

**TRADE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND
THE GOVERNMENT OF THE KINGDOM OF THAILAND**

The Government of the Republic of Indonesia and The Government of the Kingdom of Thailand, hereinafter referred to as "the Parties":

DESIRING to promote and strengthen trade and economic relation between the two countries on the basis of equality and mutual benefits,
PURSUANT to the prevailing laws and regulations in their respective countries,
HAVE AGREED AS FOLLOWS:

**Article 1
BASIC PROVISION**

The Parties shall take appropriate measures to promote, strengthen, and facilitate trade and trade related matters between the two countries in accordance with their respective laws and regulations, and international treaties to which they are parties, as well as, the principle as enshrined in the Marrakesh Agreement Establishing the World Trade Organization ("the WTO Agreement").

**Article 2
MOST-FAVOURLED-NATION TREATMENT**

1. Each Party shall grant each other the most-favored-nation treatment in accordance with the provisions of the WTO Agreement in all matters relating to:
 - a. Customs duties and all other charges and taxes imposed on importation or exportation of goods as well as methods of levying such duties, charges and taxes;
 - b. Legal provisions pertaining to customs clearance, transit, storage, and reloading; and
 - c. Internal taxes and other levies of any kind imposed on directly to imported goods.
2. All matters relating to import and export licenses and permissions where such licenses and permissions are prescribed under its law, each Party shall grant to the country of the other Party treatment not less favorable than the most favorable treatment granted to any third country.

**Article 3
EXEMPTIONS FROM MOST-FAVOURLED-NATION TREATMENT**

The provision of Article 2 shall not apply to special preferences, advantages, concessions, exemptions and privileges which the Parties has granted or shall grant:

- (a) to their contiguous and neighboring countries to facilitate frontier/border traffic;
- (b) to any countries by virtue of customs union or free trade area or any arrangements leading to such formation of which either Party is already or may become a member or as a result of participation in multilateral, or regional or sub-regional, or bilateral arrangements aiming at trade expansion ; and
- (c) to any countries under any preferences or advantages which are consistent with the WTO Agreement.

Article 4
PROTECTION OF INTELLECTUAL PROPERTY RIGHTS

The Parties shall provide each other intellectual property protection, in accordance with Agreement on Trade-Related Aspects of Intellectual Property Rights which forms an Integral Part of the Final Act of Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations signed in Marrakesh on 15 April 1994.

Comment [w1]: Following the Thai Counter Draft (as of 13 Oct 2003)

Article 5
TRANSIT OF GOODS

The Parties, in accordance with their existing laws and regulations, provide facilitation of transit of goods of the country of the other Party through its territory

Comment [w2]: Following Thailand's Comments (as of 28 Nov 2005)

Article 6
**PROMOTION AND FACILITATION TO ENHANCE TRADE
AND TRADE RELATED MATTERS**

1. The Parties shall promote, within the scope of their authorities, and provide the maximum facilities possible for the purpose of increasing the volume of trade between the two countries.
2. In order to enhance trade between their countries, the Parties shall, encourage the following activities of their respective organizations and enterprises:
 - (a) Arrangements of business meetings, trade missions, trade fairs and exhibitions, seminars, and discussions on trade facilitation related issues;
 - (b) Exchange of information and experience regarding their respective foreign trade;
 - (c) Exploration of the possibility of cooperation to enlarge market access in the third countries; and
 - (d) Cooperation on exchange of information **and Promotion** in the area of industrial standards, *sanitary and phytosanitary (SPS) measures and standard*, technical barriers to trade (TBT), food safety, halal food, customs and **SMEs**.
3. In case problems of access to market in their trade relations emerge, both Parties upon request by one of them, shall, in the spirit of cooperation and mutual understanding and consistent with their WTO obligations, enter into consultation with a view to finding a mutually satisfactory solution. [The working group established under Article 10 shall carry out activities falling under its competence with an aim to promote and facilitate trade and investment between two countries.]
4. ~~Both Parties shall adhere, in accordance to the respective rules and regulations and international laws, in combating illegal trading, illegal logging and illegal fishing~~ [Both Parties shall adhere, in accordance to the respective rules and regulations and international laws, in combating illegal trading, ~~illegal logging and illegal fishing~~]
5. Parties shall explore the possibility of cooperation in other areas, such as Tourism, Energy, [and etc.], so as to develop and promote trade related matters.

Article 7
TRADE FAIRS AND EXHIBITIONS

1. Each Party shall, subject to its laws, rules, and regulations in force, exempt the other Party from customs duties or any other fiscal charges on the following articles originating in the country of the other Party :
 - (a) Goods and materials for temporary use in trade fairs and exhibitions which are not intended for sale; and
 - (b) Samples of merchandise, fit only to be used as such and of no commercial value.
2. Such goods, materials and samples referred to in paragraph 1 of this Article, should not be disposed of in the country into which they are imported and should be re-exported from that country,
3. Goods referred to in para.1 of this article shall be sold within the country and payment of the appropriate customs duties and taxes be in accordance with the laws and regulations in force in their respective countries made upon departure from the country,

Article 8
PAYMENT ARRANGEMENT

II : All payment for goods and services between the two countries shall be made in freely convertible currencies, in accordance with the foreign exchange regulations in force in each country. "Freely convertible currencies" shall mean a currency is widely traded in international foreign exchange market and widely used in international transaction.]

IT : All payments for goods and services between the two countries shall be made in freely usable currencies, in accordance with the foreign exchange regulations in force in each country. "Freely usable currencies" shall mean a currencies that the International Monetary Fund determines freely usable currencies in accordance with the Articles of Agreement of the International Monetary Fund and amendments thereafter.]

Article 9
**GENERAL EXCEPTION AND RESTRICTIONS TO SAFEGUARD
THE BALANCE OF PAYMENTS**

Subject to the requirement that such measures are not applied in an arbitrary or discriminatory manner, the provisions of this Agreement shall not limit the rights of either Party to adopt or execute necessary measures in accordance with the WTO Agreement for the following purposes:

- (a) for reasons of public health, morals, order or security;
- (b) for the protection of plants and animals against diseases and pests;
- (c) to safeguard its external financial position and balance of payments; or
- (d) to protect national treasures of artistic, historical or archaeological value.

Article 10
ESTABLISHMENT OF JOINT TRADE COMMITTEE

The Parties shall establish a Joint Trade Committee at the Ministerial level, consisting of representatives designated by the respective Parties.

The Joint Trade Committee shall:

- (a) be presided jointly by the Minister of the Ministry of Commerce of the Kingdom of Thailand and the Minister of the Ministry of Trade of the Republic of Indonesia, in accordance with the arrangements to be laid down in the rules of procedure to be formally adopted by the Joint Trade Committee;
- (b) establish linkage with the existing Joint Commission between the Republic of Indonesia and the Kingdom of Thailand under the Working Group on Economic, Trade, Investment, and Industrial Cooperation, by interalia informing its activities to the Joint Commission.
- (c) review and keep under consideration the implementation of the provisions of this Agreement;
- (d) examine measures for the prevention and the resolution of problems which may arise in the implementation of this Agreement or in the course of the development of trade between the two countries;
- (e) explore measures for the expansion of mutually beneficial *trade relations* between the two countries;
- (f) explore measures aimed at improving understanding of the trade and related commercial policies of each country;
- (g) identify appropriate areas of commercial, *industrial* and technical cooperation between the relevant enterprises and the organizations of the two countries; and
- (h) meet at such time as agreed by the Parties alternately in Thailand and in Indonesia.

Article 11
COMPETENT AGENCIES

The Parties shall designate their respective Agencies to coordinate and execute this Agreement as well as to oversee and ensure the smooth implementation of the Agreement:

- (a) in the case of the Kingdom of Thailand the Agency shall be the Ministry of Commerce; and
- (b) in the case of the Republic of Indonesia, the Agency shall be the Ministry of Trade.

Article 12
EXCHANGE OF TRADE INFORMATION

With the aim of facilitating trade flows, the Competent Agencies of the Parties shall in accordance with their respective rules and regulations, shall exchange trade information on a regular basis and shall provide each other with trade related information upon request.

Article 13
DISPUTE SETTLEMENT

Any differences between the Parties on the interpretation or implementation of this Agreement shall be settled amicably, through consultation or negotiation between the Parties

Article 14
AMENDMENT

Either Party may request in writing a revision or amendment of all or part of this Agreement. Any revision or amendment which has been agreed on to by both Parties shall come into effect on the date of the receipt of the last notification by which the Parties shall notify each other through diplomatic channels that their legal requirements for the entry into force of the Agreement have been fulfilled.

Article 15
ENTRY INTO FORCE, DURATION AND TERMINATION

1. This Agreement shall enter into force on the date of receipt of the last notification by which the Parties shall notify each other through diplomatic channels that their legal requirements for the entry into force of this Agreement have been fulfilled.
2. This Agreement shall remain in force for an initial period of 3 (three) years and shall be automatically extended for 3 (three) years thereafter, unless either Party submits to the other a written notice of its intention to terminate this agreement 3 (three) months before the expiry of this agreement
3. The revision or the amendment, or the termination of this Agreement shall not affect the validity of any contract and/or arrangement made under this Agreement until the completion of such arrangement and/or contract.

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

DONE at...on this....day of...in the yearin **triplicate** in the Indonesian, Thai and English languages, all texts being equally authentic. In case of any divergence of interpretations of this Agreement, the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA

FOR THE GOVERNMENT OF
THE KINGDOM OF THAILAND

(MARI ELKA PANGESTU)
MINISTER OF TRADE

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MINISTER OF COMMERCE

หมายเหตุ : อินโดนีเซียขอแก้ไข อินโดนีเซียเห็นชอบแล้วตามที่ไทยเสนอ