

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

NINETEENTH CONGRESS
First Regular Session

House Bill No. 5005



Introduced by Representative FLORIDA “RIDA” P. ROBES

EXPLANATORY NOTE

The crucial and important role the sugar industry plays in the economy and everyday lives of the Filipino people cannot be overemphasized.

The Philippines historically supplied its own domestic requirements and exported surplus sugar to foreign markets. With the steady growth in sugar demand and flat production, however, imports have augmented local supply.

In a report by the Foreign Agricultural Service of the United States Department of Agriculture and Global Agricultural Information Network (GAIN), sugar demand in the Philippines is projected to rise in 2022 to 2.2 million metric tons as the country recovers from the Covid-19 pandemic, which is mostly due to the increase production and sugar usage of the food and beverage industry.

In the Philippines, sugar demand comes from three main segments – household, institutional and industrial. Almost 50 percent of sugar consumption are from industrial users, *i.e.*, the beverage industry, preserved fruits, and confectioneries as among the biggest users. 32 percent of sugar consumption come from households, and the remaining 18 percent by institutions (e.g., restaurants, bakeries, and hospitals).

Since the food and beverage industry is consuming more sugar, it is also contributing to the consolidated demand for the country, hence the high cost of sugar in the retail market. It is therefore imperative for the Sugar Regulatory Administration

to issue separate importation orders for the food and beverage industry during an emergency situation in order not to affect the prices of sugar for the ordinary consumers.

However, protective measures must be put in place in order to ensure that any importation will only address the needs of the food and beverage industry in order to protect sugar planters, millers and consumers as well to prevent any price spikes in the market.

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


FLORIDA P. ROBES

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AN ACT
ALLOWING THE DIRECT IMPORTATION OF SUGAR BY SUGAR-
DEPENDENT BUSINESSNESS IN THE FOOD AND BEVERAGE
INDUSTRY, AMENDING EXECUTIVE ORDER NO. 18 SERIES OF 1986

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

Section 1. Definition of Terms. — As defined in this act, the following definitions are ascribed to the following terms:

- a) **Direct Importation** refers to the direct purchase of sugar by a company belonging to the private sector from a manufacturer or supplier in another country, without employing and making use of another person or organization to make arrangements for them and act as a middleman for them to bring the product into the country; and
- b) **Sugar-dependent Business** refers to a business whose finished product contains sugar in any form, such as, but not limited to, raw sugar, refined sugar, molasses, and/or sugarcane whereby a lack in supply thereof would substantially alter the finished product, rendering it unfit for commercial retail.

Section 2. Section 6 of Executive Order No. 18, Series of 1986, is hereby amended as follows:

“Section 6. Functions of the Sugar Board. – The Board shall have the following powers of the functions:

- (A). XXXX
- (B). XXXX
- (C). XXXX
- (D). XXXX
- (E). XXXX

(F). PRESCRIBE RULES AND REGULATIONS THAT MAY ALLOW THE DIRECT IMPORTATION OF SUGAR BY SUGAR-DEPENDENT BUSINESSNESS IN THE FOOD AND BEVERAGE INDUSTRY TO ADDRESS EMERGENCY SITUATIONS.

- (G). XXXX

Section 2. *Implementing Rules and Regulations,* The Secretary of Department of Agriculture, in coordination with the other agencies involved in food production, shall create a technical working group that will be tasked to draft the Implementing Rules and Regulations of this Act.

Section 3. *Repealing Clause.* — All laws, decrees, executive issuances, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

Section 4. *Separability Clause.* — The provisions of this Act are hereby declared to be separable, and in the event one or more of such provisions are held unconstitutional, the validity of the other provisions shall not be affected thereby.

Section 5. *Effectivity Clause.* — This Act shall take effect immediately after its complete publication in at least two (2) newspapers of general circulation.

Approved,