

September 25, 1995

**TRADE AND ECONOMIC COOPERATION AGREEMENT BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND
THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA**

PREAMBLE

The Government of the Republic of the Philippines and the Government of the Republic of Lithuania, hereinafter referred to as "the Contracting Parties;"

acknowledging the importance of trade and economic cooperation between the Contracting Parties for mutual economic and social development;

desiring to create favorable conditions for diverse and harmonious development of economy;

confirming in trade and economic relations to the principles of equality; mutual benefit and international law;

aspiring to develop trade in accordance with the provisions of the World Trade Organization (WTO);

have agreed as follows:

**ARTICLE I
UMBRELLA PROVISION**

The Contracting Parties shall, in accordance with their national laws and regulations, promote trade and economic cooperation between the two countries on a mutually beneficial basis.

**ARTICLE II
MOST-FAVORED-NATION TREATMENT**

The Contracting Parties shall grant each other most-favored-nation treatment in all matters relating to:

- customs duties and charges of any kind imposed on or in connection with importation or exportation;
- methods of levying customs duties and charges;
- rules and formalities in connection with importation and exportation, including those relating to customs clearance, transit, warehouses and transshipment;
- taxes and other internal charges of any kind applied directly or indirectly to imported products;
- methods of payment and the transfer of such payments;

- regulations affecting the safe; purchase, transport, distribution and use of products in the domestic market.

ARTICLE III

EXEMPTIONS FROM MOST-FAVORED-NATION

Most-favored-nation treatment shall not apply to:

- a) preferences and advantages which either of the Contracting Parties grants to neighbor countries for the purpose of facilitating frontier trade and traffic,
- b) preferences and advantages which either of the Contracting Parties grants to third country resulting from a membership in a Customs Union or free trade area or other forms of regional economic cooperation to which either Contracting Party is now or may become a party,
- c) advantages accorded under preferential systems for developing countries.

ARTICLE IV

SAFEGUARDS MEASURES

No provisions of this Agreement shall be interpreted in such a manner as to prevent the adoption or enforcement by other Contracting Party of measures:

- a) necessary to safeguard its balance of payment position;
- b) necessary to protect public health, morals, order or security;
- c) necessary to prevent or eliminate injury to domestic industries or the threat thereof including injury caused by unfair trade practices;
- d) necessary to protect human, animal or plant life or health, and the environment, or threat thereof;
- e) relating to traffic in arms, ammunition, implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;
- f) relating to fissionable (nuclear) materials, the sources thereof, or the radioactive by-products thereof except as may be required for medical purposes.

These safeguard measures shall be applied in non-discriminatory manner and pursuant to the provisions of WTO, in particular, but not limited to the Agreement on Safeguards.

ARTICLE V

PATYMENTS ARRANGEMENTS

1. All payments arising from trade between the two countries shall be made in freely convertible currencies, subject to foreign exchange regulations and other pertinent laws, rules, and regulations effective in either country.

2. Payments between the two countries may also be effected through other payment arrangements concluded by natural persons or entities of the Contracting Parties or by financial enterprises, having a right to engage in financial operations and services of any third state, subject to the laws and regulations in force in both countries.

ARTICLE VI EXCHANGE OF COMMERCIAL REPRESENTATIVES/ PARTICIPATION IN TRADE FAIRS

1. in order to develop further trade between the two countries, the Contracting Parties shall encourage and facilitate the visit of commercial representatives, groups and delegations of either Contracting 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 on terms to be agreed between their competent authorities.

2. The Contracting Parties shall undertake to provide the necessary assistance to allow for the exemption from customs duties and other similar charges on articles and items intended for trade fairs, missions, and exhibitions, subject to the laws and regulations from the country where such fairs and exhibitions are held, such as:

- a. samples and advertising media without commercial value;
- b. tools and means, brought in for the purpose of repair or assemblage under condition that these tools and means shall be returned;
- c. commodities applied for fairs and exhibitions under condition that they shall not be sold, and
- d. special containers used in international trade which shall be returned.

ARTICLE VII EXCHANGE OF TRADE INFORMATION

In order to facilitate exchange of goods, services, and payments between the two countries, and subject to the laws and regulations in force in both countries, either Contracting Party, upon request of the other country shall furnish through its commercial attache and other appropriate representatives, all pertinent information for the development of trade and economic relations between the two countries, e.g. laws, regulations, decisions, administrative practices or procedures or policies pertinent to trade and economic relations covered by this Agreement.

ARTICLE VIII PURSUIT OF ECONOMIC COOPERATION ACTIVITIES

The Contracting Parties shall promote cooperation on the principles of mutual benefit and agree to develop their activities subject to national legislation in such fields as: agriculture, light industry, energetics, transport, communication and information and other spheres of mutual interest. According to their laws and regulations in force the Contracting Parties shall accord favorable conditions for making investments, establishing joint ventures, enterprises, firms, banks, trade and stock exchanges, cooperatives, companies, branch undertakings, foreign commercial representations within their territories.