

**[ EXECUTIVE ORDER NO. 488, January 12, 2006 ]**

**MODIFYING THE RATES OF IMPORT DUTY ON COMPONENTS,  
PARTS AND ACCESSORIES FOR THE ASSEMBLY OF HYBRID,  
ELECTRIC, FLEXIBLE FUEL AND COMPRESSED NATURAL GAS  
MOTOR VEHICLES UNDER SECTION 104 OF THE TARIFF AND  
CUSTOMS CODE OF 1978, AS AMENDED**

WHEREAS, it is the declared policy of the government to promote the judicious conservation and efficient utilization of energy resources in light of the continuing increase in world prices of imported fuel oil;

WHEREAS, Executive Order 472 (s. 1998) targets a 5% reduction in fuel consumption by road transport users;

WHEREAS, there is a need to promote the efficient use of fuel in the transport sector, being one of the highest fuel consuming sectors;

WHEREAS, the emerging alternative fuel vehicle technology present opportunities for improving energy efficiency of transportation in support of the government's energy independence agenda;

WHEREAS, Executive Order 156 (s. 2002) establishing a "Comprehensive Industrial Policy and Directions for the Motor Vehicle Development Program" provides for the development of the Philippines as the manufacturing hub for certain motor vehicles, parts and components;

WHEREAS, Sections 401 and 402 of the Tariff and Customs Code of 1978 (PD 1464), as amended, empower the President of the Republic of the Philippines to increase, reduce, or remove existing rates of import duty, as well as to modify the form of duty and the tariff nomenclature, under Section 104 of said Code;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

*SECTION 1.* The articles specifically listed in Annex "A"\* hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the rates of import duty [Most-Favoured-Nation (MFN) and Association of Southeast Asian Nations (ASEAN) – Common Effective Preferential Tariff (CEPT) ] indicated in Columns 4 and 5 opposite each article, respectively.

*SECTION 2.* The ASEAN – CEPT rates so indicated in Annex "A" \* shall be accorded to imports coming from ASEAN Member States applying CEPT