

TRADE AND ECONOMIC COOPERATION AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES AND THE GOVERNMENT OF THE REPUBLIC OF LITHUANIA

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PREAMBLE

The Government of the Republic of the Philippines and the Government of the Republic of Lithuania, hereinafter referred to as "the Contracting Parties;"

acknowledging the importance of trade and economic cooperation between the Contracting Parties for mutual economic and social development;

desiring to create favorable conditions for diverse and harmonious development of economy;

confirming in trade and economic relations to the principles of equality; mutual benefit and international law;

aspiring to develop trade in accordance with the provisions of the World Trade Organization (WTO);

have agreed as follows:

ARTICLE I

UMBRELLA PROVISION

The Contracting Parties shall, in accordance with their national laws and regulations, promote trade and economic cooperation between the two countries on a mutually beneficial basis.

ARTICLE II

MOST-FAVORED-NATION TREATMENT

The Contracting Parties shall grant each other most-favored-nation treatment in all matters relating to:

- customs duties and charges of any kind imposed on or in connection with importation or exportation;
- methods of levying customs duties and charges;
- rules and formalities in connection with importation and exportation, including those relating to customs clearance, transit, warehouses and transshipment;
- taxes and other internal charges of any kind applied directly or indirectly to imported products;
- methods of payment and the transfer of such payments;
- regulations affecting the sale; purchase, transport, distribution and use of products in the domestic market.

ARTICLE III

EXEMPTIONS FROM MOST-FAVORED-NATION

Most-favored-nation treatment shall not apply to:

- a) preferences and advantages which either of the Contracting Parties grants to neighbor countries for the purpose of facilitating frontier trade and traffic,
- b) preferences and advantages which either of the Contracting Parties grants to third country resulting from a membership in a Customs Union or free trade area or other forms of regional economic cooperation to which either Contracting Party is now or may become a party,
- c) advantages accorded under preferential systems for developing countries.

ARTICLE IV

SAFEGUARDS MEASURES

No provisions of this Agreement shall be interpreted in such a manner as to prevent the adoption or enforcement by other Contracting Party of measures:

- a) necessary to safeguard its balance of payment position;
- b) necessary to protect public health, morals, order or security;
- c) necessary to prevent or eliminate injury to domestic industries or the threat thereof including injury caused by unfair trade practices;
- d) necessary to protect human, animal or plant life or health, and the environment, or threat thereof;
- e) relating to traffic in arms, ammunition, implements of war, or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment;
- f) relating to fissionable (nuclear) materials, the sources thereof, or the radioactive by-products thereof except as may be required for medical purposes.

These safeguard measures shall be applied in non-discriminatory manner and pursuant to the provisions of WTO, in particular, but not limited to the Agreement on Safeguards.

ARTICLE V

PATYMENTS ARRANGEMENTS

1. All payments arising from trade between the two countries shall be made in freely convertible currencies, subject to foreign exchange regulations and other pertinent laws, rules, and regulations effective in either country.
2. Payments between the two countries may also be effected through other payment arrangements concluded by natural persons or entities of the Contracting Parties or by financial enterprises, having a right to engage in financial operations and services of any third state, subject to the laws and regulations in force in both countries.

ARTICLE VI

EXCHANGE OF COMMERCIAL REPRESENTATIVES/ PARTICIPATION IN TRADE FAIRS

1. in order to develop further trade between the two countries, the Contracting Parties shall encourage and facilitate the visit of commercial representatives, groups and delegations of either Contracting Party to the country of the other and the participation of either country in trade fairs and missions and in arranging exhibitions of either country in the territory of the other on terms to be agreed between their competent authorities.
2. The Contracting Parties shall undertake to provide the necessary assistance to allow for the exemption from customs duties and other similar charges on articles and items intended for trade fairs, missions, and exhibitions, subject to the laws and regulations from the country where such fairs and exhibitions are held, such as:

- a. samples and advertising media without commercial value;
- b. tools and means, brought in for the purpose of repair or assemblage under condition that these tools and means shall be returned;
- c. commodities applied for fairs and exhibitions under condition that they shall not be sold, and
- d. special containers used in international trade which shall be returned.

ARTICLE VII

EXCHANGE OF TRADE INFORMATION

In order to facilitate exchange of goods, services, and payments between the two countries, and subject to the laws and regulations in force in both countries, either Contracting Party, upon request of the other country shall furnish through its commercial attache and other appropriate representatives, all pertinent information for the development of trade and economic relations between the two countries, e.g. laws, regulations, decisions, administrative practices or procedures or policies pertinent to trade and economic relations covered by this Agreement.

ARTICLE VIII

PURSUIT OF ECONOMIC COOPERATION ACTIVITIES

The Contracting Parties shall promote cooperation on the principles of mutual benefit and agree to develop their activities subject to national legislation in such fields as: agriculture, light industry, energetics, transport, communication and information and other spheres of mutual interest. According to their laws and regulations in force the Contracting Parties shall accord favorable conditions for making investments, establishing joint ventures, enterprises, firms, banks, trade and stock exchanges, cooperatives, companies, branch undertakings, foreign commercial representations within their territories.

ARTICLE IX

BUSINESS FACILITATION SERVICES FOR TRADE MATTERS

1. Natural persons and entities of either country shall be afforded access to all courts of the other country, subject to the laws and regulations of such other country. They shall not claim or enjoy immunities from suit or execution of judgement or other liability with respect to commercial or financial transactions. They also shall not claim or enjoy immunities from taxation with respect to commercial or financial transactions.
2. Natural persons and entities of either country shall be permitted within the territory of the other country to deal directly with buyers and users of their products, for purposes of sales promotion and servicing their products, subject to the laws and regulations applicable in each country.
3. Each Contracting Party agrees to assist in the solution of business facilitation problems and for either party to gain access to appropriate government offices/officials in each other's country.

ARTICLE X

SETTLEMENTS OF DISPUTES BETWEEN CONTRACTING PARTIES THROUGH AN ARBITRATION BODY

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled amicably through diplomatic channels. In case the disputes cannot be resolved, such disputes shall either be referred to an international body with arbitration powers or to an ad-hoc arbitration court constituted for such purpose, whichever is deemed more efficient and effective, and mutually acceptable to both Contracting

Parties.

2. The arbitration court shall be constituted for each case individually. Each Contracting Party shall appoint one arbitrator. These two arbitrators shall together select a third arbitrator, who is a national of neither Contracting Party and once approved by the two Contracting Parties shall serve as Chairman of arbitration court.

3. Arbitration court shall determine its procedure subject to the provisions of this Agreement and international law. The arbitration court shall reach its decisions by a majority of votes. The decisions of arbitration court are final and binding upon each Contracting Party.

4. Each Contracting Party shall bear the costs of its own member of the arbitration court and of its representation in the arbitration proceedings; the costs of the Chairman and remaining costs shall be borne in equal parts by the Contracting Parties.

ARTICLE XI

ESTABLISHMENT OF A JOINT COMMISSION

1. The Contracting Parties agree to constitute a joint Commission which shall review implementation of this Agreement and propose measures for enhancing trade and economic cooperation between the Contracting Parties and examine measures for the solution of problems or disputes that may arise in the course of its implementation.

2. The establishment of a Joint Commission shall not preclude the right of both countries to consult each other at the request of either of them on all matters of mutual interest, as well as on the necessary measures for the expansion of mutual cooperation and trade relations in view of implementing the present Agreement.

3. At the request of either country, a meeting shall be carried out at a place mutually agreed upon not later than sixty (60) days after the date of receiving the request.

ARTICLE XII

APPLICABILITY OF THE AGREEMENT

The provisions of this Agreement shall continue to apply to contracts concluded by natural persons and entities of the Contracting Parties during the period of its validity and not fully executed till the date of expiration of this Agreement.

ARTICLE XIII

AMENDMENTS

The Contracting Parties may change or supplement the provisions of this Agreement at any time when both of them notify each other about it in writing. Amendments shall come into force on the date when Contracting Parties inform each other by an exchange of notes that all necessary constitutional formalities have been completed.

ARTICLE XIV

ENTRY INTO FORCE AND VALIDITY OF THIS AGREEMENT

This Agreement shall come into force on the date then the Contracting Parties inform each other on the completion of constitutional formalities that are necessary for the validity of the Agreement and shall remain valid for a period of five years. The period of the validity of this Agreement shall be automatically extended for further Contracting Parties inform the other Contracting Party of its intention to cancel the Agreement six months prior to its expiration.

Done in duplicate at Manila on this twenty-fifth day of September, 1995 each in the English and Lithuanian

languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES

FOR THE GOVERNMENT OF THE
REPUBLIC OF LITHUANIA

(Sgd.)

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ALBINAS JANUSKA

Undersecretary of
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