

[EXECUTIVE ORDER NO. 72, 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 MINIMUM 50% MARGIN OF PREFERENCE ON CERTAIN PRODUCTS INCLUDED IN THE BRAND-TO-BRAND COMPLEMENTATION SCHEME IN THE AUTOMOTIVE INDUSTRY UNDER THE BASIC AGREEMENT ON ASEAN INDUSTRIAL COMPLEMENTATION

WHEREAS, the Philippines is a Contracting Party to the Basic Agreement on ASEAN Industrial Complementation (BAAIC) signed in Manila on 16 June 1981;

WHEREAS, the Philippines is a signatory to the Memorandum of Understanding (MOU) on the Brand-to-Brand Complementation (BBC) Scheme for the Automotive Industry under the BAAIC signed by the ASEAN Economic Ministers in Pattaya, Thailand on 18 October 1988;

WHEREAS, the Philippines is a participating country in the approved BBC Schemes of Mitsubishi Motors Corporation along with Malaysia and Thailand;

WHEREAS, under the Mitsubishi BBC Schemes approved on an ad referendum basis by Malaysia on 22 April 1997 and Thailand on 31 December 1997 and by the Philippines on 27 December 1996, the Philippines will import from Malaysia and Thailand certain completely knocked-down (CKD) component parts for the original equipment manufacture (OEM) of KZ Model light commercial vehicles, in exchange for Philippine exports of complementary component parts to the two participating countries;

WHEREAS, under the MOU on the BBC Scheme in the Automotive Industry, the Philippines shall grant a minimum 50% Margin of Preference (MOP) to BBC products approved by the SEOM subject to the terms and conditions set out in Section 9(b) of said MOU;

WHEREAS, under Section 9(b)(i) of the said MOU, the 50% MOP for existing BBC products shall be granted within 90 days of approval of the BBC products by the SEOM, and for new BBC products, the grant shall be extended from the actual date of commercial production of the products, or upon expiry of 30 months from the date of approval of the products whichever comes earlier;

WHEREAS, the various component parts specified in Certificates of Eligibility (COEs) Nos. MMC/1/A/1998 (Rev.) and MMC/2/A/1998 (Rev.) issued on 15 June 1998 by the ASEAN Secretariat in favor of Mitsubishi Motors Corporation are existing products, i.e., already being manufactured at the time of their approval as BBC products;