

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

5 AUG 25 P4:25

RECEIVED BY: _____

SENATE

P.S. Res. No. 326

INTRODUCED BY THE HONORABLE MAR ROXAS

A RESOLUTION

DIRECTING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE PROCESSES AND METHODS USED BY THE NATIONAL STATISTICS OFFICE IN COLLECTING, COMPILING, CLASSIFYING AND PUBLISHING STATISTICS ABOUT THE PHILIPPINES TO ENSURE THE CREDIBILITY AND RELIABILITY OF GOVERNMENT STATISTICS

Whereas, Article III, Section 7 of the Constitution assures that the right of the people to information on matters of public concern shall be recognized. Access to government research data used as basis for policy development shall be afforded to each citizen, subject to the limitations as may be provided by law;

Whereas, Article XII, Section 9 of the Constitution provides that Congress may establish an independent economic and planning agency headed by the President which shall implement continuing integrated and coordinated programs and policies for national development. Until Congress provides otherwise, the National Economic and Development Authority shall function as the independent planning agency of the government;

Whereas, Commonwealth Act No. 591 (1940), or an Act to Create a Bureau of the Census and Statistics to Consolidate Statistical Activities of the Government Therein, mandates the Bureau to collect, compile, classify and publish statistics and other information concerning population, agricultural conditions, the area of production of crops, the number of livestock, the production of livestock products, exports, imports, commerce, industrial and commercial enterprises, prices, employment wages, stocks of commodities, agricultural and other properties, social and economic institutions for the use of the government and the people;

Whereas, Presidential Decree No. 418 dated 20 Mar 1974 reconstituted and redefined the Bureau of Census and Statistics as a new agency to be known as the National Census and Statistics Office (NCSO) and transferred its administrative supervision to the National Economic Development Authority (NEDA);

Whereas, Executive Order No. 121 (1987) renamed the NCSO as the National Statistics Office (NSO) and made it responsible for generating general purpose statistics and undertaking such censuses and surveys as may be designated by the National Statistical Coordination Board;

Whereas, the NSO provides the public with vital figures and information on which various economic and business decisions and projections are hinged, such that flaws in these data would seriously affect the latter's validity and soundness;

Whereas, NSO reportedly admitted to having grossly understated the Philippines' trade deficit, or the excess of the annual amount spent by the Philippines on foreign-made products (imports) over the amount spent by foreign entities on Philippine-made products (exports). According to the NSO, the 2004 trade deficit was \$4.36 billion from the previously stated \$713 million, or more than six times the original. The 2003 deficit was revised to \$4.24 billion from \$1.27 billion, or 3.3 times the original. The 2002 trade deficit was restated at \$4.03 billion or 18.5 times the originally reported \$218 million;

Whereas, the adjustment was allegedly triggered by the observations made three years ago by government economists from Bangko Sentral ng Pilipinas, NEDA, Department of Finance and Department of Trade and Industry on the inconsistencies in the trade statistics reported by the NSO. Imports were too low when the single biggest export earner is electronic components whose inputs are mainly imported. Export earnings were not being matched by enough imports, resulting in trade balances that appeared too good to be true;

Whereas, the understatement made by NSO of the trade deficit for the past three years resulted in erroneous government projections and planning which would likely lead to slower economic growth;


Whereas, the Philippine unemployment rate has been reduced from 11.3% to 6.5% in April 2005 because of the use by the NSO of a new definition of "unemployed" in its Labor Force Survey, which they based on the International Labor Organization (ILO) definition. Unemployed now comprises all persons who are 15 years old and over as of their last birthday and who satisfy simultaneously the following criteria: 1) without work; and 2) currently available for work; and, 3) seeking work or not seeking work due to tiredness, or because he or she is awaiting results of previous job application, or is suffering from temporary illness or disability, or due to bad weather, or because he or she is waiting for rehire or job recall;

Whereas, the shift by the NSO to a new definition of "unemployed" in its Labor Force Survey is not able to capture the true state of unemployment in the country;

Whereas, as the government agency responsible for collecting, compiling and publishing Philippine statistics, any adjustment made or error in the NSO's statistics have a significant impact on the efficient planning and implementation of the government's socio-economic programs and activities, and on the international community's perception and meaningful comparison of the Philippines' standing with other countries;

Whereas, there is a need to look into the efficiency of NSO to ensure the validity and credibility of the government's statistics upon which socio-economic policies are based;

NOW THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, to direct the appropriate Senate committees to conduct an inquiry, in aid of legislation, into the processes and methods used by the National Statistics Office in collecting, compiling, classifying and publishing official statistics about the Philippines to ensure the credibility and reliability of government statistics.



MAR Roxas
Senator