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Senate
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SENATE
P.S. Res. 104

RECEIVED BY: *ja*

Introduced by Senator Poe

RESOLUTION

URGING THE SENATE COMMITTEE ON ENERGY AND OTHER APPROPRIATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ANENT THE REPORTED HUGE DISPARITIES IN THE PRICES OF GASOLINE AND OTHER PETROLEUM PRODUCTS IN NEGROS OCCIDENTAL AND OTHER AREAS IN THE COUNTRY WITH THEIR PRICE INDEX IN METRO MANILA, WITH THE INTENTION OF SUBMITTING CORRECTIVE MECHANISMS IN THE PRESENT DEREGULATION LAW

Whereas, the fundamental law is salient clear in its declaration that, "The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provides adequate social services, promote full employment, a rising standard of living and an improved quality of life for all"¹;

Whereas, our present governing law on gasoline and petroleum products is the Oil Deregulation Law (Republic Act 8479) enacted in 1998 and under the regime of oil deregulation, the government does not interfere with the pricing, export and importation of oil products, nor the establishment of retail outlets (gasoline stations); storage depots; ocean-receiving facilities; and refineries;

Whereas, since June of this year, the prices of gasoline and other petroleum products have jacked up in eight consecutive times;

Whereas, in a news report, the Department of Energy admitted that their hands are tied on the matter of oil price hike because of the deregulation of the industry;

Whereas, accordingly the single factor influencing petroleum prices is the cost of crude oil and that the marketplace forces of supply, demand, and competition have significant effects on the prices of petroleum products;

Whereas, taxes would also play a significant component in the prices per liter of fuel, as can be indicated in the following comparatives²:

<i>Country</i>	<i>Taxes of pump price Per liter (petrol)</i>	<i>Taxes of pump price Per liter (diesel)</i>
Cambodia	35	22
Hongkong	47	0
New Zealand	44	12
Philippines	22	11
Thailand	46	33

¹ Article II, Section 9, 1987 Philippine Constitution

² www.caltex.com.ph

Whereas, accordingly, there are areas in the Visayas and Mindanao like Negros Occidental, Bacolod, and other locale where the prices of oil products are substantially higher as compared to their Manila price index;

Whereas, it has been reported that the prices of fuel products in the province of Negros Occidental are higher by five pesos (Php 5.00) per liter compared to those sold in Metro Manila;

Whereas, accordingly, the unfair pricing of gasoline and other petroleum products in Negros Occidental are rooted in the alleged price manipulation and cartelization;

Whereas, the issue of disparity in oil prices has adverse implications on the economic development in those areas where the prices of oil products are higher because the chance of generating employment is nil and the cost of doing business is more expensive;

Whereas, a review of the present deregulation law is in order at this time with the reported huge disparity in prices of gasoline and other petroleum products and to check too the reported unfair practices of some market players like price manipulation, cartelization, monopoly and similar anti-competition behavior: Now therefore be it

RESOLVED, AS IT HEREBY RESOLVES, By the Senate of the Philippines to Urge the Senate Committee on Energy and other appropriate committee/s to conduct an inquiry, in aid of legislation, anent the reported huge disparities in the prices of gasoline and other petroleum products in Negros Occidental and other areas in the country with their price index in Metro Manila, with the intention of submitting corrective mechanisms in the present Deregulation Law.

Adopted,


GRACE POE