

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS
First Regular Session

HOUSE BILL NO. 170

Introduced by Honorable Eric Owen G. Singson, Jr.

EXPLANATORY NOTE

This bill seeks to require tobacco manufacturers to use at least seventy five percent (75%) locally grown tobacco in the manufacture of cigarettes in the Philippines. In other words, locally grown tobacco should comprise 75% of the end product (cigarette).

For more than thirty years in the past, tobacco farmers in the North have enjoyed a certain level of economic stability and prosperity, giving them the opportunity to improve their standard of living that enabled them to send their children to school. Education, after all, is the key to the solution of poverty in the countryside, because it equips the children with the necessary qualifications for gainful employment and with the skills and talents to succeed in their chosen fields of endeavor.

In the past five years or so, however, the cigarette manufacturers have reduced considerably the use of locally produced tobacco and shifted to the use of imported tobacco as raw materials in the manufacture of their cigarettes. Because of this, many farmers could no longer sell their tobacco and eventually went bankrupt. Thus began the decline of the tobacco industry that has brought untold hardships to our people in the North.

The tobacco industry is a regulated industry and there is no reason why we should not impose certain regulations to protect our own local farmers like they did in Malaysia by enacting a law similar to what is being proposed by this bill.

In view of the foregoing, approval of this bill is earnestly requested.

Eric Singson Jr
ERIC OWEN G. SINGSON, JR.

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AN ACT
REQUIRING TOBACCO MANUFACTURERS TO USE A MINIMUM OF
SEVENTY FIVE PERCENT (75%) LOCALLY PRODUCED TOBACCO IN THE
MANUFACTURE OF CIGARETTES IN THE PHILIPPINES.

Be it enacted by the House of Representatives in congress assembled:

SECTION 1. All tobacco manufacturers are hereby required to use a minimum of seventy five percent (75%) locally produced tobacco in the manufacture of cigarettes in the Philippines.

SECTION 2. *Penalty Clause.* - Any company violating the provision of this act shall pay a fine of not less than Ten Million Pesos (P10,000,000.00) for the first offense; Thirty Million Pesos (P30,000,000.00) for the second offense and Fifty Million Pesos (50,000,000.00) and closure of the establishment for the third offense.

SECTION 2. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, the National Tobacco Administration (NTA) shall formulate the implementing rules and regulations for the effective and proper implementation of this Act. Further, the NTA shall be tasked with the administration and implementation of this law and shall establish a performance monitoring system to ensure compliance thereof.

SECTION 2. *Effectivity.* - This Act shall take effect upon its approval.

Approved.