

THIRTEENTH CONGRESS OF THE )  
REPUBLIC OF THE PHILIPPINES )  
Third Regular Session )

6 AUG 10 P2

SENATE

RECEIVED BY: 

S.B. No. 2439

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INTRODUCED BY HONORABLE MAR ROXAS

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EXPLANATORY NOTE


This bill seeks to establish a system that will allow government agencies and offices involved in the formulation of economic policies, namely the National Economic Development Authority (NEDA), Bangko Sentral ng Pilipinas (BSP) and the Committees on Economic Affairs of the Senate and the House of Representatives, to convene quarterly and assess the impact of policy initiatives on economic, financial and social indicators.

NEDA, through the National Statistical Coordination Board (NSCB), releases updates on the national income accounts on a quarterly basis. Alternatively, BSP, as the central monetary authority of the country, also prepares data and conducts economic research for the guidance of the Monetary Board in the formulation and implementation of its policies. These statistics are an important input to both the private sector and government because these are used as basis for the formulation of business decisions and policy directions. Hence, more than a mere presentation of the performance of the economy, the fundamental objective of the "Economic Coordination Act" is to provide a framework for policy formulation by government to attain economic sustainability.

Under the proposed "Economic Coordination Act," NEDA and BSP will report to the Joint Economic Committee, at the end of every quarter, the basic state of the economy and relate this to the objectives, plans and goals set forth by the Development Budget Coordination Committee (DBCC), the General Appropriations Act, and other developmental plans of the government. These presentations are expected to consist of statistics and the economic impact of policy decisions on these indicators.

By providing a coordinated feedback mechanism on a periodic basis, it is expected that government will be better able to address economic issues and set achievable targets that are well-supported by data and research.


In view of the foregoing, approval of this bill is earnestly requested.

  
MAR Roxas  
Senator

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AN ACT  
ENHANCING ECONOMIC COORDINATION, ADOPTING THE APPROPRIATE  
MECHANISM THEREFORE AND FOR OTHER PURPOSES

SECTION 1. *Title.* – This Act shall be known as the “Economic Coordination Act of 2006.”

SEC.2. *Declaration of Policy.* – The State recognizes that the formulation of policies and goals to attain sustainable economic benefits with real productivity growth, a balanced budget, improved trade balance and prudent monetary policy should be developed with the President as head of the National Economic and Development Authority (NEDA), the Bangko Sentral ng Pilipinas (BSP) Governor as the head of the Monetary Board, as well as Congress through the Committees on Economic Affairs of the House of Representatives and the Senate.

SEC. 3. *Reportorial Requirements.* – In furtherance of the purposes of this Act, the Governor of the BSP and the Director-General of NEDA shall submit and present to Congress at the end of every quarter written reports on economic and financial developments on the part of the BSP and the national income accounts on the part of NEDA. These reports shall set forth:

- a) A review and analysis of recent developments affecting trends in the economy, specifically actual and growth targets of the Gross National Product (GNP) and the Gross Domestic Product (GDP);
- b) The objectives and plans of the BSP/Monetary Board, and NEDA with respect to the ranges of changes in the monetary and credit aggregates during the quarter, taking account of past and prospective developments in employment,

unemployment, production, investment, real income, productivity, international trade and payments, and prices;

- c) The relationship of the aforesaid objectives and plans to the goals set forth in the current General Appropriations Act or the proposed budget, the most recent Report on Economic and Financial Developments by the BSP and Report on the National Income Accounts by the NEDA and the National Statistical Coordination Board (NSCB);
- d) A statement of its objectives and plans with respect to the ranges of growth or diminution of the monetary and credit aggregates;
- e) A report on the fiscal position of the public sector including the national government, real and nominal aggregate output, employment as well as the consumer price index for the current calendar year; and
- f) Other reports as may be determined by the Joint Economic Committee of both Congresses.

SEC. 4. *Joint Economic Committee.* – There shall be a Joint Economic Committee (JEC) composed of the Members of the Committees on Economic Affairs in the Senate and House of Representatives. The JEC shall be co-chaired by the Chairpersons of the Committees on Economic Affairs of both Houses of Congress.

SEC. 5. *Secretariat.* – The Secretariat of both the economic committees in the House of Representatives and Senate shall act as the secretariat staff of the JEC.

SEC. 6. *Mode of Compliance.* – The reports required under Section 3 of this Act shall be submitted to the JEC immediately after release or publication by the concerned agencies.

SEC. 7. *Congressional Testimony.* – Upon the receipt of such reports as provided for in Section 6 of this Act, the aforesaid JEC shall hear the testimony and presentation of the Director General of the NEDA and the Governor of the BSP, as the case may be, on the merits of their respective quarterly reports: *Provided*, That in the event Congress is in recess upon the release and submission of the reports, the schedule of the JEC meeting for such reports shall be made immediately upon the resumption of session or on the date as may be determined by the JEC.

SEC. 8. *Separability Clause.* – If any of the provisions of this Act is declared invalid by a competent court, the remainder of this Act or any provision not affected by such declaration of invalidity shall remain in full force and effect.

SEC. 9. *Repealing Clause.* – All laws, decrees, ordinances, rules, and regulations, executive or administrative orders, and such other presidential issuances inconsistent with any of the provisions of this Act are hereby repealed, amended or otherwise modified accordingly.

SEC. 10. *Effectivity Clause.* – This Act shall take effect after fifteen (15) days following its publication in at least two (2) newspapers of national or general circulation.

Approved,