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SENATE

P. S. RES. NO. 429

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Introduced by Senator Antonio "Sonny" F. Trillanes IV

RESOLUTION

DIRECTING THE SENATE COMMITTEE ON TRADE, COMMERCE AND ENTREPRENEURSHIP, THE SENATE COMMITTEE ON ECONOMIC AFFAIRS, AND OTHER RELEVANT COMMITTEES OF THE SENATE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE PREPAREDNESS OF OUR LOCAL INDUSTRIES AND BUSINESS SECTORS AND THE GOVERNMENT'S INDUSTRIAL MASTERPLAN GOVERNING THE SAME, IN LIEU OF THE IMPENDING ASEAN ECONOMIC COMMUNITY (AEC) BY 2015, WITH THE END IN VIEW OF ENACTING NECESSARY POLICY MEASURES TO PROVIDE SAFETY NETS THEREFOR AND TO BOOST THE GROWTH, COMPETITIVENESS AND FLEXIBILITY OF SAID SECTORS

WHEREAS, Article II Section 20 of the 1987 Constitution declares that *"the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments."*

WHEREAS, in January 2007, leaders of the Association of Southeast Asian Nations (ASEAN) affirmed their commitment to the creation of the ASEAN Economic Community (AEC) by 2015 and to transform ASEAN into a region with free movement of goods, services, investment, skilled labor, and freer flow of capital¹;

WHEREAS, the AEC articulates the vision of an economically-integrated region by the end of 2015 between all ten member states: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, and Vietnam. The vision is for a single market and production base in a highly competitive economic region with equitable economic development and fully integrated into the global economy.²

WHEREAS, the AEC by 2015 shall mean more liberalized trading among member nations as a result of the lowering or complete removal of both tariff and non-tariff barriers on both goods and services among the member-nations;

WHEREAS, although said aspirations are lofty and laudable, in view of the impending deadline, however, there are legitimate apprehensions and even doubts on the preparedness of our business sector, or the lack thereof, as our local industry faces greater market risks in the envisaged single market and production base;

WHEREAS, in fact, as early as 2012, no less than former National Statistical Coordination Board (NSCB) Secretary General Romulo A. Virola observed that the Philippines may not be ready to benefit from the planned ASEAN market integration by 2015 as the local economy

¹ *The Road to ASEAN Financial Integration*. Information retrieved from <http://www.adb.org/publications/road-asean-financial-integration>

² John Goyer. *Why the 2015 deadline for the ASEAN economic integration?* Information retrieved from <http://www.rappler.com/world/regions/asia-pacific/39481-apb-survey-asean-economic-integration>

offers more bad news than good news, among which, is the country's export growth, which is the slowest in the region³;

WHEREAS, moreover, echoing the aforementioned trepidation, *Arangkada*, a project of the Joint Foreign Chambers of the Philippines observed that whenever ASEAN Integration is taken up, the lack of preparedness and synchronicity of the government and private sector, and weak state of competitiveness dominate the conversation; and that the country's agricultural and manufacturing sectors, are among those most vulnerable to Asean Integration's risks⁴;

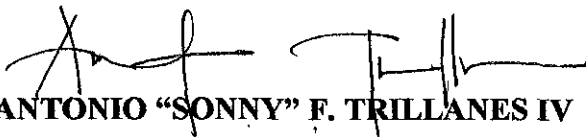
WHEREAS, even prominent business executives were quoted in newspaper reports as saying that Filipino firms are ill prepared for the Asean regional economic integration and that the integration holds more threats than opportunities for many Filipino enterprises, in direct contrast to the multiple promises that the proponents of economic integration talk about⁵;

WHEREAS, hence, there is an urgent need to address these legitimate fears and concerns of our business sector in cognizance of the aforesated Constitutional declaration and in recognition of the invaluable contribution of micro, small and medium enterprisers (MSMEs) as the backbone of our economy;

WHEREAS, further, it is imperative that our farmers, fisherfolks, agricultural workers, and micro, small and medium enterprisers (MSMEs), and even our established business firms be provided with adequate preparation and protection to sustain their growth as they compete with and even survive the inevitable reality of the onslaught of ASEAN goods and services;

NOW, THEREFORE, BE IT RESOLVED, as it is hereby resolved by the Philippine Senate to direct the Senate Committee on Trade, Commerce and Entrepreneurship, the Senate Committee on Economic Affairs, and other relevant committees of the Senate to conduct an inquiry, in aid of legislation, on the preparedness of our local industries and business sectors, and the government's industrial masterplan governing the same, in lieu of the impending ASEAN Economic Community (AEC) by 2015, with the end in view of enacting necessary policy measures to provide safety nets therefor and to boost the growth, competitiveness and flexibility of said sectors.

Adopted,


ANTONIO "SONNY" F. TRILLANES IV
Senator

³ PH may not be ready for ASEAN integration - expert. Information retrieved from <http://www.rappler.com/business/economy-watch/12203-ph-may-not-ready-to-benefit-from-asean-integration-expert>

⁴ Rafael M. Alunan III. 2015: Asean Integration, ready or not? Information retrieved from <http://business.inquirer.net/114735/2015-asean-integration-ready-or-not>

⁵ Business beyond borders. Information retrieved from <http://www.investphilippines.info/arangkada/business-beyond-borders/>