

[EXECUTIVE ORDER NO. 74, April 16, 2012]

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF THE PHILIPPINES (TCCP), AS AMENDED, IN ORDER TO IMPLEMENT THE PHILIPPINE TARIFF COMMITMENTS ON CERTAIN PRODUCTS INCLUDED IN THE SENSITIVE LIST AND THE TRANSFER OF CERTAIN TARIFF LINES FROM THE SENSITIVE TRACK TO THE NORMAL TRACK UNDER THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN) – KOREA FREE TRADE AREA (AKFTA)

WHEREAS, the ASEAN Member States and the Republic of Korea ("The Parties") signed the Framework Agreement on Comprehensive Economic Cooperation ("Framework Agreement") on 13 December 2005 in Kuala Lumpur, Malaysia;

WHEREAS, Articles 1.3 and 2.1 of the Framework Agreement reflect the Parties' commitment to establish the AKFTA covering trade in goods;

WHEREAS, to achieve the objective of the Framework Agreement, the Agreement on Trade in Goods (TIG) or the "TIG Agreement" was signed by the Economic Ministers of the Parties on 24 August 2006 in Kuala Lumpur, Malaysia;

WHEREAS, Article 3(2)(b) of the TIG Agreement provides that tariff lines placed in the Sensitive Track by each Party on its own accord shall have their respective applied Most Favoured Nation (MFN) tariff rates reduced or eliminated in accordance with the modalities set out in Annex 2 of the TIG Agreement;

WHEREAS, Section 3(i) of Annex 2 of the TIG Agreement provides that ASEAN-6 and Korea shall reduce the applied MFN rates of tariff placed in their respective Sensitive Lists to 20% not later than 2012 and the said rates shall subsequently be reduced to 0-5% not later than 2016;

WHEREAS, the National Economic and Development Authority (NEDA) Board recommended on 16 January 2012, on *ad referendum* basis, the tariff reduction schedules of certain tariff lines under the Sensitive List and the transfer of certain tariff lines herein indicated from the Sensitive Track to the Normal Track; and

WHEREAS, Section 402 of the TCCP, as amended, authorizes the President of the Philippines, upon the recommendation of NEDA, to modify import duties (including any necessary change in classification) and other import restrictions, as are required or appropriate to carry out and promote foreign trade with other countries.

NOW, THEREFORE, I, BENIGNO S. AQUINO III, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Reduction of Tariff Rates on Articles in the Sensitive List. The articles specifically listed in Annex A hereof, as classified under Section 104 of the