
Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON STRENGTHENING THE LOCAL BIOFUELS
INDUSTRY THROUGH TARIFF PROTECTION AND BY INCREASING ETHANOL
IMPORT DUTIES

WHEREAS, the Philippine government signed into law Republic Act No. 9637 or the Biofuels Law that requires vehicle manufacturers and owners as well as oil companies to use fuels diluted with sugar or starch-derived alcohol to reduce the country's dependence on imported fuel and promote cleaner air;

WHEREAS, according to the Eco-Asia Project, which is funded by the United States Agency for International Development (USAID), the Philippines has the potential to produce as much as 1.7 billion liters of ethanol;

WHEREAS, various news reports last 2 November 2009 said that local ethanol producers represented by Ethanol Producers Association of the Philippines (Enpap) are urging the government to raise tariffs on ethanol imports to 20 percent from the current one percent in order to protect and boost investments for the industry;

WHEREAS, the Enpap allegedly said that strong government support for and protection of the local ethanol industry will bolster an influx of billions of pesos of investments for the industry;

WHEREAS, the local ethanol producers association claimed that the industry's progress is hampered by the lack of investments and institutional support from the government;

WHEREAS, according to the group, there is a need to attract more investments for the industry to realize the E10 blend by 2010 as mandated by Biofuels Law;

WHEREAS, Enpap also alleged that an increase in import duties and tariff protection would encourage an increase in the construction of ethanol plants in the country;

WHEREAS, citing the experiences of countries such as Brazil and that of our Asean neighbors, the group claimed that the increase in tariff will send a clear signal to investors, and without it, the group believes that foreign capital will bypass the Philippines and instead seek other countries with more favorable investment climate and stable domestic market;

WHEREAS, there is a need for the government to take steps in supporting the local ethanol producers as its commitment to the objectives and spirit of the Biofuels Law;

WHEREAS, legislation should strengthen the law by safeguarding their efficient and effective execution and imposition, and, in the case of the Biofuels law, ensure dynamic relationships, open dialogues, and systematic action between sectors and industries affected by the legislation;

WHEREFORE, be it hereby resolved in the Philippine Senate, to direct the proper Senate committee to conduct an inquiry in aid of legislation, on strengthening the local biofuels industry through tariff protection and by increasing ethanol import duties.

Adopted,


MIRIAM DEFENSOR SANTIAGO

/ptmt