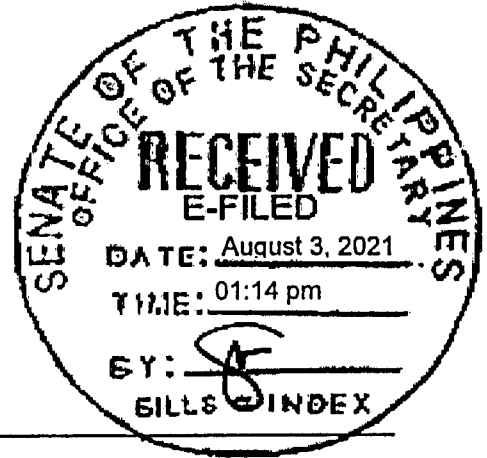


EIGHTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
*Third Regular Session* )

SENATE  
P.S. Res. No. 817



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Introduced by Senator Grace Poe

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**RESOLUTION**

**DIRECTING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPACT OF THE COMMUNITY QUARANTINE PROTOCOLS ON MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES (MSMES), ESPECIALLY IN THE FOOD AND BEVERAGE INDUSTRY, WITH THE END IN VIEW OF FORMULATING LONG TERM SOLUTIONS TO ASSIST MSMES THROUGH THE URGENT FORMATION OF AN INTER-AGENCY TASK FORCE FOR ECONOMIC RECOVERY**

1           WHEREAS, since the Philippines recorded its first case of COVID-19 in early  
2 2020, there had been several shifts in quarantine restrictions<sup>1</sup>. More than a year since,  
3 the country is still effectively in a lockdown. The Philippines was also recorded as one  
4 of the countries with the longest lockdown in the world<sup>2</sup>;

5           WHEREAS, modified quarantine protocols with indefinite rulings are being  
6 implemented every time COVID-19 cases threaten to peak<sup>3</sup>;

7           WHEREAS, amidst the series of lockdowns, one of the most impacted sector in  
8 the economy are the micro, small and medium-sized enterprises (MSMEs). According  
9 to the 2018 data of the Philippine Statistics Authority (PSA), there are 999,342

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<sup>1</sup> Rosales, C. (14 May 2021). *TIMELINE: All Quarantine Types Since the Pandemic Started*. <https://www.reportr.world/news/philippines-lockdown-quarantine-classifications-since-march-2020-a4373-20210514>

<sup>2</sup> Yee, J. (27 September 2020). *Longest lockdown, lost opportunities: PH COVID-19 cases go past 300,000*. <https://newsinfo.inquirer.net/1340659/longest-lockdown-lost-opportunities-300k-cases>

<sup>3</sup> Baclig, C. (12 March 2021). *TIMELINE: One year of Covid-19 in the Philippines*. <https://newsinfo.inquirer.net/1406004/timeline-one-year-of-covid-19-in-the-philippines>

1 registered MSMEs in the country. They comprise 99% of the businesses according to  
2 the Asian Development Bank (ADB)<sup>4</sup>;

3 WHEREAS, compared to big businesses, MSMEs enjoy the flexibility of  
4 innovation in products and services responsive to the needs of the market. Thus, they  
5 are believed to have a longer staying power in the business<sup>5</sup>;

6 WHEREAS, however, this known strength of MSMEs has been continually  
7 challenged by the lockdowns implemented in response to the fluctuating number of  
8 COVID-19 cases in the country;

9 WHEREAS, the quarantine measures prevented many businesses from  
10 operating full time. The Department of Trade and Industry (DTI) notes that around  
11 10% of the MSMEs were forced to shut down their businesses as of June 2021 due to  
12 lack of sales<sup>6</sup>;

13 WHEREAS, due to the nature of their industry that involves shelf life of products  
14 and a heavy mix of product consumption and service provision, the food and beverage  
15 industry is among the top MSME groups gravely affected by the changing and shifting  
16 quarantine restrictions<sup>7</sup>;

17 WHEREAS, according to the 2018 census on Philippine Business and Industry  
18 there are 44, 487 MSMEs engaged in accommodation and food services. 75% of this  
19 or 33,451 are restaurants and mobile food service businesses<sup>8</sup>;

20 WHEREAS, Defend Jobs Philippines said 80% of food establishments engaged  
21 in food services were severely hit by the lockdown implemented last March 2021 which  
22 restricted dine-in services, and only 20% were able to recover their losses<sup>9</sup>;

23 WHEREAS, whenever either enhance community quarantine (ECQ) or general  
24 community Quarantine (GCQ) with Heightened Restrictions are implemented, food

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<sup>4</sup> Ronquillo, A. (23 July 2021). *The importance of MSMEs in the Philippines*.  
<https://www.manilatimes.net/2021/07/23/supplements/the-importance-of-msmes-in-the-philippines/1808048>

<sup>5</sup> Ibid.

<sup>6</sup> Desiderio, L. (8 July 2021). *10% of MSMEs closed as of June - DTI*.  
<https://www.philstar.com/headlines/2021/07/08/2110974/10-msmes-closed-june-dti>

<sup>7</sup> Ronquillo, A. (23 July 2021). *The importance of MSMEs in the Philippines*.  
<https://www.manilatimes.net/2021/07/23/supplements/the-importance-of-msmes-in-the-philippines/1808048>

<sup>8</sup> Dela Pena, K. (02 August 2021). *Loss after loss: Locked down restaurants pushed to brink of collapse*.  
<https://newsinfo.inquirer.net/1467928/loss-after-loss-locked-down-restaurants-pushed-to-brink-of-collapse>

<sup>9</sup> Ibid.

1 establishments are only allowed to accept take-out or delivery orders, and are  
2 prohibited to entertain indoor and al fresco dine-in customers<sup>10</sup>;

3 WHEREAS, the indeterminable period of not being able to operate at full  
4 capacity has led some business to permanent closure<sup>11</sup>;

5 WHEREAS, while the owners of food establishments recognize the necessity of  
6 lockdowns due to the rising COVID-19 cases and the threat of a more dangerous  
7 variant, they are crying foul over the abrupt shift in quarantine protocols with only a  
8 day or so to prepare;

9 WHEREAS, it is a struggle for small business owners to shift from dine-in  
10 operations to take-out and delivery orders<sup>12</sup> as the food for the following day has  
11 already been prepared and there are reservations in succeeding days that needs to be  
12 arranged. These advanced preparations and reservations already incur losses to the  
13 business on top of the lower sales due to the pandemic;

14 WHEREAS, while most businesses already have contingency plans in place,  
15 there still wasn't enough time to roll it out properly. The food business owners are  
16 asking the government to be more sensitive to their plight and give advance notice so  
17 they can plan ahead<sup>13</sup>;

18 WHEREAS, these MSMEs do not only provide products and services, they also  
19 create job opportunities. According to the Department of Trade and Industry (DTI),  
20 MSMEs generate over 5 million jobs or 62.4% of the country's employment<sup>14</sup>;

21 WHEREAS, the series of lockdowns not only affected restaurant operations but  
22 more so employment. Either an employee loses his/her job due to business closure or  
23 has to endure reduced number of shifts due to shortened operation hours and lesser  
24 demand;

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<sup>10</sup> Dela Pena, K. (02 August 2021). *Loss after loss: Locked down restaurants pushed to brink of collapse*.  
<https://newsinfo.inquirer.net/1467928/loss-after-loss-locked-down-restaurants-pushed-to-brink-of-collapse>

<sup>11</sup> Ibid.

<sup>12</sup> Arnaldo, S. (30 July 2021). *'No time to prepare': Resto owners lament abrupt change of dine-in rules*.  
<https://www.rappler.com/life-and-style/food-drinks/restaurant-owners-statements-change-dine-in-rules-ecq-august-2021>

<sup>13</sup> Ibid.

<sup>14</sup> Ronquillo, A. (23 July 2021). *The importance of MSMEs in the Philippines*.  
<https://www.manilatimes.net/2021/07/23/supplements/the-importance-of-msmes-in-the-philippines/1808048>

1           WHEREAS, a food establishment hires around 13 employees<sup>15</sup> on average. The  
2 2018 census on Philippine Business and Industry stated that 377,227 workers were  
3 employed in restaurants and mobile food service activities<sup>16</sup>;

4           WHEREAS, in 2019, the United States Department of Agriculture–Foreign  
5 Agricultural Service office recorded the food service sector sales at \$14.9 billion but  
6 with the restrictions of the pandemic, sales could possibly go down to \$6.9 billion in  
7 2020<sup>18</sup>;

8           WHEREAS, Eric Teng, founder of Resto PH, an association of Philippine  
9 restaurant owners and employees, notes a 56% decline in the food industry in 2020  
10 and expects a further dip in the figure this 2021<sup>19</sup>;

11           WHEREAS, one of the four (4) pillars of the administration’s socio-economic  
12 strategy against COVID-19 is an economic recovery program to create jobs and sustain  
13 growth<sup>20</sup>, and economic experts believe that MSMEs are key to the Philippine’s  
14 economic recovery;

15           WHEREAS, while the government’s effort to infuse capital in support of MSMEs  
16 and the prioritization of MSME employees in the vaccination roll out are laudable, we  
17 need more long-term and sustainable recovery roadmaps for the foreseeable future;

18           WHEREAS, in order to craft and implement this economic recovery framework,  
19 the immediate formation of an inter-agency task force (IATF) for economic recovery  
20 is called for to not only benefit the MSMEs but the entire economic sector as the  
21 country fulfils the government’s socio-economic strategy against COVID-19.

22           NOW, THEREFORE, BE IT RESOLVED BY THE SENATE, to direct the appropriate  
23 Senate Committee/s to conduct an inquiry, in aid of legislation, on the impact of the  
24 community quarantine protocols on Micro, Small and Medium-sized Enterprises  
25 (MSMEs), especially in the Food and Beverage Industry, with the end in view of

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<sup>15</sup> Dela Pena, K. (02 August 2021). *Loss after loss: Locked down restaurants pushed to brink of collapse*.  
<https://newsinfo.inquirer.net/1467928/loss-after-loss-locked-down-restaurants-pushed-to-brink-of-collapse>

<sup>16</sup> Ibid.

<sup>18</sup> Ibid.

<sup>19</sup> Ibid.

<sup>20</sup> Department of Finance. THE DUTERTE ADMINISTRATION'S 4-PILLAR SOCIOECONOMIC STRATEGY AGAINST COVID-19. <https://www.dof.gov.ph/the-4-pillar-socioeconomic-strategy-against-covid-19/>

- 1 formulating long term solutions to assist MSMEs through the urgent formation of an
- 2 Inter-Agency Task Force for Economic Recovery.

*Adopted,*

*Grace Poe*  
**GRACE POE**