

BY THE PRESIDENT OF THE PHILIPPINES

MEMORANDUM ORDER NO. 95

**EXTENDING THE LOCAL CONTENT AND NET FOREIGN EXCHANGE
EARNINGS REQUIREMENTS IN THE MOTOR VEHICLE
DEVELOPMENT PROGRAMS UNDER MEMORANDUM ORDER NO. 346
DATED 26 FEBRUARY 1996, AS AMENDED**

WHEREAS, the Philippines, as member of the World Trade Organization (WTO), has committed to eliminate all laws, provisions, rules, regulations, 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, guidelines that provide for local content (LC) and net foreign exchange earnings (NFEE) requirements as they are considered contrary to the provision thereof;

WHEREAS, the Agreement on TRIMS provides that developing countries such as the Philippines should have complied with the foregoing mandate on or before December 31, 1999;

WHEREAS, Memorandum Order No. 346 issued on 26 February 1996 provides that the LC and the NFEE requirements under the Philippine Motor Vehicle Development Programs (MVDP) shall be terminated by the year 2000 based on the Agreement on TRIMS under the WTO Agreement;

WHEREAS, the Philippines has filed on 4 October 1999 with the WTO Council of Trade in Goods (CTG) a request for the extension of the implementation of the LC and NFEE requirements until 31 December 2004 citing the Agreement's provision on the possibility of a TRIMS extension, which is still under negotiation at the WTO;

NOW, THEREFORE, I JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the power vested in me by law, do hereby declare the following amendments to the Motor Vehicle Development Programs;



SECTION 1. The local content requirements provided under Section 7.5 of Chapter I, Car Development Program (CDP), Section 16.6 of Chapter II Commercial Vehicle Development Program (CVDP), Section 24.4 of Chapter III Motorcycle Development Program (MDP) are hereby extended pending conclusion of the negotiations in the WTO.

SECTION 2. The foreign exchange requirements provided under Section 10.8 of Chapter I (CDP), Section 19.4 of Chapter II (CVDP), Section 26.4 of Chapter III (MDP) are hereby extended pending conclusion of the negotiations in the WTO.

SECTION 3. This Memorandum Order shall take effect immediately.

Done in the City, this 7th day of April in the year of Our Lord, Two Thousand.


JOSEPH EJERCITO ESTRADA

By the President:



RONALDO B. ZAMORA
Executive Secretary

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Date



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