

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



Senate
Office of the Secretary

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SENATE
P. S. R. No. 699

RECEIVED BY: *ji*

Introduced by Senator Miriam Defensor Santiago

RESOLUTION

DIRECTING THE PROPER SENATE COMMITTEE TO CONDUCT AN INQUIRY IN AID
OF LEGISLATION, ON THE REPORTED ABANDONMENT OF NATIONAL STEEL
CORPORATION'S PLANT IN ILIGAN CITY

WHEREAS, the Constitution, Article 2, Section 19 provides: "Section 19. The State shall develop a self-reliant and independent national economy effectively controlled by Filipinos";

WHEREAS, on 2 June 2014, the *Manila Bulletin* reported that the National Steel Corporation's Iligan plant has been "abandoned, looted, and is now rotting";

WHEREAS, it was reported that the Iligan steel plant used to be the symbol of the country's march towards industrialization;

WHEREAS, in a previous report dated 18 May 2012 by Rappler.com, the Iligan steel plant was touted as the largest [steel plant] in Southeast Asia;

WHEREAS, the report alleged that sometime during the Ramos administration in 1994, the government sold the plant to an undercapitalized Malaysian firm, which in turn, borrowed heavily from a local bank to sustain operation of the industrial plant;

WHEREAS, it was also reported that the steel plant closed shop five years after its privatization due to mounting unpaid debts by the new operator;

WHEREAS, Rappler.com reported that in September 2004, India's Pramod Mittal, one the heirs of the Mittal group -- the world's largest steel producer, acquired the steel plant;

WHEREAS, the *Manila Bulletin* reported that Congressman Vicente F. Belmonte, Jr. of the lone district of Iligan City, in an interview, alleged that "the Indian owners were not interested in running a sustainable plant but [were interested in] only [producing] specific steel products to supply its mother company";

WHEREAS, Congressman Belmonte also alleged that the company's intention was to use the NSC property as a collateral for its loan and when it failed to do so, it filed a case before Singapore arbitration court, which it recently won;

WHEREAS, there has to be a balance between the state's privatization policy, foreign investments, and industrial development program of the national government;

WHEREAS, there is a need to look into the privatization of vital state industries, such as that of the National Steel Plant, which affects our country's efforts towards industrialization;

WHEREAS, Congress should therefore create or amend its laws to ensure that national industries are fully utilized, protected, preserved, and improved;

WHEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, BY THE PHILIPPINE SENATE, to direct the proper committee, to conduct an inquiry in aid of legislation, on the reported abandonment of National Steel Corporation's plant in Iligian City by the Indian operator.

Adopted,

Miriam Defensor Santiago
MIRIAM DEFENSOR SANTIAGO
all

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