

[EXECUTIVE ORDER NO. 74, January 15, 1999]

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

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

WHEREAS , the Philippine is a participating country in the approved AICO Arrangements of Honda and Toyota, along with Malaysia and Thailand and in the approved AICO Arrangement of Philippine Auto Components, Inc., along with Thailand;

WHEREAS , under the Honda AICO Arrangement, it was agreed that the Philippines (Honda Cars Philippines, Inc.) will import from Malaysia and Thailand certain automotive components as intermediate parts for the original equipment manufacture (OEM) of Honda Accord, City and Civic passenger cars. In exchange, Malaysia and Thailand will import from the Philippines complementary component parts for the OEM of Honda Accord, City and Civic passenger cars;

WHEREAS , under the Toyota AICO Arrangement, the Philippines (Toyota Motor Philippines Corp.) will import from Malaysia and Thailand certain automotive parts/components as intermediate products for the original equipment manufacture (OEM) of Corolla passenger cars and TUV commercial vehicles for the transport of persons and goods. In exchange, Malaysia and Thailand will import from the Philippines complementary components parts for the OEM of Corolla passenger cars and TUV commercial vehicles;

WHEREAS , under the Philippine Auto Components, Inc. AICO Arrangement, the Philippines will import from Thailand motorcycle meters and lighting fittings (bulbs) for instrument clusters. In return, Thailand will import from the Philippines instrument clusters and dial for motorcycle meters;

WHEREAS , AICO Certificate of Eligibility Nos. Honda/1998/3 and Honda/1998/2 were issued on 5 October 1998 and 9 October 1998, respectively, in favor of the participating companies in the Honda AICO Arrangement: AICO Certificate of Eligibility Nos. Toyota/1998/1, Toyota/1998/3 and Toyota/1998/4 were issued on 28 October 1998 in favor of the participating companies in the Toyota AICO Arrangement; AICO Certificate of Eligibility No. Denso/1998/1 was issued on 4 November 1998 in favor of the participating companies in the Philippine Auto Components, Inc. AICO Arrangement;

WHEREAS , in consonance with Articles 5 and 7 of the Basic Agreement of the (AICO) Scheme, participating companies in the approved Honda, Toyota and Philippine Auto Components, Inc. AICO Arrangements shall qualify for 0 – 5%