

PROTOCOL BETWEEN THE REPUBLIC OF PERU AND THE KINGDOM OF THAILAND TO ACCELERATE THE LIBERALIZATION OF TRADE IN GOODS AND TRADE FACILITATION

THE GOVERNMENT OF THE REPUBLIC OF PERU AND THE GOVERNMENT OF THE KINGDOM OF THAILAND (hereinafter referred to as the “Parties”),

RECALLING the Framework Agreement on Closer Economic Partnership between the Government of the Republic of Peru and the Government of Thailand, done at Bangkok, Thailand on 17 October 2003 (hereinafter referred to as “the Framework Agreement”);

REAFFIRMING the undertakings of the Parties to endeavor to progressively liberalize and promote trade in goods between the Parties; facilitate the movement of goods between the territories of the Parties; and strengthen and enhance economic partnership between the two countries;

NOTING the substantial progress on the trade in goods negotiations between the Parties pursuant to Article 2 of the Framework Agreement;

DESIRING to accelerate the liberalization of trade in goods between the Parties;

HAVE AGREED AS FOLLOWS:

**ARTICLE 1
MARKET ACCESS ON GOODS**

1. With the view to accelerate the realization of benefits from the Framework Agreement, the Parties agree that the rules for the tariff elimination process, as established in Annex 1, are to be applied to the products listed in Appendix 1 of the aforementioned Annex.
2. The customs duties reduction and/or elimination will only apply to goods included in Appendix 1: [List of Goods] of Annex 1 whose specific rules of origin have been agreed as stated in Appendix 1: [Specific Rules of Origin] of Annex 2.
3. The tariff reduction and elimination schedules are in Appendix 2 [Tariff Schedule] of Annex 1.

ARTICLE 2 RULES OF ORIGIN

1. The Parties agree to establish Rules of Origin and procedures for qualification, certification, verification and control of the origin of the goods under Article 1 and its Annex.
2. For this purpose, the Rules of Origin agreed by the Parties as set out in Annex 2 shall apply.
3. The Parties agree to continue negotiating the specific rules of origin for the tariff lines included in Appendix 1: [List of Goods] of Annex 1 for which specific rules of origin are still pending. Additionally, the Parties agree to continue negotiating on Appendix 1: [Specific Rules of Origin], Appendix 2: [Certificate of Origin] and Appendix 3: [Producer Declaration Form] of Annex 2. The outcome will be an integral part of this Protocol once approved by the Parties in accordance to their own internal procedures.

ARTICLE 3 SAFEGUARDS

If as a result of unforeseen circumstances arising from tariff reduction or elimination pursuant to this Protocol, an originating good of the other Party is imported into the territory of a Party in such a manner or in such increased quantities as to cause or threaten to cause serious injury to the domestic producers of such good in the importing Party, the importing Party may, after prior consultations to be concluded within ninety (90) days from the date of notifying the other Party or on any mutually agreed timeframe, suspend provisionally and without discrimination the preferential treatment so accorded.

ARTICLE 4 SANITARY AND PHYTOSANITARY MEASURES

1. The Parties agree to facilitate safe bilateral trade in agricultural and food products, strengthen cooperation between their government agencies having responsibility for matters relating to sanitary and phytosanitary measures, and deepen mutual understanding of the Parties' regulations and procedures.
2. For the purpose of this Article, the Parties shall apply the provisions on Sanitary and Phytosanitary Measures (SPS) set out in Annex 3.
3. The Parties shall establish a Joint Committee consisting of representatives of the Parties, which will meet within three months of the entry into force of this

Protocol and at least annually thereafter or as mutually agreed by the Parties. The Joint Committee shall consider any matter relating to the implementation of the provisions on SPS set out in the Annex and shall have the following functions:

- (a) to establish technical working groups, as required;
 - (b) to initiate, develop and review the implementation of agreements on technical matters which further elaborate the provisions contained in the Annex;
 - (c) to review and assess progress of each Party's priority market access interests; and
 - (d) to strengthen technical cooperation in sanitary and phytosanitary measures.
4. The Joint Committee shall continue to perform its functions under the provisions of the Peru – Thailand Free Trade Agreement to be concluded by the Parties pursuant to the Framework Agreement.

ARTICLE 5 TECHNICAL BARRIERS TO TRADE

1. The Parties shall ensure that the standards, technical regulations, conformity assessment procedures and metrology do not create unnecessary obstacles to trade.
2. For the purpose of this Article, the provisions on Technical Barriers to Trade as set out in Annex 4 shall apply.
3. The contact points for the purposes of this Article shall be:
 - (a) in the case of Thailand, the Thai Industrial Standards Institute;
 - (b) in the case of Peru, the Ministry of Foreign Trade and Tourism.

ARTICLE 6 CUSTOMS PROCEDURES

1. The Parties agree on Customs Procedures as set out in Annex 5 with the view to promote the objectives of this Protocol by simplifying the procedures applied by their customs administrations and ensure their proper application in relation to bilateral trade between them.
2. The Parties agree that their customs administrations shall provide each other mutual assistance to prevent breaches in customs legislation as well as to protect

the economic, fiscal, social and trade interests of each country and to ensure an appropriate and efficient customs collection by their administrations.

ARTICLE 7 TRANSPARENCY

The Parties agree to ensure the transparent administration of their laws and regulations in accordance with the provisions set out in Annex 6.

ARTICLE 8 DISPUTE SETTLEMENT MECHANISM

1. The Parties agree to establish formal procedures and mechanisms for the settlement of any dispute arising between the Parties regarding the interpretation, application or implementation of this Protocol and its Annexes.
2. Such procedures and mechanisms shall be established in accordance with the provisions set out in Annex 7.

ARTICLE 9 ESTABLISHMENT OF JOINT COMMISSION

1. A Joint Commission shall be established to ensure the proper implementation of this Protocol and its Annexes and to review periodically the economic relationship and partnership between the Parties.
2. The Joint Commission may meet at the level of ministers or senior officials, as mutually determined from time to time by the Parties.
3. Each Party shall be responsible for the composition of its delegation.
 - (a) In the case of Peru, such senior officials shall be designated by the Ministry of Foreign Trade and Tourism; and
 - (b) in the case of Thailand, such senior officials shall be designated by the Ministry of Commerce.

ARTICLE 10
FINAL PROVISIONS

1. Each Party shall notify the other Party the completion of its internal procedures for the entry into force of this Protocol.
2. This Protocol shall enter into force on the date of receipt of the later of these notifications, and shall continue in force until the date of the entry into force of the Peru – Thailand Free Trade Agreement.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective governments, have signed this Protocol.

DONE at Busan, Republic of Korea, on this 19th day of November 2005; in duplicate, in the Spanish, Thai and English languages, all texts being equally authentic. In case of divergence of interpretation, the English text shall prevail.

For the Government of
the Republic of Peru

For the Government of
the Kingdom of Thailand

Amb. Oscar Maúrtua de Romaña
Minister of Foreign Relations

Dr. Kantathi Suphamongkhon
Minister of Foreign Affairs