

[EXECUTIVE ORDER NO. 18, May 28, 1986]

CREATING A SUGAR REGULATORY ADMINISTRATION

WHEREAS, the sugar industry is a major component of the socio-economic and political structure of the country;

WHEREAS, the present laws restricting free enterprise within the sugar industry have not only stifled the industry's growth, development and stability, but more importantly, have placed it in the vicious sphere of monopoly;

WHEREAS, national interest requires that the free market forces should be allowed to prevail in the marketing of sugar although the production of the same should be regulated and supported by an innovative research and development program and a socio-economic program which will primarily be the private sector's responsibility.

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, do hereby order:

SECTION 1. Declaration of Policy. - It shall be the policy of the State to promote the growth and development of the sugar industry through greater and significant participation of the private sector, and to improve the working condition of laborers.

SECTION 2. The Sugar Regulatory Administration. - In order to carry out the foregoing policy, a Sugar Regulatory Administration under the Office of the President is hereby created with the following objectives:

(A) To institute an orderly system in sugarcane production for the stable, sufficient and balanced production of sugar, for local consumption, exportation and strategic reserves;

(B) To establish and maintain such balanced relation between production and requirement of sugar and such marketing conditions as will insure stabilized prices at a level reasonably profitable to the producers and fair to consumers;

(C) To promote the effective merchandising of sugar and its by-products in the domestic and foreign markets so that those engaged in the sugar industry will be placed on a basis of economic viability;

(D) To undertake such relevant studies as may be needed in the formulation of policies and in the planning and implementation of action programmes required in attaining the purposes and objectives set forth under this Executive Order.

SECTION 3. Powers and Functions. - The Sugar Regulatory Administration shall have the following powers and functions:

- (A) To recommend the establishment of a sugar production coefficient and a production quota which shall be attached to the land for each planter;
- (B) To institute regulations for implementing, controlling and monitoring the production quotas;
- (C) To establish domestic, export and reserve allocations;
- (D) To explore and expand the domestic market and foreign markets for sugar and by-products, to assure mutual benefits to consumers and producers, and to promote and maintain a proper balance of production of sugar and its by-products;
- (E) To institute, implement and regulate an orderly system of queuing, disposition and withdrawals of various forms of sugar from warehouses;
- (F) To evaluate and recommend to the President new projects involving production of sugar and its by-products and other products derived from sugarcane and sugar;
- (G) To issue permits and licenses and collect corresponding fees and levies on the processing and manufacture of sugar and its by-products and other products derived from sugarcane and sugar;
- (H) To enter, make and execute routine contracts as may be necessary for or incidental to the attainment of its purposes between any persons, firm, public or private, and the Government of the Philippines;
- (I) To do all such other things, transact such other businesses and perform such functions directly or indirectly necessary, incidental or conducive to the attainment of the purposes of the Sugar Regulatory Administration.

SECTION 4. Governing Body: Sugar Board. - All corporate powers of the Sugar Regulatory Administration shall be vested in, and exercised by, the Sugar Board. The Board shall be composed of an Administrator, who shall act as its chairman, to be appointed by the President of the Philippines, and two (2) members. The two members of the Board shall likewise be appointed by the president of the Philippines upon the recommendation of the sugar industry, with one member representing the millers and the other representing the planters.

The Sugar Board shall meet in regular session once a month. The Board may be called by the Chairman or both private sector's representatives to a special session as the need arises.

The Administrator shall be the Chief Executive Officer of the Sugar Regulatory Administration.

SECTION 5. Tenure. - The Administrator shall hold office at the pleasure of the President of the Philippines. The two members from the private sector shall hold office for a period of three (3) years unless sooner removed for cause. No reappointment of the Members shall be made immediately upon termination of their respective terms of office. Any Member appointed to a vacancy shall serve only for the unexpired term of the Member whom he succeeds.