



REPUBLIC OF THE PHILIPPINES
SUGAR REGULATORY ADMINISTRATION
North Avenue, Diliman, Quezon City
P.O. Box 70, U.P. Diliman, Quezon City
TIN 000-784-336-000

30 January 2006



SUGAR ORDER NO. 6
Series of 2005-2006

SUBJECT : FILLING UP THE ADDITIONAL U.S. QUOTA OF QUOTA YEAR 2005-2006 AND THE GRANTING OF A TARIFF-FREE PRIVILEGE FOR THE IMPORTATION OF REFINED CANE SUGAR

WHEREAS, the country's regular U.S. quota allocation for Quota Year (QY) 2005-2006 has been increased with an additional 50,000 MT Commercial Weight (MTCW) of raw cane sugar;

WHEREAS, it is to best interest of the country in general and of the sugar industry in particular to fill up the aforecited volume of additional quota allocation;

WHEREAS, the filling up of the additional 50,000 MTCW has been made possible by increasing the percentage allocation of the "A" or U.S. Export sugar production from 6% to 7% & 10% per SRA Sugar Order Nos. 1-A & 1-B, Series of 2005-2006;

WHEREAS, the increase of 3% in the production of our "A" or U.S. Export sugar this CY 2005-2006, which is expected to be around 50,000 MTCW is a reduction in the supply of sugar in the domestic market;

WHEREAS, there is a need to replenish the 50,000 MTCW "A" or U.S. Export sugar that will be exported to the U.S. in order to increase stock inventory and counteract market speculation from perceived future tightness that has already put upward pressure on prices.

WHEREAS, a U.S. Countertrade Sugar Swap Program at a ratio of 1:1 (export to import) has been endorsed to Her Excellency, President Gloria Macapagal Arroyo by the Department of Agriculture Secretary, Hon. Domingo F. Panganiban, dated 25 January 2006, to provide among others, for the export of our "A" or U.S. Export sugar of CY 2005-2006 to the U.S. market in the total quantity of 50,000 MTCW and the importation of the same volume of refined sugar from the World Market tariff free, through the Philippine International Trading Corporation (PITC) to replenish the exported "A" or U.S. Export sugar as additional Quota Allocation to the U.S. Market;

WHEREAS, the Philippine Sugar Alliance in its Board Resolution dated 25 January 2006 has endorsed/approved the Countertrade Sugar Swap Program;

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WHEREAS, there is a need to implement the import program as early as possible to be able to avail of World market sugar stocks at levels still affordable;

NOW, THEREFORE, under and by virtue of the authority vested in the Sugar Regulatory Administration (SRA), it is hereby ordered that :

SECTION 1. COUNTERTRADE SUGAR SWAP PROGRAM.

The 50,000 MTCW of "A" or U.S. Export sugar of CY 2005-2006 shall be exported through the PITC to fill up the additional U.S. Quota which shall in turn import tariff-free from the World Market 50,000 MTCW Refined sugar for the domestic market as a replenishment of the exported "A" or U.S. Export sugar.

SECTION 2. QUALIFYING THE "A" OR U.S. EXPORT SUGAR TO FILL-UP THE ADDITIONAL U.S. QUOTA. All domestically produced sugar of CY 2005-2006 classified as "A" or U.S. Export are eligible for export to the extent of our additional U.S. Sugar Quota (50,000 MTCW) for QY 2005-2006.

The "A" or U.S. Export sugar quedan-permits to cover the withdrawal of sugar for export under the Countertrade Sugar Swap Program when submitted to the SRA for processing shall pay PHP30.00 per M.T. as clearance fee for export of sugar pursuant to Administrative Order No. 1, Series of 2002-2003.

SECTION 3. RULES ON U.S. COUNTERTRADE SUGAR SWAP PROGRAM. A Circular Letter shall be issued to prescribe the guidelines to implement the Countertrade Sugar Swap Program as provided for in this Order.

SECTION 4. Provided a Memorandum Order (M.O.) from the Office of the President is issued granting approval to the proposed Counter-trade Sugar Swap Program, this Sugar order shall take effect immediately after the effectivity of the said M.O.

SECTION 5. Provisions of Sugar Orders, Circular Letters and/or other regulations contrary to or inconsistent with this Sugar Order are hereby amended, modified, or revoked accordingly.

BY AUTHORITY OF THE SUGAR BOARD:


JAMES C. LEDESMA
Administrator