Excellency,

It is a great pleasure that the Agreement between Japan and the Kingdom of Thailand for an Economic Partnership (hereinafter "JTEPA") was signed between His Excellency Prime Minister Shinzo Abe and His Excellency Prime Minister Surayud Chulanont in Tokyo on 3 April 2007.

In this connection, I have the honour to confirm the common understanding of our two Governments on the interpretation of certain provisions of JTEPA as follows:

With regard to Article 11 of JTEPA, the Governments of Japan and the Kingdom of Thailand reaffirm their rights and obligations under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (hereinafter "the Basel Convention"), to which both Japan and the Kingdom of Thailand are parties, and that they will continue to enforce strict control on the export or import of hazardous and other wastes (hereinafter "hazardous wastes") in accordance with the Basel Convention, under which export of hazardous wastes, as so defined by their respective laws and regulations and the Basel Convention, is not allowed without the consent of the Government of the importing country. They also reaffirm that JTEPA does not in any way encourage trafficking of hazardous wastes between Japan and the Kingdom of Thailand.

With regard to Article 18 of JTEPA, it is the common understanding of the Governments of Japan and the Kingdom of Thailand that JTEPA does not in any way create an obligation for either Party to approve, permit, consent to or authorize any export or import of hazardous wastes from and to Japan and the Kingdom of Thailand, and that JTEPA does not prevent the adoption or enforcement by Japan or the

Kingdom of Thailand of any measure related to the export or import of hazardous wastes, including prohibition of export or import of such hazardous wastes contained in the schedules under Annex 1, in accordance with their respective laws and regulations and the Basel Convention, regardless of JTEPA scheduled tariff reduction.

With regard to Chapter 13 and Article 12 of JTEPA and Article 45 of the Implementing Agreement, the two Governments reaffirm their willingness to cooperate under JTEPA for environmental conservation and protection and to discuss the issue of prevention of trafficking of hazardous wastes between Japan and the Kingdom of Thailand in the Sub-Committee on Science, Technology, Energy and Environment.

With respect to intellectual property, paragraph 3 of Article 130 of JTEPA does not in any way create an obligation beyond the TRIPS Agreement for the Kingdom of Thailand to grant any patent for a naturally occurring micro-organism and its components. Each Party to JTEPA maintains its right to decide whether or not to grant a patent for the subject matter claimed in the application in accordance with its laws and regulations, in a manner consistent with the TRIPS Agreement.

If the above is acceptable to Your Excellency's Government, I would appreciate Your Excellency's letter in reply on behalf of the Government of the Kingdom of Thailand to confirm that the above is the common understanding of our two Governments on the interpretation of the above-mentioned JTEPA provisions.

Accept, Excellency, the renewed assurances of my highest consideration.

(Taro Aso) Minister for Foreign Affairs of Japan

His Excellency Mr. Nitya Pibulsonggram, Minister of Foreign Affairs, KINGDOM OF THAILAND.

Ministry of Foreign Affairs Sri Ayudhya Road, Bangkok 10400

3 April 2007

Excellency,

I have the honour to refer to Your Excellency's letter dated 3 April 2007, which reads as follows:

"It is a great pleasure that the Agreement between Japan and the Kingdom of Thailand for an Economic Partnership (hereinafter "JTEPA") was signed between His Excellency Prime Minister Shinzo Abe and His Excellency Prime Minister Surayud Chulanont in Tokyo on 3 April 2007.

In this connection, I have the honour to confirm the common understanding of our two Governments on the interpretation of certain provisions of JTEPA as follows:

With regard to Article 11 of JTEPA, the Governments of Japan and the Kingdom of Thailand reaffirm their rights and obligations under the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal (hereinafter "the Basel Convention"), to which both Japan and the Kingdom of Thailand are parties, and that they will continue to enforce strict control on the export or import of hazardous and other wastes (hereinafter "hazardous wastes") in accordance with the Basel Convention, under which export of hazardous wastes, as so defined by their respective laws and regulations and the Basel Convention, is not allowed without the consent of the Government of the importing country. They also reaffirm that JTEPA does not in any way encourage trafficking of hazardous wastes between Japan and the Kingdom of Thailand.

With regard to Article 18 of JTEPA, it is the common understanding of the Governments of Japan and the Kingdom of Thailand that JTEPA does not in any way create an obligation for either Party to approve, permit, consent to or authorize any export or import of hazardous wastes from and to Japan and the Kingdom of Thailand, and that JTEPA does not prevent the adoption or enforcement by Japan or the Kingdom of Thailand of any measure related to the export or import of hazardous wastes, including prohibition of export or import of such hazardous wastes contained in the schedules under Annex 1, in accordance with their respective laws and regulations and the Basel Convention, regardless of JTEPA scheduled tariff reduction.

With regard to Chapter 13 and Article 12 of JTEPA and Article 45 of the Implementing Agreement, the two Governments reaffirm their willingness to cooperate under JTEPA for environmental conservation and protection and to discuss the issue of prevention of trafficking of hazardous wastes between Japan and the Kingdom of Thailand in the Sub-Committee on Science, Technology, Energy and Environment.

With respect to intellectual property, paragraph 3 of Article 130 of JTEPA does not in any way create an obligation beyond the TRIPS Agreement for the Kingdom of Thailand to grant any patent for a naturally occurring micro-organism and its components. Each Party to JTEPA maintains its right to decide whether or not to grant a patent for the subject matter claimed in the application in accordance with its laws and regulations, in a manner consistent with the TRIPS Agreement.

If the above is acceptable to Your Excellency's Government, I would appreciate Your Excellency's letter in reply on behalf of the Government of the Kingdom of Thailand to confirm that the above is the common understanding of our two Governments on the interpretation of the above-mentioned JTEPA provisions.

Accept, Excellency, the renewed assurances of my highest consideration."

In reply, I have the honour to confirm that the above is the common understanding of our two Governments on the interpretation of the JTEPA provisions referred to in Your Excellency's letter.

Accept, Excellency, the renewed assurances of my highest consideration.

(Nitya Pibulsonggram) Minister of Foreign Affairs of the Kingdom of Thailand

His Excellency Mr. Taro Aso, Minister for Foreign Affairs, <u>JAPAN</u>.