

**MEMORANDUM OF UNDERSTANDING BETWEEN THE
DEPARTMENT OF TRADE AND INDUSTRY OF THE REPUBLIC OF
THE PHILIPPINES AND THE MINISTRY OF COMMERCE OF THE
KINGDOM OF THAILAND**

DESIRING to enhance trade between the Republic of the Philippines and the Kingdom of Thailand and to further promote intra-ASEAN trade;

REITERATING their commitment to liberalize trade in unprocessed agricultural products under the Common Effective Preferential Tariff (CEPT) Agreement and to address the balance between domestic and regional interests in order to achieve the broader goal of the region in becoming the ASEAN Economic Community;

RECALLING the goal of ASEAN to promote the ASEAN integration and to adhere to the spirit of the ASEAN Economic Community;

REFERRING to the Philippines submission of her rice tariffs in line with said products being part of her Highly Sensitive List;

The Department of Trade and Industry of the Republic of the Philippines and the Ministry of Commerce of the Kingdom of Thailand,

Hereby agree as follows:

1. Thailand agrees with the Philippines' Invocation of the Protocol to Provide Special Consideration for Rice and Sugar and the Philippines agrees to grant Thailand and ASEAN Members the preferential tariff rates on rice according to the tariff reduction modality (as Attachment 1).
2. In the spirit of ASEAN Members sharing a common vision and commitment to broaden and deepen internal integration, the Philippines gives priority to rice from ASEAN Members than non-ASEAN Members with respect to its importation of rice.
3. Regarding rice trade, the Philippines recognized Thailand as a priority source of rice supplies to the Philippines, and Thailand recognizes the Philippines as an important market of rice from Thailand.
4. During the invocation of the Protocol to Provide Special Consideration for Rice and Sugar, the Philippines shall maintain the level of rice trade between the Philippines and Thailand in line with historical trade during the past three (3) years which on average is about three hundred sixty-seven thousand metric tons (367,000 MT) annually, unless international price and/or domestic production do not allow the maintenance of such level of trade. A separate agreement may be formulated for a larger volume which shall subsume/include the above volume. Should the Philippines need to import any high quality rice, the Philippines shall give priority to Thailand, in the volume of fifty-thousand metric tons (50,000 MT) of the three hundred sixty-seven thousand metric tons (367,000 MT).