



1 March 2006

**The Honorable
Ms. Carmen Gisela Vergara
Vice-Minister of Foreign Trade
Ministry of Trade and Industries
Republic of Panama**

I have the honor to refer to the Panama-Singapore Free Trade Agreement signed on 1 March 2006 at Singapore (hereafter referred to as the "Agreement"). During the negotiations of Chapter 2 (*Trade in Goods*) of the Agreement, the delegations of Singapore and Panama reached the following understanding:

"In the event that Panama, after the entry into force of the Agreement, grants to any non-Party in any bilateral or multilateral trade agreement, the elimination of its custom duties for tariff line HS 2203.00.10 (Beer) with CIF value of US\$0.76 or more by litre in less than five equal annual stages, Panama shall immediately and unconditionally grant the same tariff treatment to Singapore with respect to said tariff line."

I have the honor to propose that this letter, together with your letter of confirmation, shall constitute an agreement between the Parties which constitutes an integral part of the Agreement and shall take effect on the date that the Agreement enters into force.

Sincerely,

**Chan Soo Sen
Minister of State
for Trade and Industry
and Education
Republic of Singapore**

1 March 2006

**The Honorable
Mr. Chan Soo Sen
Minister of State
for Trade and Industry and Education
Republic of Singapore**

I have the honor to confirm receipt of your letter, which reads as follows:

“I have the honor to refer to the Panama-Singapore Free Trade Agreement signed on 1 March 2006 at Singapore (hereafter referred to as the “Agreement”). During the negotiations of Chapter 2 (*Trade in Goods*) of the Agreement, the delegations of Singapore and Panama reached the following understanding:

‘In the event that Panama, after the entry into force of the Agreement, grants to any non-Party in any bilateral or multilateral trade agreement, the elimination of its custom duties for tariff line HS 2203.00.10 (Beer) with CIF value of US\$0.76 or more by litre in less than five equal annual stages, Panama shall immediately and unconditionally grant the same tariff treatment to Singapore with respect to said tariff line.’

I have the honor to propose that this letter, together with your letter of confirmation, shall constitute an agreement between the Parties which constitutes an integral part of the Agreement and shall take effect on the date that the Agreement enters into force.”

I have the honor to confirm that this understanding is shared by my Government and constitutes an integral part of the Agreement and shall take effect on the date that the Agreement enters into force.

Sincerely,

**Carmen Gisela Vergara
Vice-Minister of Foreign Trade
Ministry of Trade and Industries
Republic of Panama**