

Voluntary Report – Voluntary - Public Distribution

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Report Name: Philippines Issued EO 62 Modifying Import Duty Rates

Country: Philippines

Post: Manila

Report Category: Policy and Program Announcements, FAIRS Subject Report, Grain and Feed, Trade Policy Incident Report

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Report Highlights:

On June 20, 2024, President Ferdinand Marcos Jr. issued Executive Order No. 62 (EO 62) modifying the import duty rates of various commodities. EO 62 provides a multi-year comprehensive tariff schedule and applies to commodities subject to the Most Favored Nation (MFN) rates. Tariff rates on agricultural/food commodities remain the same except for rice, which declined to 15 percent from 35 percent.

Background

On June 3, 2024, the National Economic and Development Authority (NEDA) Board approved a [comprehensive tariff program](#) that calibrates the tariff rates until 2028. The stated goal was to ensure access and affordability to essential commodities while balancing the interests of consumers and local producers crucial for fostering rapid, sustained, and inclusive economic growth.

The [Customs Modernization and Tariff Act](#) or Republic Act (RA) 10863 empowers the President, upon the recommendation of NEDA, to increase, reduce, or remove existing rates of import duties in the interest of the general welfare and national security. [RA 8178](#), as amended by [RA 11203](#), also authorizes the President to modify rates of import duty up to the bound rate committed to by the Philippines under World Trade Organization (WTO) Agreement on Agriculture and the ASEAN Trade in Goods Agreement, including any necessary change in classification applicable to the importation of rice.

Modifying Import Duty Rates

On June 20, 2024, President Ferdinand Marcos Jr. issued [Executive Order No. 62](#) (EO 62) modifying the import duty rates of various commodities to temper inflationary pressure and protect the purchasing power of Filipinos. EO 62 provides a new multi-year (2024-2028) comprehensive tariff schedule intended to facilitate transparent and predictable tariff structure allowing businesses to engage in medium- to long-term planning to improve productivity and competitiveness, facilitate trade, and enhance consumer welfare. The prevailing MFN rates are based on [EO 20](#), as amended by subsequent EOs which cover several commodities.

Specifically mentioned in Section 3 is the need for a periodic review of the MFN tariff rate for rice every four months from the effective date of the order. The rice tariff is reduced to 15 percent from 35 percent. Tariff rates on agricultural/food commodities remain the same except for rice.

The implementation of an updated comprehensive tariff schedule is intended to augment supply, manage prices, and temper inflationary pressure of various commodities, consistent with the Philippine national interest and the objective of safeguarding the purchasing power of Filipinos.

Effective Date

EO 62 shall take effect 30 days after its complete publication in the Official Gazette or in a newspaper of general circulation. The tariff rates on rice shall take effect 15 days after publication, consistent with Section 7 (a) of RA 8178.

Attachments:

No Attachments.