

OFFICE OF THE PRESS SECRETARY
News and Information Bureau

PRESS BRIEFING OF OFFICE OF THE PRESS SECRETARY OIC-USEC. CHELOY GARAFIL WITH NEDA SECRETARY ARSENIO BALISACAN
NOVEMBER 24, 2022 (1:41 P.M. – 1:59 P.M.)

OIC-USEC. GARAFIL: Good afternoon, Malacañang Press Corps. Salamat sa pagdalo.

Ngayong umaga, nagkaroon tayo ng unang meeting ng ating NEDA board sa pangunguna ng ating Pangulo, ating Presidente Ferdinand R. Marcos, Jr. At marami silang items na na-take up at naaprubahan on the level ng NEDA.

At kasama natin ngayon para i-explain ang mga specific details ng mga na-approve na measures and projects, kasama natin si NEDA Secretary Arsenio Balisacan. Sir?

NEDA SEC. BALISACAN: Thank you.

In its first meeting under the administration of President Ferdinand R. Marcos, Jr. the NEDA board endorsed the EO or executive order modifying tariff rates on certain electric vehicles or EVs such as passenger cars, buses, mini buses, vans, trucks, motorcycles, tricycles, scooters and bicycles among others, including EV parts and components.

In particular, the EO will temporarily reduce the most-favored nation (MFN) tariff rates to zero percent for five years and completely built-up or CBU units of certain EVs, except for hybrid-type EVs.

It will also implement tariff modification on certain parts and components of EVs from five percent to one percent for five years.

The NEDA board also indicated that the tariff modifications shall be reviewed after one year of implementation with a view to assessing its impact under the development of the EV industry ecosystem.

The EO aims to expand market sources and encourage consumers to consider acquiring EVs, improve energy security by reducing dependence on imported fuel, and promote the growth of domestic EV industry ecosystem.

Likewise, the NEDA board approved NEDA's guidelines on processing PPP (Public-Private Partnership) proposals. The new proposals or procedures aim to harmonize the review and approval of the NEDA board and the ICC (Investment Coordination Committee), including the preparation and submission of government agencies of PPP projects with the joint evaluation of the NEDA secretariat, the PPP Center and the Department of Finance.

The guidelines also include the updated list of documentary requirements for solicited and unsolicited proposals. The issuance of the guidelines is pursuant to Section 2.1 of the Revised 2022 Implementing Rules and Regulation of the Build-Operate-Transfer (BOT Law).

Further, the NEDA board approved one new project funded through Official Development Assistance (ODA), and also changes on five ongoing projects. The Philippine Fisheries and Coastal Resiliency or FishCoRe Project of the Department of Agriculture-Bureau of Fisheries and Aquatic Resources costing 11.42 billion pesos aims to improve the management of fishery resources and enhance the value of production of fisheries in select fisheries management areas.

Also approved was the request of the Department of Transportation for utilization of savings, change in scope and loan validity extension for the Maritime Safety Capability Improvement Project Phase 1, as well as its request for 19-month loan validity extension for the new Communication, Navigation Surveillance/Air Traffic Management or CNS/ATM systems development project.

For the Department of Public Works and Highways, the NEDA board approved the request to extend by 12 months both the implementation period and the validity of the loan for the Samar Pacific Coastal Road Project, and the request for change in scope of works, increase in cost and reallocation of contingency cost to civil works category for the Integrated Disaster Risk Reduction and Climate Change Adaptation Measures in low-lying areas of Pampanga Bay Project.

Likewise, the Committee approved the request for change in scope for the Philippine Competition Commission capacity building to foster competition project.

That's all. Thank you.

USEC. EUGENIO: Question from Anna Bajo of GMA News Online: May we get Palace reaction on this: The Philippines has made significant gains in reducing poverty, but income inequality remains with the super-rich capturing a substantial portion of the national income, according to multilateral lender World Bank, said in its latest report. What will the government do to address the income inequality?

NEDA SEC. BALISACAN: The 8-point socioeconomic agenda and the upcoming Philippine Development Plan, PDP 2023-2028 is intended to address the issues like that and that is to accelerate poverty reduction while ensuring that the rapid growth, that the plan for the medium-term will also be very inclusive. Inclusive, meaning that the economic opportunities will not only for the upper income groups but even more importantly for the lower and middle income groups.

So it's 'everybody's boat is lifted by the rising tide' as they say. And that way, again, inequality will be reduced in a significant way and we'll support the poverty reduction thrust of the government.

ALEXIS ROMERO/PHILSTAR: So, Secretary, what does the administration seek to achieve with the modification of the tariffs on e-vehicles?

NEDA SEC. BALISACAN: Well, we want to encourage the adoption, the use of e-vehicles because that will address pollution issues and, of course, adaptations to climate change; and we believe that's the future. But more importantly, we want to be part of the value chain globally in this drive to get to these new industries, new growth drivers. And hopefully, we can develop our own industries, and this reduction in tariff is part of that building up of ecosystem.

ALEXIS ROMERO/PHILSTAR: Regarding details of the EO lang 'no, Sec., what was the previous tariff for the e-vehicles? And how long will this modification last?

NEDA SEC. BALISACAN: Various rates, some five percent, some seven percent—

ALEXIS ROMERO/PHILSTAR: Ranges from?

NEDA SEC. BALISACAN: I believe it's about 30% down to 7%, to 5%. Mostly are in that ranges because, you know, we have done a lot of tariff reductions in the past two and a half decades. So tariff rates are actually already very low, so it's not going to really have much—

ALEXIS ROMERO/PHILSTAR: So the zero-rate will last until?

NEDA SEC. BALISACAN: Well, we will review the effects of this new policy after one year, and we'll see how we reconfigure the system by then.

ALEXIS ROMERO/PHILSTAR: **ALEXIS ROMERO/PHILSTAR:** Salamat po.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary, magandang hapon po. Secretary, hindi po ba malulugi ang pamahalaan natin dito sa gagawing modification doon sa tariff sa mga e-vehicles?

NEDA SEC. BALISACAN: Hindi naman, kasi we have really reducing the tariffs for those vehicles that are not actually yet locally produced 'no. And as of now, the quantity of those vehicles is not that big. But because we want to encourage the adoption of EVs that will eventually increase the demand for support systems like the chargers; it can even develop value-adding services for our industry.

ALVIN BALTAZAR/RADYO PILIPINAS: Secretary, dagdag ko na lang po. Doon sa board meeting with the President kaninang umaga, hindi ba napag-usapan iyong pagpi-phase out nang tuluyan doon sa mga traditional jeepneys natin?

NEDA SEC. BALISACAN: Well, hindi naman sa pagpi-phase out but eventually as this technology, these EVs become more popular and as prices for these vehicles become

more competitive, eventually people will shift to these EVs, yeah. So as of now, as you may know, the cost are still quite high but technology is developing rapidly, and this cost, including the batteries are also already going down.

MARIZ UMALI/GMA NEWS: Hi, sir. Good afternoon. Also, follow up on the tariffs, sir. How soon are we expecting this to start, iyong mga tariff reduction nga po?

NEDA SEC. BALISACAN: Yeah. So we have an EO that is going to be signed by the President; that is going to be published. Usually the publication date is about 15 days. Now, once that's published, then it's effective.

MARIZ UMALI/GMA NEWS: All right, so very soon. Sir aside from the tariffs that you announced, will there be more incentives to those who will be buying EV vehicles? And can you just clarify, I think I heard you mentioned a while ago, "except for hybrid type". What does that mean? Kailangan full iyong EV at kapag hybrid hindi mai-implement iyong tariffs na reduction na iyon?

NEDA SEC. BALISACAN: As of now, the hybrid will not be affected by this change in the tariff rates. But as we said, we will review the performance of this reform after one year to see if there is a need to also include the hybrid.

MARIZ UMALI/GMA NEWS: Sir, kasi as we speak right now, one of the problems is the chargers in different stations. You've mentioned it a while ago already. Right now there are no available chargers for full EV vehicles. So, how are we going to encourage them if we only have reduction of tariffs but there are no available chargers for full EVs? Parang ang hirap po yata, nakakatakot na baka in the middle of your travel, maubusan ka ng baterya at wala kang pagtsa-charge-an. Paano po kaya iyon?

NEDA SEC. BALISACAN: Precisely. It's [unclear]. That is the objective of this tariff reduction nga for EVs, is to ensure that there are enough EVs around, such that there are incentives for you know, these service providers for the chargers to be setup. Because you know, those things will not come in unless they see that there is a market, right. So, we hope that by opening up the market for more EVs then these subsidiary auxiliary services will develop rapidly. Of course we have also lowered the tariff for components and parts 'no which will include the batteries, so that will help also the adoption and spread of these EVs.

MARIZ UMALI/GMA NEWS: Sir, maybe you should also consider the hybrid because right now the market is for the hybrid because, of course, there is the fear that in the middle of the travel nga po, maubusan sila ng electricity, so most of the market is on the hybrid side. Are you also looking into that possibility that reduction of tariff will also be implemented to hybrid EVs?

NEDA SEC. BALISACAN: Yeah, we have considered that and the decision is to takes tact of the lessons learned of the performance of this reform within one year and then we'll decide whether after, you know, 12 months there's a need to include the hybrid.

MARIZ UMALI/GMA NEWS: Thank you, sir.

PIA GUTIERREZ/ABS-CBN: Hi, sir. Sir, with the planned reduction of the tariffs, how much po do we expect the market cost of these EVs to go down po?

NEDA SEC. BALISACAN: Well, yeah. So depending on the vehicle 'no, whether a scooter or bus or tricycles, it does. But the tariffs are, you know – 7%, 5%, 10% ... that's what at least the savings they could have from the importation.

PIA GUTIERREZ/ABS-CBN: Sir, considering iyong [unclear] nabanggit ninyo doon sa issue pa rin sa mga traders, do you think iyong reduction po ng rates nito will be enough to encourage consumers or more people to switch from the traditional to the EVs?

NEDA SEC. BALISACAN: Maybe not enough but there are other incentives. For example, producers of EVs can avail of, for example the CREATE Law, we have the DTI and others—particularly the DTI-based agencies providing incentives can also be availed of. Yeah, it's true that it's still expensive but at least this is a step toward achieving that objective of, you know, enhancing the ecosystem for more EVs in the country.

CHONA YU/RADIO INQUIRER: Sir, good afternoon. Sir, ito bang reduction of tariff, is this a government solution to address iyong sunud-sunod na oil price increase?

NEDA SEC. BALISACAN: This will certainly help. But I think it's also a longer perspective, you know, because the world is changing as you know, we are moving and the world is moving into a more environment clean systems of transportation, production. And I think this is a way for us to be part of the change and, you know, not be left out in that ecosystem.

USEC. EUGENIO: Okay. Maraming salamat po, NEDA Secretary Arsenio Balisacan. Maraming salamat po, OPS OIC-Undersecretary Cheloy Velicaria-Garafil.

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