

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Constitution Hills, Quezon City

TWENTIETH CONGRESS
First Regular Session

HOUSE BILL NO. 4884



Introduced by **HON. KRISTINE ALEXIE B. TUTOR**

Third District, Bohol

EXPLANATORY NOTE

The Safeguard Measures Act (Republic Act 8800) took effect on July 19, 2000 over 25 years ago. Since then, the Philippine economy and global economy have transformed because of globalization, the rapid expansion of the service economy, and the Fourth Industrial Revolution or IR 4.0.

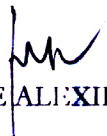
When Congress and the Executive Branch worked together to formulate and enact RA 8800, the new technologies, new global trade order, and new service industries we have today either did not exist, were in their infancy, or were mere ideas and science fiction. When RA 8800 was crafted, our international trade consisted mostly of tangible products. The Safeguard Measures Act had only had trade in goods in its contemplation, configuration, and design.

With this bill expanding the Safeguard Measures Act, we include services, software, and intangible assets such as patents, licenses, and processes. We widen also the definition of consumers to include businesses that use raw materials, intermediate products, and finished goods in their operations. We also include users of software in the definition of consumers. In this bill, the definition of serious injury is expanded to include long-term disruption.

Learning the lessons of the COVID-19 pandemic and outbreaks of new diseases, the severe economic disruption caused by the African swine flu, foot and mouth disease, and the infestation of pests and diseases affecting trees and plants, we include these factors and vectors as Extraordinary Circumstances in the Safeguard Measures Act. Also included in Extraordinary Circumstances are massive calamities that devastate or severely impair economic production and infrastructure.

This bill also authorizes the President of the Philippines to “create an Industrial Transformation and Trade Defense Coordinating Committee under the Office of the President to formulate an Integrated Safeguard Measures and Safety Nets Action Plan and coordinate its implementation by concerned government agencies at the national and local levels, in collaboration with industries, labor, vulnerable sectors, and civil society groups.”

Considering the foregoing, swift passage of this bill is earnestly sought.


REP. KRISTINE ALEXIE B. TUTOR

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AN ACT AMENDING REPUBLIC ACT 8800, ALSO KNOWN AS THE SAFEGUARD MEASURES ACT, TO MAKE THE PHILIPPINE ECONOMY RESILIENT TO THE EFFECTS OF GLOBALIZATION AND NEW TECHNOLOGIES, APPROPRIATING FUNDS THEREFOR, 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 “Expanded Safeguard Measures Act.”

Section 2. Amendment of Section 4, paragraph c of Republic Act 8800 (Safeguard Measures Act). The definition of “Consumers” is hereby expanded and amended to read as follows:

(c) “Consumers” shall refer to natural persons, **BUSINESS ENTITIES, AND** organized consumer groups who are purchasers, lessees, recipients, or prospective purchasers, lessees, recipients of **RAW MATERIALS, INTERMEDIATE PRODUCTS, FINISHED GOODS,** consumer products, services or credit, or **USERS OF SOFTWARE AND TECHNOLOGIES;**

Section 3. Amendment of Section 4, paragraph g of Republic Act 8800 (Safeguard Measures Act). A new paragraph g is hereby inserted in the Definition of Terms of RA 8800 to define Extraordinary Circumstances which shall read as follows:

(G) EXTRAORDINARY CIRCUMSTANCES SHALL INCLUDE WIDESPREAD HEALTH EMERGENCIES SUCH AS PANDEMICS, EPIDEMICS, AND INFESTATION AFFLICTING PEOPLE, ANIMALS, AND/OR PLANTS, AND MASSIVE CALAMITIES THAT DEVASTATE OR SEVERELY IMPAIR ECONOMIC PRODUCTION AND INFRASTRUCTURE

SUCCEEDING PARAGRAPHS ARE HEREBY RENUMBERED ACCORDINGLY.

Section 4. Amendment of Section 4, paragraph m of Republic Act 8800 (Safeguard Measures Act). The definition of “Product” is hereby expanded and amended to read as follows:

(m) “Product” refers to articles, commodities or goods, **SOFTWARE, PROCESSES, PATENTS, AND LICENSES;**

Section 5. Amendment of Section 4, paragraph o of Republic Act 8800 (Safeguard Measures Act). The definition of "Serious injury" is hereby amended to read as follows:

(o) "Serious injury" shall mean a significant impairment **OR MASSIVE DISRUPTION** in the position of a domestic industry after evaluation by competent authorities of all relevant factors of an objective and quantifiable nature having a bearing on the situation of the industry concerned, in particular, the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in levels of sales, production, productivity, capacity utilization, profit and losses, and employment;

Section 6. Amendment of Section 5 of Republic Act 8800 (Safeguard Measures Act). The Conditions for the Application of General Safeguard Measures is hereby updated and amended to read as follows:

SECTION 5. *Conditions for the Application of General Safeguard Measures.* - The Secretary shall apply a general safeguard measure upon a positive final determination of the Commission that a product is being imported into the country in increased quantities, whether absolute or relative to the domestic production, **OR A SERVICE, PROCESS, OR TECHNOLOGY IS BEING INTRODUCED, ADOPTED, OR APPLIED** as to be a substantial cause of serious injury or threat thereof to the domestic industry; however, in the case of non-agricultural products, the Secretary shall first establish that the application of such safeguard measures will be in the public interest.

Section 7. **Industrial Transformation and Trade Defense Coordinating Committee.** The President of the Philippines shall, by authority of Republic Act 12231 or the Government Optimization Act, create an Industrial Transformation and Trade Defense Coordinating Committee under the Office of the President to formulate an Integrated Safeguard Measures and Safety Nets Action Plan and coordinate its implementation by concerned government agencies at the national and local levels, in collaboration with industries, labor, vulnerable sectors, and civil society groups.

Section 8. **Implementing Guidelines, Rules, and Regulations.** The Tariff Commission shall formulate the implementing guidelines, rules, and regulations of this Act, and promulgate the same not later than ninety (90) days from the effectivity of this Act.

Section 9. **Appropriations.** The amount necessary to fund the implementation of this Act shall be charged against the current year's appropriations of the Office of the President and the Tariff Commission, while succeeding years' implementation shall be included in the annual general appropriations.

Section 10. **Separability.** If, for any reason, any article or provision of this Act, or any portion hereof, or application of such article, provision, or portion to any person, group, or circumstances is declared invalid or unconstitutional, the remainder of this Act shall not be affected by such decision or declaration.

Section 11. **Repealing Clause.** All laws, decrees, executive orders, implementing rules and regulations, issuance, or any part thereof inconsistent with the provisions of this Act are deemed repealed, amended, or modified accordingly.

Section 12. **Effectivity.** This Act shall take effect after fifteen (15) days following the completion of its publication in the Official Gazette or in at least one (1) newspaper of general circulation.

Approved.