

been transported from their place of origin to their destination without going through the territory of such third country. Each country shall, however, be free to maintain its requirements of direct consignment existing on the date of signature of the present agreement in respect of any goods in regard to which such direct consignment has relation to that country's prescribed method of valuation for duty purposes.

(b) Each country shall be free to maintain its prescribed method of valuation for customs purposes.

5. In all matters relating to the importation or exportation of any product from or to the territory of the other country, to the allocation of foreign exchange, and to the administration of foreign exchange restrictions affecting transactions involving the importation and exportation of any product, each country undertakes not to apply any prohibitions or restrictions which are not similarly applied to the importation or exportation of the like product from or to the territories of all third countries.

6. The provisions of the present Modus Vivendi shall not limit the right of either country to apply prohibitions or restrictions of any kind directed to the protection of its essential security interests or to the implementation of its obligations under any multilateral commodity agreement concluded under the auspices of the United Nations which is open to participation by both Governments.

7. Each country undertakes that if it establishes or maintains a state enterprise wherever located, or grants to any enterprise, formally or in effect, exclusive or special privileges, such enterprises shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the principle of non-discriminatory treatment provided for in the present Modus Vivendi. To this end, such enterprise shall make any purchases or sales solely in accordance with commercial considerations including price, quality, availability, marketability and other conditions of purchase or sale, and shall afford to the enterprises of the other country adequate opportunity in accordance with customary business practice to compete for participation in such purchases or sales.

8. The provisions of paragraph 7 shall not apply to imports of products of immediate or ultimate consumption in governmental use and not otherwise for resale or use in the production of goods for sale. With respect to such imports, each country shall accord to the trade of the other country fair and equitable treatment.

9. Each Government shall give sympathetic consideration to any representations which the other Government may make in respect of the implementation of the present Modus Vivendi and shall afford adequate opportunity for consultation regarding such representations.

10. If the foregoing provisions are acceptable to the Government of Thailand, I have the further honour to propose that this Note, which is authentic in English and French, together with Your Excellency's reply, which will be authentic in Thai and English, shall constitute an agreement between our two Governments. This agreement shall enter into force upon the date of Your Excellency's Note in reply and shall remain in force for a period of one year