



RESOLUTION OF BOTH HOUSES NO. 2

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RESOLUTION OF BOTH HOUSES PROPOSING AMENDMENTS TO CERTAIN ECONOMIC PROVISIONS, PARTICULARLY ARTICLES XII, XIV, AND XVI, OF THE 1987 CONSTITUTION OF THE REPUBLIC OF THE PHILIPPINES

WHEREAS, the Constitution is the fundamental law of the land which defines, establishes and confers powers to the State and provides for the correlative obligation of the people to abide by it;

WHEREAS, the Constitution, as a covenant between the State and the people, vests on the government the duty to provide decent living conditions to its people;

WHEREAS, the mandate given to current leaders who advocate for change signifies renewed trust in the government and immense optimism in its ability and commitment to bring about improvement in the quality of life of Filipinos;

WHEREAS, the trust reposed by the people upon the country's leaders has encouraged more investments and it is helping the country maintain its pace as one of the fastest growing economies in Asia, with the World Bank giving it a future projection of 6.5 percent gross domestic product (GDP) growth in 2019 and 6.6 percent in 2020 and 2021;

WHEREAS, in another 2019 economic outlook report of the Organization for Economic Cooperation and Development (OECD), the GDP percentage of the Philippines for the period of 2017 to 2019 constantly surpasses the GDP growth in other Association of Southeast Asian Nations (ASEAN) countries such as Indonesia, Malaysia and Thailand;

WHEREAS, growing global interest in Asia provides an opportunity for the Philippines to compete for more investments but statistics show that the Philippines needs to maximize its economic momentum since in a 2017 ASEAN report, around 90% of the 36 million people in Southeast Asia who are living below the international poverty line are Filipinos and Indonesians;

WHEREAS, in order to fully transform this economic growth into inclusive and solidary progress among Filipinos, the restrictive economic provisions in the Philippine Constitution which hamper the flow of foreign capital investments must be lifted: Now, therefore, be it

- 1 *Resolved by the Senate and the House of Representatives, By a vote of*
- 2 three-fourths (3/4) of all its Members, each House voting separately, and
- 3 pursuant to Article XVII of the Constitution, propose to amend Articles XII,
- 4 XIV, and XVI of the 1987 Constitution of the Republic of the Philippines,
- 5 with the following proposals:

1 1. On paragraph 1, Section 2 of Article XII (National Economy and
2 Patrimony), make the 4th, 5th, and 6th sentences into another paragraph, insert
3 the phrase **UNLESS OTHERWISE PROVIDED BY LAW** after the first sentence of
4 the new paragraph and add a comma before the phrase, to read as follows:

5 “SECTION 2. All lands of the public domain,
6 waters, minerals, coal, petroleum, and other mineral
7 oils, all forces of potential energy, fisheries, forests or
8 timber, wildlife, flora and fauna, and other natural
9 resources are owned by the State. With the exception of
10 agricultural lands, all other natural resources shall not
11 be alienated. The exploration, development, and
12 utilization of natural resources shall be under the full
13 control and supervision of the State.

14 The State may directly undertake such activities,
15 or it may enter into co-production, joint venture, or
16 production-sharing agreements with Filipino citizens, or
17 corporations or associations at least sixty *per centum* of
18 whose capital is owned by such citizens, **UNLESS**
19 **OTHERWISE PROVIDED BY LAW**. Such agreements may
20 be for a period not exceeding twenty-five years,
21 renewable for not more than twenty-five years, and
22 under such terms and conditions as may be provided by
23 law. In cases of water rights for irrigation, water supply,
24 fisheries, or industrial uses other than the development
25 of water power, beneficial use may be the measure and
26 limit of the grant.”

1 2. On paragraph 1, Section 3 of Article XII (National Economy and
2 Patrimony), insert the phrase **UNLESS OTHERWISE PROVIDED BY LAW** after the
3 fourth sentence and add a comma before the phrase, to read as follows:

4 “SECTION 3. Lands of the public domain are classified
5 into agricultural, forest or timber, mineral lands, and national
6 parks. Agricultural lands of the public domain may be further
7 classified by law according to the uses to which they may be
8 devoted. Alienable lands of the public domain shall be limited to
9 agricultural lands. Private corporations or associations may not
10 hold such alienable lands of the public domain except by lease,
11 for a period not exceeding twenty-five years, renewable for not
12 more than twenty-five years, and not to exceed one thousand
13 hectares in area, **UNLESS OTHERWISE PROVIDED BY LAW**.
14 Citizens of the Philippines may lease not more than five hundred
15 hectares, or acquire not more than twelve hectares thereof by
16 purchase, homestead, or grant.”

17 3. On Section 10 of Article XII (National Economy and Patrimony),
18 amend the first paragraph to read as follows:

19 “SECTION 10. The Congress shall, upon
20 recommendation of the economic and planning agency, **AND**
21 when the national interest dictates, reserve **CERTAIN AREAS OF**
22 **INVESTMENT** to citizens of the Philippines or, **UNLESS**
23 **OTHERWISE PROVIDED BY LAW**, to corporations or associations
24 at least sixty *per centum* of whose capital is owned by such
25 citizens[, or such higher percentage as Congress may prescribe,
26 certain areas of investments]. The Congress shall enact measures
27 that will encourage the formation and operation of enterprises
28 whose capital is wholly owned by Filipinos.”

1 4. On Section 11 of Article XII (National Economy and Patrimony),
2 insert the phrase **UNLESS OTHERWISE PROVIDED BY LAW** between the word
3 “citizens” and the symbol “;” in the first sentence and add a comma before the
4 said phrase; also, insert the phrase **UNLESS OTHERWISE PROVIDED BY LAW**
5 before the last sentence thereof, to read as follows:

6 “SECTION 11. No franchise, certificate, or any other
7 form of authorization for the operation of a public utility shall be
8 granted except to citizens of the Philippines or to corporations
9 or associations organized under the laws of the Philippines at
10 least sixty *per centum* of whose capital is owned by such
11 citizens, **UNLESS OTHERWISE PROVIDED BY LAW**; nor shall such
12 franchise, certificate, or authorization be exclusive in character
13 or for a longer period than fifty years. Neither shall any such
14 franchise or right be granted except under the condition that it
15 shall be subject to amendment, alteration, or repeal by the
16 Congress when the common good so requires. The State shall
17 encourage equity participation in public utilities by the general
18 public. **UNLESS OTHERWISE PROVIDED BY LAW, [T]**The
19 participation of foreign investors in the governing body of any
20 public utility enterprise shall be limited to their proportionate
21 share in its capital, and all the executive and managing officers
22 of such corporation or association must be citizens of the
23 Philippines.”

24 5. On paragraph 1, No. 2, Section 4 of Article XIV (Education,
25 Science and Technology, Arts, Culture, and Sports), insert the phrase **UNLESS**
26 **OTHERWISE PROVIDED BY LAW** at the end of the first sentence and insert a
27 comma before the phrase. On paragraph 2, No. 2, add the phrase **UNLESS**

1 **OTHERWISE PROVIDED BY LAW** at the end of the sentence thereof and insert a
2 comma before the phrase, to read as follows:

3 "SECTION 4. x x x
4 "(2) Educational institutions, other than those established
5 by religious groups and mission boards, shall be owned solely by
6 citizens of the Philippines or corporations or associations at least
7 sixty *per centum* of the capital of which is owned by such
8 citizens, **UNLESS OTHERWISE PROVIDED BY LAW**. The Congress
9 may, however, require increased Filipino equity participation in
10 all educational institutions.

11 "The control and administration of educational institutions
12 shall be vested in citizens of the Philippines, **UNLESS**
13 **OTHERWISE PROVIDED BY LAW.**"

14 6. On paragraph 1, No. 1, Section 11 of Article XVI (General
15 Provisions), add the phrase **UNLESS OTHERWISE PROVIDED BY LAW** after the
16 sentence and insert a comma before the phrase. The same with paragraph 2 of
17 No. 2, add the phrase **UNLESS OTHERWISE PROVIDED BY LAW** after the
18 sentence with a comma before the phrase. Thereafter, insert the phrase **UNLESS**
19 **OTHERWISE PROVIDED BY LAW** before the last sentence thereof. Section 11
20 shall read as follows:

21 "SECTION 11. (1) The ownership and management of
22 mass media shall be limited to citizens of the Philippines, or to
23 corporations, cooperatives or associations, wholly-owned and
24 managed by such citizens, **UNLESS OTHERWISE PROVIDED BY**
25 **LAW.**

26 "x x x

27 "(2) x x x

28 "Only Filipino citizens or corporations or associations at
29 least seventy *per centum* of the capital of which is owned by

1 such citizens shall be allowed to engage in the advertising
2 industry, **UNLESS OTHERWISE PROVIDED BY LAW.**

3 **UNLESS OTHERWISE PROVIDED BY LAW, [T]**The
4 participation of foreign investors in the governing body of
5 entities in such industry shall be limited to their proportionate
6 share in the capital thereof, and all the executive and managing
7 officers of such entities must be citizens of the Philippines.”
Adopted,

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