

**[ EXECUTIVE ORDER NO. 814, June 30, 2009 ]**

**MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE 2009-2012 PHILIPPINE SCHEDULE OF TARIFF REDUCTION UNDER THE NORMAL TRACK OF THE ASEAN-CHINA FREE TRADE AREA ON CERTAIN PRODUCTS AND TO IMPLEMENT THE TRANSFER OF CERTAIN TARIFF LINES FROM THE SENSITIVE TRACK TO THE NORMAL TRACK CATEGORY OF THE ASEAN-CHINA FREE TRADE**

**WHEREAS**, the Framework Agreement on Comprehensive Economic Cooperation (Framework Agreement) between the Association of South East Asian Nations (ASEAN) and the People's Republic of China (China) was signed by the Heads of Government/State of the ASEAN Member States and China on 4 November 2002 in Cambodia;

**WHEREAS**, Articles 2(a), 3(1), and 8(1) of the Framework Agreement reflect the Parties' commitment to establish the ASEAN-China Free Trade Area (ACFTA) covering trade in goods by 2010 for ASEAN 6 and China, and by 2015 for the newer ASEAN Member States;

**WHEREAS**, the Agreement on Trade in Goods of the Framework Agreement was signed by the Economic Ministers of the Parties on 29 November 2005 in Laos;

**WHEREAS**, Article 3(2)(a) of the Agreement on Trade in Goods of the Framework Agreement provides that tariff lines placed in the Normal Track by each Party shall have their respective applied Most Favored Nation (MFN) tariff rates gradually reduced and eliminated in accordance with the modalities set out in Annex 1 of the Agreement with the objective of achieving the targets prescribed in the threshold therein;

**WHEREAS**, as an integral part of its commitments, each Party shall eliminate all its tariff lines placed in the Normal Track not later than 1 January 2010, with flexibility to have tariffs on some tariff lines, not exceeding 150 tariff lines, eliminated not later than 1 January 2012. For the Philippines, the list of products for flexibility exceeding 150 tariff lines shall be determined after a review in 2008;

**WHEREAS**, during the 29<sup>th</sup> ASEAN-China Trade Negotiating Group Meeting, it was agreed that a review of the Sensitive Track be initiated with the end in view to improve market access pursuant to the provisions of paragraph 2, Article 17 of the Agreement of Trade in Goods of the Framework Agreement;

**WHEREAS**, the NEDA Board approved on 10 February and 26 May 2009 the 2009-2012 tariff reduction schedule under the Normal Track of the ACFTA in compliance