

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Bill No. 9287



Introduced by REP. FAUSTINO 'INNO' A. DY V

EXPLANATORY NOTE

When disaster strikes, so do acts of illegal price manipulation.

For example, in January 2020 the Taal Volcano erupted. As soon as volcanic ash began to fall, the price of face masks began to rise. According to various verified news reports, an N95 mask usually priced ₱25 per piece was sold for ₱200—a price leap of more than 800%.¹

Another example are surgical face masks, which are usually sold at ₱1 per piece. But when COVID-19 hit, some sellers priced surgical masks at ₱100 per piece—an increase of 10,000%.²

Since then, mask prices have gone down, but price-manipulators have largely escaped punishment because, under current law, N-95 masks and surgical face masks are not entitled to protection against price manipulation.

The Price Act³ makes it criminal for persons to commit illegal acts of price manipulation, but this prohibition applies only to goods termed “basic necessities” listed under the Act, which term does not cover face masks. Likewise not included are other goods essential amid pandemics such as disinfectants, hand sanitizers, and rubbing alcohol.

Another danger consumers face amid emergencies is a shortage of goods caused by panic-buying. The country’s experience at the start of the COVID-19 lockdown has shown this to be true as some people cleared the shelves, amassing masks, disinfectants, and rubbing alcohol.

¹ Rappler, *Stores run out of face masks as Taal Volcano ash spreads to Calabarzon, Metro Manila*, January 13, 2020 < <https://www.rappler.com/nation/face-masks-out-of-stock-stores-taal-volcano-ashfall-spreads-january-2020>>.

² The Philippine Star, *7 stores flagged for mask overprice*, January 15, 2020 <<https://www.philstar.com/headlines/2020/01/15/1984987/7-stores-flagged-mask-overprice>>

³ REP. ACT NO. 7581 (1992).

Admittedly, the Price Act prohibits sellers from hoarding goods. But in order to effectively deter panic-buying, the government must acquire a clear mandate to impose purchase limits on certain goods. This way, agencies can properly guide both sellers and the buying public.

As such, it is clear that the Price Act should be revisited to update it according to the experiences of Filipinos . Hence, the instant Bill.

This Bill seeks to do this in two ways: *first*, by empowering the Department of Trade and Industry to identify emergency basic necessities thereby providing the government more flexibility to address any calamity or emergency; and *second*, by allowing the government to impose purchase limitations on basic necessities and prime commodities.

In view thereof, the passage of this Bill is earnestly sought.



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**AN ACT TO STRENGTHEN REPUBLIC ACT NO. 7581, AS AMENDED,
OTHERWISE KNOWN AS THE PRICE ACT OF 1992**

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

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

Sec. 2. ***Declaration of Basic Policy.*** – It is the policy of the State to ensure the availability of basic necessities and prime commodities at reasonable prices at all times without denying legitimate business a fair return on investment. It is also a declared policy of the State to provide effective and sufficient protection to consumers against hoarding, profiteering and cartels with respect to the supply, distribution, marketing and pricing of said goods, especially during periods of calamity, emergency, **PUBLIC HEALTH EMERGENCIES**, widespread illegal price manipulation and other similar situations.

SECTION 2. *Emergency Basic Necessities.* Section 3 of the Same Act, as amended by Republic Act. No. 10623, is hereby further amended to include the following provisions:

“(1) ‘*Basic necessities*’ are goods vital to the needs of consumers for their sustenance and existence in times of any of the cases provided under Section 6 or 7 of this Act such as, but not limited to, rice, corn, root crops, bread; fresh, dried or canned fish and other marine products; fresh pork, beef and poultry meat; fresh eggs; potable water in bottles and containers; fresh and processed milk; fresh vegetables and fruits; locally manufactured instant noodles; coffee; sugar; cooking oil; salt; laundry soap and detergents; firewood; charcoal; household liquefied petroleum gas (LPG) and kerosene; candles; drugs classified as essential by the Department of Health and such other goods as may

be included under Section 4 of this Act; **FURTHERMORE, THE TERM “BASIC NECESSITIES” SHALL INCLUDE “EMERGENCY BASIC NECESSITIES” AS HEREINAFTER DEFINED BY THIS ACT;**

X X X

(9) “EMERGENCY BASIC NECESSITIES” SHALL REFER TO ITEMS IDENTIFIED BY THE DEPARTMENT OF TRADE AND INDUSTRY (DTI) TO BE AS SUCH FOR A SPECIFIED PERIOD OF TIME. IN IDENTIFYING EMERGENCY BASIC NECESSITIES, THE DTI SHALL CONSIDER THE NATURE OF THE CALAMITY OR PUBLIC HEALTH EMERGENCY PREVAILING IN THE COUNTRY.

THE DTI SHALL PROVIDE THE DURATION FOR WHICH AN ITEM IS DEEMED AN EMERGENCY BASIC NECESSITY, WITHOUT PREJUDICE TO THE PREMATURE TERMINATION OF SUCH DECLARATION BY THE DTI FOR GOOD REASONS.

SECTION 3. *Definition of Purchase Limit.* Section 3 of the Same Act, as amended, is hereby further amended as follows:

(10) “PURCHASE LIMIT” IS THE MAXIMUM NUMBER OF ITEMS OF A BASIC NECESSITY, EMERGENCY BASIC NECESSITY OR PRIME COMMODITY AN INDIVIDUAL CAN PURCHASE WITHIN ONE DAY.

SECTION 4. Section 3 of the Same Act, as amended, is hereby further amended as follows:

(3) *“Implementing agency”* means the department, agency or office of the Government which has jurisdiction over a basic necessity or prime commodity as defined in this Act, which shall be:

- (a) The Department of Agriculture, with reference to agricultural crops, fish and other marine products, fresh meat, fresh poultry and dairy products, fertilizers, and other farm inputs;
- (b) The Department of Health, with reference to drugs;
- (c) The Department of Environment and Natural Resources, with reference to wood and other forest products; and
- (d) The Department of Trade and Industry, with reference to all other basic necessities, **INCLUDING EMERGENCY BASIC NECESSITIES**, and prime commodities.

SECTION 5. Section 10 of the Same Act, as amended, is hereby amended as follows:

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

(1) xxx

(2) xxx

(3) xxx

(4) **TO IMPLEMENT PURCHASE LIMITS FOR BASIC NECESSITIES, INCLUDING EMERGENCY BASIC NECESSITIES, AND PRIME COMMODITIES TO ENSURE ORDERLY AND EQUITABLE DISTRIBUTION OF THESE GOODS TO CONSUMERS IN AFFECTED AREAS IN ORDER TO AVOID PANIC BUYING AMONG PURCHASERS** ~~During instances of panic buying, he may, with the approval of the President, institute temporary measures to ensure orderly and equitable distribution to consumers of basic necessities and prime commodities in the affected area;~~

(5) xxx

(6) He shall cause the immediate dissemination of any mandated price ceiling **OR PURCHASE LIMIT** for any basic necessity or prime commodity under his agency's jurisdiction through publication in a newspaper of general circulation in the area affected, ~~and~~ through broadcast by radio, or whenever deemed to materially make dissemination of the information more effective, by television, **AND THROUGH POSTING IN OFFICIAL GOVERNMENT SOCIAL MEDIA PLATFORMS**. He may also cause the information to be disseminated through posting in public markets, supermarkets or other public places;

SECTION 6. *Separability Clause.* If any provision of this Act is declared invalid or unconstitutional, the other provisions not affected thereby shall continue to be in full force and effect.

SECTION 7. *Repealing Clause.* – All laws, decrees, executive orders or rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 8. *Effectivity Clause.* – This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of the general circulation.

Approved,