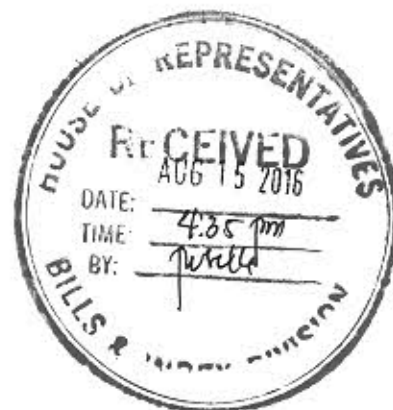


Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

Seventeenth Congress
First Regular Session

HOUSE BILL NO. **2912**



Introduced by Honorable ISAGANI S. AMATONG, Representative
3rd District, Zamboanga del Norte

EXPLANATORY NOTE

This bill seeks to create the Philippine Rubber Industry Development Board (PHLRUBBER). It provides for a strong foundation for the development and stability of the rubber industry in the country vis-à-vis globalization and ASEAN integration.

The bill also recognizes the vital role of natural rubber in the development of the agricultural sector in the countryside. This is an improved version of House Bill No. 1128 which seeks to establish the Philippine Rubber Industry Development Authority.

The demand for natural rubber in the world market is steadily progressing. In 2013 alone, the expected volume of world demand for natural rubber reached 11.3 Million. To date, the International Monetary Fund (IMF) has projected the demand to reach 11.9 Million. By 2020, the IMF predicts the market to reach at 15.4 Million metric tons.

According to market experts, the demand from tire makers will boost global consumption of natural rubber, accounting for 12.6 million metric tons in 2020. The tire and construction industries, roads, bridges, buildings, sports race tracks, etc., gets 70% of natural rubber consumption, while 30% of which goes to non-tire industry.


To cope with the pressing demand for natural rubber, the government shall intensify its campaign in the production of quality rubber products compliant with global standards and ensure proper implementation of policies.

The Philippines is a known rubber producing country but has insignificantly contributed to a dismal 1% of the world's rubber supply. The absence of industry focused government support institution/organization compounded by the lack of testing facilities in the government and private sectors, greatly contributed to its low quality and less competitive Philippine rubber products. Given the rich and fertile soil of our land, there is so much potential in rubber industry which would contribute to the accelerated growth of the national economy.

Even with the passage of RA 10089 "An Act Creating the Philippine Rubber Research Institute (PRRI), the plight of the industry could not be wholly addressed considering the latter centers mainly on research. It is expected with the passage of this Act, the whole value chain and challenges in the rubber industry will be sufficiently dealt with, including its business, marketing and financial aspects.

With the end view of making rubber a sustainable socio-economic enterprise towards inclusive growth, this Act shall strengthen all rubber players and stakeholders by enabling rubber a viable resource commodity that would generate employment in the countryside, and become competitive in the global market.

In view thereof, the passage of this bill is earnestly sought.



ISAGANI S. AMATONG

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

17th CONGRESS
First Regular Session

HOUSE BILL NO. 2912

Introduced by: **HON. ISAGANI S. AMATONG**

AN ACT
ESTABLISHING THE PHILIPPINE RUBBER INDUSTRY DEVELOPMENT
BOARD, DEFINING ITS POWERS AND FUNCTIONS AND APPROPRIATING
FUNDS THEREFOR

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 “Philippine Rubber Industry Act of 2016.

SECTION 2. Declaration of Policy. – Consistent with the national government’s commitment to protect and develop self-reliant industries based on agricultural development and agrarian reform through resource-based industries and ensure a balanced economy that fully utilizes human and natural resources, the Philippines growth intends to accelerate production of natural rubber supply for domestic and global markets; transforms underutilized areas into viable rubber plantations spur socio-economic development, thus, discouraging rural population from migrating to urban areas which eventually would cause socio-economic imbalance.

It is hereby declared policy of the state to develop the rubber industry in the country to its fullest potential. Towards this end, the State shall provide the necessary support to the rubber industry particularly the farmers, from the adverse effect of the free market forces and natural manmade calamities; promote the private-public partnership to push forward the programs and projects that will optimize natural rubber utilization. It shall progressively set quality control standards desirable to uphold the interest of the greater masses of its stakeholders.

SECTION 3. Philippine Rubber Industry Development Board. - The Philippine Rubber Industry Development Board (PHILRUBBER) is hereby created. It shall be an attached agency of the Department of Trade and Industry.

SECTION 4. Composition. - the Board shall be composed of the following.:

- a) Secretary of the Department of Trade and Industry;
- b) Secretary of the Department of Agriculture;
- c) Secretary of the Department of Agrarian Reform;
- d) Secretary of the Department of Environment and Natural Resources;
- e) Secretary of the Department of Science and Technology;
- f) Secretary of the Department of Labor and Employment;
- g) Secretary of the Department of Interior and Local Government;
- h) Director General of the Technical Education and Skills Development Authority;
- i) President/CEO of the LANDBANK of the Philippines;
- j) Two (2) representatives from the Academe;
- k) Two (2) representatives from the Philippine Rubber Industries Association, Inc.;
- l) Two (2) representatives from her National Rubber Processors;
- m) Two (2) representatives from the Small Holders Association; and
- n) Two (2) representatives from the Federation of Rubber Cooperative.

The representatives from the Academe, Rubber Association, Rubber Processors, Small Holders Association and Federation of Rubber Cooperative shall be appointed by the President of the Philippines upon the recommendation of the Secretary of Trade and Industry and shall serve in the Board for three (3) years reckoned from the date of appointment. The representative may be reappointed by the President for another term.

SECTION 5. Roles and Responsibilities. - The Board shall promote the development and growth of the rubber industry by improving productivity, quality and expanding its markets.

It shall have the following specific functions and responsibilities:

- a) Acts as the top advisory body in all initiatives and concerns relevant to the rubber industry;
- b) Promotes investment in public and private lands, joint venture in rubber planting, processing, and manufacturing of rubber products and by-products;
- c) Promotes and coordinates within the national agencies on nationwide support programs such as research and development, technology upgrading, human resource development, domestic and export market development, long-term financing, infrastructure, and land access;
- d) Advocates for supportive policies including the provision of rubber industry development funds, long-term financing and investment incentives;
- e) Promotes a natural culture of quality from the farms to the factories of rubber products;
- f) Serves as the point of contact between and among policy makers of the rubber industry; and

g) Represents the country in all international rubber conferences.

SECTION 6. Executive Committee. – to ably assist the Board in the program plans and projects, identification and generation of resources. The executive Committee to be chaired by the Department of Trade and Industry (DTI) and co-chaired by the Department of Agriculture (DA) shall be constituted with the memberships thereof to be appropriately identified by the Board.

SECTION 7. Functions of the Executive Committee. – The Executive Committee shall oversee and monitor the implementation of the Philippine Rubber Industry Master Plan and shall prioritize and recommend strategic interventions and ensure availability of resources to support program implementation.

SECTION 8. Transitory Provision. – The Government shall chair the Executive Committee until the Board is made operational and shall transfer its leadership to the President of a strong and cohesive national rubber industry organization. The chairmanship of the private sector shall be nominated from among the eight (8) private sector representatives and upon recommendation of the Board. He shall be duly appointed by the President of the Republic of the Philippines.

SECTION 9. Technical Working Group. – There shall be created a Philippine Rubber Technical Working Group (PRTWG) composed of representatives to be designated by the members of the Board. The PRTWG which shall be headed by an Undersecretary shall serve as the Secretariat and shall assist the Executive Committee in all related functions.

SECTION 10. Implementing Rules and Regulations. – The Board through the Executive Committee shall create a team composed of one (1) representative from the Office of the Legal Affairs of each of the member-agencies to formulate the Implementing Rules and Regulations immediately after this Act shall have been passed.

SECTION 11. Funding. - The initial funding of Two Hundred Million Pesos (Php200,000,000.00) to support the operations of the PHILRUBBER which shall be provided from the Office of the President to the DTI for its initial operation subject to pertinent auditing rules and regulations. Henceforth, the budget shall be duly appropriated in the General Appropriations Act coming from different cooperating agencies involved therein. The PHILRUBBER may raise funds from other sources for specific projects as may be authorized by law.

SECTION 12. **Separability Clause.** – If, for any reason, any section or provision of this Act shall be held unenforceable or unlawful, other provisions hereof shall remain in full force and effect.

SECTION 13. **Repealing Clause.** – All executive issuances, decrees, rules and regulations, and other issuances or parts thereof, which are inconsistent with any provision hereof are hereby repealed, amended or modified accordingly.

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

Approved.