

August 12, 2012

**Comments from Motor Vehicle Parts Manufacturers Association of the Phils., Inc.
Approval by Mail: Philippines: Market Transformation through Introduction of
Energy Efficient Electric Vehicles Project (ADB)**

To: The Trust Fund Committee, Clean Technology Fund

Greeting everyone! We are writing this letter to extend the full, wholehearted support of our organization, the Motor Vehicle Parts Manufacturers Association of the Philippines, to the Electric Tricycle Program of the Asian Development Bank and the Department of Energy of the Philippine Government.

We know you will all take note of the huge help this Program will bring to the ailing local parts makers in our country and approve the funding for the said program. If there is any more information that you may need from us, we would be happy to provide them. Just feel free to contact us.

Thank you and best regards.....

Ferdinand I. Raquelsantos
President

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MOTOR VEHICLE PARTS MANUFACTURERS ASSOCIATION OF THE PHILIPPINES, INC.

MVPMAP

July 13, 2012

THE TRUST FUND COMMITTEE

Clean Technology Fund

Dear Ladies & Gentlemen:

Greetings! I am writing this letter in behalf of our organization, the Motor Vehicle Parts Manufacturers Association of the Philippines (MVPMAP), extending our full support and cooperation to the Electric Tricycle Program of the Asian Development Bank and the Department of Energy. MVPMAP is the official organization of some 125 local manufacturers and suppliers of automotive parts and services in the country.

For the last so many years, the volume of vehicles sold in the country as completely-built units has been steadily increasing to the detriment of locally-assembled vehicles. These CBU vehicles do not have any local value added at all in terms of local labor and parts. Thus, revenues from the parts makers and employment for the over 50,000 workers in the parts making industry plus those in both upstream and downstream industries dependent on the auto parts industry have been severely affected.

We therefore welcome this eTrike Program as an opportunity for us part makers and our workers to get back on our feet. Employment and incremental income will be generated for the local parts making industry by this Program. This is on top of the same benefits for the upstream and downstream industries related to the auto industry.

Of course, it is also our fervent prayer that this eTrike Program will just be the start of a sustainable growth of the EV industry in the country. We hope this will spark the more rapid development of the bigger electric jeepneys and buses. With the projected eTrike sales volume, we also expect local and foreign investors to be encouraged to invest in the EV industry in the Philippines.

And we are happy to report that this is now actually happening. Foreign investors and suppliers from Japan, South Korea and Taiwan are now here to forge joint venture arrangements with our members to complete the supply chain that would ensure the viability of the ETrike Program. They are now looking for local parts, labor and facilities to locally manufacture and assemble the ETrikes.

They are also looking for JV partners to help them develop and test new and better lithium ion battery technology. Also in the works are JV arrangements to put up the much-needed infrastructure like public charging stations, parts supply warehouses and service centers, complete with the necessary orientation and training.

With these foreign investors and suppliers come new and higher level EV technologies that will ultimately be transferred to Filipino engineers and technicians. This makes us even more optimistic about the ETrike Program.




MVPMAP

MOTOR VEHICLE PARTS MANUFACTURERS ASSOCIATION OF THE PHILIPPINES, INC.

Who knows, given all of these encouraging developments coupled with the proper government support and fiscal and non-fiscal incentives, the Philippines could just be the EV manufacturing and supply hub of the region. All of these in turn will be of substantial help to our ailing industry.

We at MVPMAP therefore reiterate our wholehearted support to this ADB-DOE eTrike program. We are aware that at the moment, there are still some issues raised by civil society. For the last so many weeks, we have been helping resolve these issues to the mutual satisfaction of all parties concerned. Rest assured that we will continue to do so until we see this Program come to fruition.

Thank you and best regards.



FERDINAND I. RAQUELSANTOS
President