

## **AGREED MINUTES OF THE FIRST JOINT COMMISSION MEETING (JCM) BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE KINGDOM OF SAUDI ARABIA**

The First Joint Commission Meeting (JCM) between the Republic of the Philippines and the Kingdom of Saudi Arabia was held on 5-8 April 1999 in Manila, Republic of the Philippines. The Philippine side was headed by Hon. Rosario G. Manalo, Undersecretary for International Economic Relations, Department of Foreign Affairs, and H.E. Ambassador Dr. Yousef bin Terad Al-Saadoun, Assistant Deputy Minister for Economic and Cultural Affairs, Ministry of Foreign Affairs, headed the Saudi Arabian delegation.

The list of delegates from both sides is attached as Annex 1.

During the opening session, the head of the Philippine delegation, Hon. Undersecretary Rosario G. Manalo, welcomed the Saudi Arabian delegation and gave a comprehensive review of Philippine-Saudi Arabian bilateral relations. Furthermore, she outlined the expectations of the Philippine side from the Meeting, particularly initiatives to further develop and strengthen bilateral relations between the two countries. In reply, the head of the Saudi Arabian delegation, H.E. Ambassador Dr. Yousef bin Terad Al-Saadoun, also reviewed Saudi Arabian-Philippine economic relations from his perspective and expressed optimism that the two countries have the potential to expand areas of cooperation.

The Meeting approved and adopted the Provisional Agenda attached as Annex 2.

The two sides agreed to divide the Meeting into three (3) Sub-Committees, namely:

1. Sub-Committee on Economic, Trade, Investment, Agriculture, Industrial and Manpower Cooperation.
2. Sub-Committee on Cultural, Educational, Health, Information, Sports and Youth Cooperation
3. Sub-Committee on Technical and Communication Cooperation.

### **Sub-Committee 1: Economic, Trade, Investment, Agriculture, Industrial and Manpower Cooperation**

1. Both sides agreed on the importance of expanding bilateral trade between the two countries. They called for more efforts at organizing more trade missions, fairs and exhibits-between the private sector of the two countries.
2. Both sides agreed to pursue investment promotion efforts by enhancing the exchange of information on investment laws and opportunities of each country to encourage more investments. The Saudi

side informed the Philippine side that Saudi Arabia would adopt a new foreign investment law which will soon be enacted. The Philippine side provided the Saudi side copies of Philippine investment laws in order to increase awareness of the investment opportunities in the country.

3. Both sides called for the conclusion of the Investment Promotion and Protection Agreement between the two countries. The two sides also expressed the importance of starting negotiations on the Agreement on the Avoidance of Double Taxation.

4. Both sides strongly recommended that a Joint Business Council be established among businessmen of both countries to facilitate greater contact between the private sector. The Philippine Chamber of Commerce and Industry and the Council of the Saudi Chambers of Commerce and Industry can jointly pursue this initiative.

5. The Philippine side requested the reduction of customs tariffs on bananas, cigarettes and tobacco products and the lifting of the importation ban on fresh and sliced coconut products (including dessicated coconuts), and fresh/frozen marine products. The Saudi side explained that the current level of tariffs imposed on cigarettes and tobacco products are due to health reasons and the ban on Philippine coconut and marine products is due to the advisories issued by international organizations.

6. The Philippine side recommended that a policy of selective accreditation be adopted for Philippine exporters of coconut and marine products since not all areas in the country are affected by the disease. The Saudi side agreed to refer the Philippine proposed selective accreditation to the Saudi Ministry of Agriculture for consideration and to provide the Philippine side with the rules and regulations on Saudi Arabia's importation of marine and coconut products from the Philippines. The Philippine side extended an invitation to the government and private sector of Saudi Arabia to visit the Philippines and observe the protocol on cadang-cadang research and the manufacture of dessicated coconuts.

7. The Saudi side requested the support of the Philippine side for Saudi Arabia's accession to the WTO. The Philippine side gave its assurances that the matter will be given its serious consideration.

8. The Philippine side presented to the Saudi side the project proposals of the Department of Energy and its attached agencies, Philippine National Oil Company, and the National Power Corporation: 1) supply of feedstock to the proposed Naphtha cracker plant 2) equity investments in the Naphtha cracker plant 3) possible investment in a low density polyethylene LDPE and styrene monomer plants 4) technical assistance on the exploration of natural gas in the Iloilo basin in Panay Island and 5) access to scientific and technological developments significant to power grid management. The Saudi side took note of the proposals and would refer these proposals to the appropriate Saudi private sector.

9. The Philippine side presented proposals on agriculture, specifically on a joint study on the effects of oil rigs on fishery resources, training on aquaculture and oil polluted waters, training and exchange of expertise

on pest and disease control of agricultural crops, establishment of a national animal health and production information system, sending of mission from the Philippines to demonstrate the various uses of coconut coir products in agriculture production and infrastructure projects and technical cooperation in the implementation of a technology-oriented coconut-based fanning system in SZOPAD and ARMM. The Saudi side expressed willingness to accept these proposals for consideration of concerned Saudi authorities.

10. The Philippine side presented two (2) project proposals, i.e. Sibuco-Lunday-Curuan Road and Jolo Ring Road for possible funding from the Saudi Fund for Development. The Saudi side recommended that the Philippine proposals and other related projects and feasibility studies be immediately submitted to the Saudi Fund for Development for their consideration.

11. The Philippine side presented and offered its programs on technical education and skills development including industrial training requirements. The Saudi side welcomed the offer as one of its concerns is the training of medical personnel and preventive maintenance of hospital equipments and facilities.

12. The Philippine side expressed its desire to discuss various areas related to labor such as: recruitment and deployment procedures, visa requirements, direct hiring system, the Philippine Development Resource Center, the review and improvement of the present employment contract, and the proposed establishment of a Joint Manpower Commission which can facilitate the discussion or possible resolution of the issues with the concerned Saudi ministries. The Saudi side expressed the view that it is not in favor of creating a separate Joint Manpower Commission and asserted that the labor-related issues should be discussed with the private sector, i.e. the Council of Saudi Chambers of Commerce and Industry and promised to forward the Philippine demand to the concerned ministries.

## **Sub-Committee 2: Culture, Education, Information, Sports And Youth Cooperation**

1. Both sides agreed to exchange visits between professors and officials in higher education, and exchange of expertise and joint research.

2. Both sides agreed to exchange information relative to school and university certificates, names of government and private universities and the degrees they award, and exchange of university scientific magazines and periodicals.

3. Both sides agreed to exchange information about health colleges, institutes and training.

4. The Philippine side submitted a draft memorandum of understanding between the Commission on Higher Education and the Ministry of Higher Education, which the Saudi side agreed to submit to authorities concerned,