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INTRODUCED BY HONORABLE MAR ROXAS

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**A RESOLUTION DIRECTING THE COMMITTEE ON BANKS, FINANCIAL INSTITUTIONS, AND CURRENCIES TO CONDUCT AN INQUIRY ON THE FEES AND CHARGES IMPOSED BY BANKS UPON REMITTANCE TRANSFERS BY FILIPINO MIGRANT WORKERS SENDING MONEY TO THEIR FAMILIES IN THE PHILIPPINES**

**WHEREAS**, the Constitution, Article 2, Section 18 provides that the State shall affirm labor as a primary social economic force and shall protect the rights of workers to promote their welfare;

**WHEREAS**, the Philippines is one of the world's highest migrant-sending country, with approximately 900,000 Filipino migrant workers spread over at least 150 countries, most of which are in North America, the Middle East, Australia, Europe, and the newly-industrialized economies of Asia;

**WHEREAS**, remittances of Filipino migrant workers serve as one of the primary sources of income for nearly one million Filipino families, as well as one of the most critical sources of national income, contributing an average of 20% to the country's export earnings and 5% of the GNP;

**WHEREAS**, the Central Bank of the Philippines reported that from \$103 Million in 1975, annual remittances through banks and other formal channels reached \$8.5 Billion in 2004, making the Philippines the third largest recipient of migrant remittances, next to India and Mexico;

**WHEREAS**, migrant remittances form a financial stream coming from migrant workers to their mainly low-income families in the Philippines;

**WHEREAS**, this financial stream has been judged inefficient by many governments because of the high transaction costs migrant workers incur during the remittance transfers;

**WHEREAS**, in January 2004, for instance, leaders of the Western Hemisphere meeting at the Special Summit of the Americas in Monterey, Mexico, called for the costs of remittances to be cut in half by 2008;

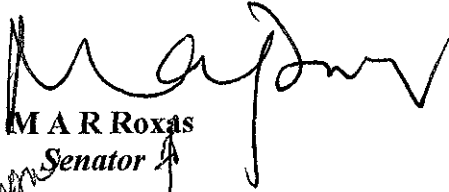
**WHEREAS**, in April 2004, the finance ministers and the central bank governors of the Group of 7 (G7) countries – Canada, France, Germany, Italy, Japan, the United Kingdom, and the United States – issued a statement promising, "On remittances, we will continue to work on our initiatives to reduce barriers that raise the cost of sending them and to integrate remittance services in the formal financial sector;"

**WHEREAS**, considering that migrant remittances occupy an important place at the intersection of finance and development of our country, there is a need to call for efforts to facilitate remittance transfers by migrant workers by investigating the costs of

these transfer services and the types of products on the market which provide remittance services to migrant workers;

**NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED,** that the Senate direct the Committee on Banks, Financial Institutions and Currencies to conduct an inquiry, in aid of legislation, on the costs of remittance transfers by migrant workers who send money back to their families in the Philippines, to improve formal remittance flows, thereby realizing the full development impact of remittances on the families and communities of migrant workers and the Philippine economy.

Adopted,

  
M A R Roxas  
Senator