



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

TWENTIETH CONGRESS
First Regular Session

House Bill No. 4446



Introduced by **Representative KATRINA REIKO CHUA - TAI**
1st District, Zamboanga City

EXPLANATORY NOTE

The Philippines, celebrated as the “Pearl of the Orient,” possesses a unique advantage in global pearl production due to its rich natural resources, especially its world-renowned golden South Sea pearls. As a national treasure and economic asset, the pearl industry represents a key opportunity for sustainable growth, if developed with vision and care. The most prized pearls are harvested from *Pinctada maxima* oysters, native to Palawan and Zamboanga, making the country a potential global leader in both quality and environmental best practices.

Major finds, such as the Pearl of Lao Tzu (1939) and the world’s largest natural pearl (2015), underscore the country’s global reputation. Local communities, notably Badjao families, sustain the industry, which has grown from \$9 million in 1991 to \$15 million in 2015, thereby boosting local economies.

Despite these successes, the industry faces several significant challenges that hinder its long-term development. These include poor farming practices, inadequate processing methods, disease outbreaks, and rising stock losses. The global pearl supply chain has also been disrupted by the COVID-19 pandemic, resulting in logistical challenges and a sharp increase in pearl prices, which has created a significant supply-demand gap not seen in over two decades.

In response to these challenges, there is an urgent need for sustainable marine pearl farming practices. Studies indicate that regenerative pearl farming can offer considerable environmental benefits. For example, a ton of farmed pearl oysters removes 10 kg of nitrogen, 0.5 kg of phosphorus, and 0.7 kg of heavy metals from the water. Additionally, pearl oysters filter tens of liters of water per hour, improving water quality and providing essential marine habitats. The carbon captured in pearls and oyster shells, which are later used for mother-of-pearl products, also helps mitigate climate change.

Sustainable marine pearl farming offers both ecological and economic benefits. In the Philippines, with its diverse marine ecosystems, local pearl farmers can produce high-quality pearls while contributing to the conservation of these vital environments.

However, the industry remains vulnerable due to limited government support, outdated technology, and insufficient funding for sustainable development.

To address these issues, this bill proposes the establishment of the Pearl Industry Support and Development Program (PISDP). The objectives of the program are to promote sustainable pearl farming practices, increase productivity, enhance quality standards, and improve the global competitiveness of Philippine pearls. Additionally, it aims to provide systematic support, training, and resources for local pearl farmers, as well as encourage investment in modern technology relevant to the industry. Additionally, the bill proposes formally integrating pearl farming into the Department of Agriculture's Shellfish Aquaculture for Rural Advancement and Progress (SARAP), thereby establishing its important role in sustainably managing the country's aquatic resources.

In sum, this bill seeks to secure the Philippines' future as a global leader in sustainable pearl production. By advancing eco-friendly farming, supporting local producers, increasing output and tourism, creating new jobs, and preserving natural resources, the bill presents a strategic framework to realize both economic and environmental benefits for the nation. Through this approach, the Philippines' reputation as the Pearl of the Orient can be sustained and strengthened for generations to come.

IN VIEW OF THE FOREGOING, immediate passage of this bill is earnestly sought.


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AN ACT
STRENGTHENING THE PHILIPPINE PEARL INDUSTRY AND PROMOTING
SUSTAINABLE PEARL FARMING AND TOURISM, AND FOR OTHER PURPOSES

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 “Sustainable Pearl Industry Development Act.”

SECTION 2. Declaration of Policy. - It is hereby declared the policy of the State to:
(1) promote sustainable development of the pearl industry by improving productivity, diversifying products, and generating employment; (2) ensure the welfare of local pearl farmers; (3) conserve marine resources; and (4) recognize pearl farming as an essential part of shellfish aquaculture production and eco-tourism development.

For this purpose, the State aims to boost productivity, expand infrastructure, promote research and development for product diversification, strengthen human resource development and extension services, and extend financial assistance to micro and small pearl farmers, with the overall policy objective of improving the competitiveness and sustainability of the pearl farming sector.

SECTION 3. Definition of Terms. - As used in this Act, the following terms shall be defined as follows:

“Pearl” shall refer to a natural or cultured gemstone formed within the soft tissue of a mollusk, primarily composed of calcium carbonate, and valued for its luster, color, and shape. Pearls may be used for jewelry, ornamentation, and other commercial or industrial purposes.

“Marine Pearl Farming” shall refer to the cultivation of pearl-producing mollusks under controlled or semi-controlled aquatic environments for the purpose of producing natural or cultured pearls. This includes breeding, growing, harvesting, and post-harvest processing.

1 **"Pearl Farmers"** refers to individuals, cooperatives, or enterprises engaged in the
2 cultivation, maintenance, harvesting, post-harvest operations, and direct marketing of
3 pearls.

4 **"Pearl Industry"** shall refer to the entire value chain involved in the production,
5 processing, research, trade, export, marketing, and promotion of pearls and pearl-related
6 products, including ancillary services such as pearl farming, tourism, and aquaculture
7 support industries.

8 **"Micro Pearl Farmer Enterprise"** shall refer to a pearl farming enterprise with total
9 assets not exceeding ₱3,000,000 (excluding land), and employing less than 10 workers,
10 primarily operating at the community or household level, as defined and classified by
11 the Department of Trade and Industry (DTI) or relevant government agencies.

12 **"Small Pearl Farmer Enterprise"** refers to a pearl farming enterprise with total assets
13 from ₱3,000,001 to ₱15,000,000 (excluding land), employing 10 to 99 workers, and
14 engaged in the commercial-scale cultivation, production, or trade of pearls, as classified
15 by DTI or appropriate agencies.

16 **SECTION 4. Integration into the Shellfish Aquaculture for Rural Advancement and**
17 **Progress (SARAP).** - Pearl farming shall be recognized as a component of aquaculture under
18 the Bureau of Fisheries and Aquatic Resources (BFAR) of the Department of Agriculture (DA).
19 The DA shall:

- 20 a. Allocate appropriate funding for pearl aquaculture under the SARAP;
21 b. Extend the same types of support given to aquaculture sectors (e.g.,
22 feed support, disease management, training, equipment); and
23 c. Include pearl farmers in national programs for capacity building,
24 insurance, and disaster resilience.

25 **SECTION 5. Establishment of the Pearl Industry Support and Development**
26 **Program (PISDP).** - There is hereby created the Pearl Industry Support and Development
27 Program (PISDP) under the Bureau of Fisheries and Aquatic Resources (BFAR), in
28 coordination with the DA-SARAP, Department of Environment and Natural Resources
29 (DENR), and Department of Tourism (DOT).

30 The PISDP shall initiate:

- 31 b. Product/Process Development and Improvement - The Department of Science
32 and Technology (DOST), through its Product/Process Development and
33 Improvement Program, shall establish the pearl farming product/process
34 development and improvement.
35 c. Pearl Farming Support Program – The Department of Agriculture (DA) and the
36 Department of Environment and Natural Resources (DENR) shall establish a
37 support program that includes, among others, credit access, pearl farming
38 management, and technical assistance services.
39 a. Credit access shall be made available through the Land Bank of the
40 Philippines (LBP) for the acquisition of oyster farming inputs, pearl
41 processing machinery, and implements necessary for the care of oysters
42 and the processing of pearls that will continuously produce pearls. hat
43 borrowers cannot be granted another loan until existing loans are fully
44 paid. Provided, further, that the lender shall have a lien on the pearls of
45 the pearl farmers who obtained the loan unit until the loan is fully paid:
46 Provided, finally, that borrowers cannot be granted another loan until

b. Pearl Farming Sustainability, Management and Technical Assistance Services – The DENR, DOST, DOLE, TESDA, State universities and colleges (SUCs), and other concerned private and NGO's, shall formulate and implement a deployment program of pearl engineers and technicians for the provision of pearl farming sustainability, management, and technical assistance services to pearl farmers.

c. Pearl Production Mechanization Program – Pearl Farmers shall be encouraged and trained to utilize appropriate machinery and equipment necessary for the efficient production of pearls. DA, DENR and/or the DOST, in partnership with LGUs, shall:

1. Introduce and expand the use of machinery for the different stages of pearl production; and
2. Formulate and implement a Pearl Production Mechanization Program at the Barangay level.

To develop and deploy appropriate machinery and equipment, DA, DENR and/or the DOST, through their respective research centers, shall formulate and conduct research, development, and extension programs for mechanizing pearl production and engineering.

SECTION 6. *Research and Development.* – DA, DENR, and DOST, in coordination with relevant SUC's, the government research and development institutions, and the private sector, shall intensify research on pearl farming, analyses of pearl farming, and other methods on the production of pearls, as well as other viable raw materials that can be derived from it.

SECTION 7. *Extension Services.* – Extension services that can be provided shall include, but not be limited to, the provision of technical and mechanical assistance and advice, the conduct of tests, safety of use, and production.

SECTION 8. *Infrastructure Support.* – To facilitate the production, transport, marketing, and export of pearls and other products derived therefrom, and complement productivity improvement measures in this Act, transport infrastructures, farm-to-market roads, and other necessary infrastructures shall herewith be provided.

1. Transport Infrastructures – DA, DENR, Department of Agrarian Reform (DAR), Department of Economy, Planning, and Development (DEPDev), Department of Transportation (DOTr), Department of Public Works and Highways (DPWH), and the Philippine Ports Authority (PPA), shall include in their annual Development Plans and Priority Investment Programs the immediate construction and/or improvement of new/existing transloading ports for coast-wide transport, sale or export of pearls in key pearl producing areas.

SECTION 9. *Support for Sustainable Aquatic Resource Farming.* - In collaboration with the DENR and relevant local government units (LGUs), the PISDP shall ensure that pearl farming:

- a. Adheres to marine conservation and ecological balance principles;
- b. Is practiced in areas designated as sustainable aquaculture zones; and
- c. Uses eco-friendly farming techniques to minimize environmental impact.

SECTION 10. *Pearl Farming Capacity-Building and Training.* - The Technical Education and Skills Development Authority (TESDA), in cooperation with BFAR and state universities and colleges (SUCs), shall develop training modules on:

- a. Pearl farming techniques;
- b. Marine conservation;
- c. Aquaculture entrepreneurship;
- d. Post-harvest management; and
- e. Pearl farming tourism development and community-based ecotourism.

SECTION 11. *Incentives for Local Pearl Farmers.* - To encourage participation and investment in pearl aquaculture, registered local pearl farmers shall be entitled to:

- a. Priority access to government financing, grants, and insurance programs;
- b. Tax incentives and exemptions on imported farm inputs and equipment;
- c. Inclusion in national livelihood and rural development initiatives; and
- d. Access to tourism promotion programs for pearl farms recognized as tourism sites.

SECTION 12. *Pearl Farming Tourism Promotion.* - The Department of Tourism (DOT), in coordination with BFAR, DA, and LGUs, shall:

- a. Develop and promote pearl farming sites as ecotourism destinations;
- b. Provide technical and marketing support for community-based pearl tourism initiatives;
- c. Include pearl farming tourism in national and international tourism campaigns; and
- d. Ensure that tourism activities are aligned with ecological sustainability and cultural preservation.

SECTION 10. *Appropriations.* - An initial amount of ₱500 million shall be appropriated from the General Appropriations Act (GAA) for the first year of implementation. Thereafter, the necessary funds shall be included in the annual budget of the Department of Agriculture and supported by the budget of the DENR, DPWH, DOT, and DOTr.

SECTION 11. *Implementing Rules and Regulations.* - Within ninety (90) days from the effectivity of this Act, the Department of Agriculture, in coordination with BFAR, DENR, DTI, TESDA, DOT, and other concerned agencies, shall promulgate the necessary rules and regulations.

SECTION 12. *Separability Clause.* - If any provision of this Act is declared unconstitutional or invalid, the remaining provisions shall remain in full force and effect.

SECTION 13. *Repealing Clause.* - All laws, decrees, executive orders, or regulations inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 14. *Effectivity.* - This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in a newspaper of general circulation.

Approved,