

[LETTER OF INSTRUCTIONS NO. 1307, April 11, 1983]

March 29, 1983

TO: The Executive Committee
 The Minister of Finance
 The Director-General, National Economic and
 Development Authority
 The Governor, Central Bank of the Philippines
 The Heads of Ministry/Bureau/Agency/Local Government
 Units
 The Heads of Government-owned or Controlled
 Corporations and State Universities and Colleges

WHEREAS, it is necessary to conserve the foreign exchange resources of the Philippines and to utilize these only for the most urgent and necessary importations;

WHEREAS, government needs to ensure that the country's external debt is commensurate to its ability to generate foreign exchange receipts from exports of goods and services ;

WHEREAS, recovery and growth in domestic industry can be accelerated by maximizing the use and procurement of locally produced goods as against imported substitutes;

WHEREAS, government has to lead the way in patronizing local industry and in exercising prudence in the utilization of foreign exchange resources and in international borrowings :

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, do hereby Order and Instruct all instrumentalities of the government, both national and local, to maximize the utilization of locally produced goods and to correspondingly minimize the use of imported substitutes and to hold external borrowings to the absolute minimum:

Importations and Direct Payments

1. Government shall endeavor to use domestically produced, goods, particularly those with the maximum local material and labor content.
2. Only vehicles that are locally produced or assembled shall be acquired by government entities, including fire trucks, garbage trucks and other similar vehicles, whether or not financed from external debt.
3. No investments, placements, or deposits shall be made in foreign enterprises without the approval of the Monetary Board, which shall give due course to such applications only in extraordinary cases.
4. Memberships in international associations or organizations shall be reviewed, with the aim of limiting such memberships only to the ones where direct

benefit accrues to the country.

5. Foreign travel shall be minimized and attendance in short courses, seminars and training programs shall be limited to those with substantial foreign counterpart, and excepting duly authorized scholarship programs leading to graduate degrees.
6. Staff participation in international conferences and in loan negotiation missions shall be reduced. Whenever possible, staff members of the Philippine embassy or mission in the site of the conference or negotiation shall represent the country. These representatives shall forward to the Manila agencies concerned, copies of the proceedings of the meetings attended.
7. Maintenance expenses of overseas offices of government agencies shall be minimized and under no circumstances may expenses exceeding that authorized, be paid for in foreign exchange.
8. Government agencies or corporations shall not engage in institutional advertising, particularly in international publications that involve the outflow of foreign exchange, except where specifically approved by the President in cases where direct trade or investment related results are expected.
9. Government publications shall be locally printed and no foreign exchange shall be used to pay for printing such publications, except for color separations which may be done abroad when local facilities are inadequate for specialized work.
10. Overseas operations and personnel assignments of government offices shall be reviewed, with the aim of reducing them to the minimum possible level. Unnecessary attaches shall be recalled or reassigned to other, more pertinent posts.
11. No government entity may purchase, lease or otherwise arrange for the use of aircraft or watercraft that involves any outflow of foreign exchange, without the approval of the President.
12. The hiring of foreign consultants shall be minimized. Contracts for each foreign consultants, including the mode of payment, shall be subject to the approval of the National Economic and Development Authority (NEDA) in accordance with existing rules.
13. The Central Bank shall not approve any requests by government officials for foreign exchange allocations in excess of that allowed by pertinent rules, particularly for additional representation allowances and similar purposes.

Approved but Undrawn Foreign Debt and Grants

14. To reduce the payment of commitment fees on approved loans, the Executive Committee shall review all approved but undrawn foreign loans, with the aim of seeing to (a) the prompt implementation of the projects for which the said loans were contracted or (b) the cancellation of the said loans.