Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Thirteenth Congress
First Regular Session

HOUSE BILL NO. 1820

Introduced by Honorable JANETTE L. GARIN, M.D.

EXPLANATORY NOTES

This bill seeks to provide for the establishment of the Farm Machineries Manufacturing Program.

Industrialization is a key to a nation's progress. But industrialization is not only limited to business enterprises and factories but also to agriculture. Philippines is primarily an agricultural country. Still we are left behind in terms of production due to lack of highly technical farm equipments that are being used by other agricultural countries. The experience of countries that have agriculturally- based economies prospered by planning on a concurrent industrial development program. The strategy has paid-off and catapulted countries like Taiwan, Korea and Japan, at par with other countries collective knowledge on the subject can be assimilated and applied to make our country's agrarian reform program a success.

A comprehensive program that shall introduce mechanized farming to boast production is very important. It is through the Farm Machineries Manufacturing Program this idea could be achieved. Local manufacturers shall be encouraged to enter into a joint venture with foreign companies that shall assist and train them with the view of enabling them to maximize the utilization of local materials in their products.

In view of the foregoing, approval of this bill is earnestly recommended.

JANETTE L. GARIN, M.D.

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AN ACT
ESTABLISHING A FARM MACHINERIES MANUFACTURING PROGRAMS AND APPROPRIATING FUNDS THEREFOR.

Be it enacted by the Senate and House of Representatives in Congress assembled:

SECTION 1. This Act shall be known as the "Farm Machineries Manufacturing Program (FMMP) Act of 2004".

SECTION 2. The following are the objectives of the FMMP:

(a) Development of a viable farm machineries manufacturing industry:

(b) Technology transfer and development:

(c) Employment generation:

(d) Provide reasonable consumer price of farm machineries:

(e) Foreign exchange savings and earnings:

SECTION 3. The Department of Trade and Industry (DTI) through the Board of Investment (BOI), shall be responsible for the effective implementation of this program.

SECTION 4. After the approval of this Act. Applications for Registration as participant in the FMMP together with the commitment of the applicants shall be submitted to the BOI within thirty (30) days. The BOI shall decide on the acceptance or rejection of the applications with thirty

(30) days from submission , based on commitments which shall form part of the terms and conditions for their continued participation.

Approved participants shall be issued a Certificate of Registration by the BOI and shall not comply with the terms and conditions provided with the Contract.

The Certificate of Registration shall contain the commitments made by the proponents in their respective proposals.

SECTION 5. Farm machinery models and variants shall be registered and approved by the BOI prior to its manufacture.

The following criteria shall be considered in defining a model:

(a) body configuration:

(b) engine family/size:

(c) drive line configuration

A change in any two of the criteria from the basic models shall constitute a new basic mode. A variant is derived from the basic model but the change in any one of the criteria.

The number of basic models and variants that a participant may have Shall be a maximum of three (3) basic models and two (2) variants for each basic models unless otherwise decided by the BOI.

The basic models and variants shall be retained by the participants for over a maximum period of five (5) years in the Philippines, unless otherwise authorized by the BOI, taking into account the capability of the local components and parts manufacturing industry.

SECTION 6. Increase use of local parts/components over and above the prescribed local content percentages shall be encouraged by an incentive

scheme.

SECTION 7. The Board of Investments shall promulgate the rule and regulations necessary for the effective implementation of this Act.

SECTION 8. All privileges and exemptions mentioned in Republic Act Sixty-one Hundred and Thirty-five otherwise known as the Export Incentives Act of 1970 shall be extended to all Program participants.

SECTION 9. The amount necessary for the effective implementation of this Act shall be charged to the appropriations for the Department of Trade and Industry under the current General Appropriations Act. Thereafter, such sum as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

SECTION 10. This Act shall take effect upon its approval.

Approved,