

MALACAÑANG
Manila

MFN 10329

MEMORANDUM ORDER NO. 51

PROVIDING AMENDMENTS TO MO NO. 346 S. OF 1996 "AMENDING THE GUIDELINES ON THE CAR DEVELOPMENT PROGRAM (CDP), THE COMMERCIAL VEHICLE DEVELOPMENT PROGRAM (CVDP), AND THE MOTORCYCLE DEVELOPMENT PROGRAM (MDP)" AS AMENDED BY M.O. NO. 473 S. OF 1998

WHEREAS, the Philippines, as member of the World Trade Organization (WTO), has committed to eliminate all laws, provisions, rules, regulations and guidelines that may run counter to the different Agreements under the auspices of the WTO to which the Philippines is a signatory, such as the Agreement of Trade-Related Investment Measures (TRIMS);

WHEREAS, the Agreement on TRIMS mandates the elimination of laws, provisions, rules, regulations and guidelines that provide for local content (LC) and net foreign exchange earnings (NFEE) requirements as they are considered contrary to provisions thereof;

WHEREAS, the Philippines was granted formal approval by the Council for Trade in Goods (CTG) for an extension of the applicability of the subject TRIMS for an additional period of 3 ½ years from and after 1 January 2000, the original expiry date of the transition period for the elimination of TRIMS, subject to a required phase-out schedule;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare the following amendments to the Motor Vehicle Development Programs:

SECTION 1. Section 7.1 of Chapter 1 (CDP), Section 16.1 & 16.4 of Chapter II (CVDP) and Section 24.1 of Chapter III (MDP) are hereby amended to read:

"Participants of the CDP, CVDP and MDP shall comply with the following local content requirements:

Period	CDP			CVDP				MDP	
	1 & 11	1 & 11	111	IVA	IVB	IVC	IVD-V	Cat. A	Cat. B
Jan. 2, 2002 until June 30, 2002	35%	39.37%	19.16%	18.76 %	19.46 %	11.839%	12.049%	39.375%	30.625%
July 1, 2002 Unitl Dec. 31, 2002	30%	33.750 %	16.425 %	16.08%	16.68%	10.148%	10.328%	33.750%	26.250%



PGMA Outgoing # 08090

2003									
As of July 1, 2003	0	0	0	0	0	0	0	0	0

SEC 2. Sections 10.2, 10.3 and 10.4 of Chapter 1 (CDP), Section 19.1 Chapter 11 (CVDP) and Section 26.1 of Chapter 111 (MDP) are hereby amended to read:

“Participants of the CDP, CVDP, MDP will still be required to earn foreign exchange credits through the export of automotive products to be able to import CKDs. The net foreign earnings shall be recorded in ledger without bonus and the foreign exchange ratio (as a percentage of CKD import value) shall be as follows:

Date	CDP				CVDP	MDP
	Cat. 1	Cat. 11	Cat. 111	Cat. 1 & 11	Cat. 111 & IV	Cat. A & B
Jan. 1, 2002 until Dec. 31, 2002	15%	55%	75%	15%	5%	15%
Jan. 1, 2003 until June 30, 2003	15%	55%	75%	15%	5%	15%
As of July 1, 2003	0	0	0	0	0	0

SEC 3. Repealing Clause. All other executive orders, administrative orders, memorandum orders, and rules and regulations, or parts thereof inconsistent with the provisions of this Memorandum Order are hereby repealed or modified accordingly.

SEC 4. Effectivity. This Executive Order shall take effect immediately.

Done in the City of Manila, this *22nd* day of *January*, in the year of Our Lord, two thousand and two.

By the President:

Alberto G. Romulo
ALBERTO G. ROMULO
 Executive Secretary

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