

**2005-2007 INTERVENTIONS FOR THE MOTOR VEHICLE PARTS & COMPONENTS CLUSTER**

**VISION:** To strengthen supplier base for domestic and export markets.

**MISSION:** To make Philippines a net exporter of automotive products.

<b>Product/ Commodity</b>	<b>Goals</b>	<b>Objectives</b>	<b>Interventions &amp; Strategies Needed</b>	<b>Metric</b>	<b>Time Frame</b>	<b>Accountable Agency</b>	<b>Status</b>	<b>Accomplishments</b>	<b>Remarks/ Next Steps</b>
<b>CBUs and parts &amp; components</b>	Expand production & sales of CBUs to 200,000 to 250,000 units in 2007 & increase auto parts export level to US\$2.75Billion.	Strengthen Auto Policy Environment.	Issue EO on Auto Parts export incentive.	EO 156 fully implemented.	2005	BOI, CAMPI, TMA, MVPMAP			
			Provision of export incentives to Motor Vehicle Parts & Components.	Issuance and implementation of EO to enhance existing AEP package.	2006	BOI, CAMPI, TMA, MVPMAP		Drafted EO and conducted cost benefit analysis	
			Provision of incentives to the production of alternative fuel vehicles (AFV)	Implementation of incentives program for AFV production.		BOI, DOE, CAMPI, TMA, MDPPA, MVPMAP		Drafted amendments to EO 812 guidelines including AFVs in the product coverage of AEP.	
			Expand coverage of EO 244.	Issuance & implementation of EO	Continuing	BOI, CAMPI, TMA		EO 488 issued on 18 Jan. 2006. IRR published on 14 March 2006.	Expanded program coverage under the AEP

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			Stop/ regulate used vehicle imports.	expanding AEP coverage.	On- going	BIS, BOC, DOTC, EMB, LTO		through the issuance of EO 812 and its IRR.  Issued and implemented EO 418 imposing a specific duty of Php600T on used vehicle imports.  Issued EO 477 amending Sec.1 and Annex of EO 418.	
			Implement vehicle registration requirements.	Regulation on vehicle registration & inspection systems (MVIS) implemented.	Continu ing	CAMPI, TMA			
			Implement Inspection System on road worthiness/safety.		On- going	BOI, BPS			
			Philippine participation to the UN/ World Forum	Participated in WP 29 activities and	On- going	BOI, BPS, LTO, DOE, DENR		TWG on WP29 created. Agreed as observer to the	

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			for Harmonization (WP 29) & certification system.	creation of TWG on WP29 and participation to WP29 forum				WP29 forum on June 20-28, 2006 at Geneva.	
			Support working groups on technical harmonization: -AAF-TW D37: D38 on Environment, Certification System 7 safety. -BPS TC 44	Active participation in the various working groups.	On-going	BOI, CAMPI, TMA, MVPMAP		Participated in the WP29 forum in Geneva.	
			Conduct Parts makers Self-Assessment.	Shop Floor Level core complementary program pursued.	On-going	BOI, CAMPI, TMA, MVPMAP			
		Implement Productivity & Competitiveness programs (Big Brother-Small Brother Approach)	Implement BBSB Training Programs (5S, SPC)	50 firms has attended BBSB programs for the year 2004.	On-going	BOI, CAMPI, TMA, MVPMAP			Participation in DTI SME Assistance Program included in -----

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		Provide measures to address industry needs.	Undertake Academe-Industry Linkage Program.	Academe-Industry Linkage undertaken: -Upgrade school labs. -Curriculum adjusted -Dual training system (OJT/Intership) -Faculty-industry immersion	On going	BOI, CHED, TESDA, CAMPI, TMA, MVPMAP Industry & TESDA			.
			Conduct awareness/education program (best practices, benchmarking.)	Industrial relations programs implemented.	On going	BOI, CHED, CAMPI, TMA, MVPMAP			Project for DTI-Cebu approved by BDM for Benchmarking ----- Manila ----- ----- --
			Strengthen government QRT programs (promote mediation,	Promote mediation, conciliation, arbitration activities.	On-going	DTI-CIC, DOLE, CAMPI, TMA, MVPMAP			Continued ----- -----

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			conciliation, arbitration activities.)						
	Address Industry Value chain gaps	Identify value chain gaps for parts manufacturing.	Conduct survey for parts manufacturing.	Surveys conducted		MVPMAP			
			Conduct supply chain analysis for the auto industry.	Automotive supply chain study conducted.	Dec. 2006	BOI, DTI- ROG, MVPMAP		Completed initial database for supply chain survey.	Sent out questionnai res to identified companies.
		Strengthen value chain of parts manufacturing	Build export capability through mentoring MNCs and OEMs	Export capability built through mentoring by MNCs & OEMs	on going	CAMPI, TMA, MVPMAP			
				Collaborated to increase value added & attained	July- Dec. 2005	BOI			

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		Reduce cost of doing business.	Build export capability through mentoring MNCs & OEMs	economies of scale.  Investments promoted in critical processes & products.	Continu ing	BOI			
			Collaborate to increase value added & attain better economies of scale.	Clustering conducted.	On- going	CAMPI, TMA, MDPPA, MVPMAP			
			Promote investments in critical processes & products.	Best practices on cost reduction & productivity done.	Jan- 2005 onwards	CAMPI, TMA, MVPMAP			
			Conduct clustering for other auto parts & motorcycle sector.	Coordinated road networks & traffic improvement	On- going	BOI, DPWH, DOTC			
			Share best practices on cost reduction & productivity.	E-purchasing benefits explored.	July- Dec. 2005	CAMPI, TMA, MVPMAP			
			Improve road networks &	Measures to reduce power cost explored.	On- going	BOI			

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		Establish Automotive Technology Excellence Center.	traffic.  Explore e-purchasing benefits.	AIBFI reactivated.	On-going	BOI, TESDA, CAMPI, TMA, MVPMAP			
			Explore measures to reduce power cost.	Skills certification system form JETRO developed.	On-going	BOI, TESDA, CAMPI, TMA, MVPMAP			
			Re-activate Auto Industry Board Foundation, Inc. (AIBFI)		On-going	CAMPI, TMA, MVPMAP			
		Continue technical experts program.	Develop skills certification system with assistance from Japan (JETRO)	Vendor evaluation system promoted.	Continuing	CAMPI, TMA, MVPMAP			
		Strengthen Auto Suppliers' Club.	Continue JODC Roving Expert APEC projects.	Mentoring program developed.	Continuing	CAMPI, TMA, MVPMAP			
			Promote vendor evaluation system.		On-going	BOI			
					July-Dec.	BOI			

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		Collaborate to increase value added & attain better economies of scale	Develop mentoring program.		2005				
			Link with BBSB program.		July-Dec. 2005	BOI			
			Implementation of Motor Development Participant's (MVDP) Parts development program.		July-Dec. 2005				
			Drafting of an enhanced Automotive Export Program (EAEP)			BOI			
		Prepare position papers: RP-China, RP-India, RP-Korea & RP-ANZ	Submission of an APEC Ecotech Project on the adoption of Quality Management System for Automotive Parts & Components Sector (Phase II) for possible funding of APEC		July-Dec. 2005	BOI			

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			Committee on Trade & Industry (CTI) & Budget Management Committee (BMC)  Draft position paper.						