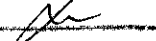


FOURTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
First Regular Session )

8 JUN -4 P1:49

SENATE

RECEIVED BY: 

PSR No. **436**

---

Introduced by Senator Loren Legarda

---

**RESOLUTION**

**DIRECTING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, INTO THE ADVERSE IMPACT OF RISING OIL PRICES TO THE ECONOMY, PRICE OF BASIC COMMODITIES AND THE PURCHASING POWER OF THE FILIPINOS, WITH THE END IN VIEW OF DETERMINING REMEDIAL MEASURES TO ADDRESS THE SAME**

*WHEREAS*, based on the National Statistical Coordination Board's (NSCB) press release dated 29 May 2008, the first quarter 2008 Gross Domestic Product (GDP) slackened to 5.2 percent from its previous year's performance of 7.0 percent;

*WHEREAS*, Press Secretary and Presidential Spokesperson Ignacio R. Bunye, in a statement on 29 May 2008 about the country's economic figures, maintained that high oil prices and reduced global demand for some of our nation's exports have forced our economic team to reduce the target for GDP growth for this year to between 5.7-6.5 percent;

*WHEREAS*, based on national statistics, the inflation rate for all items in the Philippines reached 8.3 percent in April 2008, the highest since May 2005;

*WHEREAS*, as of 30 May 2008, benchmark price for oil closed at US \$127.55 per barrel after reaching its highest level at US \$135;

*WHEREAS*, according to reports, oil companies in the Philippines predicted that gasoline price may reach P65 per liter;

*WHEREAS*, consumers were warned that fuel price will continue to increase by P1.50 a liter as oil firms push to recoup from the spiraling prices of crude in the global market;

*WHEREAS*, reports confirm that the surging oil prices contribute to the price increases of commodities as transportation and energy costs are consequently affected;

**WHEREAS**, Benjamin Diokno, former Budget Secretary, said in a news report that because of the increasing prices of oil, Filipinos will be left with a tighter budget for food thereby decreasing the Filipinos' buying capacity;

**WHEREAS**, Diokno said that the rippling effect of the "deadly combination" of food and oil will bring down the Philippine economy further and could cause more unemployment and hunger;

**WHEREAS**, an Economic Report released by the Senate Economic Planning Office (SEPO) in February 2008 warned that the steep rise in oil prices is expected to result in higher cost of utilities, food and other commodities, curbing consumption spending;

**WHEREAS**, the rising prices of oil and the concomitant increase in the prices of basic commodities necessitate action by the government in order to minimize the country's welfare losses;

**WHEREAS**, with forecasts on the continuous increases in oil prices, inflation is expected to rise, thus adversely affecting the purchasing power of the Filipino people;

**WHEREAS**, the escalating cost of living in the country will further aggravate the conditions of the poor, unless immediate measures are adopted to cushion the impact of the same;

**NOW THEREFORE BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, to direct the Senate Committee on Economic Affairs to conduct an inquiry, in aid of legislation, into the adverse impact of rising oil prices to the economy, price of basic commodities and the purchasing power of the Filipinos, with the end in view of determining remedial measures to address the same.

Adopted,

  
**LOREN LEGARDA**  
Senator