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## SENATE

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P.S. Resolution No. 568

## INTRODUCED BY SENATOR VILLAR

**RESOLUTION DIRECTING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS AND THE COMMITTEE ON TRADE AND COMMERCE TO LOOK INTO THE PROPOSED INCREASE IN THE RATES OF GOVERNMENT FEES AND ASSESS THE ECONOMIC AS WELL AS THE FINANCIAL IMPACT OF ITS IMPLEMENTATION ON THE PEOPLE FOR THE PURPOSE OF CRAFTING A RELEVANT POLICY THAT IS FOCUSED ON ADDRESSING THE ADVERSE EFFECTS OF PRICE INCREASES IN THE MOST VULNERABLE SECTORS OF OUR PHILIPPINE SOCIETY** 

WHEREAS, Section 9 of Article II of the 1987 Constitution of the Philippines provides that:

"The State shall promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free the people from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all.";

WHEREAS, it is reported that the slowdown in global trade constricted the economy to a lower growth of 4.9 percent in the first quarter of 2011;<sup>1</sup>

**WHEREAS**, the government is also faced with a budget deficit of around P300 billion or 3.2 percent of gross domestic product (GDP) from the actual P314.4 billion or 3.7 percent of GDP incurred last year;<sup>2</sup>

WHEREAS, in order to contain the deficit, the government plans to raise the fees imposed by government agencies as part of efforts to contain the budget deficit;

Whereas, these fees include those charged by the Land Transportation Office (LTO), the Land Registration Authority (LRA), National Statistics Office (NSO), the Department of Foreign Affairs (DFA), the Land Transportation and Franchise Regulatory Board (LTFRB) and the National Bureau of Investigation (NBI);

<sup>&</sup>lt;sup>i</sup>http://www.philstar.com/Article.aspx?articleId=717230&publicationSubCategoryId=63 August 17, 2011 1:30 PM

<sup>&</sup>lt;sup>2</sup> http://www.tradingeconomics.com/philippines/inflation-cpi August 17, 2011 11:00 AM

WHEREAS, aside from looking at the projected increase in government revenues, there is a need to assess the effects of the planned increase in fees on the ordinary citizen who regularly transact business with these government agencies;

WHEREAS, the economic managers of the country must look behind the data, figures and statistics because any increase in the rate of government fees will result in an increase in prices of goods, services, commercial transactions as well as trade that are regulated or directly deal with these government agencies;

WHEREAS, special attention must be given by the government on the effect of the proposed increase in the most vulnerable sectors of our society most specially that as early as February 2011, the recorded inflation rate already reaches to 3.5 percent.<sup>3</sup>

**NOW, THEREFORE, BE IT RESOLVED**, as it is hereby resolved by the Senate of the Philippines to direct the Senate Committee on Economic Affairs and the Committee on Trade and Commerce to look into the proposed increase in the rates of government fees and assess the economic as well as the financial impact of its implementation on the people for the purpose of crafting a relevant policy that is focused on addressing the adverse effects of price increases in the most vulnerable sectors of our Philippine society.

Adopted,

MANNY

<sup>&</sup>lt;sup>3</sup> http://www.philippinenewsdaily.com/2011/02/1522/malacanang-worries-on-inflation-rate-and-high-oilcosts.html August 17, 2011 2:00 PM