

[REPUBLIC ACT NO. 8178, March 28, 1996]

AN ACT REPLACING QUANTITATIVE IMPORT RESTRICTIONS ON AGRICULTURAL PRODUCTS, EXCEPT RICE, WITH TARIFFS, CREATING THE AGRICULTURAL COMPETITIVENESS ENHANCEMENT FUND, AND FOR OTHER PURPOSES

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

SECTION 1. *Title.* – This Act shall be known as the "Agricultural Tariffication Act."

SEC. 2. *Declaration of Policy.* – It is the policy of the State to make the country's agricultural sector viable, efficient and globally competitive. The State adopts the use of tariffs in lieu of non-tariff import restrictions to protect local producers of agricultural products, except in the case of rice, which will continue to have quantitative import restrictions.

Consistent with the constitutional mandate of protecting Filipino firms against unfair trade, it is furthermore the policy of the State to employ anti-dumping and countervailing measures to protect local producers from unfair trade practices, rather than use quantitative import restrictions.

To help the agricultural sector compete globally, the State shall seek to raise farm productivity levels by providing the necessary support services such as, but not limited to, irrigation, farm-to-market roads, post-harvest equipment and facilities, credit, research and development, extension services, other market infrastructure and market information.

SEC. 3. *Definition of Terms.* – The following definitions apply to the terms used in this Act:

- a. "Agricultural products" shall have the same meaning as agricultural products under Chapters 1-24 of Presidential Decree No. 1464, otherwise known as the Tariff and Customs Code of the Philippines, as amended.
- b. "Applied rate" is the rate of import duty that is actually used by Customs authorities in the collection of Customs revenues.
- c. "Bound rate" refers to maximum limits on tariffs on products committed by the Philippines to the World Trade Organization (WTO) under the Uruguay Round Final Act.
- d. "In-Quota Tariff Rate" refers to the tariff rates for minimum access volumes committed by the Philippines to the World Trade Organization (WTO) under the Uruguay Round Final Act.
- e. "Minimum Access Volume" refers to the volume of a specific agricultural product that is allowed to be imported with a lower tariff as committed by the

Philippines to the World Trade Organization (WTO) under the Uruguay Round Final Act.

- f. "Quantitative Import Restrictions" refers to non-tariff restrictions used to limit the amount of imported commodities, including but not limited to discretionary import licensing and import quotas, whether qualified or absolute.
- g. "Tariff" refers to a tax levied on a commodity imported from another country. It earns revenues for the government and regarded as instruments to promote local industries by taxing their competitors. The benefit is accorded to the local producers by the maintenance of a domestic price at a level equal to the world price plus the tariff.
- h. "Tariffication" refers to the lifting of all existing quantitative restrictions such as import quotas or prohibitions, imposed on agricultural products, and replacing these restrictions with tariffs.

SEC. 4. *Repeal.* – The following laws and all other laws or provisions of law prescribing quantitative import restrictions or granting government agencies the power to impose such restrictions on agricultural products, except rice, are hereby repealed:

1. Republic Act No. 1296, entitled: "An Act to Prohibit the Importation of Onions, Potatoes, Garlic, and Cabbages, Except for Seedling Purposes, and to Provide Penalties for the Violation Thereof";
2. Republic Act No. 2712, entitled: "An Act to Prohibit the Importation of Coffee";
3. Presidential Decree No. 1297, as amended, entitled: "Centralizing the Importation of Ruminants for Breeding, Slaughter and Beef";
4. Paragraph 10 of Section 23 of Republic Act No. 7607, entitled: "An Act Providing a Magna Carta for Small Farmers";
5. Industry Development Act";
6. Section 4 of Republic Act No. 4155, as amended, entitled: "An Act to Promote and Strengthen the Virginia Tobacco Industry"; and
7. Presidential Decree No. 1483, entitled: "Authorizing the Importation of Foreign Cigar Leaf Tobacco for Blending Purposes."

SEC. 5. *Amendment.* – Subparagraph (xii), paragraph (1) Section 6 of Presidential Decree No. 4 (National Grains Authority Act), as amended, is hereby further amended to read as follows:

"SEC. 6. (a) *Powers.* –

"(xii) to establish rules and regulations governing the importation of rice and to license, impose and collect fees and charges for said importation for the purpose of equalizing the selling price of such imported rice with normal prevailing domestic prices.

"In the exercise of this power, the Council after consultation with the Office of the President shall first certify to a shortage of rice that may occur as a result of a short-fall in production, a critical demand-supply gap, a state of calamity or other verified reasons that may warrant the need for importation: Provided, That this requirement shall not apply to the importation of rice equivalent to the Minimum Access Volume obligation of the Philippines under the WTO. The Authority shall undertake direct importation of rice or it may allocate import quotas among certified and licensed importers, and the distribution thereof