# Targeting big-time smugglers, cartels

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The government is finally gaining headway in addressing the nagging problem of agricultural smuggling and illegal cartel-like behavior that has affected the livelihood of farmers and fishers and caused high prices for consumers.

Considered a milestone in this effort is the enactment in September 2024 of Republic Act No. 12022, or the Anti-Agricultural Economic Sabotage Act. It repealed a similar law passed in 2016 and strengthened the government’s anti-smuggling drive by classifying smuggling, hoarding, profiteering, and engaging in a cartel as economic sabotage. Aside from expanding the coverage of punishable acts, it also imposed stiffer penalties and provided clear guidelines for interagency coordination to tackle illegal agricultural trade. A major component of the law is the establishment of a daily price index as a reference in determining whether economic sabotage is committed, and the creation of implementing bodies—the Anti-Agricultural Economic Sabotage Council (AAESC) and a dedicated enforcement group to assist it.

In a meeting last week, the AAESC announced another milestone. Special Assistant to the President for Investment and Economic Affairs Frederick D. Go, who serves as President Marcos’ permanent representative to the council, reported that they have approved the enforcement mechanisms to go after smugglers and cartels. “Protecting consumers entails going after the root of the problem—large-scale economic saboteurs who distort our agricultural and fisheries markets,” he said. Go emphasized that with the law now in effect and enforcement mechanisms operational, the council is well-equipped to pursue offenders aggressively.

## Major market saboteurs

Specifically, the council approved its rules of engagement, or the operational protocols presented by the Department of Justice (DOJ) on a framework for coordinated action against major market saboteurs. The council also approved the guidelines for declaring an “abnormal situation” that would signal to the council that immediate response is required to address market disruptions triggered by economic sabotage. The enforcement group composed of the National Bureau of Investigation, the Philippine police and coast guard, and the Department of Finance (DOF) was likewise green-lit to start identifying and running after smuggling and profiteering networks. The council also assured the public that the DOJ-appointed special team of prosecutors is now fully prepared to expedite the filing and resolution of cases under RA 12022.

In addition, the council directed relevant agencies to advance two critical components of its enforcement mechanism. First is the full implementation of the national single window (NSW) system through the DOF, the Department of Information and Communications Technology and the Bureau of Customs, and second is ensuring storage facilities for seized goods.

## Insider manipulation

The Asian Development Bank describes the NSW as one system where international trade and transport stakeholders transact with border control agencies, thus expediting export and import activities and eliminating insider manipulation. As an example, it said that after Singapore adopted the NSW, the time to process trade documents was reduced from four days to 15 minutes. In short, NSW has the big potential of stopping the rampant problem of misdeclaration of imports, especially of agricultural products.

Smuggling has long been a bane to local farmers, who suffer from low prices of their agricultural products due to the entry of illegal imports. In 2024 alone, the Department of Agriculture recorded P2.83 billion worth of smuggled agricultural goods seized by authorities, up from P1.87 billion in 2023. Consumers, meanwhile, end up paying more for basic food items because of shameless traders acting like a cartel to manipulate prices.

## Tangible results

Sadly, despite the various operations against smugglers and cartels and numerous arrests, rarely do we see reports of individuals being prosecuted or sent to jail. What farmers, fishers, and consumers want to see is an unrelenting and forceful campaign from the government in going after and prosecuting smugglers and cartels. Farmers from Benguet, for instance, expressed frustration over the sale in their province of smuggled carrots and pleaded for decisive action since identifying warehouses storing smuggled carrots required very minimal investigation. Decisive action is also needed in addressing price manipulation of basic food items such as rice and pork, whose costs have remained above what many consumers can afford.

While we appreciate the surge in excitement of the AAESC, the proof of its success, as with any other regulation or law, is when it shows tangible results, or when it has caused the arrest of agricultural saboteurs and seeing to it that they end up in jail. We hope the AAESC will live up to this challenging task at hand.