

Office of Sen. Manny Villar

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News Release

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Villar eyes harsh penalties vs opportunistic price increases in disaster areas

Sen. Manny Villar pushed for a law that will penalize businessmen taking advantage of disaster-stricken customers by jacking up prices of essential goods.

Senate Bill No. 1306 prohibits price gouging, or the charging of unconscionably excessive price, for certain goods and services in areas affected by major disasters.

"In order to prevent such unscrupulous party from taking advantage of consumers during calamities, a law must be enacted penalizing such acts," Villar, chairman of the Senate Committee on Trade and Commerce, said.

Reports say bottled water was sold as high as P140 per bottle in areas in Bulacan affected by Typhoon Pedring.

The bill prohibits the price gouging of good, piece of equipment, or service provided primarily for personal, family, or household purposes, including food, water, ice, a chemical, a building supply, a tool, a petroleum product, a residential construction, reconstruction, or repair service, or a service for the removal of debris or garbage.

Under the bill, no supplier shall provide, or offer to provide, any consumer good or service in an affected area at an excessive price during the 180-day period after the declaration of a major disaster by the President.

Violation of this act means prison term of not more than one year plus a fine of P10,000.

Villar noted that prices of goods tend to rise during periods of disasters but reminded businessmen and parties within the chain of distribution of consumer goods to "consider the interest of the public and heed the call to treat customers fairly during times of need."

"Kung dadagdagan pa natin ang paghihirap ng mga mamamayan na nasalanta ng bagyo o anumang kalamidad sa pamamagitan ng mataas na presyo ng bilingin, mas lalo pa nating pinabibigat ang sitwasyon at pinapahirap ang kanilang pag-ahon," Villar said.

The act also mandates the establishment of a toll-free hotline that a consumer may call to report an incidence of price gouging in the affected area and a program to develop and distribute to the public informational materials in Filipino and English to assist residents of the affected area in detecting and avoiding price gouging.

The bill also directs the Department of Trade and Industry to submit a yearly report to Congress on the number of price gouging complaints and investigations initiated, in progress and completed on price gouging.

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