

[EXECUTIVE ORDER NO. 639, July 21, 2007]

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 COMMITMENT TO REDUCE TARIFF RATES ON CERTAIN PRODUCTS INCLUDED IN THE NORMAL TRACK OF THE ASEAN-KOREA FREE TRADE AREA

WHEREAS , the Framework Agreement on Comprehensive Economic Cooperation (Framework Agreement) between the Association of South East Asian Nations (ASEAN) and the Republic of Korea (Korea) was signed by the Heads of Government of the ASEAN Member countries and Korea on 13 December 2005 in Kuala Lumpur, Malaysia;

WHEREAS, Articles 1.3 and 2.1 of the Framework Agreement reflect the Parties' commitment to establish the ASEAN – Korea Free Trade Area (AKFTA) covering trade in goods;

WHEREAS, the Agreement on Trade in Goods of the Framework Agreement was signed by the Economic Ministers of the Parties on 24 August 2006 in Kuala Lumpur, Malaysia;

WHEREAS, Article 3(2)(b) 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 MFN tariff rates gradually reduced or 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, the aforesaid Annex 1 of the Agreement on Trade in Goods of the Framework Agreement provides that ASEAN 6 and Korea shall implement the following tariff reduction schedule for products in the Normal Track not later than 1 January 2006; (a) applied MFN tariff rates above 20% shall be reduced to 20%; (b) applied MFN tariff rates from 15% to 19% shall be at 15%; (c) applied MFN tariff rates from 10% to 14% shall be at 10%; (d) applied MFN tariff rates from 6% to 9% shall be reduced to 5%; and (e) applied MFN tariff rates from 0% to 5% shall be maintained;

WHEREAS, the NEDA Board approved during its meeting on 17 July 2007 the reduction in tariff rates on products included in the Normal Track in compliance with the modalities set out in the Agreement on Trade in Goods of the Framework Agreement;

WHEREAS, Section 402 of the Tariff and Customs Code of 1978 (PD 1464), as amended, empowers the President of the Republic of the Philippines, upon the recommendation of the National Economic and Development Authority, to modify import duties for the promotion of foreign trade;