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SENATE
P.S. Res **696**

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Introduced by Senator Poe

RESOLUTION

DIRECTING THE COMMITTEE ON ECONOMIC AFFAIRS AND APPROPRIATE SENATE COMMITTEES TO REVIEW EXISTING LAWS AND CONSIDER REPEALING DUPLICATE, IRRELEVANT AND UNNECESSARY REGULATIONS IN A BID TO STREAMLINE PROCEDURES, EASE THE COST OF DOING BUSINESS AND SUSTAIN ECONOMIC GROWTH

Whereas, the Philippines ranked 108th out of 189 economies in the World Bank's *Ease of Doing Business* report for 2014, posting a 25-spot jump from the previous year's ranking of 133rd.¹ The Philippines was at 144th place in 2010 and 136th place in 2011;

Whereas, despite improvements in the ease of doing business index in the multilateral lender's global survey, the Philippines slipped in six out of 10 indicators tracked by the World Bank in the 2014 survey;

<u>Indicator</u>	<u>2014 Rank</u>	<u>2013 Rank</u>	<u>Change in Rank</u>
Starting a Business	170	166	-4
Dealing with Construction Permits	99	95	-4
Getting Electricity	33	33	Unchanged
Registering Property	121	119	-2
Getting Credit	86	126	+40
Protecting Investors	128	127	-1
Paying Taxes	131	144	+13
Trading Across Borders	42	41	-1
Enforcing Contracts	114	112	-2
Resolving Insolvency	100	164	+64

¹ <http://www.doingbusiness.org/data/exploreeconomies/philippines>

Whereas, in the Association of Southeast Asian Nations (ASEAN) region—which groups Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam—the country ranked 6th overall of the 10-nation trading bloc and 7th in Starting a Business indicator in the recent study;

Whereas, business registration in the Philippines involves an average of 15 procedures and 35 days, according to the global survey;

Whereas, foreign direct investments (FDI) continue to lag behind other countries in the ASEAN. At \$2 billion in 2012, FDI inflows to the Philippines are the lowest among Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, which received a total of \$102 billion. Investors continue to cite the high cost of doing business, along with lack of infrastructure and corruption, as primary reason for not investing in the Philippines, according to the *Philippine Economic Update: Accelerating Reforms to Meet the Jobs Challenge* released by the World Bank's Philippine Poverty Reduction and Economic Management in May 2013;

Whereas, despite the passage of Republic Act No. 9485 or the Anti-Red Tape Act of 2007, much still needs to be done to effect changes and streamline procedures in the national and local levels;

Whereas, the economy registered a 7.2 percent growth in 2013. In 2012, the economy expanded by 6.8 percent, buoyed by the robust performance of the services sector led by trade and real estate, renting and business activities as well as substantial improvements of manufacturing and construction²;

Whereas, global agencies cited several reforms that have been instituted in the bureaucracy to further improve the weather climate, with the help of agencies, in particular the National Competitiveness Council;

Whereas, in order to sustain the momentum of economic growth, a possible review of laws and regulations may be essential to primarily cut red tape and spur job creation;

Whereas, Korea has cleared about 6,000 laws off its books. Cambodia has just started. Vietnam has set up a special task force to review 5,400 “administrative procedures” and has simplified 88 percent of those in the last three years³;

Whereas, in Australia, the Omnibus Repeal Day (Autumn 2014) had been introduced last March to reduce regulatory burden for business, individuals and the community sector with the aim to cut Aus\$1 billion in red tape annually and repeal more than 10,000 pieces and more than 50,000 pages of legislation and regulations⁴;

² <http://www.nscb.gov.ph/sna/2012/4th2012/2012qpr4.asp>

³ <http://opinion.inquirer.net/73040/repeal-laws-and-lower-cost-of-doing-business#ixzz32swoMxAg>

⁴ <https://www.cuttingredtape.gov.au/repeal-day/2014-autumn-repeal-day>

BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the Philippine Senate, that the Committee on Economic Affairs and the appropriate Senate committees be directed to review existing laws and consider repealing duplicate, irrelevant and unnecessary regulations in a bid to streamline procedures, ease the cost of doing business and sustain economic growth.

Adopted,


GRACE POE