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SENATE
P.S. Res 1486

RECEIVED BY: J

Introduced by Senator Poe

RESOLUTION

URGING THE SENATE COMMITTEES ON BANKS, FINANCIAL INSTITUTIONS AND CURRENCIES, AND TRADE, COMMERCE AND ENTREPRENEURSHIP TO CONDUCT A STUDY, IN AID OF LEGISLATION, ANENT ACCESS TO FINANCIAL AND BANKING ASSISTANCE OF MICRO-, SMALL- AND MEDIUM-SCALE ENTERPRISES (MSMEs) INCLUDING STRUCTURAL CONSTRAINTS FOR THEIR FULL DEVELOPMENT AS ENGINES OF SUSTAINED AND INCLUSIVE GROWTH AND FOR THE PROMOTION OF "COOPETITION" AS A WHOLE

WHEREAS, Article II, Section 20 of the 1987 Constitution provides that: "The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments";

WHEREAS, Article XII, Section 14 of Constitution recognizes that entrepreneurs are part of our "reservoir of national talents" which the State is mandated to develop;

WHEREAS, Micro-, Small-, and Medium-Scale Enterprises (MSMEs) have enormous potential to become sources of rapid, sustained and inclusive economic growth as their linkages with local firms creates a "multiplier effect" which creates and distributes value across sectors;

WHEREAS, our MSMEs can also contribute to inclusive growth by expanding our market base, thereby creating new sources of wealth and opportunity for the benefit of the Filipino people;

WHEREAS, a report by the Small Enterprise Assistance Fund, an international organization, provides the following compelling evidence of the potential of MSMEs to contribute to inclusive growth:

- Every dollar invested in a MSME generated an additional 12 dollars;
- MSMEs act as "market aggregators", supporting an average of 331 local businesses, 18 manufacturers, 10 distributors, 20 service providers, 3 equipment suppliers and 280 micro suppliers; and
- MSMEs tend hire and train unskilled and low-skilled workers, giving them skills which increase their value as laborers

WHEREAS, the latest available data shows that Micro Small and Medium Enterprises (MSMEs) account for 99.6% of the total number of establishments in the Philippines, 62.1% of the country's total and 35.7% of total value added;

WHEREAS, we cannot fully harness the capacity of our MSMEs as sources of inclusive growth as they are marred by institutional and operational constraints such as low productivity, difficulties in accessing finance, technology, information and product quality and marketing;

WHEREAS, “coopetition” must be promoted in the country, which is a balance of grouping MSMEs as cooperatives and promoting healthy competition amongst them;

WHEREAS, our MSMEs must also compete with their competitive and more supported counterparts in South East Asia due to the economic integration of the ASEAN region;

NOW, THEREFORE BE IT RESOLVED, as it is hereby resolved by the Philippine Senate, to urge the Senate Committees on Banks, Financial Institutions and Currencies, and Trade, Commerce and Entrepreneurship, to conduct a study, in aid of legislation, on access to financial and banking assistance for micro-, small- and medium-scale enterprises (MSMEs) including structural constraints to their full development as engines of rapid, sustained and inclusive growth and the promotion of “coopetition” as a whole.

Adopted,


GRACE POE