

Republic of the Philippines  
Congress of the Philippines  
Senate  
Pasay City

Nineteenth Congress

First Regular Session

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RESOLUTION No. 42

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

WHEREAS, Article VII, Section 21 of the 1987 Philippine Constitution states that, "No treaty or international agreement shall be valid and effective unless concurred in by at least two-thirds of all the Members of the Senate";

WHEREAS, the Regional Comprehensive Economic Partnership (RCEP) Agreement was virtually signed during the 4<sup>th</sup> RCEP Leaders' Summit on 15 November 2020 with the following Parties as signatories: ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam), and their five

major trading partners (Australia, China, Japan, Republic of Korea, and New Zealand);

WHEREAS, the RCEP, which is currently the world's largest trade and investment agreement, accounts for almost a third of the world's gross domestic product (GDP), and a combined market that covers a third of the world's population;

WHEREAS, the Agreement builds upon existing economic linkages among the Parties to further broaden and deepen economic integration in the region, strengthen economic growth, promote equitable economic development, and establish clear and mutually advantageous rules to facilitate trade and investment, including participation in regional and global supply chains;

WHEREAS, the Agreement aims to: (i) establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership framework; (ii) liberalize and facilitate trade in goods through the progressive elimination of tariff and non-tariff barriers; (iii) progressively liberalize trade in services to achieve substantial elimination of restrictions and discriminatory measures; and (iv) create a liberal, facilitative and competitive investment environment in the region;

WHEREAS, the Agreement contains specific provisions on: (i) trade in goods; (ii) rules of origin; (iii) customs procedures and trade facilitation; (iv) sanitary and phytosanitary (SPS) measures; (v) standards and technical regulations and conformity assessment procedures; (vi) trade remedies; (vii) trade in services; (viii) investment; (ix) intellectual property; (x) electronic commerce; (xi) competition; (xii) small and medium enterprises; (xiii) economic and technical cooperation; (xiv) government procurement; and (xv) dispute settlement, among others, which are necessary for establishing a conducive business environment;

WHEREAS, the Philippines stands to benefit from the Agreement through enhanced market access for its export products; wider area for cumulation of raw materials; trade facilitation; time-bound consultations to resolve issues on SPS measures as well as technical barriers to trade (TBT); improved market access for services including financial and

telecommunication services; clear, stable, and predictable rules necessary to attract investments; strong support for the development of micro, small, and medium enterprises (MSMEs); stronger protection and enforcement of intellectual property rights; and greater opportunity for economic and technical cooperation among the Parties;

WHEREAS, in recognizing the vast opportunities that the Agreement can bring, the Philippines must have competitive and comparative advantages in the country's economic sectors, including the agriculture sector, to help deliver the maximum benefits of trade to the economy, and to the Filipino people;

WHEREAS, the MSMEs, which make up more than 99.58 percent of businesses in the country and generated a total of 5,461,731 jobs or 64.67 percent of the country's total employment as of 2021, can benefit from broader access to international markets as these offer business opportunities, including new niche market;

WHEREAS, the country needs to boost innovation and value-adding activities towards competitive and comparative advantages, and efficiencies in the services and production sectors, and enhance MSME participation in global value chains;

WHEREAS, the advent of new technologies, digitalization, and e-commerce create economic opportunities that will allow MSMEs and the country's economic sectors to access emerging markets, promote trade in services, and facilitate higher quality and competitive production;

WHEREAS, the Philippines needs to harness international trade agreements, such as the RCEP, as a way towards a sustainable and inclusive economy;

WHEREAS, the President of the Philippines ratified the Agreement on 28 November 2022 and has submitted it to the Senate for concurrence, in accordance with the Constitution;

WHEREAS, in the meetings and hearings conducted by the Senate Committee on Foreign Relations on 8 September 2022, 12 December 2022, 5 January 2023, 7 February 2023,

and 13 February 2023, the following government agencies endorsed the concurrence to the ratification of the Agreement:

- 1) Department of Foreign Affairs (DFA);
- 2) Department of Trade and Industry (DTI);
- 3) Department of Agriculture (DA);
- 4) Department of Justice (DOJ);
- 5) Department of Environment and Natural Resources (DENR);
- 6) Department of Energy (DOE);
- 7) Department of Finance (DOF);
- 8) Department of Agrarian Reform (DAR);
- 9) National Economic and Development Authority (NEDA);
- 10) Bureau of Customs (BOC);
- 11) Government Procurement Policy Board (GPPB);
- 12) Intellectual Property Office (IPO);
- 13) Philippine Competition Commission (PCC);
- 14) Securities and Exchange Commission (SEC); and
- 15) Tariff Commission.

Now, therefore, be it

*Resolved*, That the Senate of the Philippines concur, as it hereby concurs, in the Philippine ratification of the Regional Comprehensive Economic Partnership Agreement among Brunei Darussalam, Kingdom of Cambodia, Republic of Indonesia, Lao People's Democratic Republic, Malaysia, Republic of the Union of Myanmar, Republic of the Philippines, Republic of Singapore, Kingdom of Thailand, Socialist Republic of Viet Nam, Australia, People's Republic of China, Japan, Republic of Korea, and New Zealand;

*Resolved, further*, That for the effective implementation of the RCEP Agreement and other Free Trade Agreements (FTAs) to which the Philippines is a party, the Senate of the Philippines deems it necessary that the following be adopted and implemented:

A. Measures to build competitive and comparative advantages

1) Allocating funds and resources to programs, and monitoring their use towards building competitive and comparative advantages in the country's economic sectors, including the MSMEs;

2) Strengthening MSMEs, including the agriculture sector's access to finance, technical support, new technologies, and capacity building programs to harness competitiveness, and generate efficiencies in production, and in the delivery of services;

3) Helping MSMEs build business resiliency to enable them to withstand the impacts of natural disasters, geo-political dynamics, and economic challenges;

4) Developing and implementing programs, and initiating reforms to cultivate, improve, and promote efficiency, productivity, profitability, and competitiveness of the concerned sectors, such as, but not limited to, the following:

a) National Rice Program (NRP), National Corn Program (NCP), National High Value Crops Development Program (HVCDP), National Livestock Program (NLP), National Organic Agriculture Program, National Fisheries Program (NFP), Agricultural Machinery, Equipment, Facilities and Infrastructure Program under the Agriculture Modernization Plan of the DA, and other developmental inclusive programs including: (i) pest and disease control; (ii) general, technical, and specialized/targeted training, extension and advisory services; (iii) marketing and promotion activities; (iv) development, construction, rehabilitation, and repair of production facilities, market, and other infrastructure; (v) access to credit by Land Bank of the Philippines (LBP) and other financial institutions, and provision of agricultural insurance; (vi) soft-loans and grants for agricultural investment; (vii) mechanization and acquisition of machines, equipment, and post-harvest facilities; (viii) rehabilitation and development of irrigation systems; (ix) access to farm inputs and other forms of subsidies; (x) support for diversified sustainable production systems and cluster/cooperative/community-based approaches in value-adding and marketing to achieve economies of scale; and (xi) adoption of sustainable agri-food systems;

b) Specific and focused DA interventions in addition to the aforementioned banner programs to address the impact on farmers and fisherfolk who are producing the fifteen (15) products enumerated under the thirty-three (33) tariff lines in the RCEP, to take effect before the implementation of the country's commitment to the Agreement;

c) Adherence to the strategic vision and framework espoused by the United Nations Decade for Family Farming to stimulate the development of public policies and investments in favor of family farming from a holistic perspective, unlocking the transformative potential of family farmers, and balance the benefits expected to large-scale agriculture under the Agreement;

d) Science, Technology, Innovation-driven Industrialization Strategy (STI), Shared Services Facility (SSF), Philippine Halal Export Development and Promotion Program, Doing Business in Free Trade Areas (DBFTA), Philippine Export Competitiveness Program, Regional Interactive Platform for Philippine Exporters Plus (RIPPLES Plus), SheTrades Philippines Hub, Startup Pilipinas, and other trade promotion and facilitation programs;

e) Consultancy for Agriculture Productivity Enhancement (CAPE) Program, Food Safety Program, Packaging and Labeling Assistance Program, Innovation System Support Fund (ISSF) Program, Manufacturing Productivity Extension (MPEX) Program, and other productivity enhancement and innovation programs;

f) Innovation and support services programs across all levels of government including local government units (LGUs) such as the Province-led Agriculture and Fisheries Extension System (PAFES); and

g) Awareness, information and communication campaigns, and capacity building programs to assist entrepreneurs, cooperatives, professionals, and other stakeholders to maximize opportunities for trade and investment, improve utilization of FTAs and enhance recourse to, and legal training for trade remedies, as necessary.

## B. Interventions to stimulate and support innovation

1) Developing and implementing a whole-of-government national innovation agenda and strategy document, as mandated under Republic Act No. 11293, otherwise known as the "Philippine Innovation Act," in partnership with the private sector and the academe/research institutions in order to address real challenges that hinder competitiveness in the country's economic sectors;

2) Identifying strengths of each sector, region, province, and community and addressing all risks that hamper their full potential for development, while protecting the traditional knowledge, cultural expressions, natural resources, and the environment; and

3) Allocating resources, and monitoring and evaluating programs to ensure that specific innovation targets are met within specific time frames to build competitiveness.

## C. Good governance mechanisms to foster trust, transparency, accountability, and learning

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

2) Promoting transparency and enabling access of stakeholders to policy and program development, budget preparation, and allocation towards ensuring the efficient and judicious use of public funds;

3) Intensifying border and quarantine controls to prevent smuggling and entry and spread of pests and diseases through the establishment of adequate border inspection facilities, enhancing of transparency in importation monitoring through a dedicated publication list of agricultural goods, upgrading existing testing facilities, continuous capacity building, transformative budget allocation, and a more active public-private oversight committee on anti-smuggling;

4) Establishing the public-private agriculture budget monitoring committee;

5) Ensuring genuine representation and participation of farmers, fisherfolk, agrarian reform beneficiaries (ARBs), indigenous peoples (IPs), women and other marginalized sectors in government agri-fisheries boards, councils, and other pertinent committees;

6) Improving public-private partnership and participation of stakeholders in planning, monitoring and multi-sectoral committees, such as the Committee on International Trade of the Philippine Council for Agriculture and Fisheries (PCAF);

7) Building digital infrastructure to help drive the growth of MSMEs and the agriculture sector through the promotion of the use of information technology and data management, that will enable access to relevant trade data for evidence-based policymaking, institution of reforms, and empowerment of stakeholders with the end in view of maximizing opportunities for trade and investment, and the use of trade remedies to reduce unfair trade practices; and

8) Strengthening representation of the Philippine government in trade negotiations and the implementation of the country's trade agreements through the appointment of a Chief Trade Enforcement Officer.

#### D. Programs for Human Capital Development

1) Implementing job generation and human capital development programs to ensure the competitiveness of the Filipino workforce and the country's services sector;

2) Developing an integrated plan that will enable continuing workforce development, thus fully maximizing the Philippines' massive potential in the services sector;

3) Undertaking continuous capacity building, reskilling, upskilling and cross-skilling of workers to adapt to technological development and evolving business models and industries; and



4) Adhering to International Labour Organization (ILO) conventions that set out basic principles and rights at work.

#### E. Inclusiveness, Sustainability, and Green Growth Initiatives

1) Enforcing environmental laws, rules, and regulations, adhering to multilateral environmental agreements in the conduct of trade or investment, and implementing stringent measures against industrial waste, hazards, and illicit activities which are destructive and degrading to the environment;

2) Maximizing the benefits from the country's global and regional trade arrangements by increasing efficiency in the use of resources in the country's production sectors and in services, encouraging investments in clean and resilient infrastructure and technologies, and accelerating climate-friendly innovation; and

3) Enabling stakeholder participation in the planning and implementation of programs that will build competitiveness, and ensuring that the benefits of regional economic integration translate to improvement of people's lives.

#### F. RCEP Agreement Optimization Strategies

1) Addressing all threats and risks affecting the various economic sectors, including the MSMEs, in order to resolve challenges that inhibit their growth, and to demand transparency and accountability from those responsible in implementing the support programs; and

2) Using the flexibilities and remedies in international trade agreements for promotion of public interest and protection of national security, and ensuring compliance with the country's laws, rules, and regulations affecting health, safety, and environment, among others;

*Resolved, furthermore,* That the Senate Special Oversight Committee on the RCEP Agreement is hereby created, which shall be headed by the Senate President *Pro Tempore* and with the following members: the Senate Majority

and Minority Leaders, and the Chairpersons or any designated member of the Senate Committees on Foreign Relations; Agriculture, Food and Agrarian Reform; Economic Affairs; Finance; Labor, Employment and Human Resources Development; Science and Technology; Trade, Commerce and Entrepreneurship; and Ways and Means.

The Oversight Committee shall be provided with a comprehensive strategy and plan to harness competitiveness in various economic sectors, within three (3) months from the adoption of this Resolution. The DTI shall prepare this document, indicating specific targets and timelines, in coordination with concerned government agencies, the private sector, the sectoral stakeholders, the academe and research institutions, and the Philippine Innovation Council.

Every 15<sup>th</sup> day of December every year thereafter, an updated report shall be submitted by the DTI to the Oversight Committee, indicating therein the status of the projects, specific implementation slippages, milestones, quantifiable project impacts, as well as recommendations on policy or structural measures from the Congress of the Philippines.

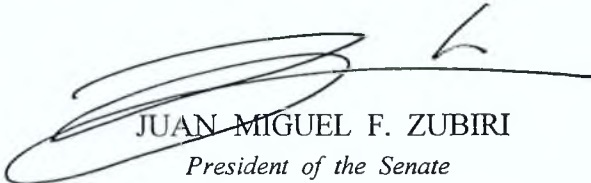
The Oversight Committee, with the assistance of concerned stakeholders, shall monitor all the targets of the different government departments, agencies, and bureaus as reflected in this plan, and shall, on the basis of its review and evaluation, propose legislative measures to pursue structural reforms and address implementation gaps, as necessary, including recommendations for measures to improve performance and exact accountabilities;

*Resolved, furthermore,* That the Executive Department use, to the fullest extent, any exceptions and transition periods available to the Philippines, and not implement any unenforceable RCEP provisions that are detrimental to Philippine interests;

*Resolved, furthermore,* That the Senate of the Philippines may recommend to the President the withdrawal from the Agreement;

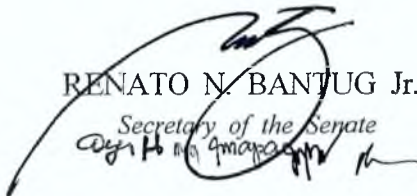
*Resolved, finally,* That the President of the Philippines may, with the concurrence of the Senate, withdraw from the Agreement.

Adopted,



JUAN MIGUEL F. ZUBIRI  
*President of the Senate*

This Resolution was adopted by the Senate on February 21, 2023.



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

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