

BY THE PRESIDENT OF THE PHILIPPINES

MS 16165
MFN 10579**EXECUTIVE ORDER NO. 129****MODIFYING THE RATES OF DUTY ON CERTAIN IMPORTED ARTICLES AS PROVIDED UNDER THE TARIFF AND CUSTOMS CODE OF 1978, AS AMENDED, IN ORDER TO IMPLEMENT THE PREFERENTIAL TARIFF RATES ON CERTAIN PRODUCTS UNDER THE ASEAN INDUSTRIAL COOPERATION (AICO) SCHEME, IN FAVOR OF HONDA CARS PHILIPPINES, INC. (HONDA) AND FORD MOTOR COMPANY PHILIPPINES, INC. (FORD) - (COE NOS. HONDA/2001/20 & FORD/2001/2(A))**

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on the ASEAN Industrial Cooperation Scheme (AICO) signed in Singapore on 27 April 1996;

WHEREAS, the Philippines is a participating country in the approved AICO Arrangement of Honda Cars Philippines, Inc., along with Indonesia, and in the approved AICO Arrangement of Ford Motor Company Philippines, Inc., along with Thailand;

WHEREAS, under the Honda AICO Arrangement, the Philippines (Honda Cars Philippines, Inc.) will import from Indonesia (PT. Honda Prospect Motor) certain original equipment manufacture (OEM) automotive parts/components for Honda CR-V Light commercial vehicles (HS 8702.90 10). In exchange, Indonesia will import from the Philippines complementary parts/components for the OEM of Honda CR-V (Light commercial vehicles);

WHEREAS, under the Ford AICO Arrangement, the Philippines (Ford Motor Company Philippines, Inc., and Ford Group Philippines, Inc.) will import from Thailand (Auto Alliance Thailand Co., Ltd.) certain original equipment manufacture (OEM) automotive parts/components for Ford Escape/Mazda Tribute & Ford Laser/Mazda Protégé passenger cars (HS 8703.90 10), and completely built units (CBU) of Ford J97 Ranger pickup trucks (HS 8704.21 90) for the transport of goods. In exchange, Thailand will import from the Philippines completely built units (CBU) of Ford U204 Escape/14 Tribute SUV and C206 Laser/J39 Protégé passenger cars;

WHEREAS, AICO Certificate of Eligibility (COE) No. Honda/2001/20 was issued on 08 February 2002, in favor of the participating companies in the Honda AICO Arrangement, while AICO Certificate of Eligibility (COE) No. Ford/2001/2(A)



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was issued on 28 February 2002, in favor of the participating companies in the Ford AICO Arrangement;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement of the AICO Scheme, participating companies in the approved Honda and Ford AICO Arrangements shall qualify for 0 – 5% preferential tariff rates to be extended by Indonesia, Thailand and the Philippines for HCPI and FMCPI.

NOW, THEREFORE, I, GLORIA MACAPAGAL ARROYO, 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 Annex "A" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 3% on parts/components of Honda CR-V, Light commercial vehicle (HS 8702.90 10) as specified in Column 6 thereof.

SEC 2. The AICO rate provided in Annex "A" shall be accorded to the AICO entity in Indonesia (PT. Honda Prospect Motor) upon the effectivity of this Executive Order.

SEC 3. The articles specifically listed in Annex "B" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 3% on parts/components of Ford Escape/Mazda Tribute and Ford Laser/Mazda Protégé (HS 8703.90 10); and AICO rate of 5% on completely built units of Ford J97 Ranger Pickup trucks (8704.21 90) as specified in Column 6 thereof.

SEC 4. The AICO rate provided in Annex "B" shall be accorded to the AICO entity in Thailand (Auto Alliance Thailand Co. Ltd.) upon the effectivity of this Executive Order.

SEC 5. In the event that any subsequent changes are made in the basic (Most Favored Nation) Philippine rate of duty on any of the articles listed in Annexes "A" and "B" to a rate lower than the AICO rate prescribed in Column 6 of Annexes "A" and "B", respectively, such articles shall automatically be accorded the corresponding reduced rate of duty. Effective 01 January 2003, the final CEPT rate on the subject articles shall apply.

SEC 6. Upon the effectivity of this Executive Order, the articles specifically listed in the aforesaid Annexes "A" and "B" which are entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rates specified under Sections 1 and 3 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin – Form "D".

SEC 7. Any revision/s to the part numbers appearing in Column 4 of Annexes "A" and "B", respectively, shall be communicated immediately to the Bureau of



Customs by the Board of Investments within five (5) days after receipt of the official copy of the revised part number/s from the ASEAN Secretariat.

SEC 8. This Executive Order shall take effect on July 19, 2002.

Done in the City of Manila, this *23rd* day of *September*, in the year of Our Lord, Two Thousand and Two.

Murray

By the President:



Alberto G. Romulo
ALBERTO G. ROMULO
Executive Secretary

