

The Philippine automotive industry has experienced significant growth over the years, driven by factors such as rising consumer demand and initiatives aimed at promoting industry development. In 2023, the country emerged as the fastest-growing country in Southeast Asia in terms of motor vehicle production.<sup>1</sup> Recent policy developments have also played a crucial role in shaping the landscape of the automotive sector, with initiatives focused on promoting sustainability and competitiveness. These include the Comprehensive Automotive Resurgence Strategy (CARS) program, the launch of the Philippine Road Safety Action Plan (PRSAP) 2023-2028, as well as department orders laying out guidelines for emission and roadworthiness testing standards, among others. A number of legislative proposals have also been filed in both Houses of Congress augmenting road safety and industry progress.

Additionally, the rise of electric vehicles (EVs) represents a transformative shift towards sustainable mobility solutions. With the Electric Vehicle Industry Development Act (EVIDA) and the Comprehensive Roadmap for the Electric Vehicle Industry (CREVI), the government has solidified its commitment to fostering EV adoption and infrastructure development. Despite these positive strides, however, barriers to trade, bureaucratic hurdles, and infrastructure gaps continue to hinder the sector's full potential. As such, the ECCP Automotive Committee has formulated a series of strategic policy recommendations designed to ensure the long-term growth of the Philippine automotive sector:

- **Facilitate ease of trade in the automotive sector**
  - Eliminate import tariff duties for European automotive brands in preferential trade arrangements
  - Promote ease of doing business in the automotive sector
- **Strengthen the competitiveness of the automotive industry**
  - Review existing motor vehicle development programs and institute incentives for industry players
  - Develop a comprehensive support program for the domestic market adoption of electric vehicles. This should include the extension of tariff exemptions to cover all types of EVs coming from all countries under Executive Order No. 12 and incentives provision for EV charging station operators (EVCS).
- **Further promote and improve emission and roadworthiness testing standards**
  - Develop effective and efficient implementation of the motor vehicle inspection system
  - Strengthen the implementation and enforcement framework of the Euro 4 emission standards
- **Institutionalise mechanisms to improve vehicle and road safety**
  - Adopt compulsory vehicle safety standards for passenger cars and two-wheelers, including anti-lock braking systems (ABS) and electronic stability programs (ESP)
  - Fully implement the Child Seat Law, require the installation of dashboard cameras (dash cams), and restrict dark car tints on public and private vehicles
  - Incorporate road safety education into the basic education curriculum

The ECCP Automotive Committee remains committed to advancing policy recommendations that drive sustainable development in the industry. Through extensive cross-sector dialogues, the Committee will continue to push for these imperative advocacy recommendations. By addressing key industry challenges while seizing opportunities in sustainability, technology, and market expansion, the Philippines can create an enabling environment conducive to business and investments.

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<sup>1</sup> [Global Automotive Industry Outlook, 2024](#)