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BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 73

MODIFYING THE RATES OF DUTY ON BREAKFAST CEREALS AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE NINETY PER CENTUM (90%) MARGIN OF PREFERENCE (MOP) THEREON INCLUDED IN THE NESTLE ASEAN INDUSTRIAL JOINT VENTURE (AIJV) PROJECTS AS PROVIDED FOR IN ARTICLE III, PARAGRAPHS 3 (D) AND 8 (D) OF THE REVISED BASIC AGREEMENT ON ASEAN INDUSTRIAL JOINT VENTURE (RBAAIJV)

WHEREAS, the Philippines is a Contracting Party to the Revised Basic Agreement on ASEAN Industrial Joint Venture (RBAAIJV) signed in Manila on 15 December 1987;

WHEREAS, the Philippines, along with Brunei Darussalam, Indonesia, Malaysia, Singapore and Thailand, is a participating country in the approved NESTLE ASEAN Industrial Joint Venture Projects;

WHEREAS, among the seven (7) approved NESTLE AIJV Projects, the project on breakfast cereals was assigned to the Philippines (Nestle ASEAN Philippines, Inc.) whose commercial production started in February 1993;

WHEREAS, in accordance with Article III, paras. 1, 2, 6 and 7 of the RBAAIJV, the AIJV breakfast cereals manufactured by Nestle ASEAN Phils., Inc. are entitled to the exclusive grant of a ninety percent (90%) MOP by Brunei, Indonesia, Malaysia, Singapore and Thailand, as participating countries in the Nestle AIJV Breakfast Cereal Project for a period of four (4) years from date of start of commercial production;



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WHEREAS, under Article III paras 3(d) and 8(d) of the RBAAIJV, any entity in any member country which produces that AIJV product, irrespective of whether it qualifies as an AIJV or not, shall enjoy the same margin of tariff preference in the participating countries for that AIJV product after the four (4) year-exclusivity period;

WHEREAS, under Article II, para. 10 of the RBAAIJV, the grant of the 90% MOP on breakfast cereals produced by the non-AIJV entities in the participating countries shall be effective on the date specified in the Certificate of Eligibility issued by the ASEAN Secretariat in favor of the non-AIJV entities;

WHEREAS, under the Article 12 (d) of the new Agreement on ASEAN Industrial Cooperation (AICO) Scheme which has superseded the Basic Agreement on ASEAN Industrial Joint Venture and the Memorandum of Understanding on the Brand-to-Brand Complementation (BBC) Scheme, the grant of 90% MOP on approved AIJV products shall continue to be accorded up to 31 December 2002, after which date the final CEPT rates shall apply.

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, 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 hereunder as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded a minimum 90% MOP as specified in Column 6. In effect, said article shall be subject to the AIJV Preferential Tariff in accordance with the schedule indicated in Columns 7, 8, and 9.

HS Code	Description	Rate of Duty (%)			Margin of Preference (%)	Applicable AIJV Preferential Tariff (%)		
		1 January				1 January		
		1998	1999	2000		1998	1999	2000
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1904.10 00	Prepared foods obtained by the swelling or roasting of cereals or cereal products (i.e., Breakfast Cereals)	20	20	15	90	2	2	1.5



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SECTION 2. The MOP herein provided on the above-mentioned articles shall be accorded to the non-AIJV entities in Brunei, Indonesia, Malaysia, Singapore and Thailand effective on the date specified in the Certificate of Eligibility (COE) to be issued by the ASEAN Secretariat in favor of the non-AIJV entities in the participating countries.

SECTION 3. The 90% MOP accorded under this Executive Order shall remain effective until 31 December 2002 regardless of any subsequent change in the Philippine rate of duty on the above-mentioned articles. Effective 1 January 2003, the final CEPT rate shall apply.

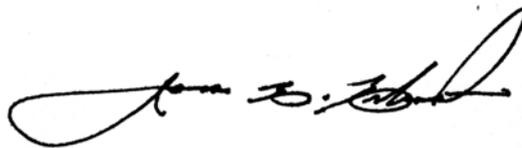
SECTION 4. Upon the effectivity of this Executive Order, the above-mentioned articles which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AIJV Preferential Tariff specified under Section 1 hereof, subject to qualification under the Rules of Origin as provided for in the Protocol to Amend the Agreement on the ASEAN Preferential Trading Arrangements signed by the AEM on 15 December 1995.

SECTION 5. All other Presidential issuances, administrative rules and regulations or parts thereof, which are inconsistent with this Executive Order are hereby revoked or modified accordingly.

SECTION 6. This Executive Order shall take effect immediately.

DONE in the City of Manila this Nth day of JANUARY in the year of Our Lord Nineteen Hundred and Ninety Nine.

By the President:



RONALDO B. ZAMORA
Executive Secretary




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