

EXECUTIVE ORDER NO. 214**MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME**

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation (AICO) Scheme signed in Singapore on 27 April 1996;

WHEREAS, the AICO Scheme seeks to improve the competitive position of ASEAN Companies in the global and ASEAN markets by providing the means to apply the principles of economies of scale and scope in the manufacturing process, supported by preferential import duties to enhance across ASEAN border transactions;

WHEREAS, the Philippines is a participating country in the approved AICO Scheme of Goya, Inc, along with Indonesia and Thailand;

WHEREAS, under the Goya AICO Agreement, it was agreed that the Philippines (Goya, Inc.) will import sweetened cocoa blend from Indonesia (PT. Nestle Confectionery Indonesia) and sweetened skimmed milk powder and sweetened whey compound from Thailand (Nestle Foods (Thailand) Ltd.) as intermediate products for the manufacture of chocolate confectionery and chocolate eclairs. In exchange, Indonesia (PT. Nestle Confectionery Indonesia) and Thailand (Nestle Foods (Thailand) Ltd.) will import chocolate confectionery products and chocolate eclairs from the Philippines;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement on the AICO Scheme, participating companies in the approved Goya, Inc. Arrangement shall qualify for 0 – 5% preferential tariff rates to be extended by Indonesia, the Philippines and Thailand as participating countries, effective within 45 days from the date of issuance of the Certificate of Eligibility by the ASEAN Secretariat;



WHEREAS, AICO Certificate of Eligibility No. Nestle/1999/1 and AICO Certificate of Eligibility No. Nestle/1999/2 were issued on 27 September 1999 and 26 October 1999, respectively, in favor of the participating companies in the Goya, Inc. AICO Arrangement.

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 in Annex "A" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rates of 3% and 5% as specified in Column 4 thereof.

SECTION 2. The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT. Nestle Confectionery Indonesia) effective 27 September 1999 and to the AICO entity in Thailand (Nestle Foods (Thailand) Ltd.) effective 26 October 1999.

SECTION 3. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on the articles listed in Annex "A" to a rate lower than the AICO rate prescribed in Column 4 thereof, such article shall automatically be accorded the corresponding reduced rate of duty. Effective 1 January 2003, the final CEPT rate on the subject articles shall apply.

SECTION 4. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annex "A" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin – Form "D".

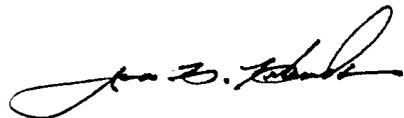
SECTION 5. This Executive Order shall take effect immediately.

Done in the City of Manila, this 16th day of Feb. in the year of Our Lord, Two Thousand.

By the President:



RONALDO B. ZAMORA
Executive Secretary



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Date



**ARTICLES GRANTED PREFERENTIAL TARIFF UNDER THE
APPROVED GOYA AICO SCHEME**

HS CODE (1)	PRODUCT DESCRIPTION (2)	SOURCE COUNTRY (AICO COMPANY) (3)	APPLICABLE AICO PREFERENTIAL TARIFF (%) (4)
0402.10 10	Sweetened skimmed milk powder, in bulk containers of gross weight 20 kgs or more	Thailand (Nestle Foods (Thailand) Ltd.)	3
0404.10 00	Sweetened whey compound	Thailand (Nestle Foods (Thailand) Ltd.)	3
1806.10 00	Sweetened cocoa blend	Indonesia (PT. Nestle Confectionery Indonesia)	5

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