

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

15th Congress
First Regular Session

House Bill No. 186

Introduced by HON. PRYDE HENRY A. TEVES

EXPLANATORY NOTE

Globalization has re-shaped the world economy in a manner that is so expansive rendering national boundaries useless.

It is objective of each nation to penetrate other countries markets and optimize the benefits from world trade.

The Philippines is involved in various trade groups, economic zones, bi-lateral and multi-lateral trade agreements to promote as well as protect its interests within members and non-members alike.

Over the years, the Philippines has entered into 37 Bilateral Investment Promotion and Protection Agreements, 38 Bilateral Agreements and other multilateral and regional trade agreements while other agreements are still in the process of negotiations. With the potential increase in the number of trade negotiations, it is imperative that the Philippines is equipped with the necessary resources and capability to engage in all trade discussions. More importantly, it is necessary that there is one institution that effectively formulate and carry out the country's trade policies in order for us to efficiently promote our own products and protect our own economy and domestic market from unfair trade practices. Our country cannot afford to have loose, divergent and incoherent policy in addressing the demands of international trade. For this purpose, it is required that there should be a specialized and dedicated agency and officers that will formulate domestic and national priorities, come up with final trade positions, be responsible for all trade negotiations as well as coordinate with other branches of government in order to come up with a whole, cohesive, cross-industry trade strategy in accordance to our country's development goals, and to authoritatively represent the country in all agreements it wish to enter.

The creation of the Office of the Philippine Trade Representative assumes all these responsibilities. Moreover, it will serve as a depository of all information as well as the central agency that is authorized to disseminate all information and analysis related to trade.

The immediate approval of this bill is earnestly sought.


PRYDE HENRY A. TEVES

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Philippines

Fifteenth (15th) Congress
First Regular Session

House Bill No. 186

Introduced by: HON. PRYDE HENRY A. TEVES

AN ACT
CREATING THE OFFICE OF THE PHILIPPINE TRADE REPRESENTATIVE
APPROPRIATING FUNDS THEREFORE AND FOR OTHER PURPOSES

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

SECTION 1. **Title.** — This act shall be known as the *Charter of the Office of the Philippine Trade Representative*.

SECTION 2. **Declaration of Policy.** — It shall hereby declared the policy of the State to pursue an international trade policy that would protect and promote the country's economic and trade interests on the basis of equality and reciprocity with international trade partners. For this purpose, the State shall ensure that a single office shall direct, formulate and coordinate all government policies, positions and measures with respect to international trade relations.

SECTION 3. **Creation.** — There is hereby created the Office of International Trade Representative, hereinafter referred to as the "Office".

The Office shall be headed by the Philippine Trade Representative who shall be appointed by the President with the consent of the Commission on Appointments.

The Philippine Trade Representative shall have the rank of a cabinet secretary and shall be assisted by three (3) Deputy Philippine Trade Representatives with the rank of undersecretaries who shall be appointed by the President with the consent of the Commission on Appointments.

The Philippine Trade Representative and the three deputies shall be accorded by the Department of Foreign Affairs Diplomatic status equivalent to full-pledge ambassadors.

The Philippine Trade Representative and the three deputies shall hold office at the pleasure of the President.

SECTION 4. Qualifications. – The Philippine Trade Representative and the three deputies shall be at least forty years old at the time of appointment, natural born Filipino Citizen, and with proven integrity and competence in the field of international trade, economics and law.

SECTION 5. Limitations on Appointments. – A person who has been appointed as honorary consul by any foreign national, or has directly or indirectly represented, aided or advised another country or a foreign entity, firm or corporation in any trade negotiation or trade dispute with the Philippines shall not be appointed as Philippine Trade Representative, Deputy Philippine Trade Representative or in any capacity whatsoever in this Office.

SECTION 6. Organization Staffing and Structure. – The Philippine Trade Representative shall have the authority to create its own organizational structure and staffing pattern subject to the approval of the President. The staffing of the Philippine Trade Representative and his deputies shall be fixed by the President of the Philippines taking into account the importance of the position and the prevailing standards in the private sector.

The salaries and benefits of the officers and employees of the office shall be exempt from the salary standardization law.

SECTION 7. Powers and Functions of Office the Philippine Trade Representative. – The Office of the Philippine Trade Representative shall:

- (a) Have primary responsibility of directing, formulating, coordinating and implementing all government policies, position and measures with respect to international trade relations including commodity matters, and to the extent they are related to international trade policy, direct investment matters, competition policy and trade facilitation;
- (b) Serve as the principal advisor to the President and Congress on all international trade policy matters;
- (c) Have sole responsibility as Chief Representative of the country for the conduct of all forms of international negotiations relating to trade and economy, including all negotiations on any matter considered under the auspices of the World Trade Organization.
- (d) Issue and coordinate policy guidance to departments and agencies on issues of policy and interpretation arising from international trade functions including any matter considered under the auspices of the World Trade Organization, to the extent necessary to assure the coordination of international trade policy and consistent with any other law;
- (e) Act as the principal spokesman of the President on international trade;
- (f) Report directly to the President and Congress on the implementation, operation and effectiveness of any trade agreement entered into by the Philippines;
- (g) Coordinate inter-agency response to specific cases of unfair trade practices and import surge;
- (h) Advise the President and Congress with respect to trade in services, trade related intellectual property rights and non-tariff barriers to international trade,

international commodity agreements, and other matters which are related to the trade agreement programs;

- (i) Function as Chairman of interagency committee on Trade-Related Investment Matters (TRIMS); and
- (j) Collate trade and related statistics of other countries essential in the formulation and development of Philippine trade policies.
- (k) Perform such other functions as the President may direct in relation to his mandate as Philippine Trade Representative..

SECTION 8. Functions of Deputy Philippine Trade Representatives. – The three (3) Deputy Philippine Trade Representatives shall have distinct functions in assisting and supporting the Philippine Trade Representative.

There shall be one Deputy Philippine Trade Representative for multilateral matters who shall be responsible for the overall policy advice on multilateral matters. One Deputy Philippine Trade Representative on regional trade matters who shall be responsible for the overall policy advice on regional trade matters, and one Deputy Philippine Trade Representative for bilateral trade matters who shall be responsible for the overall policy advice on bilateral trade matters.

In the event that the Philippine Trade Representative resigns, dies, incapacitated or otherwise removed from office, the President shall promote from any of the three deputies to fill the vacancy so that a new Deputy Trade Representative shall be appointed to fill the vacancy. The three Deputy Philippine Trade Representatives shall have other functions as the Philippine Trade Representative may direct.

SECTION 9. Inter-Agency Advisory Council. – In carrying out his functions and responsibilities with respect to unfair trade practices, anti-competitive behavior, and import surge inflicted on Philippine industries, the Philippine Trade Representative shall identify and refer to the appropriate department or agency of the national government for action, each policy or practice of any foreign country or a specific enterprise that may warrant trade remedy measures

For purposes of carrying out the above functions, the Philippine Trade Representative shall Chair an inter-agency unfair trade practice advisory council with members composed of the senior representatives appointed by the head of agencies of the following, whenever applicable:

- (a) the Department of Trade and Industry;
- (b) the Department of Agriculture
- (c) the National Economic and Development Authority
- (d) Three (3) private sector representatives from major industry sectors endorsed by their respective national business organizations and appointed by the Preside of the Philippines;
- (e) Chairmen of the Senate Committee on Economic Affairs and the House Special Committee on Globalization-WTO
- (f) the Department of Finance
- (g) the Department of Foreign Affairs

SECTION 10. Functions of the Inter-Agency Advisory Council. – The inter-agency advisory council shall provide the Philippine Trade Representative with information, statistics, advise and inputs from the public and private sectors with respect to:

- (a) negotiating objectives and bargaining positions before entering into a trade agreement;
- (b) the operation of any trade agreement once entered into, including preparation for dispute settlement panel proceedings to which the Philippines is a party;
- (c) other matters arising in connection with the development, implementation, and administration of the trade policy of the Philippines;
- (d) the principal multilateral, regional and bilateral trade negotiating objectives and the progress being made toward their achievement;
- (e) the implementation, operation and effectiveness of recently concluded multilateral and bilateral trade agreements and resolution of trade disputes;
- (f) the actions taken pursuant to trade remedy laws of the Philippines and the effectiveness of such actions in achieving trade policy objectives; and
- (g) important developments in other areas of trade for which there must be developed a proper policy response.

For this purpose, the council may conduct public hearings, invite resource persons and whenever necessary, issue subpoena and summon witnesses who may hold information and documents vital to the protection of the country's economic and trade interests.

SECTION. 11. Transfer of Functions. – The Foreign Trade Service Corps Coordinating Office, the Bureau of Export Trade Promotion and the Bureau of International Trade Relations under the Department of Trade and Industry are hereby transferred to the Office the Philippine Trade Representative. Seniority Rights, Salaries, Benefits, Privileges and the like of officers and employees so transferred to the Office of the Philippine Trade Representative shall in no way be diminished, withdrawn or otherwise withheld but may instead be improved or upgraded as the need arises.

The rules and regulations for the implementation of the transfer of the above agencies shall be promulgated jointly by the Office and the Department of Trade and Industry within Sixty (60) calendar days from the effectivity of this act.

SECTION 12. Appropriation. – The sum of Ten Million Pesos (P10,000,000.00) is hereby authorized to be appropriated to the Office for the purposes of carrying out its functions for the fiscal year beginning the effectivity of this act

For the second fiscal year from its effectivity and for each fiscal year thereafter, the annual General Appropriations Act shall include the budget of this Office.

SECTION 13. Implementing Rules and Regulations. – Within Ninety (90) calendar days from the effectivity of this Act, the President shall appoint the Philippine Trade Representative, who shall, in consultation with the Department of Trade and Industry,

Agriculture, Foreign Affairs and the National Economic and Development Authority, issue the necessary rules and regulations to implement the provisions of this Act.

SECTION 14. Separability Clause. – If any section or provision of this Act shall be declared unconstitutional or invalid, the other sections or provisions not affected thereby shall continue to be in full force and effect.

SECTION 15. Repealing Clause. – Laws, rules and regulations and other issuances inconsistent with the provisions of this Act are deemed modified, revoked or repealed accordingly.

SECTION 16. Effectivity. – This Act shall take effect immediately upon its approval.

Approved,