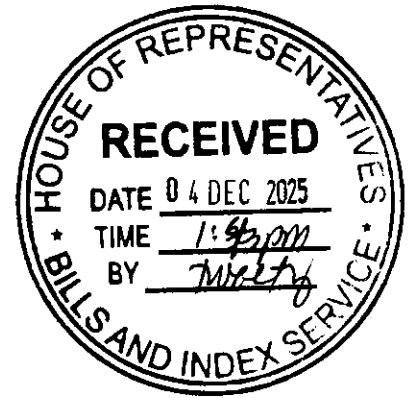


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

20TH CONGRESS
First Regular Session

HOUSE BILL NO. 6634



INTRODUCED BY REP. MAURICIO G. DOMOGAN

EXPLANATORY NOTE

Republic Act No. 7581 or the Price Act was enacted to stabilize the prices of basic necessities and prime commodities, ensure their availability, and protect consumers against undue price increases during periods of calamity, emergency, or market manipulation.

In 2013, Republic Act No. 10623 amended the Price Act to broaden its coverage, particularly by modernizing and expanding the list of basic necessities and prime commodities. However, despite the vital importance of petroleum products such as gasoline and diesel to daily life, economic activity, transportation and agricultural activity, they remain outside the scope of the Price Act's regulatory mechanisms.

In recent years, there has been a persistent and substantial disparity in retail petroleum prices among towns, cities and provinces, even within the same region. Price differentials sometimes reach P10.00 to P15.00 per liter, creating an undue burden on consumers, farmers, transport operators, and small businesses.

A clear illustration of this problem is the price gap between the City of Baguio and the lowlands, where Baguio pump prices were higher than Rosario and San Fernando City, La Union, by roughly Php10.00 to Php15.00 per liter, despite the fact that the Department of Energy estimated the cost of transporting fuel between Rosario and Baguio City to an amount of only Php0.50 per liter which underscores the vulnerability of consumers to exorbitant profit..

Fuel prices influence food prices, logistics, public transportation, agriculture, manufacturing, and household energy use. Unregulated and

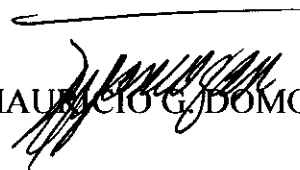
unexplained profit and price disparities therefore erode purchasing power, undermine livelihood sectors, and impose disproportionate burdens on consumers

By including gasoline, diesel and other petroleum products as basic necessities under the Price Act, the government will be empowered to monitor and regulate prices in cases of market abuses, emergencies, or unreasonable increases; prevent profiteering, cartelization, and price manipulation; address unjustified regional price disparities, and ensure price transparency and protect consumers, especially in highland, remote, or less competitive areas.

This measure does not impose price control as a default. It simply classifies petroleum fuels as basic necessities under the Price Act, thereby empowering the government to monitor or regulate their prices only when warranted, such as during emergencies, supply disruptions, or instances of price manipulation.

Furthermore, this bill not only brings petroleum products under the regulatory ambit of the Price Act but also affirms that any profits derived from price increases must be reasonable, fair, and not excessive. This principle is consistent with long-standing consumer protection doctrines and ensures balance between free enterprise and public welfare.

In view of the foregoing, the immediate passage of this measure is earnestly sought.


MAURICIO G. DOMOGAN

Republic of the Philippines
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**AN ACT AMENDING REPUBLIC ACT NO. 7581, OTHERWISE
KNOWN AS THE “PRICE ACT”, AS AMENDED BY REPUBLIC ACT
NO. 10623, TO INCLUDE GASOLINE, DIESEL AND OTHER
PETROLEUM PRODUCTS AS BASIC NECESSITIES, AND FOR
OTHER PURPOSES**

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

SECTION 1. Section 3 (1) of Republic Act No. 7581, otherwise known as the
“Price Act”, as amended by Republic Act 10623, is hereby amended to read as
follows:

“SEC. 3. Definition of Terms. - For purposes of this Act, the term:

“(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, **GASOLINE, DIESEL AND
OTHER PETROLEUM PRODUCTS**; candles; drugs classified as essential by
the Department of Health and such other goods as may be included under Section
4 of this Act,”

SEC. 2. Section 5(2) of Republic Act No 7581, as amended, is hereby amended
to read as follows:

“SEC. 5. Illegal Acts of Price Manipulation. -

“X X X

(2) Profiteering, which is the sale or offering for sale of any basic necessity or prime commodity at a price grossly in excess of its true worth. There shall be prima facie evidence of profiteering whenever a basic necessity or prime commodity being sold: (a) has no price tag; (b) is misrepresented as to its weight or measurement; (c) is adulterated or diluted; or (d) whenever a person raises the price of any basic necessity or prime commodity he sells or offers for sale to the general public by more than ten percent (10%) of its price in the immediately preceding month: Provided, That, in the case of agricultural crops, fresh fish, fresh marine products, and other seasonal products covered by this Act and as determined by the implementing agency, the prima facie provisions shall not apply; **(AND)**

“ANY PROFITS DERIVED FROM PRICE INCREASES MUST BE REASONABLE, FAIR, AND NOT EXCESSIVE. FOR PURPOSES OF THIS ACT, REASONABLE PROFIT SHALL CONSIDER PREVAILING MARKET CONDITIONS, ACQUISITION COSTS, DISTRIBUTION COSTS, AND OTHER JUSTIFIABLE OPERATIONAL EXPENSES”;

“X X X”.

SEC. 3. Section 6 of Republic Act No. 7581, as amended, is hereby amended to read as follows:

“SEC. 6. Automatic Price Control. -

“X X X

“Unless sooner lifted by the President, price control of basic necessities under this section shall remain effective for the duration of the condition that brought it about, but not for more than sixty (60) days: *Provided*, That, in the case of basic necessities that are wholly imported and deregulated under existing laws such as, but not limited to, household LPG, **(AND)** kerosene, **GASOLINE, DIESEL, AND OTHER PETROLEUM PRODUCTS**, price control thereon shall remain effective for a period of not more than fifteen (15) days, taking into consideration the current inventory or supply levels thereof.”

SEC. 4. Implementing Rules and Regulations. Within sixty (60) days from the effectivity of this Act, the Department of Trade and Industry, in coordination with

the Department of Energy (DOE), shall formulate and promulgate the necessary rules and regulations for its effective implementation.

SEC. 5. Repealing Clause. All laws, presidential decrees, executive orders, rules and regulations inconsistent with this Act are hereby repealed or modified accordingly.

SEC. 6. Effectivity. This Act shall take effect fifteen (15) days after its publication in the Official Gazette or in any newspaper of general circulation.

Approved,