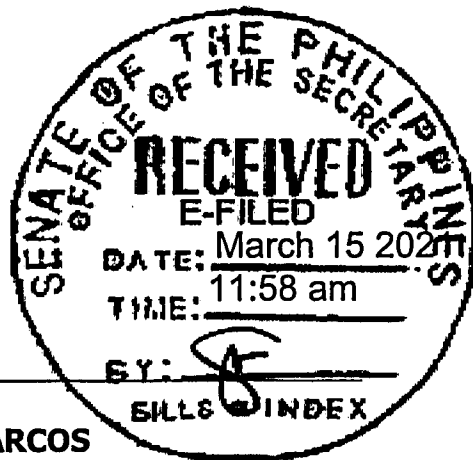


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
P.S. Resolution No. 682



Introduced by **SENATOR IMEE R. MARCOS**

RESOLUTION
DIRECTING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO
CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE STATUS OF
THE MEASURES, PLANS, AND PROGRAMS OF THE GOVERNMENT FOR
HARD-HIT INDUSTRIES IN THE COUNTRY AND ITS SOCIOECONOMIC
IMPACT IN LIGHT OF THE COVID-19 PANDEMIC

WHEREAS, Art. II, Sec. 20 of the 1987 Constitution provides that the State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments. Further, Article XII, Sec. 1 of the same Constitution states that the State shall promote industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets;

WHEREAS, there is no indication that the COVID-19 pandemic and its continued spread is slowing down. An expert, OCTA research fellow Guido David, studying the pandemic in the country said that COVID-19 cases in virus epicenter Metro Manila are climbing faster than expected. According to the latest OCTA projections, since 25 February 2021, the country has been seeing around 2,000 to more than 3,000 infections daily, majority of which were recorded in Metro Manila and if this trend continues, by the end of March, the country could record as many as 6,000 COVID-19 cases daily nationwide;

WHEREAS, according to the Philippine Statistic Authority (PSA), the Gross Domestic Product (GDP) of the Philippines declined for four consecutive quarters, registering a decline of 9.5% on 2020, with the bulk of the losses being incurred in the 2nd quarter, when the GDP declined by 16.9%;

WHEREAS, this is the steepest economic contraction in Philippine history since the PSA started collecting data in 1947 and is also the country's first economic contraction in more than two decades since the Asian Financial Crisis in 1998;

WHEREAS, upon further examination of the PSA data, the hardest hit industries by the pandemic are the following: Accommodation and Food Service, Transportation and Storage, Construction, Real Estate, and Manufacturing;

WHEREAS, in 2020, the Accommodation and Food Service sector registered a decline of 44.7% in 2020, with iconic institutions such as Marco Polo Davao and Makati Shangri-La choosing to close its doors during the pandemic, while others were repurposed as quarantine facilities for returning Overseas Filipino Workers. While, the Transportation and Storage sector registered a decline of 31.2% due to the imposition of community quarantines and curfews, lack of economic and tourist activity, and the initial ban followed by limited operating capacity for common carriers. On the other hand, the Construction sector declined by 26.0% as infrastructure projects of the government were temporarily suspended due to quarantine restrictions;

WHEREAS, subdued business sentiment led to a decrease in Investment Spending, which declined by 35.8% in 2020 due to slumps in construction and investment for durable equipment in the private sector;

WHEREAS, the total exports of the Philippines declined by 10.1% in 2020, with bulk of the losses being incurred on the month of April, when exports fell by 49.9%;

WHEREAS, looking at the affected exporters, the manufacturing industry, which is responsible for 83.0% of total exports in 2020 declined by 10.7% compared to its 2019 performance, with apparel exports declining by 31% while travel goods and handbags exports declined by 44%;

WHEREAS, even electronics, which is responsible for 56.4% of total exports in 2019, saw a decline of 7.6%;

WHEREAS, last 17 September 2020, the European Parliament issued a resolution pushing for the revocation of the inclusion of the Philippines in the European Union Generalized Scheme of Preferences Plus (EU GSP+), which allows 6,274 locally-made products or tariff lines to be exported to the EU zero-duty;

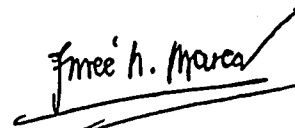
WHEREAS, last 31 December 2020, the US Generalized System of Preferences, which covers a total 5,057 products or tariff lines, or roughly 47.7% of the 10,600 total US tariff lines, allowing those goods to enter the US duty-free, expired;

WHEREAS, President Rodrigo Roa Duterte, in a public briefing, stated that the Philippines is losing two billion pesos daily due to the pandemic and that the national economy is in "*bad shape*." Moreover, the President stated his intention on fully reopening the economy since the country cannot stay under strict protocols because the people are already getting hungry. Further, the National Economic and Development Authority (NEDA) stated that "*the country may continue contracting in the first quarter of 2021, returning to growth only in the second quarter*" as several regions, including Metro Manila, remain in community quarantine;

WHEREAS, there seems to be failure on the part of the government to provide adequate support to the economy in terms of preparing for the resumption of economic activity, providing concrete recovery plans, extending assistance for retooling and retraining, creating new market linkages, supporting domestic industries, expanding market access and securing preferential trade agreements with other jurisdictions;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, directing the Senate Committee on Economic Affairs to conduct an inquiry, in aid of legislation, into the status of the measures, plans, and programs of the government for hard-hit industries in the country and its socioeconomic impact in light of the COVID-19 pandemic.

Adopted,

A handwritten signature in black ink that reads "Imee R. Marcos". The signature is written in a cursive style and is underlined with a single horizontal line.

IMEE R. MARCOS