

SIXTEENTH CONGRESS OF THE REPUBLIC )  
OF THE PHILIPPINES )  
First Regular Session )



Senate  
Office of the Secretary

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SENATE  
P. S. R. No. 526

RECEIVED BY: *ji*

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE REPORT THAT THE SMUGGLING OF AGRICULTURAL PRODUCTS IN THE COUNTRY IS A BILLION DOLLAR INDUSTRY

WHEREAS, the Constitution, Article 2, Section 19 declares the policy of the State to develop a self-reliant and independent national economy effectively controlled by Filipinos;

WHEREAS, the Constitution, Article 13, Section 1, Paragraph 2 requires the State to protect Filipino enterprises against unfair foreign competition and trade practices;

WHEREAS, PhilSTAR.com on 16 February 2014, posted a news article claiming that that according to a study, the agriculture smuggling business is a \$10-B trade;

WHEREAS, in the 1980s, smuggling of agricultural commodities had reportedly evolved into a big-time illegal trade, with the value of such products estimated at \$6 billion a year;

WHEREAS, it was reported that by 2008, the value of smuggled agricultural items had ballooned to more than \$10 billion annually;

WHEREAS, these lucrative activities have allegedly persisted to this day, indicating that government efforts to curb the illegal entry of such products have been ineffective;

WHEREAS, according to a recent study titled, "An Assessment of Smuggling of Selected Agricultural Commodities in the Philippines", milled rice, refined sugar, beef, onion, pork, chicken, ginger, carrots and turnips are internationally traded and smuggled into the country;

WHEREAS, the study was carried out by the government-hosted Southeast Asian Regional Center for Graduate Study and Research in Agriculture (SEARCA) with the help of University of the Philippines Los Baños (UPLB) experts Prudenciano Gordoncillo, Cesar Quicoy, Julieta de los Reyes, and Arvin Vista;

WHEREAS, the study reportedly investigated the quantitative and qualitative aspects of smuggling in the agriculture sector and assessed the effectiveness and weaknesses of existing trade policies;

WHEREAS, it was alleged that the study focused greater attention on agricultural goods being illegally traded both in the so-called front door (northeastern Luzon shores) and in the back door – Mindanao, Sulu, and Palawan (Minsupala);

WHEREAS, it was also reported that the burden of smuggling falls on the local producers who cannot compete with cheaper prices of smuggled commodities;

WHEREAS, Agriculture Undersecretary Segfredo Serrano, who chaired the project's steering committee, reportedly said that the issue of smuggling is a lot more complex than a

simple trade problem because sometimes it is a combination of a lot of factors that determine the extent, flow, intensity, and nature of the illegal practice;

WHEREAS, the research team noted that the common forms of technical smuggling include misdeclaration, undervaluation, misclassification, and falsified documentation;

WHEREAS, according to the report, the estimated value of milled rice smuggled into the country during the period under review totaled \$1.96 billion; followed by refined sugar, \$448.2 million; beef, \$428.8 million; onion, \$259.55 million; and pork, \$117.45 million;


WHEREAS, the study warned that the more alarming consequence of smuggling is the threat to domestic industries in terms of risks of exposure to pests and diseases as well as endangering the safety of consumers;

WHEREAS, there is a need for Congress to formulate applicable laws or amend existing laws to solve the smuggling of agricultural products in the Philippines;

WHEREAS, it is also necessary to strengthen trade laws and agreements, protect consumers, and stabilize the price of agricultural products in the local market;

WHEREFORE, be it hereby resolved by the Philippine Senate to direct the proper Senate committee to conduct an inquiry, in aid of legislation, on the report that the smuggling of agricultural products in the country is a billion dollar industry.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO  
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