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SENATE  
P.S. Res. No. 24

RECEIVED BY: \_\_\_\_\_

Introduced by Senator Grace Poe

**RESOLUTION**  
**URGING THE SENATE COMMITTEE ON ECONOMIC AFFAIRS TO CONDUCT AN INQUIRY IN AID OF LEGISLATION ON THE CURRENT STATE OF THE PHILIPPINE ELECTRONICS INDUSTRY AND TO FIND WAYS TO INCREASE ITS COMPETITIVE ADVANTAGE AND ENABLE ITS INTEGRATION INTO THE GLOBAL ELECTRONICS VALUE CHAIN**

1 WHEREAS, Article II, Section 19 of the 1987 Philippine Constitution  
2 directs the State to develop a self-reliant and independent national economy  
3 effectively controlled by Filipinos;

4 WHEREAS, household consumption is the primary driver on the  
5 expenditure side of the Philippine economy, accounting for around 60% of  
6 Gross Domestic Product (GDP);

7 WHEREAS, the economic recession in the immediate wake of the COVID-  
8 19 lockdowns showed the vulnerability of the relying entirely on household  
9 consumption as the primary driver of economic growth;

10 WHEREAS, consequently, the recovery of our economy relied on lifting  
11 mobility restrictions to stimulate household expenditures and the rising inflation  
12 rate due to the conflict in Ukraine constitutes a major drag on domestic  
13 consumption;

14 WHEREAS, the national inflation rate has crept upwards from 4.0% in  
15 March to 4.9% in April, 5.4% in May, and finally 6.1% this past June 2022;

1 WHEREAS, there is a clear need to develop a long-term, strategy to  
2 reduce dependence on domestic consumption and to promote growth in other  
3 sectors of the Philippine economy;

4 WHEREAS, one possible way to is to strengthen our export industries,  
5 and in doing so, reduce the gap in our balance of trade;

6 WHEREAS, electronic products are currently the largest export product of  
7 the country, accounting for \$3.67 billion or 58.5% of all Philippine exports in  
8 2021;

9 WHEREAS, semiconductors account for the largest share of our electronic  
10 exports, at around 43.95%<sup>1</sup>;

11 WHEREAS, the global semiconductor industry is projected to become a  
12 trillion-dollar industry by 2030, fueled by booming demand in consumer  
13 electronics and the rapid development of various technologies for the Fourth  
14 Industrial Revolution (FIRE);

15 WHEREAS, unlike other Asian countries, the Philippines has been unable  
16 to fully integrate into the global value chains for semiconductors;

17 WHEREAS, China, Japan, South Korea and Taiwan are now known as the  
18 "Big 4"<sup>2</sup> of semiconductor production in Asia;

19 WHEREAS, seven<sup>3</sup> of Apple's nine biggest suppliers of semiconductors  
20 are based in those four countries:

Country	Company Name
Taiwan	Hon Hai Precision Industry; Winstron; Pegatron;
China	Goertek; Luxshare;
Japan	Murata Manufacturing Ltd.
Korea	Samsung

<sup>1</sup> Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI). "December 2021 Philippine Electronic Exports Performance". Retrieved from <https://www.seipi.org.ph/article/december-2021-philippine-electronics-export-performance/>

<sup>2</sup> <https://www.mckinsey.com/industries/semiconductors/our-insights/the-semiconductor-decade-a-trillion-dollar-industry>

<sup>3</sup> <https://www.investopedia.com/articles/investing/090315/10-major-companies-tied-apple-supply-chain.asp>

1           WHEREAS, fifteen companies in Apple’s supplier list<sup>4</sup> for 2020 outsource  
2 parts of their production to factories in the Philippines;

3           WHEREAS, the following are considered as strengths<sup>5</sup> of the Philippine  
4 electronics industry: our strategic location, ecozones, and our growing, skilled  
5 and easy to train workforce;

6           NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the  
7 Senate of the Philippines, to urge the Senate Committee on Economic Affairs to  
8 conduct an inquiry in aid of legislation on the current state of the Philippine  
9 electronics industry and to find ways to increase its competitive advantage and  
10 enable its integration into the global electronics value chain.

Adopted,



GRACE POE

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<sup>4</sup> <https://www.apple.com/supplier-responsibility/pdf/Apple-Supplier-List.pdf>

<sup>5</sup> Department of Trade and Industry (DTI). "The Philippines in the Electronics & Electrical Global Value Chain" Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI). "About the Industry"