

Agreement on Commerce between Federation of Malaya and Japan - 10th Nov,
1960.

The Government of the Federation of Malaya and the Government of Japan, desiring to strengthen and develop the commercial relations existing between the Federation of Malaya and Japan, have resolved to conclude an agreement which will regulate the commercial relations between the Federation of Malaya and Japan and have agreed as follows:

ARTICLE I

1. Each Party shall accord to the other Party unconditional most-favoured-nation treatment in all matters with respect to customs duties and charges of any kind imposed on or in connection with importation or exportation or imposed on the international transfer of payments for imports or exports, and with respect to the method of levying such duties and charges, and with respect to the rules and formalities connected with importation or exportation and with respect to all internal taxes or excises on goods, and with respect to all laws, regulations and requirements affecting internal sale, offering for sale, purchase, distribution or use of imported goods within the territory of such Party.
2. Accordingly, products of either Party imported into the territory of the other Party shall not be subject, in regard to the matters referred to in paragraph 1 of this Article, to any duties, taxes or charges higher, or to any rules or formalities more burdensome than those to which the like products of any third country are or may hereafter be subject.
3. Similarly, products exported from the territory of either Party and consigned to the territory of the other Party shall not be subject, in regard to the matters referred to in paragraph 1 of this Article, to any duties, taxes, or charges higher, or to any rules or formalities more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.
4. Any advantage, favour, privilege or immunity which has been or may hereafter be granted by either Party in regard to the matters referred to in paragraph 1 of this Article to any product originating in any third country or consigned to the territory of any third country shall be accorded immediately and unconditionally to the like product originating in or consigned to the territory of the other Party.

* Only those parts relating to visible trade are presented.

ARTICLE II

1. Neither Party shall impose restrictions or prohibitions on the importation of any product of the other Party, or on the exportation of any product to the territory of the other Party, unless the importation of the like product of, or the exportation of the like product to, and third countries is similarly restricted or prohibited. Articles III, and IV cover to entry, sojourn, travel and residence of citizens of either country in the other country and the facilities and concessions offered to them by either Party.

ARTICLE V

The two Parties undertake to co-operate for mutual benefits with a view to expanding trade and to strengthening economic relations between the two Parties, and to fostering the inter-change and use of scientific and technical knowledge, particularly in the interests of economic development and of the improvement of standards of living within their respective territories.

ARTICLE VI

1. Each Party undertakes that if it establishes or authorizes a state enterprise or grants to any enterprise, formally or in effect, exclusive or special privileges, 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 the present Agreement for governmental measures affecting imports or exports of private traders. To this end, having due regard to the other provisions of the present Agreement, such enterprise shall make any 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 to the enterprise of the other Party adequate opportunity, in accordance with customary business practice, to compete for participation in such purchases or sales.

Article VII concerns the treatment afforded by either Party to the other's vessels. The article also stipulates the provisions for help if either Party's vessels are shipwrecked, damaged at sea or stranded.

Article VIII states that the Agreement shall not affect the rights and obligations either Party may have as a contracting party to the General Agreement on Tariffs and Trade or the Articles of Agreement of International Monetary Fund or any multilateral agreement.

Article IX states that the Agreement does not preclude either Party from executing or adopting measures relating to public security or national defence or the maintenance of international peace and security, traffic in arms or ammunitions; the protection of public health and standards against disease and trade in golden silver.

Article I ensures that each Party consults the other in matters of reciprocal trade with respect to the operation of the Agreement, every two years.

Article II states that the Agreement shall be in force for three years and continue thereafter unless the Government of either Party has previously given at least six months written notice of its intention to terminate the present agreement.

In accordance with the provisions of the Agreement, the two Governments have entered the following understandings:-

PART A

1. In accordance with Article II, the Japanese Government undertakes to accord to the Federation of Malaya the opportunity of competing for the total foreign exchange allocation for cement shipments.

2. (a) At the same time the Federation Government notes that the various kinds of sawn timber as shown in the Schedule 2 are on the Automatic Approval List for exports into Japan.

(b) The Japanese Government undertakes to refrain on the automatic sawn timber list as shown in the Schedule.

(c) The Japanese Government will give prior consideration to the importation of further kinds of sawn timber from the Federation of Malaya within the framework of Japan's overall liberalisation of trade control.

3. In accordance with Article I, both Governments shall enter into consultation at the request of either Government, in respect of Japan's import of natural rubber or synthetic rubber, or any other raw material, or any other product or commodity, to which the Federation of Malaya, and, upon such consultation, the Japanese Government will give sympathetic consideration to the taking of appropriate remedial measures.

4. Both Governments shall consult fully should there be a fall in the level of imports of natural rubber and iron-ore to Japan, for reasons other than commercial.

5. Both Governments shall enter into consultation, at the request of either Government, in the event of any such fall by either country or by a third country of supplies of raw materials from non-commercial sources, and upon such consultation to take such steps as may be necessary to meet the needs of either country.

6. The Schedule is printed at the end of this Appendix.

6. With reference to Article II, if any manufactured goods of either country are being imported into the other in such quantities as to cause or threaten serious injury to producers in the importing country of like or similar domestic manufactured goods, the Government of the importing country may request the Government of the exporting country to curtail or suspend, and, upon such consultation, the Government of the exporting country will make every endeavor within its power to comply therewith.

Article III

1. The Japanese Government, recognizing the importance attached by the Federation of Malaya to her sources of natural rubber, iron-ore, tin and other minerals, purports to take action to increase the present rates of duties on these products until the coming into force of a new schedule of duties and charges of Customs and Trade relating to Japan.

2. Since the coming into force of the new schedule, the Japanese Government will be free to raise the duties of any of the products mentioned in the above paragraph. In case the Japanese Government does so, the Federation of Malaya, it will consult with the Federation of Malaya with a view to reaching a mutually satisfactory solution.

3. If the Federation of Malaya cannot reach a mutually satisfactory solution, the Japanese Government is free to invoke the provisions of Article XI of the General Agreement on Tariffs and Trade.

4. The Japanese Government agrees not to take action to accord to the Federation of Malaya a more favorable treatment than that accorded to other countries in the matter of duties and charges (interest) and other charges of Customs and Trade.

Article IV

1. In considering the obstacles and uncertainties in international trade and the serious primary exporting countries and the Federation of Malaya, since the war their economic stability, both in the past and at present, is an urgent need to find ways of increasing a greater degree of stability and predictability in international trade in primary products. Both Governments will, therefore, give their best efforts to liberalize trade in primary products of the Federation of Malaya.

SCHEDULE

I Heavy Hardwood

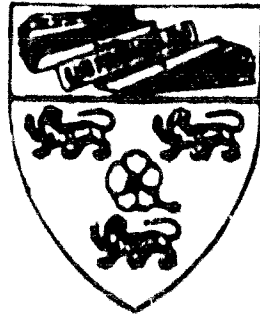
- | | | |
|-----------|-----------|------------|
| 1. Silih | 3. Boderu | 5. Marjan |
| 2. Cempal | 4. Koroji | 6. Tumbusu |

II Medium Hardwood

- | | | |
|--------------|-------------|-------------|
| 7. Kapur | 11. Kampas | 15. Rangas |
| 8. Kandi | 12. Kulis | 16. Siampoh |
| 9. Kelet | 13. Porupok | 17. Tunjang |
| 10. Kalodang | 14. Pumah | |

III Light Hardwood

- | | | |
|----------------|----------------|--------------|
| 18. Sintanger | 24. Luenang | 30. Julai |
| 19. Durian | 25. Moding | 31. Manin |
| 20. Gerunggong | 26. Mani Isang | 32. Sepetir |
| 21. Teletong | 27. Longkulang | 33. Masendok |
| 22. Yodondong | 28. Iyiah | 34. Teong |
| 23. Menghur | 29. Peniranaa | 35. Teantung |



TAMAT



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