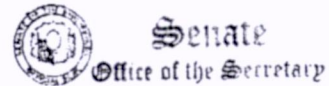


EIGHTEENTH CONGRESS OF THE)  
REPUBLIC OF THE PHILIPPINES )  
*First Regular Session* )



20 FEB 12 P5:04

SENATE

P.S. Resolution No **323**

RECEIVED BY:

Introduced by **SENATOR IMEE R. MARCOS**

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE TO CONDUCT AN**  
**INQUIRY, IN AID OF LEGISLATION, INTO THE PLANS OF THE**  
**GOVERNMENT'S ECONOMIC TEAM TO HANDLE, OFFSET, AND MITIGATE**  
**THE ECONOMIC EFFECTS OF THE ABROGATION OF THE VISITING FORCES**  
**AGREEMENT WITH THE UNITED STATES OF AMERICA**

**WHEREAS**, Article II, Section 7 of the 1987 Constitution states that, "*The State shall pursue an independent foreign policy. In its relations with other states, the paramount consideration shall be national sovereignty, territorial integrity, national interest, and the right to self-determination*";

**WHEREAS**, in a Senate hearing on 6 February 2020, Philippine Foreign Affairs Secretary Teodoro Locsin Jr., noted the significant security, trade, and economic benefits that the accord provides stating, "*Terminating the VFA will negatively impact the Philippine security and defense arrangements, as well as the overall bilateral relations of the Philippines with the U.S., and perhaps even on the sub-regional level. Our contribution to regional defense is anchored on our military alliance with the world's last superpower*";

**WHEREAS**, on 11 February 2020, the country's notice of termination of the Visiting Forces Agreement (VFA) with the United States of America was signed by Philippine Foreign Affairs Secretary Locsin Jr., that was received by the Deputy Chief of Mission of the U.S. Embassy, to which termination shall take effect 180 days from the date on which the Philippines gave the U.S. a notice in writing of its desire to terminate;

**WHEREAS**, the U.S. Embassy in the Philippines responded with the statement, as follows: "*This is a serious step with significant implications for the U.S.-Philippines alliance. We will carefully consider how best to move forward to advance our shared interests*";

**WHEREAS**, the Philippines and the U.S. have had a very close trade relationship over the years and under the 1989 bilateral Trade and Investment Framework Agreement (TIFA) and agreements on customs administration and trade facilitation (2010), cooperation on stopping illegal transshipments of textiles and apparel (2006), and implementation of minimum access commitments by the Philippines (1998);

**WHEREAS**, Philippine Foreign Affairs Secretary Locsin Jr., said that the economic relations of both countries may be affected by the abrogation of the VFA, stating, "*The Philippines currently enjoys a trade surplus with the U.S.*," and that the Philippines enjoy preferential treatment on its exports to the United States, having the U.S. as the Philippine's biggest export market, third-largest trading partner, and fourth-largest import source;

**WHEREAS**, the country is a beneficiary of the U.S. Generalized System of Preferences (GSP), which gives zero or reduced tariffs to a total 5,057 products, or 48 percent of the 10,600 total United States tariff lines and, in 2017, the Philippines' total exports to the United States amounted to USD 9.2 billion, making it the country's second-biggest market after the combined markets of China and Hong Kong;

**WHEREAS**, the U.S. is one of the top tourism markets having 1,034,396 tourist arrivals in the Philippines on 2018;

**WHEREAS**, the abrogation could cause apprehensions in the business community, putting pressure on the country's economy, as stated by Richard Jacobson (Risk Consultancy Adviser), "*U.S. investors pay close attention to potential business risks in the Philippines for a variety of reasons, to include frictions in the U.S.-Philippines bilateral relationship that could result in retaliation against U.S. business interests. The international business community in the Philippines is also closely monitoring these developments*";

**NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED**, directing the appropriate Senate committee to conduct an inquiry, in aid of legislation, into the plans of the government's economic team to handle, offset, and mitigate the economic effects of the abrogation of the Visiting Forces Agreement with the United States of America.

*Adopted,*

  
**IMEE R. MARCOS**