

**[ EXECUTIVE ORDER NO. 259, July 25, 1987 ]**

**AN ACT TO RATIONALIZE THE SOAP AND DETERGENT  
SURFACTANT INDUSTRY AND THEREBY PROMOTE AND EXPAND  
THE UTILIZATION OF CHEMICALS DERIVED FROM COCONUT OIL  
AND FOR OTHER PURPOSES**

WHEREAS, it is the policy of the State to encourage the establishment of commercial activities and industries geared towards the production of goods and services using indigenous raw materials and resources;

WHEREAS, it is likewise the policy of the State to ensure a clean and safe environment;

WHEREAS, there is need to rationalize industries which are in a position to use indigenous raw materials;

WHEREAS, extensive utilization of coconut oil will be a great assistance to our coconut farms;

WHEREAS, in line with the above policy there is a need to amend and/or repeal certain provisions of the Presidential Decree 1863, which authorizes the establishment of a monopoly in favor of United Coconut Chemicals, Inc. (UNICHEM), centralizing the supply of surfactant raw materials in said enterprises;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order:

SECTION 1. This Act shall be entitled an "An Act to Rationalize the Soap and Detergent Surfactant Industry and thereby promote and expand the utilization of coconut oil."

SECTION 2. The soap and detergent surfactant industry shall be subject to a rationalization program requiring increasing local content in the usage of its raw materials which do not endanger the environment to a minimum of 20% the first year, 40% the second year, up to a minimum of 60% for the third year and thereafter.

SECTION 3. Importation of raw materials and finished products of the industries covered by the rationalization program may be restricted subject to the guidelines set by the BOI.

SECTION 4. The Board of Investments is hereby empowered to issue guidelines as may be necessary to fully implement the intent of this Executive Order.

SECTION 5. P.D. 1863, as amended, is hereby repealed