

**[OP MEMORANDUM ORDER NO. 51, JANUARY 22,
2002, January 21, 2002]**

**PROVIDING AMENDMENTS TO MO NO. 346 S. OF 1996
"AMENDING THE GUIDELINES ON THE CAR DEVELOPMENT
PROGRAM (CDP), THE COMMERCIAL VEHICLE DEVELOPMENT
PROGRAM (CVDP), AND THE MOTORCYCLE DEVELOPMENT
PROGRAM (MDP)" AS AMENDED BY M.O. NO. 473 S. OF 1998**

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

WHEREAS, the Philippines was granted formal approval by the Council for Trade in Goods (CTG) for an extension of the applicability of the subject TRIMS for an additional period of 3 ½ years from and after 1 January 2000, the original expiry date of the transition period for the elimination of TRIMS, subject to a required phase-out schedule;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare the following amendments to the Motor Vehicle Development Programs:

SECTION 1. Section 7.1 of Chapter I (CDP), Section 16.1 & 16.4 of Chapter II (CVDP) and Section 24.1 of Chapter III (MDP) are hereby amended to read:

"Participants of the CDP, CVDP and MDP shall comply with the following local content requirements:

Period

CDP

CVDP

MDP

1 & 11

1 & 11

111

IVA

IVB

IVC

IVD-V

Cat. A

Cat. B

Jan. 2, 2002

until June 30, 2002

35%

39.37%

19.16%

18.76%

19.46%

11.839%

12.049%

39.375%

30.625%

July 1, 2002

Until Dec. 31 2002

30%

33.750%

16.425%

16.08%

16.68%

10.148%

10.328%

33.750%

26.250%

As of July 1, 2003

0

0

0

0

0

0

0

0

0