

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



Senate  
Office of the Secretary

'22 AUG -8 A10 :35

**SENATE**  
**P.S. Res. No. 104**

RECEIVED BY:

---

Introduced by Senator Grace Poe

---

**RESOLUTION**  
**DIRECTING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE BALLOONING OF THE FISCAL DEFICIT IN THE PAST TWO YEARS, AND TO ASCERTAIN THE SUSTAINABILITY OF MAINTAINING A HIGH DEFICIT AND DEBT ON THE ROAD TO ECONOMIC RECOVERY**

1           WHEREAS, the 1987 Philippine Constitution provides:  
2           Section 29, Article 6: "*No money shall be paid out of the Treasury except*  
3           *in pursuance of an appropriation made by law*";  
4           Section 22, Article 7: "*The President shall submit to the Congress, within*  
5           *thirty days from the opening of every regular session as the basis of the*  
6           *general appropriations bill, a budget of expenditures and sources of*  
7           *financing, including receipts from existing and proposed revenue*  
8           *measures*";  
9           WHEREAS, elucidating upon the above provisions, the Supreme Court has  
10          written that (1) Congress exercises its own judgement and wisdom in the  
11          process of authorizing the national budget<sup>1</sup>, and (2) scrutinizing the economy  
12          and efficiency of government operations is a corollary of legislature's power of  
13          appropriation<sup>2</sup>;

---

<sup>1</sup> Teofisto T. Guingona, Jr. and Aquino Q. Pimentel Jr., vs. Hon. Gullermo Carague (G.R. No. 94571). Reiterated in Belgica vs Ochoa, (G.R. No. 208566).

<sup>2</sup> Abakada Guro Partylist vs Hon. Cesar Purisima. G.R. No. 166715.

1 WHEREAS, on 27 July 2022, the Bureau of the Treasury declared that the  
2 National Government's budget deficit for June 2022 rose to P215.5 billion, and  
3 a cumulative deficit of P674.2 billion for 2022;

4 WHEREAS, in the previous year, the full-year national government deficit  
5 reached P1.7 trillion, 21.78% or P298.7 billion higher year-over-year (YoY);

6 WHEREAS, as seen below<sup>3</sup>, the national government deficit continuously  
7 increased from the 2015-2019 period, and ballooned in 2020-2021:

Year	Deficit (in Php billions)	% of GDP
2015	- 121.70	- 0.90
2016	- 353.40	- 2.40
2017	- 350.60	- 2.20
2018	- 558.30	- 3.20
2019	- 660.20	- 3.40
2020	- 1,371.40	- 7.60
2021	- 1,670.10	- 8.60

9  
10 WHEREAS, the DBCC projects the 2022 national government deficit to  
11 reach Php 1.67 trillion<sup>4</sup>;

12 WHEREAS, while deficit spending during periods of recession is theorized  
13 to be a means of boosting the economy<sup>5</sup>, we should also keep in mind the  
14 sustainability and efficiency of such a policy, especially considering our limited  
15 fiscal resources;

---

<sup>3</sup> Department of Budget and Management (DBM) Budget of Expenditures and Sources of Financing, 2017-2022.

<sup>4</sup> DBM. 2023 Budget Priorities Framework (Macroeconomic and Fiscal Environment). Retrieved from <https://www.dbm.gov.ph/index.php/budget-documents/2023/2023-budget-priorities-framework-macroeconomic-and-fiscal-environment>

<sup>5</sup> Also known as "Counter-Cyclical Spending". See Perry, N. *Debt & Deficits: Economic and Political Issues*. Global Development Policy Center: Boston University, 2020. Retrieved from [https://www.bu.edu/eci/files/2020/06/Debt-and-Deficits\\_Final-1.pdf](https://www.bu.edu/eci/files/2020/06/Debt-and-Deficits_Final-1.pdf)

1           WHEREAS, we should also be mindful that the gap in expenditures and  
2 revenues is financed through debt, the excess leveraging of which could  
3 negatively affect the economy;

4           WHEREAS, in his first State of the Nation Address (SONA), President  
5 Ferdinand Marcos Jr. stated that his administration will maintain government  
6 disbursements for 2022-2023 at above 20% of Gross Domestic Product (GDP);

7           WHEREAS, however, President Marcos Jr. did not propose any new  
8 revenue-generating measures other than the imposition of value-added tax on  
9 digital service providers;

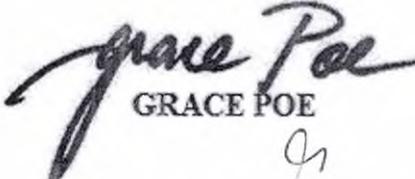
10           WHEREAS, the bulk of the administration's fiscal policy will center on  
11 improving tax collection, reducing misdeclaration of imported goods, and  
12 ensuring spending efficiency;

13           WHEREAS, it was announced that the Medium-Term Fiscal Strategy  
14 (MTFS) will be submitted to Congress for its adoption and concurrence through  
15 a Concurrent Resolution;

16           WHEREAS, however, the proposed headline goals of the MTFS did not  
17 include the reduction of the fiscal deficit as an explicit goal;

18           NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the  
19 Senate of the Philippines, to direct the appropriate Senate Committee/s to  
20 conduct an inquiry, in aid of legislation, on the ballooning of the fiscal deficit in  
21 the past two years, and to ascertain the sustainability of maintaining a high  
22 deficit and debt on the road to economic recovery.

Adopted,



GRACE POE

