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PRESIDENT MARCOS TRANSMITS LANDMARK AUTOMOTIVE SECTOR LEGISLATIVE PACKAGE TO CONGRESS, UNVEILS VISION TO MAKE THE PHILIPPINES SOUTHEAST ASIA'S EV MANUFACTURING FRONTIER

Five-bill Philippine Automotive Sector Enabling Legislative Package (PASELP) targets 120,000 direct jobs, PHP 640 billion in manufacturing value-added, and USD 4 billion in annual exports by 2035

MANILA, 28 March 2026 — President Ferdinand R. Marcos Jr. today transmitted to the Congress of the Philippines the Philippine Automotive Sector Enabling Legislative Package (PASELP), a five-bill legislative programme that would establish the Philippines as a credible electric vehicle (EV) manufacturing economy within the ASEAN region. The package was developed following an eight-month strategic advisory process led by the Office of the Economic Adviser to the President and the National Economic and Development Authority (NEDA), drawing on comparative analysis of automotive industrial development across Thailand, Indonesia, Malaysia, Vietnam, and Singapore.

"The time has come for the Philippines to stop being a country that only buys cars and start being a country that builds them," said President Marcos. "This legislative package is our declaration that Filipino workers, Filipino engineers, and Filipino companies are ready to manufacture the vehicles of the future — right here, in our own country, for our people and for the world."

THE FIVE-BILL PACKAGE

The PASELP consists of the following five draft bills, each addressing a distinct structural barrier that has historically prevented the Philippines from developing a domestic automotive manufacturing sector:

- The **Philippine Automotive Resurgence and Electrification Act of 2026 (PAREA)** — the cornerstone legislation creating the National Automotive Industry Development Board (NAIDB), a binding EV manufacturing Production Offset Obligation, a Local Content Escalation Schedule, and the PHP 30-billion Government Automotive Industry Development Bond (GAIDBy). PAREA supersedes Executive Order No. 182 (the CARS Program) with a permanent, legislatively anchored framework not subject to annual budget risk.
- The **Electric Vehicle Manufacturing Investment Act of 2026 (EVMIA)** — providing income tax holidays of 8 to 13 years, duty-free manufacturing equipment and CKD components, zero-rated VAT on government fleet procurement, and a Local Content Excellence Tax Credit for manufacturers achieving 40% Philippine content.
- The **Green Public Transport Electrification Fund Act of 2026 (GPTEFA)** — establishing a PHP 30-billion concessional lending fund at 3–5% per annum through DBP and Land Bank, enabling jeepney and tricycle operators nationwide to transition to electric vehicles. LTFRB is directed to require electric public utility vehicles for all new urban franchises from 2028.
- The **Industrial Power Competitiveness Act of 2026 (IPCA)** — establishing a Special Automotive Manufacturing Power Rate (SAMPR) capped at PHP 6.50/kWh for registered EV manufacturers, closing the industrial electricity cost gap with Thailand and Vietnam through Green Energy Auction reserves and dedicated renewable energy wheeling arrangements.
- The **Philippine Automotive Testing and Certification Centre Act of 2026 (PATCCA)** — creating the PATCC under the Department of Science and Technology as the Philippines' first world-class automotive vehicle type approval and certification facility, eliminating the requirement for OEMs to conduct certification testing overseas.

JOBS, WAGES, AND ECONOMIC IMPACT

The NEDA economic impact analysis estimates that the PASELP, if enacted and fully implemented, would generate approximately 85,000 direct automotive manufacturing jobs and up to 481,000 total jobs — including indirect supply chain and induced consumer spending employment — by 2030. By 2035, total employment reaches an estimated 710,000 Filipinos. Automotive manufacturing wages consistently pay 1.7 to 5.8 times the Philippine national average salary across all skill levels, from assembly workers to EV battery engineers.

The programme is projected to add 0.8 to 1.1 percentage points to the Philippines' annual GDP growth rate at the 2035 milestone, contributing approximately PHP 640 billion in manufacturing value-added to the economy — equivalent to 2.5 to 3.0 percent of projected 2035 GDP. The government's net fiscal position is projected to turn positive by Year 5 or 6, with incremental tax revenues exceeding programme incentive costs by a fiscal multiplier of 4.2 to 6.8 times.

INTERNATIONAL PARTNERSHIPS

The President has directed the Department of Foreign Affairs and the Department of Trade and Industry to immediately initiate Government-to-Government automotive investment dialogues with Japan, South Korea, China, and ASEAN partner states. The Philippines' deepened security partnership with Japan — including the Japan-Philippines Reciprocal Access Agreement in force since September 2025 — and the newly concluded Philippines-South Korea Free Trade Agreement create diplomatic frameworks within which Toyota, Hyundai, Isuzu, and Kia can be engaged for manufacturing commitments. The PASELP's binding Production Offset Obligation is designed to convert BYD's existing dominant Philippine EV market share into a domestic manufacturing commitment.

"Every Filipino who has ever dreamed of a better job for their children, every engineer who studied hard but found no factory waiting for them, every province that watched its young people leave for the city — this programme is our answer. We are not just building an automotive industry. We are building the next chapter of Philippine industrialisation."

— President Ferdinand R. Marcos Jr., 28 March 2026

CERTIFICATION OF LEGISLATIVE URGENCY

President Marcos has certified the PASELP as urgent legislation pursuant to Article VI, Section 26(2) of the 1987 Constitution. The certification conveys the President's assessment that the 2026-2030 window for Philippine entry into ASEAN electric vehicle manufacturing is finite, and that delay risks permanent foreclosure of the Philippines' opportunity to participate in the most significant industrial transition in ASEAN's economic history. The House of Representatives has been identified as the chamber of origination for Bills 3 (GPTEFA) and 5 (PATCCA) as appropriation-related measures.

About the Philippine Automotive Sector Enabling Legislative Package (PASELP): The PASELP is the legislative expression of the Philippine Automotive Industrial Policy Advisory Series developed by the Office of the Economic Adviser to the President and the National Economic and Development Authority (NEDA), in consultation with the Department of Trade and Industry, Department of Finance, Department of Energy, Department of Transportation, and Department of Science and Technology. The full text of all five bills and the supporting NEDA economic impact analysis are available at the Official Gazette (officialgazette.gov.ph) and the NEDA website (neda.gov.ph).

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BAGONG PILIPINAS

FIVE REASONS THE PHILIPPINES AUTOMOTIVE VISION WILL CHANGE EVERY FILIPINO'S LIFE

Philippine Automotive Sector Enabling Legislative Package (PASELP)

OPENING SUMMARY — For more than four decades, the Philippines has watched its ASEAN neighbours build great automotive industries while we remained a nation that only imported, never built. That changes now. The Philippine Automotive Sector Enabling Legislative Package asks the Congress of the Philippines to do one historic thing: give our people — our workers, our engineers, our entrepreneurs, our families — the legal framework to manufacture vehicles for ourselves and for the world. Here are the five reasons every Filipino should support this vision.

1

JOB — Real, High-Paying Jobs for Every Filipino Family

The automotive programme will create 85,000 direct manufacturing jobs and up to 481,000 total jobs — including supply chain and community employment — by 2030, growing to 710,000 by 2035. These are not minimum-wage positions: automotive manufacturing workers earn 50 to 90 percent above the minimum wage at the entry level, while engineers and specialists earn 4 to 6 times the national average salary. **For the first time, a young engineer from Laguna, a welder from Batangas, a woman from Cebu who studied electrical technology — they will find a world-class career waiting for them in their own country, not in a factory in another nation.**

2

STRONGER ECONOMY — A GDP Boost That Every Filipino Will Feel

The Philippine automotive programme is projected to add 0.8 to 1.1 percentage points to the country's annual GDP growth rate by 2035 and to generate PHP 640 billion in manufacturing value-added annually — equivalent to building an entirely new engine of economic growth comparable in size to the entire BPO sector. The programme will also save the Philippines USD 3.5 to 5 billion per year in foreign exchange that currently flows out of the country to pay for imported vehicles. **Every peso that stays in the Philippines — paying a Filipino worker, buying from a Filipino supplier, building in a Filipino factory — is a peso that grows our economy rather than someone else's.**

3

CLEANER TRANSPORT — Electric Jeepneys and E-Trikes for Every Community

The Green Public Transport Electrification Fund provides PHP 30 billion in concessional loans at 3 to 5 percent interest — accessible to individual jeepney and tricycle operators, cooperatives, and local governments — to replace polluting ICE PUVs with clean, affordable electric vehicles manufactured right here in the Philippines. This is not a programme for big corporations. This is a programme for the Manong driver who gets up before sunrise, for the community that breathes the exhaust of ageing engines, for the province that deserves the same clean air as any city in the world. **We are electrifying the jeepney — the most Filipino vehicle there is — and we are doing it with Filipino hands.**

4

NATIONAL PRIDE — Made in the Philippines, Sold to the World

By 2035, the Philippines will manufacture vehicles and EV components — electric buses, e-jeepneys, electric motorcycles, automotive electronics — that will be exported to Cambodia, Myanmar, Sri Lanka, Bangladesh, and other markets in Asia, Africa, and beyond. We will join Thailand, Indonesia, Vietnam, and Malaysia as a nation that the world comes to for its vehicles. Japan's Toyota and South Korea's Hyundai will manufacture in the Philippines. Our engineers will design EV electronics that power vehicles across the region. **The world will know: Filipino craftsmanship, Filipino technology, Filipino pride — built into every vehicle that carries our nation's name forward.**

5

NATIONAL SECURITY — Industrial Strength is Strategic Strength

A Philippines that manufactures vehicles is a Philippines that controls its own economic destiny. When we build automotive supply chains — in steel, rubber, electronics, batteries — we build the same industrial foundations that underpin national resilience in any era of global uncertainty. Every Filipino who works in an automotive plant, every Filipino company that supplies an OEM, every battery material processor in Mindanao and Palawan — they are contributors to a Philippines that is economically sovereign, not permanently dependent on the goodwill of foreign exporters for the vehicles its people need to move, to work, and to live. **Industrial independence and national security are not separate goals. They are the same goal.**

CLOSING — These five benefits are not promises made lightly. They are projections grounded in the evidence of what Thailand, Indonesia, Vietnam, and Malaysia achieved when their governments made the same commitment we are making now. The Philippines has waited long enough. Our workers are ready. Our engineers are ready. Our companies are ready. All that is needed is the legislative courage to say: **yes — the Philippines builds.**

OFFICE OF THE PRESIDENT
REPUBLIC OF THE PHILIPPINES

PRESIDENTIAL ADDRESS TO THE NATION
"GUMAGAWA NA ANG PILIPINO"
"THE FILIPINO BUILDS"

National Television and Radio Broadcast
28 March 2026 | Malacañang Palace, Manila

As delivered by: President Ferdinand R. Marcos Jr.

[EMBARGOED UNTIL DELIVERY — DRAFT SPEECH — FOR OFFICIAL USE ONLY]

Estimated delivery time: 28 minutes | Language: Filipino-English (bilingual)

Stage direction notes in [brackets]. Pauses marked with —

Magandang gabi, mga kababayan. Good evening, my fellow Filipinos.

[Pause.]

I speak to you tonight not with a memorandum, not with a bill number, not with an acronym from a bureaucracy you have never heard of — but as your President, as a Filipino, and as a father who has asked himself, again and again, what kind of country we are leaving to those who come after us.

Matagal na nating tinanggap na tayo ay bansa ng mga mamimili — hindi ng mga gumagawa. For too long, we have accepted that we are a country of consumers, not producers. We buy the cars. Someone else builds them. We drive the jeepneys. Someone else manufactures the engines. We fill our roads with vehicles from Thailand, Indonesia, Japan, South Korea, and China — and we have told ourselves, year after year, that this is simply the way things are.

Tonight, I am here to tell you: that is not the way things have to be. That is not who we are. And it is not who we will become.

I. THE COUNTRY WE HAVE BEEN — AND WHY WE WILL NOT STAY THERE

President Manuel Quezon once said that he would rather have a country run imperfectly by Filipinos than perfectly by others. I think of that today — because what we have in our automotive sector is not even a country run imperfectly. It is a sector abdicated entirely. We have not tried and failed to build vehicles in this country. We have barely tried at all.

The data is before us, and it is sobering. The Philippines attracted an estimated USD 1.52 billion in automotive investment between 2021 and 2025. Thailand, in the same period, attracted USD 10.32 billion. Indonesia attracted USD 9.10 billion. Vietnam — a country that, not twenty years ago, had not a single domestically branded vehicle — has built VinFast, a company now selling electric vehicles in America and Europe, born from a rice paddy in Hai Phong province in 21 months.

Twenty-one months. From empty land to a factory producing cars. That is what national will, matched with national policy, can achieve.

Bakit hindi tayo nagawa ito? Why have we not done this? I will not pretend the answer is simple, because it is not. The barriers are real. Our industrial electricity costs are double those of Thailand. We have fewer than eighty automotive-grade parts manufacturers compared to two thousand five hundred in Thailand. We have no vehicle testing centre — OEMs have to fly their vehicles to Tokyo or Stuttgart to get them certified. And our primary automotive incentive programme — the CARS Programme, God bless it, it tried — was funded year-to-year by Congressional appropriation, so that any OEM that committed to it was betting not just on the Philippines but on whether next year's budget would keep the promise.

These are not excuses. These are problems. And problems have solutions.

II. WHAT WE ARE DOING ABOUT IT

President Carlos P. Garcia spoke of the Filipino First Policy — the conviction that in our own economy, in our own country, the Filipino must come first. Tonight, I am transmitting to the Congress of the Philippines a legislative package that puts that conviction into law — not as a slogan, not as an aspiration — but as a binding, enforceable, budgetarily secure framework for building a Philippine automotive manufacturing industry.

The Philippine Automotive Sector Enabling Legislative Package — five bills, one vision — does the following:

First, it creates the Philippine Automotive Resurgence and Electrification Act — PAREA — which permanently replaces the CARS Programme with a statute that cannot be defunded by a budget veto, that requires OEMs who import electric vehicles duty-free to build factories in the Philippines in return, and that creates the National Automotive Industry Development Board to run the programme with the seriousness it deserves.

Second, it gives EV manufacturers who build here the most competitive incentive package in ASEAN — thirteen years of income tax holiday, duty-free parts and equipment, and a tax credit for every peso of Filipino content above forty percent. We are telling Toyota, Hyundai, BYD, and every automaker in the world: build in the Philippines, and we will make it worth your while.

Third — and this one is for every Manong driver, every jeepney operator, every tricycle driver who gets up at four in the morning — we are creating a PHP thirty billion green lending fund, at interest rates as low as three percent, so that no operator is left behind in the transition to electric public transport. You will not be asked to carry the cost of this transition alone. The government will carry it with you.

Fourth, we are bringing industrial electricity costs down. I have directed the Energy Regulatory Commission to set a Special Automotive Manufacturing Power Rate — a cap — so that a factory in the Philippines will no longer pay twice what a factory in Thailand pays for the same power. This one regulatory change alone is worth hundreds of millions of pesos to every manufacturer who chooses us.

And fifth, we are building — with Japanese and multilateral partnership — the Philippines' first world-class automotive testing and certification centre, so that an OEM building vehicles in our country can certify them here, sell them across ASEAN, and never have to ship a prototype to Germany to prove it is safe.

Ito ang plano. Ito ang aming pangako. This is the plan. This is our commitment.

III. WHO THIS IS FOR

Ramon Magsaysay was called 'the guy next door' because he never forgot that his job was to serve ordinary Filipinos — not the powerful, not the connected, not those already comfortable. I carry that reminder with me always.

Let me tell you who this programme is for.

It is for the eighteen-year-old in Batangas who finished a vocational course in electrical technology and cannot find work that uses what she learned. Under this programme, she will find a job in an EV assembly plant five kilometers from her hometown — at a salary two or three times what she would earn elsewhere — with training paid for by a company that needs her skills.

It is for the mechanical engineer in Laguna who graduated with honours and is now working as a call centre agent because there is no automotive factory in his country. Under this programme, he will design vehicle components, program EV battery management systems, and build a career in manufacturing that is worth every year he spent in school.

It is for the jeepney operator in Quezon City who knows his old engine is costing him more in fuel and repairs than he earns some days, but cannot afford a new one. Under this programme, he will walk into a Land Bank branch, qualify for a loan at three percent, and drive an electric jeepney that costs him a fraction of what diesel costs — and he will own it.

It is for the family in Mindanao sitting on nickel deposits that the world now wants more than anything else in the age of electric vehicles — who deserve to see those resources translated into factories, into jobs, into royalties and revenues, not just into export tonnage that makes someone else rich.

At para sa mga Pilipino sa lahat ng sulok ng ating bansa — para sa kanila ang bisyong ito. And for every Filipino in every corner of our archipelago — this vision is for them.

IV. THE BURDEN OF THIS MOMENT

I have been asked, by friends and by critics alike, whether this is the right moment for this ambition. We have territorial pressures in the West Philippine Sea. We have fiscal pressures from the pandemic years that are not yet fully resolved. We have an election cycle approaching. Is this the time to try to build an automotive industry?

I have thought about this deeply. And my answer is: when, if not now?

The window for the Philippines to enter ASEAN automotive manufacturing as a viable industrial player closes around 2030. Thailand's factories are filling up with BYD and Great Wall. Indonesia's battery ecosystem is being locked in by CATL and LG Energy Solution. Vietnam's Chery joint venture factory will be producing two hundred thousand electric vehicles a year by 2026. If we wait for a more convenient moment, there will be no moment left. We will be the only major ASEAN economy permanently fixed in the role of consumer.

I am reminded of what a great senator once said — that the right time to plant a tree was twenty years ago, and the second-best time is today. We did not plant this tree twenty years ago. Today is the second-best time.

And I am asking the Congress of the Philippines — the honourable members of the House of Representatives and the Senate — to plant it with me.

V. THE PHILIPPINES WE DESERVE

There are those who will say that industrial policy of this scale is too ambitious, too risky, too complicated for a country still dealing with poverty, inequality, and the accumulated disadvantages of history. To them I say: the evidence of ASEAN shows precisely the opposite. The countries that lifted the most people out of poverty in the shortest time — Thailand, Malaysia, South Korea, Taiwan — did so through deliberate, sustained industrial policy. They did not wait until they had solved poverty before investing in manufacturing. They used manufacturing to solve poverty.

An automotive manufacturing worker in this programme earns a family wage. A woman engineer in an EV electronics plant earns four to six times the national average. A supply chain SME that qualifies as a Tier 2 automotive parts supplier becomes, for the first time, a formal, bankable, internationally certified enterprise — able to access credit, grow, and pass a viable business to the next generation.

This is not charity. This is not subsidy. This is industrial justice — the creation of economic opportunity structured around work, capability, and Filipino ingenuity, in a sector that has historically been denied to us not because we were incapable, but because we were never given the policy framework to compete.

Ngayon, ibinibigay na natin ang framework na iyon. Today, we give ourselves that framework.

VI. THE GEOPOLITICAL CASE FOR BUILDING

Let me speak plainly about geopolitics, because I believe the Filipino people deserve a President who speaks plainly.

We operate in an era of strategic competition. The United States and China are contesting the economic architecture of Asia. Supply chains that once seemed permanent are being reconsidered. Nations are asking, with new urgency, where their critical goods come from and whether they can be cut off. We have seen this with semiconductors. We are beginning to see it with batteries. We will see it with vehicles.

In this environment, a Philippines that manufactures — that has factories, supply chains, technical workers, industrial capacity — is a Philippines with more options than a Philippines that only imports. This is not a partisan or ideological point. It is a strategic reality.

We are deepening our security partnership with Japan, with the United States, with South Korea. The Reciprocal Access Agreement with Japan is in force. Our partnership with America is the strongest it has been in decades. These security relationships are also economic relationships. Japanese OEMs and Korean OEMs will choose to manufacture in a Philippines that is a trusted partner, a stable ally, a country with clear rules and kept promises — over any alternative where that certainty does not exist.

At the same time, the Philippines is open to commercial engagement with China on automotive investment. We welcome Chinese electric vehicle manufacturers to bring their technology here — to build, to employ, to invest — as a commercial matter, governed by commercial terms and Philippine law. We are clear-eyed about the distinction between security disputes and commercial opportunity. Both can be navigated. Both will be navigated.

The Philippines will be no one's satellite and no one's adversary. We will be a partner to all who bring their best to our shores — and we will build our own strength regardless.

VII. THE CALL

I am asking the Congress of the Philippines to pass this legislative package.

I am asking in the names of the engineers who have no factory. In the names of the drivers who cannot afford a new vehicle. In the names of the communities in Laguna and Batangas and Pampanga and Cebu that have waited for a generation for an industry worth fighting for. In the name of every Filipino parent who has had to watch their child leave — for Korea, for Japan, for Dubai, for Singapore — because the opportunity they deserved did not exist at home.

I am asking in the name of the Philippines that Quezon dreamed of — a sovereign nation, run by Filipinos, for Filipinos, beholden to no one.

I am asking in the name of the Philippines that Garcia built toward — a nation that chooses Filipino first, not out of fear of the world, but out of love for our own.

I am asking in the name of the Philippines that Magsaysay walked among — the ordinary Filipino, the driver, the farmer, the worker, the mother — who has never asked for more than a fair chance.

And I am asking in the name of the Philippines of tomorrow — the engineers writing code for EV battery systems, the young women running quality assurance on an assembly line, the child in a province who will grow up never knowing what it meant for the Philippines to not have an automotive industry, because they will grow up in a country that does.

[Pause. Look directly into camera.]

Hindi ito batas para sa mga korporasyon. Hindi ito batas para sa malalaking negosyo. Ito ay batas para sa bawat Pilipino na nag-aral nang husto, nagtrabaho nang husto, at nanangarap na ang kanyang bansa ay makakaakbay sa kanya.

This is not legislation for corporations. This is not legislation for big business. This is legislation for every Filipino who studied hard, worked hard, and deserves a country that stands behind them.

Mga kababayan — fellow Filipinos —

In 1935, President Quezon stood before a people not yet independent and told them that the Filipino was ready for self-government — not perfect, not without difficulty, but ready, because the will was there. The capacity would follow the will.

Tonight I stand before a people that is ready — ready to manufacture, ready to build, ready to be counted among the nations that make things, not only the nations that buy them. The capacity is here. The engineers are here. The workers are here. The capital is here. The market is here. The partners are ready to come if we call them.

All that is needed — all that has ever been needed — is the will.

Tonight, we declare that will. Tonight, we send to the Congress of the Republic the Philippine Automotive Sector Enabling Legislative Package — five bills, one future, one Philippines that builds.

[Pause. Stand. Resolve.]

**Gumagawa na ang Pilipino.
The Filipino builds.**

Mabuhay ang Pilipinas. Mabuhay ang bawat Pilipino.
Long live the Philippines. Long live every Filipino.

— END OF SPEECH —

[Estimated delivery time: 28 minutes]

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