

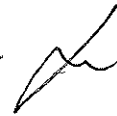
FOURTEENTH CONGRESS)
OF THE REPUBLIC OF THE PHILIPPINES)
Third Regular Session)

9 JUL -7 2009

SENATE

P. S. Res. No. 1163

RECEIVED BY



INTRODUCED BY THE HONORABLE MAR ROXAS

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON TRADE AND COMMERCE AND OTHER APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORTED OVERPRICED IMPORTATION OF AGRICULTURAL COMMODITIES, INCLUDING AND PARTICULARLY RICE IMPORTS BY THE PHILIPPINES FROM VIETNAM, WITH THE END IN VIEW OF ENSURING THAT INTER-GOVERNMENT COMMODITY TRADE DEALS CONCLUDED BY THE GOVERNMENT ARE MOST BENEFICIAL AND ADVANTAGEOUS TO FILIPINO CONSUMERS.

WHEREAS, Section 13, Article XII of the 1987 Philippine Constitution, mandates the State to “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, the Philippines, being one of the biggest rice importers in the world, has been importing rice from Thailand, Vietnam and Pakistan for the past years to augment the agricultural productivity gap in the country;

WHEREAS, according to the National Food Authority (NFA), the Philippines targets to import a total of 1.9 Million Metric Tons (MMT) of rice in 2009;

WHEREAS, of the 1.9MMT target importation, 1.5MMT of rice has already been contracted to a supplier named Vietnam Southern Food Corporation through a government-to-government bidding on 16 December 2008;

WHEREAS, Reuters, a reputable international press agency, has alleged, in a news story published in the Philippine Star on 6 July 2009, that on the above-referred bidding, the Philippines paid almost 45% more for its rice imports from Vietnam, which costs \$549.50 per ton (cost and freight) for the 1.5MMT of long grain white rice with grades of 5%, 15%, and 25% broken;

WHEREAS, Reuters data show that Vietnam’s 5% broken variety was quoted between \$380-\$460 per ton, free-on-board basis, in January and February 2009, while the 25% grade was at between \$330-\$400 per ton, with freight cost estimated at between \$25 to \$35 per ton for shipments from Vietnam to the Philippines;

WHEREAS, in response to the allegations, Agriculture Secretary Arthur Yap stated that “the Vietnamese turned out cheaper and were willing to sell future contracts at spot prices with 6 to 8 months credit” and maintained that “it was a good deal at the time” claiming that the government actually realized savings of Php1.3 Billion or \$27.4 Million for the rice deal;

WHEREAS, there is a great contradiction between the trade prices of the Department of Agriculture and the Reuters data, and it is crucial for the government to explain and clarify the process that was undertaken by the Department of Agriculture in closing the government-to-government deal with Vietnam;

WHEREAS, Pablito Villegas, an agricultural economics consultant with the United Nations Food and Agriculture Organization, opined that the said government-to-government bidding “must have been an ‘extraordinary’ deal, that’s why there’s an extra premium and there is more to it than meets the eye”;

WHEREAS, given the past controversies in the conduct of government biddings, *allegations of overpriced rice importation from Vietnam* is alarming, hence it is imperative for Congress to ensure transparency and accountability in the use of government funds, effectively ensuring the proper use of tax payer’s money;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct the Senate Committee on Trade and Commerce and other appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the reported overpriced importation of agricultural commodities, including and particularly rice imports by the Philippines from Vietnam, with the end in view of ensuring that inter-government commodity trade deals concluded by the government are the most beneficial and advantageous to Filipino consumers.

Adopted,


M A R ROXAS
Senator