

8 January 2024

Dr. Alfredo Pascual

Secretary

Department of Trade and Industry

Dear Secretary Pascual:

On behalf of the European Chamber of Commerce of the Philippines (ECCP), we are writing to reiterate our position on market access issues for automotive products in line with our efforts to foster sustained economic welfare and enhance market liberalisation in the country. Our letter dated 09 June 2023 (Annex) was handed over to you during the Philippines-EU Business Roundtable: An Exchange of Views on The Bilateral Trade Agreement held in Brussels in the same month last year. To ensure that the Department of Trade and Industry (DTI) continues to have access to our comprehensive insights and recommendations, we are resending our Position Paper on Market Access Issues for Automotive Products as enclosed.

We are pleased to inform you that subsequent to our initial submission, the ECCP position paper underwent further review and discussions with the Joint Foreign Chambers of the Philippines (JFC). We are encouraged by the generally positive feedback received, indicating a favourable reception of our outlined positions.

Recognising that the removal of impediments to foreign investments is pivotal in advancing growth in the sector, the ECCP Automotive Committee hopes that the input presented in the document will further inform and guide the ongoing discussions on market access issues. We remain eager to engage in any follow-up discussions or meetings to provide additional clarification or address any queries that may arise.

Thank you for your attention to this matter, and we appreciate the DTI's continued dedication to fostering collaboration among stakeholders. For inquiries and further coordination, please do not hesitate to contact Ms. Chin Nethercott at advocacy@eccp.com or via mobile at +63917-871-9778 (SMS/Viber).

Regards,



Paulo Duarte

ECCP President and Automotive Committee Co-Chairperson
Bosch Philippines Managing Director



Willy Tee Ten

ECCP Automotive Committee Co-Chairperson
Autohub Group of Companies President



Florian Gottein

ECCP Executive Director

ANNEX

09 June 2023

Dr. Alfredo Pascual

Secretary

Department of Trade and Industry

Subject: ECCP Position on Market Access Issues in the Automotive Industry

Dear Secretary Pascual:

Over the years, the European Chamber of Commerce of the Philippines (ECCP) and its Automotive Committee have been working with various stakeholders including the government to enable long-term economic welfare and facilitate market access in the Philippines. We recognise that eliminating barriers to the entry of domestic and foreign investments is key to promoting the development of the automotive industry. In accordance with the government's push to facilitate ease of doing business, trade restrictions on the importation of automotive products and parts, including those from Europe, must be lifted. The Committee maintains that national standards, conformity assessments, and other technical rules should be streamlined and more closely aligned with international benchmarks to ease trade in the automotive sector and improve the business environment for the industry.

One of the pertinent issues related to market access on automotive products is the **obtention of the Philippine Standard (PS) Quality and/or Safety Mark and Import Commodity Clearance (ICC) Sticker**, as well as the control and inspection of imported goods in order to have a reasonable processing time for their release from the Bureau of Customs. Aside from the **limited validity of PS Mark and ICC Sticker**, licensed goods including automotive products and parts are required to undergo another round of testing process and additional paperwork since international certifications are not being honored by the respective government agencies in the Philippines. As **standard testing facilities and equipment in the country are insufficient**, re-performing product testing may provide a heavy burden on both businesses and consumers economically. The ECCP Automotive Committee reiterates the importance of improving the existing policies and processes in relation to market access in the industry. We highlight that ensuring the quality and standards of automotive products should be aligned with trade facilitation.

In an effort to address bureaucratic issues and to guarantee that manufacturers comply with only a single interpretation of the applicable regulations, the Philippines acceded to the United Nations Economic Commission for Europe (UNECE) 1958 Agreement Concerning the Adoption of Harmonized Technical United Nations Regulations for Wheeled Vehicles, Equipment, and Parts last November 2022. However, the Department Administrative Order (DAO) on The New Technical Regulations Concerning The Mandatory Product Certification of Automotive Products drafted by

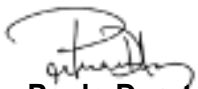
the Department of Trade and Industry (DTI) through the Bureau of Philippine Standards (BPS) may sharpen the problem from the tedious process of obtaining various certifications for automotive products.

We believe that public-private collaboration is crucial to cultivate progress in the country's economy as a whole. Against this backdrop, the ECCP and its Automotive Committee look forward to engaging with you and the representatives from the BPS to further discuss the aforementioned issues. The ECCP underlines its commitment to promote ease of doing business in the Philippines as well as market access facilitation.

For inquiries and further coordination, please do not hesitate to contact Ms. Chin Nethercott at advocacy@eccp.com or via mobile at +63917-871-9778 (SMS/Viber).

Thank you very much in advance for your consideration.

Regards,



Paulo Duarte

ECCP President and Automotive Committee Co-Chairperson
Bosch Philippines Managing Director



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