



November 15, 2021

BUSINESS GROUPS AND FOREIGN CHAMBERS URGE SWIFT RATIFICATION OF EVHICLES BILL

Philippine business groups and foreign chambers urge the swift bicam approval and ratification by the House and Senate for final approval of important legislation that establishes a national Electric Vehicle (EV) energy policy framework and charging infrastructure to support EVs.

The House of Representatives approved HB 10213 or the *Electric Vehicle Industry Development Act* on third and final reading on September 27. Earlier this year, the Senate approved Senate Bill 1382 or *the Electric Vehicles and Charging Stations Act*.

Before Congress went on recess in October, members of the bicameral conference committee for both chambers were manifested in plenary. The bicam panel has to reconcile disagreeing provisions of HB 10213 and SB 1382. Thereafter, the reconciled version will be ratified in plenary of both chambers.

The business groups and foreign chambers expressed optimism that the ratification will be completed before Congress goes on its one month recess on December 15.

Earlier, in an August 31 letter to House of Representatives Speaker Lord Allan Velasco, the business groups expressed strong support for the measure that (1) establishes a national EV energy policy framework, (2) provides support for critical infrastructure to encourage EV use, and (3) incentivizes more rapid adaption of vehicles and charging stations in the Philippines.

In their letter, the groups encouraged the Philippines to soon join the accelerating global shift to electric vehicles, stating that “[s]uch a shift away from the dominant propulsion system for motor vehicles is nothing less than revolutionary and needed to meet rising health and environmental concerns.”

Aside from addressing health and environmental concerns, passage of the bill will enable the Philippines to maximize its potential to participate in what is becoming an enormous new supply chain of the EV industry, particularly components, batteries, and charging stations. The new CREATE Act can incentivize future investors in EV manufacturing for domestic and export markets.

Passage of the measure enables and supports the Department of Trade and Industry in its endeavors to promote the Philippines as a regional hub for EV manufacturing.

The global shift towards partial or full adoption of electric vehicles can be observed in countries such as Norway (by 2025), the United Kingdom (by 2030), India (by 2030), Canada (by 2035), Japan (by 2035), Thailand (by 2035), and Taiwan (by 2040). Singapore and South Korea have introduced incentives for EV use. On August 5, US President Joe Biden signed an executive order *“calling for 50% of new passenger car sales to be of electric vehicles powered by batteries and fuel cells or plug-in electric hybrids by the end of the decade.”*

Several major car manufacturers also plan to phase out vehicles using carbon-emitting internal combustion engines including Volvo (by 2030), General Motors (by 2035), and Honda (by 2040). In May 2021, Ford increased its budget for EV towards a 40% share in global sales by 2030.

On August 9 the US Senate approved a massive infrastructure bill that includes \$7.5 billion to install charging stations across the country to spur EV adoption. The EV bill in Congress provides support for EV infrastructure necessary to promote the use and adoption of electric vehicles in the Philippines, which currently has the least number of publicly accessible charging stations in ASEAN.

The letter was signed by

American Chamber of Commerce of the Philippines
Australian-New Zealand Chamber of Commerce of the Philippines
Canadian Chamber of Commerce of the Philippines
Electric Vehicles Association of the Philippines
European Chamber of Commerce of the Philippines
IT and Business Process Association of the Philippines
Japanese Chamber of Commerce and Industry of the Philippines, Inc.
Korean Chamber of Commerce of the Philippines, Inc.
Management Association of the Philippines
Philippine Association of Multinational Companies Regional Headquarters, Inc.
Philippine Parts Maker Association, Inc.
Semiconductor and Electronics Industries in the Philippines Foundation, Inc.

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