

Republika ng Pilipinas
PAMBANSANG PANGASIWAAN NG PATUBIG
(National Irrigation Administration)
Lungsod ng Quezon

MC # 22 s. 1983

MEMORANDUM CIRCULAR

TO : THE ASSISTANT ADMINISTRATORS, HEADS OF DEPARTMENTS AND STAFFS, REGIONAL IRRIGATION DIRECTORS, PROJECT MANAGERS, OPERATION MANAGER OF UPRIS, IRRIGATION SUPERINTENDENTS AND OFFICERS-IN-CHARGE OF SYSTEMS, PROVINCIAL IRRIGATION ENGINEERS & OTHERS CONCERNED National Irrigation Administration

SUBJECT : DIRECTING THE DESIGN AND IMPLEMENTATION OF MEASURES TO SEE TO A COMPREHENSIVE GOVERNMENT EFFORT TO ATTAIN BALANCE OF PAYMENTS TARGETS.

For the information, guidance and implementation of all concerned quoted hereunder is an excerpt of the Letter of Instructions No. 1329 dated May 31, 1983:

"LETTER OF INSTRUCTIONS NO. 1329

DIRECTING THE DESIGN AND IMPLEMENTATION OF MEASURES TO SEE TO A COMPREHENSIVE GOVERNMENT EFFORT TO ATTAIN BALANCE OF PAYMENTS TARGETS

To: The Prime Minister and Executive Committee
The Heads of Ministries and Government Owned or Controlled Corporations
All Others Concerned

WHEREAS, the Philippines is engaged in a program of structural adjustment in order to ensure that the workings of the economy is fully appropriate to the more volatile and competitive international environment and to the realities of the world energy situation;

WHEREAS, the principal features of the adjustment program, among others, are to increase the efficiency and the export competitiveness of the Philippine Industry, to improve energy self-reliance, to increase the efficiency of savings mobilization and investment project selection;

WHEREAS, various policy measures have already been adopted for the purpose, including the acceleration of the energy program; gradual relaxation of the few remaining foreign exchange controls on imports, simplification and reduction of tariff levels, lifting of interest rate ceilings, and greater flexibility in the foreign exchange rate to prevent the overvaluation of the peso;

WHEREAS, the Philippines had a high balance of Payments deficit in 1982 and it is necessary to reduce it in 1983;

WHEREAS, it is necessary to carefully screen new foreign borrowings in view of the existing level of the country's international debt which is already more than \$17 billion and in view of the debt service ratio which is close to the statutory limit of 20 percent;

WHEREAS, the measures adopted are acknowledged to mean a temporary slowdown in growth while the economy adjusts, preparatory to higher growth when the process is complete and as the world economy recovers;

WHEREAS, it is necessary for all agencies of government to adopt all possible measures to see to it that foreign exchange receipts are maximized and foreign exchange outflows are minimized and to keep international debt to a minimum, thus ensuring the attainment of structural adjustment program objectives and the preservation of the country's international credit standing;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, pursuant to the powers vested in me by Law, do hereby Order and Instruct the design and implementation of the following measures:

A. Compliance

1. The Prime Minister and the Executive Committee shall oversee the design and implementation of the measures necessary to comply with this Letter. In its work, the guidelines and the specific instructions herein addressed to the various Ministries/Offices/Agencies shall be specifically monitored and amplified as necessary.

2. The Committee shall identify other possible measures that will achieve the same result and report same to the President with its recommendations.

3. Agencies of government, particularly those referred to herein, shall assist the Executive Committee in its work.

B. Generally Applicable Measures

1. All projects of the national government, local government units, government owned or controlled corporations including their subsidiaries, and state universities and colleges (collectively referred to herein as "government"), shall be reassessed with the intention of:

a. Limiting projects with significant imported components only to the most urgent and essential and postponing to future years all other projects;

b. Financing the import requirements of government only from official development sources or export credits; and

c. Postponing the acquisition of equipment or other project inputs which are imported or which have significant imported components, whether these are directly imported or procured locally from indentors of manufacturers representatives;


2. Government agencies shall limit demand for foreign financing of their activities. The Central Bank shall strictly observe the existing ceiling on new external debt and no government agency shall go to the international capital markets for major new borrowings until further notice;

3. Government funds shall not be disbursed for any non-vital activities, whether undertaken by government itself or by private on quasi-public groups which would involve the purchase and disbursement of foreign exchange, whether directly or indirectly. These shall include such activities as cultural, sports, goodwill or other similar missions. Funds for these shall be raised by sponsors preferably from foreign sources. The Central Bank shall discourage private and public enterprises or individuals from making contributions that will involve the disbursement of foreign exchange;

4. The Central Bank shall see to it that financial institutions, both government and private, make no exceptions, even for government agencies, from existing foreign exchange regulations applicable to advances or sales, of foreign exchange, including those for the importation of banned items capital outflows, or gifts or donations."

Please be guided accordingly.

Aug 31, 1993


CESAR L. TECH
Administrator