

ECONOMIC COOPERATION AGREEMENT
BETWEEN
THE REPUBLIC OF CHINA (TAIWAN)
AND
THE REPUBLIC OF PARAGUAY

CHAPTER I
INITIAL PROVISIONS

ARTICLE 1

Parties

For the purposes of this Agreement, “Party” refers to either the Republic of China (Taiwan) or the Republic of Paraguay, and they are collectively referred to as “Parties.”

This Agreement is within the framework of the Memorandum of Understanding on the Strategic Plan for Investment and Trade between the Government of the Republic of China (Taiwan) and the Government of the Republic of Paraguay signed on June 1st, 2001.

ARTICLE 2

Objectives

Parties reaffirm their rights and obligations under the World Trade Organization (hereinafter “WTO”), and recognize the catalytic role that regional trade arrangements can contribute towards accelerating trade and investment. With these in mind, the Parties enter into this Agreement for the following objectives:

- (a) strengthen and enhance economic, trade, investment cooperation, and other areas of cooperation mutually agreed between the Parties; and
- (b) progressively liberalize and promote trade in goods as well as facilitative bilateral investment.

CHAPTER II TRADE IN GOODS

ARTICLE 3

Scope

This Chapter shall apply to trade in goods between the Parties.

ARTICLE 4

Import Duties

For the purposes of this Agreement, “import duties” means any duties, taxes or charges imposed in connection with the importation of goods, except those imposed in conformity with Articles III and VIII of the General Agreement on Tariffs and Trade 1994 (hereinafter “GATT 1994”).

ARTICLE 5

Duty-free Importation of Certain Commercial Samples and Printed Advertising Material

Each Party shall authorize the duty-free importation of commercial samples of insignificant value and printed advertising materials from the territory of the other Party.

ARTICLE 6

Concessions

For the products listed in Annex I of this Agreement, pursuant to relevant provisions of this Agreement and subject to the conditions specified therein, the Republic of China (Taiwan) will eliminate import duties to the products listed in the “List of Products of Republic of China (Taiwan),” and the Republic of Paraguay will maintain its current WTO MFN rates to the products listed in the “List of Products of Republic of Paraguay.” (1)

(1) The Republic of Paraguay will provide the benefits pursuant to the framework of the “List of Exceptions” under MERCOSUR Agreement, while this is in force. In the case the “List of Exceptions” ceases to be in force, the Parties agree to undertake Consultations to reach a mutually beneficial adjustment.

Consistent with GATT 1994, with a view to expediting the expansion of trade in goods, the Parties agree to continue to progressively reducing and eliminating Duties and other restrictive regulations of commerce in the future. For this purpose, the Joint Committee established under Article 23 of this Agreement (hereinafter “the Joint Committee”) shall, no later than six (6) months after the entry into force of this Agreement or no later than twelve (12) months from the last update, review and update Annex I of this Agreement.

ARTICLE 7 *Rules of Origin*

In order to qualify for tariff preferences, the imports under the List of Products of the Republic of China (Taiwan) in Annex I of this Agreement shall meet the requirements of rules of origin as stipulated in the NOTE 1 of the Annex I of this Agreement and Annex II of this Agreement.

CHAPTER III TECHNICAL AND TECHNOLOGICAL COOPERATION

ARTICLE 8 *Technological and Technical Cooperation*

The Parties shall establish a technological cooperation mechanism in order to develop their industrial sectors and infrastructure, in particular in the fields of agricultural and agro-industrial activities, banking, engineering and construction, chemistry, fine chemistry, fertilizers, pharmacy (especially active principles), automation and robotics, irrigation, alloys and super alloys, avionics, microelectronics, telecommunication, health, medical equipment, education, security equipment systems and other fields. The technological cooperation may be comprised of technology transfer and joint projects for the development of new technologies as well as other initiatives.

The Parties will encourage the studies aiming at identifying potential investment sectors, to develop clusters on agro industrial activities.

With this aim, the Joint Committee shall, no later than six (6) months after the

entry into force of this Agreement, define priority sectors for technological cooperation, and request the Parties' respective relevant authorities to identify specific projects and to establish mechanisms for their implementation.

ARTICLE 9

Small and Medium Enterprises – SMEs

The Parties shall establish a technical cooperation mechanism in order to develop their technical capabilities in specific sectors, with particular attention to Small and Medium Enterprises (SMEs), including:

- (a) organization and holding of fairs, exhibitions, conferences, advertising, consultancy and other business services;
- (b) development of contacts between business entities, manufacturers associations, chambers of commerce and other business associations of both Parties;
- (c) training of technicians.

With this aim, the Joint Committee shall, no later than six (6) months after the entry into force of this Agreement, define priority sectors for technical cooperation and request the Parties' respective relevant authorities to identify specific projects and to establish mechanisms for their implementation.

ARTICLE 10

Investment Promotion

The Parties recognize the importance of promoting cross-border investment flows and technology transfers as means for achieving economic growth and development. In order to increase investment flows, the Parties may cooperate through:

- (a) Exchanging information, including potential sectors and investment opportunities, laws, regulations, and policies, so as to increase awareness on their investment environments;
 - (b) Encouraging and supporting investment promotion activities such as investment conferences, fairs, exhibitions and investment promotion missions;
 - (c) Discussing the possibility of negotiating bilateral investment promotion agreements with a view to furthering investment flows and technology transfer;
- and

(d) Developing mechanisms for joint investments conducted by private sectors on the basis of commercial considerations, in particular with SMEs.

The Parties recognize that the objective of investment promotion shall be in conformity with their domestic regulations.

CHAPTER IV CUSTOMS PROCEDURES AND COOPERATION

ARTICLE 11 *Customs Valuation*

The Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade of 1994 (Agreement of the WTO on Customs Valuation) shall govern the customs valuation rules applied by the Parties to their mutual trade.

ARTICLE 12 *Facilitation of Customs Procedures*

The Parties shall take all necessary measures to facilitate the customs procedures for the products originated in either one of the Parties.

ARTICLE 13 *Customs Cooperation*

The Parties commit themselves to develop customs cooperation mechanisms to ensure that the provisions on trade are observed.

For this purpose, they shall establish a dialogue on customs matters and provide mutual assistance.

CHAPTER V
TECHNICAL BARRIERS TO TRADE

ARTICLE 14
Multilateral Obligations

The Parties reaffirm their rights and obligations in respect of the WTO Agreement on Technical Barriers to Trade.

ARTICLE 15
Technical Assistance and Cooperation

The Parties shall cooperate in the fields of standardization, metrology, conformity assessment and product certification, with the aim of eliminating technical barriers to trade and promoting harmonized international standards in technical regulations.

CHAPTER VI
SANITARY AND PHYTOSANITARY MEASURES

ARTICLE 16
Multilateral Obligations

The Parties reaffirm their rights and obligations under the Agreement on the Application of Sanitary and Phytosanitary Measures of the WTO.

ARTICLE 17
Technical Assistance and Cooperation

The Parties agree to attach special importance to technical cooperation in order to facilitate the implementation of this Agreement.

CHAPTER VII TRADE REMEDIES

ARTICLE 18

Antidumping, Subsidies and Countervailing Measures

In the application of antidumping or countervailing measures and with respect to subsidies, the Parties shall be governed by their respective legislation, which shall be consistent with the WTO Agreement.

ARTICLE 19

Safeguard Measures

The rights and obligations of the Parties with respect to safeguard measures shall be governed by Article XIX of the GATT 1994 and the WTO Agreement on Safeguards.

CHAPTER VIII INTELLECTUAL PROPERTY

ARTICLE 20

Intellectual Property

The Parties agree to:

- (a) promote the importance of intellectual property rights in fostering trade in goods and services, innovation, and economic, social and cultural development;
- (b) promote the effective protection, enforcement and maintenance of intellectual property rights; and
- (c) recognize the need to achieve a fair balance among the rights of intellectual property rights holders, the legitimate interests of users and the wider interest of the public with regard to protected subject matters.

CHAPTER IX TRANSPARENCY

ARTICLE 21 *Publication*

Each Party shall ensure that its laws, regulations, procedures and administrative rulings of general application regarding any matter covered by this Agreement are promptly published.

CHAPTER X FINAL PROVISIONS

ARTICLE 22 *Exceptions*

No provision in this Agreement shall be interpreted to prevent either Party from adopting or maintaining exception measures consistent with the rules of the WTO.

ARTICLE 23 *Joint Committee*

A Joint Committee is hereby established, in which each Party shall be represented by Ministry of Economic Affairs – MOEA - of the Republic of China (Taiwan) and the Ministry of Industry and Commerce – MIC - of the Republic of Paraguay.

The Joint Committee shall be responsible for the administration of the Agreement and shall ensure its proper implementation. For the purpose stated in the above paragraph, the Parties shall exchange information and, at the request of either Party, shall hold consultations within the Joint Committee. The Joint Committee shall review periodically the possibility of further removal of the obstacles to trade between the Republic of China (Taiwan) and the Republic of Paraguay.

The Joint Committee shall establish its own rules of procedure.

ARTICLE 24
Miscellaneous Provisions

This Agreement shall include the Annexes and the contents therein, and all future legal instruments agreed pursuant to this Agreement.

Each Party shall designate a contact point to facilitate communications between the Parties on any matter covered by this Agreement. At the request of the other Party, the contact point shall identify the office or official responsible for the matter and assist, as necessary, in facilitating communication with the requesting Party.

This Agreement shall enter into force thirty (30) days after both Parties have formally notified, through diplomatic channels, the completion of the internal procedures necessary to that effect.

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

Done at Taipei, 12th day of July in 2017 in duplicate in the Chinese, Spanish and English languages, all texts being equally authentic. In case of divergence in the interpretation of this Agreement, the English text shall prevail.

For the Republic of China
(Taiwan)

For the Republic of Paraguay

Chih-Kung Lee

Gustavo Leite

Minister,
Ministry of Economic Affairs

Minister,
Ministry of Industry and Commerce