

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 168

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 AICO Scheme signed in Singapore on 27 April 1996;

WHEREAS, the AICO Scheme seeks to improve the competitive position of ASEAN Companies in the global and ASEAN markets by providing the means to apply the principles of economies of scale and scope in the manufacturing process, supported by preferential import duties to enhance across ASEAN border transactions;

WHEREAS, the Philippines is a participating country in the approved AICO Scheme of Isuzu Philippines Corporation, along with Thailand;

WHEREAS, under the Isuzu AICO Agreement, it was agreed that the Philippines (Isuzu Philippines Corporation) will import diesel engine from Thailand (Isuzu Engine Manufacturing Co., Ltd.) as intermediate part for the original equipment manufacture (OEM) of TBR 54 Series public transport-type passenger motor vehicle. In exchange, Thailand (Isuzu Motors Co., Ltd.) will import transmission from the Philippines (Isuzu Autoparts Manufacturing Corporation) for the OEM of TFR 54 and TFS 55 Series;

WHEREAS, in consonance with Articles 5 and 7 of the Basic Agreement on the AICO Scheme, participating companies in the approved Isuzu Arrangement shall qualify for 0-5% preferential tariff rate to be extended by the Philippines and Thailand as participating countries, effective within 60 days from the date of issuance of the Certificate of Eligibility by the ASEAN Secretariat;

WHEREAS, AICO Certificate of Eligibility No. Isuzu/1999/1 was issued on 24 February 1999 in favor of the participating companies in the Isuzu AICO Arrangement.



NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978, as amended, do hereby order:

SECTION 1. The article specifically listed in Annex "A" hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be accorded the AICO rate of 3% as specified in Column 6 thereof.

SEC. 2. The AICO rate provided in "Annex A" shall be accorded to the AICO entity in Thailand (Isuzu Engine Manufacturing Co., [Thailand Ltd.]) effective from 24 February 1999.

SEC. 3. In the event that any subsequent changes are made in the basic (MFN) Philippine rate of duty on the article listed in Annex "A" to a rate lower than the AICO rate prescribed in Column 6 thereof, such article shall automatically be accorded the corresponding reduced rate of duty. Effective 1 January 2003, the final CEPT rate on the subject article shall apply.

SEC. 4. Upon the effectivity of this Executive Order, the article specifically listed in the aforesaid Annex "A" which is entered or withdrawn from warehouses in the Philippines for consumption shall pay the applicable AICO preferential tariff rate specified under Section 1 hereof, subject to qualification under the Rules of Origin for the CEPT, as evidenced by the Certificate of Origin - Form "D".

SEC. 5. Any revision/s to the part numbers appearing in Column 4 of Annex "A" shall be communicated immediately to the Bureau of Customs by the Board of Investments within five (5) days after receipt of the official copy of the revised part numbers from the ASEAN Secretariat.

SEC. 6. This Executive Order shall take effect immediately.

Done in the City of Manila, this 1st day of October, in the year of Our Lord, nineteen hundred and ninety nine.

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Received

OCT 27 1999

By the President:

Date

RONALDO B. ZAMORA
Executive Secretary



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