

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

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SENATE 269
P.S. Resolution No. _____

RECEIVED BY: _____

Introduced by Senator **JINGGOY EJERCITO ESTRADA**

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PROLIFERATION OF THE ILLEGAL IMPORTATION OF USED VEHICLES ENTERING THE DOMESTIC MARKET, WITH THE END IN VIEW OF REVITALIZING AND STRENGTHENING THE LOCAL AUTOMOTIVE INDUSTRY

WHEREAS, the Philippine local automotive industry provides employment to a significant number of people with at least forty thousand (40,000) involved in making parts and components and approximately sixteen thousand (16,000) engaged in assembly and distribution;

WHEREAS, the industry is a significant contributor to the country's economy, generating approximately P11.5 billion of combined value-added tax (VAT) and excise tax, yielding about US\$1.9 billion in exports earnings annually, with investments in the vehicle manufacturing plants reaching PhP40 billion and PhP28 billion in parts manufacturing;

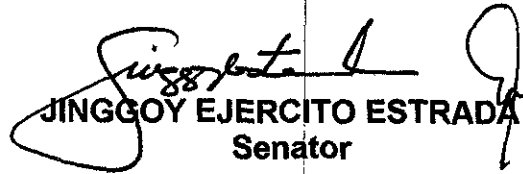
WHEREAS, the recent years has registered an increase in the entry of low-priced imported vehicles, commonly known as "lemon cars", usually converted from right- to left-hand drives and coming mainly from Japan and South Korea;

WHEREAS, apart from the fact that these vehicles may not be safe for road use, their influx to the local market caused a decline in the performance of the local automotive industry;

WHEREAS, the continuous importation of used vehicles poses a threat to the local automotive industry with the possibility of being identical to other industries in the country that have already deteriorated due to unjust foreign competition and the lack of government support;

WHEREAS, given the importance of the local automotive industry, it is imperative to implement specific measures to regulate and monitor the entry of imported vehicles and to promote the interest of the industry to enable it to continuously contribute to the nation's progress;

Now therefore, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, to direct the Senate Committee on Trade and Commerce to conduct an inquiry, in aid of legislation, into the proliferation of the illegal importation of used vehicles entering the domestic market, with the end in view of revitalizing and strengthening the local automotive industry.



JINGGOY EJERCITO ESTRADA
Senator