
STATEMENT ON TEMPORARY LIFTING OF E-VEHICLES IMPORT TARIFFS

16 May 2022

The ECCP and its Automotive Committee strongly support the plan to lift the 30% duty on imported electric vehicles (EVs) to help encourage their adoption. As the current move on the removal of the tariff rates on identified EVs and parts or components is only temporary, we urge the government to cement the reduction of EV import duties to a minimal rate of ~5-10%, or preferably even have the importation duty-free. E-vehicles coming from other ASEAN economies are already duty-free, whereas most favored nations face a 30% levy. Adjusting the tariff on e-vehicles will lower the cost of this mode of transportation, encouraging more people to utilize e-vehicles rather than those with combustion engines. With this, based on the insights shared by the industry players of the ECCP Automotive Committee, the **scrapping of 30% duty for EVs coming from all countries should last over a span of at least eight (8) years. Accordingly for hybrid vehicles, the tariff duties should be 15% for at least four (4) years since the current excise tax for this type is half of the tax for petrol vehicles.**

With the Electric Vehicles and Charging Stations Act (EVIDA) lapsing into law on 15 April 2022, the ECCP Automotive Committee lauds the government in pushing for this measure as it would allow the Philippines to partake in the global transition to EVs. The Committee believes that this measure would also provide a national EV policy framework to promote the EV sector in the Philippines, support vital infrastructure to encourage the use of EVs, and incentivize EV adoption and charging stations in the country.

Aside from the economic benefits of the law, the health and environmental gains of switching to EVs in the Philippines are more crucial than ever. In recent years, there has been a clamor both in the local and international space for sustainable transportation. In the post-pandemic period and in pursuit of building back better, alternative modes of greener transport are much needed for the continued development of the automotive sector in the country. With this in mind, we call for lowering or even the complete removal of the duties on EV imports to accelerate the country's shift to electric vehicles. The ECCP and its Automotive Committee remain committed to working with stakeholders in promoting the development of the EV industry as well as the advancement of smart and safer mobility in the Philippines.



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