Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

COMMITEE REPORT NO. 519

Submitted by the Committee on Agriculture and Food on SEP 2 2 2020
Re: House Resolution No. 1242
Recommending its adoption in substitution of House Resolutions Numbered 412 and 439
Sponsors: Representatives Wilfrido Mark M. Enverga and Francisco "Kiko" B. Benitez

Mr. Speaker:


"A RESOLUTION
EXPRESSING THE STRONGEST OPPOSITION OF THE HOUSE OF REPRESENTATIVES CONGRESS TO THE PLANNED LIBERALIZATION OR DEREGULATION OF THE IMPORTATION OF SUGAR FOR THE PURPOSE OF SAFEGUARDING THE WELFARE OF SUGAR FARMERS, FARM AND MILL WORKERS ACROSS THE COUNTRY" and

House Resolution No. 439, introduced by Reps. Eufemia "Ka Femia" C. Cullamat, Carlos Isagani T. Zarate, Ferdinand R. Gaite, Arlene D. Brosas, and Sarah Jane I. Elago, entitled:

"RESOLUTION
URGING THE HOUSE OF REPRESENTATIVES AND ITS LEADERSHIP TO STAND BEHIND THE FARM WORKERS, MILL WORKERS AND SMALL PLANTERS OF THE SUGAR INDUSTRY IN OPPOSING THE PLAN OF ECONOMIC MANAGERS OF THE EXECUTIVE DEPARTMENT TO IMPLEMENT THE FULL LIBERALIZATION OF THE INDUSTRY"

has considered the same and recommends that the attached House Resolution No. 1242, entitled:

RESOLUTION
EXPRESSING THE STRONG OPPOSITION OF THE HOUSE OF REPRESENTATIVES TO THE PLANNED LIBERALIZATION OR DEREGULATION OF THE IMPORTATION OF SUGAR, IN RECOGNITION OF THE THREAT THIS POSES TO THE WELFARE OF SUGAR FARMERS AND FARM AND MILL WORKERS ACROSS THE COUNTRY

Respectfully submitted:

[Signature]

REP. WILFRIDO MARK M. ENVERGA
Chairperson
Committee on Agriculture and Food

THE HONORABLE SPEAKER
HOUSE OF REPRESENTATIVES
QUEZON CITY
Republic of the Philippines
HOUSE OF REPRESENTATIVES
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EIGHTEENTH CONGRESS
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HOUSE RESOLUTION NO. 1242
(In substitution of House Resolutions Numbered 412 and 439)


RESOLUTION
EXPRESSING THE STRONG OPPOSITION OF THE HOUSE OF REPRESENTATIVES TO THE PLANNED LIBERALIZATION OR DEREGULATION OF THE IMPORTATION OF SUGAR, IN RECOGNITION OF THE THREAT THIS POSES TO THE WELFARE OF SUGAR FARMERS AND FARM AND MILL WORKERS ACROSS THE COUNTRY

WHEREAS, on 27 September 2019, the Department of Finance issued an Economic Bulletin wherein it called for the removal of quantitative restrictions on sugar imports;

WHEREAS, the liberalization of sugar importation is being proposed because local sugar prices are higher than those in the world market which situation allegedly renders domestically-produced food products intended for both the domestic and export market uncompetitive;

WHEREAS, major sugar exporting countries such as Thailand and India can sell their excess sugar at below cost of production because they provide massive subsidies and other forms of protection such as domestic and export support prices to their sugar farmers and sugar industries, while Filipino sugar farmers, most of whom are small farmers and agrarian reform beneficiaries, get minimal support and cannot afford to sell their sugar below costs;

WHEREAS, even the United States of America, which is the champion of globalization and liberalization, has a long-standing policy to strictly regulate sugar importation to shield its farmers from the price distortions in the world market for sugar;
WHEREAS, the liberalization or deregulation of sugar importation will not affect the competitiveness of food products for export which contain sugar because they can already import sugar without the value-added tax (VAT) or customs duties provided that the end-product is exported and not sold locally;

WHEREAS, based on the nutrition labels of most locally manufactured food products in the market which contain sugar, sugar is not a major ingredient and cost component of these products and thus does not render sugar-containing products uncompetitive;

WHEREAS, sugar farmers point out that notwithstanding the drop in mill site prices of sugar, retail prices remain high, and in some supermarkets well-above the suggested retail price, indicating that while traders and importers will benefit from liberalization or deregulation of sugar importation, consumers will not;

WHEREAS, Philippine sugar had long ago lost its market abroad and the larger part of sugar production in the country has been redirected towards the domestic market which is now being threatened by the planned liberalization;

WHEREAS, under the terms of the ASEAN Trade in Goods Agreement (ATIGA), the liberalization of sugar imports will remove the Effective Protective Tariff for Philippine sugar;

WHEREAS, the unregulated entry of subsidized imported sugar will be disastrous to the domestic sugar industry which contributes an estimated Ninety six billion pesos (P96B) to the Gross Domestic Product, and more importantly to Eighty four thousand (84,000) sugar farmers and Seven hundred twenty thousand (720,000) industry workers, and across twenty-eight (28) provinces in the country;

WHEREAS, the liberalization or deregulation of sugar importation undermines President Rodrigo Duterte’s vision of inclusive growth for the country as it will be detrimental to farmers, farm workers and their families, and the rural communities that produce sugar;

WHEREAS, because the liberalization or deregulation of sugar importation will tragically affect sugar farmers and workers in the country, the Sugar Regulatory Administration (SRA) should continue to regulate the supply of sugar in the country pursuant to its mandate under Executive Order No. 18, series of 1986 and pursuant to the President’s Administrative Order No. 13, series of 2018,

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved, that the House of Representatives expresses its strong opposition to the planned liberalization or deregulation of the sugar importation in recognition of the threat this poses to the welfare of sugar farmers and farm and mill workers across the country.

Adopted,