

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 12

REVITALIZING THE PRIVATIZATION PROGRAM OF THE GOVERNMENT

WHEREAS, Proclamation No. 50, s. 1986, as amended, launched a program for the disposition and privatization of government corporations and/or the assets thereof and created the Committee on Privatization (COP) and the Asset Privatization Trust (APT);

WHEREAS, Executive Order No. 37, s. 1992, restated the privatization policy of Government by encouraging government agencies and government corporations to identify assets which may be disposed of to the private sector and activities which may be more efficiently, effectively and economically undertaken by the private sector; and that disposition of such assets/activities may be undertaken through sale of physical assets, leasing of assets, management and maintenance contracts or build-operate-transfer (BOT) schemes;

WHEREAS, of the 562 Government Owned and Controlled Corporation (GOCCs) Assets, approved by the President for privatization, 453 were privatized/disposed as of June 30, 1998, generating gross sales proceeds of P 184 billion;

WHEREAS, the privatization program has helped substantially in improving the investment climate, attracting foreign investments, broadening ownership base, developing the local capital market, and generating substantial revenues for priority government expenditures;

WHEREAS, there is a vast opportunity for promoting private sector participation in developing the Philippine economy;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Reaffirming the Privatization Program. - The National Government hereby reaffirms its privatization policy to promote an orderly, coordinated and efficient program for the privatization of government entities, assets or activities which are better managed, undertaken or owned by the private sector. This privatization program shall cover not only the sale of share or assets but also other modes of privatization such as leasing, management and maintenance contracts, BOT schemes or joint venture arrangements.

Sec. 2. Identification of Assets/GOCCs for Privatization - All heads of departments, bureaus, agencies and its instrumentalities, including government owned or controlled corporations (GOCCs) and local government units (LGUs) are hereby directed to identify and list assets which may be offered for sale to acquisition by the private sector and or activities which may be more efficiently, effectively and economically undertaken by the private sector and submit said list to the COP which is the central agency for all privatization activities of Government. An initial list shall be submitted to the COP within thirty (30) days from issuance hereof. Additional lists may be submitted to the COP at a later stage as additional assets GOCCs are further identified for privatization.

Sec. 3. Coverage of COP Privatization Activities - The COP is empowered to oversee the entire government's privatization program, pursuant to Proclamation No. 50, as amended. The program shall include the privatization of GOCCs as approved by the President of the Philippines and other privatization activities of government agencies, LGUs and retained GOCCs, including the various authorities such as, but not limited to, the Bases Conversion Development Authority (BCDA), the Public Estates Authority (PEA), the Philippine Tourism Authority (PTA), the Philippine Economic Zone Authority (PEZA) and the Subic Bay Metropolitan Authority (SBMA).

Any disposition related activities (i. e. , sale, lease, management contract, joint venture schemes, BOT and its variants) by these agencies, GOCCs or LGUs shall be undertaken with the prior approval of the COP in accordance with the disposition guidelines provided by the COP and other existing rules and regulations on disposition of assets.

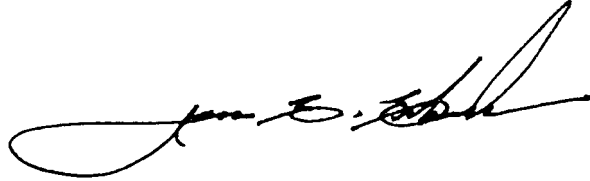
The COP shall issue the necessary rules and regulations for the implementation of this provision within sixty (60) days from issuance hereof.

Sec. 4. Repealing Clause - All executive orders, rules and regulations and other issuances or parts thereof that are inconsistent with the provisions of this Executive Order are hereby repealed and modified accordingly.

Sec. 5. Effectivity. - This Order shall take effect immediately.

Done in the City of Manila, this ^{14th} day of AUGUST in the year of Our
ord. nineteen hundred and ninety eight.

By the President:



RONALDO B. ZAMORA
Executive Secretary



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