

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)



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SENATE
P.S. Res. No. 143

RECEIVED BY: _____

Introduced by Senator Grace Poe

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE, TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON POSSIBLE POLICY INTERVENTIONS FOR THE REVITALIZATION OF OUR GARMENTS AND TEXTILES INDUSTRIES, IN VIEW OF ITS POTENTIAL AS LOW-COST, LABOR-INTENSIVE INDUSTRIES WHICH CAN PROVIDE EMPLOYMENT IN THE COUNTRYSIDE AND CONTRIBUTE TO NATIONAL DEVELOPMENT

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

4 WHEREAS, Section 1, Article 12 of the Constitution further urges the State to
5 promote industries that make full of efficient use of human and natural resources, and
6 which are competitive in both domestic and foreign markets;

7 WHEREAS, the Philippines was one of the pioneers of producing garments and
8 industries in Southeast Asia¹;

9 WHEREAS, the garments industry was one of our country's original export-
10 oriented industries, accounting for 20% of total Philippine exports and bringing in
11 around two billion dollars in foreign exchange at its peak;

12 WHEREAS, further, the garments industry employed up to 300,000 workers in
13 factories and 800,000 home-based individuals;

14 WHEREAS, on the other hand, the textiles industry was a complementary
15 industry which employed as many as 200,000 individuals under 200 firms;

¹ Ofreneo, R. "Development Choices for Philippine Textiles and Garments in the Post-MFA Era" *Journal of Contemporary Asia*. Vol. 39, No. 4, November 2009, pp. 543-561

1 WHEREAS, both the textiles and garment industries have fallen by the wayside
2 due to bad policy decisions and unfortunate economic circumstances;

3 WHEREAS, 1996 was the last year that garments as a share of Philippine
4 exports reached double digits;

5 WHEREAS, according to data from the Philippine Statistics Authority (PSA), the
6 share of garments in our exports has steadily fallen, eventually hitting an all-time low
7 of 1.38% in 2018²;

8 WHEREAS, our domestic garments and textiles industries are also facing stiff
9 competition in the country, as imports of clothing and fabrics averaged \$4.25 billion
10 annually³;

11 WHEREAS, as a result, the garments and textiles industries accounted for only
12 2.05% of Gross Value Added (GVA) in the past decade;

13 WHEREAS, the garments and textiles industries have great potential to expand,
14 provide employment, and eventually become export-oriented enterprises;

15 WHEREAS, according to a policy brief by Arangkada Philippines⁴, the textile and
16 garment industries are low-cost, labor-intensive intensive industries which can
17 generate employment in rural areas;

18 WHEREAS, according to the same policy brief, low-cost, labor-intensive
19 industries need the following elements to prosper:

- 20 (1) Low-rent standard factory buildings;
- 21 (2) Low-cost long-term land leases;
- 22 (3) Programs to increase labor productivity;
- 23 (4) Relaxed polices on hiring and firing;
- 24 (5) Targeted government training programs; *and*
- 25 (6) Special or low electricity rates;

26 WHEREAS, government agencies⁵ have also identified garments and textiles as
27 a strategic industry which can contribute to national development, and have prepared

² Philippine Statistics Authority (PSA). Philippine Statistical Yearbook, 2001-2019.

³ Organization for Economic Complexity.

⁴ Arangkada Philippines. "Manufacturing". *Policy Brief No, 2* (2013).

⁵ Department of Trade and Industry (DTI). "Philippine Textile-Garment Industry: The Roadmap to Revival & Enhanced Competitiveness" (2019).

1 a *"Philippine Textile-Garment Industry: The Roadmap to Revival and Enhanced*
2 *Competitiveness"*;

3 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to urge the
4 appropriate Senate Committee, to conduct an inquiry, in aid of legislation, on possible
5 policy interventions for the revitalization our garments and textiles industries, in view
6 of their potential as low-cost, labor-intensive industries which can provide employment
7 in the countryside and contribute to national development.

Adopted,



GRACE POE