



Republic of the Philippines
House of Representatives
Quezon City, Metro Manila



Eighteenth Congress
First Regular Session
HOUSE BILL NO. **6116**

Introduced by Representative Hector S. Sanchez

EXPLANATORY NOTE

This bill mandates the declaration of the Province of Catanduanes as the ABACA CAPITAL of the Philippines, it being the topmost abaca-producing province in the Philippines.

The Abaca is a vital crop to the Philippine economy in a big way. In fact, it is vital to the world's economy and environmental care as well. ¹

The Philippines is the largest producer of Abaca fibers supplying about 87% of the world's requirement for the production of cordage, specialty papers (for currency note, stencil paper, teabag, coffee filter/cup, capacitor and insulation paper, etc.), textiles, furniture and fixtures, handicrafts, novelty items, meat casing, cosmetics and skin care products, grocery bags, composites for automotive and construction and other industrial applications. ²

The demand for abaca has steadily risen as consumer behavior is slowly shifting to organic, sustainable and environmentally-friendly materials to address and minimize the damaging effects of global warming.

According to Philippine Fiber Industry Development Authority (PhilFida), Catanduanes' abaca output soared to 9,832.47 MT, twenty-one percent (21%) higher than the 8,125.46 MT it produced in the January-to-May period of last year bolstering its reputation as the biggest abaca-producer in the country.

Earnings from abaca fiber, abaca pulp and other abaca products went up by 60.7 percent to \$46.97 million during the first four months of the year despite the

¹ Philippine Abaca Helps In Global Environment Conservation. Department of Agriculture, Philippine Fiber Industry Development Authority,
<http://www.philfida.da.gov.ph/index.php/archived-articles/19-philippine-abaca-helps-in-global-environment-conservation>

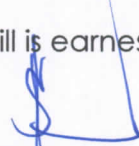
² Ibid

decline in abaca-pulp shipments to Japan, according to figures from the Fiber Industry Development Authority (FIDA).³

Despite the continuous increase in the demand for abaca in the market, little attention has been given to research and development to increase the quantity, develop the quality and sustain the production of abaca fiber. This bill seeks to support studies to acquire best practices to improve productivity and enhance resources for long-term gains. Moreover, allocation of funds in the form of Abaca Calamity Fund, needed to rehabilitate abaca plantations in case of loss and damage brought about by fortuitous events is made mandatory in this bill.

This bill was originally introduced in the 17th Congress by Rep. Cesar V. Sarmiento which was approved on third reading and was transmitted to the Senate.

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



HECTOR S. SANCHEZ

³ Abaca Shipments Reached \$47m In January-April. Department of Agriculture, Philippine Fiber Industry Development Authority,
<http://www.philfida.da.gov.ph/index.php/2-uncategorised/51-abaca-shipments-reached-47m-in-january-april>

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HOUSE OF REPRESENTATIVES
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Eighteenth Congress
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HOUSE BILL NO. ~~611~~6

Introduced by Representative Hector S. Sanchez

**AN ACT DECLARING THE PROVINCE OF CATANDUANES AS THE ABACA CAPITAL OF
THE PHILIPPINES AND APPROPRIATING FUNDS THEREFORE**

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 "Catanduanes as Abaca Capital Act."

SECTION 2. DECLARATION OF POLICIES. – It is hereby declared the policy of the State to promote and support the abaca industry in the country, especially in the Province of Catanduanes. As the country's highest producer of abaca fiber, utmost priority shall be given to increase the quantity, develop the quality and sustain the production of abaca fiber in Catanduanes in order to adequately meet local and global demands.

In addition, measures must be taken to safeguard the country's abaca industry from external factors brought about by typhoons, earthquakes, pests and various crop diseases, and other calamities.

SECTION 3. ABACA CAPITAL OF THE PHILIPPINES. – Pursuant to the abovementioned public policy, the Province of Catanduanes is hereby declared or granted the official designation as the Abaca Capital of the Philippines.

SECTION 4. CREATION OF AN ABACA RESEARCH AND DEVELOPMENT CENTER. – Within a year from the approval of this Act, there shall be created an Abaca Research and Development Center in Catanduanes which shall be attached to the Catanduanes State University-College of Agriculture and Fisheries.

SECTION 5. FUNCTIONS OF THE ABACA RESEARCH AND DEVELOPMENT CENTER. – The Abaca Research and Development Center shall perform the following functions:

- a. Undertake and conduct researches and technical studies on the development, production, management, and marketing of abaca fiber;
- b. Provide technical assistance and support to abaca farmers and other stakeholders nationwide;
- c. Develop appropriate technologies beneficial to the abaca industry;
- d. Train faculty members and other research personnel who will undertake research and development work on abaca;

- e. Publish research studies, papers, articles, and other works or writings relating to abaca R&D on a regular basis with the end goal of benefitting abaca farmers and other stakeholders nationwide;
- f. Coordinate with the Department of Agriculture, the Philippine Fiber Industry Development Authority, the Provincial Government of Catanduanes, and with the National Abaca Research Center to consolidate all policies, programs, and projects on abaca research and development.

SECTION 6. IMPLEMENTING RULES AND REGULATIONS. – The Department of Agriculture and the Philippine Fiber Industry Development Authority, in collaboration with the Catanduanes State University, shall issue and promulgate the necessary rules and regulations to accordingly implement the said Act;

SECTION 7. APPROPRIATIONS. – For the effective implementation of this Act, the amount of One Hundred Million Pesos (P100,000,000.00) is hereby appropriated from the unappropriated funds of the National Treasury. Thereafter, such sums as may be necessary for its continued implementation shall be included in the General Appropriations Fund.

The amount to be appropriated shall be used primarily to increase the quantity of abaca plants through planting of more seedlings or increasing hectarage; to develop abaca fiber quality through the use of technological innovations; to market abaca fiber and products derived from it, and to support the operation of the Abaca Research and Development Center in Catanduanes.

SECTION 9. ESTABLISHMENT OF ABACA CALAMITY FUND. – Notwithstanding and without suspending other fund sources for rehabilitation of abaca farms, an Abaca Calamity Fund shall be established and shall serve as a special fund for the purpose of rehabilitation of future damages to the abaca industry in the Province of Catanduanes caused by typhoons, pests and other calamities.

This fund shall comprise 10% of the total initial appropriation for the implementation of this Act. Thereafter, 10% of the succeeding annual appropriations for the implementation of this Act shall be reserved as Abaca Calamity Fund.

SECTION 9. SEPARABILITY CLAUSE. – If any provision of this Act shall be unconstitutional, any other provision not otherwise affected shall remain in full force and effect.

SECTION 10. REPEALING CLAUSE. – All laws, decrees, ordinances, rules and regulations, executive or administrative orders, and other presidential issuances inconsistent with this Act are hereby repealed, amended, or modified accordingly.

SECTION 11. EFFECTIVITY. – This Act shall take effect fifteen (15) days after publication in at least two (2) newspapers of general publication.

Approved,