

May 25, 1994

TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE CZECH REPUBLIC

PREAMBLE

The Government of the Republic of the Philippines and the Government of the Czech Republic hereinafter referred to as the Contracting Parties;

Noting with satisfaction the successful development of trade and economic relations;
and

Being desirous of further expansion and strengthening of trade and economic relations between the two countries on the basis of equality and mutual benefit,
Have agreed as follows :

ARTICLE I GENERAL PROVISION

The Contracting Parties shall in accordance with their national laws and regulations, take all appropriate measures to promote, facilitate and develop trade and economic cooperation between the two countries on a long term and stable basis.

ARTICLE II MOST-FAVOURED-NATION TREATMENT

The Contracting Parties shall grant each other the most-favoured-nation treatment in accordance with the provisions of the General Agreement on Tariffs and Trade (GATT) relating to:

- a. Customs duties and charges of any kind including the method of levying such duties and charges imposed on or in connection with importation or exportation, or imposed on the transfer of payments for imports and exports;
- b. Rules and formalities connected with customs clearance;
- c. All internal taxes or other internal charges of any kind imposed on or in connection with imported and exported goods; and
- d. The issuance of import and export licenses.

ARTICLE III EXEMPTIONS FROM THE MOST-FAVOURED-NATION TREATMENT

The provisions of Article If, in accordance with the provisions of GATT, shall not apply to:

- a. Tariff preferences or other advantages which either Party grants or may grant to facilitate border traffic;
- b. Special preferences or other advantages accorded by either Party resulting from its association in a regional or sub-regional arrangement,

customs union or a free trade area or measures leading to the formation of a customs union or a free trade area; and

c. Special tariff preferences or other advantages which either Party may grant to developing countries under any trade expansion or economic cooperation scheme of which the other Party is not a member.

ARTICLE IV IMPORTATION AND EXPORTATION OF GOODS

The import and export of goods will be carried out in accordance with this Agreement, the laws and regulations in force either country, and well-accepted international trade practices and on the basis of contracts to be concluded by natural and juridical persons not contrary to said Agreement, laws, rules and trade practices of the two countries.

ARTICLE V PAYMENT ARRANGEMENTS

All payments arising under this Agreement shall be effected in freely convertible currency, in accordance with the laws and regulations effective in either country.

ARTICLE VI EXCHANGE OF COMMERCIAL REPRESENTATIONS AND PARTICIPATION IN TRADE FAIRS AND MISSIONS

In order to develop further trade between the two countries, the contracting countries shall encourage and facilitate the visit of commercial representatives, groups and delegations of either Party to the country of the other and the participation of either country in trade fairs and missions and in arranging exhibitions of either country in the territory of the other country.

The exemptions from customs duties and other similar charges on articles and items intended for trade fairs, missions and exhibitions shall be subject to the laws and regulations from the country where such fairs and exhibitions are held.

ARTICLE VII SETTLEMENT OF DISPUTE

Any dispute relating to commercial transactions concluded in accordance with the present Agreement shall be settled through friendly consultation. Failing this, the parties concerned shall submit their cases to arbitration in accordance with contract provisions. In the absence of an arbitration clause, they shall submit their case to an arbitration body to be mutually agreed upon by the parties concerned.

ARTICLE VIII SAFEGUARD MEASURES

No provisions of this Agreement shall be interpreted in accordance with the laws and regulations of either country, in such a manner as to prevent the adoption or enforcement by either Contracting Party of measures:

- a. necessary to safeguard its balance of payment position;
- b. necessary to protect public health, morals, order or security;