

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

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SENATE

RECEIVED BY: 

P.S. Res. 437

Introduced by Senator Loren Legarda

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEES TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE EFFECTS OF SKYROCKETING PRICE OF OIL WITH THE END IN VIEW OF DETERMINING COST-CUTTING MEASURES TO CUSHION ITS IMPACT ON GOVERNMENT EXPENDITURES

WHEREAS, as of May 30 2008, benchmark price for oil closed at US \$127.78 per barrel after reaching its highest level at US 135 dollars;

WHEREAS, according to reports, oil companies in the Philippines predicted that gasoline price may reach P65 per liter if world oil prices continue to rise;

WHEREAS, since the start of the year, gasoline, diesel and kerosene prices have increased 12 times for a total of P9.50 per liter for gasoline, and P10 per liter for diesel and kerosene;

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, oil companies estimate recovery of P10 per liter of crude for the month of May alone due to continuing increase in global price of crude;

WHEREAS, the Philippines is an import-dependent country in terms of oil, with the country's net oil import registering to 100.8 million barrels in the year 2006;

WHEREAS, former budget secretary Benjamin Diokno, in a news report, expressed doubt on the government's mission for a balanced budget within the year if the oil crisis continues;

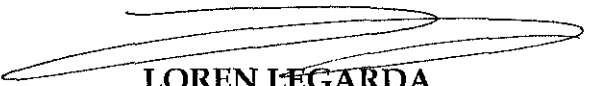
WHEREAS, according to Diokno, agencies may face problems in terms of fuel expenses because world oil prices have not yet reached the \$135-mark when the 2008 national budget was being drafted; he further explained that this late-breaking development may force the government to slash funds for other services and divert them to fuel consumption;

WHEREAS, Diokno said that government agencies should be able to drastically change their "driving behavior" to cushion the impact of high cost of oil;

WHEREAS, it is incumbent upon Congress to examine the impact of the oil price increase, particularly on government expenditures;

WHEREAS, there is a necessity to look into the possibility of budgetary problems that will arise from the skyrocketing prices of oil;

Now be it resolved as it is hereby resolved, to urge the appropriate Senate Committees to conduct an inquiry, in aid of legislation, on the effects of skyrocketing price of oil with the end in view of determining cost-cutting measures to cushion its impact on government expenditures.


LOREN LEGARDA
Senator