



JOINT STATEMENT ON PROPOSED CONSTITUTIONAL CONVENTION

The undersigned Philippine business organizations respectfully ask the Senate to consider the following points as it deliberates on whether to support current moves to amend the Constitution. The most significant of these moves is the passage of House Bill (HB) No. 7352 calling for a Constitutional Convention to amend the 1987 Constitution.

1) Recent reforms and President Marcos' efforts can achieve substantial economic gains which political debate can derail: We have long supported proposals to amend economic provisions of the constitution that impede trade, investment, innovation, competition, and economic and job growth. However, recently enacted laws and regulations like amendments to the Public Service Act, Retail Trade Liberalization Act, the Foreign Investment Act, the passage of the Rice Trade Liberalization Act¹ and the Department of Energy circular allowing 100% foreign ownership in the renewable energy sector² have addressed many of these impediments.

We believe that these reforms, combined with President Ferdinand Marcos Jr.'s efforts to revive local and foreign investment, can accelerate recovery and job growth at a time when the Philippines and the world face serious economic headwinds. Investors look for stability when making investment decisions. The possibly lengthy and fractious process of amending the constitution may make investors take a wait and see attitude for an extended period of time and therefore derail the impact of the reforms.

2) Congress has important work on economic and other legislation: it has yet to pass at least two more tax reform bills and other measures such as the highly commendable/meritorious Ease of Paying Taxes bill. We believe these can greatly enhance government revenue and job creation at this critical time.

3) Financial cost is high, funds better spent on pro-people programs: NEDA estimates a Constitutional Convention would cost Php 14 billion to Php 28 billion HB 7352 proposes 300 delegates who would get P10,000 per day, or a total of Php 3 million per day, or more than Php 400 million for the seven-month project. We believe these funds can be better used on agriculture to address the high inflation, transportation to enable Filipinos to get to work and home in much less time, and needed social services like health, education, and social security.

For the low-end estimated cost of Php 14 billion, the government could instead double the spending on farm to market roads; increase by half the spending on irrigation or the national rice program; double the spending on school buildings; or almost double the spending on hospitals

¹ RA 11659, RA 11595, RA 11647, and RA 11203, respectively.

² DOE Circular No. 2022-11-0034



and health centers. (Source: DBM’s “2023 People’s Proposed Budget”)

We respectfully urge the Senate -- and the House, if and when the deliberations progress -- to consider these and other points raised by our colleagues in various sectors as you decide on this potentially disruptive proposal at a time when the country may be poised to regain its economic momentum. (END)

Filipina CEO Circle
Financial Executives Institute of the Philippines
Justice Reform Initiative
Makati Business Club
Women Business Council Philippines

More comparisons from DBM’s “2023 People’s Proposed Budget”³

Irrigation Services: P30.5-B
Farm To Market Roads: P13.1-B
National Rice Program: P30.5-B
Rice Comprehensive Enhancement Fund (RCEF): P10-B
Agricultural Machineries, Equipment, and Facilities: P5.9-B

Pantawid Pamilya Program: P115.6-B
National Health Insurance Program: P100.2-B
Health Facilities Operations: P63.7-B
Health Facilities Enhancement: P23-B
National Health Insurance Program: P100.2-B
Emergency Benefits and Allowances for Healthcare and Non-Healthcare Workers: P20-B

Budget for 10,000 additional teachers: P2.7-B
Basic Education Facilities: P9.8-B
Computerization Program for Public Schools: P8.9-B

³ <https://www.dbm.gov.ph/images/pdf/files/2023-Peoples-Proposed-Budget.pdf>



Hospitals and Health Centers: P16.8-B

School Buildings: P13.9-B

Railways: P105.3-B