

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

FIFTEENTH CONGRESS
First Regular Session

House Bill No. **1383**

Introduced by GABRIELA Women's Party Representatives
EMERENCIANA A. DE JESUS and LUZVIMINDA C. ILAGAN

EXPLANATORY NOTE

The National Price Coordinating Council (NPCC), which was created through Republic Act 7581, otherwise known as the "Price Act," was created to provide safety nets for consumers when prices of basic commodities increase unreasonably. Its main function is to stabilize the prices of basic necessities and prime commodities by advising the President and other concerned agencies on general policy matters for promotion and improvement in productivity, distribution and stabilization of the said products.

A repealing clause of the said act includes Presidential Decree (PO) 1674 which originally created the Price Stabilization Council. PO 1674 basically performs the same functions as those of the NPCC, except that the NPCC does not have the power of the Price Stabilization Council to recommend to the President the following provisions, which this proposed bill seeks to include as said provisions are substantial and necessary in providing protection to consumers:

- Setting of price ceiling on key and essential commodities particularly those purchased by low income groups after verifying through surveys and various studies;
- Recommending to the President the removal or reduction of taxes on basic necessities and prime commodities, including the revision of their commodity classification;
- Recommending to the president the grant of subsidies to certain sectors in order to hasten production of certain items

The NPCC's present mandate apparently falls short of what it is expected to do. Prices of basic commodities have continuously increased over the years despite clamor from various consumer groups urging the government to freeze all price increases in basic commodities. In

2005, prices of oil and petroleum products went up more than ten times. Liquefied Petroleum Gas (LPG) on the other hand rose 12 times, with a total increase of P144.65 per cylinder. In 2007, the House of Representatives approved the increase in the value-added tax from 10% to 12%. This proposed VAT increase will undoubtedly be another pass-on burden to consumers,

It is in this light and amidst clamor and protests of various women and consumer groups that this bill is being proposed. This bill seeks to enforce and strengthen the functions of the Price Coordinating Council, in giving relief and dependable safety net measures to the consumers amidst increases in the prices of basic necessities and prime commodities.

In view of the above, immediate passage of this bill is earnestly sought.



EMERENCIANA A. DE JESUS



LUZVIMINDA C. ILAGAN

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**AN ACT AMENDING SECTION TWELVE, FUNCTIONS OF THE PRICE
COORDINATING COUNCIL, OF REPUBLIC ACT 7581 OTHERWISE KNOWN AS
AN ACT PROVIDING PROTECTION TO CONSUMERS BY STABILIZING THE
PRICES OF BASIC NECESSITIES AND PRIME COMMODITIES AND BY
PRESCRIBING MEASURES AGAINST UNDUE PRICE INCREASES DURING
EMERGENCY SITUATIONS AND LIKE OCCASIONS.**

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

1. Section 12 of RA 7581 otherwise known as "The Price Act" is hereby amended as follows:

Sec. 12. *Functions of the Price Coordinating Council* -The Price Coordinating Council shall have the following functions:

- (1) It shall coordinate the productivity, distribution and price stabilization programs, projects and measures of the government and develop comprehensive strategies to effect a general stabilization of prices of basic necessities and prime commodities at affordable levels;
- (2) It shall report to the President and to the Congress of the Philippines the status and progress of the programs, projects, and measures undertaken by each implementing department, agency or office as well as the comprehensive strategies developed by the Council to stabilize the price of basic necessities and prime commodities;

(3) It shall advise the President on general policy matters for promotion and improvement in productivity, distribution and stabilization of prices of basic necessities and prime commodities;

[4]. IT SHALL RECOMMEND TO THE PRESIDENT THE SETTING OF PRICE CEILING ON KEY AND ESSENTIAL COMMODITIES, PARTICULARLY THOSE PURCHASED BY LOW INCOME GROUPS, AFTER VERIFYING THROUGH SURVEYS AND TECHNICAL STUDIES AND/ OR HEARINGS THAT THE PRICES OF THESE ITEMS HAVE RISEN TO AN UNREASONABLE LEVEL;

[5] TO RECOMMEND TO THE PRESIDENT THE REMOVAL OR REDUCTION OF TAXES ON BASIC NECESSITIES AND PRIME COMMODITIES, INCLUDING THE REVISION OF THEIR COMMODITY CLASSIFICATION;

[6] TO RECOMMEND TO THE PRESIDENT THE GRANT OF SUBSIDIES TO CERTAIN SECTORS IN ORDER TO HASTEN PRODUCTION OF CERTAIN ITEMS AND THEREBY ASSURE STABLE PRICES FOR CONSUMERS;

(4) [7] It may require from its members or any other government agency such information as it may deem necessary, and conduct public hearings for purposes of assessing the supply, distribution, and price situation of any basic necessity or prime commodity;

(5) [8] ---xxxx---

Approved;