


5 MAY 27 2008

SENATE
P. S. R. No. 424

RECEIVED BY 

Introduced by Senator Miriam Defensor Santiago

RESOLUTION
DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY,
IN AID OF LEGISLATION, ON THE ALLEGED DECLINE OF THE BUSINESS
SECTOR'S CONFIDENCE IN THE ECONOMY

WHEREAS, the Constitution, Article 2, Section 20 provides that, "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments";

WHEREAS, according to the 22 May 2008 news report posted in the *GMA Channel 7* website, the Bangko Sentral ng Pilipinas (BSP) reported that local businessmen are less optimistic about prospects during the second quarter of the year as the looming United States recession pulls the country's economy down;

WHEREAS, in the latest BSP Business Expectations Survey (BES), the local business sector's confidence index significantly dropped by 17 index points, which measured company executives' expected prospects in the second and third quarter of the year;

WHEREAS, the BES results showed that businesses were wary of the risks related to the US recession, volatile and high crude oil prices, rising prices of goods (including food and especially rice) and services (transportation and communication), high input costs, petitions for wage hikes, and local political noise;

WHEREAS, BSP Deputy Governor Diwa Guinigundo expressed his assurance that although optimism level is declining, expansion in some businesses particularly construction would still result to a net increase in job creation in the next two quarters;

WHEREAS, the government should be concerned about the business sector's outlook, opinion and suggestions concerning the Philippine economy;

WHEREAS, legislators should address local businessmen's concerns and adopt resolutions that will benefit not only these businessmen, but also their employees;

WHEREAS, it is imperative that the government create laws that will sustain and protect the growth of small to medium industries in order to encourage businessmen to invest and continue creating new enterprises;

WHEREFORE, be it hereby resolved by the Philippine Senate, to direct the proper Senate Committee to conduct an inquiry in aid of legislation, on the alleged decline of the business sector's confidence in the economy.

Adopted,


MIRIAM DEFENSOR SANTIAGO

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