

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

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SENATE

P. S. No. 93

RECEIVED BY: _____

INTRODUCED BY THE HONORABLE MAR ROXAS

**A RESOLUTION
DIRECTING THE SENATE COMMITTEES ON ECONOMIC AFFAIRS
AND TRADE AND COMMERCE TO CONDUCT AN INVESTIGATION,
IN AID OF LEGISLATION, ON THE IMPACT OF THE GOVERNMENT FISCAL
PLAN ON THE BROADER PHILIPPINE ECONOMIC DEVELOPMENT**

WHEREAS, by the end of 2003, the budget deficit at P199.9 Billion and the National Government Debt at P4,063.6 Billion corresponds to 94.5 percent and - 4.6 percent, respectively, of the country's GDP as of the same period;

WHEREAS, President Gloria Macapagal Arroyo stated last month that the Philippines is in a midst of a fiscal crisis and that the government needs to implement critical measures to address the country's widening public sector deficit and ballooning debt problem;

WHEREAS, the government has presented a fiscal plan to raise revenue in order to avert a full blown fiscal crisis. This includes the enactment of eight new tax measures to generate an additional 80 billion pesos in government revenues. The government likewise proposes a reduction of government expenditure;

WHEREAS, this plan includes an increase in the power rates of the state-run National Power Corporation. The estimated additional 70 Billion pesos that will be generated from the rate hike is intended to mitigate loses to the corporation projected at over 100 billion pesos by the end of the year, which, if left unresolved, will further exacerbate the government's huge debt and budgetary-deficit problems;

WHEREAS, there is a need to assess the impact of the proposed tax increase and power rate hike to the general public, specifically its effects on the prices of basic commodities, private consumption, the competitiveness of small and medium scale industries, industry in general, and the country's macroeconomy as a whole;

WHEREAS, there is growing public concern that while the combined tax and power rate hike will help address the government's fiscal problem by raking in an estimated total of 155 billion pesos, it might also result in hardships for the Filipino people, thus creating a greater strain on the country's already bleak economy;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, that the Senate direct the Committees on Economic Affairs and Trade and Commerce to conduct an investigation, in aid of legislation, on the impact of the government's fiscal plan on Philippine economic growth and development.

Adopted,


MAR ROXAS