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REPUBLIC OF THE PHILIPPINES)
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SENATE

P. S. RES. NO. 618

Introduced by
Senators WIN GATCHALIAN, JUAN MIGUEL F. ZUBIRI, and ALAN PETER "COMPAÑERO" S. CAYETANO

RESOLUTION
CREATING AN AD HOC COMMITTEE TO ADDRESS THE RECENT SLOWDOWN OF THE PHILIPPINE ECONOMY, AND THE ECONOMIC EFFECTS OF THE EVOLVING GEOPOLITICAL DEVELOPMENTS ACROSS THE GLOBE, WITH THE END VIEW OF FORMULATING RESPONSIVE LEGISLATIVE MEASURES TO STRENGTHEN ECONOMIC RESILIENCE, PROTECT THE WELFARE OF FILIPINO CONSUMERS AND WORKERS, ENCOURAGE INVESTMENTS, PRESERVE MACROECONOMIC STABILITY, AND PROMOTE SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH THROUGH A COORDINATED, WHOLE-OF GOVERNMENT APPROACH

WHEREAS, the Development Budget Coordination Committee (DBCC) in its 193rd meeting revised and downgraded its real GDP growth rate projections in 2026 to a range of 3.5 percent to 4.5 percent.[1] Multilateral lenders such as the Asian Development Bank (ADB) and the International Monetary Fund (IMF) also had a downward revision of its projection to 3.8 percent[2] and 3.9 percent,[3] respectively. Amid the downward revision of real GDP growth rate projections, other major economies in ASEAN neighbors grew during the first six months of 2026, ranging from 5.5 percent to 8.2 percent[4] while the Philippines grew only by a mere 2.6 percent;[5]

WHEREAS, the DBCC's projections for the inflation rate in 2026 were also revised, reflecting an increase to a range of 6.0 to 7.0 percent.[6] Meanwhile, the ADB and ASEAN+3

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[1] Development Budget Coordination Committee (DBCC), *193rd DBCC Statement on the Review of the Medium-Term Macroeconomic Assumptions and Fiscal Program for Fiscal Year (FY) 2026 to 2030, (July 8, 2026)*, available at: https://www.dbm.gov.ph/index.php/management-2/4081-193rd-dbcc-statement-on-the-review-of-the-medium-term-macroeconomic-assumptions-and-fiscal-program-for-fiscal-year-fy-2026-to-2030 (date last accessed: July 22, 2026).

[2] Asian Development Bank (ADB), *Asian Development Outlook (ADO) July 2026: A Fragile Outlook as Energy Market Disruptions Persist (July 2026)*, available at: https://www.adb.org/sites/default/files/publication/1155601/asian-development-outlook-july-2026.pdf (date last accessed: July 22, 2026).

[3] International Monetary Fund (IMF), *World Economic Outlook Update: Global Economy in Crosscurrents of War and Technology (July 2026)*, available at: https://www.imf.org/-/media/files/publications/weo/2026/update/july/english/text.pdf (date last accessed: July 22, 2026).

[4] Major economies include Indonesia, Malaysia, Singapore, Thailand, and Vietnam. Real GDP figures were taken from their corresponding official statistical agencies.

[5] Philippine Statistics Authority (PSA), *2nd Quarter 2026 National Accounts of the Philippines (August 7, 2026)*, available at https://psa.gov.ph/sites/default/files/nap/01Summary_2018PSNA_Qrt_15.xlsx

[6] Development Budget Coordination Committee (DBCC), *193rd DBCC Statement on the Review of the Medium-Term Macroeconomic Assumptions and Fiscal Program for Fiscal Year (FY) 2026 to 2030, (July 8, 2026)*, available at: https://www.dbm.gov.ph/index.php/management-2/4081-193rd-dbcc-statement-on-the-review-of-the-medium-term-macroeconomic-assumptions-and-fiscal-program-for-fiscal-year-fy-2026-to-2030 (date last accessed: July 22, 2026).

Regional Economic Office (AMRO) projected the country's inflation to reach 5.9 percent[7] and 5.7%, respectively.[8] Despite the global external shocks affecting most economies, other major ASEAN neighbors have stabilized their prices during the first six months of 2026, with an inflation rate ranging only from 1.1 percent to 4.4 percent[9] while the Philippines has the highest recorded inflation rate in the region with 4.8 percent during the same period;[10]

WHEREAS, the decline in economic growth can be associated with a cut in public sector infrastructure spending[11,12] from 715 billion pesos in the second half of 2024[13] to 476.7 billion pesos for the same period in 2025,[14] representing a 238.3 billion peso or 33.3 percent decrease in government spending for building, maintaining, and upgrading of public infrastructure assets;

WHEREAS, amid the rising costs of commodities, household consumption has been decelerating for five consecutive months since the second quarter of 2025. Recording only at 2.8 percent – the recently concluded second quarter of 2026 marks the slowest growth in consumer spending since the third quarter of 2010, excluding the pandemic;

WHEREAS, the economic slowdown was exacerbated by the conflict in the Middle East that triggered the President's declaration of a State of National Energy Emergency pursuant to Section 25 of Republic Act No. 7638 otherwise known as the Department of Energy Act of 1992;

WHEREAS, this external supply-side shock caused the skyrocket of fuel prices which peaked at 96.5 pesos per liter for gasoline and 153.7 pesos per liter for diesel.[15] These spikes in the prices of petroleum products represents a 65.2% and 183.1% year-on-year increase, respectively, heavily contributing to the further decline of economic growth to 2.8% in the first quarter 2026;[16]

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[7] Asian Development Bank (ADB), *Asian Development Outlook (ADO) July 2026: A Fragile Outlook as Energy Market Disruptions Persist (July 2026)*, available at: https://www.adb.org/sites/default/files/publication/1155601/asian-development-outlook-july-2026.pdf (date last accessed: July 22, 2026).
[8] ASEAN+3 Macroeconomic Research Office (AMRO), *Quarterly Update of the ASEAN+3 Regional Economic Outlook (AREO) – July 2026 (July 27, 2026)*, available at: https://amro-asia.org/quarterly-update-of-the-asean3-regional-economic-outlook-areo-july-2026
[9] Major economies include Indonesia, Malaysia, Singapore, Thailand, and Vietnam. Real GDP figures were taken from there corresponding official statistical agency.
[10] Philippine Statistics Authority (PSA), *Summary Inflation Report Consumer Price Index (2018=100): June 2026*, available at: https://psa.gov.ph/price-indices/cpi-ir/node/1684083778
[11] INQUIRER.net, *Gov't ramps up infrastructure spending to revive economy, Palace says (June 26, 2026)*, available at: https://newsinfo.inquirer.net/2252873/govt-ramps-up-infrastructure-spending-to-revive-economy-palace-says (date last accessed: July 22, 2026).
[12] BusinessMirror, Infraspend down 45% in 4 months sparks alarm (June 22, 2026), available at: https://businessmirror.com.ph/2026/06/22/infraspend-down-45-in-4-mos-sparks-alarm/ (date last accessed: July 22, 2026).
[13] Department of Budget and Management (DBM), *Assessment of National Government Disbursements Performance as of June 2025 (n.d.)*, available at: https://www.dbm.gov.ph/wp-content/uploads/DBCC/2025/June%202025_Disbursements_Table_in_billions.pdf (date last accessed: July 22, 2026).
[14] Department of Budget and Management (DBM), *Assessment of National Government Disbursements Performance as of December 2025 (n.d.)*, available at: https://www.dbm.gov.ph/wp-content/uploads/DBCC/2025/December-2025_Disbursements_Table_in_billions.pdf (date last accessed: July 22, 2026).
[15] Department of Energy (DOE), *Common Retail Pump Prices of Petroleum Products (April 7 to 13, 2026) (n.d.)*, available at: https://prod-cms.doe.gov.ph/documents/d/guest/ncr-price-monitoring-04072026-pdf (date last accessed: July 22, 2026).
[16] Philippine Statistics Authority (PSA), *GDP Grows by 2.8 Percent in the First Quarter of 2026 (May 7, 2026)*, available at: https://psa.gov.ph/statistics/national-accounts (date last accessed: July 22, 2026).

WHEREAS, there is also a general rising cost of goods and services which continues to be a problem as it dampens the purchasing power of households. In April 2026, the domestic headline inflation rate went up to 7.2 percent[17] – the highest since March 2023. Meanwhile, the value of the domestic currency weakened to as low as 61.74 pesos[18] on the dollar on July 27, 2026, representing a 9.1 percent annual depreciation,[19] making vital imported commodities such as food and fuel more expensive;

WHEREAS, in addition, the unemployment rate also increased from 3.7 percent to 4.9 percent, while the number of unemployed increased from 1.9 million to 2.6 million individuals, showing an increase of 639,000 unemployed individuals over the course of a year as of June 2026;

WHEREAS, the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) raised its policy interest rates on April 23, 2026 by 25 basis points to 4.5 percent[20] and on June 18, 2026 by 25 basis points to 4.75 percent,[21] increasing borrowing costs and dampening investment of large businesses and potential growth of micro, small, and medium, enterprises (MSMEs);

WHEREAS, the current fiscal space has narrowed sharply, with the 2026 deficit programmed at 5.4 percent of GDP against the 3.5 percent originally targeted, National Government debt has risen to 66 percent of GDP and is projected to reach 70.5 percent by 2028, and interest payments alone will consume 16.1 percent of the FY 2027 budget,[22] such that measures to provide cushion to households and businesses must be weighed against their revenue and debt implications;

WHEREAS, the recent decline in domestic demand reflected in the decline in public infrastructure spending and the fuel crisis drove consumer prices upward, it caused forgone income generation and reduced purchasing power of families and pushing vulnerable populations toward poverty. Based on internal estimates, the poverty rate increased from 13.2 percent to a range of 14.6 percent to 15.1 percent, which represents an additional 1.6 million to 2.2 million poor individuals;

WHEREAS, it is estimated that over the course of the fuel crisis, the purchasing power of Filipinos decreased as the average household experienced a PhP 14,500 per

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[17] Philippine Statistics Authority (PSA), *Summary Inflation Report Consumer Price Index (2018=100): July 2026 (August 5, 2026),* available at: https://psa.gov.ph/price-indices/cpi-ir/node/1684083369 (date last accessed: August 22, 2026).

[18] Bangko Sentral ng Pilipinas (BSP), *Daily Philippine Peso per US Dollar Rate (July 22, 2026),* available at: https://www.bsp.gov.ph/statistics/external/day99_data.aspx (date last accessed: July 22, 2026).

[19] Relative to the 19th trading day of July 2025.

[20] Bangko Sentral ng Pilipinas (BSP), *Monetary Board raises target RRP Rate by 25 basis points (April 23, 2026),* available at: https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7884&MType=MediaReleases (date last accessed: July 22, 2026).

[21] Bangko Sentral ng Pilipinas (BSP), *Monetary Board raises target RRP Rate by 25 basis points (June 18, 2026),* available at: https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=7941&MType=MediaReleases (date last accessed: July 22, 2026).

[22] House of Representatives, Congressional Policy and Budget Research Department, *Public debt sustainability and the proposed FY 2027 national budget (Budget Brief No.4) (2026),* available at: https://cpbrd.congress.gov.ph/wp-content/uploads/2026/08/BB2026-04-PUBLIC-DEBT-SUSTAINABILITY-AND-THE-PROPOSED-FY-2027-NATIONAL-BUDGET.pdf (date last accessed: August 24, 2026).

annum loss in welfare, representative of a 6.3 percent loss in income. The Bottom 10 percent of households have it worst, with their income group experiencing an PhP 11,800 per annum or 9.2 percent loss in income;

WHEREAS, history and economic analysis demonstrate that temporary relief measures and short-term "band-aid" solutions merely provide fleeting reprieve without addressing the underlying structural weaknesses of the domestic economy, thereby necessitating long-term, sustainable, and systemic solutions to resolve recurring societal and economic ills and gaps;

WHEREAS, the Senate is constitutionally vested with legislative authority and power to conduct inquiries in aid of legislation under Article VI, Section 21 of the 1987 Constitution, which necessarily includes the oversight of the implementation of economic statutes, fiscal measures, and public expenditure programs to ensure that they faithfully advance the constitutional objectives of promoting sustained economic growth, maintaining fiscal stability, encouraging investments, generating productive employment, protecting the welfare of the Filipino people, and responding effectively to emerging domestic and global economic challenges;

NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED BY THE SENATE OF THE PHILIPPINES, to create an *ad hoc* committee to be known as *Reinvigorate Investment and Sustainable Economic Growth (RISE) Ad Hoc Committee* tasked to address the recent slowdown of the Philippine economy and the economic effects of the evolving geopolitical developments across the globe, with an end view of formulating responsive legislative measures to reinvigorate investments, strengthen economic resilience, protect the welfare of Filipino consumers and workers, preserve macroeconomic stability, and promote sustainable and inclusive economic growth through a coordinated, whole-of government approach;

RESOLVED, FURTHER, that the *RISE Ad Hoc Committee,* be composed of the following:

(1) The Chairperson of the Senate Committee on Economic Affairs, as Chairperson;

(2) The Chairpersons of the Senate Committees on Finance; Ways and Means; Trade, Commerce and Entrepreneurship; Banks, Financial Institutions and Currencies; Labor, Employment and Human Resources Development; Public Works; and Energy, as Vice Chairpersons;

(3) The Senate President Pro Tempore, the Senate Majority Leader, and the Senate Minority Leader, as *ex officio* members; and

(4) All other Senators as regular members.

RESOLVED, FURTHER, that in executing its mandate, the RISE Ad Hoc Committee shall explicitly prioritize structural legislative reforms and long-term policy interventions aimed at sustainable economic growth, purposefully steering away from temporary, stopgap, or "band-aid" measures in favor of durable solutions to systemic economic challenges, including, among others, the creation of quality and sustainable jobs within the country so that migration will no longer be a desperate act to find better opportunities abroad, but rather a voluntary choice, and that the Committee shall endeavor to lay the foundation for the institutionalization of a living wage for Filipino workers so that the benefits of such reforms and interventions extend to the present and the next generation of Filipino workers alike;

RESOLVED, FURTHER, that the RISE *Ad Hoc* committee shall submit to the senate, as a body: (a) an interim report of its preliminary findings and recommendations, including any measure it proposes for inclusion in the general appropriations act for fiscal year 2027, on or before the ratification by both houses of congress of the said act; and (b) upon completion of its inquiry, submit to the Senate, as a body, a final and comprehensive report of its findings, conclusions, and recommendations, together with such proposed legislative and policy measures as may be necessary to address the issues identified during its proceedings, on or before the adjournment sine die of the second regular session, unless the period is extended by the senate;

RESOLVED, FINALLY, That the RISE *Ad Hoc* Committee shall furnish the President and relevant members of the Cabinet a copy of its report containing its findings, conclusions, and recommendations, for the consideration of the Executive Branch in the pursuit of a coordinated national strategies to reinvigorate investments, strengthen economic resilience and promote sustainable and inclusive economic growth.

Adopted,

WIN GATCHALIAN

JUAN MIGUEL F. ZUBIRI

ALAN PETER "COMPAÑERO" S. CAYETANO