

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. 828

Introduced by Representatives
DIOSDADO MACAPAGAL ARROYO and GLORIA MACAPAGAL ARROYO

AN ACT
TO PRESCRIBE, AS A PRIORITY PROGRAM, THE SCIENTIFIC
PROPAGATION, CULTURE, PROCESSING AND UTILIZATION OF
RATTAN, CREATING FOR THIS PURPOSE THE PHILIPPINE
RATTAN DEVELOPMENT OFFICE, ALLOCATING FUNDS
THEREFOR AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Rattan comprises about 600 species in 13 genera in the old world tropics. It is widely distributed in tropical Asia where rattan cultivation and trade form significant activities and secondary sources of income. In the Philippines, rattan is considered as one of the country's most important and valuable non-timber forest products. In fact, the trade of raw rattan canes and finished products, namely furniture and handicrafts, peaked in the 1970s and 80s.¹ Regrettably, due to minimal development of rattan plantations, the supply of natural rattan resources started to diminish. This was further exacerbated by the decrease in the natural habitat of rattan as a result of widespread logging.

Close to one million Filipinos are employed in the rattan industry in various capacities, mostly as gatherers and workers in furniture and handicraft sectors. For many marginalized people living in and on the fringes of the forest, particularly indigenous people, rattan provides cultural richness in household furnishings, building materials, and personal adornment, as well as an opportunity to earn cash. Despite the importance of rattan, the Philippine's rattan industry is in decline.

Although the value per unit of rattan furniture has increased, the Philippines overall has had diminishing market share. The Philippine world market share is 0.4% compared to China's 12.6%. During the 1980s, the country was the largest

¹ cf. Florentino O. Tesoro, *Sustainable Rattan Management and Utilization in Southeast Asia*.

² USAID 2006 FRAME Philippines Rattan Value Chain Study.

exporter of furniture in Southeast Asia. Today, the country ranks a poor fifth among Southeast Asian countries behind Malaysia, Indonesia, Thailand and Vietnam. Furniture ranks seventh among the Philippine's non-traditional exports.²

Rattan has been a source of revenue both in the local and foreign markets. In 2005, the Philippines exported US\$ 91.80 million worth of rattan finished products to various parts of the world. There are also approximately 2100 workers engaged in rattan handicraft manufacture. The furniture industry consists of about 15,000 companies with 481,500 direct workers and about 300,000 subcontractors or indirect workers. In 1999, Rivera estimated that about 17,426 workers are engaged in gathering, trading, manufacturing and exporting of rattan. However, the exact number of people involved in these activities is difficult to determine due to unregistered and small-scale firms.

In spite of its potential to yield high economic value, rattan at present is not sustainably managed. Fortunately, the Department of Environment and Natural Resources (DENR) in coordination with its allied agencies has taken the lead in reviving this beleaguered industry. Through pilot demonstration, research and application of production and utilization technologies, the DENR thru its research arm ERDB along with its counterpart agencies in the Southeast Asian Regions have devised a program that can promote the sustainability of rattan resources.

The DENR's campaign resulted in the renewal of interest in the rattan industry. Perhaps, now is the time for both the national and local governments to carry forward what the DENR has started. The formulation of a priority program specifically tailored to the rattan industry is a step towards this direction. Thus, the passage of this Bill is most earnestly sought.


DIOSDADO MACAPAGAL ARROYO
Second District, Camarines Sur


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Second District, Pampanga

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

SECTION 1. *Declaration of Policy.* ---It is hereby declared the policy of the State to promote and develop a globally competitive rattan industry with the view of achieving increased production, higher income for rattan farmers and traders, competitive production, post harvest and marketing system. Thus, the State undertakes to provide a mechanism to sustainably increase rattan production and improve the competitiveness of its products.

SECTION 2. *Creation of Priority Program.* ---There is hereby authorized and prescribed, as a priority program, the scientific propagation, culture and development of rattan for homecrafts and other industries.

SECTION 3. *National Rattan Development Program.* --- A National Rattan Development Program (NRDP) is hereby established which shall embody the following core programs:

- a. *Investment Promotion and Facilitation* shall contemplate activities designed to increase investment interest in

the rattan industry including the development of rattan from its cultivation, plantation and harvesting. The said programs should also explore creative and innovative investment incentives to attract players in the rattan industry and to hasten the institutionalization of rattan as a nationwide source of revenue. Finally, programs that establish links with government financial institutions (GFIs) and other funding institutions to make credit readily available should be prioritized.

b. *Production Support and Extension* shall cover programs which promote and provide adequate training on adapting technologies to individuals engaged in production, processing and management of rattan, strengthen farmers cooperatives and organizations involved in the sustainable development of rattan, and afford opportunities for participation in international conventions, trade fairs, exhibits workshops, fora and the likes. This also includes the improvement and advancement of existing utilization technologies to ensure value-added product that is competitive in the world market.

c. *Research and Development* includes the establishment and maintenance of additional demonstration sites and/or pilot farms for the culture and propagation of rattan. The same also covers the transfer and improvement of appropriate technology and techniques which will be utilized in every phase of rattan production, processing and utilization. Particular emphasis shall be made on adoption and upgrading of post-harvest technology. Research and development shall likewise focus on the establishment of new utilization technologies to encourage entrepreneurs to venture into the manufacture of furniture and handicraft using rattan as raw materials.

d. *Market Promotion and Development* covers the conduct of market linkaging, networking and business negotiation undertakings with the view of promoting the viability of rattan and rattan products. This also includes concrete steps to host and participate in local and international conferences on rattan.

e. *Infrastructure Development* shall focus on the establishment of appropriate sites for the rattan plantation and the supporting infrastructure such as farm-to-market roads and power sources to ensure the expedient delivery of rattan raw materials and finished products to the end-users.

SECTION 4. *Philippine Rattan Development Office.*--- To ensure the expedient and effective implementation of the NRDP, there is hereby created a Philippine Rattan Development Office (PRDO) which shall be attached to the Department of Environment and Natural Resources (DENR). The PRDO shall be the lead government agency responsible for strengthening the collaboration of the various rattan industry players and engineering the development of the rattan sector with the objective of reducing poverty and alleviating the living conditions at the community level.

The Regional Offices of the DENR in coordination with respective local government units will be tapped in the plantation development and in marketing strategies and technology development for rattan.

SECTION 5. *Components of the PRDO.*--- The PRDO shall maintain a Philippine Rattan Information Center which shall principally serve as the museum, library and digital repository of all information pertaining to rattan. The library will be a subset of the main library of the Ecosystems Research and Development Bureau (ERDB) and shall feature specific literatures about rattan production, rattan processing and rattan conservation.

The PRDO is likewise mandated to create and maintain its own website that will feature the development of rattan in the Philippines, a periodic update and report on the rattan project undertaken by the Association of Southeast Asian Nations (ASEAN) and information focusing on Philippine species of rattan and other relevant market information.

The PRDO is also tasked to update existing databases on Philippine species of rattan as may be derived from the ASEAN project.

The PRDO shall maintain Field Research Center(s) in such areas as it may deem appropriate which shall be formulate strategies on the following concerns:

- a. Rattan Industry Development. This contemplates the technological advancement in rattan utilization, rattan processing and in handicraft development.
- b. Community Plantation Development. This involves the determination and identification of sites which can be developed for rattan plantation especially in communities where there is a demand for rattan. This will be incorporated in the regional, provincial and municipal development plan as an additional source of livelihood.

c. Rattan Plantation Research Development. This will include the dissemination of rattan plantation strategies to inform the public of the current technological advancement in rattan plantation development.

SECTION 6. *Implementing Agency.*---The DENR which shall be the principal agency to ensure that the objectives of this Act are carried out shall provide the operational details necessary to implement the NRDP. For this purpose, the DENR shall have the power to call on other allied agencies to assist it in whatever means it deems appropriate to implement the programs envisioned herein.

SECTION 7. *Test sites.*---The DENR through ERDB, in collaboration with the Forest Products Research and Development Institute (FPRDI) and the University of the Philippines College of Forestry and Natural Resources (UPLBCFNR) shall initially select and allocate not less than ten (10) hectares in appropriate sites for every region in the Philippines as pilot demonstration farms for the implementation of the program envisioned under this Act during its first year of operation. Thereafter, depending on the viability of the said pilot farms, the DENR and/or the ERDB shall annually expand and diversify the implementation of the same.

The DENR, through the ERDB and PRDO shall then determine and recommend the establishment of new rattan plantation in the country from the existing forest lands. Existing and/ or established plantations for rattan in the country shall be re-examined to determine their suitability for further development into commercial plantations.

SECTION 8. *Appropriation.* ---The cost of acquiring the land, constructing the appropriate building thereon and the complementation of equipment and machinery requirement to start the operation of the foregoing demonstration sites and plantations and the full implementation of the NRDP shall be incorporated in the Annual General Appropriations. Thereafter, the local government unit where such sites are located shall include in their annual appropriation such amount as may be necessary to maintain and develop the said sites.

SECTION 9. This Act shall take effect after fifteen (15) days from its publication in two (2) newspapers of general circulation.

Approved,