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**A POSITION PAPER OF
THE CONFEDERATION OF PHILIPPINE EXPORTERS
(CEBU CHAPTER ALSO KNOWN AS PHILEXPORT CEBU)**

ON

A PROPOSED TOTAL BAN ON EXPORT OF SHELLS, CORALS AND SHELL PRODUCTS

INTRODUCTION

The Confederation of Philippine Exporters Foundation (Cebu), Inc., represents nine (9) export sectors in the Central Visayas region, namely: electronics, industrial goods, furniture, seaweed, food, fashion accessories, gifts, toys & housewares, garments and medical tourism. It is the umbrella organization and the voice of the entire export industry in the region. The whole export sector provides employment to hundreds of thousands of workers in the region.

BACKGROUND

The eleventh congress of the Philippines enacted a law entitled “Wildlife Resources Conservation and Protection Act” or otherwise known as R.A. 9147 of July 30, 2001. Section 2 of the Act (Declaration of Policy) provides that “it shall be the policy of the State to conserve the country's wildlife resources and their habitats for sustainability”.

In the pursuit of this policy, this Act shall have the following objectives:

- (a) to conserve and protect wildlife species and their habitats to promote ecological balance to enhance biological di balance and enhance biological diversity;
- (b) to regulate the collection and trade of wildlife;
- (c) to pursue, with due regard to the national interest, the Philippine commitment to international conventions, protection of wildlife and their habitats; and
- (d) to initiate or support scientific studies on the conservation of biological diversity.

The provisions of this Act shall be enforceable for all wildlife species found in all areas of the country, including protected areas under Republic Act No. 7586, otherwise known as the National Integrated Protected Areas System (NIPAS) Act, and critical habitats. This Act shall also apply to exotic species which are subject to trade, are cultured, maintained and/or bred in captivity or propagated in the country.

Under Sec. 4 of RA 9147, jurisdiction falls on the Department of Environment and Natural Resources (DENR) and the Department of Agriculture (DA). The DENR shall have jurisdiction over all terrestrial plant and animal species, all turtles and tortoises and wetland species, including but not limited to crocodiles, waterbirds and all amphibians and dugong. The DA shall have jurisdiction over all declared aquatic critical habitats, all aquatic resources including but not limited to all fishes, aquatic plants, invertebrates and all marine mammals, except dugong. The secretaries of the DENR and the DA shall review, and by joint administrative order, revise and regularly update the list of species under their respective jurisdiction.

The Philippine Fisheries Act No. 4003, which is an act to amend and compile the laws relating to fish and aquatic resources of the Philippine Islands, and for other purposes, also has a mandate to strictly enforce the protection of our marine resources.

In the international scene an international agreement called CITES or Convention on International Trade in Endangered Species of Wild Fauna and Flora was signed by member governments including the Philippines. CITES aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival. CITES works by subjecting international trade in specimens of selected species to certain controls. All import, export, re-export and introduction from the sea of species covered by the Convention has to be authorized through a licensing system. Each Party to the Convention must designate one or more Management Authorities in charge of administering that licensing system and one or more Scientific Authorities to advise them on the effects of trade on the status of the species.

HISTORY

In 1981, a foreign NGO reported that the Philippines had an annual export production of around 4,168 tons of unworked shells during the period 1977-1979. The shell industry became a significant dollar earner for the country for several decades during the '70s and '80s. In 1988, export of shells and shellcrafts from the Philippines reached its peak with a total volume of roughly 10,000 tons, making the Philippines as the top supplier of shells and shellcraft worldwide. Since then, exports declined sharply from over 10,000t in 1988 to only 1,600t in 2000. However, export of ornamental shells started to rise during the last 2 years.

It is estimated that Cebu alone exported to at least 38 countries 19,565t of shells and shellcrafts in 1999 worth around US\$2.5 million, almost twice the value exported in 1988. In the past 3 to 4 years, Cebu has been exporting an average of about 25 tons of shells and shellcrafts per day. This translates to an annual income of about P37 million which generated livelihood and business opportunities to a number of fishermen, shell dealers and shellcraft manufacturers. Major markets for shells and shellcraft are: USA, Hong Kong, Korea, China, UK, Italy, Poland, the Netherland and Spain.

Many mollusks that used to be so abundant in the Philippine waters became extinct brought about by over-harvesting. Other causes of the decline in the supply of shells are habitat destruction and pollution. The supply of capis or *placuna placenta* is no longer sufficient to meet the local demand of the capis industry that led shellcraft manufacturers to import capis shells from other countries such as Indonesia and India. Indiscreet harvesting of our marine resources is often blamed as the cause of poverty in the country. The lack of foresight and concern has, in some cases, completely decimated the dwindling wildstock population of fishery products in the country. Had proper management schemes been started, considerable revenues and income could probably have been saved and capis shells, for example, might still be harvested in a sustainable manner.

THE ISSUES

- 1) Senator Jose Miguel F. Zubiri plans to impose a total ban on the exportation of shells, corals and shell products which could adversely affect the business of legitimate exporters of shellcraft and articles containing shells, and threaten the livelihoods of thousands of workers in their supply and value chains who are dependent on this industry; and
- 2) Not all shells, corals and other marine life are endangered and prohibited from exploitation including shells that are in the food chain such as clams, mussels, scallops, abalones, whelks, sea slugs, oysters, etc. Some of these are cultured for sustainability.

THE CHALLENGES

The Philippine coastline is 33,900 kilometers long. It has 400,000 to 500,000 hectares of mangrove forests (2008) and 684 square kilometers of wetlands of international importance. It would be totally impossible to police the whole Philippine archipelago.

A 2000 study reveals that the Philippines produces 70,836 metric of mollusks and crustaceans and 627,000 metric tons of aquatic plants. It adds that Filipino's per capita consumption of fish and fishery products is 30 kilos per year. Since 10 kilos of this are different types of shell food, it is estimated that around 40 million empty shells are accumulated. Thus far these empty shells are bought by exporters and shellcraft producers.

Lastly, how do we police our ranks as the umbrella organization of several industries that uses shells and corals as raw materials for export products?

REMEDIAL MEASURES

As umbrella organization of all the exporting sectors of the Central Visayas area, Philexport Cebu, together with its 19 sister chapters in the country are mandated to protect its members via the laws of the land. Philexport imposes very stringent requirements for individual and sectoral membership. It also manages the One Stop Export Documentation Center (OSED) wherein affiliated government and private agencies are represented (BOC, BFAR, CPA, DENR and DTI). The BFAR and BOC are both empowered to inspect container vans that contain shell, corals and shell products as per manifest. Additionally, effective June 1, 2011 the BOC implemented the Automated Export Documentation System (AEDS) which requires all exporters to transact business electronically. Only accredited exporters may open an account with BOC via their respective Value Added Service Providers (VASP). The accreditation of exporters via CPRS (Client Profile Registration System) is very extensive and comprehensive. Only legitimate exporters are accredited by BOI, Philexport and other Ecozone agencies, ergo it would be easy to deactivate the accounts of misbehaving exporters.

APPEAL

In view of the circumstances stated above the Confederation of Philippine Exporters in Cebu hereby pray for the following:

- a) That the government agencies, LGUs, private sector representatives and the sectoral support organizations, who have jurisdiction, and are empowered to implement our existing laws, be forceful in the execution of their duties and responsibilities to stop the exportation

of endangered marine life that threatens our ecosystem as well as our very own survival;

- b) That exporters live and operate via a written a code of conduct and place themselves under the oversight scope of their support organizations in order to avoid discrimination and put a stop to the operations of unscrupulous individuals who are in the market just to make a “quick buck” or “killing” for personal gain, and do not “give a heck” about our environment and ecosystem;
- c) That authorities, the media, the exporters themselves and other stakeholders for that matter, be educated as to which species or varieties of shells, corals and other marine life are in the endangered or prohibited list;
- d) That a database of endangered species and glossary of scientific terms, preferably in the vernacular too, be established as reference point for operatives and stakeholders who share in the joint effort to eliminate the abusive practices of those rotten scoundrels;
- e) That stiffer sanctions be imposed on “pouchers” who overharvest or rape the marine ecosystem;
- f) That standards for harvesting of sea shells, corals and marine life be set in order for these to reach maturity in size and age before these are harvested; and
- g) That shell and shellcraft exporters be involved in replenishment and sustainability programs for varieties that are customarily used for their finished products.

CONCLUSION

We, the representatives of the different export sectors of the Central Visayas, believe that to stop the rape and destruction of our ecosystem, we should put a stop on the demand for these endangered species that play a valuable role in our ecosystem.

We also believe that we can police our ranks or the more than 280 members under the umbrella of our organization.

A total ban on the export of shells, corals and other shell products would simply do more harm than good as a total ban would be too sweeping an option to take as it will result in a major economic loss in the form of export revenues as well as the loss of vital livelihood for the poorer sector of our society.

The export sector is one of the two main drivers of the Philippine economy and generates the biggest employment for the country. Philexport became a reality when the Export Development Act of 1994 (RA 7844) was enacted which provide for the creation of a Export Development Council, a public-private entity empowered to develop the export industry of the Philippines. Please note hereunder the provisions of Section 2 of the Export Development Act of 1994, which states:

“It shall be the policy of the State to evolve export development into a national effort. The government shall champion exports as a focal strategy for a sustainable agri-industrial development to achieve Philippine NIChood towards the year 2000. The private sector shall take the lead in the collective effort to promote exports through discipline and hard work, as it confronts the challenge of winning international markets.

The government and the private sector shall jointly transform the Philippines into an exporting

nation. **Towards this end, the State shall instill in the Filipino people that exporting is not just a sectoral concern, but the key to national survival and the means through which the economic goals of increased employment and enhanced incomes can most expeditiously be achieved.**”

In closing, we say that a total ban on the exportation of shells, corals and other shell products is not the remedy to address the rape and destruction of our marine environment. Instead we call for a stricter enforcement of existing laws and a closer and vigilant monitoring of the sector and a very stringent licensing and inspection protocols for trade in shells, corals and shell products.

Signed on 13 June 2011, in Cebu City, Philippines.

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