

THIRTEENTH CONGRESS OF THE REPUBLIC }  
OF THE PHILIPPINES }  
First Regular Session }

'04 AUG 17 P 4:07

SENATE  
PS Reso. No. 47

RECEIVED BY: \_\_\_\_\_

---

Introduced by Senator Lacson

---

RESOLUTION

DIRECTING THE APPROPRIATE COMMITTEES OF THE SENATE TO CONDUCT AN INVENTORY OF THE COUNTRY'S CONSOLIDATED PUBLIC SECTOR DEBT WITH THE END IN VIEW OF FINDING A SOLUTION TO THIS PROBLEM

Whereas, data obtained from the Department of Finance showed that the Consolidated Public Sector Debt as of September 2003 stands at Php 5.391 Trillion;

Whereas, this amount represents a 182% increase in our Consolidated Public Sector Debt which stood at Php 1.913 Trillion in 1993;

Whereas, of this figure, our domestic debt amounted to Php 2.719.0 Trillion while our external or foreign debt amounted to Php 2.671.9 Trillion.

Whereas, of the total national debt, the same is further divided as follows: National Government debt accounts for Php 3.886.8 Trillion while Php 1.426.7 Trillion for the 14 Monitored GOCCs;

Whereas, the figure above stated may still be understated considering that the debt attributed to Government Owned and Controlled Corporations was limited only to the 14 Monitored GOCCs namely the National Power Corporation, Light Rail Transit Authority, National Food Authority, Philippine National Oil Company, National Irrigation Administration, Local Water Utilities Administration, National Housing Authority, National Electrification Authority, Philippine National Railways, Philippine Economic Zone Authority, Home Guaranty Corporation, National Development Company, Metropolitan Waterworks and Sewerage System and the Philippine Ports Authority without taking into account the more than 200 more Government Owned or Controlled Corporations;

Whereas, the National Government debt stock constitutes 92.4% of GNP, while consolidated public sector debt constitutes 161.3% of GNP. For 2002 the public debt was higher than the GDP by almost 30%- i.e. government is spending beyond what the domestic economy produces in terms of goods and services;

Whereas, these figures mean that every Filipino regardless of age, gender, or economic status is currently indebted to the tune of P64,000.00 each to our creditors;

Whereas, the National Government has been appropriating huge amounts in the General Appropriations Act to service these debts annually. In 2002, the National Government appropriated a total of Php 358 Billion to service these debts. For 2003, the government allocated Php 425.6 Billion for both principal and interest payments while for 2004, the proposed total amount for debt service is Php 524.2 Billion;

*Whereas*, considering the enormous amounts appropriated to service the national debt, other items in the budget including social services like education, health, poverty alleviation programs and government infrastructure development are inadequately funded to the detriment of the people;

*Whereas*, the National Government is consistently incurring huge budget deficits for the past decade; P211 Billion and P202 Billion for year 2002 and 2003 respectively, forcing the government to borrow more money to finance said deficit which adds to the already enormous national government debt stock every year;

*Whereas*, if the present trend continues, it is projected that our outstanding public sector debt will reach Php 7.1 Trillion by 2010;

*Whereas*, this situation is unacceptable, has already reached crisis proportion and no longer a problem of the government only but a matter of urgent public concern that must be addressed immediately;

*Whereas*, this august chamber should determine the source of this disease that is hampering our growth as a country and find a cure to address this menace that is plaguing our national economy;

*Whereas*, the solutions to be provided should have the effect of reducing the annual amount appropriated for debt servicing and re-channeling much needed resources to the attainment of the country's commitment under the United Nations Development Program's Millennium Development Goals; Now therefore,

BE IT RESOLVED AS IT IS HEREBY RESOLVED, to direct as it hereby directs the appropriate Committees of the Senate to conduct an audit of the Consolidated Public Sector Debt with the end in view of determining the following:

- 1.) the amount and classification of the Consolidated Public Sector Debt;
- 2.) the creditors and their classifications;
- 3.) the amount spent annually for interest payments and principal amortizations of both domestic and foreign loans;
- 4.) the Government Owned and Controlled Corporations whose loans are guaranteed by the National Government;
- 5.) whether the National Government likewise guarantees the loans of some private corporations and if there are, the list of these private corporations; and
- 6.) the strategies and/or solutions that will be adopted by the financial managers of the Government to address this problem;

Adopted,

  
PANFILO M. LACSON  
Senator