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INTRODUCED BY SENATOR VILLAR

RESOLUTION

RECOMMENDING TO ALL LOCAL GOVERNMENT UNITS TO ENHANCE THE QUALITY OF THE BUSINESS ENVIRONMENT IN THEIR RESPECTIVE AREAS BY ADOPTING BUSINESS-FRIENDLY POLICIES AND MEASURES TO OPEN OPPORTUNITIES FOR TRADE AND INVESTMENTS, WITH THE COLLECTIVE AIM OF ENHANCING THE COUNTRY'S COMPETITIVENESS AS AN INVESTMENT DESTINATION

Whereas, Article II, Sec. 20 of the Philippine Constitution declares that, "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments";

Whereas, in the 2009 World Economic Outlook, world economy is expected to grow by only 2.2%;

Whereas, according to the International Monetary Fund (IMF), global growth below 3% already constitutes a recession;

Whereas, East Asian countries, including the Philippines, are not spared from the effect of the global financial crisis;

Whereas, the World Bank (WB), in its East Asia Pacific Update (December 2008), stated that "the countries in the region will be better positioned to deal with the crisis to the extent that they are able to maintain macroeconomic stability, shift exports to faster growing regions in the world, substitute external with domestic demand, and continue with their structural reforms to strengthen competitiveness";

Whereas, the National Competitive Council (NCC) has identified eight (8) sunrise industries where the country has competitive advantages in terms of natural and human resources with markets that are global in scale;

Whereas, these sunrise industries are : tourism, information technology/business process outsourcing, mining, agribusiness, electronics, health and wellness (including retirement), value-added logistics services and automotive manufacturing;

Whereas, according to the NCC, it would be most practical for the firms and the local government units (LGUs) to take advantage of the lull in economic activity to consider strengthening their productivity and competitiveness in order that they will be better prepared to compete in the global arena once the economic cycle turns back to more challenging times;

Whereas, the LGUs, through their local chief executives (LCEs), will be harnessed as the *sparkplugs of economic development in their locality* by tapping the different players involved in improving productivity and competitiveness;

Whereas, according to a report by the WB, the cost of doing business in the Philippines is one of the highest in Southeast Asia;

Whereas, the WB survey showed that starting a business in the Philippines would take an average of 52 days to complete 15 required procedures, with costs equivalent to 29.8% of the per capita national gross income;

Whereas, Philippine cities stand out in the global comparison for the high number of procedures to start a business – ranging from 15 to 23, while cities in East Asia and the Pacific average only nine;

Whereas, the number of required local procedures to start a business vary from place to place: Now therefore be it

RESOLVED, as it is hereby resolved, to recommend to all local government units to enhance the quality of the business environment in their respective areas by adopting business-friendly policies and measures to open opportunities for trade and investments, with the collective aim of enhancing the country's competitiveness as an investment destination.

Adopted,


MANNY VILLAR
Senator