# MARKET ACCESS

There are no import quotas or volume restrictions on fish and seafood products entering the Philippines {with the exception of certain dangerous species of fish}. However, tariff duties are levied on fish and seafood imports based on species type and product preparation. Import tariff rates on fish and seafood products entering the Philippines are as follows:

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| 1. | Live Fish | 30% |
| 2. | Frozen, Fresh, Chilled | 30% |
| | Tuna, Sardines, Mackerel {Aug-Feb} | 10% |
| | Tuna, Sardines, Mackerel {Mar-Jly} | 30% |
| 3. | Dried, Salted, Smoked, Fish Meal Edible | 35% in 1994 |
| | Crustaceans, Molluscs, Snails | 30% in 1995 |
| 4. | Fish Meal, Flours, etc., Inedible | 3% |
| 5. | Prepared/Preserved, in Containers Less | 40% in 1994 |
| | than 250 grams | 30% in 1995 |
| | Tuna, Sardines, Mackerel | 30% |

### Regulatory Framework

The Philippine Constitution limits domestic fishing operations to majority-owned Filipino (minimum 60 percent) firms. Other prohibitions affect: {a} employment of foreign technicians and crew; {b} exports of certain species of live fish fry, live prawns and seaweeds; {c} gathering, processing and exportation of corals; and {d} muro-ami fishing. Likewise, certain marine territory are identified as aquatic sanctuaries where fishing activity is banned. At present, taxes imposed on the industry are comparatively lower than that of other Asian nations. On the other hand, quantitative restrictions on processed fish and fishery products have been completely lifted, while tariffs on imported fish products have been relaxed, and those on imported fishing vessels completely eliminated.

### Cold Storage

Existing cold storage facilities in the Philippines are inadequate for the needs of both the domestic fishing industry, and foreign exporters with products destined for local markets. It is estimated that approximately 15 percent of the nation's annual catch is lost due to spoilage. In an attempt to remedy the situation, the Philippine government through the Philippine Fisheries Development Authority, has developed a program for the construction of ice plants and cold storage facilities to service requirements in the remote regions of the country. These actions will undoubtedly provide greater access to these markets for imported products based on sufficient cold storage capabilities.

### Value-Added Tax (VAT)

A Value-added tax of 10 percent is imposed on any sale or transaction "deemed sale" of taxable goods (including capital goods, irrespective of the date of acquisition), or on selected services. A rate of 10 percent is likewise imposed on goods imported into the Philippines whether for use in business or not. The tax is based on the total value used by the Bureau of Customs in determining tariff and customs duties, plus customs duties and other charges prior to release from customs custody.