

EIGHTEENTH CONGRESS-OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session



Office of the Secretary

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SENATE

P.S. Resolution No. 357

RECEIVED

Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION

**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN
INQUIRY, IN AID OF LEGISLATION, REGARDING THE POSSIBLE
ADVANTAGES OF A DEBT MORATORIUM FOR THE PHILIPPINES FROM
INTERNATIONAL DEBTS TO SUPPLEMENT FINANCING AND SUPPORT THE
EMERGENCY AND RECOVERY PROGRAMS RELATED TO THE
COVID-19 PANDEMIC**

WHEREAS, Article II, Section 9 of the 1987 Constitution provides that, "*the State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.*"

WHEREAS, in 11 March 2020, the World Health Organization declared COVID-19 as a pandemic and in view of the increasing number of COVID-19 positive cases in the Philippines, Presidential Proclamation No. 922, s. 2020, was issued by President Rodrigo Duterte on 16 March 2020 declaring a State of Public Health Emergency throughout the Philippines, raising the Code Alert System to Code Red Sublevel Two (2), placing the whole country under a State of Calamity and imposing an Enhanced Community Quarantine (ECQ) in Luzon;

WHEREAS, President Duterte directed the generation of funds to augment the necessary amount to ensure continued financing of the government's declared national policy and temporary emergency measures, as provided in R.A. No. 11469 (approved on 24 March 2020), otherwise known as the "*Bayanihan to Heal as One Act*" to immediately help and financially address challenges and threats posed by the pandemic;

WHEREAS, the ECQ restricted the movement of the population by suspending public transport, mandating a skeletal workforce, and temporary closures of "*non-essential*" businesses which hampered the economic activity of Luzon, resulting in an expected cumulative loss of as high as Php 1,355.6 billion or a reduction in the GDP growth to as low as -0.6% in 2020. NEDA further estimates that from the restriction in passenger traffic abroad due to travel bans and the ECQ, such will result in a loss of gross value added of Php 77.5 to 156.9 billion, equivalent to 0.4 to 0.8% of GDP in 2020, while cash remittances may be affected with a loss of gross value added of Php 3.9 to 8.5 billion;

WHEREAS, according to the Philippine Institute for Development Studies (PIDS), extending the ECQ by one more month may potentially cost the Philippine economy at least Php150 billion due to possible declines in household consumption as workers remain unemployed for longer periods, further forecasting that at the end of the surge of the pandemic, the Philippine economy may lose between Php 276.3 billion in the best case scenario and Php 2.5 trillion in the worse case scenario, where the country's employment-to-population ratio (EPR) may decline by as much as 12 percentage points as a direct result of workers becoming symptomatic COVID-19 cases;

WHEREAS, on 14 April 2020, the International Monetary Fund (IMF) projected a global growth in 2020 to fall to -3 percent, which is a downgrade of 6.3 percentage points from January 2020, a major revision over a very short period, making the Great Lockdown the worst recession since the Great Depression, and far worse than the Global Financial

Crisis and financial analysts forecast that GDP growth in the Philippines can be as low as -0.6% if the government under a "do-nothing" scenario;

WHEREAS, according to the John Hopkins University on 14 April 2020, the Philippines has the most number of COVID-19 cases in Southeast Asia having 5,223 confirmed cases, 295 recoveries, and 335 deaths and is still expected to increase;

WHEREAS, among the measures which the government may adopt is the realignment of debt payments to international financial institutions, the General Appropriations Act (GAA) of 2020 allotting Php 451 billion in addition to off-budget payments of Php 582 billion to amortize the principal amount, which could be redirected towards social amelioration cash and food assistance as the global pandemic persists worldwide;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, directing the appropriate Senate committee to conduct an inquiry, in aid of legislation, regarding the possible advantages of a debt moratorium for the Philippines from international debts to supplement financing and support the emergency and recovery programs related to the COVID-19 pandemic.

Adopted


IMEE R. MARCOS