

BY THE PRESIDENT OF THE PHILIPPINES

**EXECUTIVE ORDER NO. 86**

**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, IN FAVOR OF GOYA, INC. (GOYA)**

**WHEREAS**, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) 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;

**WHEREAS**, under the Goya AICO Arrangement, it was agreed that the Philippines (Goya, Inc.) will import FOX's Fruit, FOX's Mints and POLO from Indonesia, and in the exchange, Indonesia (PT. Nestle Indonesia) will import FOX's Wrappers/Pouch and POLO Wrappers from the Philippines;

**WHEREAS**, AICO Certificate of Eligibility No. Nestle/2001/4 (A) was reissued on 30 July 2001 nullifying AICO Certificate of Eligibility No. Nestle/2001/4 issued on 29 May 2001 in favor of the participating companies in the Goya, Inc. AICO Arrangement;

**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 and the Philippines as participating countries, effective within 45 days from the date of issuance of the Certificate of Eligibility by the ASEAN Secretariat.

**NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO**, 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 rate of 5% as specified in Column 4 thereof.

**SEC 2.** The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT. Nestle Indonesia) effective 24 July 2001.

**SEC 3.** In the event that any subsequent changes are made in the basic (Most Favored Nation) Philippine rate of duty on any of 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.

**SEC 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".

**SEC 5.** The Secretary of Finance in consultation with the National Economic & Development Authority (NEDA) shall issue the appropriate guidelines to implement and rationalize the preferential tariff privilege herein granted.

**SEC 6.** This Executive Order shall take effect immediately.

Done in the City of Manila, this *18<sup>th</sup>* day of *March* in the year of Our Lord, two thousand and two.

By the President:

  
ALBERTO G. ROMULO  
Executive Secretary





Annex "A"

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

<b>HS CODE (1)</b>	<b>PRODUCT DESCRIPTION (2)</b>	<b>SOURCE COUNTRY (AICO COMPANY) (3)</b>	<b>APPLICABLE AICO PREFERENTIAL TARIFF (%) (4)</b>
1704.90 90	Hard candies	Indonesia (PT. Nestle Indonesia)	5

DBC

DBC