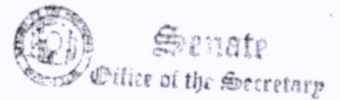


SEVENTEENTH CONGRESS OF THE]
REPUBLIC OF THE PHILIPPINES]
Third Regular Session]



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SENATE

S.B. No. 1921

RECEIVED _____ *J*

Introduced by SEN. WIN GATCHALIAN

AN ACT
AMENDING REPUBLIC ACT NO. 9184, OTHERWISE KNOWN AS THE
GOVERNMENT PROCUREMENT REFORM ACT, AND FOR OTHER
PURPOSES

EXPLANATORY NOTE

One of the governing principles embodied in Republic Act No. 9184, also known as the Government Procurement Reform Act (GPRA), is competitiveness. The GPRA describes competitiveness as extending equal opportunities to eligible and qualified private contracting parties in all government procurements, without any mention on the nationality of said parties.

However, the GPRA's adoption of a domestic preference policy as embodied under Commonwealth Act No. 138 – otherwise known as “The Flag Law” – and which is similarly adopted in Republic Act No. 5183 has reduced the principle of competitiveness in government procurements. For the last 78 years, such domestic preference policy has confined competition in government procurements within our territorial boundaries and has discriminated against foreign suppliers. The supposed benefits to have been produced by such domestic preference policy should have been apparent and largely felt by the public through an efficient and effective government

procurement after 78 years. But that is not the case. Instead, such policy has largely promoted limited choices, high prices and aging capacities and has discouraged innovation and reduced competitive pressure to the local industries.

Accordingly, this bill should be considered in the context of promoting competition among domestic and foreign suppliers and attracting new and much needed investments to enable the Government to deliver public services that would support the country's initiatives in providing a business climate conducive to investments in the country. Thus, I urge the immediate passage of this bill.



WIN GATCHALIAN