

THIRTEENTH CONGRESS OF)
THE REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

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SENATE

P.S. Res. No. 317

RECEIVED BY: [Signature]

INTRODUCED BY HONORABLE MAR ROXAS

A RESOLUTION

DIRECTING THE COMMITTEES ON ECONOMIC AFFAIRS AND TRADE AND COMMERCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE IMPLICATION TO THE DOMESTIC INDUSTRIES AND TO THE WHOLE ECONOMY OF THE PRELIMINARY INJUNCTION ON THE IMPLEMENTATION OF R.A. NO. 8800 ALSO KNOWN AS SAFEGUARD MEASURES ACT

WHEREAS, the State, under Article XII of the Constitution, endeavors to protect Filipino enterprises against unfair foreign competition and trade practices, and adopt measures that help make them competitive.

WHEREAS, Republic Act No. 8800, which was signed into law on July 19, 2000, grants the Secretary of Trade and Industry to issue general safeguard measure to relieve domestic industries suffering from serious injury as a result of increased imports, and the Secretary of Agriculture to issue special safeguard measure when the import volume of agricultural products exceeds its trigger level or when the actual cost, insurance and freight import price falls below the trigger price level.

WHEREAS, under the WTO member countries are expressly allowed to provide their affected domestic industries relief against imports. Article XIX (Emergency Action on Imports of Particular Products) of GATT 1994, in relation to WTO Agreement on Safeguards, provides that the importing government may take general safeguard measures. Likewise, the WTO Agreement on Agriculture allows for the application of special transitional safeguards. Thus, R.A. No. 8800 was passed.

WHEREAS, on July 15, 2005, the Supreme Court promulgated the case of *Filipino Metals Corporation, et. al. vs. Secretary of the Department of Trade and Industry, et. al. (G.R. No. 157498)*, which upheld the preliminary injunction imposed by the Regional Trial Court of Valenzuela City enjoining the application and implementation of RA 8800 until the challenge on its constitutionality is finally resolved.

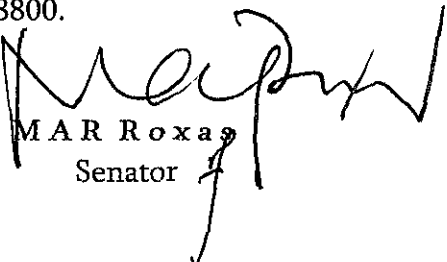
WHEREAS, this recent ruling of the Supreme Court has the effect of removing the protection afforded by the safeguard measures on domestic industries which are suffering serious injury due to high level of imports, pending the effectivity of the injunction. Likewise, this prevents the Bureau of Customs from collecting the safeguard duties on products which are subject to safeguard measures, thus contributing further to revenue loss.

WHEREAS, the magnitude by which the ruling affects our local trade and commerce cannot be downplayed. The preliminary injunction effectively takes away a trade measure that

we are rightfully allowed under the WTO much to the detriment of our local industry, and to our economy as a whole

WHEREAS, there is a need to look into the implications of the Supreme Court decision to the ailing domestic industries that were sought to be protected by the safeguard measures under R.A. No. 8800, and to craft possible remedial measures that would subvert similar developments in the future that seemingly underestimate the importance of safeguard measures.

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct the Committees on Economic Affairs and Trade and Commerce to conduct an inquiry, in aid of legislation, to determine the economic implications of the Supreme Court decision upholding the preliminary injunction which enjoins the imposition and implementation of safeguard measures under Republic Act No. 8800.


MAR Roxas
Senator