

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

Sixteenth Congress
2nd Regular Session

HOUSE BILL No. 4886



Introduced by Honorable ISAGANI S. AMATONG, Representative
3rd District, Zamboanga del Norte

EXPLANATORY NOTE

The bill seeks to create the Philippine Rubber Industry Development Board (PHLRUBBER). It provides for a strong foundation for the development and stability of the rubber industry in the country vis-à-vis globalization and ASEAN integration.

The bill also recognizes the vital role of natural rubber in the development of the agricultural sector in the countryside. This is an improved version of House Bill No. 1128 which seeks to establish the Philippine Rubber Industry Development Authority, filed by Representative Jim S. Hataman-Salliman, in which coincidentally this representation is a co-author.

The demand for natural rubber in the world market is steadily progressing. In 2013 alone, the expected volume of world demand for natural rubber reached 11.3 Million. To date, the International Monetary Fund (IMF) has projected the demand to reach 11.9 Million. By 2020, the IMF predicts the market to reach at 15.4 Million metric tons.

According to market experts, the demand from tire makers will boost global consumption of natural rubber, accounting for 12.6 million metric tons in 2020. The tire and construction industries, roads, bridges, buildings, sports race tracks, etc., gets 70% of natural rubber consumption, while 30% of which goes to non-tire industry.

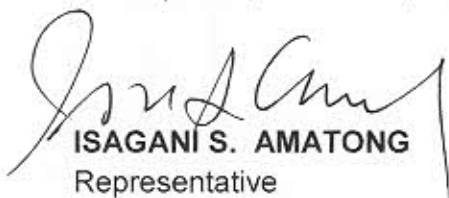
To cope with the pressing demand for natural rubber, the government shall intensify its campaign by providing a long term program in the production of quality rubber materials and rubber products compliant with global standards, introduce significant measures for the proper implementation of policies, defining development direction and strategy to ensure product consolidation in the local and export markets, expand the areas in terms of production and areas planted, and forge private/public partnership in order to help promote and protect the interest of the rubber industry.

The Philippines is a known rubber producing country but has insignificantly contributed to a dismal 1% of the world's rubber supply. The absence of industry focused government support institution/organization compounded by the lack of testing facilities in the government and private sectors, greatly contributed to its low quality, productivity and access to good market. Given the rich and fertile soil of our area, there is so much potential in rubber that can contribute to the national economic development. In fact, according to the Department of Agriculture New Road Map, as of 2011 only a total of 162,000 hectares of rubber were planted and it is projected to reach 200,000 hectares by 2016 or an average of 10,000 ha. per year.

Even with the passage of RA 10089 "An Act Creating the Philippine Rubber Research Institute (PRRI), the plight of the industry could not be wholly addressed considering the latter centers mainly on research. It is expected with the passage of this Act, the whole value chain and challenges in the rubber industry will be sufficiently dealt with.

With the end view of making rubber a sustainable socio-economic enterprise towards inclusive growth, this Act shall strengthen all rubber players and stakeholders by enabling rubber a viable resource commodity that will generate employment in the countryside, and become globally competitive in the market that will certainly raise the level of income especially the smallholders.

Considering that this representation hails from an impoverished district of Western Mindanao where a little more than 50% of the country's rubber supply is located, and the positive impact it generates to the national economic development, henceforth, the approval of this bill is earnestly sought.



ISAGANI S. AMATONG
Representative

3rd District Zamboanga del Norte

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Introduced by Honorable **ISAGANI S. AMATONG**, Representative
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**AN ACT ESTABLISHING THE PHILIPPINE RUBBER INDUSTRY
DEVELOPMENT BOARD, 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:

SECTION 1. **Short Title.** – This Act shall be known as the "Philippine Rubber
Industry Development Act of 2014."

SECTION 2. **Declaration of Policy.** – Consistent with the national
government's commitment to protect and develop self-reliant industries based
on agricultural development and agrarian reform through resource-based
industries and ensure well balanced economy that fully utilizes the use of
human and natural resources, the Philippines being one of the natural rubber
producing countries in the world, intends to accelerate production to bridge the
gap for natural rubber supply in the domestic and global markets, providing
huge business opportunities in the countryside through transforming

underutilized areas into rubber plantation to spur socio-economic development and will discourage rural population from migrating to urban areas which eventually would create social problems. Henceforth, it is hereby the declared policy of the State to develop the rubber industry in the country to its fullest potential. Towards this end, the State shall provide the necessary support to the rubber industry particularly the farmers from the adverse effect of market forces or natural and manmade calamities and to promote the private-public partnership to push forward the programs and projects vital to rubber production and optimization of natural rubber utilization. It shall strictly implement regulations as well as quality control standards desirable to uphold the interest of important stakeholders in the industry, thereby contributing to the country's inclusive growth.

SECTION 3. *Philippine Rubber Industry Development Board.* – The Philippine Rubber Industry Development Board (PHLRUBBER) is hereby created to serve as the country's rubber development board. The PHLRUBBER shall be an attached agency of the Department of Trade and Industry.

SECTION 4. *Composition.* – the Board shall be composed of the following:

- a. Secretary of the Department of Trade and Industry;
- b. Secretary of the Department of Agriculture;
- c. Secretary of the Department of Agrarian Reform;
- d. Secretary of the Department of the Environment and Natural Resources;
- e. Secretary of the Department of Science and Technology;
- f. Secretary of the Department of Labor and Employment;
- g. Secretary of the Department of Interior and Local Government;
- h. Director General of the Technical Education and Skills Development Authority;
- i. President/CEO of the Land Bank of the Philippines;
- j. Two (2) Representatives from the Academe;
- k. Two (2) Representatives from Philippine Rubber Industries Association, Inc.;

- l. Two (2) Representatives from the Natural Rubber Processors;
- m. Two (2) Representatives from the Small Holders Association; and
- n. Two (2) Representatives from the Federation of Rubber Cooperative.

The representatives from the academe, rubber industries, rubber association, rubber processors, small holders association and federation of rubber cooperative shall be appointed by the President of the Philippines upon recommendation of the Secretary of Trade and Industry and shall serve in the Board for three (3) years reckoned from the date of appointment. The representative may be reappointed by the President for another term.

SECTION 5. *Roles and Responsibilities.* – The Board shall promote the development and growth of the rubber industry by improving production, productivity, quality, and expanding manufacturing and export of rubber and rubber products. It shall have the following specific functions and responsibilities:

- a) Act as the top advisory body in all initiatives and concerns relevant to the rubber industry;
- b) Promote investment in public and private lands, joint venture in rubber planting, processing, and rubber products manufacturing;
- c) Promote and coordinate with the national agencies on nationwide support programs for the rubber industry such as research and development, technology upgrading, human resource development, domestic and export market development, long-term financing, infrastructure, and land access;
- d) Advocate for supportive policies including the provision of rubber industry development funds, long-term finance, private equity, and investment incentives;
- e) Promote a national culture of quality from the farm to final rubber products;
- f) Serve as the point of contact of the national policy makers of the rubber industry; and
- g) Represent the country in all international rubber conferences.

SECTION 6. ***Executive Committee*** – To ably assist the Board in the planning of programs and projects and identification and generation of resource, an Executive Committee, to be chaired by the Department of Trade and Industry (DTI) and co-chaired by the Department of Agriculture (DA) shall likewise be constituted with the membership composition to be appropriately identified by the Board.

SECTION 7. ***Functions of the Executive Committee*** – The Executive Committee shall oversee and monitor the implementation of the Philippine Rubber Industry Master Plan and shall prioritize and recommend strategic interventions; and ensure availability of resources to support program implementation.

SECTION 8. ***Transitory Provision*** – The government shall chair the Executive Committee until the Board is properly operational and shall transfer its leadership to the President of a strong and cohesive national rubber industry organization. The chairmanship of the private sector shall be nominated from among the eight (8) private sector representative and upon recommendation of the Board. He/she shall be duly appointed by the President of the Republic of the Philippines.

SECTION 9. ***Technical Working Group*** - There shall be created a Philippine Rubber Technical Working Group (PRTWG) composed of representatives to be designated by the members of the Board. The PRTWG which shall be headed by an Undersecretary shall serve as the Secretariat and shall assist the Executive Committee in all related functions and activities.

SECTION 10. ***Implementing Rules and Regulations*** – The Board through the Executive Committee shall create a team composed of one (1) representative from the Office of the Legal Affairs of each of the member-agencies to formulate the Implementing Rules and Regulations immediately after this Act is signed.

SECTION 11. **Funding** - The initial funding of Two Hundred Million Pesos (Php200,000,000.00) to support the operations of the PHLRUBBER which shall be provided from the appropriate fund(s) from the Office of the President to the DTI for its initial operation and administration, subject to pertinent COA laws, rules and regulations. Henceforth, the budget shall be duly appropriated in the General Appropriations Act coming from the different cooperating agencies involved therein. The PHLRUBBER may raise funds from other sources for specific projects as may be authorized by law.

SECTION 12. **Separability Clause**. – If, for any reason, any section or provisions of this Act shall be held unconstitutional, other provisions hereof not affected thereby shall remain in full force and effect.

SECTION 13. **Repealing Clause**. – All executive issuances, decrees, rules and regulations, and other issuances or parts thereof, which are inconsistent with any provisions hereof are hereby repealed, amended or modified accordingly.

SECTION 14. **Effectivity**. – This act shall take effect fifteen (15) days after the publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved.