AGREEMENT BETWEEN THE UNITED STATES OF AMERICA

AND THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

ON TRADE RELATIONS

The United States of America and the Lao People's Democratic Republic (hereinafter referred to collectively as "Parties" and individually as "Party"),

Desiring to establish mutually beneficial and equitable trade relations on the basis of mutual respect;

Acknowledging that the adoption of and compliance with international trade norms and standards (including those of the World Trade Organization) by the Parties will aid the development of mutually beneficial trade relations, and should be the underlying basis of those relations;

Recognizing the importance of fostering an open and predictable environment for international trade and investment;

Recognizing the benefits to each Party resulting from increased international trade and investment, and agreeing that trade-distorting investment measures and protectionism could deprive the Parties of such benefits;

Taking into account the need to eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries;

Acknowledging the importance of intellectual property rights protection to economic development and growth;

Acknowledging that the development of trade relations and direct contact between nationals and companies of both Parties will promote openness and mutual understanding;

Considering that expanded trade relations between the Parties will contribute to the general well-being of the peoples of each Party;

Having agreed that economic ties are an important and necessary element in the strengthening of their bilateral relations; and

Being convinced that an agreement on trade relations between the two Parties will best serve their mutual interests.

Have agreed as follows:

CHAPTER I

TRADE

ARTICLE 1

Most-favored-nation and Nondiscriminatory Treatment

1. Each Party shall accord unconditionally to products originating in or exported to the territory of the other Party treatment no less favorable than that accorded to like products originating in or exported to the territory of any third country in all matters relating to:

(a) customs duties and charges of any kind imposed on or in connection with importation or exportation, including the method of levying such duties and charges;

(b) methods of payment for imports and exports, and the international transfer of such payments;

(c) rules and formalities in connection with importation and exportation, including those relating to customs clearance, transit, warehouses and transshipment;

(d) taxes and other internal charges of any kind applied directly or indirectly to imported products;

(e) laws, regulations and requirements affecting the sale, offering for sale, purchase, transportation, distribution, storage and use of products in the domestic market; and

(f) the application of quantitative restrictions and the granting of licenses.

2. Each Party shall accord unconditionally to products and services originating in the territory of the other Party treatment no less favorable than that accorded to like products and services originating in the territory of any third country with respect to the allocation of and access to the currency needed to pay for such imports.

3. The provisions of section 1 and 2 of this Article shall not preclude action by either Party which is required or specifically permitted by the Agreement Establishing the World Trade Organization (the "WTO Agreement"), or by any legal instrument under the WTO Agreement, during such time as such Party is a Member of the World Trade Organization.

Similarly, the provisions of sections 1 and 2 shall not apply to special advantages accorded by virtue of the WTO Agreement.

4. The provisions of sections 1 and 2 of this Article shall not apply to:

(a) advantages accorded by either Party by virtue of such Party's full membership in a customs union or free trade area; and

(b) advantages accorded to adjacent countries for the facilitation of frontier traffic.

5. The provisions of section 2 of this Article shall not apply to trade in textiles and textile products.

ARTICLE 2

National Treatment

For the purposes of Chapter I of this Agreement:

1. Each Party shall administer tariff and nontariff measures affecting trade in a manner which affords, with respect to both third country and domestic competitors, meaningful competitive opportunities for products of the other Party.

2. Accordingly, neither Party shall impose, directly or indirectly, on the products of the other Party imported into its territory, internal taxes or charges of any kind in excess of those applied, directly or indirectly, to like domestic products.

3. Each Party shall accord to products originating in the territory of the other Party treatment no less favorable than that accorded to like domestic products in respect of all laws, regulations and requirements affecting their internal sale, offering for sale, purchase, transportation, distribution, storage or use.

4. In addition to the obligations of sections 2 and 3 of this Article, the charges and measures described in sections 2 and 3 of this Article shall not otherwise be applied to imported or domestic products so as to afford protection to domestic production.

5. The Parties shall ensure that technical regulations and standards are not prepared, adopted or applied with a view to creating obstacles to international trade or to protect domestic production. Furthermore, each Party shall accord products imported from the territory of the other Party treatment no less favorable than the better of the treatment accorded to like domestic products or like products originating in any third country in relation to such technical

regulations or standards, including conformity testing and certification. Accordingly, the Parties shall:

(a) ensure that any sanitary or phytosanitary measure is applied only to the extent necessary to protect human, animal or plant life or health, is based on scientific principles and is not maintained without sufficient evidence (i.e., a risk assessment), taking into account the availability of relevant scientific information and regional conditions, such as pest free zones; and

(b) ensure that technical regulations are not prepared, adopted or applied with a view to or with the effect of creating unnecessary obstacles to international trade. For this purpose, technical regulations shall not be more trade-restrictive than necessary to fulfill a legitimate objective, taking into account of the risks non-fulfillment would create. Such legitimate objectives include national security requirements; the prevention of deceptive practices; protection of human health or safety, animal or plant life or health, or the environment. In assessing such risks, relevant elements of consideration include available scientific and technical information, related processing technology or intended end-uses of products.

6. The Parties shall grant, in accordance with the requirements of national treatment, the right to all individuals and entities to engage in foreign trade of goods (both import and export). Trading rights shall be granted without the requirement to invest in a Party or produce or purchase locally and shall be granted to foreign and domestic individuals and enterprises.

7. If a Party has not acceded to the International Convention on the Harmonized Commodity Description and Coding System, it will undertake every reasonable effort to do so as soon as possible, but in any event no later than by December 31, 2004.

ARTICLE 3

General Obligations with Respect to Trade

1. The Parties shall seek to achieve a satisfactory balance of market access opportunities through the satisfactory reciprocation of reductions in tariffs and nontariff barriers to trade in goods resulting from multilateral negotiations. To this end, each Party shall:

(a) except as specifically provided in its Annex A to this Agreement, eliminate all import and export restrictions, quotas, licensing requirements, and controls for

all product categories, other than those that would be permitted by Articles XX and XXI of the GATT 1994;[1]

(b) eliminate all import substitution regulations, guidance and policies;

(c) limit all fees and charges of whatever character (other than import and export duties and other taxes within the purview of Article II of this Agreement) imposed on or in connection with importation or exportation to an amount approximate to the cost of services rendered, and ensure that such fees and charges do not represent an indirect protection to domestic products or a taxation of imports or exports for fiscal purposes;

(d) adopt a system of customs valuation based on the transaction value of the imported merchandise on which duty is assessed, or of like merchandise, rather than on the value of merchandise of national origin or on arbitrary or fictitious values, with the transaction value being the price actually paid or payable for the goods when sold for export to the country of importation in accordance with the standards established in the Agreement on Implementation of Article VII of the GATT 1994; and

(e) ensure that the fees and charges referred to in subparagraph (c) and the customs valuation system referred to in subparagraph (d) are imposed or implemented uniformly and consistently throughout each Party's customs territory.

2. The Parties shall provide tariff treatment to products originating in the customs territory of the other Party no less favorable than provided for by the provisions of its Annex B to this Agreement.

3. Neither Party shall require its nationals or companies to engage in barter or counter trade transactions with nationals or companies of the other Party. Nevertheless, where nationals or companies decide to resort to barter or counter trade operations, the Parties may furnish them information to facilitate the transaction and assist them as they would other export and import operations.

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[1] To the extent that import quotas remain, the Parties will publish no later than ninety (90) days after signature of the Agreement a list of all organizations, including those organizations delegated such authority by the Party, that are responsible for authorizing or approving imports whether through grant of license or other approval. Procedures for obtaining these import licenses and approvals and the criteria for deciding whether a license should be granted will also be published. The Parties will also ensure that the issuance of import licenses are not conditioned on the transfer of technology, meeting requirements related to investment in their territories, or the existence or nature of domestic suppliers of such products or services.

4. After the entry into force of this Agreement, and upon the request of the Lao PDR, the United States will give due consideration to the eligibility of Laos for beneficiary developing country status in accordance with the U.S. statutes implementing the Generalized System of Preferences.

ARTICLE 4

Transparency and Right to Appeal

1. Each Party shall publish on a regular and prompt basis all laws, regulations, rules, decrees, administrative guidance, interpretative rulings, practices, and policies pertaining to the classification or valuation of products for customs purposes; or to rates of duty, taxes or other charges; or to requirements, restrictions or prohibitions on imports or exports or the transfer of payments therefore; or affecting the sale, distribution, transportation, insurance, warehousing, manufacture, use, inspection, exhibition, processing, mixing or other use of imports or exports; or otherwise related to commercial activity, including trade, investment, intellectual property, taxation, banking, telecommunications, insurance and other financial services, transport, distribution, retail sale, manufacturing, and labor. Such information will include among other things the quantity or value to be imported of any product subject to quantitative restriction, the types of products intended to be imported, and other relevant commercial information, such as projects which could involve imported products. Publication of such information and measures will be in a manner which enables governments persons engaged in commercial activity to become acquainted with them before they come into effect and to apply them in accordance with their terms.

2. Each Party shall provide nationals and companies of the other Party with access to data on the national economy and individual sectors, including information on foreign trade. The requirements of this paragraph and the preceding paragraph do not require disclosure of confidential information which would impede law enforcement other otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises, public or private. For the purposes of this Agreement, confidential information that would prejudice the legitimate commercial interests of particular enterprises means specific information concerning the importation of a product that would have a significant adverse effect on the price or quantity available of such product, but shall not include information required to be disclosed under the WTO Agreement.

3. Each Party shall allow, to the extent possible, the other Party and its nationals the opportunity to comment on the formulation of rules and regulations which affect the conduct of business activities covered by this Agreement.

4. All laws, regulations, rules, decrees, administrative guidance, interpretative rulings, practices, and policies referred to in paragraph 1 of this Article that are not published and readily available to other governments and persons engaged in commercial activities as of the date of signature of this Agreement will be made public and readily and quickly available.

Only laws, regulations, rules, degrees, administrative guidance, interpretative rulings, practices, and policies that are published and readily available to other governments and persons engaged in commercial activity will be enforced and enforceable.

5. Publication of each new law, regulation, rule, decree, administrative guidance, interpretative ruling, practice, and policy governing matters set forth in paragraph 1 shall take place before the related measure is effective. Each such publication shall include the effective date of the measure, the products (by tariff line) or services affected by the measure, and all authorities that must approve or be consulted in the implementation of the measure, and provide a contact point within each authority from which relevant information can be obtained.

6. The Parties shall have or designate an official journal or journals and all measures of general application shall be published in such journals. The Parties will publish such journals on a regular basis and make copies of them readily available to the public.

7. The Parties shall administer in a uniform, impartial and reasonable manner all their respective laws, regulations, rules, decrees, administrative guidance, interpretative rulings, practices, and policies of the type described in paragraph 1.

8. The Parties will maintain administrative and judicial bodies and procedures for the purpose, inter alia, of the prompt review and correction of administrative action relating to customs matters, including customs valuation, or any other matters regarding quantitative restrictions on imports (other than textile products). These procedures shall include the opportunity for appeal, without penalty, by persons affected by the relevant decision. If the initial right of appeal is to an administrative body, there shall also be the opportunity for appeal of the decision to a judicial body. Notice of the decision on appeal shall be given to the appellant and the reasons for such decision shall be provided in writing. The appellant shall also be informed of the right to any further appeal.

ARTICLE 5

Expansion and Promotion of Trade

1. The Parties affirm their desire to expand trade in products and services consistent with the terms of this Agreement. They shall take appropriate measures to encourage and facilitate trade in goods and services and to secure favorable conditions for long-term development of trade relations between their respective nationals and companies.

2. The Parties shall take appropriate measures to encourage the expansion of commercial contacts with a view to increasing trade. Toward this end, the Parties shall publicize this Agreement and ensure that it is made available to all interested parties.

3. Each Party shall encourage and facilitate the holding of trade promotional events such as fairs, exhibitions, missions and seminars in its territory and in the territory of the other Party. Similarly, each Party shall encourage and facilitate the participation of its respective nationals and companies in such events. Subject to the laws in force within their respective territories, the Parties agree to allow the import and re-export on a duty free basis of all articles for use in such events, provided that such articles are not sold or otherwise transferred.

ARTICLE 6

Government Commercial Offices

1. Subject to its laws and regulations governing foreign missions, each Party shall allow government commercial offices to hire directly host-country nationals and, subject to immigration laws and procedures, third-country nationals.

2. Each Party shall ensure unhindered access of host-country nationals to government commercial offices of the other Party.

3. Each Party shall encourage the participation of its nationals and companies in the activities of the other Party's government commercial offices, especially with respect to events held on the premises of such commercial offices.

4. Each Party shall encourage and facilitate access by government commercial office personnel of the other Party to host-country officials at both the national and subnational level, and to representatives of nationals and companies of the host Party.

ARTICLE 7

Financial Provisions Relating to Trade in Products and Services

1. Unless otherwise agreed between the parties to such transactions, all commercial transactions shall be made in United States dollars or any other currency that may be designated from time to time by the International Monetary Fund as being a freely usable currency.

2. Neither Party shall restrict the transfer from its territory of convertible currencies or deposits, or instruments representative thereof, obtained in connection with trade in products and services by nationals and companies of the other Party provided that nationals and companies of the other Party may be required to comply with administrative formalities for

such repatriation; and provided further that such formalities may not constitute a restriction on payments or transfers for current transactions.

3. Without derogation from section 2 of this Article, in connection with trade in products and services, each Party shall grant to nationals and companies of the other Party most-favored-nation or national treatment, whichever is most favorable, with respect to:

(a) opening and maintaining accounts, in both local and foreign currency, and having access to funds deposited in financial institutions located in the territory of the Party provided that nationals and companies of the other Party may be required to comply with administrative formalities for such repatriation; and provided further that such formalities may not constitute a restriction on payments or transfers for current transactions;

(b) payments, remittances and transfers of convertible currencies, or financial instruments representative thereof, between the territories of the two Parties, as well as between the territory of that Party and that of any third country provided that nationals and companies of the other Party may be required to comply with administrative formalities for such repatriation; and provided further that such formalities may not constitute a restriction on payments or transfers for current transactions; and

(c) rates of exchange and related matters, including access to freely usable currencies.

ARTICLE 8

Areas for Further Economic and Technical Cooperation

1. The Parties shall take appropriate steps to foster economic and technical cooperation on as broad a base as possible in all fields deemed to be in their mutual interest.

2. The Parties, taking into account the growing economic significance of service industries, shall consult on matters affecting the conduct of service business between the two countries and particular matters of mutual interest relating to individual service sectors with the objective, among others, of attaining maximum possible market access and liberalization.

ARTICLE 9

Emergency Action on Imports

1. If, as a result of unforeseen developments and of the effect of the obligations incurred by a Party under the agreements administered by the WTO or this Agreement, including tariff concessions, any product is being imported into the territory of that Party in such increased quantities and under such conditions as to cause or threaten serious injury to domestic producers in that territory of like or directly competitive products, the Party shall be free, in respect of such product, and to the extent and for such time as may be necessary to prevent or remedy such injury, to suspend the obligation in whole or in part or to withdraw or modify the concession.

2. Before a Party shall take action pursuant to the provisions of section 1 of this Article, if the other Party has a substantial interest as exporter of the product concerned, then the importing Party shall afford the other Party an opportunity to consult with it in respect of the proposed action. In critical circumstances where delay would cause damage which it would be difficult to repair, action under section 1 of this Article may be taken provisionally without prior notice or consultation, on the condition that consultations shall be effected immediately after taking such action.

3. Unless a different solution is mutually agreed upon during the consultations, the importing Party shall be free to take or continue action under section 1 of this Article. In that event, the other Party shall be free to deviate from its obligations under this Agreement with respect to substantially equivalent trade.

4. The Parties acknowledge that the elaboration of the market disruption safeguard provisions in this Article is without prejudice to the right of either Party to apply it laws and regulations applicable to trade in textiles and textile products and its laws and regulations applicable to unfair trade, including antidumping and countervailing duty laws.

ARTICLE 10

Commercial Disputes

For the purposes of Chapter I of this Agreement:

1. Nationals and companies of either Party shall be accorded national treatment with respect to access to all courts and administrative bodies in the territory of the other Party, as plaintiffs, defendants or otherwise. They shall not be entitled to claim or enjoy immunity from suit or execution of judgment, proceedings for the recognition and enforcement of arbitral

awards, or other liability in the territory of the other Party with respect to commercial transactions; they also shall not claim or enjoy immunities from taxation with respect to commercial transactions, except as may be provided in other bilateral agreements.

2. The Parties encourage the adoption of arbitration for the settlement of disputes arising out of commercial transactions concluded between nationals or companies of the United States of America and nationals or companies of the Lao PDR. Such arbitration may be provided for by agreements in contracts between such nationals and companies, or in separate written agreements between them.

3. Nationals and companies of either Party which have thus agreed to arbitration (the "parties") may provide for arbitration under any internationally recognized arbitration rules, including the UNCITRAL Rules of December 15, 1976, and any modifications thereto. If arbitration is to be conducted under the UNCITRAL Rules, an Appointing Authority should be designated pursuant to the UNCITRAL Rules in a country other than the United States of America or the Lao PDR.

4. Unless otherwise agreed between the parties, the parties should specify as the place of arbitration a country other than the United States of America or the Lao PDR, that is a party to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, done at New York, June 10,1958.

5. Nothing in this Article shall be construed to prevent, and the Parties shall not prohibit, the parties from agreeing upon any other form of arbitration or on the law to be applied in such arbitration, or other forms of dispute settlement which they mutually prefer and agree best suits their particular needs.

6. Each Party shall ensure that an effective means exists within its territory for the recognition and enforcement of arbitral awards.

ARTICLE 11

State Trading and Industrial Subsidies

1. To the extent either Party establishes or maintains a State enterprise, or grants to any enterprise, formally or in effect, exclusive or special privileges, it shall ensure that such enterprise shall, in its purchases or sales involving either imports or exports, act in a manner consistent with the general principles of non-discriminatory treatment prescribed in this Agreement for governmental measures affecting imports or exports by private traders.

2. The provisions of paragraph 1 of this Article shall be understood to require that such enterprises shall, having due regard to the other provisions of this Agreement, make any such

purchases or sales solely in accordance with commercial considerations, including price, quality, availability, marketability, transportation and other conditions of purchase or sale, and shall afford the enterprises of the other Party adequate opportunity, in accordance with customary business practice, to compete for participation in such purchase or sales.

3. The provisions of paragraph 1 of this Article shall not apply to imports of products for immediate or ultimate consumption in government use and not otherwise for resale or use in the production of goods for sale. With respect to such imports, each Party shall accord to the trade of the other Party fair and equitable treatment.

4. Neither Party may grant or maintain subsidies contingent, in law or in fact, whether solely or as one of several other conditions, upon the recipient meeting any export performance or import substitution requirement, including subsidies to state enterprises and to firms located in export processing zones.

ARTICLE I2

Government Procurement

The Parties shall make readily available to the public and foreign entities procedures and criteria for tendering all central-government level procurement with a value above two hundred thousand U.S. dollars. This shall include, among other things, making readily available to the public all procedures for bidding or otherwise applying for such tenders, and all the criteria on which such bids or applications will be judged including pre-qualification and short listing, if any. These materials shall be made available as far in advance as is necessary to allow interested suppliers a meaningful opportunity to submit responsive bids. Contracts shall be awarded strictly on the basis of criteria identified publicly. Notice of evaluation results, invitations to negotiate contracts, and the monetary value of final contracts and amounts paid once contracts are performed shall be made available to all bidders to ensure fairness and transparency.

CHAPTER II

INTELLECTUAL PROPERTY RIGHTS

ARTICLE 13

Nature and Scope of Obligations

1. Each Party shall provide in its territory to the nationals of the other Party adequate and effective protection and enforcement of intellectual property rights, while ensuring that measures to protect and enforce intellectual property rights do not themselves become barriers to legitimate trade.

2. To provide adequate and effective protection and enforcement of intellectual property rights, each Party shall, at a minimum, give effect to this Agreement and the substantive economic provisions of:

(a) the *Geneva Convention for the Protection of Producers of Phonograms Against Unauthorized Duplication of their phonograms,* 1971(Geneva Convention);

(b) the *Berne Convention for the Protection of Literary and Artistic Works,* 1971 (Berne Convention);

(c) the *Paris Convention for the Protection of Industrial Property,* 1967 (Paris Convention);

(d) the *International Convention for the Protection of New Varieties of Plants,* 1978 (UPOV Convention), or the *International Convention for the Protection of New Varieties of Plants,* 1991 (UPOV Convention); and

(e) the *Convention Relating to the Distribution of Programme-Carrying Signals Transmitted by Satellite* (1974).

If a Party has not acceded to the specified text of any such Conventions on or before the date of entry into force of this Agreement, it shall promptly make every effort to accede without delay.

3. A Party may implement in its domestic law more extensive protection and enforcement of intellectual property rights than is required under this Agreement, provided that such protection and enforcement is not inconsistent with this Agreement.

ARTICLE 14

National Treatment

1. Each Party shall accord to nationals of the other Party treatment no less favorable than it accords to its own nationals with regard to the acquisition, protection, enjoyment and enforcement of all intellectual property rights and any benefits derived therefrom.

2. A Party shall not, as a condition of according national treatment under this Article, require right holders to comply with any formalities or conditions (including fixation, publication or exploitation in the territory of a Party) in order to acquire, enjoy, enforce and exercise rights or benefits in respect of copyright and related rights.

3. A Party may derogate from paragraph 1 in relation to its judicial and administrative procedures for the protection or enforcement of intellectual property rights, including any procedure requiring a national of the other Party to designate for service of process an address in the Party's territory or to appoint an agent in the Party's territory, if the derogation is consistent with the relevant Convention listed in Article 13(2) of this Agreement, provided that such derogation:

(a) is necessary to secure compliance with measures that are not inconsistent with this Agreement; and

(b) is not applied in a manner that would constitute a restriction on trade.

4. No Party shall have any obligation under this Article with respect to procedures provided in multilateral agreements concluded under the auspices of the World Intellectual Property Organization relating to the acquisition or maintenance of intellectual property rights.

ARTICLE 15

Copyright

1. Each Party shall protect all works that embody original expression within the meaning of the Berne Convention. In particular:

(a) all types of computer programs are literary works within the meaning of the Berne Convention and each Party shall protect them as such; and

(b) compilations of data or other material, whether in machine readable or other form, which by reason of the selection or arrangement of their contents constitute intellectual creations, shall be protected as works.

The protection a Party provides under subparagraph (b) shall not extend to the data or material itself, or prejudice any copyright subsisting in that data or material.

2. Each Party shall provide to authors and their successors in interest those rights enumerated in the Berne Convention in respect of works covered by paragraph 1, and shall provide the right to authorize or prohibit:

(a) the importation into the Party's territory of copies of the work, regardless of whether such copies have been placed on the market by the relevant right holder;

(b) the first public distribution of the original and each copy of the work by sale, rental or otherwise;

(c) the communication of a work to the public; and

(d) the rental of the original or a copy of a computer program for direct or indirect commercial advantage.

Subparagraph (d) shall not apply where the copy of a computer program is not itself an essential object of the rental. Each Party shall provide that putting the original or a copy of a computer program on the market with the right holder's consent shall not exhaust the rental right.

3. Each Party shall provide that for copyright and related rights:

(a) any person acquiring or holding any economic rights may freely and separately transfer such rights by contract; and

(b) any person acquiring or holding any such economic rights by virtue of a contract, including contracts of employment underlying the creation of works and sound recordings, shall be able to exercise those rights in its own name and enjoy fully the benefits derived from those rights.

4. Each Party shall provide that, where the term of protection of a work is to be calculated on a basis other than the life of a natural person, the term shall be not less than 75 years from the end of the calendar year of the first authorized publication of the work or, failing such authorized publication within 25 years from the creation of the work, not less than 100 years from the end of the calendar year of the creation of the work.

5. Neither Party may grant translation or reproduction licenses permitted under the Appendix to the Berne Convention where legitimate needs in that Party's territory for copies or translations of the work could be met by the right holder's voluntary actions but for obstacles created by the Party's measures.

6. Each Party shall provide to the right holder in a sound recording the right to authorize or prohibit:

(a) the direct or indirect reproduction, in whole or in part, of the sound recording;

(b) the importation into the Party's territory of copies of the sound recording, regardless of whether such copies have been placed on the market by the relevant right holder;

(c) the first public distribution of the original and each copy of the sound recording by sale, rental or otherwise; and

(d) the rental, lease or lending of the original or a copy of the sound recording for the purposes of direct or indirect commercial advantage.

Each Party shall provide that putting the original or a copy of a sound recording on the market with the right holder's consent shall not exhaust the rental right.

7. Each Party shall provide to performers the right to authorize or prohibit:

(a) the fixation of their live musical performances in a sound recording;

(b) the reproduction of unauthorized fixations of their live musical performances in a sound recording;

(c) the transmission or other communication to the public of sounds in a live musical performance; and

(d) the distribution, sale, rental, disposal or transfer of the unauthorized fixations of their live performances in a sound recording, regardless of where the fixations were made.

8. Each Party shall, through operation of this Agreement, apply the provisions of Article 18 of the Berne Convention for the Protection of Literary and Artistic Works to existing sound recordings.

9. Each Party shall confine limitations or exceptions to the rights provided for in this Article to certain special cases that do not conflict with a normal exploitation of the work, and do not unreasonable prejudice the legitimate interests of the right holder.

ARTICLE 16

Protection of Encrypted Program-Carrying Satellite Signals

Within one year from the date of entry into force of this Agreement, each Party shall make it:

(a) a criminal offense to manufacture, assemble, modify, import, export, sell, lease or otherwise distribute a tangible or intangible device or system, knowing or having reason to know that the device or system is primarily of assistance in decoding an encrypted program-carrying satellite signal without the authorization of the lawful distributor of such signal;

(b) a criminal offense willfully to receive or further distribute an encrypted program-carrying satellite signal that has been decoded without the authorization of the lawful distributor of the signal; and

(c) a civil offense to engage in any activity prohibited under subparagraph (a) or (b)

Each Party shall provide that any civil offense established under subparagraph (c) shall be actionable by any person that holds an interest in the encrypted programming signal or the content thereof.

ARTICLE 17

Trademarks

1. For the purposes of this Agreement, a trademark consists of any sign, or any combination of signs, capable of distinguishing the goods or services of one person from those of another, including words, personal names, designs, letters, numerals, colors, figurative elements, or the shape of goods or of their packaging. Trademarks shall include service marks, collective marks, and certification marks.

2. Each Party shall provide to the owner of a registered trademark the right to prevent all persons not having the owner's consent from using in commerce identical or similar signs for goods or services that are identical, similar, or related to those goods or services in respect of which the owner's trademark is registered, where such use would result in a likelihood of confusion. In the case of the use of an identical sign for identical goods or services, a likelihood of confusion shall be presumed. The rights described above shall not prejudice any prior rights, nor shall they affect the possibility of making rights available in the basis of use.

3. A Party may make registrability depend on use. However, actual use of a trademark shall not be a condition for filing an application for registration. Neither Party may refuse an

application solely on the ground that intended use has not taken place before the expiry of a period of three years from the date of application for registration.

4. Each Party shall provide a system for the registration of trademarks, which shall include:

(a) examination of applications;

(b) notice to be given to an applicant of the reasons for the refusal to register a trademark;

(c) a reasonable opportunity for the applicant to respond to the notice;

(d) publication of each trademark either before or promptly after it is registered; and

(e) a reasonable opportunity for interested persons to petition to oppose and cancel the registration of a trademark.

5. The nature of the goods or services to which a trademark is to be applied shall in no case form an obstacle to the registration of a trademark.

6. Article 6^{bis} of the Paris Convention shall apply, with such modifications as may be necessary, to services. In determining whether a trademark is well-known, account shall be taken of the knowledge of the trademark in the relevant sector of the public, including knowledge in the Party's territory obtained as a result of the promotion of the trademark. Neither Party may require that the reputation of the trademark extend beyond the sector of the public that normally deals with the relevant goods or services or that the trademark be registered.

7. Each Party shall use the International Classification of Goods and Services for registration. Neither Party shall use such classification as the basis for determining the likelihood of confusion.

8. Each Party shall provide that the initial registration of a trademark be for a term of at least 10 years and the registration be indefinitely renewable for terms of not less than 10 years when conditions for renewal have been met.

9. Each Party shall require the use of a trademark to maintain a registration. The registration may be canceled for the reason of non-use only after an uninterrupted period of at least three years of non-use, unless valid reasons based on the existence of obstacles to such use are shown by the trademark owner. The law shall recognize, as valid reasons for non-use, circumstances arising independently of the will of the trademark owner that constitute an obstacle to the use of the trademark, such as import restrictions on, or other government requirements for, goods or services identified by the trademark.

10. Each party shall recognize the use of a trademark by a person other than the trademark owner, where such use is subject to the owner's control, as use of the trademark for purposes of maintaining the registration.

11. Neither Party may encumber the use of a trademark in commerce by special requirements, such as a use that reduces the trademark's function as an indication of source or a use with another trademark.

12. A Party may determine conditions on the licensing and assignment of trademarks, it being understood that the compulsory licensing of trademarks shall not be permitted. The owner of a registered trademark shall have the right to assign its trademark with or without the transfer of the business to which the trademark belongs. However, a Party may require a transfer of goodwill in a mark as part of a valid transfer of the mark.

13. A Party may provide limited exceptions to the rights conferred by a trademark, such as fair use of descriptive terms, provided that such exceptions take into account the legitimate interests of the trademark owner and of other persons.

14. Each Party shall refuse to register trademarks that consist of or comprise immoral, deceptive or scandalous matter, or matter that may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs or a Party's national symbols, or bring them into contempt or disrepute. Each Party shall prohibit the registration as a trademark of words that generically designate goods or services or types of goods or services to which the trademark applies.

ARTICLE 18

Patents

1. Each Party shall make patents available for any invention, whether a product or a process, in all fields of technology, provided that such invention is new, resulted from an inventive step and is capable of industrial application. For purposes of this Article, a Party may deem the terms " inventive step " and " capable of industrial application " to be synonymous with the terms " non-obvious " and " useful", respectively.

2. If a Party has not made available patent protection for a product subject to a regulatory review period prior to its commercial marketing or use commensurate with paragraph 1 as of seventeen years prior to the date of this Agreement, that Party shall provide to the inventor of any such product or its assignee the means to obtain product patent protection or equivalent protection for such product for the unexpired term of the patent for such product granted in the other Party, as long as the product has not been marketed at the time of this Agreement in the Party providing protection under this paragraph and the person seeking such protection makes

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a timely request. The transitional protection must, at least, give the patent owner or his assignee the right to exclude others from making, using or selling the invention during the remaining term of the patent granted by the other Party.

3. Each Party shall provide that:

(a) where the subject matter of a patent is a product, the patent shall confer on the patent owner the right to prevent other persons from making, using, selling, offering for sale or importing the subject matter of the patent, without the patent owner's consent; and

(b) where the subject matter of a patent is a process, the patent shall confer on the patent owner the right to prevent other persons from using that process and from using, selling, offering for sale or importing at least the product obtained directly by that process, without the patent owner's consent.

4. A Party may provide limited exceptions to the exclusive rights conferred by a patent, provided that such exceptions do not conflict with a normal exploitation of the patent and do not unreasonably prejudice the legitimate interests of the patent owner.

5. Patents shall be available and patent rights enjoyable without discrimination as to the field of technology or whether products are imported or locally produced.

6. A Party may revoke a patent only when grounds exist that would have justified a refusal to grant the patent.

7. Each Party shall permit patent owners to assign and transfer by succession their patents, and to conclude licensing contracts.

8. A Party may decline to allow use without the authorization of the right holder of a patent. However, where the law of a Party allows for use of the subject matter of a patent, other than use allowed under paragraph 4, without the authorization of the right holder, including use by the government or other persons authorized by the government, the Party shall respect the following provisions:

(a) authorization of such use shall be considered on its individual merits;

(b) such use may be permitted only if, prior to such use, the proposed user has made efforts to obtain authorization from the right holder on reasonable commercial terms and conditions and such efforts have not been successful within a reasonable period of time. The requirement to make such efforts may be waived by a Party in the case of a national emergency or other circumstances of extreme urgency or in cases of public non-commercial use. In situations of national emergency or other circumstances of extreme urgency, the right holder shall, nevertheless, be notified as soon as reasonably practicable. In the case of public non-commercial use, where the government or contractor, without

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making a patent search, knows or has demonstrable grounds to know that a valid patent is or will be used by or for the government, the right holder shall be informed promptly;

(c) the scope and duration of such use shall be limited to the purpose for which it was authorized, and in the case of semiconductor technology shall only be for public noncommercial use or to remedy a practice determined after judicial or administrative process to be anti-competitive.

(d) such use shall be non-exclusive;

(e) such use shall be non-assignable, except with that part of the enterprise or goodwill that enjoys such use;

(f) any such use shall be authorized predominantly for the supply of the Party's domestic market;

(g) authorization for such use shall be liable, subject to adequate protection of the legitimate interests of the persons so authorized, to be terminated if and when the circumstances that led to it cease to exist and are unlikely to recur. The competent authority shall have the authority to review, on petition of an interested party, the continued existence of these circumstances;

(h) the right holder shall be paid adequate remuneration in the circumstances of each case, taking into account the economic value of the authorization;

(i) the legal validity of any decision relating to the authorization shall be subject to judicial or other independent review by a distinct higher authority;

(j) any decision relating to the remuneration provided in respect of such use shall be subject judicial or other independent review by a distinct higher authority;

(k) the Party shall not be obliged to apply the conditions set out in subparagraphs (b) and (f) where such use is permitted to remedy a practice determined after judicial or administrative process to be anticompetitive. The need to correct anticompetitive practices may be taken into account in determining the amount of remuneration in such cases. Competent authorities shall have the authority to refuse termination of authorization if and when the conditions that led to such authorization ate likely to recur; and

(l) the Party shall not authorize the use of the subject matter of a patent to permit the exploitation of another patent except as a remedy for an adjudicated violation of domestic laws regarding anticompetitive practices.

9. Where the subject matter of a patent is a process for obtaining a product, each Party shall, in any infringement proceeding, place on the defendant the burden of establishing that the allegedly infringing product was made by a process other than the patented process in one or more of the following situations:

(a) the product obtained by the patented process is new; or

(b) a substantial likelihood exists that the allegedly infringing product was made by the process and the patent owner has been unable through reasonable efforts to determine the process actually used.

In the gathering and evaluation of evidence, the legitimate interests of the defendant in protecting its trade secrets shall be taken into account.

10. Each Party shall provide a term of protection for patents that shall not end before the expiration of a period of twenty years counted from the date of filing. A Party may extent the term of patent protection, in appropriate cases, to compensate for delays caused by regulatory approval processes.

ARTICLE 19

Semiconductor Layout Designs

1. Each Party shall protect layout designs (topographies) of integrated circuits ("layout designs") in accordance with Articles 2 through 7, 12 and 16(3), other than Article 6(3), of the *Treaty on Intellectual Property in Respect of Integrated Circuits* as opened for signature on May 26, 1989, and, in addition, shall comply with paragraphs 2-8 of this Article.

2. Subject to paragraph 3, each Party shall make it unlawful for any person without the right holder's authorization to reproduce, import or distribute a protected layout design, an integrated circuit in which a protected layout design is incorporated, or an article incorporating such an integrated circuit only insofar as it continues to contain an unlawfully reproduced layout design.

3. Neither Party may make unlawful any of the acts referred to in paragraph 2 performed in respect of an integrated circuit that incorporates an unlawfully reproduced layout design, or any article that incorporates such an integrated circuit, where the person performing those acts or ordering those acts to be done did not know and had no reasonable ground to know, when it acquired the integrated circuit or article incorporating such an integrated circuit, that it incorporated an unlawfully reproduced layout design.

4. Each Party shall provide that, after the person referred to in paragraph 3 has received sufficient notice that the layout design was unlawfully reproduced, such person may perform any of the acts with respect to the stock on hand or ordered before such notice, but shall be liable to pay the right holder for doing so an amount equivalent to a reasonable royalty such as would be payable under a freely negotiated license in respect of such a layout design.

5. Neither Party may permit the compulsory licensing of layout designs of integrated circuits.

6. Any Party that requires registration as a condition for protection of a layout design shall provide that the term of protection shall not end before the expiration of a period of 10 years counted from the date of filing an application for registration or from the date on which the mask work is first commercially exploited in the world, whichever occurs first.

7. Where a Party does not require registration as a condition for protection of a layout design, the Party shall provide a term of protection of not less than 10 years from the date of the first commercial exploitation of the layout design, wherever in the world it occurs.

8. Notwithstanding paragraphs 6 and 7, a Party may provide that the protection shall lapse 15 years after the creation of the layout design.

ARTICLE 20

Protection of Confidential Information (Trade Secrets)

1. In the course of ensuring effective protection against unfair competition as provided in Article 10bis of the Paris Convention (1967), each Party shall protect confidential information in accordance with paragraph 2 below and data submitted to government or governmental agencies in accordance with paragraphs 5 and 6 below.

2. Each Party shall provide the legal means for any person to prevent confidential information from being disclosed to, acquired by, or used by others without the consent of the person lawfully in control of the information in a manner contrary to honest commercial practices, in so far as, and for so long as:

(a) the information is not generally known or readily ascertainable;

(c) the information has actual or potential commercial value because it is secret; and

(c) the person lawfully in control of the information has taken reasonable steps under the circumstances to keep it secret.

3. Neither Party may limit the duration of protection for confidential information, so long as the conditions in paragraph 2 exist.

4. Neither Party may discourage or impede the voluntary licensing of confidential information by imposing excessive or discriminatory conditions on such licenses or conditions that dilute the value of the confidential information.

5. If a Party requires, as a condition for approving the marketing of pharmaceutical or agrichemical products, the submission of undisclosed test or other data, the origination of which involves a considerable effort, the Party shall protect such data against unfair commercial use. In addition, each Party shall protect such data against disclosure, except where necessary to protect the public.

6. Each Party shall provide that for data of a type referenced in paragraph 5 that are submitted to the Party after the date of entry into force of this Agreement, no person other than the person that submitted them may, without the latter's permission, rely on such data in support of an application for product approval during a reasonable period of time after their submission. For this purpose, a reasonable period shall normally mean not less than five years from the date on which the Party granted approval to the person that produced the data for approval to market its product, taking account of the nature of the data and the person's efforts and expenditures in producing them.

ARTICLE 21

Industrial Designs

1. Each Party shall provide for the protection of independently created industrial designs that are new or original. A Party may provide that:

(a) designs are not new or original if they do not significantly differ from known designs or combinations of known design features; and

(b) such protection shall not extend to designs dictated essentially by technical or functional considerations.

2. Each Party shall ensure that the requirements for securing protection for textile designs, in particular in regard to any cost, examination or publication, do not unreasonably impair a person's opportunity to seek and obtain such protection. A Party may comply with this obligation through industrial design law or copyright law.

3. Each Party shall provide the owner of a protected industrial design the right to prevent other persons not having the owner's consent from making, selling, or otherwise distributing articles bearing or embodying a design that is a copy, or substantially a copy, of the protected design, when such acts are undertaken for commercial purposes.

4. A Party may provide limited exceptions to the protection of industrial designs, provided that such exceptions do not conflict with the normal exploitation of protected industrial designs and do not unreasonably prejudice the legitimate interests of the owner of the protected design.

5. Each Party shall provide a term of protection for industrial designs of at least 10 years.

ARTICLE 22

Enforcement of Intellectual Property Rights

1. As specified in this Article and Articles 23 through 26, each Party shall provide procedures in its domestic law that permit effective action against infringement of the intellectual property rights covered by this Agreement. These procedures shall include expeditious remedies to prevent infringement and remedies substantial enough to deter future infringement. Each Party shall apply enforcement procedures in a manner that does not create barriers to legitimate trade and contains effective safeguards against abuse.

2. Each Party shall ensure that its enforcement procedures are fair and equitable, are not unnecessarily complicated or costly, and do not entail unreasonable time limits or unwarranted delays.

3. Each Party shall ensure that decisions on the merits of a case in judicial and administrative enforcement proceedings are:

(a) in writing and state the reasons on which the decisions are based;

(b) made available without undue delay at least to the parties in a proceeding; and

(c) based only on evidence in respect of which such parties were offered the opportunity to be heard.

4. Each Party shall ensure that parties in a proceeding have an opportunity to have final administrative decisions reviewed by a judicial authority of that Party and, subject to jurisdictional provisions in its domestic laws concerning the importance of a case, to have reviewed at least the legal aspects of initial judicial decisions on the merits of a case. Notwithstanding the above, neither Party shall be required to provide for judicial review of acquittals in criminal cases.

5. Nothing in this Article or Articles 23 through 26 shall be construed to require either Party to establish a judicial system for the enforcement of intellectual property rights distinct from that Party's system for the enforcement of laws in general.

ARTICLE 23

Specific Procedural and Remedial Aspects of Civil and Administrative Procedures

1. Each Party shall make available to right holders civil judicial procedures for the enforcement of any intellectual property right covered by this Agreement. Each Party shall provide that:

(a) defendants have the right to written notice that is timely and contains sufficient detail, including the basis of the claims;

(b) parties in a proceeding are allowed to be represented by independent legal counsel;

(c) enforcement procedures do not include imposition of overly burdensome requirements concerning mandatory personal appearances;

(d) all parties in a proceeding are duly entitled to substantiate their claims and to present relevant evidence; and

(e) the procedures include a means to identify and protect confidential information.

2. Each Party shall authorize its judicial authorities:

(a) where a party in a proceeding has presented reasonably available evidence sufficient to support its claims and has specified evidence relevant to the substantiation of its claims that is within the control of the opposing party , to order the opposing party to produce such evidence, subject in appropriate cases to conditions that ensure the protection of confidential information;

(b) where a party in a proceeding voluntarily and without good reason refuses access to, or otherwise does not provide relevant evidence under that party's control within a reasonable period, or significantly impedes a proceeding relating to an enforcement action, to make preliminary and final determinations, affirmative or negative, on the basis of the evidence presented, including the complaint or the allegation presented by the party adversely affected by the denial of access to evidence, subject to providing the parties an opportunity to be heard on the allegations or evidence;

(c) to order a party in a proceeding to desist from an infringement, including measures to prevent the entry of imported goods at the border;

(d) to order the infringer of an intellectual property right to pay the right holder damages adequate to compensate for the injury the right holder has suffered because of the infringement and the profits of the infringer that are attributable to the infringement and are not taken into account in computing the actual damages;

(e) to order an infringer of an intellectual property right to pay the right holder's expenses, which may include appropriate attorney's fees; and

(f) to order a party in a proceeding at whose request measures were taken and who has abused enforcement procedures to provide adequate compensation to any party wrongfully enjoined or restrained in the proceeding for the injury suffered because of such abuse and to pay that party's expenses, which may include appropriate attorney's fees:

3. With respect to the authority referred to in subparagraph 2(d), a Party shall, at least with respect to works protected by copyright or neighboring rights, authorize the judicial authorities, at their discretion, to order the payment of pre-established damages.

4. Each Party shall, in order to create an effective deterrent to infringement and counterfeiting, authorize its judicial authorities to order that:

(a) goods that they have found to be infringing be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to avoid any injury caused to the right holder or, unless this would be contrary to existing constitutional requirements, destroyed; and

(b) materials and implements the predominant use of which has been in the creation of the infringing goods be, without compensation of any sort, disposed of outside the channels of commerce in such a manner as to minimize the risks of further infringements.

In considering whether to issue such an order, judicial authorities shall take in to account the need for proportionality between the seriousness of the infringement and the remedies ordered, as well as the interests of other persons. In regard to counterfeit goods, the simple removal of the trademark unlawfully affixed shall not be sufficient, other than in exceptional cases, to permit release of the goods into the channels of commerce.

5. In respect of the administration of any law pertaining to the protection or enforcement of intellectual property rights, each Party may exempt public authorities and officials from liability for their infringement of the rights governed by this Agreement, unless their actions were not taken or intended in good faith in the course of the administration of such laws.

6. Notwithstanding the other provisions of Articles 21 through 25, where a Party is sued with respect to an infringement or counterfeiting of an intellectual property right as a result of its unauthorized exercise of that right or the unauthorized exercise of that right on its behalf, that Party may limit the remedies available against it to the payment to the right holder of adequate remuneration in the circumstances of each case, taking into account the economic value of the use.

7. Each Party shall provide that, where a civil remedy can be ordered as a result of administrative procedures on the merits of a case, such procedures shall conform to principles equivalent in substance to those set out in this Article.

ARTICLE 24

Provisional Measures

1. Each Party shall authorize its judicial authorities to order prompt and effective provisional measures:

(a) to prevent an infringement of any intellectual property right or the counterfeiting of any product that is the subject of intellectual property rights, and in particular to prevent the entry into the channels of commerce in their jurisdiction of allegedly infringing goods, including measures to prevent the entry of imported goods at the border; and

(b) to preserve relevant evidence in regard to the alleged infringement or counterfeiting.

2. Each Party shall authorize its judicial authorities to require any applicant for provisional measures to provide to the judicial authorities any evidence reasonably available to that applicant that the judicial authorities consider necessary to enable them to determine with a sufficient degree of certainty whether:

(a) the applicant is the right holder;

(b) the applicant's right is being infringed or such infringement is imminent; and

(c) any delay in the issuance of such measures is likely to cause irreparable harm to the right holder, or there is a demonstrable risk of evidence being destroyed.

Each Party shall authorize its judicial authorities to require the applicant to provide a security or equivalent assurance sufficient to protect the interests of the defendant and to prevent abuse.

3. Each Party shall authorize its judicial authorities to require an applicant for provisional measures to provide other information necessary for the identification of the relevant goods by the authority that will execute the provisional measures.

4. Each Party shall authorize its judicial authorities to order provisional measures on an *ex parte* basis, in particular where any delay is likely to cause irreparable harm to the right holder, or where there is a demonstrable risk of evidence being destroyed.

5. Each Party shall authorize that where provisional measures are adopted by that Party's judicial authorities on an *ex parte* basis:

(a) a person affected shall be given notice of those measures without delay but in any event no later than immediately after the execution of the measures;

(b) a defendant shall, on request, have those measures reviewed by that Party's judicial authorities for the purpose of deciding, within a reasonable period after notice of those measures is given, whether the measures shall be modified, revoked or confirmed, and shall be given an opportunity to be heard in the review proceedings.

6. Without prejudice to paragraph 5, each Party shall provide that, on the request of the defendant, the Party's judicial authorities shall revoke or otherwise cease to apply the provisional measures taken on the basis of paragraphs 1 and 4 if proceedings leading to a decision on the merits are not initiated:

(a) within a reasonable period as determined by the judicial authority ordering the measures where the Party's domestic law so permits; or

(b) in the absence of such a determination, within a period of no more than 20 working days or 31 calendar days, whichever is longer.

7. Each Party shall authorize its judicial authorities to order, on request of the defendant, that the applicant provide compensation for injury caused by provisional measures:

(a) if the provisional measures are revoked or lapse because of any act or omission of the applicant, or

(b) if the judicial authorities subsequently find there has been no infringement or threat of infringement of any intellectual property right.

8. Each Party shall provide that, where a provisional measure can be ordered as a result of administrative procedures, such procedures shall conform to principles equivalent in substance to those set out in this Article.

ARTICLE 25

Criminal Procedures and Penalties

1. Each Party shall provide criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or infringement of copyrights or neighboring rights on a commercial scale. Each Party shall provide that penalties available include imprisonment or monetary fines, or both, sufficient to provide a deterrent, consistent with the level of penalties applied for crimes of a corresponding gravity.

2. Each Party shall provide that, in appropriate cases, its judicial authorities may order the seizure, forfeiture and destruction of infringing goods and of any materials and implements the predominant use of which has been in the commission of the offense.

3. Each Party may provide that, in appropriate cases, its judicial authorities may impose criminal penalties for the infringement of intellectual property rights other than those in paragraph 1, where they are committed willfully and on a commercial scale.

ARTICLE 26

Enforcement of Intellectual Property Rights at the Border

1. Each Party shall adopt procedures to enable a right holder, who has valid grounds for suspecting that the importation of counterfeit trademark goods or unauthorized copies of works protected by copyrights or neighboring rights may take place, to lodge an application in writing with its competent authorities, whether administrative or judicial, for the suspension by the customs administration of the release of such goods into free circulation. No Party shall be obligated to apply such procedures to goods in transit. A Party may permit such an application to be made in respect of goods that involve other infringements of intellectual property rights, provided that the requirements of this Article are met. A Party may also provide for corresponding procedures concerning the suspension by the customs administration of the release of infringing goods destined for exportation from its territory.

2. Each Party shall require any applicant who initiates procedures under paragraph 1 to provide adequate evidence:

(a) to satisfy that Party's competent authorities that, under its domestic laws, there is *prima facie* an infringement of its intellectual property right; and

(b) to supply a sufficiently detailed description of the goods to make them readily recognizable by the customs administration.

The competent authorities shall inform the applicant within a reasonable period whether they have accepted the application and, if so, the period for which the customs administration will take action.

3. Each Party shall authorize its competent authorities to require an applicant under paragraph 1 to provide a security or equivalent assurance sufficient to protect the defendant and the competent authorities and to prevent abuse. Such security or equivalent assurance shall not unreasonably deter recourse to these procedures.

4. A Party's customs administration, upon receiving an application pursuant to procedures adopted in accordance with this Article, may suspend the release of goods involving industrial designs, patents, integrated circuits or trade secrets into free circulation on the basis of a decision other than by a judicial or other independent authority; provided, however, if the period set forth in paragraphs 6 through 8 has expired without the granting of provisional relief by the duly empowered authority , and provided that all other conditions for importation have been complied with, such Party shall permit the owner, importer or consignee of such goods to receive such goods for entry into commerce on the posting of a security in an amount sufficient to protect the right holder against any infringement. Payment of such security shall not prejudice any other remedy available to the right holder, it being understood that the security shall be released if the right holder fails to pursue its right of action within a reasonable period of time.

5. Each Party shall ensure that its customs administration will promptly notify the importer and the applicant when the customs administration suspends the release of goods pursuant to paragraph 1.

6. Each Party shall ensure that its customs administration will release goods from suspension if within a period not exceeding 10 working days after the applicant under paragraph 1 has been served notice of the suspension the customs administration has not been informed that:

(a) a party other than the defendant has initiated proceedings leading to a decision on the merits of the case, or

(b) a competent authority has taken provisional measures prolonging the suspension, provided that all other conditions for importation or exportation have been met. Each Party shall provide that, in appropriate cases, the customs administration may extend the suspension by another 10 working days.

7. Each Party shall ensure that if proceedings leading to a decision on the merits of the case have been initiated, a review, including a right to be heard, shall take place on request of the defendant with a view to deciding, within a reasonable period, whether the measures shall be modified, revoked or confirmed.

8. Notwithstanding paragraphs 6 and 7, where the suspension of the release of goods is carried out or continued in accordance with a provisional judicial measure, Article 24(6) shall apply.

9. Each Party shall ensure that its competent authorities have the authority to order the applicant under paragraph 1 to pay the importer, the consignee and the owner of the goods appropriate compensation for any injury caused to them through the wrongful detention of goods or through the detention of goods released pursuant to paragraph 6.

10. Without prejudice to the protection of confidential information, each Party shall ensure that its competent authorities have the authority to give the right holder sufficient opportunity to have any goods detained by the customs administration inspected in order to substantiate its claims. Each Party shall also ensure that its competent authorities have the authority to give the importer an equivalent opportunity to have any such goods inspected. Where the competent authorities have made a positive determination on the merits of a case, a Party may provide the competent authorities the authority to inform the right holder of the names and addresses of the consignor, the importer and the consignee, and of the quantity of the goods in question.

11. Where a Party requires its competent authorities to act on their own initiative and to suspend the release of goods in respect of which they have acquired *prima facie* evidence that an intellectual property rights is being infringed:

(a) the competent authorities may at any time seek from the right holder any information that might assist them to exercise these powers;

(b) the importer and the right holder shall be promptly notified of the suspension by the Party's competent authorities, and where the importer lodges an appeal against the suspension with competent authorities, the suspension shall be subject to the conditions, with such modifications as may be necessary, set out in paragraphs 6 through 8; and

(c) the Party may exempt public authorities and officials from liability, except when the offending actions were not taken or intended in good faith.

12. Without prejudice to other rights of action open to the right holder and subject to the defendant's right to seek judicial review, each Party shall provide that its competent authorities shall have the authority to order the destruction or disposal of infringing goods in accordance with the principles set out in Article 23(4). In regard to counterfeit goods, the authorities shall

not allow the re-exportation of the infringing goods in an unaltered state or subject them to a different customs procedure, other than in exceptional circumstances.

13. A Party may exclude from the application of paragraphs 1 through 12 small quantities of goods of a non-commercial nature contained in travellers' personal luggage or sent in small consignments that are not repetitive.

ARTICLE 27

Existing Subject Matter

To the extent this Agreement requires a Party to increase its level of protection and enforcement of intellectual property rights, it gives rise to obligations in respect of all subject matter existing at the date of application of this Agreement for the Party in question, and which is protected in the Party on the date the Agreement enters into force, or which meets or comes subsequently to meet the criteria for protection under the terms of this Agreement. This obligation is in addition to the obligation to implement fully the obligations of Article 18 of the Berne Convention (Paris text) with respect to all works, including sound recordings.

ARTICLE 28

Definitions for Chapter II

1. For purposes of this Chapter:

(a) "confidential information" includes trade secrets, privileged information, and other undisclosed information that has not become subject to an unrestricted public disclosure under the Party's domestic law.

(b) "encrypted program-carrying satellite signal" means a program-carrying satellite signal that is transmitted in a form whereby the aural or visual characteristics, or both, are modified or altered for the purpose of preventing the unauthorized reception of a program carried in that signal by persons without the authorized equipment that is designed to eliminate the effects of such modification or alteration;

(c) "in a manner contrary to honest commercial practices" means at least practices such as knowing breach or inducement to breach of contract, of confidence, or of an intellectual property right, and includes the acquisition, disclosure, or use of confidential information by third persons who knew, or were negligent in failing to know, that such practices were involved in the acquisition;

(d) "intellectual property rights" refers to copyrights and related rights, trademarks, patents, protection of integrated circuit layout designs and encrypted satellite signals, trade secrets, and protection of plant breeders rights;

(e) "lawful distributor of an encrypted satellite signal" in a Party means the person who originally transmitted the signal, regardless of the location of such person, and any other person or persons designated by the original transmitter as lawful distributors of such signal in such Party.

(f) "national" of a Party shall, in respect of the relevant intellectual property rights, be understood as those natural or legal persons that would meet the criteria for eligibility for protection provided for in the Paris Convention, the Berne Convention, the Geneva Convention, the International Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (1961), the UPOV Convention (1978), the UPOV Convention (1991) or the *Treaty on Intellectual Property in Respect of Integrated Circuits*, as if each Party were a party to those Conventions, and with respect to intellectual property rights that are not the subject of these Conventions, "national of a Party" shall be understood at least to include any person that is a citizen or permanent resident of that Party.

(g) "public" includes, with respect to rights of communication and performance of works provided for under Articles 11, 11bis(1) and 14(1)(ii) of the Berne Convention, with respect to dramatic, dramatic-musical, musical and cinematographic works, at least, any aggregation of individuals intended to be the object of, and capable of perceiving, communications or performances of works, regardless of whether they can do so at the same or different times or in the same or different places, provided that such an aggregation is larger than a family and its immediate circle of acquaintances or is not a group comprising a limited number of individuals having similarly close ties that has not been formed for the principal purpose of receiving such performances and communications of works; and

(h) "right holder' includes the right holder personally, any other natural or legal person authorized by the right holder who is an exclusive license of the right, or other authorized persons, including federations and associations, having legal standing under domestic law to assert such rights.

ARTICLE 29

Consultations

Both Parties agree, at the request of either Party, to consult promptly on matters relating to the protection and enforcement of intellectual property rights, in particular with respect to implementation of the obligations of this Chapter.

ARTICLE 30

Timing of Specific Intellectual Property Obligations

1. Each Party shall submit any legislation and issue any regulations necessary to carry out fully its obligations under Articles 15, 17,18,19, 20, 21, 22, 23, 24, 25 and 26 no later than twenty-one months following the entry into force of this Agreement, and exert its best efforts to enact and implement such legislation and give effect to such regulations no later than twenty-seven months following the entry into force of this Agreement.

2. Each Party shall submit any legislation and issue any regulations necessary to carry out fully its obligations under Article 16 no later than twenty-seven months following the entry into force of this Agreement, and exert its best efforts to enact and implement such legislation and give effect to such regulations no later than thirty-six months following the entry into force of this Agreement.

3. Notwithstanding the time frames for implementation of the obligations of Articles 15 through 26 set forth in paragraphs 1 and 2 above, each Party shall immediately comply to the extent possible under its laws, regulations and practice with the obligations set forth in such Articles and shall at no time lessen its level of compliance with such obligations.

4. Notwithstanding any other provision of this Agreement, neither Party shall be obligated to comply with Article 14(1) unless and until such time as both Parties provide the level of protection required under Articles 15 through 26 and have exchanged written communications to that effect. The Parties may agree to be bound by their obligations under Article 14(1) on an Article-by-Article basis (for Articles 15 through 26) as long as the communications referred to in this section have been exchanged for such individual Articles.

5. Articles 13 through 29 shall come into force upon the Parties' exchange of notes indicating that all the legislation and regulations necessary to give full effect to the obligations undertaken herein have come into force.

CHAPTER III

TRADE IN SERVICES

ARTICLE 31

Definitions

For the purposes of this Agreement, trade in services is defined as the supply of a service:

(a) from the territory of one Party into the territory of the other Party;

(b) in the territory of one Party to the service consumer of any other Party;

(c) by a service supplier of one Party , through commercial presence in the territory of the other Party;

(d) by a service supplier of one Party, through presence of natural persons[2] of a Party in the territory of other Party .

ARTICLE 32

Market Access

1. Each Party shall impose no restriction on the ability of the nationals and companies of the other Party to engage in trade in services in the sectors listed in paragraphs 1 and 2 of Article 34, and to this end shall not maintain or adopt either with respect to a regional subdivision or with respect to its entire territory the following restrictions in those sectors:

(a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test;

(b) limitations on the total value service transactions or assets in the form of

[2] The obligations of this Chapter with respect to supply of a service through presence of natural persons shall extend only to supply of a service through (1) services sales persons (persons not based in the Party, and receiving no remuneration from a source located in that Party, who are engaged in activities related to representing a services supplier for the purpose of negotiating for the sale of the services of that supplier); and (2) intra-corporate transferees (managers, executives, and specialists, who are employees of firms that provide within the Party through a branch, subsidiary, or affiliate established in the Party and who have been in the prior employ of their firm outside the Party).

numerical quotas or the requirement of an economic needs test;

(c) limitations on the total number of service operations or the total quantity of service output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test[3];

(d) limitations on the total number of natural persons that may be employed in a particular service sector or that a service supplier may employ and who are necessary for, and directly related to, the supply of a specific service in the form of numerical quotas or the requirement of an economic needs test;

(e) measures which restrict or require specific types of legal entity or joint venture through which a service supplier may supply a service; and

(f) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment.

2. Obligations of the United States are subject to the terms, limitations and conditions for market access set out in the United States schedule of specific commitments under the WTO General Agreement on Trade in Services ("GATS").

ARTICLE 33

National Treatment

1. Each Party shall accord to services and service suppliers of the other party, in respect to all measures affecting the supply of services, treatment no less favorable than it accords to its own like service and service suppliers.

2. A Party may meet the requirements of paragraph 1 by according to services and service suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

3 Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of the other Party.

4. Obligations of the United States are subject to the conditions and qualifications on national treatment set out in the United States schedule of specific commitments under the GATS.

[3] Subparagraph (c) does not cover measures of a Party which limit inputs for the supply of services.

ARTICLE 34

Covered Sectors

1. For the purpose of this Agreement only, and without prejudice to any future requests by the United States in the Lao PDR's accession to the WTO Agreement, or any other bilateral, regional, or multilateral trade negotiation, this Chapter shall apply to the following service sectors:

(a) the following professional services: legal services, accounting, auditing and bookkeeping services, taxation consulting services, architectural services, engineering services, integrated engineering services;

(b) computer and related services;

(c) the following business services: advertising services, market research and market polling services, management consulting services;

(d) basic and value-added telecommunications services, as indicated in the list in paragraph 2, including commitments to regulate basic telecommunications providers fairly and to provide market access to and use of basic telecommunications networks;

(e) the following audiovisual services: motion picture and video tape production and distribution services, motion picture projection services, sound recording;

(f) construction and related engineering services;

(g) the following distribution services: wholesale trade, retail trade, and franchising;

(h) insurance, banking, and other financial services, as indicated in the list in paragraph 3;

(i) health and medical care services;

(j) educational services; and

(k) tourism and travel related services.

2. Further to paragraph 1 above, this Chapter shall apply to the following basic and value-added telecommunications services:

(a) Basic telecommunications services:[4]

(i). voice services;

(ii). packet-switched data transmission services;

(iii) circuit-switched data transmission services;

(iv) telex services;

(v) telegraph services;

(vi) facsimile services;

(vii) private leased circuit services; [5]and

(viii) other basic communications services.

(b) Mobile services:

(i) analogue/Digital cellular services;

(ii) PCS (Personal Communications Services);

(iii) paging services;

(iv) mobile data services;

(c) Value-added telecommunications services:

(i) electronic mail;

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[4] Any service listed encompasses local, long distance and international services for public and non-public use, unless otherwise noted in the sector column. Any service listed may be provided on a facilities-basis or by resale, unless otherwise noted. Any service listed may be provided through any means of technology (e.g., fiber optic cable, cable TV, wireless, satellites).

[5] Sub sector (vii), "private leased circuit transmission services" includes the sale or lease of any type of network capacity for the supply of services listed in any other subsector, and shall include network capacity with respect to submarine cables, satellite space segment, satellite earth or ground stations and terrestrial wireless networks.

(ii) voice mail;

(iii) on-line information and data base retrieval;

(iv) electronic data interchange;

(v) enhanced/value-added facsimile services (including store and forward, store and retrieve);

(vi) code and protocol conversion;

(vii) on-line information and/or data processing (including transaction processing); and

(viii) other value-added telecommunications services.

3. Further to paragraph 1 above and subject to the provisions of Article 35, this Chapter shall apply to the following financial services:

(a) Insurance and insurance-related services:

(i) direct insurance (including co-insurance):

(A) life; and
(B) non-life.

(ii) reinsurance and retrocession;

(iii) insurance intermediation, such as brokerage and agency; and

(iv) services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

(b) Banking and other financial services (excluding insurance):

(i) acceptance of deposits and other repayable funds from the public;

(ii) lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

(iii) financing leasing;

(iv) all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

(v) guarantees and commitments;

(vi) trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(A) money market instruments (including cheques, bills, certificates of deposits);

(B) foreign exchange;

(C) derivative products including , but not limited to, futures and options;

(D) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(E) transferable securities;

(F) other negotiable instruments and financial assets, including bullion;

(vii) participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

(viii) money broking;

(ix) asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;

(x) settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

(xi) provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

(xii) advisory, intermediation and other auxiliary financial services with respect to all the activities listed in subparagraphs (i) through (xi), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

ARTICLE 35

Financial Services

1. Notwithstanding any other provisions of this Agreement, a Party shall not be prevented from taking measures for prudential reasons, including for protection of investors, depositors, policy holders or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under this Agreement.

2. Not all of the services listed in paragraph 3 of Article 34 are provided in Laos as of the date of signature of this Agreement. Where such services are not provided by the private sector in the Lao PDR, access by financial service suppliers of the United States and the provision of new financial services may be subject to measures adopted for prudential reasons, in accordance with paragraph 1 above.

3. The obligations in Articles 32 and 33 shall not, with respect to the financial services sector, apply to the United States. The United States will review the application of this paragraph one year after the date of entry into force of this Agreement.

CHAPTER IV

GENERAL ARTICLES

ARTICLE 36

General Definitions

For the purposes of Chapter I, Article 32 and Article 38, the terms set forth below shall have the following meanings:

(a) "Company" means any kind of:

(i) corporation,

(ii) company,

(iii) association,

(iv) partnership,

(v) sole proprietorship,

(vi) joint venture, or

(vii) other organization.

whether or not organized for pecuniary gain, or privately or governmentally owned or controlled, and legally constituted under the laws and regulations of a Party or a political subdivision thereof (i.e. all levels of government);

(b) "national" means a natural person who is a national of a Party under its applicable law.

ARTICLE 37

National Security

The provisions of this Agreement shall not limit the right of either Party to take any action for the protection of its security interests.

ARTICLE 38

General Exceptions

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where the same conditions prevail, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prohibit the adoption or enforcement by a Party of measures:

(a) necessary to secure compliance with laws or regulations not inconsistent with the provisions of this Agreement, including measures related to the protection of intellectual property rights and the prevention of deceptive practices, or

(b) referred to in Article XX of the GATT 1994.

2. Each Party reserves the right to deny any company the advantages of this Agreement if nationals of any third country control such a company and, in the case of a company of the other Party, that company has no substantial business activities in the territory of the other Party or is controlled by nationals of a third country with which the denying country does not maintain normal economic relations.

3. Nothing in this Agreement limits the application of any existing or future agreements between the Parties on trade in textiles and textile products.

4. Nothing in this Agreement shall preclude a Party from applying its laws relating to entities substantially owned or effectively controlled by the government of the other Party.

ARTICLE 39

Consultations, Dispute Settlement, Compensation and Adjustment

1. The Parties agree to consult periodically to review the operation of this Agreement.

2. The Parties agree to consult promptly through appropriate channels at the request of either Party to discuss any matter concerning the interpretation or implementation of this Agreement and other relevant aspects of the relations between the Parties.

3. In the event either Party believes that the other Party has failed to implement one or more obligations in this Agreement, or otherwise believes that any benefit accruing to it directly or indirectly is being denied as a result of an action by the other Party, such Party may

request compensation from the other Party in an amount that is equivalent in value to the damage to such Party's interests.

4. If the Party from whom compensation is requested fails to provide such compensation within a reasonable period of time, the Party requesting compensation may take action that affects the goods or services of the other Party in an amount that is equivalent in value to the damage to the interests of the Party requesting compensation.

ARTICLE 40

Final Provisions

1. The provisions of this Agreement shall apply to the respective customs territories of the Parties.

2. This Agreement shall enter into force on the day on which the Parties have exchanged notifications that each has completed the legal procedures necessary for this purpose, and shall remain in force for three years.

3. This Agreement shall be extended for successive terms of three years if neither Party notifies the other Party of its intent to terminate this Agreement at least 30 days before the end of a term.

4. If either Party does not have domestic legal authority to carry out its obligations under this Agreement, either Party may suspend application of this Agreement, or, with agreement of the other Party, any part of this Agreement. In that event, the Parties will seek, to the fullest extent practicable under domestic law, to minimize unfavorable effects on existing trade relations between the Parties.

IN WITNESS THEREOF, the undersigned, being duly authorized by their respective Government, have signed this Agreement.

DONE at Vientiane, in duplicate in the English language, this 18th day of September, 2003. A Lao language text shall be prepared, which shall be considered equally authentic upon an exchange of diplomatic notes confirming its conformity with the English language text. In the event of a discrepancy, the English language text shall prevail.

FOR THE UNITED STATES OF AMERICA:

Douglas A. HARTWICK

Ambassador

FOR THE LAO PEOPLE'S DEMOCRATIC REPUBLIC:

Soulivong DARAVONG

Minister of Commerce

Annex A (LAOS)

I. Prohibited Imports

□ Chemical and toxic industrial waste

2618.00.00	Granulated slag (slag sand) from the manufacture of iron or steel.
2619.00.00	Slag, dross (other than granulated slag), scaling and other waste from the manufacture of iron or steel.
26.20	Ash and residues (other than from the manufacture of iron or steel), containing arsenic, metals or their compounds.
26.21	Other slag and ash, including seaweed ash (kelp); ash and residues from the incineration of municipal waste.
2844.40	- Radioactive elements and isotopes and compounds other than those of subheading 28.44.10, 28.44.20 or 28.44.30; alloys, dispersions (including cermets), ceramic products and mixtures containing these elements, isotopes or compounds; radioactive residues:
38.04	Residual lyes from the manufacture of wood pulp, whether or not concentrated, desugared or chemically treated, including lignin sulphonates, but excluding tall oil of heading 38.03.

II. Goods Imported and Exported under Government Control According to Plans

A. Goods imported under Government Control According to Importing Plan

The items listed in this section are now subject to non-automatic import licensing imposed in order to ration the foreign exchange reserves of Laos, consistent with the requirements of Article XVIII:B of the GATT 1994 and the Understanding on the Balance-of-Payments Provisions of the GATT 1994. Any person or company wishing to import such products must submit a plan each year, providing for the importation of specified quantities of the goods during the year, and imports are conditional on approval of this plan by the Laotian government.

Within one year of the date of entry into force of this agreement, the Lao PDR shall consider the list of items subject to such licensing, and the amounts permitted to be imported for each such item, with a view to phasing out any trade restrictions maintained for balance-of-payments purposes. In each periodic review of this agreement, the review shall include an overview of the balance-of-payments situation of Laos including the necessity for continued trade restrictions for balance-of-payments purposes. The Lao PDR will progressively relax any trade restrictions maintained for balance-of-payments purposes as conditions improve, maintaining such restrictions only to the extent necessary under Article XVIII:9 of the GATT; the Lao PDR shall eliminate such restrictions when conditions no longer justify maintaining them.

Fuels

27.10	Petroleum oil and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations.
27.11	Petroleum gases and other gaseous hydrocarbons.

Steel

72.06	Iron and non-alloy steel in ingots or other primary forms (excluding iron of

heading 72.03).

72.13	Bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel.
72.14	Other bars and rods of iron or non-alloy steel, not further worked than forged, hot-rolled, hot-drawn or hot-extruded, but including those twisted after rolling.
72.15	Other bars and rods of iron or non-alloy steel.
72.16	Angles, shapes and sections of iron or non-alloy steel.

Cement

25.23	Portland cement, aluminous cement, slag cement, supersulphate cement and similar hydraulic cements, whether or not coloured or in the form of clinkers

Raw, unprocessed rice

10.06	Rice.

Electricity

27.16	Electrical energy.

Ores and minerals

26.01	Iron ores and concentrates, including roasted iron pyrites.
26.02	Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.
26.03	Copper ores and concentrates.
26.04	Nickel ores and concentrates.
26.05	Cobalt ores and concentrates.
26.06	Aluminium ores and concentrates.
26.07	Lead ores and concentrates.
26.08	Zinc ores and concentrates.
26.09	Tin ores and concentrates.
26.10	Chromium ores and concentrates.
26.11	Tungsten ores and concentrates.
26.12	Uranium or thorium ores and concentrates.
26.13	Molybdenum ores and concentrates.
26.14	Titanium ores and concentrates.
26.15	Niobium, tantalum, vanadium or zirconium ores and concentrates.
26.16	Precious metal ores and concentrates.
26.17	Other ores and concentrates.

Cigarettes

24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or tobacco substitutes.
24.03	Other manufactured tobacco and manufactured tobacco substitutes; "homogenised" or "reconstituted" tobacco; tobacco extracts and essences..

Wood and wood products

44.02	Wood charcoal (including shell and nut charcoal), whether or not agglomerated.

44.03 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.

44.07 Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.

Motor vehicles of all kinds

87.02 Motor vehicles for the transport of ten or more persons, including the driver.

87.03 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.

87.04 Motor vehicles for the transport of goods.

87.11 Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars.

B. Goods Exported under Government Control According to Exporting Plan

Logs; stumps and wood products and all kinds of timber including blanched and nodes

44.01 Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.

44.03 Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.

Electricity

27.16 Electrical energy.

III. Goods Imported or Exported Under Government Surveillance

A. Goods Imported Under Government Surveillance

The items list in this section may be freely imported as long as the importer complies with the following two requirements:

(1) non-restrictive automatic import licensing for statistical purposes; and

(2) acquisition from a commercial bank of the necessary foreign exchange for payment; such foreign exchange is allocated by commercial banks on the basis of commercial considerations.

□ Food stuffs

Pork (including Pigs)

0103.91.00 - - Weighing less than 50 kg

0103.92.00 - - Weighing 50 kg or more

02.03 Meat of swine, fresh, chilled or frozen.

Beef (including cattle)

Buffalo meat (including buffaloes)

0102.90.10 - - Oxen

0102.90.20 - - Buffaloes
0102.90.90 - - Other
02.01 Meat of bovine animals, fresh or chilled.

All kinds of fresh-water fish

0301.10.30 - - Other, freshwater fish
0301.93.90 - - - Other
0301.99.40 - - - Other freshwater fish
0302.69.20 - - - Freshwater fish

Dairy products

04.01 Milk and cream, not concentrated nor containing added sugar or other sweetening matter.
04.02 Milk and cream, concentrated or containing added sugar or other sweetening matter.
04.03 Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavored or containing added fruit, nuts or cocoa.
04.04 Whey, whether or not concentrated or containing added sugar or Other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.
04.05 Butter and other fats and oils derived from milk; dairy spreads.
04.06 Cheese and curd

Canned food (including canned fruit)

16.01 Sausages and similar products, of meat, meat offal or blood; food preparations based on these products.
16.02 Other prepared or preserved meat, meat offal or blood.
16.04 Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs.
20.01 Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid.
20.02 Tomatoes prepared or preserved otherwise than by vinegar or acetic acid.
20.03 Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid.
20.04 Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06.
20.06 Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)
20.07 Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.
20.08 Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included.

20.09 Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.

Frozen meat, fish and seafood

02.02 Meat of bovine animals, frozen.
02.03 Meat of swine, fresh, chilled or frozen.
02.04 Meat of sheep or goats, fresh, chilled or frozen.
02.07 Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.
03.03 Fish, frozen, excluding fish fillets and other fish meat of heading 03.04
03.04 Fish fillets and other fish meat (whether or not minced), fresh, chilled or frozen.
03.06 Crustaceans, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; crustaceans, in shell, cooked by steaming or by boiling in water, whether or not chilled, frozen, dried, salted or in brine; flours, meals and pellets of crustaceans, fit for human consumption.
03.07 Mollusks, whether in shell or not, live, fresh, chilled, frozen, dried, salted or in brine; aquatic invertebrates other than crustaceans and mollusks, live, fresh, chilled, frozen, dried, salted or in brine; flours, meals and pellets of aquatic invertebrates other than crustaceans, fit for human consumption.

Seasonings (fish sauce, soy sauce, vinegar, chili sauce, tomato sauce, glutamate)

21.03 Sauces and preparations therefore; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard.
21.04 Soups and broths and preparations therefore; homogenized composite food preparations.

□ **Breeding Items**

0102.10.00 - Pure-bred breeding animals
0103.10.00 - Pure-bred breeding animals
0301.93.10 - - - Carp breeder
0701.10.00 Potatoes seed
09.09 Seeds of anise, badian, fennel, coriander, cumin or caraway; juniper berries.
0103.10.00 - Pure-bred breeding animals
0105.11.10 - - - Breeding fowls
0105.12.10 - - - Breeding turkeys
0105.19.10 - - - Breeding ducklings
0105.19.30 - - - Breeding goslings
0105.19.50 - - - Breeding guinea fowls
0105.92.10 - - - Breeding fowls
0105.93.10 - - - Breeding fowls
0105.99.10 - - - Breeding ducks
0105.99.30- - - Breeding geese, turkeys and guinea fowls
0301.93.10 - - - Carp breeder
0106.31.00 - - Birds of prey
0106.39.00 - - Other

□ **Fertilizers**

31.01	Animal or vegetable fertilisers, whether or not mixed together or chemically treated; fertilisers produced by the mixing or chemical treatment of animal or vegetable products.
31.02	Mineral or chemical fertilisers, nitrogenous.
31.03	Mineral or chemical fertilisers, phosphatic.
31.04	Mineral or chemical fertilisers, potassic.
31.05	Mineral or chemical fertilisers containing two or three of the fertilising elements nitrogen, phosphorous and potassium; other fertilisers; goods of this Chapter in tablets or similar forms or in packages of a gross weight not exceeding 10 kg

□ **Cultural goods**

Video and cassette tapes not in conflict with Lao customs

85.24	Records, tapes and other recorded media for sound or other similarly recorded phenomena, including matrices and masters for the production of records, but excluding products of Chapter 37.

Films

37.06	Cinematographic film, exposed and developed, whether or not incorporating sound track or consisting only of sound track.

Religious books

49.02	Newspapers, journals and periodicals, whether or not illustrated or containing advertising material.
49.11	Other printed matter, including printed pictures and photographs.

Luxury playthings for children (game machines)

95.04	Articles for funfair, table or parlour games, including pin-tables, billiards, special tables for casino games and automatic bowling alley equipment.

Carvings and paintings

97.01	Paintings, drawings and pastels, executed entirely by hand, other than drawings of heading 49.06 and other than hand-painted or hand-decorated manufactured articles; collages and similar decorative plaques.
97.02	Original engravings, prints and lithographs.
97.03	Original sculptures and statuary, in any material.

□ **Communications goods -- for all media**

Equipment transmitting/receiving to/from satellites

85.25	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras
85.26	Radar apparatus, radio navigational aid apparatus and radio remote
85.27	Reception apparatus for radio-telephony, radio-telegraphy or

radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock.

85.28 Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors.

85.29 Parts suitable for use solely or principally with the apparatus of headings 85.25 to 85.28.

□ **Medicines**

30.01 Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included.

30.02 Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products.

30.03 Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylatic uses, not put up in measured doses or in forms or packings for retail sale.

30.04 Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or rophylatic uses, put up in measured doses (including those in the form of transdermal administration system) or in forms or packings for retail sale.

30.05 Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes.

30.06 Pharmaceutical goods specified in Note 4 to this Chapter.

□ **Chemicals**

28.01 Fluorine, chlorine, bromine and iodine.

28.03 Carbon (carbon blacks and other forms of carbon not elsewhere specified or included).

28.04 Hydrogen, rare gases and other non-metals.

28.05 Alkali or alkaline-earth metals; rare earth metals, scandium and yttrium, whether or not intermixed or interalloyed; mercury.

28.09 Diphosphorous pentaoxide; phosphoric acid; polyphosphoric acids, whether or not chemically defined.

28.10 Other inorganic acids and other inorganic oxygen compounds of non-metals.

28.12 Halides and halide oxides of non-metals.

28.13 Sulphides of non-metals; commercial phosphorus trisulphide

2815.20.00 - Potassium hydroxide (caustic potash)

2815.30.00 - Peroxides of sodium or potassium

28.16 Hydroxide and peroxide of magnesium; oxides, hydroxides and peroxides, of strontium or barium.

28.17 Zinc oxide; zinc peroxide.

28.18 Artificial corundum, whether or not chemically defined; aluminium oxide; aluminium hydroxide

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28.19 Chromium oxides and hydroxides.
28.20 Manganese oxides.
28.21 Iron oxides and hydroxides; earth colours containing 70% or more by weight of combined iron evaluated as Fe_2O_3.
28.22 Cobalt oxides and hydroxides; commercial cobalt oxides.
28.24 Lead oxides; red lead and orange lead.
28.25 Hydrazine and hydroxylamine and their inorganic salts; other inorganic bases; other metal oxides, hydroxides and peroxides.
28.26 Fluorides; fluorosilicates, fluoroaluminates and other complex fluorine salts.
2827.20.10 - - Commercial grades
2827.20.90 - - Other
- Other chlorides:
2827.31.00 - - Of magnesium
2827.32.00 - - Of aluminium
2827.33.00 - - Of iron
2827.34.00 - - Of cobalt
2827.35.00 - - Of nickel
2827.36.00 - - Of zinc
2827.39.00 - - Other
- Chloride oxides and chloride hydroxides:
2827.41.00 - - Of copper
2827.49.00 - - Other
- Bromides and bromide oxides:
2827.51.00 - - Bromides of sodium or of potassium
2827.59.00 - - Other
2827.60.00 - Iodides and iodide oxides
28.28 Hypochlorites; commercial calcium hypochlorite; chlorites; hypobromites.
28.29 Chlorates and perchlorates; bromates and perbromates; iodates and periodates.
28.30 Sulphides; polysulphides, whether or not chemically defined.
28.31 Dithionites and sulphoxylates.
28.32 Sulphites; thiosulphates.
28.33 Sulphates; alums; peroxosulphates (persulphates)
28.34 Nitrites; nitrates.
28.35 Phosphinates (hypophosphites), phosphonates (phosphites) and phosphates; polyphosphates, whether or not chemically defined.
28.36 Carbonates; peroxocarbonates (percarbonates); commercial ammonium carbonate containing ammonium carbamate.
28.37 Cyanides, cyanide oxides and complex cyanides.
28.39 Silicates; commercial alkali metal silicates.
2841.10.00 - Aluminates
2841.20.00 - Chromates of zinc or of lead
2841.30.00 - Sodium dichromate
2841.50.00 - Other chromates and dichromates; peroxochromates
28.42 Other salts of inorganic acids or peroxoacids (including aluminosilicates whether or not chemically defined), other than azides.
28.43 Colloidal precious metals; inorganic or organic compounds of precious metals, whether or not chemically defined; amalgams of precious metals.
28.49 Carbides, whether or not chemically defined.
29.01 Acyclic hydrocarbons.

29.02	Cyclic hydrocarbons.
29.03	Halogenated derivatives of hydrocarbons.
29.04	Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated.
29.05	Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.06	Cyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.07	Phenols; phenol-alcohols.
29.08	Halogenated, sulphonated, nitrated or nitrosated derivatives of phenols or phenol-alcohols.
29.09	Ethers, ether-alcohols, ether-phenols, ether-alcohol-phenols, alcohol peroxides, ether peroxides, ketone peroxides (whether or not chemically defined), and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.10	Epoxides, epoxyalcohols, epoxyphenols, and epoxyethers, with a three-membered ring, and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.12	Aldehydes, whether or not with other oxygen function; cyclic polymers of aldehydes; paraformaldehyde.
29.13	Halogenated, sulphonated, nitrated or nitrosated derivatives of products of heading 29.12.
29.14	Ketones and quinones, whether or not with other oxygen function, and their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.15	Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.16	Unsaturated acyclic monocarboxylic acids, cyclic monocarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.17	Polycarboxylic acids, their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.18	Carboxylic acids with additional oxygen function and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.20	Esters of other inorganic acids of non-metals (excluding esters of hydrogen halides) and their salts; their halogenated, sulphonated, nitrated or nitrosated derivatives.
29.21	Amine-function compounds.
29.22	Oxygen-function amino-compounds.
29.23	Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipids, whether or not chemically defined.
29.24	Carboxyamide-function compounds; amide-function compounds of carbonic acid.
29.25	Carboxyimide-function compounds (including saccharin and its salts) and imine-function compounds.
29.26	Nitrile-function compounds.
29.27	Diazo-, azo- or azoxy-compounds.
29.28	Organic derivatives of hydrazine or of hydroxylamine.
29.29	Compounds with other nitrogen function.
29.30	Organo-sulphur compounds.
29.31	Other organo-inorganic compounds.
29.32	Heterocyclic compounds with oxygen hetero-atom(s) only.

29.33 Heterocyclic compounds with nitrogen hetero-atom(s) only.

29.36 Provitamins and vitamins, natural or reproduced by synthesis (including natural concentrates), derivatives thereof used primarily as vitamins, and intermixtures of the foregoing, whether or not in any solvent.

29.37 Hormones, prostaglandins, thromboxanes and leukotrienes, natural or reproduced by synthesis; derivatives and structural analogues thereof, including chain modified polypeptides, used primarily as hormones.

29.39 Vegetable alkaloids, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives.

29.40 Sugars, chemically pure, other than sucrose, lactose, maltose, glucose and fructose; sugar ethers, sugar acetals and sugar esters, and their salts, other than products of heading 29.37, 29.38 or 29.39.

29.41 Antibiotics.

□ **Minerals**

26.01 Iron ores and concentrates, including roasted iron pyrites.

26.02 Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight

26.03 Copper ores and concentrates.

26.04 Nickel ores and concentrates.

26.05 Cobalt ores and concentrates.

26.06 Aluminium ores and concentrates.

26.07 Lead ores and concentrates.

26.08 Zinc ores and concentrates.

26.09 Tin ores and concentrates.

26.10 Chromium ores and concentrates.

26.11 Tungsten ores and concentrates.

26.12 Uranium or thorium ores and concentrates.

26.13 Molybdenum ores and concentrates.

26.14 Titanium ores and concentrates.

26.15 Niobium, tantalum, vanadium or zirconium ores and concentrates.

26.16 Precious metal ores and concentrates.

26.17 Other ores and concentrates.

□ **Sport Guns**

Spring or air compressed guns and pistols

93.04 Other arms (for example, spring, air or gas guns and pistols, truncheons), excluding those of heading 93.07.

Vindelon guns (rifles)

Shotguns

93.03 Other firearms and similar devices which operate by the firing of an explosive charge (for example, sporting shot-guns and rifles, muzzle-loading firearms, Very pistols and other devices designed to project only signal flares, pistols and revolvers for firing blank ammunition, captive-bolt humane killers, line-throwing guns).

- **Cultural sport**

Snooker

9504.20.10 - - Billiard chalks
9504.90.90 - - Other

B. Goods Exported Under Government Surveillance

The items listed in this section may be freely exported subject to non-restrictive automatic import licensing for statistical purposes.

- **Forestry Product**

0908.30.00 - Cardamoms
13.01 Lac, natural gums, resins, gum-resins and oleoresins (for example balsams).

- **Unprocessed animal skins**

41.01 Raw hides and skins of bovine (including buffalo) or equine animals (fresh, or salted, dried,limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split.
41.02 Raw skins of sheep or lambs (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not with wool on or split, other than those excluded by Note 1(c) to this Chapter.
41.03 Other raw hides and skins (fresh, or salted, dried, limed, pickled or otherwise preserved, but not tanned, parchment-dressed or further prepared), whether or not dehaired or split, other than those excluded by Note 1(b) or Note 1(c) to this Chapter.

- **Mineral Ores**

26.01 Iron ores and concentrates, including roasted iron pyrites.
26.02 Manganese ores and concentrates, including ferruginous manganese ores and concentrates with a manganese content of 20% or more, calculated on the dry weight.
26.03 Copper ores and concentrates.
26.04 Nickel ores and concentrates.
26.05 Cobalt ores and concentrates.
26.06 Aluminium ores and concentrates.
26.07 Lead ores and concentrates.
26.08 Zinc ores and concentrates.
26.09 Tin ores and concentrates.
26.10 Chromium ores and concentrates.
26.11 Tungsten ores and concentrates.
26.12 Uranium or thorium ores and concentrates.
26.13 Molybdenum ores and concentrates.
26.14 Titanium ores and concentrates.
26.15 Niobium, tantalum, vanadium or zirconium ores and concentrates.
26.16 Precious metal ores and concentrates.
26.17 Other ores and concentrates.

□ **Chemical Products**

28.06 Hydrogen chloride (hydrochloric acid); chlorosulphuric acid.
28.07 Sulphuric acid; oleum.
28.14 Ammonia, anhydrous or in aqueous solution.
28.15 Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash); peroxides of sodium or potassium.
- Sodium hydroxide (caustic soda):
2815.11.00 - - Solid
2815.12.00 - - In aqueous solution (soda lye or liquid soda)
2827.10.00 - Ammonium chloride
2841.61.00 - - Potassium permanganate
2841.69.00 - - Other
2902.30.00 - Toluene
2903.12.00 - - Dichloromethane (methylene chloride)
2903.13.00 - - Chloroform (trichloromethane)
2912.21.00 - - Benzaldehyde
2914.11.00 - - Acetone
2915.21.00 - - Acetic acid
2915.24.00 - - Acetic anhydride
2915.29.00 - - Other
2921.11.00 - - Methylamine, di- or trimethylamine and their salts
2932.94.00 - - Safrole

ANNEX B (LAOS)

With respect to customs duties and charges of any kind imposed on or in connection with importation, the Lao PDR will provide to products of the United States treatment no less favorable than that specified below:

(1) For products listed in Tables 1 or 2 to this Annex, the tariff treatment specified for each item. Where a tariff is subject to a phased reduction, each reduction will take effect on January 1 of the year indicated. In the event that a phased reduction of a tariff on a product in Table 1 or 2 is accelerated for products of another country, including pursuant to a free trade area agreement, customs union or interim agreement leading to the formation of a free trade area or customs union, the Lao PDR will also accelerate, at the same pace, the phased reduction for such products of the United States.

(2) For products listed in Tables 1 and 2 to this Annex and identified as "EL " in the "SPEC" column, in the event that the Lao PDR applies a lower tariff rate to products of another country, including pursuant to a free trade area agreement, customs union or interim agreement leading to the formation of a free trade area or customs union, that rate will also be applied to such products of the United States.

(3) For all products not specifically listed in Tables 1 or 2 to this Annex, the Lao PDR will apply to products of the United States the MFN tariff rate applied as of the date of signature of this agreement.

For the purpose of these tables, "Lao Tariff Code" refers to the CEPT Products Lists of 2002 under the CEPT Scheme for AFTA.

Table 1 - Agricultural Goods

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
1	02.01	Meat of bovine animals, fresh or chilled.		5	2007	9	8	7	6	5	
2	02.02	Meat of bovine animals, frozen.	EL			30	30	30	30	30	30
3	02.03	Meat of swine, fresh, chilled or frozen.	EL			30	30	30	30	30	30
4	02.04	Meat of sheep or goats, fresh, chilled or frozen.		5	2008	20	15	10	8	6	5
5	02.06	Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies, fresh, chilled or frozen.		5	2008	20	15	10	8	6	5
6	02.07	Meat and edible offal, of the poultry of heading 01.05, fresh, chilled or frozen.	EL			30	30	30	30	30	30
7	02.08	Other meat and edible meat offal, fresh, chilled or frozen.		5	2005	20	10	5			
8	04.01	Milk and cream, not concentrated nor containing added sugar or other sweetening matter.		5	2003	5					

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
9	04.02	Milk and cream, concentrated or containing added sugar or other sweetening matter.		5	2003	5					
10	04.03	Buttermilk, curdled milk and cream, yogurt, kephir and other fermented or acidified milk and cream, whether or not concentrated or containing added sugar or other sweetening matter or flavoured or containing added fruit, nuts or cocoa.		5	2006	15	10	8	5		
11	04.04	Whey, whether or not concentrated or containing added sugar or other sweetening matter; products consisting of natural milk constituents, whether or not containing added sugar or other sweetening matter, not elsewhere specified or included.		5	2003	5					
12	04.05	Butter and other fats and oils derived from milk; dairy spreads.		5	2005	7	6	5			
13	04.06	Cheese and curd.		5	2005	7	6	5			
14	04.09	Natural honey.		5	2005	10	8	5			
15	04.10	Edible products of animal origin, not elsewhere specified or included.		5	2005	7	6	5			
16	07.01	Potatoes, fresh or chilled.		5	2004	5	5				
17	07.02	Tomatoes, fresh or chilled.	EL			40	40	40	40	40	40
18	07.03	Onions, shallots, garlic, leeks and other alliaceous vegetables, fresh or chilled.		10	2005	30	25	10			
19	07.04	Cabbages, cauliflowers, kohlrabi, kale and similar edible brassicas, fresh or chilled.		10	2005	20	20	10			
20	07.06	Carrots, turnips, salad beetroot, salsify, celeriac, radishes and similar edible roots, fresh or chilled.		10	2006	30	25	20	10		
21	07.07	Cucumbers and gherkins, fresh or chilled.	EL			40	40	40	40	40	40
22	07.08	Leguminous vegetables, shelled or unshelled, fresh or chilled.		10	2005	20	15	10			
	07.09	Other vegetables, fresh or chilled.									
23	0709.10	Artichokes		10	2005	20	15	10			
24	0709.20	Asparagus		10	2006	30	25	20	10		
25	0709.30	Eggplant (aubergine)	EL			40	40	40	40	40	40
26	0709.51	Mushrooms (genus agaricus)	EL			40	40	40	40	40	40
27	0709.52	Truffles		10	2004	20	15	10			
28	0709.60	Peppers	EL			40	40	40	40	40	40
29	0709.90	Other	EL			40	40	40	40	40	40

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
30	07.10	Vegetables (uncooked or cooked by steaming or boiling in water), frozen.		10	2006	30	25	20	10		
31	07.11	Vegetables provisionally preserved (for example, by sulphur dioxide gas, in brine, in sulphur water or in other preservative solutions), but unsuitable in that state for immediate consumption.	EL			40	40	40	40	40	40
32	07.12	Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.		10	2006	30	25	20	10		
33	07.13	Dried leguminous vegetables, shelled, whether or not skinned or split.	EL			40	40	40	40	40	40
34	08.02	Other nuts, fresh or dried, whether or not shelled or peeled.	EL			30	30	30	30	30	30
35	08.05	Citrus fruit, fresh or dried.	EL			40	40	40	40	40	40
36	08.06	Grapes, fresh or dried.		10	2003	10					
37	08.07	Melons (including watermelons) and papaws (papayas), fresh.	EL			40	40	40	40	40	40
38	08.08	Apples, pears and quinces, fresh.		10	2003	10					
39	08.09	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh.		10	2003	10					
	08.10	Other fruit, fresh.									
40	0810.10	Strawberries		10	2003	10					
41	0810.90	Other		10	2005	30	20	10			
42	08.13	Fruit, dried, other than that of headings 08.01 to 08.06; mixtures of nuts or dried fruits of this Chapter.		10	2003	10					
	10.01	Wheat and meslin.									
43	1001.10	- Durum wheat		0	2008	5	5	3	2	1	0
44	1001.90	- Other		0	2008	5	5	3	2	1	0
45	1002.00	Rye		0	2008	5	5	3	2	1	0
46	1003.00	Barley		0	2008	5	5	3	2	1	0
47	1004.00	Oats		0	2008	5	5	3	2	1	0
48	10.05	Maize (corn)		0	2008	5	5	3	2	1	0
49	1007.00	Grain sorghum		0	2008	5	5	3	2	1	0
	10.08	Buckwheat, millet and canary seed; other cereals									
50	1008.10	- Buckwheat		0	2008	5	5	3	2	1	0
51	1008.20	- Millet		0	2008	5	5	3	2	1	0
52	1008.90	- Other cereals		0	2008	5	5	3	2	1	0
	11.01	Wheat or meslin flour									
53	1101.00	- Wheat flour		0	2008	5	5	3	2	1	0
	11.02	Cereal flours other than of wheat or meslin									
54	1102.10	- Rye flour		5	2003	5					
55	1102.20	- Maize (corn) flour		5	2003	5					
56	1102.30	- Rice flour		5	2003	5					
57	1102.90	- Other		5	2003	5					

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
58	12.01	Soya beans, whether or not broken		0	2008	12	8	5	3	2	0
59	12.02	Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken		1	2008	15	10	8	3	2	1
60	1206.00	Sunflower seeds, whether or not broken		0	2008	12	8	5	3	2	0
	12.07	Other oil seeds and oleaginous fruits, whether or not broken									
61	1207.20	- Cotton seeds		0	2008	12	8	5	3	2	0
	12.08	Flours and meals of oil seeds or oleaginous fruits, other than those of mustard									
62	1208.10	- Of soya beans		0	2008	5	5	3	2	1	0
	12.09	Seeds, fruit and spores, of a kind used for sowing									
63	1209.91	- - Vegetable seeds		0	2008	5	5	3	2	1	0
64	12.10	Hop cones, fresh or dried, whether or not ground, powdered or in the form of pellets; lupulin		0	2008	5	5	3	2	1	0
	13.02	Vegetable saps and extracts; pectic substances, pectinates and pectates; agar-agar and other mucilages and thickeners, whether or not modified, derived from vegetable products									
65	1302.13	- - Of hops		0	2008	6	5	3	2	1	0
66	15.07	Soya-bean oil and its fractions, whether or not refined, but not chemically modified		0	2008	5	5	3	3	1	0
67	15.08	Ground-nut oil and its fractions, whether or not refined, but not chemically modified		0	2008	5	5	3	3	1	0
68	16.01	Sausages and similar products, of meat, meat offal or blood; food preparations based on these products		10	2005	20	15	10			
	16.02	Other prepared or preserved meat, meat offal or blood									
69	1602.10	- Homogenised preparations		10	2005	20	20	10			
	17.01	Cane or beet sugar and chemically pure sucrose, in solid form									
70	1701.11	- - Cane sugar		10	2003	10					
	17.02	Other sugars, including chemically pure lactose, maltose, glucose and fructose, in solid form; sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel									

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
71	1702.10	Lactose		0	2008	6	5	3	2	1	0
	17.04	Sugar confectionery (including white chocolate), not containing cocoa									
72	1704.90	- Other		10	2003	10					
73	18.06	Chocolate and other food preparations containing cocoa		10	2003	10					
	19.01	Malt extract; food preparations of flour, groats, meal, starch or malt extract, not containing cocoa or containing less than 40% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included; food preparations of goods of headings 04.01 to 04.04, not containing cocoa or containing less than 5% by weight of cocoa calculated on a totally defatted basis, not elsewhere specified or included									
74	1901.10	- Preparations for infant use, put up for retail sale		10	2003	10					
75	1901.20	- Mixes and doughs for the preparation of bakers' wares of heading 19.05		10	2003	10					
76	1901.90	- Other		10	2003	10					
77	19.02	Pasta, whether or not cooked or stuffed (with meat or other substances) or otherwise prepared, such as spaghetti, macaroni, noodles, lasagne, gnocchi, ravioli, cannelloni; couscous, whether or not prepared		10	2003	10					
78	1903.00	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls, siftings or in similar forms		10	2003	10					
79	20.01	Vegetables, fruit, nuts and other edible parts of plants, prepared or preserved by vinegar or acetic acid		10	2006	20	20	20	10		
80	20.02	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid		10	2006	20	20	20	10		
81	20.03	Mushrooms and truffles, prepared or preserved otherwise than by vinegar or acetic acid		10	2006	20	20	20	10		

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
	20.04	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, frozen, other than products of heading 20.06.									
82	2004.10	- Potatoes		5	2005	10	8	5			
	20.05	Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06									
83	2005.10	- Homogenised vegetables		10	2003	10					
84	2005.20	Potatoes		10	2003	10					
85	2005.40	Peas		10	2003	10					
86	2005.60	Asparagus		10	2003	10					
87	2005.30	Sauerkraut		10	2007	30	30	20	20	10	
88	2005.50	Beans (Vigna spp.,phaseoulus spp.)		10	2007	30	30	20	20	10	
89	2005.80	Sweet corn (Zea mays var. Saccharata)		10	2007	30	30	20	20	10	
90	2005.90	Other vegetables and mixtures of vegetables		10	2007	30	30	20	20	10	
91	2006.00	Vegetables, fruit, nuts, fruit-peel and other parts of plants, preserved by sugar (drained, glacé or crystallised)		10	2005	20	15	10			
92	20.07	Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter		10	2005	20	15	10			
	20.08	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included									
93	2008.10	Nuts, ground nuts and other seeds, whether or not mixed together		10	2005	20	15	10			
94	2008.20	Pineapples		10	2005	20	15	10			
95	2008.30	Citrus		10	2005	20	15	10			
96	2008.40	Pears		10	2005	20	15	10			
97	2008.50	Apricos		10	2003	10					
98	2008.60	Cherries		10	2003	10					
99	2008.70	Peaches, including nectarines		10	2005	20	15	10			
100	2008.80	Strawberries		10	2003	10					
101	2008.90	Other		10	2005	20	15	10			
102	20.09	Fruit juices (including grape must) and vegetable juices, unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter		10	2005	20	15	10			

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
	21.03	Sauces and preparations therefor; mixed condiments and mixed seasonings; mustard flour and meal and prepared mustard									
103	2103.10	Soy sauce		10	2003	10					
104	2103.20	Tomato sauces		10	2003	10					
105	2103.30	Mustard		10	2003	10					
106	2103.90	Other		10	2003	10					
	21.04	Soups and broths and preparations therefor; homogenised composite food preparations									
107	2104.20	- Homogenised composite food preparations		10	2003	10					
108	2105.00	Ice cream and other edible ice, whether or not containing cocoa		10	2004	15	10				
109	21.06	Food preparations not elsewhere specified or included		1	2008	8	7	6	5	3	1
110	22.03	Beer made from malt	EL			40	40	40	40	40	40
	22.04	Wine of fresh grapes, including fortified wines; grape must other than that of heading 20.09									
111	2204.10	Sparkling wine	EL			30	30	30	30	30	30
112	2204.21	Other wine	EL			30	30	30	30	30	30
113	2204.29	Fortified wine	EL			30	30	30	30	30	30
114	2204.30	Other grape must		15	2004	20	15				
115	22.05	Vermouth and other wines of fresh grapes flavoured with plants or aromatic substances	EL			30	30	30	30	30	30
116	22.06	Other fermented beverages (for example, cider, perry, mead); mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages, not elsewhere specified or included	EL			30	30	30	30	30	30
117	22.07	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher; ethyl alcohol and other spirits, denatured, of any strength	EL			30	30	30	30	30	30
118	22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol; spirits, liqueurs and other spirituous beverages	EL			30	30	30	30	30	30
119	2209.00	Vinegar and substitutes for vinegar obtained from acetic acid		5	2006	8	7	6	5		
120	24.01	Unmanufactured tobacco; tobacco refuse		5	2003	5					
121	24.02	Cigars, cheroots, cigarillos and cigarettes, of tobacco or tobacco substitutes		15	2006	30	25	25	15		
122	5201.00	Cotton, not carded or combed		0	2008	12	8	5	3	2	0

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
123	5203.00	Cotton, carded or combed		0	2008	5	5	3	2	1	0

SPEC: Special Exclusion Category.
EL: Exclusion List (Sensitive List-SL and General Exception List-GEL)

Table 2-Industrial Products

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003	2004	2005	2006	2007	2008
	03.03	Fish, frozen, excluding fish fillets and other fish meat of heading 03.04									
1	0303.20	Plaice (Pleuronectes platessa)		10	2003	10					
2	0303.80	Livers and roes		10	2003	10					
	16.04	Prepared or preserved fish; caviar and caviar substitutes prepared from fish eggs									
3	1604.10	Fish, whole or pieces, but not minced		20	2003	20					
4	1604.20	- Other prepared or preserved fish		20	2003	20					
5	27.10	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations; waste oils		5.10	2006	5-15	5-15	5-15	5		
	32.08	Paints and varnishes (including enamels and lacquers) based on synthetic polymers or chemically modified natural polymers dispersed or dissolved in a non-aqueous medium; solutions as defined in Note 4 to this Chapter									
6	3208.90	- Other		10	2005	18	15	10			

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
	33.04	Beauty or make-up preparations and preparations for the care of the skin (other than medicaments), including sunscreen or sun tan preparations; manicure or pedicure preparations									
7	3304.30	- Manicure or pedicure preparations		6.5	2006	18	15	10	6.5		
8	3304.99	- - Other		6.5	2006	18	15	10	6.5		
	33.05	Preparations for use on the hair									
9	3305.10	- Shampoos		6.5	2006	18	15	10	6.5		
10	3305.30	- Hair lacquers		6.5	2006	18	15	10	6.5		
11	3305.90	- Other:		6.5	2006	18	15	10	6.5		
	34.02	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01									
12	3402.13	- - Non-ionic		6.5	2007	25	20	10	8	6.5	
13	3402.20	- Preparations put up for retail sale		6.5	2007	25	20	10	8	6.5	
14	3402.90	- Other		6.5	2007	25	20	10	8	6.5	
	39.17	Tubes, pipes and hoses, and fittings therefor (for example, joints, elbows, flanges), of plastics									
15	3917.29	- - Of other plastics		10	2005	15	10				
	39.23	Articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics									
16	3923.10	- Boxes, cases, crates and similar articles		10	2005	15	10				
17	3923.90	- Other		10	2005	15	10				
	39.24	Tableware, kitchenware, other household articles and toilet articles, of plastics									
18	3924.10	- Tableware and kitchenware		10	2005	15	10				
	44.09	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed									
19	4409.10	- Coniferous		20	2003	20					

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
20	44.10	Particle board and similar board (for example, oriented strand board and waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances		20	2003	20					
	44.18	Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes									
21	4418.90	- Other		20	2003	20					
	85.23	Prepared unrecorded media for sound recording or similar recording of other phenomena, other than products of Chapter 37									
22	8523.10	Bandes magnetiques		10	2005	20	15	10			
23	8523.20	Disques magnetiques		10	2005	20	15	10			
	85.27	Reception apparatus for radio-telephony, radio-telegraphy or radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock									
24	8527.29	-- Other		10	2005	15	15	10			
25	8527.90	- Other		10	2005	15	15	10			
	85.28	Reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus; video monitors and video projectors									
26	8528.10	- - Colour		10	2005	15	15	10			
	87.03	Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars									
27	8703.21	- - Of a cylinder capacity not exceeding 1,000 cc	EL			40	40	40	40	40	40
28	8703.22	- - Of a cylinder capacity exceeding 1,000 cc but not exceeding 1,500 cc	EL			40	40	40	40	40	40
29	8703.23	- - Of a cylinder capacity exceeding 1,500 cc but not exceeding 3,000 cc	EL			40	40	40	40	40	40
30	8703.24	- - Of a cylinder capacity exceeding 3,000 cc	EL			40	40	40	40	40	40
31	8703.31	- - Of a cylinder capacity not exceeding 1,500 cc	EL			40	40	40	40	40	40

Item No	Lao Tariff Code	Description	SPEC	Final Tariff Rate under this Agreement	Year Final Rate is in Effect	Phase-in Schedule for Certain Items					
						2003 (%)	2004 (%)	2005 (%)	2006 (%)	2007 (%)	2008 (%)
32	8703.32	- - Of a cylinder capacity exceeding 1,500 cc but not exceeding 2,500 cc	EL			40	40	40	40	40	40
33	8703.33	- - Of a cylinder capacity exceeding 2,500 cc	EL			40	40	40	40	40	40
34	8703.90	- Other	EL			40	40	40	40	40	40
	87.04	Motor vehicles for the transport of goods									
35	8704.22	- - g.v.w exceeding 5 t but not exceeding 20 t		15	2003	15					
36	8704.23	- - g.v.w exceeding 20 t		10	2005	15	15	10			
37	8704.31	- - g.w.w not exceeding 5 t	EL			30	30	30	30	30	30
38	8704.32	- - g.v.w. exceeding 5 t		10	2006	15	15	15	10		
39	8704.90	- Other		10	2005	15	15	10			
	87.06	Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05									
40	8706.10	For the vehicles of heading No.87.03	EL			40	40	40	40	40	40
41	8706.90	Other		20	2003	20					
	87.07	Bodies (including cabs), for the motor vehicles of headings 87.01 to 87.05									
42	8707.10	- For the vehicles of heading 87.03	EL			40	40	40	40	40	40
	87.11	Motorcycles (including mopeds) and cycles fitted with an auxiliary motor, with or without side-cars; side-cars									
43	8711.50	- With reciprocating internal combustion piston engine of a cylinder capacity exceeding 800 cc		20	2006	30	30	30	20		
	94.03	Other furniture and parts thereof									
44	9403.60	- Other wooden furniture		20	2004	25	20				
45	9403.90	- Parts		20	2005	25	25	20			
	95.04	Articles for funfair, table or parlour games, including pin-tables, billiards, special tables for casino games and automatic bowling alley equipment									
46	9504.10	- Video games of a kind used with a television receiver		25	2003	25					
47	9504.90	- Other		25	2003	25					

SPEC: Special Exclusion Category.
EL: Exclusion List (Sensitive List-SL and General Exception List-GEL)

ANNEX A (UNITED STATES)

With respect to import and export restrictions, quotas, licensing requirements, and controls applied with respect to products, the United States will provide to products of Laos treatment no less favorable than the treatment that the United States accords to like products of Members of the World Trade Organization.

ANNEX B (UNITED STATES)

With respect to customs duties and charges of any kind imposed on or in connection with importation or exportation, the United States will provide to products of Laos treatment no less favorable than the treatment that the United States accords to like products of Members of the World Trade Organization.