



Republic of the Philippines
Department of Environment and Natural Resources
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MEMORANDUM

FOR : **The Directors**
Environmental Management Bureau
Forest Management Bureau
Mines and Geosciences Bureau
Biodiversity Management Bureau
Ecosystems Research and Development Bureau

Climate Change Service
Legal Affairs Service

FROM : **The OIC Director**
Policy and Planning Service

SUBJECT : **REQUEST FOR REVIEW/ RECOMMENDATION ON THE DRAFT TERMS OF REFERENCE FOR THE PH- UEA COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (CEPA)**

DATE : **04 APR 2023**

This has reference to the recently conducted interagency meeting held last 24 March 2023 on the draft Terms of Reference (TOR) of the proposed Philippines - United Arab Emirates for the Negotiations of the Comprehensive Economic Partnership Agreement (CEPA). Below are the highlights of the discussion and ways forward, for your reference.

BACKGROUND

- The Philippines recognizes United Arab Emirates (UAE) as a valuable trade partner, given that UAE ranked 23rd among the Philippines' overall trading partners in 2020 and is its 21st largest export market and 26th largest import supplier. UAE is the Philippines' largest export market in the Gulf Cooperation Council (GCC), with exports to UAE comprising 58.26% of total Philippine exports to the region. In terms of investments, UAE ranked 17th among the Philippines' investment partners in 2019, with around 87% of investments going into manufacturing.
- A potential free trade agreement (FTA) with UAE may serve to provide for greater market access for goods and services, enhance investment flows, and ensure more opportunities for economic and technical cooperation. Philippine interests based on initial assessment include fresh and processed fruit, seafood, food products, beverages, electronics, appliances, machinery, personal care goods, iron and steel, wood, cement, chemicals, automotive and automotive parts, ships and aircraft, textile and garments, footwear, and leather. The proposed comprehensive economic partnership agreement with the UAE is envisioned to cover the usual elements of an FTA and other areas of emerging interests.

MEETING HIGHLIGHTS

1. The Negotiation is targeted to be completed by December 2023. DTI is targeting to conclude the CEPA's negotiations as soon as possible, taking into account that UAE shares the same interest. The target timeline also includes required stakeholder consultations.
2. PH will be allotting at least 10 years for the ratification/ implementation and other domestic processes. Entry into force (EIF) is subject to the completion of domestic procedures, PH to proposed insertion of language to reflect EIF only when both sides have completed their respective domestic procedure
3. The draft TOR provides a general indication of which areas will be covered in CEPA. PH to further clarify the coverage of proposed cooperation on the Environment.

On the Environment, no rules can be imposed on each other, hence this may fall under cooperation. The Department of Trade Industry (DTI) recommended to pattern the said Chapter with the Trade and Sustainable Development chapter of the PH-EFTA FTA, which covers both the Environment and Labor cooperation.

WAYS FORWARD


1. The submission of additional comments to draft TOR is until March 29, 2023;
2. PH to transmit the counter draft to UAE by 31 March 2023;
3. Submission of additional offensive and defensive interests by 7 April 2023; and
4. Conduct of Domestic Consultations is yet to be determined.

In this regard, may we kindly request your Office to: 1) review the inclusion of the Environment in the area of cooperation in the CEPA in the draft TOR, particularly the proposal of the DTI to pattern the cooperation on the PH-EFTA FTA; and 2) provide offensive and defensive interest for the PH- UEA CEPA in the area of environment (existing MEAS, environmental cooperation, PH- UAE joint initiatives, sensitive issues, etc.,). For further information, kindly refer to the materials provided by DTI.

- On India - UAE CEPA, the environment was covered under Chapter 14: Economic cooperation and focused only on the general recognition of parties to establish environmental laws and policies. (<https://bit.ly/3Zu3Wef>)
- On the PH - EFTA FTA, Environment is in the context of Sustainable Development under Chapter 11. (<https://bit.ly/3TTchqy>).

We would appreciate receiving an advance copy of your inputs on or before **04 April 2023** through e-mail at psddivision@gmail.com, copy furnished this e-mail address: policy@denr.gov.ph, to facilitate immediate consolidation and subsequent submission to the DTI.

For your information and appropriate action, please.


CHERYL LOISE T. LEAL

| Zero Draft as of 14 March 2022 | PH Draft as of 29 March 2021 | Remarks |
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| <p align="center">TERMS OF REFERENCE FOR THE NEGOTIATION OF A COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE UNITED ARAB EMIRATES (“UAE”) AND THE REPUBLIC OF THE PHILIPPINES</p> | <p align="center">TERMS OF REFERENCE FOR THE NEGOTIATION OF A COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE UNITED ARAB EMIRATES (“UAE”) AND THE REPUBLIC OF THE PHILIPPINES (PH)</p> | |
| <p align="center">I. OBJECTIVE</p> <p>To conclude negotiations on a Comprehensive Economic Partnership Agreement (“CEPA”) to establish a Free Trade Area, in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (“GATT 1994”) and Article V of General Agreement on Trade in Services (“GATS”), and to promote opportunities for Investment, market access and trade liberalization for goods and services and deepen cooperation on the digital economy.</p> | <p align="center">I. OBJECTIVE</p> <p>To conclude negotiations on a Comprehensive Economic Partnership Agreement (“CEPA”) to establish a Free Trade Area between the UAE and PH (individually referred to hereinafter as a “Party” or collectively as the “Parties”), in accordance with Article XXIV of the General Agreement on Tariffs and Trade 1994 (“GATT 1994”) and Article V of General Agreement on Trade in Services (“GATS”), and to further strengthen bilateral economic relations by improving market access for goods and services, promoting opportunities for investment, and deepening cooperation on areas of mutual interest. and to promote opportunities for Investment, market access and trade liberalization for goods and services and deepen cooperation on the digital economy.</p> | |
| <p align="center">II. PRINCIPLES OF THE NEGOTIATION</p> <p>The CEPA will be consistent with the rights, principles, rules and obligations established by the World Trade Organization (WTO). The negotiation is a single undertaking. Consequently, nothing is agreed until everything is agreed.</p> | <p align="center">II. PRINCIPLES OF THE NEGOTIATION</p> <p>The CEPA will be consistent with the rights rules, principles, rights and obligations established by the World Trade Organization (WTO) and its relevant agreements. The negotiation is a single undertaking. Consequently, nothing is agreed until everything is agreed. The CEPA will take into account the different levels of trade, development, and financial needs of the Parties with the end view of providing appropriate flexibilities to achieve their policy objectives. The CEPA will apply between PH and UAE, but not to trade relations among the Association of Southeast Asian Nations (ASEAN) and the Gulf Cooperation Council (GCC).</p> | |
| <p align="center">III. TARIFF AND SERVICES SECTOR LIBERALIZATION</p> <ol style="list-style-type: none"> All tariff lines and services sectors are subject to negotiation, without prejudice to the final results. In general, and without prejudice to the results of the negotiation, the following modalities for tariff reduction are adopted: | <p align="center">III. TARIFF AND SERVICES SECTOR LIBERALIZATION</p> <ol style="list-style-type: none"> All tariff lines and services sectors are subject to negotiation, without prejudice to the final results. In general, and without prejudice to the results of the negotiation, the following modalities for tariff reduction elimination shall be considered: are adopted: | |

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| <p>a. Immediate b. Three (3) years c. Five (5) years</p> <p>3. Unless otherwise agreed, the first tariff reductions and the service liberalizations will be made on the day the CEPA enters into force. Successive tariff reductions will be effective on January 1st of each successive year. The Sides agree to negotiate applying the offer/request model.</p> <p>4. The starting point for tariff reduction negotiations will be the applied MFN rates as of 1/1/2021.</p> <p>5. Negotiations shall be based on the 2017 Edition of the WCO Harmonized System Nomenclature.</p> <p>6. As a general principle, the tariffs will be reduced in a linear manner.</p> <p>7. The negotiation of the trade in services chapter will be based on the GATS.</p> | <p>a. Immediate b. Three (3) years c. Five (5) years d. Ten (10) years</p> <p>3. Unless otherwise agreed, the first tariff reductions and the service liberalizations will be made on the day the Parties have completed their domestic procedures for the entry into force of the CEPA. CEPA enters into force. Successive tariff reductions/eliminations will be effective on January 1st of each successive year.</p> <p>4. The Parties Sides agree to negotiate applying the offer/request-offer model.</p> <p>5. The starting point for tariff reduction negotiations will be the applied MFN rates as of 1/1/2021. <small>[Footnote on the exclusion/exemption of products with temporary modification in MFN rates]</small></p> <p>6. Negotiations will shall be based on the 2022 2017 Edition of the World Customs Organization (WCO) Harmonized System Nomenclature.</p> <p>7. As a general principle, the tariffs will be reduced in a linear manner, <u>subject to further negotiations on tariff schedule for certain products.</u></p> <p>8. The negotiation of the trade in services chapter will be based on the GATS.</p> | |
| <p>IV. SCOPE AND COVERAGE OF THE CEPA</p> <p>The CEPA will include the following chapters (in no order):</p> <p>a. Preamble b. Initial Provisions and General Definitions c. Trade in Goods d. Rules of Origin and Origin Procedures e. Customs Administration and Trade Facilitation</p> | <p>IV. SCOPE AND COVERAGE OF THE CEPA</p> <p>The CEPA will include the following chapters (in no order):</p> <p>a. Preamble b. Initial Provisions and General Definitions c. Trade in Goods d. Rules of Origin and Origin Procedures e. Customs Administration and Trade Facilitation</p> | |

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| <p>f. Sanitary and Phytosanitary Measures g. Technical Barrier to Trade h. Trade Remedies i. Investment j. Trade in Services</p> <p>k. Digital Trade</p> <p>l. Government Procurement m. Intellectual Property Rights n. SMEs o. Environment</p> <p>p. Economic Cooperation and MSMEs q. Dispute Settlement r. Exceptions s. Administration of the Agreement</p> <p>t. Final Provisions</p> | <p>f. Sanitary and Phytosanitary Measures g. Technical Barrier to Trade h. Trade Remedies i. Investment j. Trade in Services [Movement of Natural Persons]</p> <p>[Financial Services]</p> <p>[Professional Services]</p> <p>k. Digital Trade</p> <p>l. Competition</p> <p>m. Government Procurement</p> <p>n. Intellectual Property Rights</p> <p>o. MSMEs</p> <p>p. Labor and Environment [Trade and Sustainable Development]</p> | <p>DMW and DOLE</p> <ul style="list-style-type: none"> ○ Confirm PH proposal to have MNP in the CEPA ○ Feedback on whether it will be included in the TIS chapter as an article, annexed, or standalone chapter <p>DOF</p> <ul style="list-style-type: none"> ○ Confirm PH proposal to have financial services ○ Feedback on whether it will be included in the TIS chapter as an article, annexed, or standalone chapter <p>PRC</p> <ul style="list-style-type: none"> ○ Confirmed the inclusion of professional services and is flexible on how it will be reflected in the CEPA <p>PCC</p> <ul style="list-style-type: none"> ○ To confirm PH proposal to have a standalone chapter on Competition or be covered under the Econ Coop Chapter <p>GPP</p> <ul style="list-style-type: none"> ○ Proposed deletion as no market access to GP were committed in any of the PH FTAs and PH maintains an observer status and has yet to accede to the WTO-GPA. As an observer, PH still learning from the experiences of other countries in light of the ongoing reform programs on public procurement. <p>IPOPIL</p> <ul style="list-style-type: none"> ○ Confirmed UAEs proposal to have an IPR Chapter <p>DMW and DOLE</p> <ul style="list-style-type: none"> ○ Feedback on whether PH proposal on labor can be similar to the PH-EFTA FTA chapter on Trade and Sustainable Development wherein the Parties reaffirmed their commitments under the ILO labor conventions <p>DENR</p> <ul style="list-style-type: none"> ○ Feedback on whether PH proposal on environment can be similar to the PH-EFTA FTA chapter on Trade and Sustainable |
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| | <p>q. Economic Cooperation and MSMEs</p> <p>r. Dispute Settlement</p> <p>s. Exceptions</p> <p>t. Institutional Arrangements Administration of the Agreement</p> <p>u. Final Provisions</p> | <p>Development wherein the Parties reaffirmed their commitments under the multilateral environment agreements</p> <p>Areas that can be subsumed under Econ Coop:</p> <ul style="list-style-type: none"> o Investment, Competition, Government Procurement, MSME, Labor and Environment |
| <p style="text-align: center;">V. METHODOLOGY</p> <p>1. Basic Principles</p> <p>a. The texts and proposals exchanged during the negotiation shall always be treated as confidential information.</p> <p>b. The UAE will provide its texts as further set out in part VI of these Terms of Reference. The sharing of such texts shall be without prejudice to the right of each Side to present new proposals during the negotiations.</p> <p>c. The Sides will exchange offers on market access for goods and schedules of specific commitments in services and the thresholds of the included procurements in goods, services and construction services, simultaneously.</p> <p>2. Levels of Negotiation</p> <p>The Sides agree that the following negotiation modalities shall apply:</p> <p>a. <i>Working Group Leads</i></p> <ul style="list-style-type: none"> • Each Side shall designate its delegates to Working Groups agreed under part VII. | <p style="text-align: center;">V. METHODOLOGY</p> <p>2. Basic Principles</p> <p>b. The texts and proposals exchanged during the negotiation will shall always be treated as confidential information.</p> <p>c. The UAE and/or PH will provide its texts as further set out in part VI of this these Terms of Reference. The sharing of such texts will shall be without prejudice to the right of each Parties Side to present new proposals during the negotiations.</p> <p>d. The Parties Side will exchange request and offers on market access for goods and schedules of specific commitments in services and the thresholds of the included procurements in goods, services and construction services, simultaneously. Both Parties will agree on the formats that will be used for the said undertaking.</p> <p>3. Levels of Negotiation</p> <p>The Parties Side agree that the following negotiation modalities will shall apply:</p> <p>a. <i>Working Group Leads</i></p> <ul style="list-style-type: none"> • Each Parties will Side shall designate its delegates to Working Groups agreed under part VII. | <p>GPPB:</p> <ul style="list-style-type: none"> o Proposed deletion as no market access to GP were committed in any of the PH FTAs and PH maintains an observer status and has yet to accede to the WTO-GPA. As an observer, PH still learning from the experiences of other countries in light of the ongoing reform programs on public procurement. |

- The Working Group Leads will be responsible for the chapters allocated to them

b. *Coordinators*

- Each Side will designate a coordinator in charge of the technical aspects of the negotiation process (approval of agenda, meeting schedules and joint conclusions).
- The Sides will exchange the name and contact information of the coordinators by no later than [DATE].

c. *Chief Negotiators*

- The Sides have designated the following persons as Chief Negotiators:
 - **For the Philippines:** Asst. Secretary Allan Gepty, Department of Trade and Industry; and
 - **For the United Arab Emirates:** His Excellency Juma Al Kait, Ministry of Economy.
- The Chief Negotiators may negotiate any matter and resolve matters which may arise from time to time during the negotiations.
- The Chief Negotiators will approve the results of the negotiations.

d. *Ministers*

- Ministers will have the overall responsibility for the negotiations, a process which will conclude by their

- The Working Group Leads or their designated alternates will be responsible for the chapters assigned ~~allocated~~ to them

b. *Coordinators*

- Each Parties will ~~Side shall~~ designate a coordinator in charge of all communications and ~~the~~ technical aspects of the negotiation process (approval of agenda, meeting schedules, summary of discussions, and joint conclusions).
- The Sides will exchange the name and contact information of the coordinators by no later than [DATE].

c. *Chief Negotiators*

- The Parties will designate their ~~Sides have designated the following persons as~~ Chief Negotiators prior to the first round of negotiations:
 - **For the Philippines:** Asst. Secretary Allan Gepty, Department of Trade and Industry; and
 - **For the United Arab Emirates:** His Excellency Assistant Undersecretary Juma Al Kait, Ministry of Economy.
- The Chief Negotiators may negotiate any matter and resolve matters which may arise from time to time during the negotiations.
- The Chief Negotiators will approve the results of the negotiations.

d. *Ministers*

- Ministers will have the overall responsibility for the negotiations, a process which will conclude by their signing of the CEPA.
 - **For the Philippines:** Secretary Alfredo E. Pascual.

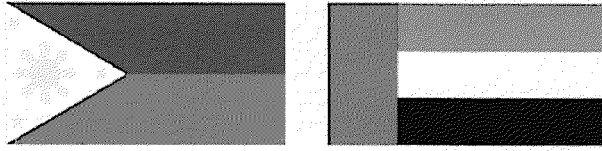
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| <p>signing of the CEPA.</p> | <p>Department of Trade and Industry</p> <ul style="list-style-type: none"> ○ For the United Arab Emirates: His Excellency Minister of State Thani Al Azeyoudi, Ministry of Economy | |
| <p>VI. EXCHANGE OF DATA AND DRAFT CHAPTERS</p> <ol style="list-style-type: none"> 1. The UAE shall, to the extent possible, provide its text proposals to the other no later than [three to four] weeks prior to the set date of the first round of negotiations. 2. The Sides will exchange the following data by - [DATE]. <ul style="list-style-type: none"> • The 2022 versions in English of their Customs Tariff which will include the MFN rate as of 1/1/2021 by tariff line. • All trade statistical data by tariff line (bilateral, world, and selected major trading partners, import and export, in MS Excel format including value in USD and volume) for the years 2019-2021 (as and when 2021 becomes available). | <p>VI. EXCHANGE OF DATA AND DRAFT CHAPTERS</p> <ol style="list-style-type: none"> 1. The UAE and/or PH will shall, to the extent possible, provide its text proposals to the other no later than four weeks prior to the set date of the first round of negotiations. 2. The Parties Sides will exchange the following data by - [DATE]. <ul style="list-style-type: none"> • The 2022 versions in English of their Customs Tariff which will include the MFN rate as of 1/1/2021 by at the national tariff line level. • All trade statistical data between the two Parties, with their selected trading partners, and with the world (imports and exports by tariff line, including value in USD and volume, in HS 2017, with HS 2017 to HS 2022 correlation tables, in MS Excel format) for the years 2017-2022. by tariff line (bilateral, world, and selected major trading partners, import and export, in MS Excel format including value in USD and volume) for the years 2019-2021 (as and when 2021 becomes available). Selected trading partners are as follows: <ul style="list-style-type: none"> ○ For the Philippines (HS eight-digit level): the GCC (as a whole and individual members), the ASEAN (as a whole and individual members), China, Japan, USA ○ For the UAE (HS eight-digit level): the GCC (as a whole and individual members), the ASEAN (as a whole and individual members), China, Japan, USA • If necessary, once 2021 statistics are complete, each Party Side may exchange 2021 statistics once available them. 3. The Parties Sides may propose to exchange additional | |

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| <ul style="list-style-type: none"> • If necessary, once 2021 statistics are complete, each Side may exchange them. <ol style="list-style-type: none"> 3. The Sides may propose to exchange additional information or any of the above information between themselves, if necessary, prior to the first round of negotiations. 4. During the entire negotiation process, either Side may request additional necessary information from the other to clarify any of the chapters or their related topics under negotiation. 5. During the entire negotiation process, either Side may introduce new text proposals on the proposed chapters. | <p>information or any of the above information between themselves, if necessary, at an agreed schedule prior to the first round of negotiations.</p> <ol style="list-style-type: none"> 4. During the entire negotiation process, either Party Side may request additional necessary information from the other to clarify any of the chapters or their related topics under negotiation. 5. During the entire negotiation process, either Party Side may introduce new text proposals based on the discussion of the proposed chapters. | |
| <p>VII. ADMINISTRATION OF THE NEGOTIATION</p> <ol style="list-style-type: none"> 1. The negotiations will be conducted by the Ministry of Economy of the United Arab Emirates and the Department of Trade and Industry of The Philippines. 2. During negotiations, the Sides agree to establish the following Working Groups to negotiate the relevant chapters. Subject to the approval of the Chief Negotiators, certain Working Groups may be merged or restructured from time to time. <p>Working Groups</p> <ol style="list-style-type: none"> 1 Group on Market Access: Trade in Goods (including Technical Barriers to Trade and Sanitary and Phytosanitary Measures) 2 Group on Rules of Origin & Origin Procedures 3 Group on Trade in Services (including Digital Trade) 4 Group on Economic Cooperation (including SMEs) 5 Group in Trade Remedies 6 Group on Trade Facilitation and Customs Cooperation 7 Group on Trade in Investment | <p>VII. ADMINISTRATION OF THE NEGOTIATION</p> <ol style="list-style-type: none"> 1. The negotiations will be conducted by the Ministry of Economy of the United Arab Emirates and the Department of Trade and Industry of the Philippines. 2. During negotiations, the Sides Parties agree to establish the following Working Groups to negotiate the relevant chapters. Subject to the approval of the Chief Negotiators, certain Working Groups may be merged or restructured from time to time. <p>Working Groups</p> <ol style="list-style-type: none"> 1 Group on Market Access: Trade in Goods (including Market Access, Technical Barriers to Trade and Sanitary and Phytosanitary Measures, and Trade Remedies) 2 Group on Rules of Origin & Origin Procedures 3 Group on Trade in Services (including Movement of Natural Persons, Financial Services, and Professional Services Digital Trade) 4 Group on Economic Cooperation (including Halal SMEs) MSMEs Group in Trade Remedies 5 Group on Trade Facilitation and Customs Cooperation 6 Group on Trade in Investments | |

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| <p>8 Group on Legal and Institutional Issues (including Preamble, Initial Provisions and General Definitions, Administration of the Agreement, Exceptions, Final Provisions, and Dispute Settlement)</p> <p>9 Group on Government Procurement</p> <p>10 Group on Intellectual Property Rights</p> <p>3. Timeline and Logistics</p> <ul style="list-style-type: none"> • The rounds will be hosted by each Side. The hosting country will assume the expenses regarding the organization and the logistics of the round. Inter-sessional meetings of working groups or subgroups will be encouraged. The rounds of negotiations may be organized virtually. • Video or phone-conferences may be organized by the Sides and in between negotiation rounds. • The negotiations will pursue the following indicative schedule: <ul style="list-style-type: none"> ○ Approval of the Terms of References: On [DATE] ○ First Negotiation Round: On [DATE], in [TBD] ○ Second Negotiation Round: On [DATE], in [TBD] • The dates for subsequent rounds of negotiations will be agreed by the Chief Negotiators. | <p>7 Group on Legal and Institutional Issues (including Preamble, Initial Provisions and General Definitions, Institutional Arrangements Administration of the Agreement, Exceptions, Final Provisions, and Dispute Settlement)</p> <p>8 Group on Government Procurement</p> <p>9 Group on Intellectual Property Rights</p> <p>10 Labor and Environment</p> <p>11 Competition</p> <p>3. Timeline and Logistics</p> <ul style="list-style-type: none"> • The rounds will be hosted by each Side Parties alternately in the PH and UAE. The hosting country will assume the expenses regarding the organization and the logistics of the round. Inter-sessional meetings of working groups or subgroups will be are encouraged. The rounds of negotiations and inter-sessional meetings may be organized online virtually. • On the inter-sessional meetings, the Parties will agree on who will underwrite the cost/expenses. • Video or phone-conferences may be organized by the Sides and in between negotiation rounds. • The negotiations will pursue the following indicative schedule: <ul style="list-style-type: none"> ○ Approval of the Terms of References: On [DATE] ○ First Negotiation Round: On [DATE], in [TBD] ○ Second Negotiation Round: On [DATE], in [TBD] • The dates for subsequent the rounds of negotiations will be agreed by the Chief Negotiators. • Exchanges of data and texts will take place both during negotiations and between rounds electronically. For the exchange of data, Parties will agree on a schedule for the | |
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| <ul style="list-style-type: none"> Exchanges of data and texts will take place both during negotiations and between rounds electronically. Each Working Group will prepare Agree Minutes, at the end of each round, that will compile the text and commitments. The Agree Minutes will be initialed and approved by the Working Group Leads. Management of texts and proposals during negotiations: The Sides agree that the host country would be responsible for producing consolidated or revised texts reflecting the results of the negotiations at the end of each round. The Chief Negotiators will initial the Agreed Minutes at the conclusion of the round. MS Word and MS Excel Formats will be used for all texts and proposals. Working Groups will be responsible for drafting a list of tasks and commitments to be carried out before the following round. Negotiation coordinators will compile the same and shall be annexed to the Agreed Minutes. The meetings will be held in English. If a Side decides to use interpretation for its own delegation, such cost of interpretation will be covered by that Side. Materials exchanged between the Sides during the negotiations will, in principle, be provided in the English language. | <p>exchange.</p> <ul style="list-style-type: none"> Each Working Group will prepare the Summary of Discussions Agree Minutes, at the end of each round, that will compile the text and commitments. The Summary of Discussions will include the next steps to be carried out before the following round. The Summary of Discussions Agree Minutes will be initialed and approved by the Working Group Leads. Management of texts and proposals during negotiations: The Parties Sides agree that the host country would be responsible for producing consolidated or revised texts reflecting the results of the negotiations at the end of each round. The Chief Negotiators will initial the Summary of Discussions Agreed Minutes at the conclusion of each the round. MS Word and MS Excel Formats will be used for all texts and proposals. Working Groups will be responsible for drafting a list of tasks and commitments to be carried out before the following round. Negotiation coordinators will compile the same and shall be annexed to the Agreed Minutes. The meetings will be held in English. If a Party Side decides to use interpretation for its own delegation, such cost of interpretation will be covered by that Party Side. Materials exchanged between the Parties Sides during the negotiations will, in principle, be provided in the English language. | | | | | |
| <ul style="list-style-type: none"> The Sides have assigned the following country negotiators to channel all communications: <p>For the United Arab Emirates</p> <table border="1" data-bbox="120 1294 763 1382"> <tr> <td>Ms. Shaima Alaydarous Director of Trade Negotiations & International Organizations,</td> <td>Phone: +971 4 314 1632 Cell: +971 55 596 3437</td> </tr> </table> | Ms. Shaima Alaydarous Director of Trade Negotiations & International Organizations, | Phone: +971 4 314 1632 Cell: +971 55 596 3437 | <ul style="list-style-type: none"> The Sides have assigned the following country negotiators to channel all communications: <p>For the United Arab Emirates</p> <table border="1" data-bbox="801 1294 1444 1382"> <tr> <td>Ms. Shaima Alaydarous Director of Trade Negotiations & International Organizations,</td> <td>Phone: +971 4 314 1632 Cell: +971 55 596 3437</td> </tr> </table> | Ms. Shaima Alaydarous Director of Trade Negotiations & International Organizations, | Phone: +971 4 314 1632 Cell: +971 55 596 3437 | |
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| <p>Ministry of Economy Email: <u>salaydarous@economy.ae</u></p> <p>For the Philippines</p> <p>Ms. Charmaine Mignon Yalong Phone: +971 44504252 Commercial Attaché Ministry of Economy and Industry Email: <u>charmainemignonyalong@dti.gov.ph</u></p> | <p>Ministry of Economy - Email: <u>salaydarous@economy.ae</u></p> <p>For the Philippines</p> <p>Ms. Charmaine Mignon Yalong Phone: +971 44504252 Commercial Attaché - Ministry of Economy and Industry Email: <u>charmainemignonyalong@dti.gov.ph</u></p> <p>-</p> | | | | | | | | | |
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| <p>Executed on the XX of XXXX, 2022.</p> <table border="1" data-bbox="107 651 763 850"> <thead> <tr> <th data-bbox="107 651 443 708">FOR THE UNITED ARAB EMIRATES</th> <th data-bbox="443 651 763 708">FOR THE PHILIPPINES</th> </tr> </thead> <tbody> <tr> <td data-bbox="107 708 443 850"><u>Ministry of Economy</u></td> <td data-bbox="443 708 763 850"><u>Department of Trade and Industry</u></td> </tr> </tbody> </table> | FOR THE UNITED ARAB EMIRATES | FOR THE PHILIPPINES | <u>Ministry of Economy</u> | <u>Department of Trade and Industry</u> | <p>Executed on the XX of XXXX, 2023.</p> <table border="1" data-bbox="790 651 1447 850"> <thead> <tr> <th data-bbox="790 651 1126 708">FOR THE UNITED ARAB EMIRATES</th> <th data-bbox="1126 651 1447 708">FOR THE PHILIPPINES</th> </tr> </thead> <tbody> <tr> <td data-bbox="790 708 1126 850"><u>Ministry of Economy</u></td> <td data-bbox="1126 708 1447 850"><u>Department of Trade and Industry</u></td> </tr> </tbody> </table> | FOR THE UNITED ARAB EMIRATES | FOR THE PHILIPPINES | <u>Ministry of Economy</u> | <u>Department of Trade and Industry</u> | |
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PH-UAE Comprehensive Economic Partnership Agreement (CEPA)

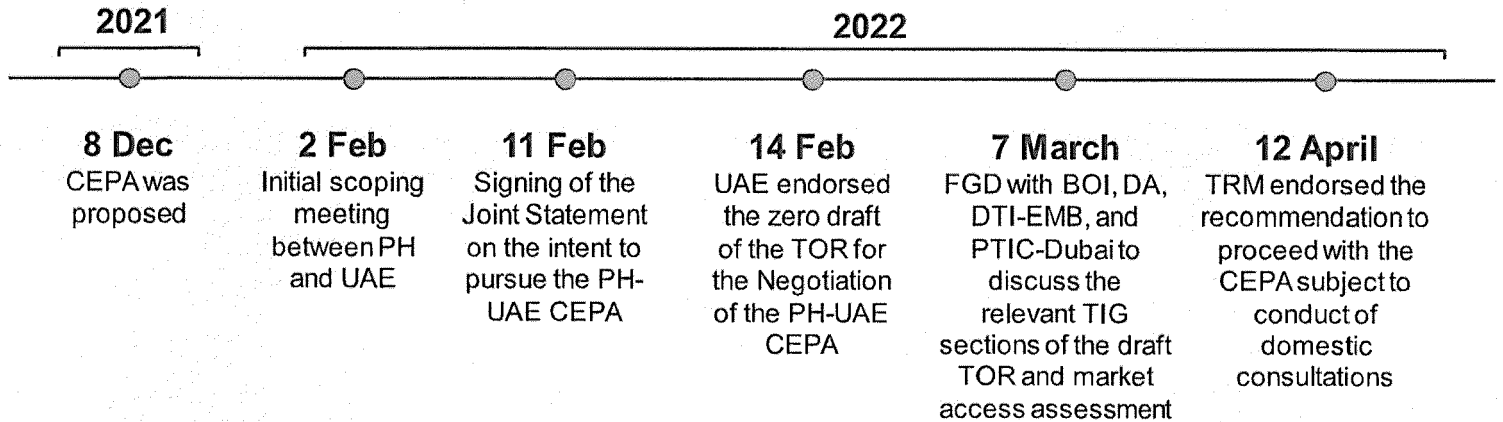
Inter-agency Meeting
24 March 2023, 1000H



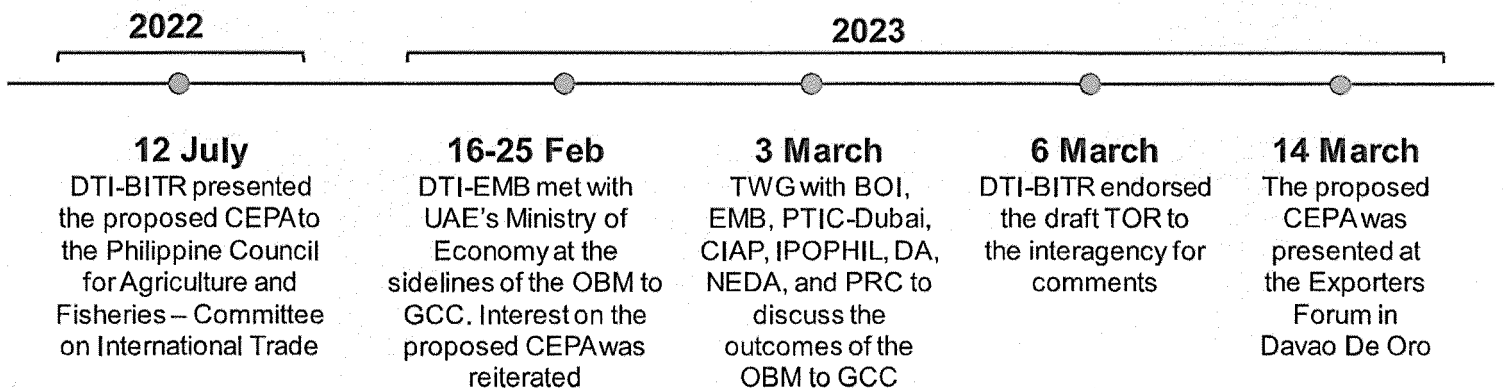
Agenda

- I. Background and updates on the proposed PH-UAE CEPA**
- II. Line-by-line discussion of the draft TOR for the negotiation of the PH-UAE CEPA**
- III. Next steps and ways forward**
- IV. Other Matters**

Background



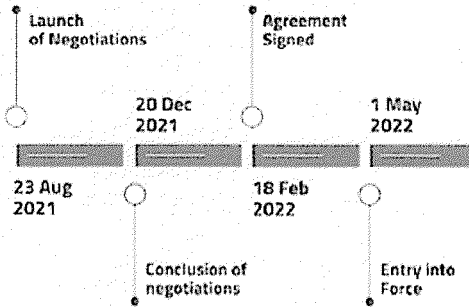
Background



UAE's CEPA negotiations



UAE - INDIA CEPA



UAE – India CEPA

- 3 rounds of negotiations, concluded in 88 days,
- EIF: 1 May 2022

| | |
|--------------------|----------------------|
| Trade in Goods | IP |
| Customs Procedures | GP |
| TBT | Trade Remedies |
| SPS | DS |
| Trade in Services | SME |
| Digital Trade | Economic Cooperation |

- TIG: 97% of UAE's tariff lines (7581 TLs) accounting for 99% of Indian exports to the UAE have preferential rates. 90% of India's tariff lines (11908 TLs) were offered under the CEPA
- TIS: India offered market access to 100 sub-sectors while UAE offered 111 sub-sectors

Sources:

- <https://www.moec.gov.ae/en/cepa>
- <https://pib.gov.in/PressReleasePage.aspx>

UAE's CEPA negotiations



UAE - ISRAEL CEPA



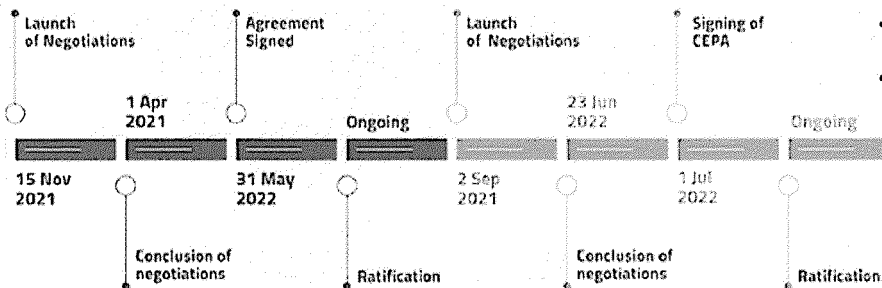
UAE - INDONESIA CEPA

UAE – Israel CEPA

- EIF: 1 April 2023
- Coverage: TIG, TIS, IP, GP, SME, among others
- Preferential tariffs for more than 96% of tariff lines and 99% value of trade

UAE – Indonesia CEPA

- Concluded: 1 July 2022
- 80% of UAE exports will gain duty-free access to Indonesia
- More than \$10 billion in investment projects accelerated
- Cooperation in emerging sectors like renewable energy, Islamic finance, the digital economy, and automation.



Sources:

- <https://www.moec.gov.ae/en/cepa>
- <https://www.gov.il/BlobFolder/news/israel-uae-to-sign-historic-free-trade-agreement-30-may-2022/>
- <https://www.aeanbriefing.com/news/indonesia-and-the-united-arab-emirates-conclude-trade-pact/>

UAE's CEPA negotiations

Other UAE CEPAs and their status:

- ASEAN MS
 - Cambodia-UAE CEPA – concluded negotiations last 18 March 2023
 - Vietnam-UAE CEPA 3rd round of negotiations was held last Dec 2022
 - Thailand-UAE CEPA agreed to commence negotiations last 6 March 2023
 - Turkey-UAE CEPA – concluded on 3 March 2023
- Georgia-UAE CEPA- signed 20 March 2023
- UAE is also working on establishing CEPAs with Kenya, Columbia, Euroasia, and Ukraine.
- The UAE aims to conclude at least 22 CEPA deals by 2031.

Sources:
<https://www.wam.ae/en/details/1395303135361>

Consideration of the proposed TOR

Next Steps and Ways Forward

| Deliverables | Deadline |
|---|---------------|
| 1. FGD on the services-related elements of the TOR | 28 March 2023 |
| 2.FGD on the trade in goods-related elements of the TOR | 30 March 2023 |
| 3. Submission of additional comments to the draft TOR | 29 March 2023 |
| 4. Transmittal of PH counter draft to UAE | 31 March 2023 |
| 5. Submission of additional inputs on offensive and defensive interests | 7 April 2023 |
| 6. Conduct of domestic consultations | TBD |

Proposed CEPA Leads

| | Working Groups | Lead Agency | Members |
|----|---|-------------|--|
| 1 | Trade in Goods (including Market Access, TBT, SPS, and Trade Remedies) | DTI | BOI-IDS, DA, BIS, EMB, PTIC, TC, BOC, DOJ, NEDA, DOF, BPS, DOJ |
| 2 | Rules of Origin | BOI-IDS | BOI-IDS, DA, BIS, EMB, TC, BOC, DOJ, NEDA, DOF |
| 3 | Trade in Services (including Digital Trade, MNP, and Professional Services) | NEDA | NEDA/IACTS, PRC, DTI |
| 4 | Economic Cooperation (including Halal) | RGMS | RGMS, NEDA, EMB |
| 5 | SME | BSMED | BSMED, ROG |
| 6 | Trade Facilitation and Customs Cooperation | BOC | BOC |
| 7 | Investments | BOI-LCS | BOI-LCS, DOJ |
| 8 | Legal and Institutional Issues (including Preamble, Initial Provisions and General Definitions, Institutional Arrangements, Exceptions, Final Provisions, and Dispute Settlement) | DOJ | DOJ, DFA |
| 9 | Government Procurement | GPPB | GPPB |
| 10 | Intellectual Property Rights | IPOPHIL | IPOPHIL |
| 11 | Labor and Environment | DOLE | DOLE, DMW |
| 12 | Competition | PCC | PCC |

Thank you!



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-  **DTI.Philippines**

Inter-Agency meeting on the Proposed Philippines - UAE Comprehensive Economic Partnership Agreement (PH-UAE CEPA)

AFTER ACTIVITY REPORT

| DATE AND TIME | 24 March 2023 10:00 AM | | | | | | | | | | | | | |
|------------------------------|---|--|------|----------|-------------|---------------|------------------|------------------------------------|------------------|---|------------------|---|---------------|---|
| VENUE | Via Zoom | | | | | | | | | | | | | |
| AGENDA | <ul style="list-style-type: none"> ● Background and updates on the proposed PH-UAE-CEPA ● Line by line discussion of the draft TOR | | | | | | | | | | | | | |
| ATTENDEES/ PARTICIPANTS | DTI - Bureau of International Trade Relations DTI- Export Marketing Bureau DTI- Bureau of Small and Medium Enterprise Development DTI- Resource Generation and. Management Service DTI- Industry Development & Trade Policy Group DTI- Regional Operations Group DTI- Bureau of Import Services Philippine Competition Commission Tariff Commission Intellectual Property Office of the Philippines Professional Regulatory Commission Department of Finance Board of Investments Department of Justice Department of Foreign Affairs Government Procurement Policy Board DENR - Climate Change Service (Mr. Albert Magalang) DENR-Mines and Geosciences Bureau (Engr. Diory Carr) DENR-Forest Management Bureau (For. Lala Valente Pena) DENR-Policy Studies Division | | | | | | | | | | | | | |
| HIGHLIGHTS OF DISCUSSIONS | Dir. Benedictos of the DTI chaired the meeting A. Background <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">DATE</th> <th>ACTIVITY</th> </tr> </thead> <tbody> <tr> <td>08 Dec 2021</td> <td>Proposed CEPA</td> </tr> <tr> <td>02 February 2022</td> <td>Scoping meeting between PH and UAE</td> </tr> <tr> <td>11 February 2022</td> <td>Signing og the Joint Statement on the intent to pursues the PH-UAE CEPA</td> </tr> <tr> <td>14 February 2022</td> <td>UAE endorsed the zero draft of the TOR for the Negotiation of the PH-UAE CEPA</td> </tr> <tr> <td>07 March 2022</td> <td>FGD with BOI, DA, DTI-EMB, and PTIC Dubai, CIAP, among others</td> </tr> </tbody> </table> | | DATE | ACTIVITY | 08 Dec 2021 | Proposed CEPA | 02 February 2022 | Scoping meeting between PH and UAE | 11 February 2022 | Signing og the Joint Statement on the intent to pursues the PH-UAE CEPA | 14 February 2022 | UAE endorsed the zero draft of the TOR for the Negotiation of the PH-UAE CEPA | 07 March 2022 | FGD with BOI, DA, DTI-EMB, and PTIC Dubai, CIAP, among others |
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| 07 March 2022 | FGD with BOI, DA, DTI-EMB, and PTIC Dubai, CIAP, among others | | | | | | | | | | | | | |

| | |
|----------------|---|
| 12 July 2022 | DTI BITR presented the proposed CEPA to the Philippine Council for Agriculture and Fisheries-Committee on International Trade |
| 16-25 Feb 2023 | DTI-EMB met with UAEs Ministry of Economy at the sidelines of the OBM to GCC and the interest on the proposed CEPA was reiterated |
| 14 March 2023 | The Proposed CEPA was presented at the Exporters Forum in Davao De Oro |
| 03 March 2023 | TWG with BOI, DTI-EMB, PTIC-Dubai, CIAP, IPOPHIL, DA, NEDA, and PRC to discuss the outcomes of the OBM to GCC |
| 06 March 2023 | DTI BITR endorsed the draft TOR to the interagency for comments |

UAE's CEPA Negotiations

- Dir. Benedictos presented the experience and reports regarding the UAE-India CEPA. He added, on Trade in Goods, 97% of UAE's Tariff lines accounting for 99% of Indian exports to the UAE have a preferential rate. 90% of India's tariff lines were offered under CEPA. The UAE-Israel CEPA, there are preferential tariffs for more than 96% of tariff lines and 99% value of trade. For UAE-Indonesia CEPA, 80% of UAE exports will gain duty-free access to Indonesia.
- The possible areas of cooperation discussed during the UAE - Indonesia CEPA negotiations: **renewable energy**, islamic finance, digital economy, and automation. The said sector can also form part in the UAE- PH CEPA negotiations.
- There are also other CEPA such as Turkey-UAE, Georgia-UAE, and UAE is establishing
- DFA OMEAA Dir. Alex Vallespin raised if the PH could follow the timelines, and he requested to be furnished of the updates
- BITR: on the proposed timeline, the Negotiation is targeted to be completed by December 2023. DTI is targeting to conclude the CEPA's negotiations as soon as possible, taking into account UAE's shares the same interest. The target timeline also include required stakeholder consultations.

II. Principles of Negotiations

Economic Development: Dir. Benedictos said that this refers to grade level, financial. In GATS, this is normally considered as trade, development and financial needs. To consider "different levels of developments"

III. Tariff and Services sector liberalization

On the query on the length of conclusion of the FTA, Dir. Benedictos said PH usually allows 10 years for completion. The CEPA negotiation might be completed in a year.

Dir. Benedictos said that CEPA will enter into force (EIF) when both sides have completed the domestic procedures. This is also in process of RCEP, all leg works must be in place before EIF.

DOJ: when the CEPA EIF, this means that the domestic procedures have been completed. EIF -completion of internal domestic procedures

BOI raised that there are highly sensitive lists in other FTAs hence, she asked regarding the inclusion of standstill.

Pat EMB: to incorporate this line to line 7 "As a general principle, the tariff will be reduced in a linear manner". Ms. Charmaine (PITC- Dubai) agreed and remained the, b, c d.

IV. Scope and Coverage of the CEPA

- DOF: UAE has a robust banking sector. The Financial services is not included in the CEPA,
- On Labor and Environment, it may be cooperation. This should be thought about. The UAE proposal in chapters should be provided. Labor was inserted in letter p.
- Environment: To seek clarification from the UAE, regarding the coverage of proposed cooperation on the Environment.
- Note that both areas are covered under the Trade and Sustainable Development Chapter of PH-EFTA FTA
- PTIC Dubai: To remove the insertion of the Labor on the Environment Chapter.

V. Methodology

- On Chief Negotiators, Dir. Benedictos suggested not including specific names of agency officials because of the possibility of changes.

VI. Exchange of Data and Draft Chapters

VII. Administration of negotiation

- On Working Groups, the UAE's proposal should be submitted to the PH for review.
- Trade in Services Working Group.
- On the Environment, no rules can be imposed to each other, hence this may fall under cooperation

VIII. Proposed CEPA Leads

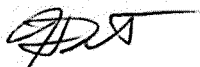
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| 10 | Intellectual Property Rights | IPOPIL | IPOPIL |
| 11 | Labor and Environment | DOLE | DOLE, DMW |
| 12 | Competition | PCC | PCC |

| | | |
|--------------|--|----------------------|
| WAYS FORWARD | Next Steps and Ways Forward | |
| | Deliverables | Deadline |
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| | Conduct of Domestic Consultations | TBD |
| ATTACHMENTS | <input type="checkbox"/> Activity Photos <input type="checkbox"/> Others (please specify) | |

-end-

PREPARED BY:



HAZEL JASMINE DONATO-CHUA

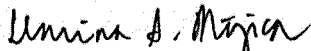
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