

MALACAÑAN PALACE

MANILA

EXECUTIVE ORDER NO. 79

MODIFYING THE RATES OF IMPORT DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE MINIMUM 50% MARGIN OF PREFERENCE ON CERTAIN PRODUCTS INCLUDED IN THE BRAND-TO-BRAND COMPLEMENTATION SCHEME IN THE AUTOMOTIVE INDUSTRY UNDER THE BASIC AGREEMENT ON ASEAN INDUSTRIAL COMPLEMENTATION.

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on ASEAN Industrial Complementation (BAAIC) signed in Manila on 16 June 1981;

WHEREAS, the Philippines is a signatory to the Memorandum of Understanding on the Brand-to-Brand Complementation (BBC) Scheme in the Automotive Industry under the BAAIC signed by the ASEAN Economic Ministers in Pattaya, Thailand on 18 October 1988;

WHEREAS, the Philippines, along with Malaysia and Thailand, is a participating country in the approved BBC Schemes of MITSUBISHI Motor Corporation, NISSAN Motor Co., Ltd. and TOYOTA Motor Corporation;

WHEREAS, at the Special Meeting of the Committee on Industry, Minerals and Energy (COIME) held in Jakarta, Indonesia on 24-25 October 1990, it was agreed that under the MITSUBISHI Motor Corporation BBC Scheme, the Philippines will import parts of manual transmission and final drive system and stamping body parts from Thailand in exchange for the country's exports of parts of manual transmission and final drive system to the said ASEAN country; that under the NISSAN Motor Co., Ltd. BBC Scheme, Philippines will import body metal parts and oil pan assembly from Malaysia and body metal parts from Thailand in exchange for the country's exports of body metal and injection parts to the said two countries; and that under the Toyota Motor Corp. BBC Scheme, the Philippines will import fuel tank, suspension system, steering link assembly, convenient and accessory equipment, and electrical parts from Malaysia and under body and electrical parts from Thailand in exchange for the country's exports of manual transmission to the said two countries;

WHEREAS, under the Memorandum of Understanding on the BBC Scheme in the Automotive Industry, the Philippines shall grant a minimum 50% Margin of Preference (MOP) to BBC products approved by COIME subject to the terms and conditions set out in Section 9 (b) of said memorandum;

931208

1/2

0004

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order;

SECTION 1. The Articles specifically listed in Annexes "A", "B", and "C" as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded a minimum 50% Margin of Preference (MOP) as specified in Column 11 thereof. Accordingly, such articles shall be subject to the Preferential Tariff for ASEAN in accordance with the schedule indicated in Columns 12 to 16 of said Annexes "A", "B", and "C".

SECTION 2. The MOP provided in Annex "A" on parts of manual transmission and final drive system for Lancer (Models LA/LM/C) and Galant (Model H) passenger car and stamping body parts for Galant (Model H) passenger car under the MITSUBISHI Motor Corporation BBC Scheme shall be accorded the BBC entity in Thailand effective up to 23 January 1995. Thereafter, this MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated waiver period, the exclusive application of this MOP to Thailand shall then be extended up to 23 January 1999.

SECTION 3. The MOP provided in Annex "B" on body metal parts and oil pan assembly for Nissan Sentra (Model B13) passenger car under the NISSAN Motor Co., Ltd. BBC Scheme shall be accorded the BBC entity in Malaysia effective up to 23 January 1995. The MOP also herein provided on body metal parts for Nissan Sentra (Model B13) passenger car under the said BBC Scheme shall be accorded the BBC entity in Thailand effective up to 23 January 1995. Thereafter, this MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated waiver period, the exclusive application of this MOP to Malaysia and Thailand shall then be extended up to 23 January 1999.

SECTION 4. The MOP provided in Annex "C" on steering link assembly, convenient and accessory equipment, and suspension system for Corolla (Models EE100, AE101) passenger car and on fuel tank, suspension system, steering link assembly and electrical parts for Liteace (Models KM36, CM36) commercial vehicle and on electrical parts for TUV (Models KF40, KF50) commercial vehicle under the Toyota Corp. BBC Scheme shall be accorded the BBC entity in Malaysia effective up to 23 January 1995. The MOP also herein provided on under body and electrical parts for Corolla (Models EE100, AE101) passenger car and electrical parts for TUV (Models KF40, KF50) commercial vehicle under the said BBC Scheme shall be accorded the BBC entity in Thailand effective up to 23 January 1995.

Thereafter, this MOP may be granted to a non-participating ASEAN country as soon as that country extends the same MOP itself. If the non-participating country does not wish to grant such MOP and maintains such position throughout the stipulated waiver period, the exclusive application of this MOP to Malaysia and Thailand shall then be extended up to 23 January 1999.

SECTION 5. Effective 24 January 1999, this MOP shall be extended to any entity in another ASEAN member country which produces the subject BBC products, whether the country is participating in these BBC schemes or not.

SECTION 6. The 50% MOP accorded under this Executive Order shall remain effective irrespective of any subsequent change in the basic Philippine rate of duty on the above-mentioned articles.

SECTION 7. After the effectivity of this Executive Order, all the above-mentioned articles entered or withdrawn from the warehouse in the Philippines for consumption shall be subject to qualification under the Rules of Origin as prescribed in the Agreement on ASEAN Preferential Trading Agreements ratified on 7 August 1977.

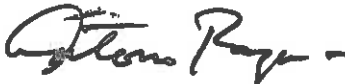
SECTION 8. Any revision/s to the part numbers appearing in column 4 of Annexes "A", "B" and "C" shall be immediately communicated to the Philippine Government. The Department of Trade and Industry shall endorse the same to the Bureau of Customs within five (5) days after receipt of the officials copy of the revised part numbers.

SECTION 9. This Executive Order shall take effect immediately.

DONE in the City of Manila this 2nd day of April in the year of our Lord, Nineteen Hundred and Ninety-Three. *12*



By the President:



ANTONIO T. CARPIO
Chief Presidential Legal Counsel

