

[ADMINISTRATIVE ORDER NO. 227, May 27, 2008]

DIRECTING ALL HEADS OF DEPARTMENTS, BUREAUS, OFFICES AND AGENCIES OF THE NATIONAL GOVERNMENT, INCLUDING LOCAL GOVERNMENT UNITS (LGUs); GOVERNMENT-OWNED AND/OR CONTROLLED CORPORATIONS (GOCCs), GOVERNMENT FINANCIAL INSTITUTIONS (GFIs), STATE UNIVERSITIES AND COLLEGES AND MILITARY AND POLICE UNITS TO GIVE PREFERENCE IN THE PROCUREMENT OF MATERIALS AND SUPPLIES, PRODUCED, MADE AND MANUFACTURED IN THE PHILIPPINES

WHEREAS, Section 12, Article XII of the Constitution provides that the State shall promote the preferential use of Filipino labor, domestic materials and locally produced goods, and adopt measures that help make them competitive;

WHEREAS, that Republic Act No. 138, as amended, also known as the "Flag Law", mandates the Government to give preference to the procurement of local products materials and supplies;

WHEREAS, the Administration's Ten (10) Points agenda on alleviating poverty through the generation of six to eight million jobs for the Filipinos can be achieved by boosting the country's local industries;

WHEREAS, the Philippine industries produce or manufacture world class products, materials and supplies which are at par, if not even better, quality than imported products;

WHEREAS, local industries can provide and deliver readily available products, materials and supplies that are sufficient in quantity;

WHEREAS, credit lines and better after sales services, which are essential factors considered by the buyer in the procurement process, are provided by local industries;

WHEREAS, patronizing and buying locally produced or manufactured products, materials and supplies maintain, retain and provide additional employment in all vital Philippines industry sectors;

WHEREAS, buying locally produces or manufactures products, materials and supplies will help conserve our foreign exchange reserves;

WHEREAS, preference to locally produced or manufactured products, materials and supplies is justifiable for the reason that taxes generated by the Government come from taxable income of Philippine industries, thereby maintaining a mutually