

SIXTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )



'13 JUL 29 18:56

SENATE

RECEIVED BY: *ji*

S. NO. 1121

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

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#### EXPLANATORY NOTE

Industrialization is a key to a nation's progress. However, it is not only limited to business enterprises and factories, but also to agriculture. Our country, though primarily an agricultural-based economy, is still left behind in terms of production due to lack of modern farm equipment that other agricultural countries have been already using.

The experience of countries that have agriculturally-based economies flourished through planning on a concurrent industrial development program. The strategy has paid-off and catapulted countries like Taiwan, Korea and Japan into the First World.

A comprehensive program that can introduce mechanized farming to boost production is imperative. Through the Farm Machinery Manufacturing Program, this idea could be achieved. With this, local manufacturers will be encouraged to enter into a joint venture with foreign companies that will assist and train them, with the view of enabling them to maximize the utilization of local materials in the products.

In view of the foregoing, this bill is earnestly recommended.

ANTONIO "SONNY" F. TRILLANES IV  
Senator



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AN ACT  
ESTABLISHING A FARM MACHINERY MANUFACTURING PROGRAM AND  
APPROPRIATING FUNDS THEREFOR

*Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:*

1       **SECTION 1.** This Act shall be known as the "*Farm Machinery Manufacturing Program*  
2       (*FMMP*) Act of 2013."

3

4       **SEC. 2.** The following are the objectives of the FMMP:

5       a) Development of a viable farm machineries manufacturing industry

6       b) Technology transfer and development

7       c) Employment generation

8       d) Provide reasonable consumer price of farm machineries

9       e) Foreign exchange savings and earnings

10

11       **SEC. 3.** The Department of Trade and Industry (DTI) through the Board of Investment  
12       (BOI), shall be responsible for the effective implementation of this program.

13

14       **SEC. 4.** After the approval of this Act, applications for the Registration as participant in  
15       the FMMP together with the commitment of the applicants shall be submitted to the BOI within  
16       thirty (30) days. The BOI shall decide on the acceptance or rejection of the applications with

1 thirty (30) days from submission, based on commitments which shall form part of the terms and  
2 conditions for their continued participation.

3 Approved participants shall be issued a Certificate of Registration by the BOI and shall  
4 not comply with the terms and conditions provided with the Contract.

5 The Certificate of Registration shall contain the commitments made by the proponents in  
6 their proposals.

7

8 **SEC 5.** Farm machinery models and variants shall be registered and approved by the BOI  
9 prior to its manufacture.

10 The following criteria shall be considered in defining a model:

- 11 a) body configuration
- 12 b) engine family / size
- 13 c) drive line configuration

14 A change in any two of the criteria from the basic models shall constitute a new basic  
15 mode. A variant is delivered from the basic model but the change in any one of the  
16 criteria:

17 The number of basic models and variants that a participant may have shall be maximum  
18 of three (3) basic models and two (2) variants for each models unless otherwise decided  
19 by the BOI.

20 The basic models and variants shall be retained by the participants for over a maximum  
21 period of five (5) years in the Philippines, unless otherwise authorized by the BOI, taking  
22 into account the capability of the local components and parts manufacturing industry.

23

24 **SEC. 6.** Increase use of local components over and above the prescribed local content  
25 percentages shall be encouraged by an incentive scheme.

1        **SEC. 7.** The BOI shall promulgate the rules and regulations necessary for the effective  
2 implementation of this Act.

3  
4        **SEC. 8.** All privileges and exemptions mentioned in Republic Act 6135 otherwise known  
5 as the Export Incentives Act of 1970 shall be extended to all Program participants.

6  
7        **SEC. 9.** The amount necessary for the effective implementation of this Act shall be  
8 charged to the appropriations for the Department of Trade and industry under the current General  
9 Appropriations Act (GAA). Thereafter, such sum as may be necessary for the continued  
10 implementation of this Act shall be included in the annual GAA.

11  
12        **SEC. 10.** This Act shall take effect fifteen (15) days after its complete publication in at  
13 least two (2) national newspapers of general circulation.

Approved,