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P.S.RES. No. 448

RECEIVED BY: 

Introduced by Sen. Juan Ponce Enrile

A RESOLUTION

DIRECTING THE SENATE COMMITTEES ON WAYS AND MEANS AND FINANCE TO CONDUCT AN INVESTIGATION, IN AID OF LEGISLATION, INTO THE REPORTED DISPARITY IN TRADED GOODS, AS REPORTED BY THE PHILIPPINE TRADE STATISTICS AND THE INTERNATIONAL MONETARY FUND, AS WELL AS REPORTS ON RAMPANT AND UNABATED SMUGGLING OF AGRICULTURAL PRODUCTS, DRUGS, STEEL PRODUCTS, CERAMIC TILES AND OTHER COMMODITIES IN THE COUNTRY, WITH THE END IN VIEW OF COMING UP WITH REMEDIAL MEASURES TO IMPROVE CUSTOMS ADMINISTRATION AND STRENGTHEN THE FISCAL POSITION OF THE GOVERNMENT BY ADDRESSING THESE REPORTED PROBLEMS

Whereas, smuggling has been a longstanding problem in the country, depriving legitimate importers of opportunities, creating market distortions for domestic producers, and depriving the government of much needed revenues;

Whereas, the trade records provided by the Philippine Trade Statistics, compared with those of the International Monetary Fund (IMF), yield a seeming disparity in the volume and value of goods exported by the country's trading partners and goods actually entering the country;

Whereas, total importation from 2002 to 2007, as per IMF records, amounted to US\$284.70 billion while the Bureau of Customs (BOC) recorded only US\$195.01 billion, or a discrepancy of US\$89.69 billion, or an annual trade disparity of US\$14.95 billion or P747.50 billion (using US\$ = P50);

Whereas, if 12% value-added tax and an average duty of 7% were to be paid on the goods covered by the above-cited trade disparity, the government would have collected additional P89.70 billion and P52.33 billion, respectively, or a total of P142.03 billion in revenues annually for the same period;

Whereas, the foregone revenues due to the disparity in trade figures were also aggravated by reports of rampant smuggling in the country particularly of agricultural products, drugs, ceramic tiles, steel products, among other commodities;

Whereas, the Department of Finance reported during the deliberations for the FY 2008 appropriations that the government loses P60 billion to P65 billion in foregone revenues annually due to technical smuggling;

Whereas, this trade disparity shows that smuggling is indeed rampant and preys on the revenues that could otherwise be spent by the government to finance infrastructure, agriculture, health, education and other social needs of the country;

Whereas, in the midst of the economic difficulties that we face as a nation, there is an urgent need for the government to strengthen: a) its customs administration capabilities; b) its efforts to curb smuggling and stop the unscrupulous activities and behavior of certain business players and even government officials; and, c) its partnership with the private and business sectors to protect the interests of industry players and consumers;



NOW therefore BE IT RESOLVED, as it is hereby resolved that, the Senate Committees on Ways and Means, and Finance are hereby directed to conduct an investigation, in aid of legislation, into the reported disparity in traded goods, as reported by the Philippine Trade Statistics and the International Monetary Fund, as well as reports on rampant and unabated smuggling of agricultural products, drugs, steel products, ceramic tiles and other commodities in the country, with the end in view of coming up with remedial measures to improve customs administration and strengthen the fiscal position of the government by addressing these reported problems.

Adopted ,



JUAN PONCE ENRILE
Senator