

Fifteenth Congress
First Regular Session

HOUSE BILL No. 671

Introduced by Honorable Hadjiman S. Hataman-Salliman

EXPLANATORY NOTE

This bill seeks to provide for the creation of the Philippine Rubber Industry Development Authority.

The Philippines boasts of fertile grounds for growing rubber trees. In fact, the country is proven to be a producer of class A latex which are of world class quality. The entry of multinational corporations in large-scale plantation development led to the increased cultivation of rubber trees throughout Mindanao, particularly in Basilan, Zamboanga del Sur and Cotabato Provinces.

Based on the recent data from the Department of Agriculture, it reveals that more than fifty (50%) of the country's rubber production area is found in Western Mindanao dubbed as the "Rubber Region of the Philippines." Notwithstanding the fact that rubber is a highly marketable cash crop, however, latex production is relatively low due to lack of modern technology and wanting in control and regulating mechanism of the industry. The country has not fully taken advantage of the rubber industry's incredible potential for bringing about national economic development.

The creation of a rubber industry development authority is aimed at increasing the productivity of the rubber trees and improving further the quality of the latex materials. It is also hoped that in the process, effective utilization of the rubber trees will be maximized but likewise regulated. The approval of this bill will not only improve the country's rubber industry but will also promote national development and accelerate progress.

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


HADJIMAN S. HATAMAN-SALLIMAN

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AN ACT
ESTABLISHING THE PHILIPPINE RUBBER INDUSTRY
DEVELOPMENT AUTHORITY, DEFINING ITS POWERS AND
FUNCTIONS AND APPROPRIATING FUNDS THEREFOR

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

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2 SECTION 1. *Short Title.* – This Act shall be known as the “*Philippine*
3 *Rubber Industry Development Act.*”

4 SEC. 2. *Declaration of Policy.* – Consistent with the objective of the
5 Government to develop self-reliant industries effectively controlled by
6 Filipinos, encourage investments and provide incentives to private enterprise,
7 promote employment and livelihood opportunities for the poor, ensure well-
8 balanced ecology in the use of natural resources for industrial purposes, and
9 liberate poor farmers from the bondage of poverty and hunger and enhance
10 the rubber industry’s competitiveness, it is hereby declared the policy of the
11 State to develop the rubber industry in the country to its fullest potential.
12 Towards this end, the State shall provide the necessary support to rubber

1 industry development through appropriate services in rubber production,
2 research, extension and training, financial assistance, marketing and other
3 support services. It shall prescribe and strictly enforce regulations and quality
4 control standards needed to safeguard rubber growers and other important
5 players in the rubber industry, thereby increasing their income and uplifting
6 their quality of life.

7 SEC. 3. *Rubber Industry Development Authority.* – The Rubber
8 Industry Development Authority (PRIDA) is hereby created to serve as the
9 country's rubber development authority. The PRIDA shall be an attached
10 agency of the Department of Agriculture.

11 SEC. 4. *Powers and Functions.* – The PRIDA shall exercise the
12 following powers and functions:

13 a) Promulgate and enforce laws, rules and regulations to govern
14 rubber production, distribution, pricing and marketing;

15 b) Support and enhance efforts of rubber planters, processors and
16 workers in organizing themselves into associations or cooperatives and assist
17 them in the marketing of their produce;

18 c) Conduct regular consultations with the rubber workers,
19 producers, processors, traders and all other sectors involved in the rubber

- 1 industry and design and implement the industry's monitoring and information
2 system;
- 3 d) Design and administer a package of incentives to enhance
4 linkages with other government agencies and promote private sector
5 investments for the development and promotion of the rubber industry;
- 6 e) Establish, operate and maintain research testing and experimental
7 stations in the areas of harvesting, production, processing and marketing, and
8 disseminate recommended production technologies to ensure strong and
9 effective linkage between research and extension; and
- 10 f) Improve the quality of life of rubber workers, and planters
11 through rubber-growing in the areas suitable for the rubber trees;
- 12 g) Institute an orderly system for a stable, sufficient and balanced
13 production of rubber for local consumption and strategic reserves;
- 14 h) Establish and maintain such trading and marketing schemes that
15 will ensure stabilized prices at a level reasonably profitable to rubber
16 producers;
- 17 i) Undertake scientific researches as may be needed in the
18 formulation of policies pertaining to agricultural, industrial, marketing and
19 socio-economic aspect of the rubber industry;

j) Coordinate and integrate all efforts of various agencies of government and provide general direction for the steady and orderly development of the industry; and

k) Exercise all powers and functions as may be necessary or incidental to attain the policy and objectives under this Act.

SEC. 5. **Board of Directors.** – The PRIDA shall be governed by a Board of Directors which shall be composed of the following:

- a) Secretary of Agriculture, as *ex-officio* chairman;
- b) Under-secretary of Agriculture;
- c) Executive Director of the Bureau of Agricultural Research;
- d) Executive Director of the Bureau of Plant Industry;
- e) Administrator of the PRIDA; and
- f) One (1) representative from the rubber producers and one(1) representative from rubber processors, as members , to be appointed by the President of the Philippines upon recommendation of the Secretary of Agriculture, for a term of three(3) years.

The Board of Directors shall act as the policy-making body of PRIDA to formulate policies, promulgate regulations and prescribe rules to attain PRIDA's purposes and objectives.

1 SEC. 6. *Term of Office.* – Unless sooner removed for cause, appointed
2 members of the Board of Directors shall hold office for a period of two (2)
3 years from the date of their appointments.

4 SEC. 7. *Administrator.* – There shall be an Administrator who shall
5 function as the chief executive officer of the PRIDA. The Administrator shall
6 be appointed by the President of the Philippines upon the recommendation of
7 the Secretary of Agriculture. He shall be assisted by two (2) Deputy
8 Administrators who shall be appointed by the Board of Directors upon the
9 recommendation of the Secretary of Agriculture.

10 The Board of Directors shall determine and create the organizational
11 structure of PRIDA to achieve its objectives.

12 SEC. 8. *Prohibited Acts.* – For purposes of this Act, the following are
13 expressly prohibited:

14 a) Importation of latex during the harvest season or in any other
15 period of the year without the resolution of approval by the Board of
16 Directors; and

17 b) Hoarding of latex to deliberately control its commercial price.

18 SEC. 9. *Penalties.* – Any person who violates the provisions of the
19 preceding section shall, upon conviction, be punished with a fine of not less
20 than Fifty thousand pesos (P50,000.00) but not more than One hundred

1 thousand pesos (P100,000.00) or an imprisonment of not less than six months
2 but not more than two (2) years, or both such fine and imprisonment at the
3 discretion of the court.

4 If the offender is a corporation, partnership or association or any other
5 juridical person, the penalty shall be imposed on the president, treasurer or
6 any officer responsible for the violation. If the offender is an alien, he shall,
7 in addition to the penalties herein prescribed, be deported immediately
8 without further proceedings in the Bureau of Immigration.

9 SEC. 10. *Transitory Provision.* – Upon the approval of this Act, all
10 initiatives and operational matters relative to rubber research, production,
11 processing, marketing and trade regulation by the Department of Agriculture
12 and its attached agencies shall be transferred to PRIDA with the necessary
13 funding requirements.

14 The new position structure and staffing pattern of PRIDA shall be
15 approved and implemented by the Board of Directors within one hundred
16 twenty (120) days from the approval of this Act, and the authorized positions
17 created shall be filled by the Administrator.

18 SEC. 11. *Appropriations.* – For the effective implementation of this
19 Act, the sum of Twenty Million Pesos (P20,000,000.00) is hereby
20 appropriated from the funds of the National Treasury. Thereafter, such

1 amount as may be necessary for the continuous implementation of this Act
2 shall be included in the annual General Appropriations Act.

3 SEC. 12. *Other Sources of Funds.* – The following are other sources
4 of funds for the operations of PRIDA:

5 a) Collections from tariff fees on imported latex and substitutes
6 from other countries;

7 b) A fixed percentage of at least 10% generated out of the taxes
8 paid by producers and processors in the Philippines;

9 c) A fixed percentage of at least 15% of the VAT collections on
10 finished products of which latex is the main ingredient; and

11 d) Other funds appropriated thereof by the Government of the
12 Philippines.

13 SEC. 13. *Implementing Rules and Regulations.* – Within ninety (90)
14 days after the effectivity of this Act, the Secretary of the Department of
15 Agriculture shall promulgate rules and regulations for the full implementation
16 of this Act.

17 SEC. 14. *Separability Clause.* – If, for any reason, any section or
18 provision of this Act shall be held unconstitutional, other provisions hereof
19 not affected thereby shall remain in full force and effect.

1 SEC. 15. *Repealing Clause.* – All laws, decrees, rules and regulations,
2 and other issuances, or parts thereof inconsistent with the provisions of this
3 Act are hereby repealed or amended accordingly.

4 SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after
5 publication in the Official Gazette or in two (2) national newspapers of
6 general circulation.

7 Approved,
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