RICE TARRIFICATION LAW (REPUBLIC ACT 11203) BY PHILIPPINES

The Department of Trade and Industry, Philippines had organized a ‘Rice Industry Summit’ on 29th April 2019 with the purpose of informing all stakeholders of the new import process and the benefits and opportunities under the liberalized regime pursuant to the enactment of Republic Act 11203 i.e. Implementing Rules and Regulations of Rice Tarrification (IRR).

The report by EOI in the context of Summit is enclosed. The important points highlighted by EOI are as follows:

- Rice imports from ASEAN Member States would attract 35% duty from Non-ASEAN WTO member States will attract 40% upto MAV of 3,50,000 MT and 50% beyond that.
- Thailand, Vietnam, India, China, Myanmar, Pakistan, Japan and Italy (specialty rice) are approved countries for importation.
- Philippines is a country of 110 million with a rapidly growing population that is predominantly rice eating. Philippines is rice-deficit and this year the shortfall is likely to be severe on account of draught in many parts.
- Even with a 5% tariff disadvantage vis a vis Thailand and Vietnam, India’s rice exports are likely to be competitive.

S S Nayyar
General Manager

Cereals/Letter-Note 2018-19
Subject: Report on “Rice Industry Summit” organized by DTI in cooperation with DOF, NEDA and DA on 29th April, 2019.

As directed by the Ambassador, I attended the above mentioned summit. The purpose of the summit was to inform all stakeholders of the new import process and the benefits and opportunities under the liberalized regime pursuant to the enactment of Republic Act No. 11203 i.e. Implementing Rules and Regulations of Rice Tariffication (IRR). The said act is also known as ‘An act liberalizing the Importation, Exportation, and Trading of Rice. Lifting for the Purpose the Quantitative Import Restriction on Rice’ and was published in the Official Gazette on April 8, 2019. May like to see at F/A.

2. The main highlights of the summit are as follows:

a. The summit was started with the welcome remarks by Secretary Ernesta M. Pernia, NEDA and Secretary Ramon M. Lopez, DTI. Agriculture Secretary Emmanuel A. Pinol’s welcome remarks was read by Usec Ariel T. Cayanan, DA.

b. There were following presentation during the summit:-

(i) Orientation on RA 11203 (Rice Tariffication Bill) and its IRR by AssttSec Mercedes A. Sombilla, NEDA
(ii) Importation Consolidation by President Dave M. Almarinez, PITC
(iii) Import Process Flow for SPS import clearance by Dir George Y Culae, DA, BPI
(iv) Comprehensive procedure for importer Registration and Rice Importation by Dep Comm Edward James ad A. Dy Buco, BOC
(v) World Rice Outlook by Mr. Jean Balie, IRRI
(vi) Rice Industry Road Map by Usec Ariel T. Cayanan, DA
(vii) Overview of the Philippines Competition Act by Dir Orlando Polinar, PCC

c. Presentations were followed by open forum of Rice traders. Thereafter, Dr. V. Bruce J Tolemitino, Monetary Board Member, Bangko Sentral Ng Pilipinas gave a wrap-up speech and closing remarks were made by Usec Ruth B. Castelo, DTI. Ambassador Thailand and Pakistan were also present during the summit and Vietnam was represented by its commercial counsellor.

3. An outline of the Rice Importation Process with all the information regarding BPI Registration, SPSIC application, BOC process, PPA process, PITC Registration, PITC import consolidation is placed at F/B for perusal please. The salient features of the IRR are as follows:

(i) Objective of IRR was to achieve greater food security that would benefit consumers, traders, producers, and the economy.
(ii) All rice imports, including those for donations, shall secure SPS import clearance (SPSIC) and shall comply with food safety requirements.
(iii) All importers of rice shall register with the BPI and be part of the DA Trade System for the applicant and issuance of SPSIC, which shall be issued within 7 days of application, otherwise deemed automatically approved. The validity of SPSIC would be 2 months.
(iv) There would be three type of rates vis: a) For the rice imports originating from ASEAN member states 35%. b) For non-ASEAN WTO member states within the MAV of 350,000 MT 40%. c) 50% out quota non ASEAN WTO member.

(v) Thailand, Vietnam, India, China Myanmar, Pakistan, Japan and Italy (specially rice) are allowed to importation of Rice (Milled).

4. Power of the President:

The President, upon the recommendation of the NEDA Board, as may be advised by the NFA Council, may

- increase, reduce, revise or adjust existing rates of import duty up to the bound rate committed by Philippines under the WTO Agreement on Agriculture and under the ATIGA.
- allow the importation at a lower applied tariff rate, for a limited period and/or specified volume, in the event of imminent or forecasted shortage or such other situation.
- direct the Secretary of Trade and Industry and the PITC to expeditiously participate in the rice industry thru contracts with private traders.

5. During their speeches, both the Secretary’s have emphasized on protecting the interest of the local farmers and buying their produce first to safeguard them from the impact of tariffication.

Submitted for kind perusal please.

[Signature]
M.S. Patiyal
FS(Com & HOC)

Ambassador