

TRADE AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE KINGDOM OF THAILAND  
AND  
THE GOVERNMENT OF MALAYSIA

The GOVERNMENT OF THE KINGDOM OF THAILAND and the GOVERNMENT OF MALAYSIA (hereinafter referred to as "the Contracting Parties"),

DESIROUS of developing and strengthening trade and economic relations between the two countries on the basis of equality and mutual benefit,

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The Contracting Parties shall, subject to the laws, regulations and procedures in force in their respective countries, including any obligations as a member of the World Trade Organization take all appropriate measures to facilitate, strengthen and diversify trade between the two countries.

ARTICLE 2

The Contracting Parties shall encourage and provide necessary assistance to the relevant enterprises and organisations of each country to explore the scope for short and long term arrangements in trade and, where appropriate, to conclude such contracts as may be mutually agreed upon.

ARTICLE 3

Each Contracting Party as a member of WTO, shall grant the other most favoured nation treatment in all matters relating to customs duties, taxes and foreign trade formalities in connection with the importation and /or exportation of products.

ARTICLE 4

The Provisions of this Agreement shall not apply to special preferences, advantages, concessions and exemptions which either Contracting Party has granted or may grant :-

- a) to contiguous and neighbouring countries in order to facilitate frontier/border traffic;
- b) to countries who are members of customs union or a free trade zone that either of the Contracting Parties has joined or may join;

- c) as a result of participation in a multilateral arrangement aiming at economic cooperation; and
- d) under the Global System of Trade preferences or any other preferences or advantages which may be accorded and which are WTO consistent.

#### ARTICLE 5

In order to develop further trade between the two countries, the Contracting Parties shall facilitate each other's participation in trade fairs to be held in either country and in arranging exhibitions of either country in the territory of the other, on terms to be agreed upon between their competent authorities.

The exemptions from customs duties, taxes and other similar charges on articles and samples intended for trade fairs and exhibitions, as well as their sale and disposition, shall be subject to the laws, rules and regulations of the country where such fairs and exhibitions are held.

#### ARTICLE 6

All payments between the two countries shall be effected in freely usable currency that may be agreed upon by the Contracting Parties in accordance with the foreign exchange legislation in force in each country.

#### ARTICLE 7

Subject to the requirement that such measures are not applied in an arbitrary or discriminatory manner or a disguised restriction on international trade, the provisions of this Agreement shall not limit the rights of either Contracting Party to adopt or execute measures : -

- a) necessary for reasons of public health, public morals, order or security;
- b) necessary for the protection of plants and animals against diseases and pests, pollution or threat to life;
- c) to safeguard its external financial position and balance of payments;
- d) to protect national treasures of artistic, historical or archaeological value; and
- e) to prevent injury to domestic industries or the threat thereof.

## ARTICLE 8

The Contracting Parties shall agree to establish a Joint Trade Committee which comprise designated representatives of their respective countries and shall meet at the request of one of the Contracting Parties alternately in Thailand or in Malaysia.

The functions of the Joint Trade Committee shall be as follows:

- a) to ensure proper and effective implementation of this Agreement;
- b) to explore measures aimed at improving understanding of the trade and related commercial policies of each country;
- c) to examine measures for the solution of the problems which may arise in the implementation of this Agreement; and
- d) to explore measures for the expansion of mutually beneficial trade between the two countries.

## ARTICLE 9

The Contracting Parties agree upon designating the MINISTRY OF COMMERCE, on behalf of the Government of the Kingdom of Thailand, and the MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY, on behalf of the Government of Malaysia, as designated agencies responsible for the coordination and execution of this Agreement.

## ARTICLE 10

At any time this Agreement is in force, either Party may propose in writing amendments thereto and to which the other Party will reply within three (3) months upon receipt of such proposal. Any alteration or modification of this Agreement shall be done without prejudice to the rights and obligations arising from this Agreement prior to the effective date of such alteration or modification until such rights and obligations are fully implemented.

## ARTICLE 11

Any dispute that may arise from the interpretation and /or application of this Agreement shall be resolved through diplomatic channels.

## ARTICLE 12

This Agreement shall come into force when both Contracting Parties have signed the same and communicated to each other that they concluded all internal formalities for the approval of this Agreement and shall be valid for a period of five (5) years.

Thereafter, it shall automatically be extended for similar periods unless, within a minimum period of three (3) months prior to the expiration of the current period of validity, either Contracting Party gives to the other a written notice of its intention to terminate the Agreement.

## ARTICLE 13

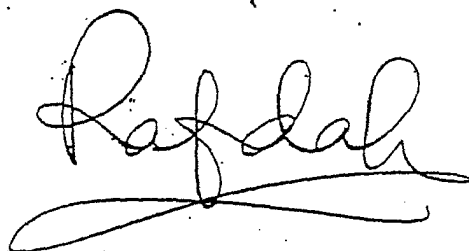
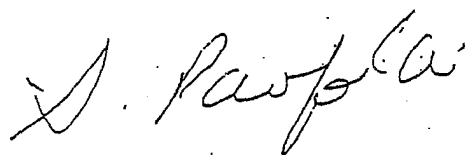
The provisions of this Agreement shall apply, even after its termination, to contracts entered into during the period of the validity of this Agreement but not fully consummated on the day of the termination of this Agreement.

Done at Chiang Mai on this 6th day of October 2000 (A.D.)

In six originals, two in Thai, two in Bahasa Malaysia, and two in English, all texts being equally authentic. In the event of discrepancy between any of the texts of this Agreement, the English text shall prevail.

For the GOVERNMENT OF  
THE KINGDOM OF THAILAND

For the GOVERNMENT OF  
MALAYSIA



(SUPACHAI PANITCHPAKDI)

(RAFIDAH AZIZ)

Deputy Prime Minister  
and Minister of Commerce

Minister of International  
Trade and Industry