FRAMEWORK AGREEMENT ON CLOSER ECONOMIC PARTNERSHIP BETWEEN THE GOVERNMENT OF THE REPUBLIC OF PERU AND THE GOVERNMENT OF THE KINGDOM OF THAILAND

PREAMBLE

The Government of the Republic of Peru and the Government of the Kingdom of Thailand {individually a "Party" and collectively the "Parties"):

Desiring lo strengthen further the existing bonds of friendship and to develop a closer economic partnership between the Republic of Peru end the Kingdom df Thailand:

Desiting to edvance trade end investment through reduced trade ane investment barriers and enhenced treanscormation;

Stressing that the liberevizetion of trade and investment promotes economic arowth and development;

Reaffirming their membership in and strong Support for the World Trade Organization (WTO) and Lhe Asia Pacfic Economic-Cooperation Forum (APEC); and

Recognizing APEC's contribution te trade and investment liberalization and fectitation and to economic and technical cooperation:

To this end, the Parties egres as follows:

Article 1. Objectives

Tho Parties shall endeavor to:

a) progressively liberalize and promote trade in goods and services, as well as Invesiment between the two countries;

b) Facllitate the movement of goods, services, and investment between the territories of the two countries; and

c) strengthen and enhance econemic pertnership between the two countries.

Article 2. Trade In Goods

1. Each Pary shell gradually reduce or eliminate its customs duties on goods orginating from the other Party by 2015, in a manner consistent with Arthcle XXIV of the General Agreement on Tariffs and Trade (GATT).

2. Each Party snell minimize the non-tariff barriers to trade with the other Party:

Article 3. Trade In Services

With a view to-expanding trade in services on a mutually advantagebus basis, each Party shall progressively liberalize trade in services between them by diving priority to eliminating barriers and promoting trade in sectors, such as tourism, health, construction and related engineering services and transporlation.

Article 4. Investment

1. The Parties agree to promote investment through joint ventures, joint investments of any other form of investment, and to facilitate investment through the improvement of transparency of investment rules and regulations and the creation of favorable conditions for investors of the Parties, and investment promotion activities in the territory of the other Party.

2. This Article shall be construed In accordance with the Agreement between the Parties for the Promotion and Protection of Investments signed on the 15 Novernber 1991.

Article 5. Other Areas Related to Trade

The Parties agree to develop their collaboration to areas, including, but not limited to, tourism and transportation.

Article 6. Timeframes

1. For trade in goods, the negotiations on tariff reduction or elimination and other matters as set out In Article 2 of this Fremework Agreement, shall commence as soon as possible, but not latter than January 2004, and be concluded by 2005 in order to establish the Peru-Thailand Free Trade Area covering trade In goods by 2015.

2. For trade in services and investments, the negotiations shall commence as soon as possible but no latter than January 2004, and be concluded by 2005.

3. For other ereas relisted to trade under Articie 5 of this Framework Agreement, the Parties shall continue to build upon existing economic programs, develop new programs, and conclude agreements. The agreements shall include timeframes for the implementation of the commitments therein.

Article 7. Transparency

1. Each Party will ensure thar its laws, regulations and basic economic data are made avaliable, for example via the Internet, in such a manner as to enable the other Party to become acquainted with them.

2. Upon request from the other Party, a Parky will endeavor to promptly provide information and respond to questions permaining to any actual or proposed measure refered to in paragraph 1.

Article 8. General Exceptions

Nothing in this Agreement shall prevent any Party from taking-and adopting measures for the protection of its national security or the protection of articles of artistic, historic and archeological value, a such other measures which It deems necessary for the protection of public morals, or for the protection of human, animal or plant life and health, subject to the requirement that such measures are not applied in a manner which would constitute means of arbitrary or unjustifiabie discrimination bebween the Parties where the same conditions prevail, or a disguised restriction on trade within the Peru-Thailand Free Trade Area.

Article 9. Institutional Arrangements for the Negotiations

1. In accordance with their prevailing laws and regulations, the Parties agree to establish a Peru-Thalland Negotiation Committee, which will be composed of representetives from both Parties.

2. All meetings of the Negotiation Cormmittee will be jointly chalred by 2 senior official fromthe Ministry of Foreign Trade and Tourism on behalf of the government of the Republic of Péru and by a senior official from the Ministry of Commerce on behalf of the government of the Kingdom of Thailand. The chairs may delegate thelr authority to their respective officials to conduct a meeting oF the Committee. The Ministry of Foreign Trade and Tourism and the Ministry of Commerce may be assisted by officials from other government agencies as circumstances require.

3. The Negotiation Committee may establish ad hoc working-groups that may meet concurrently or separately to facilitate ils work. The ad-hoc working groups shall report to the Negotiation Committee.

4. The Negotiation Committee shall meet regularly to oversee the implementation of this Framework Agreement.

5. The Negotiation Committee shall report regularly to the Republic of Peru's Minister of Foreign Trade and Tourism and the Kingdom of Thailand's Minister of Commerce on the progress and outcomes of the negotictions.

6. The Parties will take turn hosting the Negotiation Committee meetings, and providing the necessary secretariat support.

Article 10. Miscellaneous Provisions

1. Except as otherwise, provided in this Framework Agreement, this Framework Agreement or any action taken under it shall

not affect or nullity the rights and obligations of a Party under existing agreements to which it is a party.

2. The Partles shall endeavor to refrain from increasing restrictions or limitations that would affect the application of this Framework Agreement.

Article 11. Entry Into Force

1. Each party shall notify to the other the compietion of its internal pracedures for the entry into force of this Framework Agreement.

2. This Framework Agreement shall enter into force on the date of receipt of the later af these notifications.

IN WITNESS WHEREOF, the undersigned, being duly authorized by thelr respective Governments, have signed this Agreement.

DONE at Bangkok, Thailand, on this 17th day of October 2003; in duplicate, in the Spanish, Thai, and Engiish languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

For the Government of the Republic of Peru

Amb. Allan Wagner Tizon

Minister of Foreign Relations

For the Government of the Kingdom of Thailand

Mr. Adisai Bodharamik

Minister of Commerce