

THIRTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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SENATE

P.S. Res. No. 98

RECEIVED BY: _____

INTRODUCED BY HON. MANUEL B. VILLAR, JR.

A RESOLUTION

DIRECTING THE SENATE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT A SENATE INQUIRY, IN AID OF LEGISLATION, ON THE INCREASE IN PRICES OF CONSTRUCTION MATERIALS WITH THE END VIEW OF AVERTING SUDDEN AND UNREASONABLE INCREASES IN PRICES OF THE SAME

WHEREAS, RA 7581 otherwise known as "Price Act" which took effect on June 7, 1992, was enacted primarily to provide protection to consumers by stabilizing the price and supply of basic necessities and prime commodities and by prescribing measures against undue price increases especially during emergency situations and like occasions;

WHEREAS, under the Price Act, the Price Coordinating Council was created to coordinate the productivity, distribution and price stabilization programs, projects and measures of the government and develop comprehensive strategies to effect a general stabilization of prices of basic necessities and prime commodities at affordable levels;

WHEREAS, notwithstanding the Price Act and the presence of the Price Coordinating Council, prices of several construction materials still soared this month due to higher production expenses;

WHEREAS, the Construction Industry Authority of the Philippines (CIAP) disclosed that cement and steel posted the most substantial increase. In fact, Zeny Mora, chief monitoring officer of the CIAP revealed that prices of cement rose by as much as 20 percent, with a 40-kilogram sack of cement now sold by as much as P160-170, from P140 the previous months, allegedly owing to lack of supply. On the other hand, prices of deformed steel bars, used in the construction of houses and buildings, increased from P145 to P170;

WHEREAS, prices of cold-rolled coil, a raw material used for deformed steel bars, increased by 15 percent to 20 percent. However, prices of hot-rolled coil, galvanized iron, and tin plates remain unchanged;

WHEREAS, the National Statistics Office (NSO), reported that the value of building construction for residential buildings rose by 22.8 percent (from P10.9 billion to P13.4 billion) during the same period in 2003, while nonresidential building construction also increased by 18.3 percent (from P7.3 billion to P8.6 billion). In addition to that, the average cost per floor area for residential building construction in the 1st quarter of 2004 is pegged at 5,942, while in the same period last year it was only 5,524, thus posting a 7.6 percent increase. The average cost per floor area for nonresidential building construction was only 5,556 in 2003 compared to 6,979 this year, hence an increase of 25.61 percent;

RESOLVED BY THE SENATE, AS IT IS HEREBY RESOLVED to direct the Committee on Trade and Commerce to conduct an inquiry, in aid of legislation, on the increase in prices of construction materials with the end view of averting sudden and unreasonable increases in prices of the same.

Adopted,


MANUEL B. VILLAR, JR.
Senator