

Title:

National Federation of Hog Farmers, Inc., et al. v. Board of Investments, et al.

Facts:

The Supreme Court was tasked to resolve a petition filed by various organizations within the agribusiness sector, challenging the Board of Investments' resolutions which granted Charoen Pokphand Foods Philippines Corporation ("Charoen"), a wholly foreign-owned Thai company, registrations as a new producer in the aqua feeds, hog, and broiler chicken sectors.

Charoen submitted applications for registration as a new producer in these sectors across 2011 and 2012, undergoing the necessary assessment and compliance checks with the Executive Order No. 226, or the Omnibus Investments Code of 1987. Notices of application were published, inviting opposition, to which no actions from the petitioners were recorded at this juncture.

Upon completion of processes, the Board of Investments, on three separate occasions corresponding to each application, granted Charoen's registration, providing it pioneer status and certain incentives.

Petitioners argued that the resolutions were issued with grave abuse of discretion, citing violation of constitutional provisions protecting Filipino enterprises against unfair foreign competition and inadequate consultation processes. They contended that Charoen's registrations as a new producer were unjust, seeing that it would prejudice local businesses within the agribusiness sector.

However, the Supreme Court found that the petition was not the proper remedy, highlighting that the petitioners neither exhausted all administrative remedies nor demonstrated justiciable standing or direct injury. The Court further discussed the constitutional encouragement of foreign investment within defined boundaries, underlining the thorough and lawful process undertaken by the Board of Investments in granting Charoen's application.

Issues:

1. Whether the Supreme Court has jurisdiction over the Petition for Certiorari against the Board of Investments' resolutions.
2. Whether the Board of Investments committed grave abuse of discretion in granting Charoen's applications for registration.

Court's Decision:

The Supreme Court dismissed the petition, reasoning that it lacked jurisdiction as the petitioners failed to exhaust all administrative remedies available, notably an appeal to the Office of the President as prescribed by the Omnibus Investments Code of 1987. The Court found no justiciable issue or standing of the petitioners, being uninvolved during the opposition period and not demonstrating direct injury.

Furthermore, the Court clarified that the constitutional provisions cited by the petitioners did not preclude foreign investment. It emphasized that the Board of Investments, following proper procedure and assessment, did not commit grave abuse of discretion in granting registrations to Charoen, and thus, upheld the assailed Board Resolutions.

Doctrines:

- Exhaustion of administrative remedies: Petitioners must first utilize all administrative channels for remedy before resorting to judicial actions.
- Doctrine of primary administrative jurisdiction: Jurisdiction over matters requiring specialized administrative expertise lies primarily with the relevant administrative body.

Class Notes:

- Administrative remedies must be exhausted before judicial recourse is sought, except in cases where such remedies are unavailable or futile.
- Foreign investment in the Philippines is encouraged within the bounds of constitutional and statutory limitations, largely governed by the Omnibus Investments Code of 1987 and subsequent regulations.
- The principle of nationalism in the economy does not equate to the exclusion of foreign participation but mandates a balanced approach favoring Filipino enterprise where necessary.

Historical Background:

The petition was contextually centered on the balance between promoting foreign investment and protecting domestic industries within the Philippine economy's broader strategy. It illustrates the ongoing dialogue about the role of foreign entities in national development sectors and the constitutional and legal frameworks guiding such participation.