

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



THIRTEENTH CONGRESS

First Regular Session

House Bill No. 2393

Introduced by REP. BENJAMIN DC. ABALOS, JR.

EXPLANATORY NOTE

The Philippines, as an archipelagic country, the movement of trade is concentrated on water transport. About 85% percent of all goods move through sea transport routes, with land and air transport providing the complementary routes.

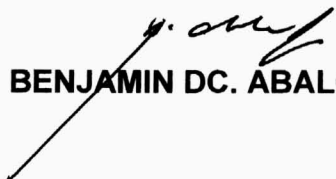
Transportation of goods, particularly agricultural products and basic commodities, are vital to the nation's economy, as it addresses the basic needs of our people.

Statistics shows that inter-island transportation of goods via sea is more costly as compared to the international shipping rates for cargo. Take for the case the shipping cost for agricultural products from Manila to Jakarta, Indonesia which only costs **Php12,800.00 (inclusive of other fees)**, while shipping of the same from Manila to Tacloban, vice versa, costs **P28,100.00 (exclusive of other fees)**. On the average, **shipping cost on selected provinces (Zamboanga, Ilagan and Cagayan de Oro) is 44% higher than the shipping cost for Taiwan**. This situation explains why prices of locally produced goods, more particularly on agricultural products and basic commodities, continue to rise in our markets.

This proposed measure seeks remedy the situation by prescribing lower domestic shipping rates for cargo particularly on agricultural products, amending for the purpose pertinent provisions of Republic Act No. 9295 otherwise known as The Domestic Shipping development Act of 2004.

This bill seeks to stand on three purposes: 1.) to encourage productivity of the agricultural sector; 2.) to maintain competitive prices for our agricultural products; and 3.) to arrest the continued proliferation of foreign agricultural products.

In response to the plight of our agricultural sector and in the interest of the consuming public, immediate consideration and approval of this bill is earnestly sought.


BENJAMIN DC. ABALOS, JR.

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AN ACT
PRESCRIBING A FAIR AND AFFORDABLE DOMESTIC SHIPPING RATES
FOR CARGO, AMENDING FOR THE PURPOSE REPUBLIC ACT No. 9295
OTHERWISE KNOWN AS THE DOMESTIC SHIPPING DEVELOPMENT ACT
OF 2004, AND FOR OTHER PURPOSES

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

Sec. 1. Section 11 of R.A. No. 9295 otherwise known as The Domestic Shipping Development Act of 2004, is hereby amended to be read as follows:

Sec. 11. *Rates.* – Every domestic ship operator shall have the right to fix its own passenger or cargo rates, or both, SUBJECT TO THE APPROVAL OF THE MARINA AND ITS PRESCRIBED RULES ON DETERMINING A FAIR AND AFFORDABLE RATES FOR CARGO.

Sec. 2. A new section is hereby inserted after Section 12 of R.A. No. 9295 to be read as follows:

Sec. 13. *AGRICULTURAL PRODUCTS.* – ALL AGRICULTURAL PRODUCTS SHALL BE GIVEN A PREFERENTIAL RATE LOWER THAN THE REGULAR RATES FOR CARGO TO BE COMPUTED ON A TWENTY PERCENT (20%) DISCOUNT RATE.

Sec. 14 *Monopolized Routes.* - XXX

Sec. 3. This Act shall take effect fifteen (15) days after its publication in two (2) national newspapers of general circulation. The publication shall not be later than seven (7) days after approval hereof.