

SENATE

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P. S. Res. No. 677

Introduced by Senator Francis "Tol" N. Tolentino

RESOLUTION

**DIRECTING THE SENATE COMMITTEE ON URBAN PLANNING, HOUSING
AND RESETTLEMENT AND OTHER APPROPRIATE COMMITTEES TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE RISING COST
OF CONSTRUCTION MATERIALS IN RELATION TO THE RECENT ISSUANCES
OF THE DEPARTMENT OF TRADE AND INDUSTRY PROVIDING FOR THE
MANDATORY PRODUCT CERTIFICATION OF BASIC CONSTRUCTION
MATERIALS AND ITS DETRIMENTAL IMPACT ON THE HOUSING INDUSTRY**

1 Whereas, the Coronavirus (COVID-19) pandemic has heavily affected the
2 construction industry. According to data from the Philippine Statistics Authority (PSA),
3 at the height of the enhanced community quarantine, the number and value of
4 construction projects in the first quarter of 2020 shrank by over one-fifth, with
5 construction works also placed on hold;¹

6 Whereas, the stoppage in construction works meant unemployment for many
7 construction workers. According to the PSA, 3,974,000 were employed in the
8 construction industry in October 2020, which was less compared to the 4,179,000
9 employed therein in October 2019;²

10 Whereas, construction prices have increased recently as shown by the doubling
11 of the Year-on-Year growth rate of Construction Materials Retail Price Index (CMRPI)
12 in the National Capital Region (NCR) from 0.6% in January 2020 to 1.2% in January
13 2021;

¹ <https://business.inquirer.net/303142/pandemic-impact-felt-in-construction-too-as-projects-fall-in-number-value>
² <https://psa.gov.ph/statistics/survey/labor-and-employment/labor-forcesurvey/title/Employment%20Situation%20in%20October%2020>

1 Whereas, in the midst of the pandemic and its impact on the construction
2 industry, with the rising costs of construction materials, the Department of Trade and
3 Industry (DTI) issued a series of administrative orders requiring the mandatory
4 product certification of basic construction materials, such as plywood, ceramic tiles,
5 and roofing materials, pursuant to its mandate under Article 5 of Republic Act No.
6 7394, or the "Consumer Act of the Philippines," to develop and provide safety and
7 quality standards for consumer products;

8 Whereas, the Bureau of Philippine Standards, under the DTI, implements the
9 Philippine Standard (PS) Quality and/or Safety Certification Mark Licensing Scheme
10 and the Import Commodity Clearance (ICC) Certification Scheme. Products covered
11 by the mandatory certification are not allowed to be distributed in the Philippine
12 market without the necessary PS or ICC marks;³

13 Whereas, on 15 October 2020, the DTI issued Department Administrative Order
14 (DAO) No. 20-06, which reinstated plywood in the list of products required to undergo
15 mandatory product certification. The Order now requires plywood manufacturers to
16 secure a PS Quality Certification Mark License prior to the sale and distribution of
17 plywood in the market. Importers, on the other hand, are required to acquire their
18 products only from foreign manufacturers holding valid PS Licenses;⁴

19 Whereas, the DTI also issued DAO No. 20-09, adding ceramic tiles in the list of
20 products for mandatory certification, and requiring local manufacturers of ceramic tiles
21 to secure a PS Quality Certification Mark License. Meanwhile, importers are required
22 to secure either a Statement of Confirmation for PS-certified ceramic tiles or ICC for
23 non-PS-certified ceramic tiles;⁵

24 Whereas, the DTI also issued DAO No. 20-10, requiring manufacturers of hot-
25 dip metallic-coated and pre-painted galvanized coils and sheets, whether local or
26 foreign, for roofing and general applications, to obtain a PS Safety Certification Mark
27 License. It also requires importers to source their products only from foreign
28 manufacturers holding valid PS Licenses;⁶

³ <http://www.bps.dti.gov.ph/index.php/product-certification>

⁴ <https://www.dti.gov.ph/news/bps-plywood-certification/>

⁵ <https://www.dti.gov.ph/news/ceramic-tiles-mandatory-product/>

⁶ <https://www.dti.gov.ph/archives/dti-classifies-galvanized-coils-and-sheets-as-mandatory-products/>

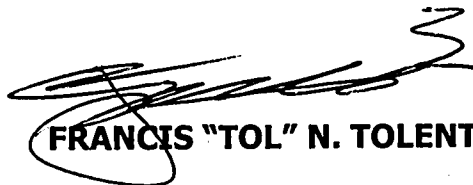
1 Whereas, on 22 January 2021, the Bureau of Customs (BOC) issued Customs
2 Memorandum Circular No. 23-2021, requiring importers of construction materials to
3 submit a Certificate of Conditional Release pursuant to DTI DAO Nos. 20-09 and 20-
4 10, prior to the release of their shipments from the custody of the BOC;

5 Whereas, the implementation of the DTI issuances has caused unnecessary
6 delays by prescribing additional and lengthy procedures prior to the sale, distribution,
7 and importation of construction materials. Inevitably, this will entail additional costs
8 for importers, and may even cause a temporary supply shortage of construction
9 materials, which in turn, will result in price inflation. The steel industry has also
10 appealed to the DTI for ample time to comply with the new requirements and dispose
11 of their shipments which have already arrived or have been ordered prior to the
12 effectivity of the administrative orders.⁷ There were also allegations that public
13 consultations with stakeholders were not properly held;⁸

14 Whereas, these additional requirements may also cause untoward delays in the
15 Build, Build, Build Program of the Philippine government. They may also undermine
16 the intention behind the passage of Republic Act No. 11517, which has authorized the
17 President to expedite the processing and issuance of national and local permits,
18 licenses, and certifications in times of national emergency, such as the COVID-19
19 pandemic;

20 **NOW, THEREFORE, BE IT RESOLVED BY THE SENATE OF THE**
21 **PHILIPPINES**, to direct the Senate Committee on Urban Planning, Housing and
22 Resettlement and other appropriate Committees to conduct an inquiry, in aid of
23 legislation, on the rising cost of construction materials in relation to the recent
24 issuances of the Department of Trade and Industry providing for the mandatory
25 product certification of basic construction materials and its detrimental impact on the
26 housing industry.

Adopted,


FRANCIS "TOL" N. TOLENTINO

⁷ <https://manilastandard.net/business/business-columns/ray-s-e-ano/347273/new-trade-rules-may-raise-prices-of-roofing-materials.html>

⁸ <https://manilastandard.net/business/economy-trade/348804/lawyer-hits-new-dti-steel-roofing-regulation.htm>