

SENATE

S.B. No. 2182

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Introduced by Senator Juan Miguel F. Zubiri

AN ACT

**TO DEVELOP THE RUBBER INDUSTRY, ESTABLISHING FOR THE PURPOSE THE
PHILIPPINE RUBBER INDUSTRY DEVELOPMENT BOARD, DEFINING ITS
POWERS AND FUNCTIONS AND APPROPRIATING FUNDS THEREFOR**

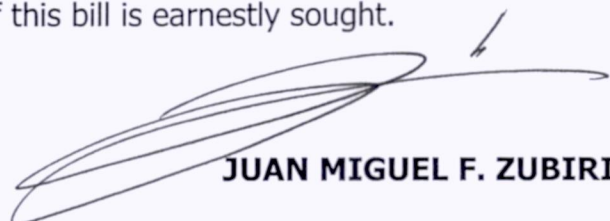
With the rising demand for natural and synthetic rubber, it is expected that demand for rubber will reach up to 15.238 million tons by the year 2022. Much of this demand would stem from the rise of industries making use of rubber such as the automotive, footwear, and healthcare industries.

The rubber industry in the Philippines produced up to about 181,313 MT of rubber in the year 2016, which was fewer by 8.92% than in 2015. Furthermore, the overall export performance of rubber in the Philippines declined. The total export revenue generated by the rubber industry in 2016 was only US135.08 million, whereas in 2012, the total export revenue was US405.99 million.

This measure provides a means of producing a steady supply of quality rubber by enhancing the competitiveness of the processing and manufacturing of rubber and rubber-based products. It also aims to establish the Philippine Rubber Industry Development Board (PHILRUBBER), which will further strengthen the foundations of the Philippine rubber industry to its full potential by creating more opportunities in the agricultural and manufacturing sector.

The Board will be assigned to supervise the initiatives of stakeholders such as government agencies, the private sector, and the academe toward the development of the rubber industry in the Philippines. In addition to this, said Board will also be assigned to evaluate the performance of the Philippine rubber industry from factors such as potential prospects, to factors that hinder the growth of the rubber industry.

In view of the foregoing, early passage of this bill is earnestly sought.



JUAN MIGUEL F. ZUBIRI

SEVENTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
Third Regular Session

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

SECTION 1. Short Title. This Act shall be known as the "Philippine Rubber Industry Development Act of 2019."

SEC. 2. Declaration of Policy. It is the policy of the State to lay down a strong foundation for more inclusive growth where it shall be easier for the marginalized economic sectors to participate in economic progress through job creation and encouragement of entrepreneurship. The government, in partnership with the private sector, shall improve the productivity of agriculture and enhance the global competitiveness of the industry and services sectors.

It is to this end that the government, with the active support of the private sector, shall endeavor to achieve a balanced, integrated and sustainable development of the country's rubber industry, the Philippines being frequently among the top 10 exporters of raw or semi-processed rubber and being favorably situated in Southeast Asia which accounts for 90% of the world's output of natural rubber. The government shall undertake to develop Philippine rubber as a major participant in the rubber global value chain by accelerating the industry's overall growth through the following:

- (a) Expanding and improving the productivity and quality of natural rubber production for domestic and global markets;
- (b) Enhancing the competitiveness of the processing and manufacturing of rubber and rubber-based products, setting international quality control standards and ensuring adherence thereat;
- (c) Encouraging diversification through product upgrading which involves the production of better quality and higher valued semi-processed rubber; and,
- (d) Promoting public-private partnership to push forward the programs and projects that will optimize natural and manufactured rubber product utilization.

SEC. 3. Definition of Terms. As used in this Act, the following words or phrases shall mean as follows:

- (a) **Natural rubber** – means the latex of any rubber plant, whether fluid or coagulated, in any stage to which it is processed and converted into rubber and rubber-based products.
- (b) **Philippine Rubber Industry Development Roadmap** – shall serve as a guide to all industry stakeholders for optimal realization of the targets set for the development of the rubber industry. It highlights the accomplishments of the joint efforts and initiatives of all stakeholders, and reflects the agreements on the areas where the efforts should be focused for optimal results.
- (c) **Standard Philippine Rubber (SPR)** – the technical specification of the quality of Philippine semi-processed rubber as defined under ISO/PNS 2000:2015.
- (d) **Processor** – means any person, natural or juridical who is engaged in processing latex or cup lump into rubber sheets or crumb which is used as input material to rubber and rubber-based products.
- (e) **Manufacturer** – all workers engaged in the manufacture of any rubber or rubber-based products.
- (f) **Value Chain** – describes the full range of activities that firms and workers do to bring a product or good or service from its conception to its end use and beyond.

SEC. 4. The Philippine Rubber Industry Development Board. To effectively carry out the policy declared in this Act, the Philippine Rubber Industry Development Board, hereinafter referred to as the Board, is hereby created for the purpose of overseeing and coordinating the initiatives of government agencies, the private sector, the academe and other concerned sectors, geared to accelerate the overall development of the Philippine rubber industry, enabling it to be a major participant in the rubber global value chain. It shall be attached to the Department of Trade and Industry.

SEC. 5. Powers and Functions. The Board shall:

- (a) Coordinate initiatives and efforts of each agency to achieve the whole of government approach to industry development, collaborating with the private sector, the academe, and other productive economic forces;
- (b) Coordinate, monitor and assess the implementation of the Philippine Rubber Industry Development Roadmap and programs/projects being carried out by various stakeholders vis-à-vis policy statements and/or targets;
- (c) Periodically review and evaluate the country's rubber industry performance, focusing on issues and problems, prospects, threats and opportunities, growth constraints within the entire value chain;
- (d) Facilitate provision of support to rubber farmers in terms of credit and marketing facilities, farm expansion, farm mechanization, rehabilitation and modernization, and adoption of best agricultural production practices;

- (e) Create an enabling environment to encourage investments in public and private lands, joint venture in production, processing, and manufacturing of rubber-based products; and in rubber industry development funds, long-term finance, private equity;
- (f) Formulate and recommend applicable incentive package for enterprises engaged in priority areas and ensure ease in availing of such incentives;
- (g) Promote and advocate compliance with the Philippine National Standards on rubber and rubber-based products and market requirements to increase export volume of processed and manufactured rubber products;
- (h) Develop capability of the industry to produce higher value products by provision of knowledge of market preferences, costs and prices, and other market intelligence;
- (i) Expand market access through targeted and focused promotions of rubber and its allied industries through local and international business matching missions and trade fairs;
- (j) Establish industry performance database to include the Board's existing statistics/information and feedback to policies and plans specific to rubber industry to aid in efficient and effective decision-making;
- (k) Serve as the point of contact of the national policy makers of the rubber industry;
- (l) Facilitate the national representation of the country in industry-related cooperation and undertakings/conferences; and
- (m) Exercise such other functions as may be necessary to carry out the purpose of this Act.

SEC. 6. Composition. The Board shall be composed of the following:

- (a) The Secretary of the Department of Trade and Industry (DTI) as Chairperson
- (b) The Secretary of the Department of Agriculture (DA) as Co-Chairperson

Members:

- (c) The Secretary of the Department of Science and Technology (DOST);
- (d) The Secretary of the Department of Agrarian Reform (DAR);
- (e) The Secretary of the Department of Environment and Natural Resources (DENR);
- (f) The Secretary of the Department of the Interior and Local Government (DILG);
- (g) The Secretary of the Department of Labor and Employment (DOLE);
- (h) The Director General of the Technical Education and Skills Development Authority (TESDA);
- (i) Mindanao Development Authority (MinDA);
- (j) Two (2) representatives from the SUCs located in major Philippine rubber-producing regions;
- (k) Two (2) representatives from Philippine Rubber Industries Association, Inc. (PRIA), representing the midstream and downstream sectors;
- (l) Two (2) representatives from Philippine Rubber Farmers Association, Inc. (PRFA), representing small holders;
- (m) One (1) representative from the rubber cooperatives; and,
- (n) One (1) representative from the corporate rubber farmers.

1 The private sector representatives shall be appointed by the President of the Republic of
2 the Philippines, upon recommendation of the Secretary of Trade and Industry for two
3 PRIA and one corporate rubber farmer, and Secretary of Agriculture for two PRFA and
4 one rubber cooperatives. They shall serve in the Board for three (3) years reckoned from
5 the date of appointment. The representative may be reappointed by the President for
6 another term.

7 The government representatives in the Board may designate their respective permanent
8 alternates who shall be officials next-in-rank to them and their acts shall be considered
9 the acts of their principals.

10 **SEC. 7. Meeting of the Board** – The Board shall meet once every quarter or may
11 be convened by the Chair for a special meeting one week after service of notice of special
12 meeting.

13 **SEC. 8. Board Secretariat** – The Secretariat, to be organized by the DTI shall have
14 the following duties and functions:

15 (a) Provide technical expertise and administrative support to the Board;

16 (b) Maintain and update industry performance database; and,

17 (c) Collate and integrate all inputs to the Board's yearly report on the status of the
18 country's rubber industry.

19 **SEC. 9. PHLRUBBER Technical Working Group (PRTWG).** The PRTWG, formed
20 on 22 June 2012, is hereby retained. The TWG, composed of the DTI- Regional
21 Operations Group. Export Marketing Bureau, Board of Investments, Philippine
22 Accreditation Bureau, Bureau of Philippine Standards, Bureau of Small and Medium
23 Enterprise Development); DA (Bureau of Plant Industry, Bureau of Agriculture and Fishery
24 Standards, Philippine Council for Agriculture and Fisheries, Agricultural Training Institute,
25 PRRI), DOST (Philippine Council for Industry, Energy, and Emerging Technology Research
26 and Development, Philippine Council for Agriculture, Aquatic and Natural Resources
27 Research and Development Institute). TESDA, DENR-National Greening Program, DAR,
28 PSA, private sector and the academe, government financial institutions (GFIs), and other
29 institutions, shall be responsible for assisting the Board in formulating and implementing
30 policies, roadmaps, programs and projects for the overall development of the natural
31 rubber industry. Specifically, it shall: (a) coordinate, monitor the implementation of, and
32 update the Roadmap; and (b) coordinate and monitor the activities of all members of the
33 working group with respect to the overall development of Philippine rubber industry.

34 **SEC. 10. Annual Report.** The Board shall submit to the President and to both
35 Houses of Congress a report providing a detailed status of the rubber industry in the
36 country, including the progress and impact of all relevant government policies and
37 programs, as well as activities of other concerned stakeholders (i.e., rubber industry
38 associations, manufacturers).

39 **SEC. 11. Implementing Rules and Regulations.** Within sixty (60) days from the
40 date of the effectivity of this Act, the Board, in consultation with other concerned agencies
41 and sectors, shall promulgate the rules and regulations for the proper implementation of
42 this act.

43 **SEC. 12. Funding.** Such sums as may be necessary for the initial implementation
44 of this Act shall be sourced from the different cooperating agencies involved therein.

1 Thereafter, the succeeding appropriation in the amount of Fifty Million Pesos (Php
2 50,000,000.00) shall be included in the annual General Appropriations Act (GAA).

3 **SEC. 13. *Separability Clause.*** If any provision of this Act is declared invalid or
4 unconstitutional, the other provisions not affected by such declaration shall remain in full
5 force and effect.

6 **SEC. 14. *Repealing Clause.*** All laws, executive and administrative orders, rules
7 and regulations inconsistent with this Act are hereby repealed or amended accordingly.

8 **SEC. 15. *Effectivity.*** This Act shall take effect fifteen (15) days after publication in
9 the Official Gazette or in two (2) newspapers of general circulation.

Approved,