

TRADE AGREEMENT (WITH PROTOCOL) BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE REPUBLIC OF INDONESIA

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Note: The Agreement is not yet in force.

The Government of the Republic of the Philippines and the Government of the Republic of Indonesia, desirous of promoting and expanding trade relations between the Philippines and Indonesia based on the principle of equality and mutual benefit, have agreed as follows:

ARTICLE 1

The two Governments will take all appropriate measures to promote trade between the two countries and to grant each other the respective import/export licenses as may be necessary, in particular with regard to the goods or commodities mentioned in lists "A" and "B" attached to this Agreement.

Nothing in this Agreement shall be deemed to preclude trade in goods or commodities not mentioned in the said lists.

ARTICLE 2

The two Governments shall endeavor to expand the total volume of trade between them by supplying to each other goods and services produced by each country that are mutually advantageous to them.

ARTICLE 3

The Contracting Parties agree that the exchange of goods or commodities shall be subject to and affected within the scope of the general import-export regulations in force in each country during the validity of this Agreement.

ARTICLE 4

The Contracting Parties agree to grant each other no less favorable treatment in trade relations between the two countries than that applying to any other country, in particular as regards customs rules and formalities, customs duties, taxes and charges of any kind, regulations governing the import and export of goods or commodities, as well as with regard to the procedure governing import and export licenses.

ARTICLE 5

Deliveries of goods between the Republic of Indonesia and the Republic of the Philippines will be carried out on the basis of contracts to be concluded between the enterprises and firms domiciled in the Republic of Indonesia, authorized to participate in foreign trade on the one hand, and the enterprises and firms domiciled in the Republic of the Philippines, authorized thereto on the other. The abovementioned enterprises and firms, in accordance with the respective laws of the State in which they are domiciled, have the status of independent juridical persons. They are fully responsible for their commercial transactions.

ARTICLE 6

Both Parties agree that the prices for the commodities to be delivered according to this Agreement shall be fixed whenever possible on the basis of world market prices for similar commodities prevailing at the time the said contracts are concluded. In case of non-existence of world market prices for certain goods or commodities, competitive prices shall be agreed upon.

ARTICLE 7

In order to promote international trade both Contracting Parties will take all appropriate measures to facilitate trade on a multilateral basis.

ARTICLE 8

The shipping of the goods or commodities from the Republic of Indonesia to the Republic of the Philippines or from the Republic of the Philippines to the Republic of Indonesia will be done preferably by the national commercial fleets of both Parties to this Agreement.

ARTICLE 9

Merchant vessels of one country while entering, putting off and lying at the ports of the other country, will enjoy treatment no less favorable than that accorded by their respective laws, rules and regulations to the vessels under the flag of any third country.

ARTICLE 10

All payments between the two countries shall be effected in United States Dollars.

For this purpose all contracts and invoices relating to the trade between Indonesia and the Philippines shall be expressed in United States Dollars.

ARTICLE 11

The Bank of Indonesia and the Central Bank of the Philippines shall by mutual agreement establish all technical details necessary for the effective functioning of the present Agreement.

ARTICLE 12

In order to facilitate the implementation of this Agreement, both Contracting Parties agree to consult each other in respect of any matter arising from or in connection with the trade between the two countries.

For this purpose they will form a Joint Committee which will meet at the request of either Contracting Party at a convenient date after mutual consent and not later than 45 days after the request to that effect has been made, either in Djakarta or in Manila.

This Agreement shall be valid for a period of one year.

In case neither of the Contracting Parties shall have given notice three months before the expiration of said period of its intention to terminate this Agreement, it will by tacit understanding be prolonged each time for another period of one year.

The provisions set forth in this Agreement shall come into force provisionally on the day of the signing of this

Agreement. They will definitely come into force after an exchange of notes to that effect between the two Governments and shall remain in force for a period of one year following the exchange of notes.

Done and signed in two copies each, in the Indonesian, Pilipino and English languages, all texts being authentic, provided however that in case different interpretations arise, the English texts shall prevail, in Djakarta, the 27th day May 1963.

For the Government of the Republic of Indonesia For the Government of the Republic of the Philippines

Dr. SOEHARTO RUFINO G. HECHANOVA

Minister of Trade of the Republic of Secretary Department of Commerce and Industry

Indonesia and Chairman of the Indonesian and Chairman, Philippine Economic and

Trade and Economic Delegation Trade Mission To Indonesia

List "A"

Goods to be exported from the Republic of Indonesia to the Republic of the Philippines:

1. Aetheric oils
2. Palm kernels and palm oil
3. Bauxite
4. Coffee beans
5. Cocoa beans
6. Tea
7. Live-stock, meat and meat preparations
8. Edible nuts and
9. Rock phosphate
10. Rubber: Estate Rubber

Smallholders Rubber

11. Crude oil and other petroleum products

12. Handicraft

13. Chemical and chemical preparations

14. Corn and other cereals

15. Spices

16. Iron and steel scrap

17. Wrapper tobacco (Sumatra)

18. Silverwares

19. "Batik" textiles and special textiles

20. Logs and lumber

21. Tin and other metal products

22. Films, books, magazines and other publications

23. Technical and management services

24. Miscellaneous products and services

List "B"

Goods to be exported from the Republic of the Philippines to the Republic of Indonesia:

1. Wheat flour and wheat preparations
2. Paper and paper products
3. Fertilizers, insecticides and other agricultural chemicals
4. Unassembled sewing machines, radios and other appliances
5. Abaca, ramie, jute and manufactures thereof
6. Chemicals and chemical preparations
7. Dyeing, tanning and coloring materials including pigments, paints and varnishes
8. Medical and pharmaceutical products
9. Unassembled bicycles and other parts thereof
10. Textile yarns, threads, and grey-cloth
11. Canned milk
12. Iron and steel products, roofing, nail-wire, bars, etc.
13. Sheet glass and glass products
14. Transport equipment
15. Virginia tobacco

16. Athletic and sporting goods
17. Plastic products
18. School and office supplies and equipment
19. Building materials including cement
20. Cereal and cereal preparations, other than wheat
21. Light machinery, including agricultural tools
22. Films, books, magazines and other publications
23. Technical and management services
24. Miscellaneous products and services

Protocol

Delegations of the Republic of Indonesia and the Republic of the Philippines have met in Djakarta between May 23 and May 27, 1963, for the purpose of discussing the development and the promotion of trade between the Republic of Indonesia and the Republic of the Philippines.

Both Delegations have agreed as follows:

1. With reference to Article 1 of the trade agreement between the Republic of Indonesia and the Republic of the Philippines, lists "A" and "B" attached to the trade agreement shall be applied to the exchange of goods and commodities between the two countries during the period of validity of the trade agreement.
2. The two Governments will give due consideration and priority to applications for import-export licenses where necessary for those goods and commodities mentioned in lists "A" and "B". Import-export licenses where necessary may, however, also be granted for goods and commodities other than those mentioned in lists "A" and "B". The issuance of licenses shall be subject to and effected within the scope of the general import-export regulations in force in each country during the validity of the trade agreement.
3. With reference to Article 4 of the present trade agreement the two Contracting Parties guarantee to each other the granting of the advantages contained therein, particularly in respect of customs regulations and customs duties, taxes and charges of any kind, and prescriptions and formalities relating to importations and exportations

of goods including procedures governing import and export licenses.

4. The advantages set out in Article 4 of the agreement shall not apply to:

- (a) the preferences or advantages existing as of the date of this agreement accorded by the Government of the Republic of the Philippines to any country or accorded by that Government in replacement of such existing preferences or advantages;
- (b) the preferences or advantages existing as of the dates of the agreement accorded by the Government of the Republic of Indonesia to any country or accorded by that Government in replacement of such existing preferences or advantages;
- (c) the preferences which either of the countries grant or any grant to facilitate frontier traffic, and
- (d) the advantages resulting from a customs union which either of the two Governments have previously concluded or may conclude, or resulting from a free exchange system as in a free trade area.

5. As regards Article 7 of the present trade agreement, both Contracting Parties, in order to expand and develop trade on the basis of equality and mutual benefit, recognize the desirability of stimulating direct trade relations on a larger scale than heretofore. It is understood that the abovementioned aim will be achieved also, among others; by means of multilateral transactions among the Republic of Indonesia, Republic of the Philippines and third countries acceptable to both Contracting Parties.

It is understood that the abovementioned transactions shall be considered on a case-by-case basis by the appropriate authorities in both countries and in accordance with import and export regulations as may be in force in the Republic of Indonesia and the Republic of the Philippines.

6. With reference to Article 8 of the present trade agreement the Contracting Parties, in view of their geographical location as neighboring island nations, agreed to consider the possibilities of operating joint shipping services between the two countries.

7. After expiry of the period of validity of this agreement, its stipulations will continue to apply to all contracts concluded during the period of validity of the agreement,

8. This Protocol forms an integral part of the trade agreement and shall come into force provisionally on May 27, 1963.

It will definitely come into force after an exchange of notes to that effect between the two Governments.

Done and signed in two copies each, in the Indonesian, Pilipino and English languages, all texts being authentic, provided however that in case different interpretations arise, the English texts shall prevail, in the City of Djakarta on the 27th of May 1963.

For the Government of the Republic of Indonesia

For the Government of the Republic of the Philippines

Dr. SOEHARTO

RUFINO G. HECHANOVA

Minister of Trade of the Republic of
Secretary Department of Commerce and Industry
Indonesia and Chairman of the Indonesian
and Chairman, Philippine Economic
Trade and Economic Delegation
and Trade Mission to Indonesia

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