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EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

RECEIVED

SENATE
P. S. Res No. 580

Introduced by Senator Francis "Tol" N. Tolentino

RESOLUTION
EXPRESSING THE SENSE OF THE SENATE TO URGE THE PHILIPPINE
ECONOMIC ZONE AUTHORITY AND THE BOARD OF INVESTMENTS TO
ACCELERATE THE ESTABLISHMENT OF PHARMACEUTICAL
MANUFACTURING ZONES IN THE COUNTRY AND ENCOURAGE THE
GROWTH OF THE MEDICAL INDUSTRY

1 WHEREAS, the Coronavirus disease (COVID-19) pandemic has revealed major
2 challenges to the Philippines' healthcare system;

3
4 WHEREAS, there is an urgent demand to further develop the medical industry
5 of the country in order to effectively respond to the needs of our people, especially
6 those in the marginalized sectors;

7
8 WHEREAS, based on the Ulat ng Bayan September report of Pulse Asia released
9 by the Department of Health (DOH) in December 2019, 99 percent of Filipinos could
10 not afford prescription medicines;

11
12 WHEREAS, healthcare has been a priority of President Rodrigo Duterte's
13 administration, with investment in human capital development, including health and
14 education systems, and matching skills and training to meet the demand of businesses
15 and the private sector as focus areas of his Ten-Point Economic Agenda;

16

1 WHEREAS, despite limitations in the delivery of health services, a study
2 conducted by the Philippine Institute for Development Studies (PIDS) stated that the
3 Philippines is one of the biggest pharmaceutical markets in the ASEAN region, next
4 only to Indonesia and Thailand;

5
6 WHEREAS, GlobalData London suggested that the Philippine pharmaceutical
7 market will grow to reach Php 241.9 billion in 2025 following the implementation of
8 the Universal Healthcare Act. An annual growth rate of 4.5 percent was also projected
9 by IMS Consulting in a study commissioned by the Pharmaceutical Healthcare
10 Association of the Philippines (PHAP);

11
12 WHEREAS, according to the PHAP, pharmaceutical companies, distributors, and
13 retailers currently employ more than 60,000 Filipinos and support close to 100 other
14 industries in the country. The pharma industry also injects Php 146 billion in economic
15 output every year;

16
17 WHEREAS, the Philippines has already set up a strong manufacturing base, with
18 fourteen (14) of the world's Top 20 pharmaceutical companies currently operating in
19 the country, which includes: Pfizer, Wyeth, Abbott Laboratories, Novartis, Sanofi-
20 Aventis, Johnson & Johnson, GlaxoSmithKline, and Boehringer Ingelheim among
21 others;

22
23 WHEREAS, the Board of Investments (BOI) grants benefits, privileges, and
24 incentives to businesses, and is tasked to create a supportive investment environment
25 in order to develop globally competitive industries;

26
27 WHEREAS, the Philippine Economic Zone Authority (PEZA) is mandated to
28 promote the flow of investors, both foreign and local, into special economic zones
29 which would generate employment opportunities and establish backward and forward
30 linkages among industries in and around the economic zones;

1 WHEREAS, Sec. 6 of RA 7916 provides that "other areas may be established as
2 ECOZONES in a proclamation to be issued by the President of the Philippines subject
3 to the evaluation and recommendation of the PEZA, based on a detailed feasibility and
4 engineering study";

5
6 WHEREAS, the First Bulacan Industrial City, which was established in 1991,
7 dubbed as the "Pharma City of the North" currently houses the following firms: Llyod
8 Laboratories, Lumar Pharmaceutical, Pascual Laboratories, Cosmetique Asia, Cargill
9 Philippines, Northfields Laboratories, Transcend, and Medi-RX Laboratories;

10
11 WHEREAS, the Phase II Expansion of the Bulacan Industrial City, which would
12 house the proposed Pharma City II (a 17-hectare PEZA registered industrial complex),
13 is currently pending with the Office of the President for Presidential Proclamation;

14
15 WHEREAS, the pharmaceutical industry in the Philippines has been at the
16 forefront in the treatment and management of communicable and noncommunicable
17 diseases. To date, more than 55 vaccines against measles, pneumonia, diarrhea, and
18 rubella have been made available to the Philippines by research-based pharmaceutical
19 companies. Moreover, the industry has launched 76 new molecules or combinations
20 which help reduce deaths caused by major non-communicable diseases;

21
22 WHEREAS, the pharmaceutical industry aids millions of Filipinos in accessing
23 high-quality, affordable essential medicines and vaccines, including originator drugs,
24 branded generics, and un-branded generics through a nationwide distribution network
25 spanning small retail drugstore outlets, hospitals, and other institutional accounts. As
26 of 2012, the National Tax Research Center said there were close to 50,000 retail
27 outlets and more than 6,000 drug distributors nationwide;

28
29 WHEREAS, the pharmaceutical industry not only facilitates access to safe
30 medicines and medical devices to Filipinos but also provides vital healthcare
31 information through fielding professional medical representatives across the country

1 to apprise healthcare professionals and stakeholders about the latest medical
2 treatments and solutions;

3

4 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to express the
5 sense of the Senate to urge PEZA and BOI to accelerate the establishment of
6 pharmaceutical manufacturing zones in the country and encourage the growth of the
7 medical industry to spur investments, facilitate access to innovator drugs for critical
8 illnesses at affordable prices, and fast-track socio-economic growth and infrastructural
9 development.

adopted,



FRANCIS "TOL" N. TOLENTINO

Senator