

June 07, 1983

**TRADE AGREEMENT BETWEEN THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES AND THE FEDERAL EXECUTIVE
COUNCIL OF THE ASSEMBLY OF THE SOCIALIST FEDERAL
REPUBLIC OF YUGOSLAVIA**

The Government of the Republic of the Philippines and the Federal Executive Council of the Assembly of the Socialist Federal Republic of Yugoslavia (hereinafter referred to as "the Contracting Parties"),

Desirous to promote and strengthen direct trade and economic relations between the two countries, in accordance with their development, needs and objectives in trade on equitable and mutually beneficial basis,

Have agreed as follows:

ARTICLE 1

The Contracting Parties shall promote the expansion of bilateral trade and economic relations within the framework of the laws and regulations effective in their respective countries.

ARTICLE 2

The Contracting Parties shall grant each other the most-favoured-nation treatment relating to:

- a) custom duties and charges of any kind, including method of levying such customs and charges on imports or exports of products originating from or destined to their respective countries and the charges referring to the international transfer of funds for payment of imports or exports,
- b) customs regulations and formalities,
- c) all internal taxes or other internal charges of any kind imposed on or in connection with imported and exported products,
- d) issuance of import and export licences, and
- e) in respect of all taxes, regulations and formalities in connection with transit, each Contracting Party shall grant for the transit goods arriving from or destined to the territory of the other Contracting Party, treatment not less favourable than that granted to the goods in transit arriving from or destined to a third country.

ARTICLE 3

The provisions of the Article 2, of this Agreement shall not apply to:

- a) tariff preferences or other advantages which either Contracting Party grants in order to facilitate border traffic;

b) tariff preferences or other advantages approved by each Contracting Party resulting from its membership in a customs Union or a free-trade zone or from measures aimed at the formation of a customs Union or a free-trade zone; and

c) regional arrangements concluded between the developing countries in conformity with rules applied by GATT in which the other Contracting Party is not a member.

ARTICLE 4

Exchange of commodities between the two countries shall be made in conformity with laws and regulations on imports and exports as well as on foreign exchange operations effective in their respective countries on the basis of contracts concluded between the Yugoslav and Philippine organizations and firms.

The import and export of goods listed in Schedules "A" and "B" attached to this Agreement shall be encouraged. The said Schedules may, by mutual consent, be amended or modified. The above provisions shall not preclude commercial transactions in respect of goods not listed in the said Schedules.

ARTICLE 5

All payments between the two countries shall be made in convertible currency subject to laws and regulations effective in their respective countries.

ARTICLE 6

The Contracting Parties shall allow the appointment of permanent government commercial representatives in Manila and Belgrade who will be attached to their respective diplomatic missions subject to the laws, rules and regulations of the Contracting Parties.

The Contracting Parties have agreed that the appropriate organizations of their two countries may establish their economic representative offices in conformity with their respective national legislations.

ARTICLE 7

The Contracting Parties shall facilitate the participation of their organizations and firms in trade fairs and exhibitions held in either country, subject to their respective laws and regulations.

The exemption from customs duties and other taxes of items and samples intended for fairs and exhibitions, as well as their sale and disposal shall be made in conformity with laws and regulations of the country where such fairs and exhibitions are to be held.

ARTICLE 8

The Contracting Parties have agreed that the contracts concluded between the organizations of associated labour from the Socialist Federal Republic of Yugoslavia and the legal or physical entities and firms from the Republic of the Philippines shall stipulate the ways and means for the settlement of disputes arising from such contracts and assurances for the implementation of the arbitration clause.