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SENATE
P.S. Res. No. 81

RECEIVED BY: 

Introduced by Senator Grace Poe

RESOLUTION

URGING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE ENORMOUS UNTAPPED POTENTIAL OF THE PHILIPPINE 'BLUE ECONOMY', AND TO REVIEW THE EFFECTIVENESS OF EXISTING LAWS IN BOOSTING ITS DEVELOPMENT

1 WHEREAS, Section 19, Article II of the 1987 Philippine Constitution directs
2 the State to develop a self-reliant and independent national economy effectively
3 controlled by Filipinos;

4 WHEREAS, Section 1, Article XII of the Constitution further directs the State
5 to promote industries that makes full and efficient use of natural resources, and
6 which are competitive in both domestic and foreign markets;

7 WHEREAS, further, Section 2 of the same provision States that:

- 8 1) All of the water resources of the Philippines are owned by the State;
9 2) The exploration, development and utilization of such resources shall
10 remain under the full control and supervision of the State; *and*
11 3) The State may directly undertake such activities, or it may enter into co-
12 production, joint venture, or production-sharing agreements with Filipino
13 citizens, or corporations or associations at least 60 per centum of whose
14 capital is owned by such citizens.

15 WHEREAS, historically, the Philippine economy is driven by domestic
16 consumption, particularly since household expenditures account for 60% of Gross
17 Domestic product (GDP)¹;

¹ Philippine Statistics Authority (PSA), Annual Gross Domestic Product Series, 1946-2021.

18 WHEREAS, the economic recession after severe mobility restrictions were
19 imposed to control the spread of COVID-19 showed that relying entirely on
20 domestic consumption is untenable and exposes the Philippines to extreme risks;

21 WHEREAS, the rapid rise in inflation spurred by Russia's invasion of Ukraine
22 has drastically reduced the purchasing power of Filipino consumers, and may
23 further dampen the growth prospects of our consumption-based economy in the
24 coming years;

25 WHEREAS, the weakening of the Philippine peso to historical lows
26 constitutes another damper on growth prospects, as we are a net importer of
27 goods and services;

28 WHEREAS, therefore, there is a major imperative to restructure our
29 economy to reduce dependence on domestic demand and to develop export-
30 oriented industries;

31 WHEREAS, according to a report by the Department of Science and
32 Technology entitled "Pagtanaw 2050: The Philippine Foresight"² the Philippine Blue
33 Economy is one potential sector with enormous untapped potential for growth;

34 WHEREAS, according to the same report, the entire sea area within the
35 maritime zones of the country is seven times larger than our entire land area³, and
36 is our greatest natural resource;

37 WHEREAS, the Philippines has the 6th longest coastline in the world,
38 measuring 36,389 kilometers⁴, and nearly 60% of our population reside in coastal
39 areas;

40 WHEREAS, according to data from the Philippine Statistics Authority (PSA)⁵,
41 ocean-based industries contributed Php 617.20 billion to the Philippine economy in
42 terms of Gross Value Added (GVA) in 2020, and provided employment to nearly
43 2.05 million Filipinos;

² Department of Science and Technology (DOST). 2021. "Pagtanaw 2050: The Philippine Foresight".

³ *Ibid.*

⁴ *Ibid.*

⁵ Philippine Statistics Authority (PSA). 2020. "Ocean-based industries declined by -32.6 percent, accounted for 3.4 percent of GDP in 2020".

44 WHEREAS, the Ocean Fishing Sector accounted for 31.9% of the GVA and
45 more than 50% of the jobs provided by the Philippine Blue economy;

46 WHEREAS, the global market for Seafood is projected to reach a revised size
47 of \$138.7 billion by 2027, equivalent to a compounded annual growth rate of
48 2.7%⁶;

49 WHEREAS, ocean-based industries, which include off-shore and coastal
50 mining and quarrying, manufacture of ocean-based products, coastal construction,
51 and ocean-based power generation, contributed an additional, provided an
52 additional P264.01 billion in GVA, and contributed 95,831 jobs;

53 WHEREAS, ocean-based services, such as sea-based transportation and
54 storage, marine information services, marine insurance, marine renting and
55 business activities, maritime safety, surveillance and resource management,
56 maritime education, coastal accommodation and recreation contributed an
57 additional 156.53 million in GVA and 920,568 jobs;

58 WHEREAS, similar to Republic Act No. 10771, or the "Philippine Green Jobs
59 Act of 2016", the incentives therein may also apply to enterprises which are
60 engaged in the blue economy;

61 WHEREAS, enterprises involved in the blue economy squarely fall within the
62 definition of Tier I activities which have "high potential for job creation" and
63 "potential competitive advantage" under the rationalized scheme of fiscal
64 incentives provided under the Chapter II of Republic Act No. 11534, or the
65 "*Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act*";

66 WHEREAS, the Philippine blue economy encompasses the fishing, energy,
67 and infrastructure, transportation, utilities, logistics and support services which are
68 listed as Tier I activities;

69 WHEREAS, finally, in the book entitled *How Asia Works*, Joe Studwell argues
70 that State-controlled financing and credit tied to export targets was a key part in

⁶ <https://www.globenewswire.com/en/news-release/2021/07/19/2264627/28124/en/Global-Seafood-Market-Report-2021-2027-Surging-Demand-for-Fresh-Live-Chilled-Seafood-Catapults-the-Category-to-the-Dominant-Position.html#:~:text=Amid%20the%20COVID%2D19%20crisis,the%20analysis%20period%202020%2D2027.>

71 the rapid, sustained and inclusive growth of manufacturing in successful Asian
72 countries like Japan and South Korea;

73 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, by the Senate
74 of the Philippines, to urge the Senate Committee on Economic Affairs to conduct
75 an inquiry, in aid of legislation, on the enormous untapped potential of the
76 Philippine 'Blue Economy', and to review the effectiveness of existing laws in
77 boosting its development.

Adopted,



GRACE POE