NO. 72, April 16, 2012]

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP), AS AMENDED, IN ORDER TO IMPLEMENT THE PHILIPPINE TARIFF COMMITMENTS ON CERTAIN PRODUCTS INCLUDED IN THE SENSITIVE LIST AND THE TRANSFER OF CERTAIN TARIFF LINES FROM THE SENSITIVE TRACK TO THE NORMAL TRACK UNDER THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) – CHINA FREE TRADE AREA (ACFTA)

WHEREAS, the ASEAN Member States and the People's Republic of China ("The Parties") signed the Framework Agreement on Comprehensive Economic Co-Operation ("Framework Agreement") on 04 November 2002 in Cambodia;

WHEREAS, Articles 2(a), 3(1) and 8(1) of the Framework Agreement reflect the Parties' commitment to establish the ACFTA covering trade in goods by 2010 for the ASEAN 6 (Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand) and China, and by 2015 for the newer ASEAN Member States of Cambodia, Lao PDR, Myanmar and Viet Nam;

WHEREAS, to achieve the objective of the Framework Agreement, the Agreement on Trade in Goods (TIG) or the "TIG Agreement" was signed by the Economic Ministers of the Parties on 29 November 2004 in Vientiane, Lao PDR;

WHEREAS, Article 3(2)(b) of the TIG Agreement provides that tariff lines placed in the Sensitive Track by each Party on its own accord shall have their respective applied Most Favored Nation (MFN) tariff rates reduced or eliminated in accordance with the modalities set out in Annex 2 of the TIG Agreement;

WHEREAS, Section 3(i) of Annex 2 of the TIG Agreement provides that ASEAN-6 and China shall reduce the applied MFN rates of tariff lines placed in their respective Sensitive Lists to 20% not later than 2012. These rates shall subsequently be reduced to 0-5% not later than 2018;

WHEREAS, the National Economic and Development Authority (NEDA) Board recommended on 16 January 2012, on ad referendum basis, the tariff reduction schedules of certain tariff, lines under the Sensitive List and the transfer of certain tariff lines herein indicated from the Sensitive Track to the Normal Track; and

WHEREAS, Section 402 of the TCCP, as amended, authorizes the President of the Philippines, upon the recommendation of NEDA, to modify import duties (including any necessary change in classification) and other import restrictions, as are required or appropriate to carry out and promote foreign trade with other countries.