



**Republic of the Philippines**  
**SENATE**  
**Pasay City**

# JOURNAL

SESSION NO. 52  
TUESDAY, 21 FEBRUARY 2023

NINETEENTH CONGRESS  
FIRST REGULAR SESSION

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**SESSION NO. 52**  
Tuesday, February 21, 2023

**CALL TO ORDER**

At 3:02 p.m., the Senate President, Hon. Juan Miguel "Migz" F. Zubiri, called the session to order.

**PRAYER**

Sen. Joel Villanueva led the prayer, to wit:

*Let us put ourselves in the presence of the Lord.*

Heavenly Father, we thank and praise You for this wonderful time and opportunity that we can serve our purpose as Your servants for our beloved country.

Today, we ask for Your treasury of wisdom from heaven to be upon us, and let Your favor be upon us as we tackle and deliberate important measures that will pave the way for the transformation of our beloved country.

We pray that You bless everyone here, every senator, every family represented in this august Chamber, and into Your hands we commend everything, as we carefully give back to You all the Glory, all the honor and praise.

In Jesus' Name.

Amen.

**ROLL CALL**

Upon direction of the Senate President, the Secretary of the Senate, Atty. Renato N. Bantug Jr., called the roll, to which the following senators responded:

Angara, S.	Marcos, I. R.
Binay, M. L. N. S.	Padilla, R. C.
Dela Rosa, R. B. M.	Pimentel III, A. K.
Ejercito, J. V. G.	Poe, G.
Escudero, F. J. G.	Revilla Jr., R. B.
Estrada, J. E.	Tolentino, F. T. N.
Gatchalian, W.	Tulfo, R. T.
Go, C. L. T.	Villanueva, J.
Hontiveros, R.	Villar, C. A.
Lapid, M. L. M.	Villar, M. A.
Legarda, L.	Zubiri, J. M. F.



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SENATE OF THE PHILIPPINES

With 22 senators present, the Chair declared the presence of a quorum.

Senator Cayetano (A) arrived after the roll call.

Senator Cayetano (P) was absent and out of the country as indicated in the letter dated February 14, 2023 of her chief legislative officer.

#### **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the following guests:

- Executive Secretary Lucas Bersamin;
- Special Assistant to the President Antonio Lagdameo, Jr.;
- Secretary Benjamin Diokno of the Department of Finance;
- Secretary Amenah F. Pangandaman of the Department of Budget and Management;
- Secretary Arsenio M. Balisacan of the National Economic and Development Authority;
- Secretary Alfredo E. Pascual of the Department of Trade and Industry;
- Secretary Bienvenido Laguesma of the Department of Labor and Employment;
- Secretary Mark Mendoza of the Presidential Legislative Liaison Office;
- Mr. LA Tenorio of the Barangay Ginebra PBA basketball team;
- Ms. Logan 'Logistx' Edra - World Breakdancing Champion, Ms. Becky Garcia - Founder/ President of Philippine DanceSport Federation, Inc., Dr. George Sarakinis - Board Member of Philippine DanceSport Federation, Mr. Montecristo Degoria, and Mr. Lee Razalan Jr.;
- Mayor Jon N. Aying of Sara, Iloilo, and wife Lea Aying;
- Pastor Egay Roble of Jesus is Lord - Singapore; and
- Mr. Joel Angeles.

Senate President Zubiri welcomed the guests and also acknowledged the presence of all the mayors and vice mayors from Bukidnon in the Senate.

#### **APPROVAL OF THE JOURNAL**

Upon motion of Senator Villanueva, there being no objection, the Body dispensed with the reading of the Journal of Session No. 51 (February 20, 2023) and considered it approved.

#### **REFERENCE OF BUSINESS**

The Secretary of the Senate read the following matters and the Chair made the corresponding referrals:

#### **BILLS ON FIRST READING**

Senate Bill No. 1899, entitled

**AN ACT DECLARING THE PROVINCE OF BENGUET AS THE STRAWBERRY  
CAPITAL OF THE PHILIPPINES**

Introduced by Senator Marcos



**To the Committees on Agriculture, Food and Agrarian Reform; and Trade, Commerce and Entrepreneurship**

Senate Bill No. 1900, entitled

AN ACT CONVERTING WANGAL ELEMENTARY SCHOOL IN BARANGAY WANGAL, MUNICIPALITY OF LA TRINIDAD, PROVINCE OF BENGUET INTO AN INTEGRATED SCHOOL TO BE KNOWN AS WANGAL INTEGRATED SCHOOL AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Marcos

**To the Committee on Rules**

Senate Bill No. 1901, entitled

AN ACT CONVERTING TAWANG ELEMENTARY SCHOOL IN BARANGAY TAWANG, MUNICIPALITY OF LA TRINIDAD, PROVINCE OF BENGUET INTO AN INTEGRATED SCHOOL TO BE KNOWN AS TAWANG INTEGRATED SCHOOL AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Marcos

**To the Committee on Rules**

Senate Bill No. 1902, entitled

AN ACT ESTABLISHING A TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY (TESDA) TRAINING ASSESSMENT CENTER IN QUEZON CITY, TO BE KNOWN AS THE QUEZON CITY TESDA TRAINING AND ASSESSMENT CENTER, AND APPROPRIATING FUNDS THEREFOR

Introduced by Senator Marcos

**To the Committees on Higher, Technical and Vocational Education; and Finance**

Senate Bill No. 1903, entitled

AN ACT DECLARING NOVEMBER 23 OF EVERY YEAR A SPECIAL NONWORKING HOLIDAY IN THE PROVINCE OF BENGUET IN COMMEMORATION OF ITS FOUNDING ANNIVERSARY, TO BE KNOWN AS "BENGUET DAY"

Introduced by Senator Marcos

**To the Committee on Local Government**

Senate Bill No. 1904, entitled

AN ACT ABOLISHING THE OPTICAL MEDIA BOARD, CREATED BY VIRTUE OF REPUBLIC ACT NO. 9239, OTHERWISE KNOWN AS THE OPTICAL MEDIA ACT OF 2003, AND FOR OTHER PURPOSES

Introduced by Senator Estrada

**To the Committee on Public Information and Mass Media**



## COMMUNICATION

Letter from the Executive Secretary of the Office of the President of the Philippines, dated 13 February 2023, informing the Senate that the condonation of interest charges in the amount of P13,877,144.86 incurred by the Bantayan Electric Cooperative, Inc. for its overdue power accounts to the National Power Corporation for the period of 2002 to 2015, is recommended for favorable action by Congress, pursuant to Section 36(1) of Presidential Decree No. 1445, s. 1978 (Government Auditing Code of the Philippines), and Section 20(1), Chapter 4, Subtitle B, Title I, Book V of Executive Order No. 292, s. 1987 (Administrative Code of 1987).

**To the Committees on Government Corporations and Public Enterprises; Energy; and Finance**

### SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

*It was 3:09 p.m.*

### RESUMPTION OF SESSION

At 3:56 p.m., the session was resumed with Senator Ejercito presiding.

### ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS

Senator Villanueva acknowledged the presence in the gallery of the representatives of the Standing Committee on Technical-Vocational Education and Training (TVET) and Lifelong Learning and the technical secretariat of the Second Congressional Commission on Education (EDCOM II) led by Dr. Karol Mark Lee and Atty. Joseph Noel Estrada, together with Mr. Alfredo Ayala, Irene Isaac, Fr. Onofre "Jun" Inocencio, Mr. Ed dela Torre, Dr. John Franco, Mr. Charles Kenneth Co, Dr. Christopher Monterola, Mr. Lito Tayag, and Mr. Norman Macapagal.

The Chair welcomed the guests to the Senate.

### COMMITTEE REPORT NO. 29 ON PROPOSED SENATE RESOLUTION NO. 485 (Continuation)

Upon motion of Senator Villanueva, there being no objection, the Body resumed consideration, on Second Reading, of Proposed Senate Resolution No. 485 (Committee Report No. 29), entitled

#### RESOLUTION CONCURRING IN THE RATIFICATION OF THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT.

Senator Villanueva stated that the parliamentary status was still the period of interpellations.

Thereupon, the Chair recognized Senate President Zubiri, sponsor of the measure, with Senate President Pro Tempore Legarda as cosponsor.

### SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Villanueva, there being no objections, the Body approved the suspension of the *Rules of the Senate* to allow DTI Assistant Secretary Allan B. Gepty, lead negotiator for the RCEP Agreement, to respond directly to the queries of Senator Escudero.

**QUESTION HOUR**

*Following is the full exchange between Senator Escudero and Assistant Secretary Gepty:*

**Senator Escudero.** Thank you, Mr. President. Thank you to our distinguished Majority Floor Leader.

**Asec. Gepty,** just some preliminary questions. When was this treaty negotiated and signed?

**Mr. Gepty.** The negotiation was launched in November 2012 and then, thereafter, negotiations followed. And it was concluded on November 15, 2020, and it was also signed by the ministers of the RCEP parties.

**Senator Escudero.** At that time, who signed in behalf of the Philippine government?

**Mr. Gepty.** Sec. Ramon M. Lopez.

**Senator Escudero.** He is no longer part of the government, right?

**Mr. Gepty.** Yes, Mr. President.

**Senator Escudero.** Which departments were part of the negotiating team insofar as RCEP is concerned?

**Mr. Gepty.** It is interagency. The lead agency is the Department of Trade and Industry and we worked together with the Department of Agriculture; of course, the Department of Foreign Affairs; the National Economic and Development Authority; the Tariff Commission; the Department of Finance; the Department of Energy; the BSP; the Securities and Exchange Commission; the National Telecommunications Commission....

**Senator Escudero.** You mentioned that.

**Mr. Gepty.** Yes. Intellectual Property Office of the Philippines; the Tariff Commission; of course, the Bureau of Customs; the Government Procurement Policy Board; the Department of Justice.

**Senator Escudero.** That is it? Was DOLE included?

**Mr. Gepty.** The DOLE, yes.

**Senator Escudero.** You did not mention it yet.

**Mr. Gepty.** I am sorry. I missed that one. And also the Professional Regulation Commission.

**Senator Escudero.** I cite that because, quite frankly, that is one of the most interesting parts of this treaty, if at all, because we know for a fact that the Philippines exports labor. And it is not only in terms of goods that we should be concerned about, but also with respect to accessibility of our labor to enter these foreign markets. But I will proceed to that point later on.

Is it safe to assume that except probably for Sec. Arsenio Balisacan, none of the secretaries seated behind you took part in the negotiations of this treaty?

**Mr. Gepty.** Well, Secretary Diokno, at that time, was with the Bangko Sentral ng Pilipinas, and Bangko Sentral ng Pilipinas was also part of the interagency that negotiated the RCEP agreement.

**Senator Escudero.** As BSP, not as DOF?

**Mr. Gepty.** Yes.

**Senator Escudero.** Anyone else? Sec. Arsenio Balisacan was there, I guess.

**Mr. Gepty.** Yes, of course, because the Philippine Competition Commission was also part of the negotiation.

**Senator Escudero.** So, insofar as DTI, Secretary Pascual, insofar as President Marcos, Undersecretary Ding Panganiban—they were all not there, and you were the chief negotiator of the government?

**Mr. Gepty.** Yes, Mr. President. Starting December 2018 until today, of course.

**Senator Escudero.** Now, Sir, you mentioned a while ago that we have exclusions in the treaty *na ang code sa annex ninyo* is "U," is that correct?

**Mr. Gepty.** Yes—excluded products.

**Senator Escudero.** And "U" stands for?

**Mr. Gepty.** "U"—Unbound, meaning, it is not part of the reduction or elimination of the Tariff Commission.

**Senator Escudero.** So, *kung ano siya pre-RCEP, ganoon pa rin siya post-RCEP?*

**Mr. Gepty.** Yes, Mr. President.

**Senator Escudero.** And what are these products that are considered unbound? To begin with, how many?

**Mr. Gepty.** Thirty-three tariff lines for agricultural products. And then, if you will have to include industrial products, that is 269 tariff lines.

**Senator Escudero.** Including 33? Or is it 269 plus 33?

**Mr. Gepty.** The excluded products for the agricultural products is 154 tariff lines, Mr. President.

**Senator Escudero.** So, is it 154 plus 269 total exclusions *na may category or classification na "U"*?

**Mr. Gepty.** Yes, Mr. President.

**Senator Escudero.** Two hundred sixty-nine plus?

**Mr. Gepty.** No. The total excluded is 269.

**Senator Escudero.** Agriculture products is 154?

**Mr. Gepty.** Agriculture products is 154. I will just check my notes, Mr. President.

**Senator Escudero.** And this was already accepted by other parties to this treaty?

**Mr. Gepty.** Yes, Mr. President.

**Senator Escudero.** All right. May I ask out of curiosity, was there a cap when you were negotiating as to the number of tariff lines that we can exclude? *Or lahat ng hiniling natin ay ibinigay nila; lahat ng gusto natin ay nakuha natin o may cap ba kayong pinagkasunduan na: "Hanggang dito lamang tayo, ha. Bawat bansa ay hanggang dito lamang."* What was the agreement?

**Mr. Gepty.** At the start of the negotiation, the target is to have a higher tariff liberalization.

**Senator Escudero.** Of course.

**Mr. Gepty.** So, as much as possible, if we can target 98% of the tariff lines to be liberalized, then that is the target. And then, we are entitled also to exclude your very sensitive products.

**Senator Escudero.** *May cap ba ang e-exclude na products for each country?*

**Mr. Gepty.** So, basically, based on what I have mentioned, that is around 2% of the total tariff lines.

**Senator Escudero.** How many tariff lines do we have?

**Mr. Gepty.** Right now, that is around 10,000 plus tariff lines. We have the Tariff Commission.

**Senator Escudero.** How many, Sir? So, our agreement insofar as cap is concerned is based on a percentage?

**Mr. Gepty.** Based on the percentage of tariffs to be liberalized, but that is not something that is, I would say, that the parties are bound to work. But that is an aspiration at the time. And then in the course of the negotiation, it was done in a manner that, of course, the RCEP participating



countries will just have to gauge the level of their contentment as far as the offers of the other RCEP participating countries. And if you are okay, then you can close the negotiation.

**Senator Escudero.** Did you ask for additional exclusions that you did not get outside of the 269 that you got?

**Mr. Gepty.** Well, the exclusion is that these are the very sensitive products. So that is something that we have to protect, and, of course, we are not bound to offer...

**Senator Escudero.** Sir, the question is, did you ask for more, but you only got 269?

**Mr. Gepty.** We protected the 269 tariff lines, Your Honor. So, it is them who will ask us.

**Senator Escudero.** *Kaya nga. Itong 269, iyan lang talaga iyong gusto natin.*

**Mr. Gepty.** *Yes po.*

**Senator Escudero.** *Lahat ng gusto natin nakuha natin?*

**Mr. Gepty.** *Yes po.*

**Senator Escudero.** Would that be correct? Is that the exclusion?

**Mr. Gepty.** The exclusion for this negotiation.

**Senator Escudero.** For the negotiation.

**Mr. Gepty.** For this RCEP Agreement.

**Senator Escudero.** You are talking for all, not only for agriculture.

**Mr. Gepty.** *Yes po.*

**Senator Escudero.** Now, let us proceed to the 33 you mentioned. *Ano iyong 33 na excluded? Bakit lumayo iyong 154? You said 154 for agri now. Earlier, you said 33? I think the list given by the Senate President was also only 33.*

**Mr. Gepty.** The 154, these are the excluded tariff lines.

**Senator Escudero.** The lines, which correspond to 33 products.

**Mr. Gepty.** No, Your Honor.

**Senator Escudero.** Okay. So, what?

**Mr. Gepty.** Just to clarify, the 33 tariff lines — basically, these are the set of tariff lines that were offered wherein concessions have been improved. *Ang ibig sabihin po, based on the existing ASEAN Plus One FTAs, dito mo siya in-improve sa RCEP. Iyong 154, ito iyong mga tariff lines na in-exclude po natin. Ibig sabihin, hindi po natin ikinomit ito dito sa RCEP Agreement.*

**Senator Escudero.** *Ibig sabihin, pag excluded, kung ano siya bago mag RCEP, iyon pa rin siya pagkatapos ng RCEP, simply put.*

**Mr. Gepty.** That is correct, Your Honor.

**Senator Escudero.** So, what is the 33 and what is the 154 lines? You are talking of 33 agriculture products, right?

**Mr. Gepty.** *Yes po.*

**Senator Escudero.** Can you enumerate them for the record, Sir, please.

**Mr. Gepty.** For the excluded tariff lines, I will just mention, Mr. President, the product description of these excluded tariff lines. One, swine meat—fresh, chilled or frozen; edible offal of bovine animals—swine, sheep, goats, horses, asses, mules; hinnies—fresh, chilled, or frozen; liver; poultry meat—fresh, chilled, or frozen; potatoes—fresh or chilled; onions, shallots, garlic, leeks, and other alliaceous vegetables; cabbages, cauliflowers, kohlrabi, kale, and similar edible brassicas—fresh or chilled; carrots; lettuce (*lactuca sativa*); manioc (cassava); sweet potatoes; coffee; maize—that is corn; rice; cereal groats; meal and pellets; rolled or flaked grains; other prepared or preserved meat; meat offal or blood; tunas in airtight containers; sugar; instant coffee; complete feed for animals.

**Senator Escudero.** *Iyon na po iyon?*

**Mr. Gepty.** These are the product descriptions of the excluded tariff lines. But if you want to see the specific tariff lines with their HS number, I can request my colleague to flash it on the screen. This is quite technical *po*.

**Senator Escudero.** I was actually going there, because you mentioned earlier when we were discussing here that RCEP consists of 14,000 plus pages.

**Mr. Gepty.** That is correct, Mr. President.

**Senator Escudero.** But I only got two volumes. Clearly, this is not 14,000 pages. So, where are these exclusions found?

**Mr. Gepty.** It is in the schedule of tariff commitments which is annex of the Agreement.

**Senator Escudero.** Specifically, annex what?

**Mr. Gepty.** I will just check, Mr. President. Annex 1...

We have the text of the Agreement, and then we have market access annexes. So, we have Annex 1, the schedule of tariff commitments and we will find there the schedule of the Philippines wherein we have the headnotes, the schedule of tariff commitments, and the appendix on tariff differential.

**Senator Escudero.** May I request that every senator be given a copy of Annex 1 because it is not in the two volumes given to me.

**The Presiding Officer [Sen. Ejercito].** Yes, please provide a copy to all the senators.

**Senator Escudero.** So, *hindi sa hindi siya isinama*, as the gentleman mentioned earlier, *pero may isinama sa listahan pero kinlasify* (classified) *na "U."*

**Mr. Gepty.** Yes, Mr. President. It is in the list as a set of tariff lines but excluded because it is not part of the commitment.

**Senator Escudero.** So, "U" *nga iyong nakalagay?*

**Mr. Gepty.** That is why it is indicated "U" there.

**Senator Escudero.** "U"—unbound.

**Mr. Gepty.** Unbound.

**Senator Escudero.** Kindly furnish us with a copy, Sir. Thank you.

Now, may I ask, what is the logic behind these 33 products? When we say it is sensitive, what does that mean?

**Mr. Gepty.** The 33 agricultural tariff lines — while these are not the sensitive that we have excluded, just to be clear— these are just the tariff lines wherein improved offers were made.

**Senator Escudero.** Meaning? What do we mean by "improved offers were made"?

**Mr. Gepty.** "Improved" in the sense that, for example, we have already an existing ASEAN+1 FTA. So, if we will look at the list, we have the fish fillet, for example. Fish fillet is the product but we have five tariff lines for fish fillet.

Under the existing ASEAN-Australian-New Zealand FTA, the current tariff rate for this fish fillet is 5%. Now in RCEP, we committed to reduce this to 0% in year 15.

**Senator Escudero.** Sir, I do not have Annex 1. I have documents that refer to Annex 1 but this is not what you are mentioning to be Annex 1, which has the "U".

**Mr. Gepty.** The Annex "1", Your Honor, is now—

**Senator Escudero.** *Nasaan na nga iyong may mga "U"?* Thirty-three *lamang kamong* lines, *nasaan na iyong may "U"?*

**Mr. Gepty.** *Iyong may "U" po, ito hinaylayt (highlight) na po nila.*

*At this juncture, a matrix of tariff lines with lines highlighted in yellow were flashed on the screen.*

**Senator Escudero.** *Nasaan na nga iyong may “U” rito?*

**Mr. Gepty.** It is—

**Senator Escudero.** *No. Iyon lamang naman ang importante rito, hindi ba?*

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** You said we have documentary evidence and proof that they are indeed unbound. Just kindly give us a copy. I will not belabor the point.

**Mr. Gepty.** Yes. We will give the distinguished senator a copy *po*.

For example *po*, *rito sa* schedule of tariff commitments—

**Senator Escudero.** *Hindi mo isinama ang corn. Why? In-exclude mo, hindi ba?*

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** Meaning, what it was pre-RCEP will still be what it will be post-RCEP?

**Mr. Gepty.** Yes.

**Senator Escudero.** So, why did you exclude corn?

**Mr. Gepty.** Because that is very sensitive for our agricultural sector.

**Senator Escudero.** Exactly. What does “sensitive” mean?

**Mr. Gepty.** “Sensitive” is that, number one, we have local producers of corn so we do not want this imported corn, of course, to be competing with our local produce.

**Senator Escudero.** Do we have enough corn supply in the country?

**Mr. Gepty.** Based on my recollection, it was quite challenging, so we do not have sufficient production of corn.

**Senator Escudero.** The question is answerable by a yes or no. So, producers will be affected but we do not have enough supply.

**Mr. Gepty.** Yes.

**Senator Escudero.** The same is true for rice. Correct?

**Mr. Gepty.** Correct.

**Senator Escudero.** So, *ano pa iyong ibang in-exclude nyo? Poultry?*

**Mr. Gepty.** Excluded.

**Senator Escudero.** Do we have enough supply? The answer is no, too.

Swine? Do we have enough supply?

**Mr. Gepty.** No.

**Senator Escudero.** So, what makes it sensitive—the fact that there are producers even if we lack supply?

**Mr. Gepty.** Number one, it is a question of competition—competition in the sense that while we have challenges with respect to the supply, there is also that agenda that we have to boost our local production because our target is really self-sufficiency. So, in other words, we want to prevent that scenario that the country will be flooded with these products that will be eventually competing with our local producers. And, of course, if we will allow that, they will have to suffer. So, these are sensitive products that have traditionally been the produce of the Philippines, that is why in all our FTAs we have been very protective of these set of products.

**Senator Escudero.** But not fish?

**Mr. Gepty.** On fish, I recall, Your Honor, we have an airtight tuna that has been excluded. Tunas in airtight containers, correct.

**Senator Escudero.** *Iyong iba*, it did not include fish as part of the exclusions, right?

**Mr. Gepty.** Tunas in airtight containers.

**Senator Escudero.** Exactly, but fresh fish was not included.

**Mr. Gepty.** No.

**Senator Escudero.** So, it can be brought in?

**Mr. Gepty.** Sorry.

**Senator Escudero.** It can be brought in at zero tariff, right?

**Mr. Gepty.** Well, it can be brought in.

**Senator Escudero.** At zero tariff?

**Mr. Gepty.** There are many tariff lines for fish. We just have to check the specific—but basically, most of them have been liberalized.

**Senator Escudero.** Actually, my question is, the definition of sensitive is *may matatamaang* local producer, *hindi ba? Bagaman kulang ang production sa kailangan natin o demand natin*, all those 33, *iyon ang sitwasyon? Kulang iyong supply pero dahil may local producer, in-exclude?* Would that be a correct description of the 33?

**Mr. Gepty.** Just to correct, if we are talking of exclusion, we have to refer to the 154 tariff lines of agriculture.

**Senator Escudero.** We are talking about products.

**Mr. Gepty.** Yes, not the 33. For the 154 tariff lines, of course, as I have mentioned, the sensitivity will have to be gauged on several factors. And No. 1 of them is the presence of our local producers, the availability of supply, and, of course, possible competition with other live products. So, *marami po siyang* factors that we have to take into account.

**Senator Escudero.** *Ano nga? Kasi nagbabanggaan iyong factors na iyon.* Availability of local producer? Check. *Kulang ng supply o sobrang supply, X man iyon o check, depende kung paano natin tingnan.*

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** So, the answer will be different. And in most of the cases here, excluded, *kulang iyong supply natin.*

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** So, what is paramount, *na may* local producer?

**Mr. Gepty.** Well, as I have mentioned earlier, as much as possible, the target is, of course, self-sufficiency. So, if we can produce all the agricultural products that we need, then *mas mabuti po*. But as I have mentioned earlier, in our existing regime right now, we have already opened our market. So, in other words, liberalized *na po halos iyong mga* tariff lines *na iyan. Pumapasok na po iyong mga produkto.*

Now, in the course of embracing an open economy, we have maintained certain sets of products that, I would say, are very, very sensitive for the Philippines; thus, in all our FTA negotiations, we managed to secure or protect them.

Now, as to the determination of whether or not it is very sensitive, of course, the determination is not mathematical. Just because there is a local producer, automatic we have to exclude it. There are many factors for that as we have explained earlier—

**Senator Escudero.** *Kanina pa po binabanggit ang many factors. Tatlo pa lamang po ang narinig ko.* Local producer, sufficiency of supply—

**Mr. Gepty.** Of course, the potential. We have to factor that in. The result of the consultation is very important. We have to consult with the stakeholders. So, *lahat naman po iyan ay tatanungin* because we have to determine, one, if the supply is not sufficient, then maybe we can entertain offering that as part of the schedule of commitments. *Kung sa tingin naman po nila* they can compete, other stakeholders would not, of course, bother reducing the tariff rates. So, *ganoon po iyon*. So, *ang pag-determine kung siya ay isasama* is that, as I have mentioned, *iyong mga factors na iyon kino-consider po ng mga negotiators*.

**Senator Escudero.** For the record, *isa sa mga rason kung bakit iyong mga industriyang iyan ay hindi lumalago at nagiging competitive dahil bini-baby natin nang mahabang panahon*. And if we are going to go to that point, I will ask the gentleman a simple question. Of the 154 tariff lines, how much money did we put in 2023 in order to improve the competitiveness of the local producers? I know the gentleman cannot answer that now but the point is, *hindi ba, kung iyon ang determination*, and they want to be competitive, and at some point, as he said, they wanted to open up our economy, they wanted to open a free trade in almost every product, not only 98% but 100%, what are we doing about it, if any? Did we make any commitments along those lines or forever we can hold on to these 154 lines?

**Mr. Gepty.** Well, that is a good question, actually. But, of course, as we move forward, we have to be sensitive also to the needs and demands of this local industry, local producer and local farmers. So, *hanggang maaari po na puwede silang bigyan ng protection*, of course, we will have to do that.

**Senator Escudero.** Which brings me to my next question. Based on my reading of the treaty and its annexes, you can change it any time, correct? You can reduce the 154 lines, open it up, and make it zero in 3 years, 5 years, 10 years, and 15 years or you can try to negotiate and increase it, correct?

**Mr. Gepty.** Well, that is your right. In fact, you can even do that unilaterally. Even without FTA, if you want to reduce your tariff rights, then that is a decision point that you can, of course, exercise any time, your Honor.

**Senator Escudero.** No. I wanted to clarify that and I want it on record because, essentially, we are voting for something wherein you are telling us that these products produced by our local farmers, not fishermen for sure, are protected. But that is only as of today, right?

**Mr. Gepty.** At least as far as the present schedule of tariff commitments.

**Senator Escudero.** As of today.

**Mr. Gepty.** Yes.

**Senator Escudero.** Which you can change tomorrow, if you want, or next month, or next year.

**Mr. Gepty.** You are right. As a sovereign state, if you want to reduce your tariff rates—

**Senator Escudero.** No, no, no. My question is: Can you change the annexes on your own without having to enter into another treaty, which the Senate needs to ratify? That is an accurate depiction of the situation, correct?

**Mr. Gepty.** Well, that is excluded. If you are going to reduce that, it will be done unilaterally and not part as an amendment of the treaty or the RCEP Agreement.

**Senator Escudero.** Sir, I understand that. I read that in the treaty. My question is: Again, *ipapasa namin ito. Ang dami ninyong ipinakitang excluded. Siyempre, matutuwa ang lahat dahil protektado naman sila. Pero bukas-makalawa, sa susunod na buwan, sa susunod na quarter, sa susunod na taon—sa totoo lamang—puwede ninyo namang tanggalin iyon*. Am I correct?

**Mr. Gepty.** Well, *kung sa puwede ay puwede*, of course, when you offer that, *matutuwa iyong mga RCEP party*. They will agree, but you will have to undergo the process of amending the RCEP Agreement.

**Senator Escudero.** You can do it unilaterally, you said. What is there to amend in the RCEP? *Daraan ulit sa Senado?* I think you are mistaken, Sir.

**Mr. Gepty.** Well, I have to clarify that. No. 1, if you are talking about reducing the tariff rates of these products, it can be done unilaterally even without a treaty. Now, if, in the RCEP Agreement, you have certain commitments, in those commitments, certain tariff lines have been excluded. So, *kung* excluded *siya*, excluded *talaga siya*. Because in that annex, you have stated that it is unbound and so, therefore, it is not covered by the reduction or elimination of tariff rates.

Now, in the RCEP Agreement, as far as those committed tariff lines are concerned, *ang puwede mong magawa, iyong* unilateral acceleration, *iyong* reduction. So, I hope that clarifies, your Honor.

**Senator Escudero.** Sir, it does not. You are not answering my question. The question is: *Nagprisenta kayo ng treaty na may mga exclusions—iyong 33 na binanggit ninyo, iyong 154 tariff lines, iyong may markang “U” o unbound. Iyon ang piniprisenta ninyo ngayon to vote on it. But, in theory, the Executive branch, without the participation of the Senate, without amending the treaty, can actually reduce the number of tariff lines that are not part or excluded or you can decide to put it zero tomorrow or next week. Is that right?*

In fact, when Congress is not in session, the President is empowered to amend the Tariff and Customs Code.

**Mr. Gepty.** That is correct.

**Senator Escudero.** So, he can make it zero.

**Mr. Gepty.** Yes. So, to the question of whether or not you can make it zero, the answer is yes. *Pero kung ang tanong ninyo po* is that doing that, by changing your commitment in the RCEP Agreement, then my answer is that you will have to go through the process of amending the agreement.

**Senator Escudero.** No, no, no. Sir, *klaro naman tayo. Iyong sinasabi ninyong listahan ng exclusions, kaya tinatanggap iyan ay dahil hindi maapektuhan ang lokal na industriya. Ang sinasabi ko lamang po ay iyong annex ay hindi naman bahagi ng treaty na ira-ratify namin. Iyong annex ay puwede ninyong baguhin kahit kailan ninyo gustong gawin iyon at gawing zero bigla lahat iyon. Hindi na “U” ang classification niya, zero, zero, zero na on the second year, on the third year, and on the fifth year. That can be done by the Executive, correct?*

**Mr. Gepty.** *Ay, hindi po.* As far as the RCEP Agreement, which is a treaty, these annexes are part and parcel of the RCEP Agreement.

**Senator Escudero.** Sir, *ang sabi mo nga ay unilateral and that is in the treaty. You can unilaterally make it zero and everyone will clap. Not everyone in the Philippines. All the countries that signed the treaty, as well, they will clap and they will be happy about it.*

**Mr. Gepty.** *Ang sinasabi ko po* is that *puwede mo siyang gawing zero kung gusto mo*, but you have to amend the treaty. You will have to negotiate for that but, of course, *hindi* advisable. *Kasi kung ang question lamang naman ay kung puwedeng galawin*, I mean the treaty can be amended. So, that is why *kapag iyong* excluded the tariff lines *ay iyong isasama sa* commitments, *siyempre po matutuwa iyong* participating parties.

**Senator Escudero.** Exactly.

**Mr. Gepty.** *Again po*, the RCEP agreement, *may proseso po iyan*. The treaty will have to be amended and it will be, of course, modified. Your schedule of tariff commitments will have to be amended. *Iyon po ang* process.

**Senator Escudero.** My question, Sir, is: If you are amending the treaty, will you be getting Senate ratification, or not anymore?

**Mr. Gepty.** It depends on the amendment, Mr. President.

**Senator Escudero.** *Ang pinag-uusapan nating amendment ay iisa lamang po kanina pa. Meaning, ise-zero mo iyong dati, hind ba? Doon sa schedule mo, ise-zero mo iyong dati, hindi ba?* That is the amendment I am talking about.

**Mr. Gepty.** Well, the amendment of the treaty, of course, will depend on the nature of the amendment. If, of course, you are referring to the tariff rate—this is my legal opinion—under the Customs Modernization and Tariff Act, the President is authorized to enter into free trade

agreements. And the parameters by which a treaty or international agreement will be subject to the concurrence of the Senate are—if upon the determination of the Department of Foreign Affairs, under EO 459, it will require change in the law, and, of course, national policy which is permanent in character. *Iyon po ang* determination—

**Senator Escudero.** Sir, we are going in circles. I am sorry.

The treaty clearly says you can unilaterally, right? If it is in the interest of the other country, you will make it zero, you can unilaterally do it.

**Mr. Gepty.** *Kaya nga po. Tama po.*

**Senator Escudero.** *So, nasaan iyong DFA? Ano iyong mga ganon?*

**Mr. Gepty.** *Kasi ang tanong ninyo po is that: Kung whether or not babalik dito sa Senado?*

**Senator Escudero.** *Kapag i-zero ninyo iyan, babalik pa ba tayo dito sa Senado o hindi na? Is that an amendment of the treaty?*

**Mr. Gepty.** *Pwedeng hindi po kasi may mga treaties po kami, trade agreement na executive agreement lamang po.*

**Senator Escudero.** *Hindi. Ito ngang treaty ito, hindi naman ito executive agreement. Ikaw naman.* We are talking about RCEP.

**Mr. Gepty.** *Yes po.*

**Senator Escudero.** So, if you change that from “U,” then decide to make that to zero next week, next year?

**Mr. Gepty.** Well, for me, I think that would require a legal opinion. But, of course, we have to take it into account that this particular agreement, when it is ratified, it is concurred in by the Senate. So, I would submit that any and all changes in the agreement, I think, will have to also defer and consult the Senate on that.

**Senator Escudero.** So, this agreement contains all 14,000 plus pages that we are approving and it cannot be changed unless it is ratified again by the Senate? Is that the official position of the Executive department?

**Mr. Gepty.** I am not in the position to submit that.

**Senator Escudero.** Sir, if you cannot answer for the government, then why are you answering my questions? Somebody should be answering in behalf of the department. You are the chief negotiator, I presumed. I cannot call one by one, every secretary behind you. Whoever I am talking to, presumably, carries the weight of the entire Executive department and answers for the Executive department. Otherwise, what is the whole point of putting this on record?

So, I ask again, if you cannot answer, may we ask someone who can and put on record *na kung binago iyan, kailangan bang bumalik muna sa Senado? Iyong annex ha.*

**Mr. Gepty.** *Kasi po kung ang pinag uusapan kasi ay ang pagbaba ng taripa, of course, it can be done.*

**Senator Escudero.** Yes.

**Mr. Gepty.** *Pero, ang sabi ko nga po is that, if you are going to amend the treaty, then in the RCEP agreement itself, we have a mechanism to do that.*

**Senator Escudero.** Sir, if you will unilaterally lower the tariff, all you have to do is give notice. That is what the RCEP treaty says.

**Mr. Gepty.** *Puwede po talaga i-lower mo.*

**Senator Escudero.** Yes.

**Mr. Gepty.** You can do that. *Iyon nga po ang sinasabi ko.*

**Senator Escudero.** *Kaya nga. Babalik ka pa nga ba sa Senado?*

*Sisimplehan ko na lamang. Tatagalugin ko na lamang. Parang binubudol-budol na kasi. Ibibigay ninyo sa amin iyong...na sinasabing hindi kasama ito, protektado itong industriyang*

*ito. Pagkatapos next week, next month, next year, biglang tatanggalin.* And we would not even be asked when we voted for or against it based on the annex.

So, again, what is the position of the Executive department? You can change it and make it zero anytime, right? The Congress can do it too if we want to.

**Mr. Gepty.** Yes.

**Senator Escudero.** The RCEP merely requires that you notify the other parties. But why would the other parties object, they would love that, correct?

**Mr. Gepty.** Yes.

**Senator Escudero.** They would love that. *Gagawin mong zero. Wala namang papalag, hindi ba? Kung may papalag, tayo. Pero kapag ginawa nga natin,* all that is required is notice that the gentleman intends to do so. Ahead of his schedule, remember?

**Mr. Gepty.** Yes.

**Senator Escudero.** *Kung may schedule?* I found it. So, again for the record, just so that we are clear. So, we can change, reduce the number of tariff lines and impose zero tariffs that are excluded, and impose zero tariffs at any point in time. To clarify further, Congress can actually do it too. When Congress is in recess, the President himself can do it on his own, right?

**Mr. Gepty.** Yes.

**Senator Escudero.** It will not necessitate an amendment of the treaty and therefore another round of Senate ratification, right?

**Mr. Gepty.** Yes, correct.

**Senator Escudero.** So, the only assurance we have is that what the gentleman considered sensitive right now may, at some point in time, not be considered sensitive anymore for whatever reason, and the Executive department can do it.

**Mr. Gepty.** Yes. In fact, even without the commitment of the treaty. Unilaterally, we can really reduce tariffs.

**Senator Escudero.** No, that is all I wanted, actually.

**Mr. Gepty.** Yes.

**Senator Escudero.** Just to clarify because we are voting on it with the annexes attached to it. But then again, the annexes can actually be changed anytime.

**Mr. Gepty.** Yes, that can be changed.

**Senator Escudero.** Thank you. *Iyon lamang naman po.*

Another point, on services. I brought it up earlier. Can the gentleman discuss the aspect of services with GATT. *Inapi nang husto ang mga Third World countries dahil ito ang numero uno sanang puwedeng pagkakitaan ng mga bansang mayaman sa tao, bata ang kanilang mamamayan. Kaya lamang, inimbento ang 911, sadya man o hindi,* and all of a sudden all of these restrictions, all of these restraints insofar as the free movement of people are concerned thereby hindering to export labor. So, what are the milestones that the gentleman has accomplished as chief negotiator insofar as labor export is concerned?

**Mr. Gepty.** No. 1, *kapag labor exports ang pinag-uusapan,* it is not part of the RCEP agreement. *Ang trade in services po dito na pine-pertain po dito* is that *ito iyong sa mga service provider, mga professional po—iyong sa financial services and telecommunication services.* Basically, all the sectors and subsectors under the services sector. So, *iyong mga employment contract po ay hindi po iyan kasama.*

**Senator Escudero.** Teacher, *hindi kasama?*

**Mr. Gepty.** Practice of profession *po iyan. Papasok sa professional services.*

**Senator Escudero.** So, *ano iyong hindi kasama?*



**Mr. Gepty.** *Ano po?*

**Senator Escudero.** Accountant, *kasama?*

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** *Abogado, kasama?*

**Mr. Gepty.** Legal services *po kasama*.

**Senator Escudero.** *Kasama? Ano ang hindi kasama? Kasambahay, hindi kasama?*

**Mr. Gepty.** *Kapag iyon po kasi, contractual na po iyon.* It has to be professional services.

**Senator Escudero.** I do not see the distinction. When a lawyer enters into an agreement with the client, they sign.

**Mr. Gepty.** That is a practice of profession *po*. So, that is covered by trade in services.

**Senator Escudero.** I do not see the distinction, Sir.

**Mr. Gepty.** I will reinstate, please. So, *sa RCEP Agreement po, sa trade in services hindi po kasama iyong mga labor employment, iyong mga nagha-hire, iyong mga contract po iyan. Kung mayroon kasama po diyan, ito iyong professional services which is practice of profession, like lawyers, accountants, and architects. So, iyan po iyong mga ne-negotiate dito.* And, I have to tell the Body that in this RCEP Agreement, we were able to secure enhanced guaranteed market access for additional subsectors on top of the existing market access that we have already secured in other FTAs.

**Senator Escudero.** Such as?

**Mr. Gepty.** So, for example *po, kapag pinag-uusapan natin ay commitment ng China, they have a new commitment on market access for legal services and accounting, except Chinese law practice. So, what does it mean? It means that our lawyers, our accountants, they can, of course, set up an office in China and practice their profession, lawyers lamang. Hindi puwedeng mag-appear doon sa Chinese court. We also have auditing and bookkeeping services. So, iyong mga auditors natin, iyong mga bookkeepers, they can practice their profession there in China. Taxation services, architectural services, even hairdressing, and other beauty services. So, as a business po ito. And, of course, passenger and freight transport services for China. In the case of Australia, we have—*

**Senator Escudero.** Hold on, Sir. *Binanggit ninyo ang hairdresser.* The definition of a profession is that one is required to pass a licensure exam of the government. Hairdressers are not part of it....

**Mr. Gepty.** *Pero hindi po kasi ito kasama, if you are going to define it in its technical sense, as profession that would require the necessary licensing requirement. Ito po kasi, trade-in services, halos lahat po ay na-cover niyan.* So, that is why I mentioned earlier even financial services, telecommunication services, construction services, forwarding, retail, et cetera, *kasama po iyon as services po.*

**Senator Escudero.** When you say “services,” *iyong labor natin ang pupunta roon?*

**Mr. Gepty.** *Sa services po kasi, Your Honor, there are four modes of providing services. So, number one, we have the Mode 1. Kapag sinabi mong Mode 1, meaning, iyong service provider ay galing po sa ibang bansa or outside your territory, providing services to a client here in the Philippines. So, that is the Mode 1. Iyong Mode 2 po, is iyong tinatawag nating consumption abroad. So, let us say, ako, pupunta ako sa Australia para magpagamot. So, that is Mode 2. So, I am availing of the services of a service provider outside the territory.*

*Iyong Mode 3 po, ito iyong tinatawag nating may commercial presence. Ito iyong pupunta na sila dito sa atin, magtatayo ng opisina, and, of course, magka-conduct ng kanilang business operation.*

*Iyong Mode 4 po, ito iyong movement of natural persons. So, ibig sabihin, tao na mismo ang pupunta na rin ho dito para, of course, magtrabaho, and, of course, mag-practice ng profession.*

**Senator Escudero.** I am clearly referring to your Mode 4, Sir. Again, *sabi mo kanina* "professions." *Ang* definition *ng propesyon* — *pumasa ka sa isang* government-sponsored exam. *Pero biglang isinama mo ang* construction—*biglang isinama mo ang* construction services; *isinama mo ang* hairdresser, is that Mode 4?

**Mr. Gepty.** *Ang* professional services *po* part *lang* *siya* *ng* trade-in services. So, *sa* services *po*, *marami* *hong* subsectors. So, *iyong* professional services in its technical sense that you have to pass certain licensing exam or board exam, for that matter, *papasok ho* *iyon* *sa* professional services. *Pero may ibang* services, not necessarily services *na kasama pa* *po* *sa* trade-in services.

**Senator Escudero.** *Ano-ano nga* *iyong* *kasama*? *Noong* *tinanong* *kita* *kanina* *kung* *ano* *ang* *kasama* *sa* trade-in services, *sabi mo* *propesyon* *lang*. So, *ano ba* *iyong* *ibang* *kasama*? I asked you earlier—construction worker, *puwede*?

**Mr. Gepty.** *Hindi po* *kasama*—

**Senator Escudero.** —*puwede bang* *magdala* *ng* construction worker *ang* *isang* contractor *na* *taga-Pilipinas* *para* *magtrabaho* *sa* *ibang* *bansa*?

**Mr. Gepty.** *Hindi po* *siya* *kasama*, as I mentioned *kanina*, Your Honor. *iyong* *mga* labor employment *natin*, *iyong* *mga* contractual, *hindi po* *siya* *kasama*. Employment *po*, *hindi*.

**Senator Escudero.** *Paano* *iyong* hairdresser?

**Mr. Gepty.** *Ang* hairdressing *po* is as a business. So, if you want to set up hairdressing services there, so that can be done because that is a business.

**Senator Escudero.** *Ang* *iha-hire* *niya* is Chinese *hindi* Filipino.

**Mr. Gepty.** *Ang* *kliyente* *niya*, *siyempre*—well, most probably.

**Senator Escudero.** *Hindi, hindi, hindi.* *Iyong* *gagawa* *ng* *buhok* is a Filipino or a Chinese?

**Mr. Gepty.** Well, Filipino *po* *kasi* *ang* *nag-open* is China. So, our—

**Senator Escudero.** *Hindi, hindi, hindi.* *Tayo* *ang* *magbubukas* *doon*. *Sabi mo* *na-negotiate* *ninyo*, *nadagdag* *ninyo* *iyon*. So, *magbubukas* *ng* *salon*, *hair* *salon* *doon* *ang* *isang* Filipino—

**Mr. Gepty.** Yes, if I am an owner of a salon or hairdressing, I can set up a business there.

**Senator Escudero.** Yes, but can he bring his own people there, thereby, providing employment opportunities for Filipinos in China.

**Mr. Gepty.** *Hindi na po* *iyon* covered *ng* RCEP agreement because *papasok na po* *iyon* *sa* employment. So, *iyong* *mga* labor employment contracts *na po* *diyan* *ang* *mag-a-apply*.

**Senator Escudero.** *Na hindi* *kasama* *sa* RCEP.

**Mr. Gepty.** —*na hindi* *kasama* *sa* RCEP.

**Senator Escudero.** And you are proud of the fact *na binuksan* *natin* *iyon* *para* *maka-pagnegosyo* *ang* *mga* Filipino *roon*—

**Mr. Gepty.** That is one *po*.

**Senator Escudero.** —*na magbibigay* *ng* *trabaho* *sa* Chinese nationals instead of giving work, perhaps, the Filipinos here. I do not get it.

**Mr. Gepty.** Well, of course, *marami* *naman* *pong* aspects and benefits *ang* *makukuha* if you set up a business there. In fact, *isa rin po* *iyon* *na* *magandang* interest. I mean, it is good to see Philippine companies branching out outside the country.

**Senator Escudero.** So, in other words, Sir, *hindi* *kasama* *ang* labor contracts *at* employment *ng* *mga* Filipino *dito* *sa* RCEP?

**Mr. Gepty.** *Hindi po*.

**Senator Escudero.** In fact, that was not even part of GATS.

**Mr. Gepty.** *Hindi po*.

**Senator Escudero.** Why are we not negotiating for that? I do not get it. *Hirap na hirap iyong mga Pilipino, naloloko pa, nai-illegal recruiter pa* because our government negotiators never negotiated for them. They are doing it entirely on their own, and yet we are rich in labor. It is these countries we are signing these agreements and treaties with that are actually rich in produce and products that they want to sell to us for free, meaning, tariff-free. Why is anyone not pursuing this or pushing this? I do not understand that.

To cite you another example, Sir, *maraming Pilipino ang nagalit noong panahon ni Pemberton pero kailangan mong saluduhan ang Amerika sa ginawa nila sa sarili nilang mamamayan mismo—pinrotektahan, sinundan, binantayan hanggang sa dulo, hanggang natulungan na makauwi sa bansa.* We had one Spanish national convicted of a crime in the Philippines, if I am not mistaken, Larrañaga. You know what the Spanish government did? They negotiated some sort of a prisoner-exchange treaty with the Philippines, simply because of one national. Now, all I ask is for our negotiators to never enter into trade agreement such as this, would not only think of goods that we lack, we sorely lack. *Sinara ninyo pa nga, may tariff pa rin kung ano iyong kulang natin.* And yet, what we have a lot of, nobody seems to be pushing for it. Why?

This would be my last point, Mr. President. I thought, finally, it is there. The closest one you got was JPEPA, but it requires certain units and certain understanding of the Japanese language, which is a barrier too, *di ba? Iyong betertiaryo nga hindi naman nakakausap iyong aso, dinadaan lang sa tahol kung ano ang nararamdaman ng aso* and yet *nagagamot niya iyong aso.* Why did we allow it? But, in this particular instance, we specifically excluded it. Did we even fight for it, Sir? Did we even fight for our nationals? I know they are visa-free when they go to any ASEAN country. They need a visa when they go to China; they need a visa when they go to Australia. But, *wala tayong itinulak o ginalaw sa direksiyong iyon* insofar as RCEP is concerned. That is why I asked earlier, you failed to mention DOLE but you said DOLE is included. *Asan iyong aspetong iyon?*

Sir, you have 10 million Filipinos working abroad, no protection whatsoever. *Hindi kasama sa mandato ng mga konsulado at embahada natin na protektahan sila, at itinuturo sa OWVA palagi, itinuturo sa DOJ, itinuturo sa DOLE,* where is that aspect? We are one of the countries in the world that actually has the most number of Filipinos working or living, or residents abroad and we are not even doing anything about it and there is nothing here that provides for it.

**Mr. Gepty.** Can I?

**Senator Escudero.** Sorry for the litany, Sir.

**Mr. Gepty.** Number one, Your Honor, if we are talking about free trade agreements, *talagang hindi po kasama iyong labor and employment aspect.* So, basically *po* trade and investment.

**Senator Escudero.** Sir, *hindi kasama dahil hindi sinasama ng mayayamang bansa na mayaman sa mga produktong gustong pumasok dito nang libre. Tayo iyong maraming labor and yet hindi natin ipinaglalaman na makapasok sa kanila para makapagtrabaho, makapagpadala ng pera sa kanilang pamilya at maprotektahan habang nandoon sila.* Where is it written? That is not part of it. *Kaya nga may GATS. Kaya hindi lang GATT iyon, GATS, di ba?* But, third world countries have always followed the tune, the beat, the western countries, the big producers, actually set. I have not seen any actual negotiation that has been pushing for this.

**Mr. Gepty.** If I can explain, Your Honor. So, *iyon nga po ang sabi ko, iyong concern po natin sa labor employment. Ang track po nating ginagamit diyan is iyong mga bilateral labor agreement natin na ang nagli-lead po iyong Department of Labor and Employment. Dito po sa mga trade agreement negotiations, what we are doing is to pursue our offensive interest to give more opportunities for our professionals. Iyan po ay isa sa mga mandato namin. Kaya every time na may opportunity po kami na maka-workout ng, for example, mutual recognition hanggat maaari, then offensive interest iyon, gagawin po natin.* So, *dito po sa RCEP agreement, kung mayroon po rito na masasabi ko na oportunidad sa ating mga professionals is itong market access na binuksan ng ating mga kausap. Tapos po mayroon po ritong platform na kung saan ang RCEP parties puwedeng mag-usap on what we call "mutual recognition arrangement."* So, *ibig sabihin po niyan, oportunidad na iyong mga professionals natin ay ma-recognize doon sa mga RCEP parties, at least, for purposes of the necessary requirements of licensing or even the recognition of the profession itself.*

**Senator Escudero.** Sir, *saang batas nakasulat na hindi ninyo puwedeng tulungan iyong mas mababa na manggagawa, at mga propesyonal lamang ang tutulungan ninyo? Saang batas po iyon? Why did you limit it to that?*

**Mr. Gepty.** *Kasi po, I am just explaining po iyong trend ngayon sa FTA.*

**Senator Escudero.** I do not care about the trend because most FTAs again push for free trade in goods because that is what they have a lot of. What we have a lot of would be services. Now, why aren't we pushing for it? Why aren't we putting it as part of the agenda of what we will be asking for? *Sige, ipasok ninyo ang produkto ninyo; sige, maraming trabahong ibinibigay sa mga mamamayan dahil may manufacturing sila riyon—papaano naman tayo?*

Now, *saan nakasulat, Sir? Who limited you insofar as being the chief negotiator is concerned and negotiating only for and in behalf of professionals, and of people establishing businesses there and not the lower labor force that we actually have? Saan po nakalagay iyon?*

**Mr. Gepty.** *Ganito po iyon, Your Honor. At the start of the negotiation, usually po, bago kayo mag-negotiate talaga on the basis of the text and the rules, for example, mayroon tayong tinatawag diyang na, usually, guiding principles and mayroon kang scoping paper wherein you identify the areas wherein you will have to negotiate and agree on certain rules. Halimbawa, mag-uusap kayo isama ang goods, services, investment, financial services, IP, competition, government procurement—tama po kayo na if your interest is to push for labor, puwede naman po talagang gawin iyon. In fact, ang trend nga po ngayon sa mga bagong FTA is that may mga nagpu-push na magkaroon ng labor chapter or labor provisions sa mga FTA.*

Now, as to the contents of the chapter or the provisions, that would really depend on the negotiation. *Ngayon po, dito lamang sa RCEP, unang-una is that it started with 16 participating countries. So, ang napagkasunduan po, ito ang ating sasakupin ng negosasyon. Iyong labor po ay napaka-sensitive na bagay sa ibang mga bansa. May mga bansa na, I would say, very reluctant incorporating in an FTA certain labor provisions, much more, chapter. So, ganoon po ang nangyayari.*

Even *ngayon po sa mga bagong FTA, iyan ang isa sa mga challenges. And, in fact, ongoing po iyong consultation namin ngayon. Tinatanong din namin ngayon iyong mga stakeholders about their willingness and readiness to include provisions and chapters on FTA. But for this RCEP agreement, iyon nga po, wala rito iyong labor aspect na iyon.*

**Senator Escudero.** So, there is no law nor declared or avowed policy that says "You cannot do this."

**Mr. Gepty.** *Wala po.*

**Senator Escudero.** You just think it is not acceptable to the other treaty, parties—

**Mr. Gepty.** As long as the negotiating parties agree to include that, you can always include that.

**Senator Escudero.** But did we ever push for it?

**Mr. Gepty.** I could not recall that the same was discussed, Your Honor.

**Senator Escudero.** No, did you push for it, as the chief negotiator?

**Mr. Gepty.** I did not, Your Honor. Because, number one, at the time that I came in, the scope was already defined.

**Senator Escudero.** So, *hindi ikaw ang nagsimula nito?*

**Mr. Gepty.** No, Your Honor.

**Senator Escudero.** *Sino ang nagsimula?*

**Mr. Gepty.** It started in 2012, Your Honor.

**Senator Escudero.** Who was our chief negotiator at that time?

**Mr. Gepty.** It was Dir. Angelo Benedictos and then, thereafter, he was replaced by Asec. Anna Robeniol; and then, myself, Your Honor.

**Senator Escudero.** So, why was DOLE even included, to begin with? *Mga propesyonal lamang pala at magnenegosyo sa ibang bansa ang ine-negotiate ninyo.*

**Mr. Gepty.** Well, of course, Department of Labor, *siyempre po* interested *din po sila* on opportunities. And under the trade agreement—

**Senator Escudero.** I am sorry, Mr. President. Opportunities for whom?

I never considered DOLE to be giving a watchful eye on lawyers, that they will have an expanded market for their services. I am not aware of any program of DOLE that actually looks out for accountants to make sure that they can exercise their profession in some other country. The mandate of DOLE is principally more for ordinary labor which we call contractual labor, not professionals.

**Mr. Gepty.** Of course, one is to create opportunities as much as possible; two, is that we have to defend also our interest because *sa* trade in services we have, as I have mentioned, the mode for the movement of natural person. So, we are very protective also, we have to ensure that the Labor Code of the Philippines will be complied with. *Kasi, alam naman po natin dito na ang mga foreigners hindi basta-basta makapagtrabaho.* So, *ito po iyong* instances that we have to cover in the negotiation.

**Senator Escudero.** I agree with that. The same is true with professionals for that matter. How can a Filipino lawyer set up shop, or set up a law firm, or an office in China when he does not even know about the laws of China?

**Mr. Gepty.** Well, *unang-una po iyong* practice is very comprehensive. If you are a lawyer who wants to practice international trade law, for example, then why not set up an office in China, or Australia, or any RCEP parties that you think there is an opportunity? In the process, you will be getting clients also, that is one. If you are more into, let us say, commercial practice, like, intellectual property, for example, then that is an opportunity for lawyers, Your Honor. But, of course, you have to face reality also that if your intention is to appear before Chinese courts, then it will be very challenging *po*.

**Senator Escudero.** You cannot unless you can negotiate a rule of reciprocity which we have, for example, with California and, if I am not mistaken, New York—only two States in the U.S. where there is reciprocity. Actually, it is only one-way; it is not reciprocal. American lawyers cannot practice here, but Filipino lawyers, for as long as they pass the California Bar or the New York Bar, can actually practice there; but an American, even if he passes the Philippine Bar, cannot practice law in the Philippines.

**Mr. Gepty.** Yes.

**Senator Escudero.** Because one of the requirements is you have to be a Filipino citizen and that you have studied and passed in a Philippine law school. So, *walang ganoon.* In this treaty *ay puwede?*

**Mr. Gepty.** *Dito po ay hindi po siya* covered, *pero mayroong platform po* to talk, negotiate further on mutual recognition arrangement.

**Senator Escudero.** *Wala pa?*

**Mr. Gepty.** *Wala pa po.*

**Senator Escudero.** Platform *lamang* or opportunity to do it?

**Mr. Gepty.** Yes *po*.

**Senator Escudero.** And is there a platform or opportunity too to talk about contractual labor? Can you use that same platform insofar as contractual labor is concerned?

**Mr. Gepty.** Well, for purposes of including, every five years, the agreement will be subjected to general review. So, if you want to push for it and you think there is relevance in the trade and investment scope of the agreement, then, of course, these are the things that you can consider, but, of course, you have to take into account also the position of other RCEP parties, Your Honor.

**Senator Escudero.** Sir, *okay lamang naman sa akin iyon,* but I hope, as chief negotiator, and I hope, insofar as the DTI is concerned—I see Secretary Fred—it is all right to lose an argument,

Sir, pero nakakataba pa rin ng puso sa parte ng sinumang Pilipino na nakikitang ipinaglalaman sila. Hindi mo naman kailangang makuha ang lahat ng hinihiling at gusto mo na pangarap at mithiin para sa ipinaglalaman mong bayan, pero, at least, makita man lamang nila na ipinaglalaman mo, hindi iyong pakiramdam mo ay ayaw nila kaya huwag na lamang at nakakahiya.

**Mr. Gepty.** Hindi po.

**Senator Escudero.** That should not be the case. That should never be the case.

Last point, Mr. President. So, if we add contractual labor, is it an amendment to the treaty?

**Mr. Gepty.** Of course.

**Senator Escudero.** You need to come back to the Senate?

**Mr. Gepty.** Well, it is an amendment of the RCEP agreement, Your Honor. As I have mentioned—

**Senator Escudero.** No. Is this an amendment to the RCEP? Because *walang* reciprocity, there is a platform to negotiate for reciprocity, if all of a sudden reciprocity is agreed upon by all parties. Is it an amendment? Do you come back to the Senate?

**Mr. Gepty.** Well, as to the amendment, yes. As to whether or not it will be submitted again to the Senate for concurrence after ratification, then my answer is that it would depend on the final outcome of the said amendment, Your Honor.

**Senator Escudero.** What do you mean?

**Mr. Gepty.** Well, because for purposes of concurrence, the determination will have to be done, of course, by the Department of Foreign Affairs, if the same will be considered as a treaty or international agreement, or it would suffice that it be classified as an Executive agreement.

**Senator Escudero.** I want to find out the position of the Executive department under the leadership of President Marcos. Is an amendment to a treaty not an executive agreement? Is an amendment to a treaty, subject to Senate ratification anew, given that the treaty itself was ratified by the Senate? What is the position of the Executive department?

**Mr. Gepty.** Well, I do not want to preempt, Your Honor, because I am not in a position to submit my opinion on that, but, of course, we can always confer to the whole Executive department.

**Senator Escudero.** You are representing the Executive department here, Sir. You can consult. *Pwede kang magpabulong.* You have an able and excellent lawyer and former Chief Justice behind you who happens to be Executive Secretary—the little president. And, I guess, on matters pertaining to legalities, the president would consult one of the best legal minds in the country up to today. So, may we get an answer, Sir? Will it be submitted to the Senate for ratification under the administration of President Marcos? Under a new president, of course, it will be a different answer probably, but under this administration?

## SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

*It was 4:55 p.m.*

## RESUMPTION OF SESSION

At 4:59 p.m., the session was resumed.

Upon resumption, the exchange between Senator Escudero and Assistant Secretary Gepty continued, to wit:

**Senator Escudero.** Thank you, Mr. President.

During the lull, Mr. President, my understanding from our resource person is that if it is a substantial amendment, then it would necessitate for them to come back to the Senate and seek ratification. If it is not a substantial amendment, there would be no need and can be covered by a simple executive agreement.

May we just, for the record, have a definition of what substantial means?

**Mr. Gepty.** For purposes of determining, Your Honor, if it will be submitted to the Senate for concurrence, of course, my basis is the decision of the Supreme Court: 1) if it will require change in policy which is permanent in character, then the agreement will have to be submitted to the Senate for concurrence; 2) if it will require amendments of our laws or legal regime for that matter, then we have to submit the ratification for concurrence of the Senate. But if the agreement is really: 1) interpretative; 2) administrative; or 3) for operational purposes, then the same can be considered as an Executive agreement.

**Senator Escudero.** And, therefore, would not necessitate Senate concurrence.

**Mr. Gepty.** That is correct, Your Honor.

**Senator Escudero.** Thank you, Mr. President; thank you, Your Honor; thank you distinguished colleagues for their time.

### SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

*It was 5:01 p.m.*

### RESUMPTION OF SESSION

At 5:04 p.m., the session was resumed.

### TERMINATION OF THE SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Villanueva, there being no objection, the suspension of the *Rules of the Senate* was terminated.

### INTERPELLATION OF SENATOR MARCOS

At the outset, Senator Marcos thanked Senate President Zubiri and Senator Legarda for taking over the measure, which fell under the jurisdiction of the committee that she herself chaired. She then began her interpellation by quoting the Senate President himself, to wit: "International bodies and organizations such as the Asian Development Bank (ADB), the World Bank (WB), the United Nations Conference on Trade and Development (UNCTAD) have recognized the immense value and importance of the RCEP, especially in the post-pandemic recovery." She then juxtaposed the quote with an UNCTAD research paper by Dr. Nicita, which states that "the tariff concessions under the RCEP will result in lower exports by the Philippines." She added that the study showing the overall effect of RCEP would be a decrease in Philippine exports by US\$100 million, which was completely the opposite of what the Marcos Administration claimed.

She also mentioned that a Boston University study conducted by Banga *et al.* had shown that Philippine exports would decline by 0.2%, while imports would rise by at least 0.2%. She stated that even with the sensitive list of tariff rate quotas in the annexes mentioned by Senator Escudero, the aforesaid study estimated that the Philippines' balance of trade in goods would deteriorate by a minimum of 1.1%, or a loss of US\$260 million per annum. She opined that with all the losses on top of an estimated US\$58 million annual loss in tariff revenue, the country would experience a bit worse, before it would get any better.

Asked to comment on contrary projections by the Department of Trade and Industry (DTI), the Department of Agriculture (DA), as well as other economic managers, Senate President Zubiri stated that all the studies were made prior to RCEP's ratification by the other countries. He then underscored some country figures, which he mentioned earlier in the discussion of the measure, relative to exports: 1) Vietnam, 16.4% increase, with a total value US\$108 billion; 2) Thailand, 7.1% increase in 2022, at around US\$300 billion in trade with other RCEP member countries as soon as it ratified the agreement; 3) Cambodia, 4% increase in 2022 at US\$31 billion, with a 17.6% increase in garment export to Australia alone because of RCEP, for US\$102 million, and a US\$6.5 million trade deal with Japan that involved yet again its garment industry; and 4) Malaysia, 25% increase, which accounted for 58% of the total trade of the country. Relative thereto, he stated that the neighboring countries had been gaining financial ground from joining one of the largest trade agreements in the region, adding that there were likewise many studies that would prove that RCEP member countries gained higher exports since they joined in 2022.

Senator Marcos stated that while she had no desire to argue with Senate President Zubiri, the aforementioned data must be placed in proper context, as he pointed out that trade increases in Thailand, Vietnam, and Cambodia could not be attributed entirely to the RCEP. She stated that it might mean that the country was engaging in more active trade with other ASEAN neighbors. To illustrate, she stated that the China-Philippines bilateral trade increased by 8.3% during the first 11 months of 2022, which was a clear recovery from the pandemic, and Philippine exports to South Korea increased by 16.9% during the first three quarters of 2022. In both examples, she noted that although both South Korea and China had been RCEP member countries, the Philippines was not. He opined that the Philippines' increases in trade without the RCEP was greater than the examples mentioning Thailand, Cambodia, and Vietnam.

In that regard, Senator Zubiri stated that the country's decision not to join the RCEP and remain isolated from the rest of the region might have some repercussions such as Japan deciding to conduct trade instead with other countries like Cambodia and Vietnam, despite President Marcos' recent visit to Japan. He maintained that the country's reluctance to join the RCEP due to the likelihood of lower export figures risks isolating it from the rest of the region.

He recalled the previous session's example of the e-vehicle company investors whom he brought to the Philippines the week before. He stated that should the government decide not to join the RCEP, it would be more advantageous for them to conduct their business in the Singapore - Johor, Malaysia region, as it would allow them to sell their vehicles within the wider RCEP region rather than just in the United States. He emphasized that the country's non-participation in the RCEP would make it harder to attract foreign direct investments and would prevent it from improving its export performance.

Senator Legarda informed the Body that before taking on the challenge of shepherding the measure alongside the Senate President, she asked Senator Marcos what was wrong with the RCEP, to which the latter replied that there was none, except for smuggling and lack of support for the agriculture sector, so she accepted the responsibility.

*At this juncture, Senator Villar (M) relinquished the Chair to Senator Ejercito.*

She informed the Body that several studies had been conducted on the impact of the RCEP, including those led by Banga *et al.*, Dr. Caesar Cororaton of Virginia Polytechnic Institute, and Dr. Francis Quimba of the Philippine Institute for Development Studies, but that only the Banga *et al.* led study yielded a negative conclusion.

She also pointed out that the Cororaton study projects that by 2031, the RCEP will improve the country's trade balance, increase GDP by 1.93%, reduce poverty incidence by 3.63% and





poverty gap by 3.49%, and lower poverty severity by 3.82%. On the other hand, she stated that the study of Dr. Quimba predicts a 10.74% increase in exports and a 2.02% increase in real GDP. However, she said that they were just statistics and that she understood Senator Marcos' concerns because they share the same advocacies.

She also stated that the RCEP resolution included provisions and resolatory clauses that would mandate and task the agencies and Cabinet members to work with the Body in order to mitigate the potential negative impact of the trade deal on those sectors.

She said that the resolution was not a panacea, considering that the government already has several ASEAN FTAs in place, including two bilateral FTAs with Australia, New Zealand, and Japan, which have had a positive impact.

Senator Legarda recalled that as chairperson of the Committee on Foreign Relations, she sponsored the European Free Trade Association (EFTA) with non-EU countries, including Switzerland, which had a trade deficit with the Philippines during the pandemic. She stated, however, that she had learned that the Philippines has a trade surplus with EFTA countries due to the country's export of Laguna-made electric fans and vacuum cleaners to Switzerland.

She expressed hope that Senator Marcos would be persuaded that the FTA would benefit the Philippines. She believed that the country should not be left behind because all ASEAN nations had participated in the RCEP but acknowledged that she shared the latter's concern.

As an example, she stated that if Indonesia exports chocolate and Japan lowers tariffs as part of the RCEP, the Philippines would be unable to export local cacao because it is not a member of the RCEP.

Senator Marcos raised her concerns at this point through the following manifestation:

We are repeatedly told everywhere we go that we are the last country to ratify this trade agreement, this treaty. However, the reality is, at the outset, a major economy refused to even join the discussion. Is it not a fact that India did not join RCEP precisely because of concerns similar to ours here in the Philippines on threats of circumvention of rules of origin, issues of trade deficit, and the potential flood of imported goods? We share the same problems with India, except that they are much bigger and they are much stronger. And what about that growing trade deficit not projected, but actually recorded already in several countries? This is a major concern.

I would also like to mention the statement made by the sponsor that adequate safety nets are provided in the agreement to cover unwarranted or exceptional circumstances. May I simply say that these supposedly sufficient safeguards are not safeguards at all, simply because the success rate for successfully defending Article 20 of the GATT and Article 14 of the GATS, the services agreement, is less than 33%.

A study in 2015 reveals that out of 43 cases involving Article 20 of GATT and Article 14 of GATS, only one was successful. *Wala naman diyan nananalo. Kaya itong mga emergency measures na sinasabi ay parang palamuti na lamang at parang consuelo de bobo sapagkat hindi naman nagagamit, hindi naman napapanalunan. Ito nga ang kinakatakutan natin.*

*Mayroon tayong Senate resolution on the concurrence to RCEP, including measures and instructions to government agencies, in an attempt to provide additional safety nets to the vulnerable sectors, particularly the agricultural sector. Ito nga ang problema. Nakita natin ang Rice Tarrification Law, may fund na sinasabi. Yet, studies showed that the income of farmers fell by 40%. How do we ensure that the measures indicated will indeed protect the vulnerable sectors? Ito nga ang mga problema natin. May bisa ba talaga itong mga safety nets na ito? Ginagamit ba natin nang madalas at talaga bang may epekto? Iyan ang tanong ko.*

I would also like to put on record the reported conclusion that there are great potential gains for the Philippine agricultural sector. It is not clear how the sector can capitalize on these potential gains given the sorry state of agriculture in this country.

Presently, we are struggling to provide basic agricultural services that were promised as early as 1994 with the WTO. *Hanggang ngayon*, in the last 10 years, *ang* compounded annual growth rate of irrigated areas is only 2%. We cannot deliver the basic services. Do we really believe we can deliver the services necessary to make our farmers capitalize and transform into competitive partners in whatever RCEP has to offer?

In addition, a good bulk of the potential exports of Philippine agricultural products will be destined for China. Given the recent moves by our government, which China has specifically already manifested disappointment with the additional EDCA sites, is it realistic to project that China will be buying all our durians? We are already witnesses to what has happened in the last few years with the Australia-China trade wars. Is this what we want to happen?

And, also realistically, the peak of the fruit bearing for durian is not tomorrow; it is after 10 to 15 years. Our Senate President knows that very well, he comes from Mindanao. And I believe that we should not make these promises simply because we will be fraught to fulfill them.

Also, it is claimed that the RCEP will benefit the MSMEs due to a platform called "RCEP-SMEs" that institutionalizes support and cooperation for them to be integrated in the great global production chain.

The truth is, Article 14 of RCEP, the single article pertaining to MSMEs, uses very vague non-committal words such as "encouraging MSMEs," "promoting," "exploring." By these provisions, are we certain that best practices in trade will, in fact, engendered? Is there a sanction? Will they be punished if they do not do this? This is a concern.

Lastly, and as I said, I have no desire to torment my peers, most especially my Honorable Senate President, the proponents of RCEP have stated that joining the trade agreement will result in an increase in electronic exports. But will these reports of electronic exports increases really defray the thousands of jobs already lost in the electronic companies leaving the country due to incentive and other infrastructure concerns? How confident is the DTI, at the end of the day, that electronic exports will increase due to RCEP, given the reported closures of electronic firms, not only here in Southern Tagalog, but also in MEPZA and other places throughout the country? We are also aware of the loss of jobs everywhere in many of these areas.

These are my concerns, and I am grateful to the President, to the Majority for allowing me to put them on record. The sponsors may or may not reply as necessary but I have to put them on record for the concerned sectors.

Expressing appreciation for the points raised by Senator Marcos, Senate President Zubiri stated that India has a geopolitical issue with China, given that it has been slowly increasing its population and would soon surpass China. He surmised that India might be concerned about opening up their markets in China because the latter has a more sophisticated manufacturing system, and with India's larger population, they may lose market share.

Concerning agriculture, Senate President Zubiri stated that there were issues besetting the sector such as lack of inputs, know-how, training, modern equipment and machineries, and even issues about land.

He informed the Body that a Brazilian group went to the President and asked for 10,000 hectares of land to demonstrate the modern way of sugar agriculture, which includes ethanol, biofuels, and biomass for four products in one from sugar cane. He stated that it was difficult to find corporate farm lots due to overlapping land ownership, such as agrarian reform beneficiaries and CIP communities, as well as restrictions imposed by the Agrarian Reform Law, which prioritizes beneficiaries over corporate farming.

He pointed out that Thailand spends twice as much on agriculture as the Philippines, thus, he proposed doubling the budget of agriculture and ensure that it is spent on the right programs.



Concerning the smuggling issue, he stated that BOC Commissioner Rubio was present in the Session Hall to show that they would do their best to apprehend smugglers.

Finally, he thanked Senator Marcos for allowing him to address some of her concerns.

#### **ACKNOWLEDGMENT OF THE PRESENCE OF GUESTS**

At this juncture, Senator Villanueva acknowledged the presence in the gallery of the guests of Senator Legarda—Mayor Elmer Untaran of San Jose, Antique and Mayor Mary Jean Te of Libertad, Antique.

#### **MANIFESTATION OF SENATOR VILLAR (C)**

In response to the suggestion of Senate President Zubiri that the Senate double the budget of the Department of Agriculture, Senator Villar (C) stated that it is not the amount of budget but how it will be spent, and that they should ensure that they spend the budget well before it is doubled.

She informed the Body that she would introduce an amendment to the resolution to ensure that the farmers affected by the RCEP would be extended assistance. She will be making a formal recommendation that they would establish additional, specific, and focused intervention within the aforementioned banner programs to address the impact on farmers and fisherfolk who are producing 15 products under the 33 tariff lines to take effect before the implementation of the RCEP. Senate President Zubiri responded that the amendment would be considered at the appropriate time.

#### **INTERPELLATION OF SENATOR CAYETANO (A)**

Senator Cayetano (A) emphasized the importance of making decisions based on sound information and an in-depth knowledge of issues, stating that he had questioned Senator Villanueva whether it would not be more prudent to give more time for further discussion of the RCEP before deciding its fate.

He stated that while Senator Villanueva agreed that having deep and extensive knowledge of the RCEP was vital to good decision-making, he disagreed with allocating more time towards its deliberation on the floor, stating that the treaty had already been extensively discussed in the Eighteenth Congress and that they were only continuing the debates from it.

He then alluded to differing worldviews held by individual countries, which influence their decisions toward international treaties. He stated that democratic countries like the Philippines tend to adhere to a biblical worldview that values the common good.

In this regard, he inquired as to which sectors were expected to benefit from the RCEP and which were expected to be adversely affected by it. He also sought the Executive department's commitment to implement interventions that would abate any negative consequences that the country's participation in the RCEP would have, especially on the agriculture sector. He believed that interventions in the jobs sector, such as providing relevant education programs locally, will be important to elevate the kinds of employment Filipinos can obtain abroad. He also mentioned that interventions may also be needed to prevent an influx of tobacco and flavor-infused vape products following further liberalization. He urged that the Executive agencies submit reports within 100 days on the various planned interventions for the sectors that would be adversely affected by the RCEP, as well as a commitment to implement them.



Senator Legarda responded by stating that several resolatory clauses that included measures to build competitive and comparative advantages for affected sectors were poised to be included in the concurring resolution.

She also reiterated the need to create an oversight committee that will monitor and respond to issues that may affect various sectors. She then invited Senator Cayetano (A), being the Chairman of the Committee on Science and Technology, to be a member of the committee.

She also highlighted Dr. Cororaton's 2021 study, which claimed that industries such as electronic equipment, metals, oil, gas, vegetables, fruits, nuts, mineral products, machinery equipment, rice, transport, sugar, construction, and fishing would benefit from improved trade balance.

Senate President Zubiri remarked that determining which sectors would benefit from the RCEP would be dependent on the trade agreement's implementation and operationalization. He opined that everyone would stand to lose if the various sectors will not optimize the opportunities presented by the RCEP, and if government agencies will not give them the support they need.

He reiterated Senator Legarda's statement that a matrix of detailed programs meant to assist various sectors with the RCEP's implementation would be proposed as part of the resolution. He also stated that the planned oversight committee will take a holistic approach to moving forward with the treaty. He stated that as soon as the Senate concurs in the ratification of the treaty, the committee may be convened immediately and the reports on various government interventions and measures could be submitted as well.

Senator Cayetano (A) expressed confidence that Senate President Zubiri and Senator Legarda had ensured that the proper safety nets would be put in place, as opposed to previous globalization measures in which the promised safeguards were not implemented to the detriment of stakeholders. He used the K to 12 Law as an example, noting that he had yet to hear of a school that had a clear curriculum of the several educational tracks that the law wanted to establish. He averred that the current administration still had five years to formulate and implement interventions for potential concerns that may arise as a result of the RCEP's implementation.

To illustrate the kind of commitment he desired from the Executive department in the treaty's implementation, he recounted the due diligence that Philippine Olympic Committee Chairman Bambol Tolentino had made in determining the chances of Filipino athletes winning against participants from other SEA countries. He stated that Chairman Tolentino's strategy of sitting down with each sports association and researching the athletes of competing countries culminated in the successful hosting of the 2019 SEA Games and medal haul by the Philippines.

While he believed that the RCEP would benefit many sectors and industries, he did not want any of its negative repercussions to destroy other industries.

Senator Cayetano (A) used Taguig as an example, recalling how he grew up seeing the FTI Complex teeming with companies – textile, car radios for super cars, and other businesses. He stated that the companies transferred to Cavite techno-parks, but that not long after, they transferred to China and Vietnam. Nonetheless, he stated that the FTI Complex has been given a second chance with the ARCA South Central business district. He inquired whether the RCEP would be beneficial to the companies that are relocating there. He emphasized that, more than the analysis submitted, the departments should commit to determining who will be left behind once RCEP is implemented. He stated that while winners can look after themselves, no one will look after those on the losing end, such as the agricultural sector.

As regards Thailand's budget for rice, Senate President Zubiri stated that it spends approximately 4% of its GDP.



Senator Cayetano (A) then thanked the executives who were in the gallery that day. He stated that the discussions had moved him to vote for the measure at the appropriate time.

Senate President Zubiri thanked Senator Cayetano (A) whose heart was always for the masses and who fights for the little guy. He stated that Senator Cayetano (A) would always remind him that decisions should be made in the interests of the greatest number of people. He also expressed gratitude to the officials who came that day because they were able to absorb all of the questions firsthand.

Senator Legarda informed the Body that the resolution calls for the Executive branch to provide the oversight committee with its comprehensive strategy and plans to boost competitiveness in various economic sectors within three months of the measure's adoption.

### MANIFESTATION OF SENATOR REVILLA

In expressing his support for Proposed Senate Resolution No. 485, Senator Revilla delivered the following manifestation:

*Hindi po lingid sa ating kaalaman ang mga pag-aalinlangan ng ilan nating mga kababayan tungkol sa RCEP. We have heard the concerns that were expressed especially for our farmers. Pero may kalma sa gitna ng mga daluyong sapagkat natugunan naman po ang pagdududa at nasagot ang mga katanungan ng taumbayan.*

These concerns were aptly articulated and explained in the sponsorship speech delivered by no less than Senate President Migz Zubiri, and in the debates that ensued thereafter.

I am in support of this measure which is the embodiment of our commitment to our region and neighbors. However, this should not be the end. *Habang nagiging tapat tayo sa ating mga tungkulin bilang miyembro ng ASEAN, isa rin itong hamon sa ating pamahalaan na panatilihin sagrado ang mga obligasyon natin sa taumbayan.*

We have to ensure that safety nets are put in place because we know that this will make or break the RCEP, as well as the local industries that will be affected.

At the end of the day, free trade will always have the most noble intentions. *Subalit, habang pinayayabong natin ang ating ekonomiya at global competitiveness, tandaan natin ang pinakamalaki at pinakamataas nating pananagutan sa taumbayan.* Let us continue not only to protect them, but to strengthen and capacitate them. *Ako ay may malaking tiwala sa ating Senate President.*

Senate President Zubiri thanked Senator Revilla and assured the Body that the sectors mentioned by the latter will be safeguarded and protected. He believed that the Members were united in their fight for the agriculture industry and all farmers, ensuring that they are not left behind. He stated that the budget and oversight are among the interventions in place, citing Senator Villar's (C) remark that if the budget is in place, the Senate will be working overtime to ensure that the departments carry out their responsibilities.

### INTERPELLATION OF SENATOR HONTIVEROS

She noted that RCEP's Services Market Access provision found in Article 8.5.2 would mean that the Philippines, whose service sector has made market access commitments, cannot limit the quantity of a service, while in Annex II, the country has liberalized cross-border advertising Modes 1 and 2. In essence, she explained that the country cannot prohibit or limit the hours of tobacco and baby formula advertisements that are currently being displayed. She stated that health advocates had worked tirelessly to eliminate tobacco advertisements, which is currently prohibited



in all forms of media, whereas advertising of baby formula is heavily regulated. She added that experts believe that advertising bans could be challenged when the RCEP comes into force. She believed that many Members are anti-tobacco and pro-breastfeeding advocates, based on Senator Cayetano's (A) health inquiry.

Senate President Zubiri concurred with Senator Hontiveros that the government should not permit such advertisements because it is against the law. He stated that had Senator Cayetano (P) been present that day, she would have spoken up as one of the law's proponents. He stated that the law also applies to concerts and other events sponsored by tobacco companies. He disclosed that the measure includes a provision that would adopt and implement laws protecting human health, and animal and plant life. He believed that the treaty would constitute an exception to the law, specifically the ban on tobacco advertising.

Senator Legarda assured the Body that they share Senator Hontiveros's concerns. She stated categorically that there was no commitment in the RCEP, and that the Senate would not agree to amending laws regarding tobacco and e-cigarette advertising.

In response to Senator Hontiveros' request for a provision in the RCEP that would not necessitate amending laws, thereby respecting the country's existing laws, Senator Legarda reiterated that there is no commitment in the RCEP to touch any law of the country. She informed the Body that the RCEP agreement affirms the DOHA Declaration on Trade-Related Aspects of Intellectual Property Rights (TRIPS) agreement that would address or protect public health and promote access to medicine for all in accordance to Article 13 of the agreement.

Senator Hontiveros expressed concern that while there is no provision in the RCEP to amend Philippine laws, Article 8.5.2 of the RCEP states that "An RCEP member-country cannot restrict the amount of service." In addition, she stated that Annex II, "Liberalized advertising in Modes 1 and 2 for cross boarder advertising" runs counter to existing laws on tobacco advertising and restricts advertising to infant milk formula. She supposed that when a country enters into an agreement like RCEP, something has got to give, and something does give in.

Senator Zubiri asserted that the RCEP only addresses market access and not regulation within the countries. He believed that the agreement would make it easier to do business with member-countries. He added that Article 17.12 provides that RCEP parties adopt implementing measures necessary to protect human, animal, plant life, or health; Article 17.13 stipulates that the RCEP parties can take action and consider what is necessary for the protection of its essential security interests; and Article 11.8 reaffirms the declaration of the TRIPS Agreement which addresses protection of public health, particularly medicines, and access to medicines as well. He believed that the RCEP is committed to ensure access to medicines and public health in accordance with Article 13 of the TRIPS Agreement. He stressed that the RCEP mentioned many times that public health is its priority.

Regarding the general health exception raised by Senate President Zubiri, Senator Hontiveros informed the Body that Article 17.12 of the RCEP was derived from the WTO. She noted that, to date, governments have only succeeded twice out of 48 attempts to implement the provision. She said that the provision was implemented less than 5% of the time.

In response, the Senate President stated that he was unaware of situation. He then requested examples of each of the 48 attempts. Senator Hontiveros stated that she would provide examples at a later time. However, she expressed doubt that the general health exception could be utilized in the RCEP, given that it had only been successful twice in the WTO.



Asked by Senate President Zubiri if the issue was in relation to resolving disputes, Senator Hontiveros stated that she was referring to RCEP'S Article 17.12 as a safeguard, which was lifted from the WTO, and had less than 5% success rate if implemented. She stated that if and when it is used for anti-tobacco and milk formula by advocates, they would have to try 48 times to succeed.

Senator Zubiri believed that it would depend on the issue. He then inquired if tobacco continued to be advertised in the Philippines when the law was passed despite being a party to the GATT-WTO.

Senator Hontiveros stated that the Philippines was fortunate to have both Houses of Congress exercise oversight on health advertising laws. However, she said that other governments recognized the difficulty in using the exception provision of the WTO, which can also be found in the RCEP. She added that other governments find it easier to use the FTAs with other countries even before the RCEP. As an example, she cited the Indonesia-Australia Comprehensive Economic Partnership Agreement which was concluded in 2020. She said that the agreement excludes from Investor-State Dispute Settlement or ISDS measures to promote public health. She stressed that at the outset, ISDS measures have already been in place in their FTA – an exclusion which was not in the RCEP. She added that the RCEP does not provide for any similar health exception measures.

Senate President Zubiri acknowledged that Senator Hontiveros's questions were too technical; therefore, he proposed that the *Rules* be suspended once more to allow Assistant Secretary Gepty, lead negotiator in the RCEP Agreement, to directly answer her queries regarding public health.

Senate President Pro-Tempore Legarda stated that while the Philippine government did not expressly state its reservations to the agreement pertaining to health, formula milk, or tobacco, it would take the necessary steps to protect its vital security interests.

In addition, she stated that the country's laws protecting public health were already in place and that it would not allow the vague GATT-WTO provisions to be incorporated into the RCEP to its detriment. She pointed out that the RCEP agreement reaffirmed the Doha Declaration on the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which is committed to ensuring access to medicines and promoting public health. She assured Senator Hontiveros that the country would be adequately protected by the RCEP Agreement's public health provisions.

Senator Hontiveros stated that during the suspension of the *Rules*, she would ask about the Doha Declaration and the schedule of commitments in Annex 2 of the agreement pertaining to the provision of security exception in cases where an RCEP country could take any action it deems necessary for the protection of its essential security interest. She expressed concern that despite the existence of security exceptions in the RCEP, the WTO jurisprudence would likely serve as the basis for resolving RCEP disputes. She added that, historically, tribunal panels have been found to oppose protectionism and support open borders.

#### **SUSPENSION OF THE RULES OF THE SENATE**

Upon motion of Senator Villanueva, there being no objection, the Body approved the suspension of the *Rules of the Senate* to allow DTI Assistant Secretary Allan B. Gepty to respond directly to the queries of Senator Hontiveros.

## QUESTIONS OF SENATOR HONTIVEROS

*Following is the full exchange between Senator Hontiveros and Assistant Secretary Gepty:*

**Mr. Gepty.** Thank you, Mr. President.

To respond to the questions raised by Honorable Sen. Risa Hontiveros, first, I just want to call the attention of the Body to the Preamble of the RCEP Agreement. This is very important because the Preamble is a statement that provides context on the intention and the spirit of the international agreement. And, it is clearly stated there that the parties reaffirmed the right of each party to regulate in pursuit of legitimate public welfare objectives. So, that is one. There is already a recognition.

Number two is that in terms of flexibility and policy space, we have incorporated the general exceptions under Article XX of GATT 1994 and Article XIV of GATS, wherein the party has the right to adopt and implement measures necessary to protect human, animal, and plant life or health. And, with respect to the adoption of Article XIV of GATS, that also refers to the security exceptions. So, in other words, RCEP parties, under the provision of security exception, can take any action which it considered necessary for the protection of its essential security interest in times of national emergency or war, or other emergency in international relations in the WTO agreement. The instances by which you can exercise this security exception are actually very limited because these only refer to war and international emergency.

In RCEP, we have even expanded the same to include national emergency. That is why we always say that if you are going to compare our policy space in the RCEP Agreement versus policy space in the WTO agreements, we have a lot of flexibilities under the present agreement we are discussing.

Also, it was already mentioned that when it comes to adoption and implementation of laws, rules, and regulations affecting public health and access to medicines, we have incorporated and we have reaffirmed the Doha Declaration on Trade-Related Aspects of Intellectual Property Rights to address or protect public health and, in particular, to promote access to medicines—for all RCEP parties had also committed to ensure access to medicines and public health. And I just want to point out that under the chapter on intellectual property, if there is doubt or issue as to interpretation, we have agreed that the TRIPS agreement will prevail.

Now, in addition to that, in our schedules of commitment, both on services and investment, we also made reservations to adopt and implement measures it considered necessary for the protection of its essential security interest.

Now, you mentioned earlier about decisions of the WTO on the matter. For one, in international law particularly in WTO, as a rule, we do not observe precedents. Although, for purposes of reference, we do take into account previous decisions of the tribunal. But, if it is being applied in the context of precedents, there is no such thing because every issue will have to be addressed on a case-to-case basis.

On the self-judging provision, you are correct, Your Honor, that this reservation, the one that we made in the schedule and also in the security exception, the same is construed as self-judging as to the determination of what is essential to your security interest. And decisions in the WTO, I will say, has very limited jurisprudence on that. I can recall the case of *Ukraine vs. Russia* and, recently, they just came out with the decision on the security measures applied by the United States against China.

But, again, there are so many views on this as to how the self-judging provision is being applied. One is that the determination of what is essential to your security interest must be left to the sovereign state because there is no other entity that can determine what is essential to security interest but the sovereign state itself. What is, of course, subject to certain determination before the tribunal are the circumstances by which this exercise is being availed of by the member-state, meaning, if there is war, international emergency, among others.



So, in other words, the flexibility and the policy space have been fully reserved in this RCEP agreement.

**Senator Hontiveros.** At least *dalawang* follow-up questions, *sa ngayon po*.

Quoting from the preamble, *sabi nga po ninyo*, “in pursuit of legitimate public interest,” *sino po iyong magde-determine ng “legitimate?”* What if *ang isang bansa, katulad ng Pilipinas, sasabihin nila*, “legitimate public interest *natin* to protect our public from the ill-effects of tobacco, therefore, these advertising restrictions.”

**Mr. Gepty.** Yes *po*.

**Senator Hontiveros.** What if in the legitimate public interest of promoting full breastfeeding in the first six months of life, limited *ang* advertising *sa mga* infant milk formula? *Pero puwedeng hindi lamang iyong tribunal pero ibang bansa na RCEP member country* who are involved in that service of advertising such products will raise a complaint *na* in violation *tayo sa ating* treaty obligations. *Kaninong* definition *ng* legitimate public interest *ang mamamayani?*

**Mr. Gepty.** That is a very important question. Of course, the determination of what is the legitimate public welfare objective must be left to the sovereign state or to the party. Under the agreement, if you will peruse the same, *iyong* qualification *lamang po riyon*, when it comes to the availment of exercise, is that the exercise must not be intended to defeat your commitment in the RCEP Agreement.

*So, iyon lamang po.* But, again, as to what is legitimate, what is essential to your security interest, *tayo po ang magde-decide niyon. Maganda po at nasabi po ninyo iyong tungkol sa tobacco.* If you will note *po rito, hindi kami pumayag na magkaroon ng investor-state dispute settlement because ayaw namin na iyong ating bansa or iyong RCEP party* can be sued by a private entity just because of a certain breach or alleged breach in the agreement.

We know what happened in the case of Australia when they passed the Plain Tobacco Packaging? That case was elevated to the WTO. But, of course, the right to adopt and implement measures to protect health has been upheld.

**Senator Hontiveros.** *Nabanggit nga po ninyo ulit iyong investor-state dispute settlement (ISDS), at sabi nga ninyo, hindi siya kasama sa RCEP.* And yet, two other countries *na miyembro sa RCEP—Australia at Indonesia— in-exclude ito sa kanilang Free Trade Agreement.*

*Hindi ba* what is sauce for the goose is sauce for the gander? *Kung mabuti para sa kanila na in-exclude mula sa ISDS iyong measures to promote public health, bakit hindi rin natin iyan hiningi sa negotiation tungkol sa RCEP na i-exclude din iyong measures to promote public health explicitly?*

**Mr. Gepty.** Very clear *po iyon*, that when it comes to adopting and implementing measures affecting public health, we have the sovereign right to do that. So, *wala pong isyu roon. Iyong sa ISDS po, sa RCEP agreement*, is that *ang nakalagay lamang doon* is that it is subject to work program. *Kasi nga po, hindi tayo pumayag. So, ang naging compromise na lamang* is that *pag-usapan na lamang iyan uli or mag-negotiate na lamang uli*, but without prejudice to the eventual outcome of the negotiation.

**Senator Hontiveros.** *So, ang natitira na lamang po talaga sa RCEP*, in such cases, is the general health exception, *sa Article 17.12 na napakahirap ngang gamitin.*

**Mr. Gepty.** *Hindi po.* All that I have enumerated earlier is the incorporation of Article 20 of GATT 1994, that is under Article 17.12 of the RCEP agreement. Number two, we have the security exceptions that is under Article 17.13 of the RCEP agreement.

Also, with respect to other measures, particularly addressing, for example, shortages of food, we have also incorporated Article 11 of GATT 1994. That is under Article 2.17 under of the RCEP agreement.

Also, with respect to the protection of public health and access to medicines, we have adopted the Doha Declaration. That is under Article 11.8 of the RCEP agriculture.

In addition to these flexibilities that I have mentioned, we also made reservations to adopt and implement measures we considered necessary for the protection of our essential security interest in our schedule of reservations and services and also in our schedule of reservation and non-

conforming measures for investments and the schedule of specific commitments for services. This is list 13 in Annex 2 of the agreement. So, *marami po*.

**Senator Hontiveros.** For the record, just to clarify. *Iyong isa sa mga binanggit ng good resource person, Article 17.12, that is precisely what I was asking about. Bilang isang halimbana na in-import mula sa WTO, nasa RCEP, pero nakapahirap gamitin o pakinabangan.*

And it is well and good for us to say *na* we have the right to do this, we have the right to do that, *pero alam naman po natin*, as in the laws *na tinatrabaho namin dito sa Kongreso, sa mga treaties din po tulad ng RCEP*, if we do not claim it explicitly in black and white, in the text, *hanggang ganoon na lamang*—aspirational—it is a right. But if we do not actually provide effective, with good track record, recourses to grievance, or effective conflict resolution mechanisms, or effective provisions to uphold our rights as a country as expressed in national law, *at madaling gamitin kaysa mahirap gamitin, na subject only to the decision of tribunals pero, kung бага, may puwersa sa sarili niya*, it will remain an aspiration. *Kahit nga po ang Preamble ng ating mismong Saligang Batas ay kinailangan nating gawing konkreto at specific sa lahat ng mga sumunod na sections at provisions.*

*Dahil maraming beses na rin pong binanggit ang Doha Declaration, siges po lulundag na po ako doon sa tanong ko tungkol sa intellectual property protection.* One benefit being touted by the proponents of RCEP is that stronger intellectual property protection in RCEP's intellectual property, or IP, chapter, benefits net IP exporters. All right. However, do the good cosponsors, does the good resource person not agree with me *na tayo naman sa Pilipinas ay net IP importer, hindi exporter.* And we will only become more so over time.

*Napag-uusapan na rin lang ang mga gamot.* Yes, Philippine consumers need affordable medicines which can only also be accessed through importation, for example. So, does it still count as a benefit for RCEP?

**Mr. Gepty.** It is, definitely, a benefit. But before I answer that, I just want to clarify that the incorporation of Article 20 of the GATT 1994 in the RCEP agreement is not aspirational *po*—it is a right. If you will read the text, it is very clear, that nothing prevents a party from adopting and implementing measures necessary to protect human, animal, plant, and health.

**Senator Hontiveros.** Just for the record. Of course, I share the good cosponsors' belief in aspiration. *Iyon naman po, kahit inchoate pa, ay nagpapakilos sa atin.* I am just saying *po*. *Tulad sa mga batas, ganoon din po ang mga tratado.* Even speaking as a layperson in the sense that, *hindi po ako abogado*, what we do not claim in black and white, in the texts, in words, *napakahirap pong kamtin lalo na kapag na-ratify na po ang isang tratado. Iyong lamang po.*

**Mr. Gepty.** Now, going to the question *po* on the benefit of the intellectual property chapter. *Unang-una po*, we have to bear in mind that when you talk about intellectual property rights, there are many kinds of intellectual property rights. So, we have patent, we have copyright, we have trademark, we have industrial design, we have utility model, we have integrated circuit and topography, we have even trade secrets.

*Kaya po kapag titingnan mo po iyong seven kinds of intellectual property rights, you will note na pagdating po sa copyright, Philippines is very strong on copyright.* In fact, I just could not recall the exact figure, but when I was at the Intellectual Property Office, we conducted a study to determine the GDP contribution of copyright-based industries. And my recollection to date is 7.6% of GDP generating around 11% of employment. I can double-check the percentage and the figures on that.

But one thing that I would like to convey is that this is actually a strength of the country. I think, *alam naman ho natin maraming magaling kumanta, maraming magaling maggawa ng movies, game development, et cetera.* So, therefore *hindi po tayo nahuhuli* when it comes to intellectual property right. In fact, *pagdating sa computer programming*, there was even this study conducted by Bloomberg sometime in 2015 as to the brains of Silicon Valley, and it was noted that the Philippines was actually ranked No. 6. And if you are going to base it on a country-to-country basis, actually No. 3 *po tayo* because the first three identified were states of the United States of America, so we have to count them as just one state. So, No. 3. I think we have a lot of good programmers and developers. So, *malaki po ang potential natin sa copyright. Huwag na nating*

*isama po iyong mga performers natin, the TV shows, and everything. So, this generates po a lot of benefits for our kababayan.*

And then *pangalawa po, importante po sa ating mga performers iyong koleksyon ng kanilang royalties*. So, *dito po sa IP chapter*, we have a provision on cooperation of collective management organization. *Ito po iyong entity na mangongolekta ng mga royalties*. So, *talagang malaki po ang benepisyong nito sa mga performers natin, mga composers natin, mga musicians natin*. Kasi *po pagdating sa koleksyon ng royalties, kung iyong mga kanta nila ay pini-play outside the Philippines*, at least they can work with other CMOs and try to collect what is due to them. *Iyon po.*

*Pagdating po sa trademark, malaking bagay din po kasi iyong mga negosyante po natin*, they can easily protect their trademarks in this RCEP region. Because, number one, *iyong mga RCEP parties po, nag-commit to accede to the Madrid Protocol*. So, *tayo po wala tayong problema kasi party na tayo sa Madrid Protocol*. But what is Madrid Protocol?

Madrid Protocol is an international registration system for trademark, *kasi po ang trademark is territorial*. So, if you are just registered in the Philippines, *dito lang po iyan sa Philippines protected*.

So, *kung ako si Potato Corner* who would like to do business, let us say, in Australia, New Zealand, Japan, then I have to go to their IP offices and register my trademark.

*Dito po sa Madrid Protocol*, you can apply for a registration of trademark through the IP office of the Philippines and designate that you want your trademark to be protected in these countries who are also members of the Madrid Protocol. So, *malaking bagay po iyan sa negosyo*.

Of course, *iyong industrial design, ang dami ho nating magagaling*. I can mention, of course, *iyong mga kababayan natin sa Cebu*. Kenneth Cobonpue is one of the known designers in the Philippines and in the world. So, *ang dami pong talents ang Pilipino kaya ang laking bagay ng IP chapter*.

*Siguro po kapag pinag-usapan ninyo siguro iyong patents, baka doon medyo sabihin na natin na naghahabol ho tayo, pagdating sa patent application*. Because *marami pong mga challenges pagdating sa patent application*, not only because patent itself is very technical but also you need capacity when it comes to applying patent application. And also you have to be very good in conducting research *kasi bukod sa technical na, puwede pong mas mahal din iyong proseso*.

So, *ito po iyong mga challenges natin diyan*. Kaya *siguro po, doon kayo nanggagaling*. That is why *mayroon ho tayong sinasabi na hindi tayo ganoon ka-competitive maybe on that particular aspect*. But I will take this opportunity that, right now, we have a very strong patent regime in the country and we have a very good potential to grab an inch on that particular area.

The Philippines, together with Singapore, *tayo lamang ang designated ng World Intellectual Property Organization as international searching authority and international preliminary examination authority*. So, *ano po ang ibig sabihin niyan? Iyong mga patent applicants, hindi lamang dito sa Pilipinas but even abroad*, they can ask the Philippines to conduct the necessary search and also preliminary examination.

Technical *po ito*, but *iyong search and preliminary explanation ang ibig lamang sabihin noon is gusto lamang nating masigurado na talagang bago nga iyong mga patents na ina-apply kasi ayaw naman natin na mag-approve ng patent na hindi naman pala talaga dapat bigyan ng proteksiyon*.

So, *kung ating isusuma-total ay napakalaki ng benepisyong nito sa bansa*. That is why *sa mga presentation namin, isa sa positioning palagi ng bansa na aming ina-advocate is to position the country as one of the centers of innovation in the region and also center for research and development*.

**Senator Hontiveros.** Certainly, *iyong 7% of GDP accounted for by copyright ay isa lamang sa pitong klase ng intellectual property*. But 11% of employment—these are not numbers to sneeze at—*ano po iyong comparison niya sa actually ine-export natin? Hindi ba sa ngayon—hindi iyong potential—pero iyong sa ngayon in terms of balance of trade and intellectual property*, say,

products and services—*hindi ba sa ngayon*, good resource person, *tayo*, ang Pilipinas, ay net IP importer rather than a net IP exporter *sa ngayon*?

**Mr. Gepty.** That would depend on how we are going to compare the intellectual property rights. But if we are going to base that on, let us say, number of patent application, *talagang kulang tayo* compared *sa* other RCEP parties like Australia or New Zealand. *Pero kung* copyright *din po*, *mahirap din iyong sukatin* but, of course, in other RCEP parties, we can also tell *na malakas din sila kasi* very creative *rin sila*. So, *napaka-fluid ito*.

**Senator Hontiveros.** Fluid *po ito* over time. But just tonight, February 21, 6:42 p.m., *siguro kung mag-slice* of life *tayo*, at this moment, *hindi ba totoo mas* net IP importer *pa tayo kaysa* net IP exporter *na*.

**Mr. Gepty.** My apologies, but I will just be guessing if I say yes or I will say no because we have to conduct necessary computation for that.

**Senator Hontiveros.:** I should think *na mas alam natin iyong mga* numbers *natin kung hinihingi* *iyong* ratification *ng* Senate *sa* treaty. But if the gentleman does not wish to answer my question tonight, I think it is a pretty straightforward question but less satisfactory *siyempre po*.

**Mr. Gepty.** But if I will base it on our trade and services *po*, surplus *ang* Philippines.

**Senator Hontiveros.** So, we are a net IP exporter?

**Mr. Gepty.** What I am saying is that the whole universe of services, for example, if we are going to factor that in, then surplus *ang* Philippines *sa* trade in services. But the question pertains to whether we are a net importer, net exporter of intellectual property rights, I do not have any study conducted on that to support that claim either otherwise or in favor of the statement.

**Senator Hontiveros.** Then I will leave it as an open question for now, *dahil kahit iyong mga* intellectual property rights advocates are raising this concern *na kahit mayroong diumanong* stronger intellectual property protection *sa* IP chapter *ng* RCEP, *mas nagbe-benefit ang mga* net IP exporter *na hindi tayo ganoon sa ngayon o hindi pa tayo ganoon*. And, therefore, as of this evening, it would not count as a benefit for RCEP.

Just for the record, *kaugnay noon* earlier citing of the Doha Declaration as a protection—the Doha Declaration is about intellectual property, not about the services chapter where the Philippines has liberalized tobacco and access to medicines. That is different from tobacco. It is different from tobacco control or breastfeeding. I will just clarify this, but for the record *po sana*.

If I could backtrack to my second question, to my second concern, which is also a health issue, last Congress, I raised concerns about RCEP's possible impact on our COVID-19 measures. COVID-19 still remains a serious problem. Scientists warned us to expect more worry in variants after Omicron. And the future pandemics are likely to be more frequent and more deadly, so we will need all possible regulatory and policy tools to deal with them. This may include lockdowns, price controls, and the like.

Now, there were quite a number of examples given. *Halimbawa na lamang iyong* lockdown, *sabihin natin*. *Kung titingnan po natin iyong Annex 2 ng* RCEP, schedule of specific commitment of services, retailing services, IATF may be violating the RCEP *kapag inutos niya iyong* temporary closure of companies to prevent the spread of a virus. *Kung* at any time in the future we have to return to alert levels 2, 3, or 4, restaurants in other RCEP countries would be able to operate at full capacity indoors and outdoors while our local restaurants would not. *At para magbigay ng isa pang halimbawa*, legal experts naman *po* have flagged that price controls on, say, COVID-19 tests or test kits or medicines, and the grace periods for loan repayments, rent, and electricity which we implemented earlier in this pandemic, could violate the expropriation provision which is in the RCEP investment chapter *naman*. *Ayoko pong isipin na kailangan nating mamili* between complying with RCEP and keeping our citizens alive. So, *ano po ang kaisipan ng* good resource person *dito*? *May mga safeguards din po ba tungkol dito*?

**Mr. Gepty.** Thank you for raising that particular point. *Pero pagdating po sa* protection *ng* public health, safety *ng* citizens *po natin*, I mean all RCEP parties and, I would say, in all sovereign states and even economies would state that that is their sovereign right to protect. *Dito po sa* RCEP agreement, very clear *po ang mga* exceptions and also *iyong mga* flexibilities that I have

enumerated. Article 20 of GATT 1994, as I have mentioned, is very clear on that. Even the security exceptions can be invoked. Even under Article 11 GATT 1994, our reservations can be invoked. So, *wala pong issue doon*, and I do not think that will be questioned.

*Alam po natin na noong nagkaroon ng lockdown, marami nga pong mga countries, maraming economies ang nagsara talaga but naiintindihan po iyon at wala pong nag-question on that because precisely, nire-recognize nila itong right po na ito.*

**Senator Hontiveros.** I hope the gentleman is right, good resource person. *Para lamang alam nila rin na may mga legal experts din na nagpa-flag nito at baka kailangan rin mag-reach out sa kanila.*

My next question is on the RCEP rules of origin. Filipino exporters supposedly can benefit from RCEP if they comply with the rules of origin requirements. RCEP has more than 186 pages of rules of origin that Philippine exporters must comply with in order to benefit from the lower tariffs under RCEP. To fully reap the benefits, exporting companies must not only fully understand the rules of origin for the free trade agreement. They must be sufficiently familiar with the procedure, requirements, and regulations for establishing origin.

So, *baka parang follow-up din sa ilang mga punto na nire-raise ni Senator Marcos kanina, iyong atin po bang mga micro, small, and medium scale enterprises, natanong na po ba sila kung kaya nilang mag-comply doon sa rules of origin? At ano iyong percentage ng mga enterprises tulad nila ang makaka-comply sa rules of origin?*

**Mr. Gepty.** Thank you for raising that very important point. *Tama po sila, isa iyang malaking challenge sa mga micro, small, and medium enterprises natin, ang mag-utilize ng FTA. Kaya po rito sa RCEP, mindful po ang parties kaya nagkaroon dito ng chapter on small and medium enterprises. Ang isang offensive interest po ng Pilipinas is to integrate our micro, small, and medium enterprises into the global value chain. Marami pong paraan iyan para magawa. Tama po ang observation kanina na while mayroon tayong chapter ng SME dito sa RCEP Agreement, basically, platform ito for cooperation between and among RCEP parties. But more than that, marami rin pong provisions dito na makakatulong sa ating small and medium enterprises. Mayroon po tayong ritong economic and technical cooperation, provisions on e-commerce, customs procedure, and trade facilitation.*

So, *ini-empower po natin dito iyong small and medium enterprises na malaman nila ang mga rules pagdating sa pagte-trade, page-export, at pagi-import. So, publicly accessible po itong information na ito, not to mention iyong mga capacity building, inquiry points sa customs offices, and also mechanism for advanced rulings ng tariff classifications, rule of origins, at saka valuation para sila ay matulungan.*

So, *napakarami po talaga at ito iyong gagawin ng Executive department lalo na ang DTI, under our doing business sa free trade area para sila ay matulungan.*

**Senator Hontiveros.** *Nakonsulta po ba ang ating mga MSME tungkol sa chapter na ito on MSMEs?*

**Mr. Gepty.** *Yes po.*

**Senator Hontiveros.** *Nakonsulta po sila. At ilang porsiyento po sa kanila ang nagsabing "Okey, makaka-comply kami riyan sa rules of origin ayon sa chapter na iyan?"*

**Mr. Gepty.** We do not have the percentage because we do not have a study on that.

**Senator Hontiveros.** I think we should have a study *para din makita kung talagang mapakikinaabangan, makakatulong, at hindi makasasama o hindi mapag-iwanan ang mga MSME natin.*

**Mr. Gepty.** We will do that.

**Senator Hontiveros.** And then, good resource person, *ano po ang cost ng pag-comply sa rules of origin sa RCEP? May sources po ako na ang estimate nila ng cost of complying with the rules of origin, generally daw ay 6% to 8% of the value of the product being exported. Tama po ba ito o may iba pang percentage?*

**Mr. Gepty.** *Depende po sa produkto.*

**Senator Hontiveros.** *Pero iyong ganoong range na 6% to 8% ay naka-capture po ba roon?*

**Mr. Gepty.** Usually *po*, *ang ano riyang ay RVC40*, meaning *iyong Regional Value Content ng produkto*, 40% *ay galing sa free trade area*.

**Senator Hontiveros.** Is the good resource person saying *na aabot sa 40% ng value ng product ang pag-comply?*

**Mr. Gepty.** The usual rule *po*.

**Senator Hontiveros.** *Mas mataas pa pala.*

**Mr. Gepty.** But it will really depend on the product *po*.

**Senator Hontiveros.** *Pero mas mataas pa pala*, way higher compared *sa range na in-estimate na 6% to 8%*.

*Ngayon*, good resource person, once the costs of complying with the RCEP's rule of origin are taken into account, *gaano kalaki ang bagong export market access ang makukuha ng Pilipinas sa ilalim ng RCEP?* Of course, it is important to understand whether or not the new export market access is greater than the cost of complying with RCEP's rules of origin.

So, *iyong mas malaki po ba nating export market access ay mao-offset o malalampasan iyong 40% cost of the product being exported accounted for by pag-comply sa rules of origin?*

**Mr. Gepty.** *Iyong 40% po* refers to the Regional Value Content of the product, but as to the export, based on the study of Dr. Quimba, the estimate increase in export is 10.47%.

**Senator Hontiveros.** 10.47% *ang mas malaking new export market access na makukuha.*

**Mr. Gepty.** Yes, increase in Philippine export.

**Senator Hontiveros.** It is a 10.47% increase. *Salamat po para diyan*, good resource person.

*Ang aking fifth question*, *iyong economic studies of gains from free trade typically study only national level gains from trade and assume that even without safety nets, affected sectors and communities will be all right since capital and labor that loses to competition will only be unemployed temporarily. Tapos ina-assume na iyong recovery sa unemployment or maybe even under employment. Sabay-sabay iyong mga subnational areas na magre-recover.* But this is not supported by more recent evidence.

Preeminent trade economist and Nobel Prize winner, Dr. Krugman, revisited the idea that there will be across-the-board gains from greater trade openness. *Ayon sa kaniyang pag-aaral*, free trade agreements resulted in specific areas and districts that were unable to catch up, *doon sa* resulting unemployment *at iba pang* ill-effects resulting in disproportionately high unemployment and even the industrialization in these specific states.

*Naalala ko tuloy iyong pag-aaral doon sa ngayon na aling rehiyon sa Pilipinas ang kakayanin na kung, eventually, mag-shift tayo to federal form of government.* In terms of financial stability, *tatlo lamang daw*, Central Luzon, NCR, Southern Tagalog. *Ito iyong free trade daw ay hindi equally napapakinabangan. Hindi rin equally nakaka-recover sa any negative effects.*

*Iyong committee ba natin dito sa Senado*, did we have the benefit of an assessment of the possible subnational impacts of the RCEP? *Pinag-aralan ba ng ating Executive iyon?*

*At this juncture, Senator Ejercito relinquished the Chair to Senator Villar (M).*

**Mr. Gepty.** Yes, that is why we commissioned Dr. Cororaton to conduct study on this and based on his findings, *mayroon po tayong increase sa real GDP by 2031 by 1.93%; reduction ng poverty incidence ng 3.62%. Marami pong findings but very positive po ang kaniya.*

Of course, *marami pong studies talaga but, sabi ko nga depende sa methodology, depende rin sa orientation, depende rin sa data na ginamit.* But the bottom line is that most of the studies are very positive.

**Senator Hontiveros.** Actually, *mayroon din po akong later question tungkol sa pag-aaral ni Dr. Cororaton at iyong methodologies ng iba't-ibang studies na ito. Pero ito lamang immediate*

follow-up question. *Iyong tataas iyong real GDP natin by 1.9%—tama po ba iyong naisulat ko—by year 2031?*

**Mr. Gepty.** Yes po.

**Senator Hontiveros.** *Iyong pag-aaral na iyon ni Dr. Cororaton, was that a 1.9% by 2031 for the Philippines as a whole or na-test po ba nila kung it will be in each and every region lamang, kung hindi man mga probinsiya?*

**Mr. Gepty.** Philippines lamang po iyon.

**Senator Hontiveros.** National level?

**Mr. Gepty.** Yes po.

**Senator Hontiveros.** So unanswered *pa rin iyong tanong na ipino-post ni Dr. Krugman na hindi across the board iyong gains, nationally. At mayroong disproportionate impacts, positive and negative sa mga subnational units ng bawat bansa.*

At this point, *at baka po bukod doon sa pag-reach out pa at pagpapaliwanag doon ng mga ilang legal experts, baka po worth it din aralin iyong mga subnational impacts ng RCEP. Hindi lamang sa Pilipinas as a whole but per region man lamang.* I will now turn my attention to—

**Mr. Gepty.** I will just answer that point. As I mentioned, *marami pong mga studies. Unang-una po, Dr. Quimba of PIDS also conducted a study. Mayroon po siyang findings doon kung ilan iyong mga real GDP growth na ige-gain ng RCEP parties.*

*Ang UNCTAD din po, mayroon silang study na inilabas noong November 2020. Basically, on a regional level, ang estimate din po nila halos parehas din sa national 9.9%, if we are taking about export. Pero ang pinakamaganda po doon is that, it will really increase economic activities in the region po.*

**Senator Hontiveros.** One last point about Dr. Cororaton's study at this point. *Iyong sa study ni Dr. Cororaton were sectoral impacts, not geographic. And when we say subnational, we mean, of course, regional or provincial. Pero iyon, the suggestion or the request still stands na baka kapaki-pakinabang aralin iyong subnational, not sectoral but subnational impacts.*

I now turn my attention to Article 9.2 in the RCEP Financial Services Annex, which says, "A Party shall not take measures that prevent: (a) transfers of information, including transfers of data by electronic or other means, necessary for the conduct of the ordinary business of a financial service supplier in its territory." So, according to some experts I have consulted, this does not have sufficient exceptions and allows financial services companies—*halimbawa po mga bangko, mga insurance companies*—to transfer any information they want, or that they need for their ordinary business, to jurisdictions where the privacy protections are not so strong. There is a whole industry made up of companies, which gather records from pharmacies and sell them to health insurers who use the information to reject health insurance applications. Worse, some data brokers even have categories like—believe it or not—*demented seniors*. And their data is sold so they can be targeted as customers of toxic financial products like loans with high interest rates. *Sa ganito po, kawawa naman po iyong ating mga senior citizens. May safeguards po ba tayo laban diyan?*

**Mr. Gepty.** Yes, Your Honor. No. 1 po, if we will read Article 9, that is Transfers of Information and Processing of Information, very clear po iyong Article 9.1 that "The Parties recognize that each Party may have its own regulatory requirements concerning the transfer of information and the processing of information."

*Iyong concern niyo po is that iyong flexibility ng RCEP party to take measures that would prevent iyong mga information—that is on Article 9.2. But if we will peruse po Article 9.2, it states that, "A Party shall not take measures that prevent transfers of information, x x x " But take note that this is not absolute. It is qualified by the phrase "necessary for the conduct of the ordinary business of a financial service supplier in its territory," which is very reasonable because in the conduct of business, talaga naman free flowing po iyong data lalo na po sa BPO financial services. So, that is why we just have this commitment na parang huwag kayong magpasa ng batas o rules and regulations na pagbabawalan niyo kami na i-transfer iyong data na iyan. But notwithstanding po na mayroong iyong Article 9.2 na iyan na commitment, mayroon po dito*

na Article 9.3, basically telling us that we can pass “regulatory or prudential reasons from requiring a financial service supplier in its territory to comply with its laws and regulations in relation to data management and storage, x x x” So, very clear *po iyan*.

In addition to this, *may* Article 9.4 *po*. So, that is why we have to read all these articles in correlation with each other. Article 9.4—*doon po sa concern ninyo*—“nothing prevents a Party to protect personal data, personal privacy, and the confidentiality of individual records and accounts including in accordance with its laws and regulations x x x.” So, very clear *po*.

**Senator Hontiveros.** Very clear, arguably in the text, *pero* in actual application—*sinasabi nga po ng* good cosponsor, “The proof of the pudding is in the eating.” So, *mayroon tayo sa Pilipinas ng ganoong* regulatory requirements *pero iyong isang kaugnay natin sa RCEP ay iba. Iba naman ang interests niya. Maaaring siya iyong home country nitong mga* financial entities that use this data in a less than benevolent way, *hindi ba? Sino ang mamamayani kung wala doon sa* mother treaty acceded to by all the member-countries *at dapat sundin*. So, maybe that is the point of concern *na hindi sapat iyong mga exceptions*. And, again, *iyong* phrase na “necessary for ordinary business,” *napakalawak po talaga. Baka sa ganiyang mga sitwasyon* it would be better to have phrases *na kung ano ang ipinagbabawal, na hindi iiwan na lamang sa bawat member-country ng RCEP na magbawal niyan* through each of our own regulatory requirements, *pero tinatakda na ng RCEP* for all countries to follow.

In any case *po*—moving on. *Ito na po kasi napag-uusapan po natin*, good resource person, *sina* Dr. Quimba, Dr. Cororaton—and I will return also to some of the references used earlier by Senator Marcos. Proponents for RCEP always cite the 2016 Cororaton study by the Philippine Institute for Development Studies or PIDS—I think *nababanggit din si* Doctor Quimba *rito*—on the expected GDP and FDI gains from RCEP. And I actually heard this mentioned a lot even in our first round of the plenary. But *hindi po ba totoo na itong study, ito mismong study ng PIDS, kasama rito ang India na hindi naman po sumali sa RCEP, tapos hindi pa kasama rito sa study na ito iyong Brunei at Myanmar na sila naman pumirma sa RCEP*. And since this study was done in 2016—at least, the one I am referring to—it was a good four years before RCEP negotiations concluded. So, it cannot be based on the final RCEP text and, incidentally, it is a few years also before the pandemic—it turned our world upside down.

And further to that study, maybe just as an aside, my economist friend says that conclusions in that study—*kasi kanina napag-uusapan din po iyong mga methodology*—were reached through a methodology called “CGE” Computable General Equilibrium modeling, which has been discredited for its unrealistic assumptions.

*Kanina rin po binanggit ni* Senator Marcos *si* Dr. Nicita. In contrast to the earlier mentioned study, *tingnan din po namin iyong reviewed 2021 study ni* Dr. Rashmi Banga, published by the Global Development Policy Center using World Bank methodology that is based on the actual signed RCEP text that we senators are being asked to consider—with the actual RCEP signatories. *Kasi itong* Banga 2021 study, *kasama na ang Brunei at Myanmar—at hindi kasama ang India*—and the actual tariffs that would be removed by each RCEP country, and takes into account the Philippines’ exclusion lists. And that study found that the Philippines’ goods trade balance would actually worsen by US\$264 million per year; and that we would lose tariff revenues of US\$58 million per year. *Bagay po na binanggit din ni* Senator Marcos *kanina*.

And since this study shows that there are no net benefits from the RCEP goods chapter *na doon sana iyong isang developing country tulad natin aasahang makinabang sa isang free trade agreement tulad ng RCEP* by being able to export more of these goods, *e di lalo na pong malabo po sa akin kung papaano iyong benefits ay puwedeng i-outweigh iyong costs sa Pilipinas ng ibang RCEP chapters tulad ng investments, iyong intellectual property nga, iyong services, commerce, at iba pa*.

So, I would be grateful for the comments of the good resource person on this point.

**Mr. Gepty.** There are many studies conducted on the impact of RCEP both at the regional level and also at the national level.

You mentioned the study of Dr. Cororaton in 2016, *tama po kayo, may study siya ng 2016*. But in 2021 *po, mayroon siyang bagong study, at iyong study na iyan* was based on the actual



outcome of the negotiation. *Kaya iyong 2016 na iyon, iyong mga assumptions, mga parameters noon, talagang hindi po iyon eksakto sa outcome of the negotiation. At tama po kayo, kasama pa roon ang India.*

*Ngayon, you also made mention about the study of Rashmi Banga, and based on her study, basically, there is a projected decrease in trade among ASEAN member-states by around 6%. But if you will analyze her study, you will note that, basically, that reduction of around 6% has been debunked by the reported increase in trade experienced by Thailand, Vietnam, and also Cambodia.*

*But most importantly, if you will examine further the analysis of Banga, makikita po doon na tumaas daw iyong imports ng Philippines. Kapag in-examine mo iyong mga imported products ng Philippines, you will see there that the increase in importation is basically contributed by importation of arms and ammunition by around 51% from South Korea, which is unlikely naman po. Kasi unang-una, regulated naman itong mga arms and ammunition at saka pangalawa, I don't think mayroon din demand, etc., para ganoon lamang ito pumasok.*

*In fact, iyong top five niya pong imports, wala nga roon agricultural products. That is why, siguro, in appreciating these several studies, we just have to take into account the assumptions, the data and the methodology. But, ang kagandahan po dito sa mga study nina Dr. Quimba and Dr. Cororaton is that hindi lamang nila ginamit iyong reduction sa tariff rates, na-take into account din nila iyong other factors like non-tariff measures, size of economy, and distance of trading partners. Kay Banga po, kanilang na-factor in iyong pagbaba ng taripa which is tariff liberalization.*

**Senator Hontiveros.** *Pero, iyong 2021 Cororaton study, ginagamit pa rin ba niya iyong discredited CGE modeling methodology?*

**Mr. Gepty.** *Well, of course, the CGE was used. But as to whether or not it is discredited kasi debate po iyan. So, alam nyo naman maraming methodologies ang bawat economist kaya—*

**Senator Hontiveros.** *So, still, though it is a subject of debate, importante pa rin kapag ino-note natin na may mga methodologies that are challenged or eventually kapag nag-settle na iyong debate riyon, among the experts, iyong iba talaga isinasantabi dahil at the end of the debate, kung may consensus na among the experts, nadi-discredit siya. At kaya naman tayo umuunlad kahit sa agham at iba pa because we test certain methodologies. Iyong iba have stood the test of time, iyong iba ay eventually nadi-discredit. The jury is still out on the CGE modeling pero just for the record, from certain quarters of economists, it is already discredited for its unrealistic assumptions.*

*Kasunod nitong discussion tungkol sa mga ibat-ibang studies, isn't it true that if we do not ratify RCEP, just supposing, we continue to trade as today. We can already export to all other RCEP countries under WTO rules and under our existing FTAs that we already have with all other RCEP countries. Iyong iba nga doble, dalawa, halimbawa may ASEAN-Japan Comprehensive Economic Partnership Agreement at may nauna rin JPEPA. RCEP countries such as Australia, New Zealand, and Singapore have already removed all tariffs on products from us under existing FTA. So, we actually get no new market access to them even if we ratify RCEP. If we need cheap imports of raw materials and inputs for manufacturing, we can voluntarily remove tariffs on those products immediately, if we need, without having to join RCEP to do so. Medyo na-touch ito kanina noong diskusyon na pinamunuan ni Senator Escudero. So, di ba kahit hindi i-ratify ang RCEP, makakapangalakal pa rin tayo tulad ngayon? Napag-isipan na ba natin talagang mabuti iyong cost-benefit analysis para rito?*

**Mr. Gepty.** *Tama po kayo, puwede naman po talaga tayo na mag-trade pa rin kahit na walang RCEP. Ang question po roon is that, iyong trade mo ba is preferential? And the answer is no. Ang trade mo ba will bring competitiveness to your local industries and stakeholders? The answer is no. And of course, in RCEP, more than this competitiveness, comparative advantage is being offered. Ang dami rin pong opportunities na mami-miss —*

**Senator Hontiveros.** *—which segues perfectly doon sa susunod na tanong ko, gabay ng Federation of Free Farmers. Preferential ba talaga? And, alam ko na siguro nasa isip nating lahat— alam nila kung saan malamang papunta ang desisyon natin sa RCEP pero hindi po*

*nagsasawang kausapin tayo ng mga magsasaka, ng mga mangingisda, ng mga MSMEs din po sa kanayunan. Kahit hindi po sila pinakinggan in large part noong GATT-WTO, at hindi sila sapat na napakikinggan at naaksiyunan dito sa maraming buwan ng debate tungkol sa RCEP, hindi po sila nagsasawang kausapin tayo. Kasi, siguro ayaw rin nilang sabihan tayo eventually na "We told you so." Pero, hindi ba, kailan ba natin sila pakikinggan?*

*Sige, dito sa tanong ng preferential. Ayon sa Federation of Free Farmers, and I quote, "The advocacy to promote RCEP and highlight its benefits in terms of market access opportunities conveniently downplays, if not deliberately conceals, one crucial caveat—that any tariff concession from our trading partners under RCEP will not be exclusive to the Philippines and will, in fact, be available to all other RCEP member countries."*

*This means that there is no guarantee that we will be able to avail of and benefit from such opportunities, especially, if competing countries who are also part of RCEP are more competitive, dependable, and efficient than us. Baka iyon po iyong isang paliwanag doon sa isang slide natin kanina na, bakit ang Thailand, ang Vietnam ay nakikinabang sa RCEP. We have a clue already in what our good cosponsor said, doble ang gastos ng Vietnam sa agrikultura nila. And we know how she and Thailand learned from us in the '60s and '70s sa agrikultura, and then put it to much, much better use than we have been able to so far. Kaya't mas competitive sila kahit sa agrikultura; kaya't may mas proteksiyon ang kanilang mga rural sector; at mas kayang mag-compete on a more level playing field.*

*Ito na po iyong second to the last question ko to the good resource person, Mr. President. Pero, isa sa mga pinaka-heartfelt, kasi kahit nasa bangin na tayo, nasa bingit na tayo, hindi po nagsasawa ang Alyansa Agrikultura na kausapin tayo. So, ano pong kaisipan ang ating good resource person dito?*

*Mr. Gepty. Tama po kayo, Your Honor, na iyong preferential na treatment na ibinigay ng ASEAN Plus One partner sa RCEP, applicable lahat sa ASEAN member State. Kaya nga po, pagdating sa pagti-trade, pagnenegosyo, kailangan talaga that you have to find your comparative advantage. So, napaka-importante po iyon. Kasi iyon po iyong ano rito sa regional agreement. Kaya iyong mga produkto na hindi po natin nakuha rito sa Regional Comprehensive Economic Partnership Agreement, ang ginagawa natin ay nagne-negotiate tayo ng bilateral agreement for that particular country.*

*I will give you a particular example po, halimbawa ay saging. Of course, malaki ang export natin ng saging. Dito po sa RCEP Agreement, hindi iyan ibinigay ng Japan at South Korea kasi alam nila na kapag ibinigay nila iyong preferential access sa Philippines, in effect, ibibigay rin nila iyan sa Indonesia, Vietnam, et cetera.*

*So, that is why, para magiging sa Philippines lamang iyong whatever preferential arrangement that you will be negotiating and, eventually, agree upon; then, dapat sa bilateral na lamang po iyon. Kaya po kami, nag-negotiate ng bilateral sa South Korea. So, ganoon po iyong approach, Your Honor.*

*Senator Hontiveros. Salamat, Mr. President. Pero, siyempre, kahit napakalahalaga ng mga bilateral treaty, the excitement is really about the big thing that is happening—iyong RCEP—kasi maraming mga bansa na pagsasama-samahin. At ngayon pa lamang kung pakiramdam talaga at karanasan talaga noong mga magsasaka at iba pang rural sectors na talo talaga sila rito. Actually, some others say, even manufacturing will have to take some losses under RCEP. Pero, higit sa lahat, higit pa sa manufacturing, ang agriculture, hindi katulad sa services, nagbe-brace na ngayon. Tense na tense na sila kasi alam nila iyong dagok na tatama ulit sa kanila. And sasabihan natin sila, "hintayin ninyo iyong bilateral agreements na bubuoin natin isa-isa."*

*Huwag naman sanang sabihan nila tayo na, "Aanhin pa ang damo kung patay na ang kabayo."*

*Ito po, for the consideration of the good cosponsors, with my gratitude to the resource person, sa kanilang malaman na pagtugon sa aking mga tanong, and this is also related, Mr. President, sa isang point na ni-raise ni Senator Escudero kanina. I am wondering if, at the proper time, amendments can still be accepted to the resolution to add additional resolatory clauses that will guide the Executive to use to the full any exceptions and transition periods available to the*

Philippines and not implement any unenforceable RCEP provisions that are detrimental to the Philippines.

*Tinatanong ko po ito, Mr. President, in closing, dahil karaniwan na iyong mga gobyerno sa mga developing countries, at napag-usapan nga ito kanina, unilaterally nag-li-liberalize bago pa mag-run out ang transition periods nila, o magko-comply sila sa mga unenforceable obligations para lamang magmukhang good boys kahit iyong mga developed countries naman ay hindi nagko-comply doon.*

So, for the consideration *po* of the good cosponsors, Mr. President.

**Senator Zubiri.** Mr. President, with the permission of our distinguished colleague.

*Nakita ko po ang inyong amendment, and we accept.*

**Senator Hontiveros.** *Salamat po, good cosponsor. Salamat muli sa ating good resource person. I wish there will be a different ending to this debate, Mr. President, pero maraming salamat din po, Mr. President.*

**Senator Zubiri.** Thank you.

#### **TERMINATION OF THE SUSPENSION OF THE RULES OF THE SENATE**

Upon motion of Senator Villanueva, there being no objection, the suspension of the *Rules of the Senate* was terminated.

#### **INTERPELLATION OF SENATOR PIMENTEL**

Preliminarily, Senator Pimentel recalled that when he sponsored and defended the treaty in the Eighteenth Congress as chairperson of the Committee on Foreign Relations, there had been not more than 10 groups that raised their objections, adding that most of the oppositors then emphasized the need for more time to “study the RCEP.” He noted that at present, there were already more than 100 groups and individuals calling for the rejection of the RCEP.

As to the sponsors’ awareness of the groups and whether they have taken time to reach out to the oppositors, Senate President Zubiri stated that the 100 or so groups and individuals opposed to the RCEP’s ratification had been represented in a hearing, wherein the sponsors answered the concerns raised by representatives of the various cooperative confederations—swine, poultry, corn, sugar producers, among others. He said that through studying the difficulties of the farmers in greater depth, he developed a better awareness of the plight of the various groups. He admitted that he was ignorant about the agreement when Senator Pimentel sponsored the measure. However, he stated that since taking on the task, he had studied it and discovered that not a single word on the industries could be found in the 14,000 pages of the RCEP Agreement.

He informed the Body that they had even asked the oppositors to join the technical working group (TWG) in order to craft the revisions to the guidelines and instructions that they approve of. Additionally, he said that Senator Legarda proposed the formation of a special committee to oversee the implementation of the RCEP, specifically as to how government agencies may better support the various industries that would be affected by the agreement.

Senator Legarda, for her part, recalled that following the committee hearing that she and Senate President Zubiri presided over, she was approached by the groups that led to her accepting the chairmanship of the subcommittee. She revealed that despite their objection to the RCEP, the groups volunteered to assist her in crafting the resolatory and whereas clauses, which laid out the gradual decrease in tariff rates over a 20-year period. She added that she has held continuous consultations with the following groups since then: Obra, Alyansa Agrikultura, Federation of Free Farmers, Pamalakaya, Kilusang Magbubukid ng Pilipinas, Bantay Bigas, Anak Pawis, and the grassroots. She underscored the importance of the oversight committee in ensuring that agricultural,

micro, small and medium enterprises (MSMEs), and the trade sector had made the preparation necessary preparations for tariff reductions.

At this point, she restated her position on the matter, stating that RCEP should not be viewed as a magic pill. Nonetheless, she emphasized that the public should understand that the quality of governance, as well as the industry, is what will determine whether Filipinos' lives improve with or without the RCEP. She noted that the government's goals should include appropriate management of the country's trade deficit, ensuring that the agriculture sector was adequately funded so that it can compete with other ASEAN countries, and protecting agricultural products deemed sensitive and vulnerable. She then urged her colleagues to help farmers and fisherfolks recover from the pandemic in a sustainable manner. Senator Pimentel lauded Senator Legarda's ongoing dialogues with sectoral groups, as well as her invitation for them to participate in the technical working group.

Senator Pimentel found the ongoing opposition to the RCEP ratification by various parties comprehensible, owing to the country's adherence to democratic ideals. He noted that one of the agriculture sector's demands was for the private sector to be included in monitoring the DA's budget. He then inquired whether the aforementioned demand could be found in the concurring resolution drafted in consultation with agriculture stakeholders.

Senator Legarda responded by saying she had discussed the issue with a number of experts, including Mr. Ernesto Ordoñez and former UP President Emil Javier. She also said that some of the groups she consulted with appreciated the Senate's guidance, both through the hearings and the TWG. She then proceeded to cite portions of the resolution, to wit:

"Adopting participatory planning approaches that will create comprehensive strategies, roadmaps, and programs that are responsive to the needs and challenges facing the country's economic sectors, guided by measurable targets and specific timeframes for implementation"; and

"Enabling stakeholder participation in the planning and implementation of programs that will build competitiveness and ensure that the benefits of regional economic integration translate to the improvement of their lives."

Regarding the timeframe mentioned in the first referenced portion, Senator Legarda stated that three months after the Senate adopted the resolution, the Executive department should issue the rules as well as a timetable for completing the tasks mentioned. As to the second cited portion of the resolution, Senator Legarda emphasized that the economic integration would occur not just at the national level, but also at the regional level.

Senate President Zubiri responded in the affirmative when asked if he would accept amendments to the resolution to accommodate specific wordings of their participation in budget monitoring, saying that such provision is found on line 22 of page 8, which states that "No. 2. Promoting transparency, enabling access of stakeholders to policy and program development, budget preparation and allocation." Senator Pimentel stated that he would introduce his amendments at the proper time.

On President Marcos's statement that he had no objection if the Philippines joined the RCEP as long as the agriculture sector was already competitive with other countries, Senate President Zubiri replied that it would depend on the agricultural products because the country is competitive only in certain products such as pineapples, papayas, fruit cocktail, banana, and copra, but not in corn, rice, and other key products due to low production capacities. He believed that the DA was also working hard to establish programs and projects that would help the industry compete.

He stated that the agriculture sector was dealing with a number of issues, including climate change, which has resulted in several typhoons that destroyed rice farms in Nueva Ecija, Isabela,

Nueva Vizcaya, and Central Luzon. He also stated that there is a lack of post-harvest facilities and farm-to-market roads, which could reduce the cost of transporting farmers' produce. He also mentioned the difficulty of constructing irrigation facilities due to the constant heavy rains, which can only be found in wealthy farms like Del Monte and Dole. He stated that another issue is the high price of seedlings and fertilizers.

He pointed out that the country's capability to be globally competitive is dependent on how the government can assist farmers and encourage them to change their farming cultures and traditions, especially since most of them are content to be subsistence farmers.

Regarding the sugar industry, Senate President Zubiri stated that while the members of the Confederation of Sugar Producers Association, Inc. (CONFED), which represents about 20% of local sugar farmers, have large irrigated farms, trucks, and tractors, and produce 80 to 100 tons of sugarcane per hectare in a year, the remaining 85% are subsistence farmers. He explained that subsistence farmers have been farming for several years but have low yields because they do nothing to increase crop production. On the other hand, he noted that countries such as India, Thailand, and Brazil ensure that agricultural production is increased through the use of new and modern techniques, hybrid varieties, modern facilities, and equipment.

Senate President Zubiri stated that it would be a challenge for the agriculture secretary to spearhead such changes due to the need to retrain farmers to make them more productive. He believed that farming should be treated as a business, with farmers continuing if it is profitable, but discontinuing if it is no longer a viable source of income.

Asked for indicators that the Philippines was already competitive in a particular product, Senate President Zubiri said that one sign would be the local industry's compliance with the local requirement for that product. To illustrate, he stated that generating only 1.8 million metric tons of sugar per year given that the annual requirement is 2.5 million metric tons. He stated that a yearly sugar production of 2.5 million metric tons would mean that the Philippines is competitive in that industry and could then start exporting sugar if there is a surplus.

He opined that the local rice industry was in a similar situation, as the Philippines remains one of the largest rice importers. However, he observed that the rice sector has been gradually becoming more competitive as a consequence of the Rice Tariffication Law and the assistance given to farmers from tax collection proceeds. He also stated that the farmers had received mechanized equipment that allowed them to harvest 80 cavans per hectare, which was higher than the national average of 58 or 60 cavans.

He proposed that the government look into ways to generate more industry from agriculture, such as through a value chain. He stated that because live fruits are difficult to export, the Philippines could sell canned fruits, juices, purees, frozen and vacuum durian to countries such as Singapore and China. He added that they would have to find other sources of income for the country's products.

When asked if such products are eligible for tariff concessions under the RCEP, Senate President Zubiri responded that they are not. Senator Pimentel then inquired whether additional concessions for Philippine durian and banana were granted under the RCEP. Senate President Zubiri replied that under RCEP, the tariff concession for frozen fruit is 0%, whereas it would be negative under the ASEAN-China Free Trade Area (ACFTA).

As to the benefits of the RCEP for the agriculture sector, he stated that it would provide additional market access to China for products such as preserved pineapples, pineapple juice, and coconut juice, as well as fish salmon, fish fillet, tilapia fillet, and bangus fillet for export to Japan.



He agreed with Senator Pimentel's observation that the RCEP is a free trade agreement in which tariffs are used as the objective measurement of trade restrictions or rules in order to open up more markets for Philippine goods and vice versa.

In terms of how the agreement might affect subsistence farmers, he explained that no tariffs would be imposed because the country does not export rice due to low production. However, he stated that the RCEP could benefit subsistence farmers by providing cheaper fertilizers and pesticides, as well as greater access to more products from countries such as China and Japan. He also stated that they might be able to sell specialized products to other member countries.

Senator Pimentel stated that the DA should intervene to make the RCEP more appealing to subsistence farmers, even though the agreement would result in cheaper inputs, as they would still be unable to afford such resources. Senate President Zubiri agreed, stating that a rice enhancement program is already in place to assist farmers.

Asked how the RCEP would be explained to rice, corn, and sugar farmers, Senate President Zubiri said it would be through the several national government programs funded by the GAA, such as the National Corn Program, National Rice Program, production support services, extension support, education and training services, research and development, provision for agricultural equipment and facilities, and irrigation network services for rice. He also mentioned that laws were passed to provide subsidies to sugar farmers with subsidies. However, he lamented that the programs were not properly implemented.

Senate President Zubiri stated that whether there is an RCEP or none, farmers face many challenges; thus, the DA must ensure that the Senate's oversight functions are in place so that the funds would go directly to the intended beneficiaries. He added that manufacturing and exports would suffer as well, emphasizing the importance of taking a comprehensive look at the situation.

Senator Legarda addressed Senator Pimentel's concerns about the matter by pointing to Item No. 4 on the list of measures that would be added to the concurring resolution in order to develop and implement programs and initiate reforms in ways that will cultivate, improve, and promote efficiency, productivity, profitability, and competitiveness in the concerned sectors.

She also mentioned the National Rice Program, National Corn Program, National High Value Crop Development Program, National Livestock Program, National Organic Agriculture Program, National Fisheries Program, and the Agriculture Machinery, Equipment, Facilities, Infrastructure Program. She said that including the list in the proposed resolution emphasizes the importance of the programs that fall under the purview of the Executive department and that the oversight committee will enforce further within the RCEP framework.

In terms of finding ways to communicate the programs to farmers, she emphasized that whether the RCEP was ratified or not, it was the DA's responsibility to do so. Furthermore, she said that it would take a whole-of-government approach to effectively cascade such information to the farming sector.

#### **MANIFESTATION OF SENATOR PADILLA**

At this juncture, Senator Padilla brought to light the plight of Nueva Ecija's rice farmers, saying that the Rice Tariffication Law, while a sound piece of legislation, had detrimental effects on the farmers of the province.

In her interjection, Senator Villar (C) pointed out that Nueva Ecija rice farmers chose to purchase hybrid seeds from the National Rice Program, which were more expensive at P250 per

kilogram, rather than inbred from the Rice Competitiveness Enhancement Fund (RCEF), which sold for P30 per kilogram. She also stated that the hybrid variant required more expensive inputs than the inbred seedlings.

She recalled that at the start of the RCEF program, farmers planted inbred seeds and produced 3.7 metric tons of rice, which has since increased to 4.4 metric tons. She added that farmers expect to produce 5 metric tons by 2024, or about 120 cavans per hectare. She lamented, however, the fact that things had gone wrong in the RCEF when questionable entities wanted to get their hands on the P5 billion funds intended for the purchase of farming equipment and machinery. She pointed out that the problem was with the program's implementation.

Senator Pimentel then asked if the oppositors of the RCEP had changed their minds because of the list of measures that would be added to the resolution, despite the fact that such programs already existed. He pointed out that the only thing that had changed was that the DA's budget had increased.

In response, Senate President Zubiri stated that since agriculture was devolved to local government units, there has been a lack of support for the agriculture sector, with local chief executives (LCEs) becoming more interested in developing other areas such as tourism and infrastructure rather than providing programs and inputs for farmers. Furthermore, he said that most LCEs and their appointed municipal agriculture officers were not agriculturists or industry experts.

He also mentioned that the DA lacked regional field personnel on the ground. He believed it was time to amend the Local Government Code, as well as consider renationalizing agriculture services and finding ways to add more technical DA personnel on the ground.

Senator Legarda assumed that despite her best efforts to reach out to and solicit input from all stakeholders, the treaty's oppositors remained steadfast in their opposition to the treaty. However, she stated that regardless of whether or not the Senate concurred in the ratification of the treaty, the crux of the matter lay in the implementing agencies' judicious, effective, and efficient utilization of funds to close the trade deficit which has plagued the country since the 1970s.

She stated that no guideline or recommendation issued by the Body would improve the lives of the country's farmers and fisherfolk if the sector was mismanaged, smuggling and corruption were not eliminated, farmers and fisherfolks did not have access to resources, and if agrarian reform beneficiaries were not given the inputs promised to them decades ago.

She stated that the RCEP was not a panacea for the problems plaguing the agriculture sector and that genuine assistance to agriculture workers would require a whole-of-government approach. She urged the Executive department to commit to improving its performance and stated that the oversight committee would hold them accountable.

Furthermore, she stated that if the Philippines did not join RCEP, it would be at a competitive disadvantage with other countries that did.

Senator Pimentel surmised that the resolution of concurrence was the product of consultation from various stakeholders, including those opposed to the RCEP. He commended the administration for showing its commitment and support for the concurrence to the RCEP ratification by having the cabinet secretaries attend the Plenary deliberations.

He emphasized that joining the RCEP must be motivated by the best interests of the country, and not by the pressure of being the only country that has not concurred in its ratification. Senator Zubiri agreed and expressed his belief that the RCEP would be beneficial to the country, pointing



out that failing to concur in its ratification would portray the Philippines as an isolationist country in the eyes of many foreign direct investors.

Senator Zubiri recalled that in his speech, he stated that the government should not enter into the agreement for fear of being the last nation to join RCEP. He emphasized that the Philippines was joining for its best interests, particularly to avoid becoming an isolated trading nation.

In addition, he stated that when he, along with Secretaries Pascual, Diokno, Pangandaman, and Lagdameo, as well as the President, were in Japan, Japanese investors kept mentioning the ease of doing business with the Philippines and within the region because they wanted the country to be the launching point for their products. He said that whenever an investor or the Japanese Prime Minister discussed expanding trade with the country, the President would look in his direction and remind him of the need for the Senate's concurrence to the treaty. He expressed concern about the country falling behind in terms of foreign direct investments, while also protecting domestic enterprises.

In response to Senator Hontiveros's questions, he stated that Go Negosyo, the largest MSME group, has expressed support for the RCEP, as its members such as Angkas, Potato Corner, and Carmen's Best would like to sell their products in Malaysia, Indonesia, and other countries through the RCEP's open and direct market access. He emphasized that while the RCEP is not a panacea, the country will benefit from it.

Senator Pimentel expressed gratitude that the Senate would make a decision based on the nation's best interests, especially for the benefit of local businessmen, particularly exporters, by expanding the market both locally and among member nations. He stated that if the country did not participate in the RCEP, it would be forced to rely solely on exports.

Senator Pimentel recalled that during the previous Congress, his favorite example for defending the RCEP was Marikina's shoemakers. Recognizing BOC Commissioner Rubio's presence, he expressed his delight that he was still in the Chamber, demonstrating support and listening to the RCEP interpellations.

Noting that agricultural stakeholders have been protesting and suffering as a result of smuggling, he inquired as to who was responsible for addressing the issue of agricultural product smuggling. Senate President Zubiri stated that the Bureau of Customs, not the Department of Agriculture, was the country's first line of defense because the DA only acts after farmers file complaints with DA personnel, whereas the BOC is the first line of defense by inspecting incoming commodities.

Senator Pimentel expressed his appreciation that the Commissioner was present because when he sponsored the RCEP in the 18th Congress, the BOC did not show up and no consultation was conducted. He stated that the presence of Cabinet members and the Customs Commissioner in the Hall showed that the current administration was serious about obtaining the Senate's concurrence.

He added that despite the use of simplified procedures and standard forms to facilitate trade, the BOC could sabotage everything by not staying up-to-date on the rules, not being familiar with the treaty, or by being difficult with the exporters. He believed that if the BOC does not play its role, all would be for naught.

Senate President Zubiri reassured the Body of the BOC's commitment and oversight.

At this point, the Chair interjected, stating that the Anti-Agriculture Smuggling Act of 2016. He noted that importation has increased since the law's passage, and stockpiling, profiteering, and





cartels have become government issues. He stated that Congress had previously amended the law to include profiteering, hoarding, and cartels as forms of economic sabotage.

Senate President Zubiri confirmed that economic sabotage was included on the LEDAC's list. Senator Pimentel believed that the presence of the Customs Commissioner in the Chamber that day was critical, and that the Senate would hold the BOC accountable to combat smuggling; otherwise, all efforts would be futile.

### MANIFESTATION OF SENATOR PADILLA

Senator Padilla agreed with Senator Pimentel that since rice smuggling has become a problem, it should be classified as economic sabotage because it makes it impossible for farmers to sell their produce.

### INTERPELLATION OF SENATOR PIMENTEL

(Continuation)

Senator Pimentel stated that all bilateral and regional FTAs would collapse if smuggling continues to proliferate. He then cited the objections of Alyansang Agrikultura to the RCEP that previous to joining the WTO in 1994, promises were made – new jobs and an increase in exports – but they were not fulfilled and the contrary occurred with exports. He recalled that in the previous session, Senate President Zubiri mentioned that one million employment would be produced as a result of the RCEP. He stated that the WTO's projection was that 500,000 jobs would be created.

Senate President Zubiri stated that according to a research, 1.4 million jobs would be created by 2031, and total employment would increase by 2% of GDP as a result of the RCEP.

Senator Pimentel stated that the WTO commitment did not come true. He then queried as to how the RCEP has performed in terms of its promise, given that other parties have had a year of experience.

Senate President Zubiri enumerated the following increases in trade:

- Cambodia's exports with RCEP countries rose by \$31 billion, or 4%, in 2022, shortly after the country ratified the RCEP (Source: *Khmer Times*);
- Thai commerce with RCEP nations increased by 7.1%, or \$300 billion (Source: *Pattaya Mail*);
- Vietnam's trade with RCEP nations increased by 16.4% valued at \$108.4 billion (Source: *China International Import Fair and Vietnam Plus*); and
- Malaysia increased trade by 9.3% in 2022, and projects an increase of 25% in 2023 (Source: *Malaysian Market Edge*).

Senator Pimentel remarked that RCEP member nations quickly felt the benefits of the agreement one year after joining, contrary to the common belief that states should first experience hardships before reaping the agreement's benefits.

When asked if the indicated gains were due to their respective economies' low threshold as a result of the pandemic, Senate President Zubiri believed that the data only referred to their exports and not their respective GDPs. He believed that the effects would not be felt immediately, but perhaps within a year. He stated that most of the country's ecozones are prepared to re-export their products to RCEP nations, making it a good fit because the Philippines used to be a net exporter of clothing, agricultural products, canned fruits, and fish. He assumed that tuna and sardines would be the first to export, given that their associations promote and support the RCEP.



He noted that the ECOP and the Philippine Chamber of Commerce and Industry have issued a strong statement of support for RCEP, stating that their industries are prepared to export their products immediately following the implementation of the agreement.

Regarding how the Senate would influence the 2024 budget, reforms, and priorities in concurring with the RCEP, Senate President Zubiri stated that the programs of the Department of Agriculture would examine the National High Value Crops Program, the National Livestock Program, the Organic Agriculture Program, the National Corn Program, and the Urban and Peri-Urban Agriculture Program, while the programs of the Department of Trade and Industry would concentrate on the Industry Development Program. He stated that Congress used to fund the DTI's Shared Service Facilities, which helped several cooperatives and MSMEs apply for coffee-making machines, coffee production, and chocolate-making equipment, as well as the Small Business Corporation, which helped small businesses acquire new machinery and equipment. He stated that the funds would help to improve the agency's program absorption capacity.

Regarding new plans for the RCEP, he stated that DA Senior Undersecretary Panganiban and Secretary Pascual were in the Hall to hear the interpellations. He believed that the debates had enlightened them and strengthened their understanding of how to adapt their programs to the RCEP.

Senator Pimentel stated that if RCEP were truly important, and if it changed policy, as stated by Assistant Secretary Gepty, then agencies should modify their programs accordingly. He recalled that when he was sponsoring the RCEP, he asked the DA and DTI for their initiatives for the RCEP. He stated that he was not at all excited by the list given to him as the programs were continuing and repetitive, and emphasized the need for agencies to come up with something innovative or creative. He challenged the DA, DTI, and BOC to generate fresh concepts that were compatible with the RCEP.

Senate President Zubiri concurred with Senator Pimentel that the oversight committee would be responsible for ensuring that agencies engage with their stakeholders and revise or develop new initiatives.

Senator Pimentel opined that the departments concern should create new and advanced programs to keep pace and take advantage of its membership in the RCEP, as well as to debunk claims that RCEP would merely bring incremental change from the ASEAN+1 and other existing FTAs.

In agreement, Senate President Zubiri stated that the success of the RCEP agreement would depend on the willingness of the parties involved to produce more exports for job generation and manufacturing in all industries.

Senator Pimentel surmised that the country's membership in the RCEP, while the country is already under the ASEAN+1 FTA and other bilateral trade agreements with other countries, might overwhelm MSMEs and entrepreneurs on how to go about the changes resulting from the RCEP membership. Relative thereto, he suggested that the country have a unified program for MSMEs to onboard all parties concerned in order to take advantage of any of the existing FTAs. On that note, he expected that relevant changes would be reflected beginning in the 2024 budget. Senate President Zubiri agreed, suggesting that the DTI, for instance, could tweak its Export and Investment Development Program that would cater to MSMEs in RCEP countries. In addition, he said that he would have the DTI submit, in the first oversight hearing in the future on RCEP, its other programs that could be tweaked in preparation for the country's RCEP membership.

Senator Pimentel stated that persons critical of the membership claim that the ASEAN+1 FTA and other existing bilateral trade agreements have not made an impact or reflected its supposed benefits to the country. He surmised that the lack of information campaign or the lack of existing programs that would assist Filipinos on how they could take advantage of the FTAs could be one reason for the unseen benefits. Having defended the proposed resolution concurring in the ratification of the RCEP Agreement in the Eighteenth Congress, he stressed that if the Philippines would not take advantage of its existing ASEAN+1 FTA, other existing bilateral trade agreements, and its future RCEP membership, the Senate's concurrence in the ratification of the multilateral agreement would be to the country's detriment. He added that other countries would be taking advantage of the Philippines' market opening without the country taking its chance to get the other markets that already opened.

In reply, Senate President Zubiri stated that the Philippines has a trade surplus with Switzerland, Luxembourg, and Iceland—countries with FTAs with the Philippines. Senator Pimentel expressed hope that the Philippines would be able to reduce the trade deficit in its overall trade. He said that the electronic equipment exported to the FTA countries also came from non-FTA countries.

At this point, Senate President Zubiri cited that prior to the country's participation in the WTO in 1994, the GDP per capita was at US\$1,679 which increased to US\$3,664 in 2019; the GDP growth rate in 1994 was at 4.4% which increased to 6.10% in 2019; the unemployment rate in 1994 was at 9.5% which decreased to 5% at present; poverty incidences in 1994 was at 40% while it decreased to 16.7% at present; and the inflation rate in 1994 was at 10.39% which decreased to 2.48% in 2019 and increased again to 8.7% at present. He pointed out that the figures have shown many positive changes since 1994 and that the GDP per capita and poverty incidences might not have improved had the Philippines decided not to participate in the WTO. He said that while certain industries have suffered, opportunities abounded after the country's WTO membership.

Senator Pimentel agreed, however, he noted that there was no data yet on the country's performance under the specific bilateral FTAs. Senate President Zubiri replied that the DTI could provide the data during the first oversight hearing. Senator Pimentel recalled that the opposition to the RCEP Agreement had requested the same in 2022 and that he had requested the same but the DTI replied that there was no study about the country's performance under the existing FTAs.

Senate President Pro-Tempore Legarda, for her part, stated that the DTI might be able to track on the country's progress under the recent Philippines-European Free Trade Association Free Trade Agreement (PA-EFTA-FTA), which entered into force in June 2018. She recalled that during the plenary debates on the FTA, she had urged the government to conduct web-based education sessions to inform the Filipinos. She said the DTI assisted companies to increase exports—including tuna, desiccated coconuts, fruits, nuts, processed food, pasta, malt products, vacuum cleaners, electric fans, automotive tires, and hair dryers—to FTA countries. In addition, she said that the Philippines turned around its perennial trade deficit with the PA-EFTA-FTA member states—Liechtenstein, Switzerland, Iceland, and Norway. To show a gradual upward trend, she stated that the Philippines posted a trade surplus of US\$47.12 million, that the total trade between the Philippines and the four countries in FTA increased by 2.40% from US\$802 million in 2018 to US\$821 million in 2019, and that the surplus further grew to US\$101.49 million in 2020 and grew again by US\$89 million despite the COVID-19 pandemic.

Asked to comment on former Agriculture and Trade Undersecretary Ernesto Ordoñez's arguments on the three stringent requirements of the RCEP safeguard measure, Senate President Zubiri suggested the suspension of the *Rules* in order for Assistant Secretary Gepty to provide the accurate answer.

## SUSPENSION OF THE RULES OF THE SENATE

Upon motion of Senator Villanueva, there being no objection, the Body approved the suspension of the *Rules of the Senate* to allow DTI Assistant Secretary Allan B. Gepty, lead negotiator in the RCEP Agreement, to respond directly to the queries of Senator Pimentel.

### QUESTIONS OF SENATOR PIMENTEL

*Following is the full exchange between Senator Pimentel and Assistant Secretary Gepty:*

**Senator Pimentel.** Asec. Gepty knows this topic very well. We agreed under RCEP that to invoke or to take advantage of the safeguard measure, there are three conditions or requirements. The additional customs duty cannot exceed the existing Most-favored nation rate, the safeguard measure cannot be applied to any least develop country, RCEP member, and there must be trade compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional customs duties expected from the measure. *So, ang point ni Mr. Ordoñez is useless provision because the aggrieved party will always choose the easier procedure which is the WTO, the general safeguard procedure.*

**Mr. Gepty.** *Unang-una po, dalawa iyong safeguard measure sa RCEP. One, is iyong transitional RCEP safeguard measures. Ito po iyong sinasabi ni Dr. Ordoñez na pagdating po sa measure that can be imposed, limited siya kasi kapag ini-invoke mo siya hindi ka puwedeng lumagpas doon sa MFN rate mo at the time of the effectivity of RCEP agreement or iyong applied rate mo when you impose the transitional safeguard measure. Tama po iyon. Iyon lang talaga iyong puwede mong gawin kasi reasonable naman po iyon kasi kung wala namang RCEP, iyong rate mo naman talaga is iyon. Pero, mayroon ka pa rin pong WTO safeguard measures. So, ito po iyong option mo, puwede mo pa rin iyong gamitin and we have maintained that and that is very clear sa Article 7.9 and Article 7.11 kasama iyong anti-dumping and countervailing measures.*

*So, in other words po, ikaw na ang bahala kung ano iyong safeguard measures mo na gagamitin. Ang bawal lang po is you apply safeguard measure on the same good at the same time.*

**Senator Pimentel.** So, in reality, because of the third requirement, which is that you have to give trade concessions. Is that new? Is that RCEP idea? *Wala iyan sa WTO?*

**Mr. Gepty.** *Hindi po. Ganoon naman talaga po ang rule sa safeguard measures agreement.*

**Senator Pimentel.** *Even sa WTO?*

**Mr. Gepty.** *—sa WTO po. So, iyong affected party can invoke iyong tinatawag nating compensation. Parehong-pareho lang ang ano niyan—*

**Senator Pimentel.** But since you are the expert in free trade agreements, in real life, the aggrieved party—The aggrieve party here is the State party?

**Mr. Gepty.** *Iyong aggrieved party in the sense that affected sila ng imposition mo ng safeguard measure. So, basically, depende. Kapag ginamit mo ang WTO safeguard measures, then halos lahat ng WTO members. Kapag RCEP lang—*

**Senator Pimentel.** No. The one who can avail of the safeguard measure is the state party?

**Mr. Gepty.** The RCEP party po.

**Senator Pimentel.** Yes, state party. *Kaya nga. So, in real life, ano po iyong prediction ninyo? That the Republic of the Philippines when we need to invoke the safeguard measure, we will use this RCEP provision or the WTO?*

**Mr. Gepty.** *Depende po sa circumstances.*

**Senator Pimentel.** You still see benefits or advantages in using the RCEP safeguard measure?

**Mr. Gepty.** Yes po.

**Senator Pimentel.** *Ano iyon? What would this case be, Mr. President?*

**Mr. Gepty.** Well, No. 1 advantage *po* is that for purposes of computing, if there is a sudden increase or—in importation, at least *ang kokompiyutin mo* or *ang universe mo lang* would be the RCEP parties. *Iyong trade mo rito sa RCEP parties. So, mas madali mag-compute, mas madali i-calculate.*

Second, *kapag halimbawa po na mayroong* affected party, meaning *iyong tinamaan ng safeguard ay mag-invoke ng kaniyang* right to compensation, at least, you are just limited *dito sa* 15 countries. *Ang downside lamang po sa* Transitional RCEP Safeguard Measure is that *iyon po ang sinasabi nila; very limited iyong options mo na puwedeng i-impose.*

*Pero kapag* WTO *naman ang ginamit po ninyo*, basically, *medyo mahirap mag-compute kasi* you have to compute all your trade with these WTO members; *pangalawa po* is that *kapag may nag-invoke ng right ng* compensation, *ang daming puwedeng possible na mag-invoke* against the country. And then, of course, *ang advantage naman po rito is that marami kang options na puwede mong magamit katulad ng*, let us say, *mga quota, mas mataas na duties, et cetera*, under our Republic Act No. 8800.

**Senator Pimentel.** Thank you for the response, Mr. President. Although, I did not really fully understand it. Atty. Gepty is expert in free trade negotiation.

So, my last point will be addressed to the sponsors. And I would like to thank Asec. Allan Gepty for assisting me during the time that I was the one sponsoring this treaty. *Kaya ayaw ko siyang kausap kasi siya po iyong source din ng information ko.*

## TERMINATION OF THE SUSPENSION OF RULES

Upon motion of Senator Villanueva, there being no objection, the Body terminated the suspension of the *Rules of the Senate*.

Thereupon, the Chair recognized Senate President Zubiri, sponsor of the measure, with Senate President Pro Tempore Legarda as cosponsor.

## INTERPELLATION OF SENATOR PIMENTEL

*(Continuation)*

Senator Pimentel asked whether the sponsors of the measure would be amenable to amend the concurring resolution and include the paragraph: “*RESOLVE, FURTHERMORE, THAT THE SENATE OF THE PHILIPPINES MAY RECOMMEND TO THE PRESIDENT THE WITHDRAWAL FROM THE AGREEMENT.*” Senate President Zubiri clarified if the proposed amendment would grant the President the power to withdraw, since the same power should rest on the Senate as stated by a Supreme court ruling. Senator Pimentel replied negatively, saying that the last paragraph of the proposed resolution states that “*The President of the Philippines may, with the concurrence of the Senate, withdraw from the Agreement.*” He pointed out that the reason for the proposed amendment was to enable the oversight committee to recommend the withdrawal from the Agreement if the committee would, for instance, be convinced that the RCEP membership has become harmful to the Philippines.

Senate President Pro-Tempore Legarda and Senate President Zubiri then agreed to accept the proposed amendment, subject to style.

## TERMINATION OF THE PERIOD OF INTERPELLATIONS

There being no other interpellation, upon motion of Senator Villanueva, there being no objection, the Body closed the period of interpellations.

## SUSPENSION OF SESSION

Upon motion of Senator Villanueva, the session was suspended.

*It was 8:54 p.m.*

## RESUMPTION OF SESSION

At 9:04 p.m., the session was resumed.

Upon motion of Senator Villanueva, there being no objection, the Body proceeded to the period of committee amendments.

## COMMITTEE AMENDMENTS

Upon motion of Senator Villanueva, there being no objection, the Body adopted the committee amendments as contained in the updated copy of the resolution and considered the same as the working draft for the individual amendments.

## TERMINATION OF THE PERIOD OF COMMITTEE AMENDMENTS

There being no other committee amendment, upon motion of Senator Villanueva, there being no objection, the Body closed the period of committee amendments and proceeded to the period of individual amendments.

## INDIVIDUAL AMENDMENTS

At the instance of the proponents Senate President Zubiri presented the following individual amendments, which were accepted by the committee and, there being no objection, were approved by the Body:

***By Senator Villar (C)***

1. On page 6, line 19, insert a new Section (D) to read as follows:

(D) ADDITIONAL SPECIFIC AND FOCUSED DA INTERVENTIONS WITHIN THE AFOREMENTIONED BANNER PROGRAMS TO ADDRESS THE IMPACT ON FARMERS AND FISHERFOLK WHO ARE PRODUCING THE 15 PRODUCTS ENUMERATED UNDER THE 33 TARIFF LINES, TO TAKE EFFECT BEFORE THE IMPLEMENTATION OF THE COUNTRY'S COMMITMENTS TO THE AGREEMENT; and

2. Reletter the succeeding paragraphs accordingly.

***By Senator Poe***

3. On page 7, line 20, after the words "recourse to," insert the phrase AND LEGAL TRAINING FOR;
4. On page 8, line 29, after the word "facilities," insert the phrase ENHANCEMENT OF TRANSPARENCY IN IMPORTATION MONITORING THROUGH A DEDICATED PUBLICATION LIST ON AGRICULTURAL GOODS;

***By Senator Hontiveros***

5. On page 12, line 32, insert a new resolatory clause, to read as follows:

**RESOLVED, FURTHERMORE,** THAT THE EXECUTIVE DEPARTMENT USE TO THE FULLEST ANY EXCEPTIONS AND TRANSITION PERIODS AVAILABLE TO THE PHILIPPINES, AND NOT IMPLEMENT ANY UNENFORCEABLE RCEP PROVISIONS THAT ARE DETRIMENTAL TO PHILIPPINE INTERESTS.

**SUSPENSION OF SESSION**

Upon motion of Senator Pimentel, the session was suspended.

*It was 9:09 p.m.*

**RESUMPTION OF SESSION**

At 9:11 p.m., the session was resumed.

**INDIVIDUAL AMENDMENTS**

*(Continuation)*

*By Senator Pimentel*

6. On page 8, after subparagraph 3, as proposed by Senator Pimentel and accepted by the sponsor, there being no objection, the Body approved the insertion of a new subparagraph 4 to read as follows:
  4. ESTABLISHING THE PUBLIC-PRIVATE AGRICULTURE BUDGET MONITORING COMMITTEE;
7. Renumber the succeeding sections accordingly;

*By Senate President Zubiri*

8. On page 11, line 31, insert the names of the chairpersons of the Committee on Labor, Employment and Human Resources Development and the Committee on Science and Technology as members of the Senate Special Oversight Committee on the RCEP Agreement; subject to style;

*By Senator Pimentel*

9. On page 13, before the final resolatory clause, insert the following clause:

*RESOLVED, FURTHERMORE, THAT THE SENATE OF THE PHILIPPINES MAY RECOMMEND TO THE PRESIDENT THE WITHDRAWAL FROM THE AGREEMENT.*

Senator Pimentel explained that the amendment would allow the Senate to be more proactive by having the initiative to recommend to the President the withdrawal from the treaty if the need arises.

*By Senate President Zubiri*

10. On page 11, line 29, after the word "Chairpersons," insert the phrase OR ANY DESIGNATED MEMBER, subject to style.

Senate President Zubiri explained that if the Senate committee chairperson would not want to sit in the oversight committee, a committee member may be designated to be a member thereof.

**TERMINATION OF THE PERIOD OF INDIVIDUAL AMENDMENTS**

There being no other individual amendment, upon motion of Senator Villanueva, there being no objection, the Body closed the period of individual amendments.

**APPROVAL OF PROPOSED SENATE RESOLUTION NO. 485  
ON SECOND READING**

Submitted to a vote, there being no objection, Proposed Senate Resolution No. 485 was approved on Second Reading.



## MOTION OF SENATOR VILLANUEVA

Upon motion of Senator Villanueva, in consultation with the Minority Leader, there being no objection, the Body suspended the *Rules of the Senate*, particularly Rule XXXVI, Section 101, in order to proceed with the Third Reading of Proposed Senate Resolution No. 485.

## ADOPTION OF PROPOSED SENATE RESOLUTION NO. 485

Upon motion of Senator Villanueva, there being no objection, the Body considered, on Third Reading, Proposed Senate Resolution No. 485.

Pursuant to Section 67, Rule XXIII of the *Rules of the Senate*, upon motion of Senator Villanueva, there being no objection, Secretary Bantug read only the title of the resolution, to wit:

### RESOLUTION CONCURRING IN THE RATIFICATION OF THE REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT.

Secretary Bantug called the roll for nominal voting.

## RESULT OF THE VOTING

The result of the voting was as follows:

### *In favor*

Angara	Padilla
Binay	Pimentel
Cayetano (A)	Poe
Dela Rosa	Revilla
Ejercito	Tolentino
Estrada	Tulfo
Gatchalian	Villanueva
Go	Villar (C)
Lapid	Villar (M)
Legarda	Zubiri

### *Against*

Hontiveros

### *Abstention*

Marcos

With 20 senators voting in favor, one against, and one abstention, the Chair declared Proposed Senate Resolution No. 485 approved on Third Reading.

## EXPLANATIONS OF VOTE

The following senators explained their vote on Proposed Senate Resolution No. 485:

### *By Senator Marcos*

*Tila nagkaroon ng bahid personal ang sinagot sa akin kanina. Nais ko lamang idiin na ang aking pangamba ay dulot ng aking paninindigan hindi bilang kapatid sa kapangyarihan, kung*



*hindi bilang anak ng legasiya ng aking ama na laging unahin ang maliliit, ang mga nagsasaka ng lupa, at ng lahat ng mga nangangailangan.*

*Pahintulutan ninyo akong hindi lumahok sa botohang ito, hindi dahil umiiwas sa katungkulan, kung hindi hanggang sa panahong ito ay bigo pa rin ang nakararami sa bukid at sa parang.*

**By Senator Hontiveros**

I wish to explain my no vote to the Senate concurrence in the Regional Comprehensive Economic Partnership.

*Una po, hindi po ako kumbinsido na hindi natin pinapahamak ang kalusugan ng ating mamamayan.* I am not persuaded that the health and security exception sufficiently protects our citizens from the onslaught of tobacco and formula milk advertisements. *Kahit may batas pa tayo na ipinagbabawal ang tobacco advertisements, paano nga kung hamunin tayo for non-compliance sa RCEP?* I note that various EU countries in their liberalization of advertising services in the WTO also explicitly excluded tobacco advertising, even though they could have used the health and security exemptions cited by our resource persons. *Hindi natin ito ginawa,* and I worry that the consequences may be grave and intergenerational.

*Pangalawa po, paumanhin po, ako po ay hindi kumbinsido na makakabuti sa Pilipinas ang RCEP.* I am persuaded by the study of Rashmi Banga which found that the Philippines' goods trade balance would worsen by US\$ 264 million per year and it would lose tariff revenues of US\$58 million per year. *Nahihirapan po ako suportahan ang findings ni Dr. Cororaton,* which was obtained using a methodology called Computable General Equilibrium (CGE) modeling which has already been discredited for its unrealistic assumptions.

*Panghuli po at pinakamahalaga,* I have with me a letter of 131 organizations from various groups around the country. *Mga grupo ng magsasaka, mga grupo ng mangingisda, mga trade union, mga health advocates, mga fair trade advocates.* These represent millions of Filipinos who say that our country is not ready for this deal, that we already obtain the benefits from our other agreements, and that we even stand to lose.

The calculations for me are simple. *Dapa na po ang ating agrikultura. Hindi pa tayo nakakaahon sa pandemya.* This is not the time for RCEP.

I vote "no."

## MANIFESTATION OF SENATOR VILLANUEVA

Senator Villanueva stated that the senators may explain their votes on Proposed Senate Resolution No. 485 by submitting their written explanation to the Secretariat.

## EXPLANATION OF VOTE OF SENATOR DELA ROSA

Senator Dela Rosa submitted his written explanation of vote, as follows:

I rise today to take this opportunity to explain my vote on the Senate's concurrence in the ratification of the Regional Comprehensive Economic Partnership Agreement.

Merely a few days ago, I cosponsored the measure that intends to emancipate our farmers from the burden of debt from the Comprehensive Agrarian Reform Program. Today, we were faced with yet another choice to make.

On the surface, it seems that the choice is between ratifying the RCEP or not. But if we dig beyond the surface, we find that the choice is really more nuanced than that. I admit that the choice has been difficult for me because, on one hand, modernization will be good, and yet on the other hand, its ratification might lead to 'unintended consequences' that may not be very helpful for our farmers.

We see that through the RCEP, we can look forward to several benefits, especially in establishing our position in the global value chain. Among the major industries that shall benefit



is the agricultural sector. Research and development, information and communications technology shall drastically improve, as well as the development of more globally competitive products.

However, our happiness at these benefits, no matter how strong, must be paired with an even stronger commitment to our farmers. *Naniniwala ako na sa huli't huli, hindi ito usapin sa pagpili sa pagitan ng agrikultura at ekonomiya sapagkat ang ating ekonomiya ay nakasandal sa ating agrikultura.*

As author of Senate Bill No. 206, or the Filipino Farmers Financial Assistance Program Act, I have always acknowledged and recognized the indispensable role that our farmers play in the enrichment of our nation. We claim that food security should form an integral part of our priorities. As legislators, we must not only possess a sharp eye for global needs, but also a helping hand for our national concerns.

At the end of the day, we are members of the Philippine Senate—representatives of our people; representatives of Filipino farmers.

*Kung paano natin hindi hahayaan na sumapit sa ating bansa ang kagutuman, ganoon din ang sigasig natin na pangalagaan naman ang interes ng mga nagtatanim, I am hopeful that the rewards of globalization will soon be felt by our nation.*

*Ibinibigay po natin ang tiwala natin sa ating gobyerno na sa pag-unlad ng ating ekonomiya dala ng mga benepisyo ng RCEP ay uunlad din ang antas ng pamumuhay ng ating mga magsasaka. Nawa ay ang punla na ating itatanim sa pag-concur sa ratipikasyon ng RCEP ay umani ng kasaganaan para sa ating mga kababayan, lalong lalo na sa ating mga magsasaka.*

#### **SUSPENSION OF SESSION**

Upon motion of Senator Villanueva, the session was suspended.

*It was 9:24 p.m.*

#### **RESUMPTION OF SESSION**

At 9:31 p.m., the session was resumed.

#### **ADJOURNMENT OF SESSION**

Upon motion of Senator Villanueva, there being no objection, the Chair declared the session adjourned until three o'clock in the afternoon of the following day.

*It was 9:31 p.m.*

I hereby certify to the correctness of the foregoing.

Atty. **RENATO N. BANTUG Jr.**  
Secretary of the Senate

Approved on February 27, 2023

