



December 13, 2021

## **PASSAGE OF GAME-CHANGER PUBLIC SERVICE ACT AMENDMENTS BILL STRESSED IN FOREIGN CHAMBERS' FORUM**

During the recently concluded two-day 10<sup>th</sup> *Arangkada* Philippines Forum entitled “Pathways to a Better Future,” the members of the Joint Foreign Chambers (JFC) along with experts, business leaders, government officials unanimously highlighted the liberalization of the economy as one of the most important measures needed to attain similar levels of foreign investment received by ASEAN neighbors and ensure the Philippine economy’s continued recovery from the pandemic.

Several investment liberalization bills, certified by the president, have progressed in the 18<sup>th</sup> Congress. The Retail Trade Liberalization Act amendments should be enacted very soon, and the Foreign Investments Act amendments recently ratified by both chambers of Congress should also soon be sent to the president. The members of the JFC emphasized, however, that the most important and game-changing reform, the Public Service Act (PSA) amendments bill, remains pending with the Senate, despite its approval by the House in March of 2020.

By opening up key economic sectors, particularly telecommunications and transportation, and limiting the definition of public utilities largely to natural monopolies, the PSA amendments bill could maximize opportunities to attract new foreign investment that create jobs, build infrastructure, and support economic recovery and growth as the country recovers from the effects of the pandemic. With less than 30 session days left before the end of the 18<sup>th</sup> Congress, the members of the JFC stressed that it is crucial the reform is passed, with its intended purpose intact, soon. Not to approve this bill will deny the recovering economy many US billions of US dollars

The members of the JFC, in a joint statement with over 40 foreign chambers and business groups, previously expressed support for the three liberalization bills and expressed concern over any additional changes to the PSA amendments bill that will apply the 60-40 rule to any public service not currently classified as public utility.

During the *Arangkada* Forum, they also called for the liberalization of restrictions on foreign ownership of three categories of renewable energy: solar, water, and wind. Current restrictions in government regulations are preventing billions of US dollars from helping the country to shift faster to cleaner energy. They noted that these are kinetic forces of nature, the ownership of which are rarely claimed by countries.

Members of the Joint Foreign Chambers are:

American Chamber of Commerce of the Philippines

Australian-New Zealand Commerce of the Philippines

Canadian Chamber of Commerce of the Philippines

European Chamber of Commerce of the Philippines

Japanese Chamber of Commerce & Industry of the Philippines

Korean Chamber of Commerce of the Philippines

Philippine Association of Multinational Companies Regional Headquarters, Inc.