

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 486

**LIFTING THE SUSPENSION OF THE APPLICATION OF THE TARIFF
REDUCTION SCHEDULE ON PETROCHEMICALS AND CERTAIN
PLASTIC PRODUCTS UNDER THE COMMON EFFECTIVE PREFER-
ENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE
AREA (AFTA)**

WHEREAS, Executive Order 234 dated 27 April 2000, which implemented the 2000-2003 Philippine schedule of tariff reduction of products transferred from the Temporary Exclusion List and the Sensitive List to the Inclusion List of the accelerated CEPT Scheme for the AFTA, provided that the CEPT rates on petrochemicals and certain plastic products will be reduced to 5% on 01 January 2003;

WHEREAS, Executive Order 161 issued on 9 January 2003 provides for the suspension of the application of the tariff reduction schedule on petrochemicals and certain plastic products in 2003 and 2004 only;

WHEREAS, the government recognizes the need to provide an enabling environment for the naphtha cracker plant to attain international competitiveness;

WHEREAS, the NEDA Board approved the lifting of the suspension of the aforesaid tariff reduction schedule on petrochemicals and certain plastic products and the reversion of the CEPT rates on these products to EO 161 (s. 2003) levels once the naphtha cracker plant is in commercial operation;

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, pursuant to the powers vested in me under Section 402 of the Tariff and Customs Code of 1978 (Presidential Decree No. 1464), as amended, do hereby order:

SECTION 1. The articles specifically listed in *Annex "A"* (Articles Granted Concession under the CEPT Scheme for the AFTA) hereof, as classified under Section 104 of the Tariff and Customs Code of 1978, as amended, shall be subject to the ASEAN CEPT rates in accordance with the schedule indicated in Column 4 of *Annex "A"*. The ASEAN CEPT rates so indicated shall be accorded to imports coming from ASEAN Member States applying CEPT concession to the



same product pursuant to Article 4 of the CEPT Agreement and its Interpretative Notes.

SECTION 2. In the event that any subsequent change is made in the basic (MFN) Philippine rate of duty on any of the article listed in *Annex "A"* to a rate lower than the rate prescribed in Column 4 of *Annex "A"*, such article shall automatically be accorded the corresponding reduced duty.

SECTION 3. From the date of effectivity of this Executive Order, all articles listed in *Annex "A"* entered into or withdrawn from warehouses in the Philippines for consumption shall be imposed the rates of duty therein prescribed subject to qualification under the Rules of Origin as provided for in the Agreement on the CEPT Scheme for the AFTA signed on 28 January 1992.

SECTION 4. The Department of Trade and Industry, in coordination with the National Economic and Development Authority, the Department of Finance, the Tariff Commission and the Bureau of Customs, shall promulgate the implementing rules and regulations that will govern the reversion of the CEPT rates on petrochemicals and plastic products to EO 161 (s. 2003) levels once the naphtha cracker plant is in commercial operation.

SECTION 5. All presidential issuances, administrative rules and regulations, or parts thereof, which are contrary to or inconsistent with this Executive Order are hereby revoked or modified accordingly.

SECTION 6. This Executive Order shall take effect immediately following its complete publication in two (2) newspapers of general circulation in the Philippines.

Done in the City of Manila, this 12th day of January in the year of Our Lord Two Thousand and Six.

Gloria Arroyo



By the President:

Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary



**Articles Granted Concession Under the Common Effective Preferential Tariff
(CEPT) Scheme for the ASEAN Free Trade Area (AFTA)**

Hdg. No.	Tariff Code	Description	Applicable CEPT Rate of Duty (%)
(1)	(2)	(3)	(4)
39.01		Polymers of ethylene, in primary forms.	
	3901.10	- Polyethylene having a specific gravity of less than 0.94:	
	3901.10.10	-- In powder form	5*
		-- Granules:	
	3901.10.21	--- Pharmaceutical grade	5*
	3901.10.22	--- Cable grade	5*
	3901.10.23	--- Other, used in the manufacture of telephonic or electric wire	5*
	3901.10.29	--- Other	5*
	3901.10.30	-- Liquids or pastes	5*
		-- Other forms:	
	3901.10.91	--- Used in the manufacture of telephonic or electric wire	5*
	3901.10.99	--- Other	5*
	3901.20	- Polyethylene having a specific gravity of 0.94 or more:	
	3901.20.10	-- In powder form	5*
		-- Granules:	
	3901.20.21	--- Cable grade	5*
	3901.20.22	--- Other, used in the manufacture of telephonic or electric wire	5*
	3901.20.29	--- Other	5*
	3901.20.30	-- Liquids or pastes	5*
	3901.20.90	-- Other forms	5*
39.02		Polymers of propylene or of other olefins, in primary forms.	
	3902.10	- Polypropylene:	
	3902.10.10	-- In powder form	5*
		-- Granules:	
	3902.10.21	--- Used in the manufacture of telephonic or electric wire	5*
	3902.10.29	--- Other	5*
	3902.10.30	-- Liquids or pastes	5*
		-- Other forms:	
	3902.10.91	--- Used in the manufacture of telephonic or electric wire	5*
	3902.10.99	--- Other	5*

* To revert to EO 161 s. 2003 levels once the naphtha cracker plant is in commercial operation as determined by the TRM Committee.

Hdg. No.	Tariff Code	Description	Applicable CEPT Rate of Duty (%)
(1)	(2)	(3)	(4)
39.03		Polymers of styrene, in primary forms.	
		- Polystyrene:	
	3903.11	-- Expansible:	
	3903.11.10	--- In powder form	5*
	3903.11.20	--- Granules	5*
	3903.11.30	--- Liquids or pastes	5*
	3903.11.90	--- Other	5
	3903.19	-- Other:	
	3903.19.10	--- In powder form	5*
	3903.19.20	--- Granules	5*
	3903.19.30	--- Liquids or pastes	5*
	3903.19.90	--- Other	5*
39.04		Polymers of vinyl chloride or of other halogenated olefins, in primary forms.	
	3904.10	- Poly (vinyl chloride), not mixed with any other substances:	
	3904.10.10	-- PVC homopolymers, suspension type	5*
39.18		Floor coverings of plastics, whether or not self-adhesive, in rolls or in the forms of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter.	
	3918.10	- Of polymers of vinyl chloride:	
		-- Floor covering:	
	3918.10.11	--- Tiles	5*
	3918.10.19	--- Other	5*
	3918.10.90	-- Other	5*
39.20		Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials.	
		- Of polymers of vinyl chloride:	
	3920.43	-- Containing by weight not less than 6% of plasticisers:	
	3920.43.10	--- Tapes used in the manufacture of telephonic or electric wires	5*
	3920.43.90	--- Other	
		A. Rigid	5*
		B. Flexible	5*

* To revert to EO 161 s. 2003 levels once the naphtha cracker plant is in commercial operation as determined by the TRM Committee.

Hdg. No.	Tariff Code	Description	Applicable CEPT Rate of Duty (%)
(1)	(2)	(3)	(4)
	3920.49	-- Other:	
	3920.49.10	--- Tapes used in the manufacture of telephonic or electric wires	5*
	3920.49.90	--- Other	
		A. Rigid	5*
		B. Flexible	5*
56.07		Twine, cordage, ropes and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.	
		- Of polyethylene or polypropylene:	
	5607.41.00	-- Binder or baler twine	5*
	5607.49	-- Other:	
	5607.49.10	--- Industrial safety lines	5*
	5607.49.90	--- Other	5*

* To revert to EO 161 s. 2003 levels once the naphtha cracker plant is in commercial operation as determined by the TRM Committee.