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REPUBLIC OF THE PHILIPPINES)
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SENATE

P.S. Res. 234

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INTRODUCED BY SENATOR VILLAR

RESOLUTION

URGING THE SENATE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT AN ASSESSMENT, IN AID OF LEGISLATION, ON THE COUNTRY'S TEXTILE AND GARMENTS SECTOR VIS-A-VIS THE PREFERENTIAL TREATMENT ACCORDED TO PHILIPPINE-MADE APPARELS AS PROVIDED IN THE SAVE OUR INDUSTRIES (SAVE) ACT OF THE UNITED STATES WITH THE OBJECTIVES OF INCREASING TRADE, ENHANCING JOB GENERATION AND MAXIMIZING THE FULL POTENTIALS OF THE INDUSTRY

WHEREAS, Article XII Section 13 of the 1987 Constitution states that "The State shall pursue a trade policy that serves the general welfare and utilizes all forms and arrangements of exchange on the basis of equality and reciprocity;

WHEREAS, in 2009, Rep. Jim Mc Dermott (D-WA) introduced H.R. No. 3039 in the United States Congress, also known as "Save Our Industries (SAVE) Act of 2009" or "SAVE Act". This Bill aims to provide for preferential duty treatment to certain apparel articles of the Philippines. Specifically, it essentially grants duty-free treatment, subject to specified conditions, to certain apparel wholly assembled in the United States or the Philippines, or both, and components of such apparel consisting entirely of: (1) fabric components cut in the United States or the Philippines, or both, from fabric wholly formed in the United States from yarns wholly formed in the United States; (2) components knit-to-shape in the United States from yarns wholly formed in the United States; or (3) any combination of such components. Grants: (1) a reduction of duty for such apparel, provided the same criteria are met; and (2) duty-free treatment to apparel that meet both the requirements for duty-free treatment and reduction of duty.

WHEREAS, last March 2010, Senator Christopher S. Bond of Missouri and Daniel K. Inouye of Hawaii filed a similar measure, S. No. 3170, "Save Our Industries Act of 2010", only the Senate version includes specific tariff lines eligible for preferential tariffs and penalties for abuse;

WHEREAS, US textile and Philippine apparel manufacturers are experiencing the same challenges and risks resulting from the end of U.S. quota system which controlled apparel imports from China until the beginning of 2009. These industries have been suffering declines in sales and loss of jobs as a result of liberalization;

WHEREAS, the proposed program is designed to facilitate higher levels of trade in textiles and apparel between the United States and the Philippines, to enhance the commercial well being of their respective industries, and to sustain and create jobs in times of global economic hardship;

WHEREAS, Philippine-made garments and apparels are already enjoying a good market in the US, but they compete with the lower-price ones from China and other countries. Our country has an edge in higher-quality garments with the well-liked Philippine "needlework." With cheaper US textiles and fabrics, Philippine garment manufacturers could sell their quality products cheaper to US importers;

WHEREAS, the Department of Trade and Industry estimates that the deal could be worth \$500 million for American fabric manufacturers and about P350 billion for Philippine apparel makers by the fifth year of the Save Act's being operational. Some 200,000 workers, seamstresses and embroiderers in the Philippines would be benefited;

WHEREAS, both bills are gaining bipartisan support in the U.S. Congress, and now awaiting passage at the Committee level;

RESOLVED, To urge the Senate Committee on Trade and Commerce to conduct an assessment, in aid of legislation, on the country's textile and garments sector vis-a-vis the preferential treatment accorded to Philippine-made apparels as provided in the Save Our Industries (SAVE) Act fo the United States with the objectives of increasing trade, enhancing job generation and maximizing the full potentials of the industry;

RESOLVED, FURTHER, by the Senate of the Philippines, to express the support of the Senate to the proposed "Save our Industries Act (SAVE) Act of the U.S. Congress.

RESOLVED FINALLY, to furnish a copy of this Resolution to the U.S. Congress for their information.

Adopted,


MANNY VILLAR