

[EXECUTIVE ORDER NO. 906, August 04, 1983]

**DIRECTING THE REVIEW OF THE PROGRESSIVE CAR
MANUFACTURING PROGRAM (PCMP)**

WHEREAS, the guidelines for the Progressive Car Manufacturing Program (PCMP) were originally formulated in 1970 to achieve the following objectives: (1) Realize a measure of dollar savings for the country through domestic manufacture of automotive parts; (2) Create manufacturing activity for various existing small to medium size enterprises for the domestic manufacture of automotive components and in the process upgrade the engineering and production skills and provide new technological know-how to the domestic manufacturing industry; and (3) Generate new exports for manufactured products;

WHEREAS, despite the amendments to the original guidelines, these objectives have not been fully attained;

WHEREAS, the Board of Investments is empowered under Presidential Decree No. 1789 to formulate and implement rationalization programs for industries;

WHEREAS, the limited car market for five (5) participants in the program is a disincentive to achieving economies of scale, thereby increasing cost penalties to the consumers; and

WHEREAS, recent events in the industry have demonstrated the desirability of government adopting fundamental reforms in the PCMP;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and direct that:

1. The Board of Investments shall review and revise the Progressive Car Manufacturing Program as adopted in 1970 with the end objective of achieving an economic balance considering technology development, increased domestic manufacturing activity, foreign exchange savings, and reasonable consumer prices.
2. Specifically, the Board of Investments shall, at the conclusion of said review, come up with new guidelines for the Progressive Car Manufacturing Program which will limit the participants to not more than two (2) assemblers.
3. The new guidelines shall specifically indicate the commitments of the winning participant/s as well as terms and conditions relative to the assemblers to be phased out.
4. The Board of Investments is likewise directed to review and revise the Progressive Truck Manufacturing Program (PTMP) with the objective of maximizing economies of scale by integrating it, to the maximum extent feasible, with the PCMP.