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Framework for Co-operation

5.1 Agreements and Arrangements Between Canada and The Philippines

A number of agreements and arrangements provide the basic framework for economic and commercial relations between Canada and the Philippines.

A Trade Agreement between Canada and the Philippines was concluded in 1972 and provides for reciprocal most-favoured-nation treatment (with certain specified exceptions) in all matters with respect to customs, import and export charges, and other regulations and requirements relating to the sale of imported goods.

The Convention between Canada and the Philippines for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income was signed in March 1976 and came into effect in December 1977. The Convention is designed to eliminate the double taxation of individuals and companies of one country who do business or earn income in the other. It is an important instrument in encouraging bilateral trade and investment between the two countries.

An Agreement concerning the Peaceful Uses of Nuclear Material, Equipment, Facilities and Information Transferred between Canada and the Republic of the Philippines was signed in June 1981 and came into force in April 1983.

In 1986, Canada and the Philippines signed an Exchange of Notes, constituting a Foreign Investment Insurance Agreement, for the promotion and protection of investments between the two countries. The agreement is designed to facilitate the EDC's investment insurance program in the Philippines and to increase Canadian investor interest.

Following Paris Club negotiations in May 1989, Canada concluded a Debt Rescheduling Agreement with the Philippines. This agreement set forth a second rescheduling of Philippine debt on April 5, 1991.

A Textile Product Restraint Arrangement in effect for the five-year period, from 1987 to 1991, was subsequently extended to December 31, 1992. The arrangement places 11 of 13 clothing categories under restraint. The annual growth in export restraint levels has ranged between 5 percent and 8 percent. The arrangement also provides for government-to-government consultations should imports escalate beyond reasonable levels.

A General Agreement on Development Co-operation between Canada and the Philippines was signed in November 1987. This agreement provides a framework for Canada's development efforts in the Philippines. Key elements of the current five-year Canadian development assistance program were signed during the State Visit to Canada of President Aquino in November 1989.

During President Aquino's visit, the two governments signed a Treaty on Extradition which was designed to promote bilateral co-operation in criminal matters including the transferring of suspected felons from their respective countries.

A Memorandum of Understanding (MOU) on Fish Inspection was concluded in 1989. This MOU facilitated the entry of canned tuna and frozen raw shrimp from the Philippines into Canada and ensured that Canadian and international standards of quality and safety were met. Technical annexes to this MOU were signed in April 1990.

In a regional context, Canada and the Philippines are signatories to the Agreement between Canada and ASEAN on Economic Co-operation, which came into effect in June 1982. Under the agreement, a Joint Co-operation Committee was established to review progress in a range of commercial and development endeavours between Canada and ASEAN.