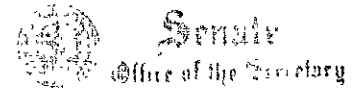


FIFTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
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INTRODUCED BY SENATOR VILLAR

RESOLUTION
URGING THE COMMITTEES ON ECONOMIC AFFAIRS AND TRADE AND
COMMERCE TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE STATE
OF THE PHILIPPINES' BUSINESS CLIMATE VIS-À-VIS ITS CONDUCTIVENESS AND
COMPETITIVENESS TO ACCEPT FOREIGN INVESTORS WITH THE END IN VIEW OF
INCREASING FOREIGN DIRECT INVESTMENT (FDI) IN THE COUNTRY THEREBY
INCREASING NATIONAL ECONOMIC GROWTH

Whereas, the first paragraph of Section 1 Article XII of the 1987 Constitution states that:

“The goals of the national economy are a more equitable distribution of opportunities, income, and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality of life for all, especially the underprivileged.”;

Whereas, Section 20 Article II of the 1987 Constitution declares that:

“The State recognizes the indispensable role of the private sector, encourages private enterprise, and provides incentives to needed investments.”;

Whereas, the World Bank has recently released a study entitled, “Ease of Doing Business” which includes 183 countries and takes into account leading indicators such as the ease of starting a new business, getting construction permits, paying taxes, and investor protection laws;

Whereas, according to the study, the Philippines ranked no. 4, falling two spots further from 2010, and is the lowest ranked Asian country on the list of the most difficult places to do business in, attracting just 2.5 percent of the \$76.5 billion of foreign direct investment that flowed to the 10 members of the Association of South East Asian Nations (ASEAN) in 2010;

Whereas, this dismal showing has made the Philippines fall behind its neighbors in economic growth despite having massive untapped mineral wealth, a key geographical location between Southeast and North Asia, and a large, growing English-speaking population;


Whereas, factors which foreign businesses are wary about are the unstable legal system, violence, and bureaucracy;

Whereas, the Philippines also ranks among the lowest when it comes to starting a business and resolving insolvency, with the latter taking more than five and a half years, compared with an average of one year and seven months in Organisation for Economic Co-operation and Development (OECD) countries;

Whereas, the State, consistent with government policies on economic growth and poverty reduction, should devise ways in order to make the Philippines more investor-friendly by reducing red-tape in business application processes, fast-tracking business applications, permits and licenses in relation thereto, as well as providing for incentives which would entice prospective investors to place their capital in the Philippine market;

NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to urge the Committees on Economic Affairs and Trade and Commerce to conduct an inquiry, in aid of legislation, on the state of the Philippines' business climate vis-à-vis its conduciveness and competitiveness to accept foreign investors with the end in view of increasing foreign direct investment (FDI) in the country thereby increasing national economic growth.

Adopted,


MANNY VILLAR
Senator