



## INSIGHT: SOUTHEAST ASIA

# Jeepneys, backbone of public transport in Philippines, face modernization by government



### THE TAKEAWAY

Philippines's long-standing public utility vehicle (PUV) modernization program, known as PUVMP and designed to modernize public transit vehicles like the iconic 'jeepney,' is gaining momentum under President Ferdinand "Bongbong" Marcos Jr. The Department of Transport has issued an ultimatum to operators of PUVs (e.g. jeepneys, vans, and multi-purpose vehicles), asking them to comply with the modernization program by the extended deadline of December 31, 2023. Seen as the first step in the phaseout of traditional jeepneys, transport advocacy groups have decried the government's inadequate support for jeepney operators during the transition and demanded a more "just and humane" approach to modernizing the country's vast public transportation system.

### IN BRIEF

The PUVMP aims to modernize and unify the fragmented PUV industry and to upgrade or replace PUVs that are older than 15 years to comply with environmental and safety standards.

To continue operations, individual PUV operators must consolidate into a transport corporation or co-operative by joining an existing entity or creating a new one with at least 15 PUV operators. The Philippine Land Transportation Franchising and Regulatory Board (LTFRB) announced on February 27 that the initial deadline for consolidating would be June 30.

LTFRB then extended the deadline to December 31, 2023, after transport groups such as Manibela, PISTON, and Laban TNVS — supported by nearly 100,000 drivers and operators, including 40,000 in Metro Manila — threatened to stage a transport strike between March 6-12. Despite the deadline extension, transport groups and individual jeepney operators remain steadfast in their protest, citing the government's lack of financial support to modernize and replace traditional jeepneys with new variants. The strike, initially scheduled to last a week, began on March 6 and disrupted daily commutes in Metro Manila, as well as parts of Luzon Island, Bicol Region, and Cagayan De Oro. Following a March 7 meeting with government executives in the presidential palace, the heads of Manibela and PISTON agreed

to end the strike after the government agreed to undertake a “comprehensive review” of the PUVMP.

## IMPLICATIONS

Jeepneys are a lifeline for Filipino commuters, especially students and lower-income workers. They offer an affordable mode of transportation that support the livelihoods of thousands of independent operators. However, the continued use of the jeepney has prompted growing environmental and safety concerns over its high emissions output and outdated design. Under the PUVMP, transport groups fear that the consolidation and the high cost of modernized jeepneys could push some individual operators into a monopolized debt trap.

Compared to a traditional jeepney, which costs between C\$4,900-15,000 (200,000-600,000 Philippine pesos), a modernized electric or eco-friendly variant can cost up to C\$60,000-65,000 (2.4-2.6 million Philippine pesos). Advocates for Inclusive Transport (PARA-AIT) has also stated that to recuperate the cost of modernizing, operators may need to hike jeepney fares up to 35 Philippine pesos (three times the current minimum fare), hurting commuters. PARA-AIT lauded the environmental benefits of modernization, but criticized the government for its lack of clarity and a “fair and just transition” approach to PUVMP.

In persuading transport groups to reconsider the earlier strike, Marcos Jr. indicated that modernization is imminent, with nearly 61 per cent of PUVs already consolidated. The PUVMP, for all its criticisms, will not be shelved, according to Marcos Jr. He also stated that traditional jeepneys will not be completely phased out, and that it will be necessary

to hold thorough inspections of existing jeepneys to gauge their roadworthiness.

Before the strike, Marcos Jr. acknowledged the government’s lack of preparedness in implementing the program, while assuring transport groups of a thorough review of the program. He has since promised that the PUVMP will be implemented in a “different way,” and highlighted that modernizing the country’s transportation systems will be key to revitalizing the sluggish Philippine economy.

## WHAT’S NEXT

### 1. A ‘Just and Humane PUVMP Act’

In response to the growing concerns of PUV operators and increasing calls for modernization in the transport sector, the Philippines’s senate is currently discussing Senate Bill no. 105, an act “providing a just and humane PUV modernization program.” The bill proposes a minimum 20 per cent subsidy to operators wishing to modernize their vehicles, a loan program to purchase and modernize vehicles, and a compensation program for operators who are unable to continue working in the PUV sector due to the program.

### 2. Modern jeepneys

The LTFRB announced a new model of jeepneys on March 6. The modernized jeepneys retain the traditional look of the old, classic-style jeepneys, but include new features like higher ceilings and doors on both sides, as well as optional air-conditioning and CCTV cameras for security. The new models are also compliant with national environmental and safety standards, locally made, and can accommodate more passengers than the old jeepneys.

**Produced by CAST’s Southeast Asia team:**

Stephanie Lee (Program Manager)

[stephanie.lee@asiapacific.ca](mailto:stephanie.lee@asiapacific.ca); Alberto Iskandar

(Analyst); Saima Islam (Analyst); Tim Siao (Analyst).