

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH (18TH) CONGRESS
First Regular Session

HOUSE BILL NO. 8885



Introduced by Representative Wes Gatchalian

AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS THE
"PRICE ACT", AS AMENDED BY REPUBLIC ACT NO. 10623, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

The year 2020 has undoubtedly gone down as one of the most turbulent years of our lifetime. It began with the eruption of Taal Volcano in January 2020 which blanketed the surrounding area of Batangas and Cavite, and even parts of Metro Manila with thick ash. The resulting ashfall raised various health concerns causing massive panic buying of face masks raising prices from P25.00 to P200.00 marking a 400% price increase.

While Southern Luzon was still reeling from the effects of the volcanic eruption, coronavirus spread like wildfire and by March 2020, most districts in the country were on lockdown. People began hoarding goods fearing prolonged confinement imposed by government restrictions and the sudden increase in demand caused an artificial spike in the price of these goods. The slowdown of manufacturing businesses also saw a considerable increase on the price of face masks, face shields, personal protective equipment (PPE), and test kits. This representation saw prices rise from anywhere between 100% to 1,000% preventing our front-liners access to these vital goods.

The country did not face any reprieve when the typhoon season rolled in. Typhoons ravaged our calamity-stricken country one after the other causing massive damage to our already faltering economy. Many had to be evacuated and had to stay in evacuation centers for prolonged periods of time. To make matters worse, their dire situation was taken advantage of by unscrupulous traders by increasing the prices of essential and basic goods.

Republic Act No. 7581, otherwise known as the Price Act, was meant to address these problems. When calamities or emergencies strike the country such as those experienced this past year, the State should have mechanisms to ensure the availability of basic necessities and prime commodities at reasonable prices without denying legitimate businesses a fair return on their investment. Further, the Price Act was meant to protect consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of goods.

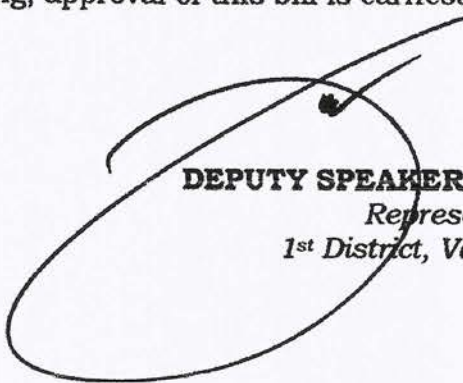
However, the basic necessities and prime commodities needed during calamities and emergencies have changed since the Price Act was enacted 29 years ago and thus, needs updating. This bill seeks to amend the definition of basic necessities and introduce water containers, 3-in-1 coffee, tea, alcohol, hand sanitizers, disinfectants, and PPEs, among others, to form part of its definition. In addition, the definition of prime commodities will also be amended to include toothbrush, toothpaste, shampoo, umbrellas, and raincoats, among others.

Further, this bill seeks to relieve the President from the burden of having to approve any changes in the definition of basic necessities or prime commodities by shifting the responsibility to the National Price Coordinating Council.

As regards the unregulated increase of prices, heads of agencies shall have the responsibility to physically or digitally conduct regular price monitoring of all basic necessities and prime commodities. Moreover, a special suggested retail price may be issued by heads of agencies on basic necessities and prime commodities during Christmas, New Year, Valentine's, All Saint's Day, and Back-to-School seasons.

With these amendments, this representation hopes that in times of calamities and emergencies, consumers may adequately be protected against unscrupulous traders while at the same time, ensure a fair return on investment for honest business owners.

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



DEPUTY SPEAKER WES GATCHALIAN
Representative
1st District, Valenzuela City

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HOUSE OF REPRESENTATIVES
Quezon City

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Second Regular Session

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AN ACT
FURTHER AMENDING REPUBLIC ACT NO. 7581, OTHERWISE KNOWN AS THE
"PRICE ACT", AS AMENDED BY REPUBLIC ACT NO. 10623, AND FOR OTHER
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Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

1 SECTION 1. Section 2 of Republic Act No. 7581, as amended is hereby
2 amended to read as follows:

3
4 **"SEC. 2. Declaration of Basic Policy.** – It is the policy of the State to
5 ensure the availability of basic necessities and prime commodities at
6 reasonable prices at all times without denying legitimate business a
7 fair return on investment. It is also a declared policy of the State to
8 provide effective and sufficient protection to consumers against
9 hoarding, profiteering and cartels with respect to the supply,
10 distribution, marketing and pricing of said goods, especially during
11 periods of calamity, emergency, **PUBLIC HEALTH EMERGENCIES,**
12 **EPIDEMICS OR OUTBREAKS, PANDEMICS,** widespread illegal price
13 manipulation and other similar situations. To these ends, the State
14 shall:

15
16 xxx"
17

1 SEC. 2. Section 3 of Republic Act No. 7581, as amended, is hereby
2 amended and renumbered accordingly as follows:

3
4 "SEC. 3. *Definition of Terms.* – For purposes of this Act, the term:

5
6 (1) 'Basic necessities' are goods vital to the needs of consumers for
7 their sustenance and existence in times of any of the cases provided
8 under Sections 6 or 7 of this Act such as, but not limited to, rice, corn,
9 root crops, bread; fresh, dried or canned fish and other marine
10 products; fresh pork, beef and poultry meat; fresh eggs; potable water
11 in bottles and containers; **WATER CONTAINERS**; fresh and processed
12 milk; fresh vegetables and fruits; locally manufactured instant noodles;
13 coffee **INLCUDING COFFEE MIXTURES OR 3-IN-1 COFFEE**; **TEA**;
14 sugar; cooking oil; salt; laundry soap and detergents; firewood;
15 charcoal; household liquefied petroleum gas (LPG) and kerosene;
16 candles; **ALCOHOL, HAND SANITIZERS, AND DISINFECTANTS**;
17 **INFRARED BODY THERMOMETER; MEDICAL DEVICE AS DEFINED**
18 **IN PARAGRAPH 5 OF THIS SECTION; PERSONAL PROTECTIVE**
19 **EQUIPMENT AS DEFINED IN PARAGRAPH 9 OF THIS SECTION**
20 **SUCH AS FACE MASKS OF ALL KINDS, GLOVES, COVER-ALL, HAIR**
21 **CAPS, SHOE COVER, FACE SHIELDS AND GOGGLES;**
22 **WATERPROOF CANVASS OR 'TRAPAL'**, drugs classified as essential
23 by the Department of Health and such other goods as may be included
24 under Section 4 of this Act;

25
26 (2) 'Buffer fund' means a contingent fund in the budget of the
27 implementing agency which shall not be used in its normal or regular
28 operations but only for purposes provided for in this Act;

29
30 (3) '**EPIDEMIC/OUTBREAKS**' REFER TO AN OCCURRENCE OF
31 **MORE CASES OF DISEASES THAN NORMALLY EXPECTED WITHIN**
32 **A SPECIFIC PLACE OR GROUP OF PEOPLE OVER A GIVEN PERIOD**
33 **OF TIME;**
34

1 **(4) [(3)]** ‘Implementing agency’ means the department or office of
2 the Government which has jurisdiction over a basic necessity or prime
3 commodity as defined in this Act, which shall be:

4
5 (a) The Department of Agriculture, with reference to
6 agricultural crops, fish and other marine products, fresh meat, fresh
7 poultry and dairy products, fertilizers, and other farm inputs;

8
9 (b) The Department of Health with reference to drugs;

10
11 (c) The Department of Environment and Natural Resources,
12 with reference to wood and other forest products; [and]

13
14 (d) The Department of Trade and Industry, with reference to
15 all other basic necessities and prime commodities[.]; **AND**

16
17 **(E) THE DEPARTMENT OF ENERGY WITH REFERENCE**
18 **TO HOUSE LIQUEFIED PETROLEUM GAS AND KEROSENE.**

19
20 **(5) ‘MEDICAL DEVICE’ MEANS ANY INSTRUMENT, APPARATUS,**
21 **MACHINE, IMPLANTS OR IN VITRO REAGNTES INTENDED FOR**
22 **USE IN, OR ACTUALLY USED IN DIAGNOSIS, TREATMENT,**
23 **MONITORING OR PREVENTION OF DISEASE OR INJURY;**

24
25 **(6) ‘PANDEMIC’ REFERS TO AN EPIDEMIC OCCURING**
26 **WORLDWIDE, OR A VERY WIDE AREA, CORSSING**
27 **INTERNATIONAL BOUNDARIES AND USUALLY AFFECTING A**
28 **LARGE NUMBER OF PEOPLE;**

29
30 **(7) [(4)]** ‘Panic buying’ is the abnormal phenomenon where
31 consumers buy basic necessities and prime commodities grossly in
32 excess of their normal requirement resulting in undue shortages of
33 such goods to the prejudice of less privileged consumers;

34
35 **(8) [(5)]** ‘Person’ means a natural person or juridical person;

36

1 **(9) 'PERSONAL PROTECTIVE EQUIPMENT' MEANS EQUIPMENT**
2 **INTENDED FOR USE TO PROTECT THE EYES, FACE, HEAD,**
3 **HEARING, EXTREMITIES, OR A RESPIRATORY TRACT FROM**
4 **HAZARDS OR TO FUNCTION AS PROTECTIVE CLOTHING, AS A**
5 **PROTECTIVE SHIELD OR BARRIER, AS PERSONAL FALL ARREST**
6 **OR LADDER SAFETY DEVICES, OR AS SAFETY AND HEALTH**
7 **MONITORING AND INSTRUMENTATION DEVICES;**

8
9 **(10) [(6)]** 'Prevailing price' means the average price at which any
10 basic necessity has been sold in a given time within a month from the
11 occurrence of any of the conditions enumerated under Section 6 of this
12 Act;

13
14 **(11) [(7)]** 'Price ceiling' means the maximum price at which any
15 basic necessity or prime commodity may be sold to the general public;
16 [and]

17
18 **(12) [(8)]** 'Prime commodities' are goods not considered as basic
19 necessities but are essential to consumers in times of any of the cases
20 provided under Section 7 of this Act such as, but not limited to, flour;
21 dried, processed or canned pork, beef, poultry meat; dairy products no
22 falling under basic necessities; onions, garlic, vinegar, *patis*, soy sauce;
23 toilet soap; **TOOTHBRUSH; TOOTHPASTE; SHAMPOO; DIPPER;**
24 **PAIL; UMBRELLA; RAINCOAT;** fertilizer; pesticides and herbicides;
25 poultry, livestock and fishery feeds and veterinary products; paper;
26 school supplies **SUCH AS UNIFORM, SOCKS, SHOES, SCHOOL**
27 **BAGS, CRAYONS, PENCILS, ERASERS, BALLPENS, RULERS,**
28 **NOTEBOOKS, AND PAPER; CONSTRUCTION MATERIALS SUCH AS**
29 *nipa* shingles,[:]
30 *sawali*,[:]
31 cement,[:]
32 clinker,[:]
33 GI sheets,[:]
34 hollow
35 blocks,[:]
36 plywood,[:]
 plyboard,[:]
 AND construction nails; batteries;
 electrical supplies; light bulbs; steel wire; all drugs not classified as
 essential by the Department of Health and such other goods as may be
 included under Section 4 of this Act;

(13) 'PUBLIC HEALTH EMERGENCY' REFERS TO AN OCCURRENCE
 OR IMMINENT THREAT OF AN ILLNESS OR HEALTH CONDITION

1 AS DEFINED UNDER SECTION 3(L) OF REPUBLIC ACT NO. 11332,
2 ENTITLED THE 'MANDATORY REPORTING OF NOTIFIABLE
3 DISEASES AND HEALTH EVENTS OF PUBLIC HEALTH CONCERN
4 ACT; AND

5
6 (14) 'SUGGESTED RETAIL PRICE' REFERS TO THE PRICE ISSUED
7 BY THE CONCERNED IMPLEMENTING AGENCY TO BE USED AS
8 REFERENCE IN THE MONITORING OF PRICES."

9
10 SEC. 3. Section 4 of Republic Act No. 7581, as amended, is hereby
11 amended to read as follows:

12
13 "Sec. 4. *Inclusion or Exclusion from the Coverage of this Act.* - Upon
14 petition of concerned parties or *motu proprio* action from the concerned
15 agency of the Price Coordinating Council and after public hearing, the
16 implementing agency, with the approval of the [President] **NATIONAL**
17 **PRICE COORDINATING COUNCIL**, may include in the definition of
18 basic necessities or prime commodities types and brands of the goods
19 or may exclude from the coverage of this Act, types or brands of the
20 goods included in the definition of basic necessities and prime
21 commodities, which may be deemed as nonessential goods or luxury
22 goods: *Provided*, That, any type or brand so excluded may be reinstated
23 by the implementing agency during occasions of acute shortage in the
24 supply of the basic necessity or prime commodity to which the excluded
25 type or brand used to belong."

26
27 SEC. 4. Section 6 of Republic Act No. 7581, as amended, is hereby
28 amended to read as follows:

29
30 "Sec. 6. *Automatic Price Control.* - Unless otherwise declared by the
31 President, prices of basic necessities **AND CONSTRUCTION**
32 **MATERIALS** in an area shall automatically be frozen at their prevailing
33 prices or placed under automatic price control whenever:

34
35 XXX

XXX

XXX
36

1 **(7) AN EPIDEMIC/OUTBREAK OR PANDEMIC IS EXISTING, OR**
2 **A PUBLIC HEALTH EMERGENCY IS DECLARED IN THAT AREA.**

3
4 If the prevailing price of any basic necessity **OR CONSTRUCTION**
5 **MATERIAL** is excessive or unreasonable, the implementing agency may
6 recommend to the President the imposition of a price ceiling for the sale
7 of the basic necessity **OR CONSTRUCTION MATERIAL** at a price other
8 than its prevailing price.

9
10 Unless sooner lifted by the President, price control of basic necessities
11 **AND CONSTRUCTION MATERIALS** under this section shall remain
12 effective for the duration of the condition that brought it about, but not
13 for more than sixty (60) days. The terms "disaster" and "calamity" shall
14 include those brought about by natural or man-made causes, whether
15 local or foreign."

16
17 SEC. 5. Section 7 of Republic Act No. 7581, as amended, is hereby
18 amended to read as follows:

19
20 "Sec. 7. *Mandated Price Ceiling.* – The [President] **NATIONAL PRICE**
21 **COORDINATING COUNCIL**, upon the recommendation of the
22 implementing agency, [or the Price Coordinating Council,] may impose
23 a price ceiling on any basic necessity or prime commodity if any of the
24 following conditions so warrants:

25
26 xxx xxx xxx

27
28 (2) The threat, existence, or effect of an emergency, **INCLUDING AN**
29 **EPIDEMIC/OUTBREAK, PANDEMIC OR A PUBLIC HEALTH**
30 **EMERGENCY;**

31 xxx xxx xxx

32
33 SEC. 6. Section 10 of Republic Act No. 7581, as amended is hereby
34 amended to read as follows:

35

1 “Sec. 10. *Powers and Responsibilities of Implementing Agencies.* – To
2 carry out the intents and purposes of this Act, the head of the
3 implementing agency shall have the following additional powers and
4 responsibilities:

6 XXX

 XXX

 XXX

8 **(5) HE SHALL CONDUCT REGULAR PRICE MONITORING OF ALL**
9 **BASIC NECESSITIES AND PRIME COMMODITIES UNDER HIS**
10 **JURISDICTION. PRICE MONITORING MAY BE DONE EITHER**
11 **PHYSICALLY OR DIGITALLY, OR BOTH;**

13 **(6) [(5)] From time to time, he may, UPON CONSULTATION WITH**
14 **RELEVANT STAKEHOLDERS,** issue suggested reasonable retail prices
15 for any or all basic necessities and prime commodities under his
16 jurisdiction for the information and guidance of producers,
17 manufacturers, traders, dealers, sellers, retailers, and consumers. **A**
18 **SPECIAL SUGGESTED RETAIL PRICE MAY BE ISSUED ON BASIC**
19 **NECESSITIES AND PRIME COMMODITIES DURING THE SEASONS**
20 **OF BACK-TO-SCHOOL, CHRISTMAS, NEW YEAR SEASON,**
21 **VALENTINE’S DAY, AND ALL SAINT’S DAY.**

23 **(7) [(6)] He shall cause the immediate dissemination of any**
24 mandated price ceiling for any basic necessity or prime commodity
25 under his agency’s jurisdiction through publication in a newspaper of
26 general circulation in the area affected, and through broadcast by radio,
27 or whenever deemed to materially make dissemination of the
28 information more effective, by television **OR BY POSTING THE SAME**
29 **IN THE OFFICIAL WEBSITE OF HIS AGENCY.** He may also cause the
30 information to be disseminated through posting in public markets,
31 supermarkets or other public places. **FOR THIS PURPOSE, HE SHALL**
32 **ADOPT MECHANISMS TO ENSURE THE DISSEMINATION OF SUCH**
33 **INFORMATION, INCLUDING THE DIFFERENCE BETWEEN**
34 **SUGGESTED RETAIL PRICES AND MADNATORY PRICE CEILINGS**
35 **OR PRICE FREEZE;**

XXX

- (1) The Secretary of Trade and Industry, as chairman;
- (2) The Secretary of Agriculture;
- (3) The Secretary of Health;
- (4) The Secretary of Environment and Natural Resources;
- (5) The Secretary of Local Government;
- (6) The Secretary of Transportation and Communications;
- (7) The Secretary of Justice;
- (8) The Secretary of Energy;
- (9) The Director General of the National Economic and Development Authority;
- (10) **THE CHAIRPERSON OF THE PHILIPPINE COMPETITION COMMISSION;**
- (11) **THE CHAIRPERSON OF THE NATIONAL WAGES PRODUCTIVITY COMMISSION;**
- (12) **ONE (1) REPRESENTATIVE FROM THE CONSUMER'S SECTOR;**
- (13) One (1) representative from the consumers' sector;

- (14) One (1) representative from the agricultural producers' sector;
(15) One (1) representative from the trading sector; and
(16) One (1) representative from the manufacturers' sector.

The sectoral representatives of the **NATIONAL** Price Coordinating Council shall be appointed by the President for a term of one (1) year, without prejudice to reappointment for another term.

x x x "

SEC. 8. Section 12 of Republic Act No. 7581, as amended, is hereby amended to read as follows:

"Sec. 12. *Functions of the Price Coordinating Council.* – The **NATIONAL** Price Coordinating Council shall have the following council:

xxx

xxx

xxx

(2) It shall report, **AT LEAST SEMI-ANNUALLY**, 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 prices of basic necessities and prime commodities;

xxx

xxx

xxx

(6) Whenever automatic price control of basic necessities is imposed under Section 6 of this Act, it shall cause the immediate dissemination of their prevailing prices of the price ceilings imposed in lieu thereof, as the case may be, through publication in a newspaper of general circulation in the area affected, and through broadcast by radio and, whenever the same is deemed to materially make dissemination of the information more effective, by television **OR BY POSTING THE SAME IN THE OFFICIAL WEBSITE OF THE IMPLEMENTING AGENCY**

1 **CONCERNED.** It may also disseminate the information through posting
2 in public markets, supermarkets, and other public places.”
3

4 SEC. 9. Section 14 of Republic Act No. 7581, as amended, is hereby
5 amended to read as follows:
6

7 “Sec. 14. *Role of the [National Statistics Office]* **PHILIPPINE STATISTICS**
8 **AUTHORITY.** – The [National Statistics Office] **PHILIPPINE STATISTICS**
9 **AUTHORITY** shall conduct independent periodic surveys and studies of
10 the selling prices of all basic necessities and prime commodities all over
11 the country as well as their share or effect on the family income of the
12 different economic groups in the country for purposes of serving as
13 database for government efforts to stabilize prices, as well as evaluating
14 the effectivity of the same.”
15
16

17 SEC. 10. Section 15 of Republic Act No. 7581, as amended, is hereby
18 amended to read as follows:
19

20 “Sec. 15. *Penalty for Acts of Illegal Price Manipulation.* – Any person who
21 commits any act of illegal price manipulation of any basic necessity or
22 prime commodity under Section 5 hereof shall suffer the penalty of
23 imprisonment for a period of not less than five (5) years nor more than
24 ten (10) years, and shall be imposed a fine of not less than [Five] **FIFTY**
25 thousand pesos [(P5,000)] **(P50,000)** nor more than [Two] **THREE**
26 million pesos [(P2,000,000)] **(P3,000,000); PROVIDED, THAT THE**
27 **PENALTY FOR PERSONS WHO COMMIT ACTS OF ILLEGAL PRICE**
28 **MANIPULATION OF PERSONAL PROTECTIVE EQUIPMENT AND**
29 **MEDICAL DEVICES IDENTIFIED BY THE DEPARTMENT OF**
30 **HEALTH AS A PRIME COMMODITY DURING TIMES OF**
31 **EMERGENCIES, INCLUDING EPIDEMICS/OUTBREAKS,**
32 **PANDEMICS OR PUBLIC HEALTH EMERGENCY, SHALL SUFFER**
33 **THE PENALTY OF IMPRISONMENT FOR A PERIOD OF NOT LESS**
34 **THAN FIVE (5) YEARS NOR MORE THAN TWENTY (20) YEARS, AND**
35 **SHALL BE IMPOSED A FINE OF NOT LESS THAN TEN THOUSAND**
36 **PESOS (P10,000) NOR MORE THAN FOUR MILLION PESOS**

1 (P4,000,000), DEPENDING ON THE SEVERITY, FREQUENCY AND
2 EXTENT OF THE VIOLATION COMMITTED.”

3
4 SEC. 11. Section 16 of Republic Act No. 7581, as amended, is hereby
5 amended to read as follows:

6
7 “Sec. 16. *Penalty for Violation of Price Ceiling.* – Any person who violates
8 Section 6 or 7 of this Act shall suffer the penalty of imprisonment for a
9 period of not less than one (1) year nor more than ten (10) years or a
10 fine of not less than [Five] **FIFTY** thousand pesos [(P5,000)] **(P50,000)**
11 nor more than [One] **TWO** million pesos [(P1,000,000)] **(P2,000,000)** or
12 both, at the discretion of the court; **PROVIDED, THAT THE PENALTY**
13 **FOR PERSONS WHO VIOLATE THE PRICE CEILING FOR THE SALE**
14 **OF PERSONAL PROTECTIVE EQUIPMENT AND MEDICAL DEVICES**
15 **IDENTIFIED BY THE DEPARTMENT OF HEALTH AS A PRIME**
16 **COMMODITY DURING TIMES OF EMERGENCIES, INCLUDING**
17 **EPIDEMICS/OUTBREAKS, PANDEMICS OR PUBLIC HEALTH**
18 **EMERGENCY, SHALL SUFFER THE PENALTY OF IMPRISONMENT**
19 **FOR A PERIOD OF NOT LESS THAN TWO (2) YEARS NOR MORE**
20 **THAN TWENTY (20) YEARS, AND SHALL BE IMPOSED A FINE OF**
21 **NOT LESS THAN TEN THOUSAND PESOS (P10,000) NOR MORE**
22 **THAN TWO MILLION PESOS (P2,000,000) DEPENDING ON THE**
23 **SEVERITY, FREQUENCY AND EXTENT OF THE VIOLATION**
24 **COMMITTED.”**

25
26 SEC. 12. *Implementing Rules and Regulations.* – The Department of
27 Trade and Industry shall initiate the promulgation of the necessary rules,
28 regulations, and procedures for the effective implementation of this Act within one
29 hundred twenty (120) days upon its effectivity and shall monitor strict compliance
30 therewith. They shall also review the existing implementing rules and regulations of
31 Republic Act No. 7581, as amended, and revise its provisions as may be deemed
32 appropriate.

33
34 SEC. 13. *Separability Clause.* – If any provision or any part hereof is held
35 invalid or unconstitutional, the remainder of the law or the provisions not otherwise
36 affected shall remain valid and subsisting.

1
2 SEC. 14. **Repealing Clause.** – Any law, presidential decree or issuance,
3 executive order, letter of instruction, administrative order, rule or regulation
4 contrary to or is inconsistent with the provisions of this Act is hereby repealed,
5 modified, or amended accordingly.
6

7 SEC. 15. **Effectivity.** – This Act shall take effect fifteen (15) days after its
8 publication in at least two (2) newspapers of general circulation.

Approved