

PROMULGATING POLICY GUIDELINES AND TRADE WITH SOCIALIST AND COMMUNIST COUNTRIES

EXECUTIVE ORDER NO. 384, March 11, 1972

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WHEREAS, it is in the national interest to develop as early as possible trade and other relations with all countries, including socialist and communist countries, a policy which has received the support of all significant sectors in the country;

WHEREAS, policy guidelines must be adopted for the orderly conduct of such trade relations;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by law, do hereby promulgate the following policy guidelines:

A. Commodity Pattern

1. All present and potential export products of the Philippines shall be allowed.
2. In case of importation, priority shall be given to the following commodities:
 - a. Heavy machinery and equipment, including spare parts, particularly those that will carry them some technology transfer. Preference shall be given to those not produced locally.
 - b. Raw materials, including fuel, which are not produced locally.
 - c. Essential consumer products which are not produced locally.

B. Channels of Trade

1. Export trade will be handled through normal private commercial channels and government trading firms, such as NETRACOR. Initially, however, import trade shall be conducted solely through NETRACOR in pursuance of the government's economic development program. To avoid possible ruinous competition among Philippine traders, all commercial transactions shall be coursed through the Department of Commerce and Industry.
2. Should the establishment in the Philippines of resident trading representatives from socialist and communist countries become necessary, the matter shall be referred to the Department of Commerce and Industry which shall coordinate with the Department of Foreign Affairs, the Bureau of Immigration, and/or other government agencies concerned.
3. Travel requirements to socialist and communist countries for trading purposes shall be normalized subject to existing conditions, rules and regulations for travel to any other country.
4. Trade communication between the Philippines and socialist and communist countries shall be allowed.
5. Entry into and exit from Philippine ports of commercial vessels belonging to socialist and communist countries shall be allowed.
6. Exchange of legitimate trade missions and traders between the Philippines and socialist and communist

countries shall be allowed.

C. Payments Arrangement

1. Payments shall be effected through prescribed instruments acceptable to the central banks of the Philippines and socialist and communist countries concerned in accordance with their respective foreign exchange regulations.
2. Payments shall be made in convertible currencies acceptable to the central banks. Under existing Philippine Central Bank regulations, the US dollar, English pound, German mark, Swiss franc, French franc, Italian lira, Dutch guilder, Canadian dollar or Japanese yen are acceptable convertible foreign currencies which form part of the international reserve. Payments through clearing arrangements providing for swing credits with the balance to be settled in convertible currencies may be adopted on a case-to-case basis mutually acceptable to the central banks.
3. The establishment of normal banking correspondent relations between Philippine banking institutions and the banking institutions of socialist and communist countries shall be allowed.

D. Miscellaneous

1. Documentation of merchandise to be imported into the country from socialist and communist countries shall be done by the Philippine embassy, consulate, or honorary consulate to be designated by the Department of Foreign Affairs until such time when the Philippines shall have established diplomatic and/or consular relations with these countries.
2. Inspection of commodities imported into and exported from the Philippines and these countries shall follow the normal procedure, i.e., through an independent international superintendent or surveyor acceptable to both parties.
3. In the event of a dispute, the same shall be submitted for arbitration mutually acceptable to both parties.

No provision in the foregoing guidelines shall be deemed to exempt the trade between the Philippines and socialist and communist countries from Philippine laws, rules and regulations applicable to trade and foreign exchange.

Done in the City of Manila, this 11th day of March, in the year of Our Lord, nineteen hundred and seventy-two.

(SGD.) FERDINAND E. MARCOS

President of the Philippines

By the President:

(SGD.) ALEJANDRO MELCHOR

Executive Secretary

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