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 to strengthen further the existing bonds of friendship and to develop a closer economic partnership between the Republic of Peru and the Kingdom of Thailand;

Desiring to advance trade and investment through reduced trade and investment barriers and enhanced transportation;

Stressing that the liberalization of trade and investment promotes economic growth and development;

Reaffirming their membership in and strong support for the World Trade Organization (WTO) and the Asia Pacific Economic Cooperation Forum (APEC); and

Recognizing APEC's contribution to trade and investment liberalization and facilitation and to economic and technical cooperation;

To this end, the Parties agree as follows:

ARTICLE 1
Objectives

The Parties shall endeavor to:

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

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

c) strengthen and enhance economic partnership between the two countries.

ARTICLE 2
Trade in Goods

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

2. Each Party shall 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 advantageous basis, each Party shall progressively liberalize trade in services between them by giving priority to eliminating barriers and promoting trade in sectors such as tourism, health, construction and related engineering services and transportation.

ARTICLE 4
Investment

1. The Parties agree to promote investment through joint ventures, joint investments or any other form of investment, and to facilitate investment through the improvement of transparency on 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 November1991.

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 Framework 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 areas related to trade under Article 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 that its laws, regulations and basic economic data are made available, 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 Party will endeavor to promptly provide information and respond to questions pertaining to any actual or proposed measure referred 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 archaeological value, or 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 a means of arbitrary or unjustifiable discrimination between 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-Thailand Negotiation Committee, which will be composed of representatives from both Parties.

2. All meetings of the Negotiation Committee will be jointly chaired by a senior official from the Ministry of Foreign Trade and Tourism on behalf of the government of the Republic of Peru and by a senior official from the Ministry of Commerce on behalf of the government of the Kingdom of Thailand. The chairs may delegate their 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 its 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 negotiations.

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 nullify the rights and obligations of a Party under existing agreements to which it is a party.

2. The Parties 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 completion of its internal procedures 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 of these notifications.

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

DONE at Bangkok, Thailand, on this 17th day of October 2003; in duplicate, in the Spanish, Thai, and English 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 Tizón
Minister of Foreign Relations

For the Government of the Kingdom of Thailand



Mr. Adisai Bodharamik
Minister of Commerce