

[EXECUTIVE ORDER NO. 73, January 15, 1999]

MODIFYING THE RATES OF DUTY ON BREAKFAST CEREALS AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE NINETY PER CENTUM (90%) MARGIN OF PREFERENCE (MOP) THEREON INCLUDED IN THE NESTLE ASEAN INDUSTRIAL JOINT VENTURE (AIJV) PROJECTS AS PROVIDED FOR IN ARTICLE III, PARAGRAPHS 3 (D) AND 8 (D) OF THE REVISED BASIC AGREEMENT ON ASEAN INDUSTRIAL JOINT VENTURE (RBAAIJV)

WHEREAS, the Philippines is a Contracting to the Revised Basic Agreement on ASEAN Industrial Joint Venture (RBAAIJV) signed in Manila on 15 December 1987;

WHEREAS, The Philippines, along with Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, is a participating country in the approved NESTLE ASEAN Industrial Joint Venture Projects;

WHEREAS, among the seven (7) approved NESTLE AIJV Projects, the project on breakfast cereals was assigned to the Philippines (Nestle ASEAN Philippines, Inc.) whose commercial production started in February 1993;

WHEREAS, in accordance with Article III, paras. 1, 2, 6 and 7 of the RBAAIJV, the AIJV breakfast cereals manufactured by Nestle ASEAN Phils., Inc. are entitled to the exclusive grant of a ninety percent (90%) MOP by Brunei, Indonesia, Malaysia, Singapore and Thailand, as participating countries in the Nestle AIJV Breakfast Cereal Project for a period of four (4) years from date of start of commercial production;

WHEREAS, under Article III paras 3(d) and 8(d) of the RBAAIJV, any entity in any member country which produces that AIJV product, irrespective of whether it qualifies as an AIJV or not, shall enjoy the same margin of tariff preference in the participating countries for that AIJV product after the four (4) year-exclusivity period;

WHEREAS, under Article II, para. 10 of the RBAAIJV, the grant of the 90% MOP on breakfast cereals produced by the non-AIJV entities in the participating countries shall be effective on the date specified in the Certificate of Eligibility issued by the ASEAN Secretariat in favor of the non-AIJV entities;

WHEREAS, under the Article 12 (d) of the new Agreement on ASEAN Industrial Cooperation (AICO) Scheme which has superseded the Basic Agreement on ASEAN Industrial Joint Venture and the Memorandum of Understanding on the Brand-to-Brand Complementation (BBC) Scheme, the grant of 90% MOP on approved AIJV products shall continue to be accorded up to 31 December 2002, after which date the final CEPT rates shall apply.