

June 17, 1988

**MEMORANDUM OF UNDERSTANDING ON ECONOMIC
COOPERATION BETWEEN THE GOVERNMENT OF THE REPUBLIC
OF THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC
OF ITALY**

On the occasion of the official visit of the President of the Republic of the Philippines to Italy, H.E. Corazon Aquino, on 16-17 of May, 1988, extensive discussions were held on economic relations and cooperation between the two countries.

The Governments of Italy and of the Philippines have stressed the importance of economic cooperation in various fields as a means of fostering enhanced development, greater well-being in their respective countries as well as democracy and political stability.

Desirous therefore of expanding and intensifying mutual relations in the field of economic and technical cooperation on a lasting and long-term basis, and conscious of the possibilities offered by the economies of their countries, the two Governments have affirmed their intention to do their utmost - within the limits of their respective laws and their international obligations - to promote industry and investment relations in various areas of mutual interest. They have noted that such relations would also greatly contribute to enhancing commercial flows between the two countries.

They have underlined the importance in this respect of facilitating the establishment of joint ventures and other forms of economic cooperation taking especially into account the potentialities of medium and small-sized industries which substantially contribute to balanced and lasting development in the industrial and in the agricultural sectors.

The two Governments are convinced that the signing, on the occasion of the visit of the President of the Republic of the Philippines, of the agreement on investment protection and of the development cooperation agreement will create appropriate conditions for furthering new initiatives in this as well as in other fields.

They have noted in particular that enhanced cooperation would be beneficial to economic recovery in the Philippines, as a condition for satisfying basic needs, and of mutual advantage in several economic sectors including those which are rural-based, labor intensive and export-oriented.

In this context both Governments have furthermore stressed the importance of facilitating the exchange and transfer of appropriate technology and expertise in various areas including trade promotion and in those areas with a high ratio of utilization of indigenous raw materials.

They have also reaffirmed the continuing role and importance of cooperation in the infrastructural field for high rates of economic growth, as well as for the implementation of land reform in view of its economic and social importance.

In order to facilitate the achievement of these ends, the two Governments have as well stressed the importance of investment missions, fairs and exhibitions and in