

[EXECUTIVE ORDER NO. 86, March 18, 2002]

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME, IN FAVOR OF GOYA, INC. (GOYA)

WHEREAS , the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) signed in Singapore on 27 April 1996;

WHEREAS , the AICO Scheme seeks to improve the competitive position of ASEAN Companies in the global and ASEAN markets by providing the means to apply the principles of economies of scale and scope in the manufacturing process, supported by preferential import duties to enhance across ASEAN border transactions;

WHEREAS , the Philippines is a participating country in the approved AICO Scheme of Goya, Inc., along with Indonesia;

WHEREAS , under the Goya AICO Arrangement, it was agreed that the Philippines (Goya, Inc.) will import FOX'S Fruit, FOX's Mints and POLO from Indonesia, and in the exchange, Indonesia (PT. Nestle Indonesia) will import FOX's Wrappers/Pouch and POLO Wrappers from the Philippines;

WHEREAS , AICO Certificate of Eligibility No. Nestle/2001/4 (A) was reissued on 30 July 2001 nullifying AICO Certificate of Eligibility No. Nestle/2001/4 issued on 29 May 2001 in favor of the participating companies in the Goya, Inc. AICO Arrangement;

WHEREAS , in consonance with Articles 5 and 7 of the Basic Agreement on the AICO Scheme, participating companies in the approved Goya, Inc. Arrangement shall qualify for 0 - 5% preferential tariff rates to be extended by Indonesia and the Philippines as participating countries, effective within 45 days from the date of issuance of the Certificate of Eligibility by the ASEAN Secretariat.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO , President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

SECTION 1. The articles specifically listed in Annex "A" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 5% as specified in Column 4 thereof.

SEC 2. The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT. Nestle Indonesia) effective 24 July 2001.