

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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TRADE AGREEMENT BETWEEN THE KINGDOM OF THAILAND AND THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

Communication from Thailand

The following communication, dated 26 November 1991, has been received from the Permanent Mission of Thailand with the request that it be circulated to contracting parties.

The Permanent Mission of Thailand to the United Nations Office and other International Organizations in Geneva presents its compliments to the Secretariat of the General Agreement on Tariffs and Trade and has the honour to communicate through the latter to the contracting parties an official translation of the text of the Agreement on Trade between the Kingdom of Thailand and the Lao People's Democratic Republic (Lao PDR) which was signed on 20 June 1991 in Bangkok and entered into force on the date of its signature.

Thailand and the Lao PDR have long historical ties that have been determined by geography and reinforced by shared language, culture and religion. Thailand became a contracting party to the General Agreement on Tariffs and Trade in 1982. The Lao PDR is not a contracting party.

The general objectives of the Agreement are to assist and cooperate with the Lao PDR as a land-locked, least developed, neighbouring country with which Thailand has long historical ties, and to reinforce the existing ties between the two countries, particularly in the trade field. Therefore, Article 4 of the Agreement provides for concessional access to the Thai market for specified products of Lao PDR origin. This provision is non-reciprocal.

The Kingdom of Thailand requests that the Agreement on Trade between the Kingdom of Thailand and the Lao PDR be considered and accepted by the contracting parties in the light of the foregoing objectives and the need to promote sustained economic development in the Lao PDR. The Kingdom of Thailand notes that the Agreement is consistent with the general spirit of Part IV of the General Agreement on Tariffs and Trade and with paragraphs 1 and 2 of the Decision on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries (Decision of 28 November 1979, BISD 26S/203). In this regard, the Royal Thai Government expresses its willingness to comply fully with the notification and consultative provisions of paragraph 4 of the Decision.

Trade Agreement
between
The Government of the Kingdom of Thailand
and
The Government of the Lao People's Democratic Republic

The Government of the Kingdom of Thailand and the Government of the Lao People's Democratic Republic (hereinafter referred to as "the Contracting Parties");

Desiring to strengthen the long existing friendship between the Peoples of the two countries in conformity with the spirit of the three Joint Communiqués between the Government of the Kingdom of Thailand and the Government of the Lao People's Democratic Republic, signed by their respective Prime Ministers on 6th January B.E.2522 (1979), 4th April B.E.2522 (1979) and 25th November B.E.2531 (1988);

Wishing to enhance and expand their trade relations on the basis of respect of independence, sovereignty, territorial integrity, equality and mutual interests;

Have agreed as follows:

Article 1

The Contracting Parties shall promote and expand the trade relations between the two countries within the framework of laws and regulations in force in their respective countries.

Article 2

The Contracting Parties shall conduct their trade relations with a view to increasing the volume of trade between the two countries and shall endeavour to resolve their trade problems and barriers in order to achieve, to the extent possible, parity in their trade.

Article 3

The Contracting Parties shall accord each other the most-favoured-nation treatment with respect to customs duties, taxes, and other charges as well as customs formalities in connection with the importation and exportation of goods from one country to another country.

The provision in the preceding paragraph shall not apply to the advantages, exemptions and privileges which either of the Contracting Parties accords or shall accord to countries which together with that party are members in a customs union, a free trade area or a regional association for economic cooperation already existed or which may be established in the future and to a third country which has concluded or shall conclude an agreement on the reciprocal exemption of double taxation or the exemption of taxation with that party.

Article 4

In order to assist the Lao People's Democratic Republic, as being one of the least developed countries and a land-locked neighbouring country with a long history of close relations with Thailand, the Government of the Kingdom of Thailand shall apply preferential customs tariff rates for goods which have the place of origin in the Lao People's Democratic Republic in accordance with the tariff list to be submitted by the Thai side.

The grant of preferential customs tariff under the first paragraph may be revoked or revised as and when the Government of the Kingdom of Thailand deems appropriate.

Article 5

The Contracting Parties have worked out the lists of main export goods from the Lao People's Democratic Republic to the Kingdom of Thailand and of main export goods from the Kingdom of Thailand to the Lao People's Democratic Republic as appeared in the annexes to the Agreement.

Article 6

Trade between the Contracting Parties shall be carried out through companies or organizations authorized for this purpose by their respective Governments.

Prices of goods shall be determined by agreement between companies or organizations of the two Parties at the time of contract of sale is concluded and shall be based on the prices in major world markets and/or the prices in major regional markets.

All payments shall be made in freely convertible foreign currencies, through the banks designated by their respective Governments.

Article 7

Aiming at an orderly function of their border trade, the Contracting Parties shall lay down distinct and appropriate regulations which would be convenient for the protection and inspection at the two Parties' border checkpoints. Officials at each border checkpoint of the two countries shall meet in order to exchange views on practical problems of cooperation.

Article 8

Every six months, the Contracting Parties shall convene a meeting of a Joint Working Group consisting of representatives from both sides to follow up the implementation and to work out the details of the lists, volume, and value of goods to be used for the next period in accordance with this Agreement and the actual condition of the market. If trade imbalance occurs, the Contracting Parties shall try to find appropriate measures to correct it.

If necessary and upon request of either Party, the Joint Working Group may meet at any time in order to consult and resolve the problems which may arise within the scope of this Agreement.

The trade delegations at ministerial level of the two countries shall meet once a year in Thailand and the Lao People's Democratic Republic alternately in order to consult, evaluate and consider proposals of the Joint Working Group and to find ways and means to resolve the problems which may arise within the scope of this Agreement. If urgency requires, the trade delegations at ministerial level of both Parties may agree to meet in a special session.

Article 9

The present Agreement shall enter into force on the date of signing. It shall remain valid for a period of one year and shall be automatically extended for an indefinite period until either Contracting Party notifies the other in writing three months in advance of its intention to terminate the present Agreement.

At the request in writing of either Government, this Agreement may be amended by mutual consent.

Upon the entry into force of this Agreement, the Trade Agreement between the Government of the Kingdom of Thailand and the Government of the Lao People's Democratic Republic signed at Vientiane on 1 June B.E.2521 (1978) shall be terminated.

Done at Bangkok this twentieth day of June in the Two thousand Five hundred and thirty fourth year of the Buddhist Era, (corresponding to the One thousand Nine hundred and ninety first year of the Christian Era), in two originals in the Thai and Lao languages, both texts being equally authentic.

For the Government of
the Kingdom of Thailand

For the Government of the Lao
People's Democratic Republic

ARSA SARASIN

KHAMPHOUI KEOBOUALAPHA

(Mr. Arsa Sarasin)
Minister of Foreign Affairs

(Than Khamphoui Keoboualapha)
Minister of Commerce and Tourism

List "A"

List of main export goods of the Lao People's Democratic Republic to the Kingdom of Thailand.

1. Wood and rattan
 - 1.1 Sawnwood and articles made of wood, table, chair (furniture)
 - 1.2 Manufacturing wooden products (plywood, veneer, sliced wood, parquet)
 - 1.3 Articles made of rattan
 - 1.4 Bamboo and articles made of bamboo

2. Agriculture products
 - 2.1 Sesamum seed, custor seed, loog reiw (spice), tomato
 - 2.2 Products from forests and other natural resources (lac, gum benzoin, cashew nuts, natural resins, herb)
 - 2.3 Hemp, cotton, kapok flower seed

3. Livestock
 - 3.1 Bovine animal
 - 3.2 Meat

4. Manufacturing products
 - 4.1 Electricity
 - 4.2 Mineral ores
 - 4.3 Gemstones
 - 4.4 Coal
 - 4.5 Handicraft
 - 4.6 Other products not inconsistent with Thai import regulations

List "B"

List of main export goods of the Kingdom of Thailand to the Lao People's Democratic Republic

1. Food and beverage
 - 1.1 Rice
 - 1.2 Cane sugar
 - 1.3 Canned food
 - 1.4 Sodium monoglutamate
 - 1.5 Other consumer goods

2. Motor vehicles
 - 2.1 Motor cars, motorcycles, bicycles
 - 2.2 Parts (Motor car, motorcycle, bicycle)
 - 2.3 Batteries

3. Construction machinery and equipment
 - 3.1 Vehicles for construction work
 - 3.2 Construction material
 - 3.3 Iron stripe

4. Agricultural machinery and equipment
 - 4.1 Agricultural machinery
 - 4.2 Mechanical pumps
 - 4.3 Pesticides
 - 4.4 Foodstuff for animal
 - 4.5 Agricultural equipment and parts

5. Miscellaneous goods

5.1 Electrical appliances

5.2 Clothes, woven fabrics, clothing

5.3 Dry battery

5.4 Office supply and accessories

5.5 Handicraft

5.6 Chemical products

5.7 Medicaments

5.8 Other products not inconsistent with Thai export regulations