

**Republic of the Philippines
House of Representatives
Batasan Hills, Quezon City**

15th Congress
First Regular Session

House Bill No. 1350

INTRODUCED BY HON. AURORA ENERIO-CERILLES

EXPLANATORY NOTE

This bill seeks to create the Philippine Rubber Authority that aims to promote and accelerate the development of the rubber industry and provide directions for the steady and orderly development of the industry.

The Philippines is the sixth largest producer of rubber in the world with a total plantation area of 80,000 hectares found in Mindanao. Currently, domestic consumption of rubber is 160,000 – 180,000 tons, with demands increasing steadily by 15%-20% annually.

While the demand for rubber never ceases nor diminished, it is projected that the Philippines will experience shortage of about 20,000-30,000 tons of natural rubber annually because of the slow rate of replanting and new planting programs. This in effect will have an influence on the industry's production which operates more than 31,000 production units, employing nearly 75,000 people, 75% of the rubber farmers are small-holders operating from 2 to 5 hectares. The manufacturing sector, although only about 160 in recent count, employs almost 15,000 people, or an equivalent of more than 90 people employed per manufacturing establishment.

The Philippine rubber industry exports about 40% of its natural rubber production to Malaysia, China and Singapore. Philippine imports of natural rubber are minimal, recorded at 572 tons in 1996. Imports could increase in coming years with the decline in domestic rubber production and establishment of new rubber factories.

Given the opportunities and constraints, the potentials of the rubber industry is immense and has a great potential in helping the country. Sadly, it seems that this industry is ignored and probably because it is found in Mindanao. What is more disheartening is to see the natural rubber produced in Region IX brought to Malaysia. It is then turned into export quality products like tires, gloves and condoms which are exported back to the Philippines, throughout Asia and if not the whole world. This scenario is like buying something that you own from others. And the reason for this is the lack of government support to the industry.

Improving the rubber sector must be done earnestly and the establishment of an agency that will guide and promote the growth and development of the Rubber Industry must be pursued. Expansion of the industry must not end with the production of natural rubber. Other areas like manufacturing of rubber products must also be explored and this would certainly provide additional revenue for the country and prospective employment to the displaced Overseas Filipino Workers as well. Thus the establishment of the Philippine Rubber Authority is earnestly sought.


AURORA ENERIO-CERILLES

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Introduced by Hon. Aurora Enerio-Cerilles

1 **AN ACT CREATING THE PHILIPPINE RUBBER AUTHORITY**

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

4 **SECTION 1. Declaration of Policy.** It shall be the policy of the state to promote the accelerated
5 growth and development of the rubber industry so that the benefits of such growth shall accrue to
6 the greatest number, and to provide continued leadership and support in the integrated
7 development of the industry.

8 **SECTION 2. Purpose and Objective.** The Authority shall have the following purpose and
9 objective:

10 a. To promote the accelerate development of the rubber industry in all aspects;

11 b. To provide general directions for the steady and orderly development of the industry;

12 **SECTION 3. Powers and Functions.** To carry out the purposes and objectives mentioned in the
13 preceding section, the authority, through its Board and herein constituted, is hereby vested with
14 the following powers:

15 a. To formulate and adopt a general program of development for the rubber industry;

16 b. To evaluate the existing policies, program and projects of all agencies and instrumentalities
17 having to do with industry development and to integrate and coordinate the various facets
18 of such activities into the approved general development program;

19 c. To supervise, coordinate and evaluate the activities of all agencies charged with the
20 implementation of various aspects of the industry development, and to allocate and/or
21 coordinate the release of public funds in accordance with approved development programs
22 and projects.

23 d. To regulate the marketing and exporting of rubber products;

24 e. To receive and administer funds provided by law to draw, with the approval of the
25 President, funds from existing appropriations as may be necessary in support of its
26 programs, and to accept donations, grants, gifts and assistance to all kinds from
27 international and local private foundations, associations and entities, and to administer the
28 same in accordance with the instructions or directions of donor or in default thereof in the
29 manner it may in its discretion determine;

30 f. To borrow the necessary funds from local and international financing institutions and to
31 issue bonds and other instruments of indebtedness, subject to existing rules and regulations
32 of Central Banks, for the purpose of financing programs and projects deemed vital and
33 necessary for the early attainment of its goal and objectives.

- g. To formulate and recommend for adoption credit policies affecting production, marketing and processing of rubber;
- h. To formulate and recommend for adoption by other agencies and instrumentalities, such programs and objectives necessary to accelerate industry development;
- i. To enter into, make and execute contracts of any kind as may be necessary or incidental to the attainment of its purposes and generally to exercise all the powers necessary to achieve the purposes and objectives for which it is organized.

SECTION 4. Governing Board. The Authority shall be governed by a board of five members who shall meet as often as necessary, composed of:

- a. The Chairman, Secretary of the Department of Agriculture;
- b. The Vice Chairman, Secretary of the Department of Science and Technology;

The members shall be:

- a. The Administrator of the Philippine Rubber Authority;
- b. Two representatives at-large of the private sector, to be appointed by the president, who shall have recognized competence in the many facets of the industry and be leaders of the industry acknowledged by the government and private sector members of the rubber community.

SECTION 5. Management. The Management of the Authority shall be vested in an administrator, to be appointed by the Board who shall have the following powers and duties:

- a. To direct and manage the affairs and business of the Authority, in accordance with policies and plans enunciated by the Board;
- b. To recommend and upon approval by the Board, to establish and maintain an organization with specific functions and responsibilities for each operating unit;
- c. To appoint and fix the number, with the approval of the board of such officials and employees of the Authority as may be necessary for the proper discharge of its functions and responsibilities with the approval likewise of the Board, to remove, suspend and otherwise discipline for just cause, any subordinate personnel thereof;
- d. To prepare and submit thirty days after the close of each fiscal year an annual report to the President, such periodic reports of activities as may be required from time to time; and
- e. To perform such other duties as may be designated to him by the Board from time to time.

SECTION 6. Repealing Clause. All laws, executive and administrative orders, rules and regulations inconsistent with the foregoing provisions are hereby repealed or amended accordingly.

SECTION 7. Separability Clause. If any provisions of this Act is held unconstitutional, the same shall apply only to the provision and the remainder hereof remains valid.

SECTION 8. Effectivity. This Act shall take effect upon its approval.

Approved.