

MALACAÑANG**Manila****EXECUTIVE ORDER NO. 145**

MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED FOR UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE 1994 PHILIPPINE SCHEDULE OF TARIFF REDUCTIONS ON ARTICLES INCLUDED IN THE ACCELERATED AND NORMAL PROGRAMMES OF THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE AREA (AFTA)

WHEREAS, the Heads of State and Governments of ASEAN, convinced that ASEAN cooperation is vital to the well-being of their peoples, unequivocally declared at their Fourth Summit Meeting held in Singapore on 28 January 1992 that ASEAN must move towards a higher plane of political, security, and economic cooperation to ensure regional peace, progress and prosperity;

WHEREAS, having reviewed the profound international political and economic changes that have occurred since the end of the Cold War and considered their implications for ASEAN, the Heads of the ASEAN Member States declared that ASEAN shall continuously contribute to an open international economic regime;

WHEREAS, in the field of economic cooperation, recognizing that tariff and non-tariff barriers are impediments to intra-ASEAN trade and that existing commitments under the ASEAN Preferential Trading Arrangements (PTA) to remove these trade barriers need to be extensively improved upon, the ASEAN Member States agreed that there shall be established, among other new economic measures contained in the Framework Agreement on Enhancing ASEAN Economic Cooperation signed in Singapore on 28 January 1992, the ASEAN Free Trade Area (AFTA) using the Common Effective Preferential Tariff (CEPT) Scheme as the main mechanism within a time frame of fifteen (15) years beginning 1 January 1993 with the final effective tariffs ranging from 0 to 5%;

WHEREAS, as provided for in the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area (AFTA) signed in Singapore on 28 January 1992, all manufactured products, including capital goods, processed agricultural products, and those products falling outside the definition of agricultural products as set out in the Agreement shall be in the CEPT Scheme;

WHEREAS, the ASEAN Member States have identified in the Summit Declaration fifteen (15) groups of products to be included in the CEPT Scheme for accelerated tariff

reduction, namely: vegetable oils, cement, chemicals, pharmaceuticals, fertilizers, plastics, rubber products, leather products, pulp, textiles, ceramic and glass products, gems and jewelry, copper cathodes, electronics, and wooden and rattan furniture;

WHEREAS, for products identified by the Philippines for accelerated rate reduction under the CEPT Scheme for the AFTA, tariff rates (MFN/PTA) of 20% or below shall be reduced to 5% and zero by 1 January 2000, while tariff rates (MFN/PTA) above 20% shall be reduced to 5% and zero by 1 January 2003;

WHEREAS, for products identified by the Philippines for normal rate reduction, the tariff reduction to 5% and zero shall be done in two stages, namely: (a) for products with existing tariff rates (MFN/PTA) of 20% or below, tariffs shall be reduced to 5% and zero through a seven (7) year programme starting 1 January 1996 up to 1 January 2003, and (b) for products with existing tariff rates (MFN/PTA) above 20%, tariffs shall be reduced to 20% by 1 January 2001. The subsequent reduction of tariff rates from 20% to 5% and zero shall be done within seven (7) years, with the minimum rate of reduction set at five (5) percentage points every two years starting 1 January 2004 up to 1 January 2008;

WHEREAS, at the Fourth Meeting of the AFTA Council for the CEPT Scheme held in Singapore on 6 October 1993, it was agreed, among others, that the starting date of the implementation of the tariff reduction programme by the ASEAN member countries be on or before 1 January 1994, except for Brunei Darussalam which, due to administrative requirements, would be able to start its tariff reduction by 1 June 1994.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

SECTION 1. The articles specifically listed in Annex "A" hereof as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ASEAN Common Effective Preferential Tariff in accordance with the 1994 schedule indicated in Columns 5 and 6 of Annex "A". Implementation of the tariff reduction schedule for the succeeding years shall be subject to the issuance of separate implementing Executive Orders.



SEC. 2. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty to a rate lower than the ASEAN CEPT Rate on any of the articles listed in Annex "A", such article shall automatically be accorded the corresponding reduced rate of duty.

SEC. 3. From the date of effectivity of this Order, all articles listed in Annex "A" entered or withdrawn from warehouses in the Philippines for consumption shall be imposed the rates of duty for 1994 herein prescribed subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the AFTA signed on 28 January 1992.

SEC. 4. This Executive Order shall take effect on 1 January, 1994.

Done in the City of Manila, this 27th day of DECEMBER the year of Our Lord, nineteen hundred and ninety-three.

[Handwritten signature]

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by the President:

[Handwritten signature]
ROFISTO T. GUINGONA, JR.
Executive Secretary

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