Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City

EIGHTEENTH CONGRESS
Second Regular Session

House Resolution No. 1208

Introduced by Representatives Wes Gatchalian, Ferdinand Martin G. Romualdez, Bienvenido M. Abante, Jr., Manuel F. Zubiri, Sharon S. Garin, and Rufus B. Rodriguez

A RESOLUTION
STRONGLY URGING THE HOUSE OF REPRESENTATIVES TO INCREASE THE FUNDS TO BE APPROPRIATED TO THE DEPARTMENT OF TRADE AND INDUSTRY, ITS ATTACHED AGENCIES AND ATTACHED CORPORATION, THE SMALL BUSINESS CORPORATION FOR FISCAL YEAR 2021 FOR THE BENEFIT OF FILIPINO MSMES

WHEREAS, the President of the Republic of the Philippines, Rodrigo Roa Duterte, in his penultimate State of the Nation Address, promised to intensify the government's efforts to help businesses, especially our micro, small and medium enterprises (MSMEs) by providing responsive government assistance and services, through capitalization and business support to help them adapt to our new normal;

WHEREAS, the President's statement of support for our MSMEs emanates from the economic downturn that the Philippine economy experienced as a result of the imposition of community quarantines to arrest the spread of COVID-19 in the country causing our GDP to shrink by 16.5% – the country’s worst performance since 1981 – resulting in the technical recession of our economy;

WHEREAS, MSMEs, which comprise 99.5% of all establishments in the country and is responsible for the employment of at least 63% of Filipinos, are the hardest hit and as such, all of them have been forced to either: (1) retrench employees; (2) scale down their operations to keep their business going; or (3) close up shop altogether;

WHEREAS, these figures only take into account our registered MSMEs, and do not reflect the more than 4 million unregistered micro enterprises
which provide the means of livelihood to an even larger number of our countrymen;

WHEREAS, undoubtedly, our MSMEs, from the fish ball vendor on the street, to the sari-sari store around the corner, and even to small home-based businesses, comprise the beating heart of the Philippine economy, but unfortunately, other than their perseverance and toil, most of these enterprises do not have the means to survive in these abnormal times;

WHEREAS, with the help of the frontliner agency of our economy, the Department of Trade and Industry (DTI), its attached agencies, and the vital Small Business Corporation (SB Corp.) which extends loans to registered and unregistered micro entrepreneurs ignored by the formal banking sector, Filipino MSMEs may be handed a lifeline so that they can recover from the worst crisis that our generation has ever faced;

WHEREAS, with the proposed budget of the Department of Budget and Management (DBM) for the DTI, its attached agencies, and the SB Corp., the recovery that is envisioned by Congress cannot be achieved by such a meager budget hence, we cannot make good the promise of the President to help our MSMEs;

WHEREAS, to highlight the inconsistency with the President’s policy to support our MSMEs, instead of increasing the Php7.98 billion budgetary allocation in the 2020 General Appropriations Act for the DTI, the DBM proposes to give the DTI and its attached agencies, particularly the Board of Investments, the Philippines Trade Training Center, the Design Center of the Philippines, the Construction Industry Authority of the Philippines, and the Cooperative Development Authority only Php6.65 billion in the 2021 National Expenditure Program, representing a 16.63% drop.

WHEREAS, the budget allotted for the requirements of the SB Corp. is likewise inadequate as during this pandemic alone, the SB Corp. has already received a total of Php3.2 billion in applications, two times more than its allotted budget for the year, which is clearly not enough;

WHEREAS, overseas Filipino workers who were repatriated and can no longer find work abroad will now have to find a living here in the country, and they should be assisted by our economic frontliners who however, have not been given the funds to execute their mandate;

NOW, THEREFORE, BE IT RESOLVED AS IT IS HEREBY RESOLVED, the House of Representatives is urged to increase the funds to be appropriated to the Department of Trade and Industry, its attached agencies and attached corporation, the Small Business Corporation for Fiscal
Year 2021 by Php5,280,000,000.00 for the benefit of Filipino MSMEs, in particular:

<table>
<thead>
<tr>
<th>Agency</th>
<th>2021 NEP</th>
<th>Proposed Additional Budget</th>
<th>Proposed 2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office of the Secretary</td>
<td>5,354,453,000</td>
<td>3,459,032,000</td>
<td>8,813,485,000</td>
</tr>
<tr>
<td>Board of Investments</td>
<td>383,063,000</td>
<td>34,268,000</td>
<td>417,331,000</td>
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<tr>
<td>Design Center of the Philippines</td>
<td>110,702,000</td>
<td>65,000,000</td>
<td>175,702,000</td>
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<tr>
<td>Center for International Trade Expositions and Missions</td>
<td>141,885,000</td>
<td>221,700,000</td>
<td>363,585,000</td>
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<tr>
<td>SB Corp.</td>
<td>1,500,000,000</td>
<td>1,500,000,000</td>
<td>3,000,000,000</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>7,690,103,000</strong></td>
<td><strong>5,280,000,000</strong></td>
<td><strong>12,770,103,000</strong></td>
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</tbody>
</table>

Adopted,

HON. WES GATCHALIAN
Chairperson, Committee on Trade and Industry

HON. FERDINAND MARTIN G. ROMUALDEZ
Majority Floor Leader

HON. BIENVENIDO M. ABANTE, JR.
Minority Floor Leader

HON. MANUEL F. ZUBIRI
Vice Chairperson, Committees on Appropriations and Trade and Industry

HON. SHARON S. GARIN
Chairperson, Committee on Economic Affairs

HON. RUFUS B. RODRIGUEZ
Chairperson, Committee on Constitutional Amendments