

HOUSE OF REPRESENTATIVES

**Introduced by Honorable Rufus B. Rodriguez and
Honorable Maximo B. Rodriguez, Jr.**

House Bill No. 4242

EXPLANATORY NOTE

The Food Terminal Incorporated (FTI) was the offshoot of a Presidential directive issued on January 1967, creating a committee assigned to look into the upliftment of the agricultural economy of the country. In turn, the committee endorsed a system designed to ensure price stability and increased productivity which led to the foundation of the Greater Manila Terminal Food Market (GMTFM) on April 30, 1968 through Presidential Decree No. 347. Under the management of Development Bank of the Philippines, it was registered as a private corporation with the Securities and Exchange Commission (SEC) on May 3, 1968. On March 27, 1974, a new corporate name for GMTFM was adopted: FOOD TERMINAL INCORPORATED.

FTI operates one of the largest industrial complexes in Metro Manila at around 120 hectares. The Agro- Industrial-Commercial Estate was envisioned to trigger the entry of private entrepreneurs at the vast leasable portions of the FTI site and to create a conducive business atmosphere essential to the development of the complex.

Currently, more than 300 firms from light to medium scale industries have established their plants and facilities in the complex. They are engaged in various lines of production and services such as electronics, food, transport, garments, and general warehousing.

In 2009, the country's budget deficit swelled to P298.5 billion, more than the expected P290 billion for the year and also higher compared to the P250 billion target. The higher than expected financial gap was due to lackluster revenues following tax cut measures. This led the government to planning the sale of big-ticket state assets like the FTI. However, selling the FTI for a starting bid 13 billion pesos

would not even make a dent in the country's budget deficit. As such, it would be a better decision to lease out the property considering the long-term benefits that it could bring. Leasing out means that the government still owns the property and they would get a steady income from the rent paid by the lessee.

Also, an official of the Department of Finance (DOF) admitted that they are not expecting to realize the full value of the property. The most recent property deal in nearby Fort Bonifacio was priced at about P36,000 per square meter but said DOF official had said the government was not expecting to get that price and was sticking to the P13 billion minimum bid. This means that the government would somehow be short-changed.

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



RUFUS B. RODRIGUEZ



MAXIMO B. RODRIGUEZ, JR.

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4242

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AN ACT

**PROHIBITING THE SALE OF THE FOOD TERMINAL INCORPORATED
COMPLEX**

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

SECTION 1. The sale and disposition of the Food Terminal Incorporated (FTI) complex in Taguig City is hereby prohibited: *Provided, however,* that the government is hereby authorized to lease out or enter into joint ventures on the FTI complex.

SEC. 2. *Implementing Rules and Regulations* – The Department of Finance shall promulgate the rules and regulations to necessary implement the provisions of this Act.

SEC. 3. *Repealing Clause* – All laws, decrees, orders, instructions, proclamations, rules and regulations or parts thereof, which are inconsistent with this Act, are hereby repealed, modified, or amended accordingly.

SEC. 4. *Separability Clause* – Should any provision of this Act or any part hereof be declared unconstitutional or invalid by a court, the other provisions hereof which are not affected thereby shall remain in force and effect.

SEC. 5. *Effectivity* – This Act shall take effect fifteen (15) days after its complete publication in the *Official Gazette* or in a newspaper of general circulation.

Approved,