

**AGREED MINUTES OF THE SECOND MEETING OF THE
PHILIPPINES - VIETNAM JOINT COMMISSION FOR BILATERAL
COOPERATION**

CONFIDENTIAL

1. In accordance with the Memorandum of Understanding on the Establishment of a Joint Commission for Bilateral Cooperation between the Philippines and Vietnam, and the Agreed Minutes of the First Meeting of the Joint Commission, the Second Meeting of the Joint Commission was held in Hanoi from 19 to 20 January 1997.

2. The Vietnamese delegation was led by H.E. Nguyen Manh Cam. Minister of Foreign Affairs of the Socialist Republic of Vietnam. The Philippine delegation was led by H.E. Domingo L. Siazon, Jr., Secretary of Foreign Affairs of the Republic of the Philippines. The lists of delegation from Vietnam and Philippines appear as Annex A and B respectively.

3. The Meeting was held, in plenary and adopted the agenda, which appears as Annex C. Separate meetings were held between senior officials of the two sides in the fields of agriculture, defence and social welfare cooperation.

The texts of the opening address of H.E. Nguyen Manh Cam and H.E. Domingo L. Siazon, Jr. appear as Annex D and E respectively.

I/ BILATERAL ISSUES

A) TRADE AND INVESTMENT AND TOURISM COOPERATION

1. The volume of the two-way trade relations between the Philippines and Vietnam has increased steadily from US\$ 75.23 million in 1994; US\$ 161.56 million in 1995 and US\$ 248.48 million in January to September 1996.

2. The Meeting agreed that the annual review of the existing basic trade cooperation agreement signed in 1978 should be undertaken with a view to concluding a new trade protocol. In this regard, the two sides proposed to promote the following products in each other's market:

- Philippine exports to Vietnam : toiletries, furniture, interior designs and furnishings, processed foods, computer, packaging materials, construction materials, electricals and household goods/appliances, metal fabrications and fertilizers.

- Vietnamese exports to Philippines : rice, groundnut, peanut bean, electric circuit pepper, white sand, coal, bicycle tire and tube, cotton and fabric.

3. The Meeting recalled the agreement in principle between the Heads of State of the two Countries to establish development cooperation links

between Manila and Hanoi; Khanh Hoa Province and Cebu; and Subic Bay Free Port, and Tan Thuan Export Processing Zone and agreed to encourage their respective state planning and development authorities to work out the mechanism of cooperation on an industrial-to-industrial zone schemes as soon as possible. Industrial complementation might be promoted in the areas of construction and property development; food processing; sugar refining and manufacture of Pharmaceuticals, inter alia.

4. The Meeting noted the increasing investments of the Philippines in Vietnam which now total US\$ 250 million. The Philippines is ranked 19th in the list of foreign investors in Vietnam and there are prospects for greater Philippine investments in Vietnam. The Meeting welcomed Vietnam to invest in the Philippines in due course.

5. The Philippine side welcomed the amendments of the Vietnamese Foreign Direct Investment Law and believed that the amendments would create even more favourable conditions for the increase of Philippine investment in Vietnam.

6. The Vietnamese side extended an invitation to the Philippine Secretary of Tourism to visit Vietnam in mid - 1997 to discuss future areas of tourism cooperation.

7. The Meeting agreed on the following specific proposals for implementation to promote tourism:

- participation in trade fair
- tourism investment promotion
- exchange of tourism experts
- joint promotion of tourism technology
- exchange of market intelligence
- joint familiarization tours
- exchange of tourism information, technology and travel writers
- joint tourism package.

8. The Vietnamese side would consider the Philippine proposal for pooling arrangements for national flag carriers.

9. The two sides noted that Vietnam's entry into ASEAN, particularly AFTA, would facilitate trade between the Philippines and Vietnam as well as between Vietnam and the rest of the region. The Philippine side affirmed its continued support for Vietnam's entry into APEC and the WTO.

B) AGRICULTURE AND FISHERY COOPERATION

10. The two sides noted the initial implementation of the MOW in Agricultural Cooperation signed in March 1992 particularly in the fields of training of the Vietnamese agricultural and fishery staff by the Philippines.

11. The two sides agreed to continue implementing the programmes of the MOU. The Vietnamese side proposed to the Philippine side to continue its training of Vietnamese agricultural staff and technology transfer in the method of fish, prawn breeding and sea fish management. The Vietnamese side welcomed the Philippine proposal for joint venture projects in which the Philippines has comparative advantage such as in coconut and sugar production and fruit processing.

C) CULTURAL EXCHANGE

12. The two sides noted exchanges at the ministerial level such as the working visit to the Philippines by the Vietnamese Minister of Culture and Information in July 1996. The two sides noted the cultural activities held in the two countries to commemorate the 20th Anniversary of the establishment of their diplomatic relations. The Meeting reaffirmed that these activities promoted a mutual appreciation of their common cultural heritage which in turn served as an enduring basis for their friendship.

13. The Meeting noted specific project proposals such as the exchange of artists and dancers; a simultaneous telecast, and a musical interlude featuring the songs of the Philippine revolution by the Hanoi Symphony Orchestra.

14. The Meeting was gratified to note that former Minister of Culture and Information of Vietnam 'Iran Hoan had composed two songs on the Philippines, namely "To Rizal" and "Manila Flower" which would be included in the musical interlude to be performed by Filipino and Vietnamese musicians in a concert both in Manila and in Hanoi. The Meeting felt that the compositions contributed to further enhancing the relations between the two countries.

15. In the field of cooperation in education and training, Vietnam welcomed the Philippine proposal to conduct training in the English language at all levels. The terms of reference and implementing guidelines of this proposal shall be agreed by the relevant authorities of the Philippines and Vietnam, as soon as possible.

D) DRAFT AGREEMENT ON AVOIDANCE OF DOUBLE TAXATION AND PREVENTION OF FISCAL EVASION

16. The two sides noted the achievements recorded in the first round of the discussion on the draft Agreement on the Avoidance of Double Taxation and Prevention of Fiscal Evasion. The Philippines invited Vietnam to the second round of negotiations on the draft Agreement in Manila on 10-14 March 1997. The Meeting expressed confidence that the draft could be signed and concluded at the Manila meeting.

17. The Philippine side assured the Meeting that it would endeavour to provide assistance in training Vietnamese staffs in the areas of finance,