

Joint Foreign Chambers of the Philippines



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Philippine Association of Multinational Companies Regional Headquarters, Inc.

April 30, 2012



ANZCHAM

Hon. Ralph Recto
Chairman
Ways and Means Committee
Philippine Senate
Pasay City

AUSTRALIAN-NEW ZEALAND



CANADIAN

Dear Senator Recto:

We write to request urgent committee consideration of House Bill 4788 or the Customs Modernization and Tariff Act (CMTA) transmitted to the Senate and referred to the Committee on Ways and Means on August 22, 2011.

In today's fast-changing global economy, the Philippines can ill afford not to modernize its customs administration to keep up with changing international standards, to make customs valuation and inspection procedures more transparent and predictable, and to implement automated procedures. The costs of the entire logistics chain which connects Philippine agriculture and industry to foreign markets must be made as competitive as possible to support existing businesses in the Philippines as well as to attract new ones.

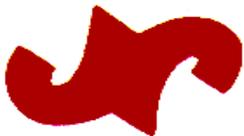
The 14th Congress ratified the Revised Kyoto Protocol (RKC) of the World Customs Organization, under which the Philippines committed to bring its customs procedures in line with the 78¹ other members who have ratified the RKC. The undersigned are hopeful that the 15th Congress will approve the CMTA to continue the reform momentum of the last Congress. With the House having already approved the bill on Third Reading, the burden of completing the legislative process now falls to the Senate.

Many of the individual reforms in the bill when implemented will reduce logistic chain costs and enhance the country's competitiveness. The ASEAN Economic Community will come into effect in 2015, only three years from now. To be able to take full advantage of the new opportunities for the Philippines economy that will be available, it is essential for the CMTA to be enacted and implemented in advance of 2015 and not left to the next Congress.

¹http://www.wcoomd.org/home_pfoverviewboxes_tools_and_instruments_pfconventions_instruments.htm



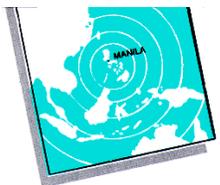
EUROPEAN



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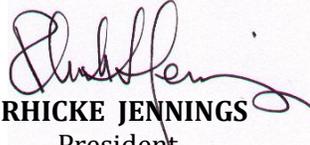
PAMURI

One small example of a reform that CMTA would bring about is removal of the current de minimus of PhP10, under Republic Act 1937 which has not been changed since 1957. At this absurdly low amount, the Philippine de minimus is the smallest in ASEAN, which averages more than US\$100 or over 40 times the Philippine amount. Other ASEAN jurisdictions set this amount administratively – as the CMTA would allow - rather than by law.

Thank you for consideration of our recommendation. We hope that you will schedule a hearing on HB 4788 at an early date in time to report out a bill for plenary approval.

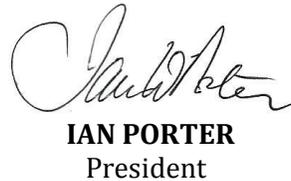
Best regards,

Best regards,



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President

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