

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

SECRETARY OF THE SENATE

6 JUL 26 2007

SENATE  
P. S. R. No. 529

RECEIVED BY: tes

Introduced by Senator Miriam Defensor Santiago

RESOLUTION  
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,  
IN AID OF LEGISLATION, ON THE INSTITUTIONALIZATION OF  
GOVERNMENT PROGRAMS TO ENCOURAGE THE GROWTH OF THE ABACA  
INDUSTRY

WHEREAS, the Constitution, Article 2, Section 20 provides that: "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments";

WHEREAS, the export volume of Philippine abaca jumped by 18 percent reaching 22 million metric tons in 2005, as international demand for the product grew significantly;

WHEREAS, the Philippines is the world's top exporter and main supplier of abaca pulp, which is used as raw material to manufacture security and or currency papers, cigarette filters, meat and tea casings, medical materials, and other high grade non-woven materials;

WHEREAS, there are 70,000 Filipino farmers that depend on abaca for their livelihood; 18 Philippine-based companies are licensed to export abaca;

WHEREAS, Bicol is the biggest producer of abaca in the country; other abaca-producing provinces are Camarines Sur, Southern Catanduanes, Leyte, Davao Oriental, Surigao del Sur, Sulu, Davao del Sur, Samar, and Sorsogon;

WHEREAS, Philippine abaca pulp is now being used for composite panels of luxury cars, further increasing the demand for the fiber;

WHEREAS, automakers from Germany, including the Daimler-Chrysler group, have approved the use of Philippine abaca fiber for their automobiles;

WHEREAS, according to the Fiber Industry Development Authority (FIDA), there was a 21-percent growth in export earnings for local abaca pulp manufacturers last year; exporters thus earned \$80 million last year, considerably more compared to the \$66 million posted in 2004;

WHEREAS, there is a rapidly growing demand by other countries for abaca products; the combined demand in Japan and China grew by 38 percent, while exports to North America and Europe increased by 43 percent and 9.3 percent, respectively;

WHEREAS, according to Newtech Pulp Inc. president Alberto Fenix, there is not enough abaca to supply the market despite the two percent increase in abaca fiber production last year;

WHEREAS, FIDA administrator Cecilia Gloria Soriano said that industry production has never hit a high of one to two million metric tons a year due to uncontrollable abaca diseases;

WHEREAS, the following measures are needed in order to respond to the outbreak of abaca diseases: (1) establishment of more tissue culture laboratories that produce disease-free planting materials virus; (2) indexing of planting materials to rapidly identify infected plants; (3) promotion of "tusok" method, wherein an herbicide-treated bamboo is stuck to an infected tree; (4) screening of varieties resistant to the diseases; (5) training of banana and abaca farmers through farmers' field schools; and (6) development of transgenic banana and abaca varieties tolerant to the diseases;

WHEREAS, the government should initiate programs responsive to the needs of abaca farmers in order to develop an industry which has a huge potential for providing livelihood to many Filipinos and contributing to the growth of the national economy; now be it

RESOLVED, that the proper Senate committee shall conduct an inquiry, in aid of legislation, on the institutionalization of government programs to encourage the growth of the abaca industry.

Adopted,

  
MIRIAM DEFENSOR SANTIAGO

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