



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



**TWENTIETH CONGRESS**  
First Regular Session

**House Bill No. 8552**

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Introduced by **Representative GIRLIE E. VELOSO**

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### **EXPLANATORY NOTE**

The 1987 Constitution declares that the State shall protect and promote the right to health of the people under Article II, Section 15. It further provides under Article XII, Section 1 that the State shall develop a self-reliant and independent national economy effectively controlled by Filipinos and pursue a sustained increase in the production of goods and services for the benefit of the people. The Constitution likewise recognizes under Article XIV that science and technology are essential for national development and directs the State to give priority to research, development, innovation, and their utilization. These constitutional mandates are reinforced by Republic Act No. 11223, or the Universal Health Care Act, which seeks to ensure that all Filipinos have access to quality and affordable health services, including timely access to essential medicines. While the country has strengthened its health financing and service delivery framework, the structural dependence on imported pharmaceutical products and critical inputs remains a significant gap in the realization of both health security and economic self-reliance.

Despite growing domestic demand, the Philippines remains heavily reliant on imported finished medicines and raw materials, particularly active pharmaceutical ingredients. Government-industry briefings issued through the Board of Investments estimate the local pharmaceutical market at around USD 4.6 billion, yet the sector remains structurally imbalanced, with only forty-six manufacturers compared with approximately six hundred fifty importers, reflecting a system where domestic production capacity is markedly smaller than import reliance.<sup>1</sup> Approximately ninety-eight percent of active pharmaceutical ingredients used in the country are sourced from abroad, underscoring the near absence of upstream domestic production capability and the country's heavy dependence on external supply chains for critical pharmaceutical input.<sup>2</sup> This structural configuration exposes the country to supply chain disruptions, foreign exchange volatility, geopolitical risk, and price instability, and constrains the State's ability to ensure continuous access to essential medicines under Universal Health Care.

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<sup>1</sup> Philippine News Agency (PNA), "BOI invites Japanese pharma firms to invest in PH" (June 4, 2021). <https://www.pna.gov.ph/articles/1142603>

<sup>2</sup> Ibid., API import data.

The absence of a coherent national industrial framework for pharmaceutical manufacturing has resulted in persistent gaps in policy alignment and weak integration across the value chain. Domestic manufacturers operate without predictable demand signals due to fragmented procurement systems and the limited use of long-term volume commitments, thereby discouraging sustained capital investment and scale expansion. The near absence of local active pharmaceutical ingredient production further constrains the competitiveness and resilience of domestic finished dosage manufacturers, leaving the upstream segment of the supply chain almost entirely dependent on foreign sources. At the same time, research and innovation efforts in pharmaceutical sciences are not consistently linked to industrial deployment or commercial manufacturing, limiting the translation of scientific capability into productive capacity. Coordination among health, industry, science, and fiscal institutions remains episodic rather than strategic, resulting in policy fragmentation, investment uncertainty, and underdevelopment of a sector critical to national health security and public welfare.

This bill addresses these structural challenges by establishing a National Pharmaceutical Manufacturing and Resilience Strategy under a multi-sectoral council attached to the Office of the President to ensure whole-of-government alignment. It provides a phased framework to strengthen domestic formulation capacity for essential medicines, enhance strategic security for critical pharmaceutical inputs including active pharmaceutical ingredients, and advance research, innovation, and manufacturing scale-up. It introduces strategic procurement and market stabilization mechanisms designed to generate predictable demand, encourage long-term investment in domestic production, support technology transfer, and strengthen workforce development. By integrating the national strategy into procurement planning and logistics systems, the measure seeks to provide transparent and stable demand signals necessary for sustainable industrial growth while remaining consistent with existing procurement, competition, and trade laws.

The benefits of this measure are multi-dimensional. It strengthens national health security by reducing vulnerability to global supply disruptions. It supports the effective implementation of Universal Health Care by aligning domestic production with public health priorities and demand forecasting. It promotes economic development through value chain expansion, employment generation, technology upgrading, and innovation in pharmaceutical sciences and manufacturing. It enhances regulatory science capability and quality systems, thereby improving competitiveness and compliance with international standards. Most importantly, it advances the constitutional vision of a self-reliant and resilient national economy capable of safeguarding the health and welfare of the Filipino people.

In an era marked by supply chain fragility and intensifying global competition for critical health commodities, the Philippines must move beyond passive import dependence toward deliberate capability-building in pharmaceutical manufacturing. This measure provides a structured, lawful, and economically responsible pathway toward that objective. Its immediate passage is earnestly sought.

  
**REP. GIRLIE E. VELOSO**  
Malasakit@Bayan Party-List



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**AN ACT**  
**STRENGTHENING DOMESTIC PHARMACEUTICAL MANUFACTURING,**  
**ENSURING MEDICINES SUPPLY SECURITY, AND SUPPORTING THE**  
**SUSTAINABILITY OF UNIVERSAL HEALTH CARE**

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

1       **SECTION 1. Short Title.** — This Act shall be known as the “Philippine Pharmaceutical  
2       Resilience and Manufacturing Development Act.”

3       **SECTION 2. Declaration of Policy.** — It is the policy of the State to protect public  
4       health and promote national economic development by:

- 5           (a) Ensuring continuous and affordable access to safe, effective, and quality medicines;  
6           (b) Safeguarding national health security through resilient pharmaceutical supply systems;  
7           (c) Supporting the effective implementation of Universal Health Care;  
8           (d) Developing and sustaining domestic pharmaceutical manufacturing capacity consistent  
9               with public health priorities;  
10          (e) Promoting innovation, technology transfer, and skilled workforce development; and  
11          (f) Reducing strategic dependence on vulnerable external supply chains.

12       **SECTION 3. Governing Principles.** — In implementing this Act:

- 13           (a) Public health and access to essential medicines shall be paramount;  
14           (b) The Food and Drug Administration shall retain full regulatory independence and shall  
15               apply existing standards for safety, efficacy, and quality;  
16           (c) Measures under this Act shall not create exclusive rights or monopolies and shall be  
17               consistent with competition law;

- (d) Actions shall be transparent and subject to existing audit and public accountability rules; and
- (e) Nothing in this Act shall be construed to weaken existing procurement, fiscal, or appropriations laws.

**SECTION 4. Definition of Terms.** — For purposes of this Act:

- (a) Essential Medicines refers to medicines listed in the Philippine National Formulary and other medicines identified by the Department of Health as necessary to address priority public health needs.
- (b) Active Pharmaceutical Ingredient (API) refers to any substance or mixture of substances intended to be used in the manufacture of a pharmaceutical product and that, when used in the production of a drug, becomes an active component of that drug product.
- (c) Finished Dosage Form refers to a pharmaceutical product that has undergone all stages of production, including formulation, processing, packaging, and labeling, and is ready for distribution to patients.
- (d) Pharmaceutical Manufacturing refers to the production, formulation, processing, packaging, or labeling of finished dosage forms, active pharmaceutical ingredients, biologics, and other regulated drug products.
- (e) Biologics refers to pharmaceutical products derived from living organisms or their components, including vaccines, blood products, and similar therapeutic products regulated by the Food and Drug Administration.
- (f) Critical Pharmaceutical Inputs refers to active pharmaceutical ingredients, intermediates, excipients, and raw materials necessary for the production of essential medicines.
- (g) Pharmaceutical Resilience refers to the capacity of the State to ensure the continuous availability and supply of essential medicines despite global or domestic disruptions.
- (h) Strategic Reserve refers to a government-maintained stockpile of essential medicines or critical pharmaceutical inputs intended for use during public health emergencies or supply disruptions.
- (i) Priority Medicines refers to essential medicines or other drugs identified by the Department of Health as requiring strategic support under this Act based on public health impact.
- (j) Technology Transfer refers to the acquisition, licensing, assignment, sharing, or dissemination of technical knowledge, manufacturing processes, proprietary methods, formulations, patents, equipment specifications, quality systems, or other industrial know-how necessary for the local production of pharmaceutical products or critical pharmaceutical inputs.

**SECTION 5. Establishment of the Pharmaceutical Manufacturing and Resilience Council; Mandate.** — There is hereby established the Pharmaceutical Manufacturing and Resilience Council, hereinafter referred to as the Council, to be organized upon the effectivity of this Act.

1 The Council shall be the lead interagency body tasked to formulate, coordinate, and oversee  
2 the implementation of a national, multi-sectoral strategy for the development of domestic  
3 pharmaceutical manufacturing capacity and the strengthening of pharmaceutical supply resilience.

4 The Council shall set strategic directions, issue policy guidance within the scope of this Act,  
5 and ensure convergence among national government agencies in the execution of programs and  
6 measures relating to pharmaceutical manufacturing, supply security, research and innovation,  
7 procurement alignment, and market stabilization.

8 The Council shall ensure that such efforts are aligned with a long-term, evidence-based  
9 national framework for strengthening domestic pharmaceutical capability and ensuring continuous  
10 access to essential medicines.

11 The Council shall be attached to the Office of the President for policy coordination and  
12 strategic oversight.

13 **SECTION 6. Composition of the Council; Appointment of Office.** — The Council  
14 shall be composed of the Secretary of the Department of Health (DOH) as Chairperson; the  
15 Secretary of the Department of Trade and Industry (DTI) as Co-Chairperson; and the following  
16 as members:

- 17 (a) Secretary of the Department of Science and Technology (DOST);
- 18 (b) Director General of the Food and Drug Administration (FDA);
- 19 (c) President and Chief Executive Officer of the Philippine Health Insurance Corporation  
20 (PhilHealth);
- 21 (d) Chairperson of the Board of Investments (BOI);
- 22 (e) Secretary of the Department of Budget and Management (DBM);
- 23 (f) Secretary of the Department of Economy, Planning and Development (DEPDev);
- 24 (g) Director General of the Intellectual Property Office of the Philippines (IPOPHL); and
- 25 (h) Two (2) representatives from the domestic pharmaceutical manufacturing sector and  
26 one (1) representative from academic or research institutions with demonstrated  
27 expertise in pharmaceutical sciences, to be appointed by the President for a term of  
28 three (3) years.

29 The Council may invite other agencies as resource persons when necessary.

30 Members may designate permanent representatives with a rank not lower than Assistant  
31 Secretary or its equivalent.

32 Members of the Council who are government officials shall receive no additional  
33 compensation for their services as such but may be reimbursed for necessary expenses. Private  
34 sector and academic representatives may receive reasonable honoraria or per diems as determined  
35 by the Council.

**SECTION 7. Technical Secretariat.** — There is hereby established a Technical Secretariat under the supervision of the Council.

The Secretariat shall be hosted by the Department of Health and shall provide technical, administrative, research, and coordination support to the Council.

The Secretariat shall be headed by an Executive Director, nominated by the Council and appointed by the President, who shall:

- (a) Possess at least ten (10) years of relevant experience in pharmaceutical regulation, manufacturing, health systems, or industrial policy;
- (b) Serve on a full-time basis; and
- (c) Have the rank and emoluments equivalent to Executive Director IV, subject to existing compensation laws.

**SECTION 8. Powers and Functions of the Council.** — The Council shall have the following powers and functions:

- (a) Formulate and approve the National Pharmaceutical Manufacturing and Resilience Strategy and ensure its periodic updating;
- (b) Ensure alignment of agency programs, incentives, regulatory pathways, procurement policies, and research initiatives with the Strategy;
- (c) Monitor implementation milestones and performance indicators under this Act;
- (d) Recommend policy, regulatory, and legislative measures necessary to strengthen domestic pharmaceutical capacity and supply security;
- (e) Facilitate interagency data sharing and coordination necessary for pharmaceutical supply resilience;
- (f) Issue policy advisories and implementation guidelines consistent with existing laws;
- (g) Submit annual and special progress reports to the President of the Philippines, the President of the Senate, and the Speaker of the House of Representatives; and
- (h) Perform such other functions as may be necessary to carry out the purposes of this Act.

All relevant government agencies shall align their programs and implementation activities with the National Pharmaceutical Manufacturing and Resilience Strategy, consistent with their respective mandates.

**SECTION 9. Meetings and Quorum.** — The Council shall meet at least twice a year, or as may be necessary upon call of the Chair. A majority of the members shall constitute a quorum for the transaction of official business.

**SECTION 10. National Pharmaceutical Manufacturing and Resilience Strategy.** — Within twelve (12) months from the effectivity of this Act, the Pharmaceutical Manufacturing

1 and Resilience Council shall formulate and approve a ten-year National Pharmaceutical  
2 Manufacturing and Resilience Strategy.

3 In the formulation of the Strategy, the Council shall ensure coordination among its member  
4 agencies and alignment with national public health and economic development objectives.

5 The Strategy shall:

- 6 (a) Identify essential and priority medicines suitable for domestic manufacture;
- 7 (b) Identify critical pharmaceutical inputs, including active pharmaceutical ingredients,  
8 requiring strategic supply security;
- 9 (c) Establish phased development targets for formulation capacity, input security, and  
10 advanced manufacturing;
- 11 (d) Prescribe measurable performance indicators and annual reporting requirements;
- 12 (e) Integrate pharmaceutical supply resilience into public health and procurement  
13 planning; and
- 14 (f) Be subject to review and updating every three (3) years.

15 The Council shall submit the approved Strategy and subsequent updates to the President  
16 of the Philippines and to Congress.

17 **SECTION 11. Phase I: Essential Medicines Formulation Capacity.** — Consistent  
18 with the National Pharmaceutical Manufacturing and Resilience Strategy, the State shall prioritize  
19 the domestic manufacture of finished dosage forms of essential medicines.

20 For this purpose, the concerned agencies, within their respective mandates, shall:

- 21 (a) Grant time-bound fiscal and non-fiscal incentives to qualified manufacturers in  
22 accordance with existing investment and tax laws;
- 23 (b) Establish or support shared bioequivalence, quality testing, and compliance facilities  
24 accessible to domestic manufacturers;
- 25 (c) Facilitate technology transfer arrangements and manufacturing capability upgrades;
- 26 (d) Streamline regulatory procedures without lowering established standards for safety,  
27 efficacy, and quality; and
- 28 (e) Support workforce development in pharmaceutical sciences and manufacturing.

29 Support and incentives under this Act shall prioritize the domestic manufacture of essential  
30 medicines identified under the Strategy as having high public health impact or significant  
31 procurement volume.

32 **SECTION 12. Phase II: Strategic Security for Critical Pharmaceutical Inputs.** —  
33 Consistent with the National Pharmaceutical Manufacturing and Resilience Strategy, the State shall  
34 strengthen supply security for critical pharmaceutical inputs necessary for priority and essential  
35 medicines.

36 For this purpose, the concerned agencies, within their respective mandates, shall:

- (a) Identify critical pharmaceutical inputs, including active pharmaceutical ingredients and intermediates, requiring strategic supply protection;
- (b) Facilitate domestic or regional production of selected critical pharmaceutical inputs through incentives and public-private arrangements in accordance with existing laws;
- (c) Establish strategic supply assurance systems, including but not limited to rotating buffer inventories, inventory rotation agreements with domestic manufacturers, and framework supply contracts, to ensure the availability of essential medicines and critical pharmaceutical inputs during public health emergencies or verified supply disruptions; and
- (d) Enter into regional or international cooperation arrangements, including within the Association of Southeast Asian Nations (ASEAN), to support pharmaceutical supply resilience.

**SECTION 13. Phase III: Research, Innovation, and Advanced Manufacturing.** —

Consistent with the National Pharmaceutical Manufacturing and Resilience Strategy, the State shall strengthen national capability in pharmaceutical research, innovation, and advanced manufacturing.

For this purpose, the concerned agencies, within their respective mandates, shall:

- (a) Support research, development, and translation of biologics, vaccines, and other strategic pharmaceutical technologies;
- (b) Develop manufacturing process innovation and scale-up capability to improve quality, efficiency, and reliability of domestic production;
- (c) Strengthen regulatory science and technical capacity in coordination with the Food and Drug Administration to support science-based regulation;
- (d) Facilitate public-private research consortia, collaborative innovation platforms, and technology transfer arrangements; and
- (e) Support specialized human capital development in pharmaceutical sciences, biomanufacturing, quality systems, and advanced manufacturing.

The Department of Science and Technology (DOST) shall serve as the technical lead for research and innovation activities under this Section.

Research and development support and technology transfer arrangements under this Section shall be implemented in accordance with applicable innovation and technology transfer laws.

**SECTION 14. Strategic Procurement and Market Stabilization Measures.** — To support domestic pharmaceutical manufacturing capacity and supply stability, the Department of Health and other government procurement entities may adopt strategic procurement measures for essential medicines, consistent with existing procurement, competition, and trade laws.

Such measures may include:

- (a) Consolidated or pooled procurement to generate predictable volume demand;
- (b) Multi-year or framework supply agreements, subject to appropriations law;
- (c) Volume commitments for essential medicines identified under the National Pharmaceutical Manufacturing and Resilience Strategy, where domestic manufacturing capacity is available;
- (d) Transparent price benchmarking and reference pricing mechanisms; and
- (e) A reasonable and time-bound procurement preference for domestically manufactured essential medicines, consistent with Republic Act No. 9184 and applicable laws on domestic preference, which may include the application of an allowable price margin or preference mechanism expressly authorized under existing law, provided that quality, safety, and cost-effectiveness standards are met.

Nothing in this Act shall be construed to create exclusive rights, monopolies, or arrangements inconsistent with the Philippine Competition Act or international trade obligations.

**SECTION 15. Integration with National Supply and Procurement Planning.** — The Department of Health shall integrate the National Pharmaceutical Manufacturing and Resilience Strategy into national health logistics systems, procurement planning, and inventory management frameworks to ensure the continuous availability of essential medicines and to support stable domestic manufacturing capacity.

Such integration shall include coordinated demand forecasting, buffer inventory planning, and strategic procurement arrangements consistent with the Strategy and existing laws.

Nothing in this Act shall be construed to impair existing statutory authority relating to emergency preparedness or disaster response.

**SECTION 16. Implementing Rules and Regulations.** — Within one hundred eighty (180) days from the effectivity of this Act, the Pharmaceutical Manufacturing and Resilience Council, in consultation with industry, academic institutions, and other relevant stakeholders, shall promulgate the implementing rules and regulations necessary for the effective implementation of this Act.

**SECTION 17. Appropriations.** — The amount necessary for the implementation of this Act shall be charged against the existing appropriations of the concerned agencies.

Thereafter, such sums as may be necessary for the continued implementation of this Act shall be included in the annual General Appropriations Act.

**SECTION 18. Separability Clause.** — If, for any reason, any section of this Act shall be deemed unconstitutional or invalid, the other sections or provisions shall not be affected and shall remain in force and in effect.

1           **SECTION 19. Repealing Clause.** — All laws, decrees, executive orders, rules and  
2 regulations, or parts thereof inconsistent with the provisions of this Act are hereby repealed or  
3 modified accordingly.

4           **SECTION 20. Effectivity Clause.** — This Act shall take effect after fifteen (15) days  
5 from its publication in the Official Gazette or in at least two (2) newspapers of general circulation,  
6 whichever comes earlier.

7           Approved.