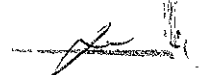


THIRTEENTH CONGRESS OF THE REPUBLIC)
 OF THE PHILIPPINES)
 Second Regular Session)

12 P3:44

SENATE
 P. S. R. No. 402



Introduced by Senator Miriam Defensor Santiago

RESOLUTION
 DIRECTING THE SENATE COMMITTEE ON TRADE AND COMMERCE TO CONDUCT
 AN INQUIRY, IN AID OF LEGISLATION, ON THE PROLIFERATION OF FLEA
 MARKETS IN THE COUNTRY

WHEREAS, the Constitution, Article 2, section 20 provides that "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments",

WHEREAS, Republic Act No 8762 also known as Retail Trade Liberalization Act of 2000, section 2 states that "It is the policy of the State to promote consumer welfare in attracting, promoting and welcoming productive investments that will bring down prices for the Filipino consumer, create more jobs, promote tourism, assist small manufacturers, stimulate economic growth and enable Philippine goods and services to become globally competitive through the liberalization of the retail trade sector",

WHEREAS, according to Philippine Retailers Association vice president Roberto Claudio, November was a terrible month for peddlers of clothes, appliances and food items as industry sales dropped between 15 and 50 percent from last year's levels,

WHEREAS, sales this Christmas season are expected to be flat because people are holding back or downscaling on their purchases, consumers are saving whatever they have because of the high cost of oil and limited income opportunities,

WHEREAS, the plight of retailers worsened due to the unfair competition posed by flea markets where most of the goods sold are believed to be smuggled,

WHEREAS, the retail business has become so poor that even well-off consumers are joining the masses in hunting for bargains in *tiangge* or flea markets mostly run by mainland Chinese traders,

WHEREAS, according to Jojo Mendiola, an executive of SM Department Store, flea markets had started to seep into the market of legitimate retailers in shopping malls;

WHEREAS, an entire building in Divisoria, Manila, "the 168" was erected just for *tiangge* operators, this shopping mall is very popular among bargain hunters and is even considered fashionable among Manila's elite;

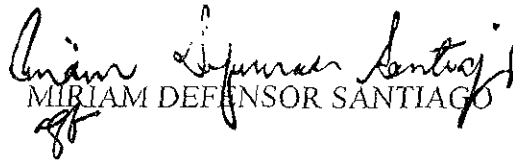
WHEREAS, "the 168" and other flea markets are run by traders from China, South Korea and Taiwan;

WHEREAS, it is difficult for a legitimate business, which pays minimum wage, income tax, and custom duties, to compete with a *tiangge* operator who probably sells the same goods but is paying only P300 a day in taxes, according to Philippine Retailers Association;

WHEREAS, it is the duty of the government to ensure that local traders are protected from unfair competition posed by foreign traders,

WHEREFORE, be it resolved, as it is hereby resolved by the Philippine Senate, to direct the Senate Committee on Trade and Commerce to conduct an inquiry, in aid of legislation, on the proliferation of flea markets in the country

Adopted,


MIRIAM DEFENSOR SANTIAGO

/gac