



**JOINT STATEMENT OF PHILIPPINE PRIVATE SECTOR GROUPS
FOR THE PASSAGE OF SB 2094 AMENDING
THE PUBLIC SERVICE ACT (PSA)**

May 28, 2021

We, the undersigned private sector groups, strongly support the passage of Senate Bill No. 2094, which seeks to amend the 85-year old Commonwealth Act No. 146, otherwise known as the "Public Service Act" ("PSA").

The bill is a low-hanging fruit in the legislative tree to attract foreign investments instead of amending the Constitution which is highly controversial and ill-timed under present circumstances. It will put in place a legal framework that will encourage more foreign investments in the Philippines and will foster strong competition that will benefit the consumers, boost job creation, and expand our economy while at the same safeguarding our national interests against foreign domination of critical infrastructure.

The bill seeks to differentiate some public utilities from other forms of public services. The commingling of the two concepts under the PSA has become archaic and obsolete with the passage of time. It has adversely impacted on our country's ability to attract foreign investments to our economy. As a result, the Philippines has paled in comparison with our neighboring countries in attracting foreign investments to the detriment of our economic development and our people.

But just as we support the passage of the amendatory bill, we are concerned about certain provisions in the bill. Examples are the following:

1. Reciprocity clause which requires a similar treatment by the home country of the foreign investor before it can be allowed to own more than forty percent (40%) of the capital of public services engaged in critical infrastructure.
2. Provision governing investments by foreign-state owned enterprises, which can be interpreted as prohibiting sovereign wealth funds from investing in public service classified as critical infrastructure.

We strongly urge that these provisions be revisited and/or refined as they pose obstacles to the achievement of the bill's avowed objective to attract more foreign investments.

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CEBU LEADS FOUNDATION (CLF)
FINANCIAL EXECUTIVES INSTITUTE OF THE PHILIPPINES (FINEX)
FINTECH ALLIANCE PH
GUILD OF REAL ESTATE ENTREPRENEURS AND PROFESSIONALS, INC. (GREENPRO)
INSTITUTE FOR SOLIDARITY IN ASIA, INC. (ISA)
INVESTMENT HOUSE ASSOCIATION OF THE PHILIPPINES (IHAP)
MANAGEMENT ASSOCIATION OF THE PHILIPPINES (MAP)
MAKATI BUSINESS CLUB (MBC)
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