

**EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES**

SENATE

•19 JUL 16 A11:33

**Senate Bill. No.** 524

-RECEIVED U.S.

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Introduced by Senator Juan Miguel F. Zubiri

**AN ACT**  
**INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE**  
**PHILIPPINES, CREATING THE BAMBOO INDUSTRY RESEARCH AND**  
**DEVELOPMENT CENTER (BIRDC), APPROPRIATING FUNDS THEREFOR, AND**  
**FOR OTHER PURPOSES**

## **EXPLANATORY NOTE**

The Philippines' vast flora includes one hundred species of bamboo, with twenty-one being native and fifteen being endemic in the country. The 2008 Bamboo Inventory Report states that there are 44,403 hectares of bamboo stands in the country. As such, bamboo has been interwoven into the Philippine culture with manifestations taking a multitude of forms, from modest chopsticks to well-executed architectural gems, and even a driving force in the Philippine economy as it generates exports of up to US\$54,000,000.00.

Aside from the great potential of bamboo as a top export product, its environmental benefits cannot also be discounted. Bamboo prevents soil erosion, especially in our riverbanks, and bamboo is also a good carbon capture as it absorbs carbon dioxide or monoxide in the air.

At present, there is no institution dedicated to oversee the development of the Philippine bamboo industry and there is much left to be accomplished in terms of research and development programs on bamboo, infusion of new technologies in processing and product development, and management of bamboo raw materials. The size and performance of the industry is difficult to assess due to the insufficient amount of data and information with regard to the amount of available raw materials, number of bamboo-based enterprises, demand for bamboo culms, employment in the industry, and the contribution of the bamboo industry to the Gross Domestic Product.

To be able to make bamboo and bamboo products as one of the country's main export commodities, this bill proposes to create the Philippine Bamboo Industry Development Roadmap which shall include programs and projects for the scientific propagation, development and management, processing, utilization, business development, and commercialization of bamboo and bamboo products; and the Philippine Bamboo Industry Development Council to provide the overall policy and program directions and coordinate the activities of various government agencies and other stakeholders.

I sincerely believe that with full government support and attention, the Philippine bamboo industry will grow to greater heights, appropriate for the tallest grass on earth, and only then we can truly say that bamboo is the grass of hope.

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



JUAN MIGUEL F. ZUBIRI

EIGHTEENTH CONGRESS OF THE  
REPUBLIC OF THE PHILIPPINES  
First Regular Session

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Senate Bill No. 524  
Office of the Secretary

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AN ACT  
INSTITUTIONALIZING THE BAMBOO INDUSTRY DEVELOPMENT IN THE  
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*Be it enacted by the Senate and House of Representatives of the Philippines in  
Congress assembled:*

1       **SECTION 1. Title.** – This Act shall be known as the "Philippine Bamboo Industry  
2 Development Act of 2019."

3       **SEC. 2. Declaration of Policy.** – The State shall provide for a self-reliant and  
4 independent economy to its people. It shall support indigenous, scientific and  
5 technological capabilities, and skills. It shall establish a program for a sustainable  
6 utilization, propagation and promotion of bamboo as furniture, food, construction and  
7 design materials, food and other uses. It shall promote the bamboo industry for poverty  
8 reduction, inclusive growth, environmental conservation and protection, agricultural  
9 productivity enhancement and climate change mitigation and adaptation.

10       **SEC. 3. Definition of Terms.** – As used in this Act:

- 11       a) *Bamboo* refers to a plant belonging to the subfamily Bambusoideae of grass family  
12                   Gramineae (Poaceae) whose culms (stems) are woody;
- 13       b) *Bamboo stand* - for plantation, an aggregate of clumps occupying a specific area  
14                   and sufficiently uniform in composition (species), age, spacing, and condition as  
15                   to be distinguished from the natural and or existing bamboo stands (with unknown

1           clump age). The latter stands have irregular spacing and species composition not  
2           necessarily uniform and the clumps are randomly and widely distributed;

3           c) *Bamboo Industry* - a sector with very high potential contribution in the socio-  
4           economic development and environmental protection of the country. The sector  
5           may still be classified as essentially agricultural considering that majority of its  
6           market and supply is essentially for agricultural requirements such as fish pens,  
7           banana props and other low value applications like scaffoldings, and fences;

8           d) *Bamboo Backyard Farming* - those whose plantation and operations are basically  
9           in the house backyard, with the household members as workers. The majority of  
10          bamboo processing enterprises in the Philippines belong to this category; and

11          e) *Bamboo Processing* - conversion of bamboo poles for various products and  
12          applications including walls, panels, trusses, handicraft, and novelty products  
13          (furniture, handicraft, and decors) focused on the possible use of bamboo as  
14          substitutes for wood for various applications (plywood, composites, pulp and  
15          paper, bamboo arts, and other architectural applications).

16          **SEC. 4. Objectives of This Act.** – This Act aims to make the Philippine bamboo

17          industry competitive in the local and international markets while providing  
18          opportunities for local employment and establishing bamboo-based community  
19          enterprises by:

- 20          a) Ensuring that the bamboo industry has sufficient supply of quality raw materials  
21           through the establishment and management of bamboo nurseries and plantations;
- 22          b) Ensuring that the bamboo industry continuously receives from the research and  
23           development sector relevant technologies and new products;
- 24          c) Ensuring that the industry receives pertinent and accurate data from the Center  
25           created under Sec. 9 of this Act, and other relevant sources upon which the  
26           industry can make business decisions;

- d) Promoting investments in the bamboo industry by providing substantial and attractive incentives to investors;
  - e) Providing skilled labor and manpower through continuous relevant capacity building;
  - f) Ensuring provision of locally manufactured machines of improved capacity, efficiency, and quality at competitive costs;
  - g) Ensuring continuing and new material and design research and development to advance market access for Philippine bamboo and bamboo products locally and internationally;
  - h) Providing access to markets of bamboo products locally and internationally through aggressive trade promotions; and
  - i) Ensuring sustainable resources in the implementation of the bamboo industry development program.

## **SEC. 5. The Philippine Bamboo Industry Development Roadmap**

15 **(PBIDR).** – To be able to attain the policy and objectives set forth in this Act, there shall  
16 be established a Philippine Bamboo Industry Development Roadmap, hereinafter referred  
17 to as the Roadmap, which shall include but not be limited to programs and projects for  
18 the scientific propagation, development and management, processing, utilization,  
19 business development, and commercialization of Philippine bamboo and bamboo  
20 products. The Roadmap shall include the following objectives, among others:

- 21       a) Expand the number of bamboo nurseries with quality planting materials;
  - 22       b) Ensure the propagation, breeding, site species matching and plant nutrition;
  - 23       c) Observe sustainable planting, management and harvesting, and soil and water  
24              conservation practices;
  - 25       d) Encourage bamboo backyard farming;
  - 26       e) Ensure the sustainability and viability of the bamboo industry;
  - 27       f) Promote investments in the bamboo industry development programs;

- 1       g) Advance market access for Philippine bamboo and bamboo products locally and  
2              internationally;
- 3       h) Extend technical and financial assistance for the development, processing,  
4              commercialization and marketing of various bamboo products;
- 5       i) Require bamboo to be at least twenty percent (20%) of the annual planting  
6              materials needed in the national greening program or in reforestation of open,  
7              denuded, and degraded forest lands;
- 8       j) Use bamboo in the manufacture of at least twenty five percent (25%) of desks  
9              and chairs, as an alternative to wood, in public primary and secondary schools in  
10             the country;
- 11      k) Make available to the bamboo industry relevant and current research and  
12              technological information and new product lines;
- 13      l) Provide continuous training and capacity building in the bamboo industry  
14              development; and
- 15      m) Provide technical and financial assistance in the local design and fabrication of high  
16              capacity processing equipment and machineries for the bamboo industry.

17      **SEC. 6. Philippine Bamboo Industry Development Council.** – There is  
18      hereby created a Philippine Bamboo Industry Development Council (PBIDC), herein  
19      referred to as the Council, which shall provide the overall policy and program directions  
20      and coordinate the activities of various agencies and instrumentalities to ensure the  
21      implementation, accomplishment, and periodic review and enhancement of the Roadmap.

22      The Council shall be administratively attached to the Department of Trade and  
23      Industry (DTI).

24      **SEC. 7. Powers and Functions of the Council.** – The Council shall have the  
25      following powers and functions:

- 26      a) Formulate the Philippine Bamboo Industry Development Roadmap;

- 1        b) Identify specific programs and projects in support and in line with the Philippine  
2                      Bamboo Industry Development Roadmap;  
3        c) Identify sources of financing to expand bamboo industry development;  
4        d) Submit annual reports to the Office of the President, the Senate Committee on  
5                      Trade, Commerce and Entrepreneurship, and the House of Representatives  
6                      Committee on Trade and Industry on the status of the implementation of the  
7                      Roadmap and the bamboo industry development in the country; and  
8        e) Promulgate such rules and regulations and exercise such other powers and  
9                      functions as may be necessary to carry out effectively the attainment of the  
10                  purposes and objectives of this Act.

11              **SEC. 8. *Composition.*** – The Council shall be composed of the following:

- 12        a) Secretary of the Department of Trade and Industry (DTI) as the Chairperson;  
13        b) Secretary of the Department of Environment and Natural Resources (DENR);  
14        c) Secretary of the Department of Agriculture (DA);  
15        d) Secretary of the Department of Science and Technology (DOST);  
16        e) Secretary of the Department of Labor and Employment (DOLE);  
17        f) Secretary of the Department of Interior and Local Government (DILG);  
18        g) Three (3) representatives from state universities and colleges, one each from the  
19                  island group of Luzon, Visayas and Mindanao;  
20        h) One (1) representative each from bamboo farmers, bamboo manufacturers, and  
21                  bamboo processors associations; and  
22        i) One (1) representative from non-government organization promoting bamboo.

23              The DTI Secretary may designate the Undersecretary for Regional Operations  
24              Group (DTI-ROG) as his/her alternate and shall have the same powers as his/her principal  
25              and his/her acts shall be considered the acts of his/her principal.

26              The Council members from the different Departments may designate their  
27              respective alternates who shall be at least Assistant Secretary in rank and whose

1 designation shall be on a permanent capacity and their acts shall be considered the acts  
2 of their principals.

3 The representatives from the state universities and colleges, private industry  
4 associations, bamboo farmers/producers/processors association, and non-government  
5 organizations shall be appointed by the President of the Republic of the Philippines from  
6 the list of nominees submitted by the DTI Secretary. The DTI Secretary shall choose the  
7 nominees from the respective lists submitted by the different organizations and  
8 associations.

9 The representatives must be citizens and residents of the Philippines and must be  
10 knowledgeable in bamboo industry development and committed to the policies and  
11 programs provided under this Act. They shall serve for a term of three (3) years, and  
12 may be reappointed once.

13 The Council shall meet quarterly and may hold special meetings whenever the  
14 need arises to consider urgent matters upon the call of the Chairman or any seven (7)  
15 Council members.

16 **SEC. 9 *Bamboo Industry Research and Development Center (BIRDC).* –**  
17 The Bamboo Industry Research and Development Center, hereinafter referred to as the  
18 Center, shall be created to serve as the secretariat of the Council to be headed by an  
19 executive director. The Center shall consist of divisions for the following purposes:  
20 research and development; trade promotion and education; networking and linkages;  
21 internal administration; and such other purposes as necessary. The composition of the  
22 divisions shall be prepared by the executive director and approved by the Council.

23 The organizational structure, staffing pattern and compensation schedule of the  
24 Center shall be drawn up in accordance with existing laws, rules and regulations. Other  
25 member agencies of the Council shall provide additional administrative and technical staff  
26 support upon the determination of the necessity by the Council.

27 The Center shall have the following powers and functions:

- a) Promote and encourage the establishment and management of bamboo nurseries, plantations and processing facilities that would accelerate the production and commercialization of bamboo and various bamboo products;
- b) Promote the commercialization and market access of appropriate, innovative and viable bamboo industry development technologies and products;
- c) Monitor and evaluate the performance of bamboo industry development programs and projects;
- d) Coordinate and partner with other government agencies in the implementation of bamboo industry development programs and projects;
- e) Coordinate and partner with the private sector, people's organizations and non-governmental organizations, and the academe in providing assistance on matters pertaining to bamboo industry development;
- f) Accept grants, donations and contributions from local and international donors and such similar sources of funds for the implementation of this Act, subject to the usual budget, accounting and auditing rules and regulations;
- g) Conduct, in cooperation or partnership with appropriate government agencies, a periodic review of the Philippine Bamboo Industry Development Roadmap;
- h) Conduct capability-building initiatives for farmers, processors, designers, and other stakeholders in the bamboo industry;
- i) Conduct research and development in partnership with appropriate government agencies to advance sustainable bamboo industry development practices;
- j) Supervise the implementation of the plans and programs of the Council;
- k) Manage and administer the projects identified by the Council under Section 7 (d) of this Act; and
- l) Submit periodic reports to the Council on the progress and accomplishment of programs and projects.

1           **SEC. 10. *The Executive Director of the Center.*** The Executive Director shall  
2       be appointed on a permanent capacity by the President of the Republic Philippines from  
3       the list of nominees submitted by the DTI Secretary. He/she shall be a citizen and  
4       resident of the Philippines and must possess executive and management experience of  
5       at least three (3) years and with considerable knowledge in bamboo industry  
6       development.

7           The Executive Director, in addition to his/her duties in the Center, shall have the  
8       following powers and functions:

- 9           a) Assist the Council in the performance of its tasks;
- 10          b) Provide technical and administrative support to the Council;
- 11          c) Oversee the day-to-day operations of the Center; and
- 12          d) Perform such other functions, duties and responsibilities as may be necessary to  
13       implement this Act.

14           **SEC. 11. *Establishment of Local Bamboo Industry Development Councils***

15          — Regions, provinces, cities and municipalities, when applicable, shall establish their  
16       respective local Bamboo Industry Development Councils. Local government units shall  
17       regularly conduct a survey of existing bamboo stands, nurseries and plantations and  
18       bamboo enterprises in their respective localities.

19           **SEC. 12. *Provision of Incentives to Investors in Nursery and Plantation***

20          ***Development and Bamboo Enterprises.*** — The following incentives shall be provided  
21       to investors in plantation development and bamboo processing factories:

- 22          a) The Board of Investments (BOI) shall classify bamboo nurseries and plantations  
23       as pioneer and bamboo processing as preferred areas of investment under its  
24       Investment Priorities Plan (IPP) subject to pertinent rules and regulations;
- 25          b) Nursery and plantation owners shall be exempt from the payment of rent for the  
26       use of public lands for commercial bamboo plantation for the first 10-years or

1       when the plantation owner starts to harvest his/her nursery/plantation subject to  
2       existing tenurial agreement with concerned government agencies.

3       c) Plantation owners in public lands shall be exempt from the payment of forest  
4       charges imposed by national government and other fees or taxes imposed by local  
5       government units;

6       d) Plantation owners, including nursery facilities, bamboo processing, and other  
7       related businesses shall be exempt from the payment of import duties for imported  
8       machines and equipment subject to pertinent rules and regulations;

9       e) Expenses incurred shall be allowed as deductible expenses for income tax  
10      purposes, subject to the provisions of the National Internal Revenue Code of 1997,  
11      as amended. Provided, that the deduction shall only apply to the taxable period,  
12      when expenses were incurred;

13      f) Expenses incurred in the development and operation of a bamboo plantation prior  
14      to the commercial harvest shall be regarded as ordinary and necessary expenses  
15      or as capital expenditures for purposes of tax treatment;

16      g) Bamboo plantations shall be accepted as among the collateral for loans in  
17      government-owned or controlled banks;

18      h) The bamboo plantation developer and bamboo processors shall be given priority  
19      to access credit assistance and guarantee schemes being granted by government-  
20      owned, controlled and/ or –supported financial institutions;

21      i) Bamboo plantations shall not require a cutting permit for harvesting nor shall it  
22      need a transport permit. Provided, that such plantation is registered with the  
23      Community Environment and Natural Resources Office (CENRO) of the Department  
24      of Environment and Natural Resources (DENR).

25      j) Bamboo plantations and plantation development equipment shall be covered by  
26      the Philippine Crop Insurance Corporation;

1           k) For tenured developer, upon the premature termination of the tenurial agreement  
2           at no fault of the holder, all capital improvements, depreciable permanent and  
3           semi-permanent improvements such as roads, buildings, nurseries including the  
4           planted and standing bamboo and other intercrops, introduced and to be retained  
5           in the area, shall be evaluated and the holder shall be entitled to a fair  
6           compensation thereof, the amount of which shall be mutually agreed upon by both  
7           the DENR and the tenure-holder and in case of disagreement between them, by  
8           arbitration through a mutually acceptable and impartial third party adjudicator  
9           through the DENR; and

10          l) The export of bamboo poles shall be regulated by the Council while other bamboo  
11           products, may be exported without restrictions in volume .

12          **SEC. 13. *Appropriations.*** - The sum of One Hundred Million Pesos

13          (PHP100,000,000.00) to be sourced from the unexpended contingency fund of the Office  
14          of the President and the existing budget for bamboo industry development under the DTI  
15          is hereby appropriated for the initial budgetary requirements of the Center. Thereafter,  
16          such amount as may be necessary for the continuous operation of the Center shall be  
17          included in the annual GAA. The budgetary requirements of cooperating agencies shall  
18          be incorporated in their respective annual budgets.

19          **Sec. 14. *Implementing Rules and Regulations.*** – Within six (6) months from

20          the effectivity of this Act, the DTI, in consultation with other concerned government  
21          agencies, the academe, the private sector, and non-government organizations, shall  
22          promulgate the necessary implementing rules and regulations for the effective  
23          implementation of this Act.

24          **Sec. 15. *Separability Clause.*** – If any provision of this Act shall be declared

25          invalid or unconstitutional, the same shall not affect the validity of the other provisions  
26          of this Act.

1       **Sec. 16. Repealing Clause.** – All laws, decrees, orders, rules, and regulations  
2       or other issuances which are incompatible or inconsistent with the provisions of this Act  
3       are hereby repealed or modified accordingly.

4       **Sec. 17. Effectivity.** – This Act shall take effect fifteen (15) days following its full  
5       publication in the Official Gazette or two (2) newspapers of general circulation in the  
6       Philippines.

*Approved,*