

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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Philippine Rice Tariffication Update

Report Categories:

Grain and Feed

Approved By:

Ralph Bean

Prepared By:

Perfecto Corpuz

Report Highlights:

On August 14, 2018, the Philippine House of Representatives approved House Bill (HB) 7735, or the proposed "Revised Agricultural Tariffication Act". HB 7735 sets Most Favored Nation bound tariffs at 40 percent inside the tariff rate quota or minimum access volume (MAV), and 180 percent outside the MAV. Rice imports from ASEAN countries will have no quotas and will be levied a uniform 35 percent duty. HB 7735 sets the rice MAV at 350,000 tons. The Senate bill is still at the committee level and will have to go through three hearings and a vote before reconciling of the two bills.

General Information:

On August 14, 2018, the Philippine House of Representatives approved HB 7735, or the proposed “Revised Agricultural Tariffication Act”.

HB 7735 sets a 40 percent Most Favored Nation bound tariff for rice imports within the MAV (in-quota) and a 180 percent rate for imports outside the MAV (out-quota). Rice imports from ASEAN countries have no quotas and are levied a uniform 35 percent tariff. According to the bill, from the current 805,000 tons, the country’s MAV for rice shall revert to its 2012 level of 350,000 tons.

HB 7735 also mandates the National Food Authority (NFA) to import rice to ensure and maintain adequate national buffer stocks (equivalent to 15 days national consumption). In addition, the NFA will allocate permits to eligible importers for the importation of rice other than maintaining buffer stocks.

The bill also provides for the creation of the Rice Competitiveness Enhancement Fund, which shall consist of all duties collected from rice imports. The fund will help improve competitiveness of local rice farmers.

A rice tariffication bill is currently at the committee level at the Philippine Senate. It will have to undergo three committee hearings and be voted upon before the two bills can be reconciled. How long that will take partly depends on how big the difference between the two bills is.