



## DISCUSSION WITH AGENCIES/ENTITIES

COMMITTEE	SUBJECT MATTER	DISCUSSIONS
<b>Trade and Industry</b>	<p>Briefing/update on government and private initiatives aimed at addressing the effects of the COVID-19 pandemic on businesses and the economy:</p> <ul style="list-style-type: none"><li>Pondo sa Pagbabago at Pag-asenso (P3) Fund, particularly the P1 billion Enterprise Rehabilitation Financing (ERF) facility</li></ul>	<p>The Committee, chaired by Rep. Wes Gatchalian (1<sup>st</sup> District, Valenzuela City), listened to the briefing conducted by government agencies and private entities on their efforts in addressing the effects of COVID-19 on businesses and the economy.</p> <p>Small Business Corporation (SB Corp) President and CEO Ma. Luna Cacanando apprised the Committee of the agency's various lending programs under the Pondo sa Pagbabago at Pag-asenso (P3) Fund, which include retail lending for registered micro and small enterprises and wholesale lending for licensed financial institutions like cooperatives and rural banks.</p> <p>To support micro and small businesses affected by the COVID-19 pandemic and the subsequent enhanced community quarantine (ECQ), Cacanando said the SB Corp launched another P3 program called the COVID-19 Assistance to Restart Enterprises (CARES) Program, which is a P1 billion Enterprise Rehabilitation Financing (ERF) facility. Qualified borrowers for this loan facility are micro and small enterprises which are in operation prior to March 16, 2020, are affected by the imposition of the ECQ, and have an asset size of not more than P15 million. The loanable amount ranges from P10,000 to P500,000 depending on the asset size of the business.</p> <p>Upon representation by Rep. Francisco Datol Jr. (Party-List, SENIOR CITIZENS), Cacanando gave her assurance that senior citizen business owners applying for loans will not be discriminated against.</p> <p>Committee Vice Chairperson, Rep. Rosanna "Ria" Vergara (3<sup>rd</sup> District, Nueva Ecija), asked if SB Corp knows how many micro and small enterprises with existing loans with the agency are in danger of going bankrupt due to the ECQ, and what measures have been undertaken to help them.</p> <p>Cacanando replied that 80% of SB Corp's end-borrowers are currently facing financial difficulties. To help these businesses, the SB Corp issued a moratorium on loan payments during the ECQ period and would only require borrowers to pay the interest portion of their monthly payments for the next six months or until October 2020.</p> <p>On the query of several Committee Members, Cacanando said that the SB Corp is capable of handling additional funds for lending to micro and small businesses. As for questions on whether the loan interest rates imposed by the SB Corp are too high for micro and small enterprises, Cacanando assured the Committee that they are still much lower than the ones offered by banks.</p> <ul style="list-style-type: none"><li>"New normal" protocols for business operations upon lifting of ECQ</li></ul> <p>Representing the Inter-Agency Task Force on Emerging Infectious Diseases (IATF) during the meeting, Cabinet Secretary Karlo Nograles said that the transition from ECQ to modified ECQ, to the general community quarantine (GCQ), and later on to the "new normal" will be gradual and fact-based. Minimum health standards such as wearing of masks and maintaining physical distancing will continue to be in effect in the foreseeable future, along with the recommendation for offices and businesses to adopt work-from-home arrangements.</p> <p>While certain restrictions will ease up in the transition from the ECQ to the modified ECQ phase, Nograles said it is only during the GCQ phase that all</p>

<p>Continuation...</p> <p>Trade and Industry</p>	<ul style="list-style-type: none"> <li>Proposed Philippine Economic Stimulus Act (PESA)</li> </ul>	<p>modes of public transportation will be reopened, subject to social distancing requirements. Likewise, under the GCQ phase, public gatherings will continue to be restricted along with the operation of schools.</p> <p>Nogralles also mentioned that public and private construction projects will be allowed to resume under the modified ECQ phase as long as they are compliant with the Department of Public Works and Highways' Department Order No. 35, which sets the guidelines for the implementation of all public and private infrastructure projects during the COVID-19 pandemic.</p> <p>Presidential Adviser for Entrepreneurship Joey Concepcion added that until a cure or a vaccine is found, the country must learn to live alongside the virus. He highlighted the importance of conducting mass testing in managing the spread of the virus. Concepcion added that testing regularly, even if it is just through the use of rapid test kits, is a viable way for companies to prevent the transmission of the disease among their employees.</p> <p>Rep. Carlos Isagani Zarate (Party-List, BAYAN MUNA) and Baguio City Rep. Mark Go asked the IATF not to exclude people in GCQ areas from receiving subsidies under the Social Amelioration Program (SAP), saying that these people will need time to recover from the effects of the lockdown. Nogralles promised to take this up with the members of the IATF for consideration.</p> <p>Meanwhile, Philippine Retailers Association Chairperson and President Paul Santos said that although businesses like supermarkets and drug stores were able to operate during the ECQ, the gains they made were offset by expenses incurred for providing housing, transportation, personal protective equipment (PPEs), and sanitation supplies for their personnel.</p> <p>SM Supermalls Vice President Gino Borromeo shared with the Committee the health and safety measures being employed in SM malls to prevent the spread of COVID-19. Borromeo also said that SM did not collect rental payments from its tenants whose stores had to stop operating due to the ECQ. Other stores which were allowed to operate were given huge discounts on their rents.</p> <p>Rep. Gatchalian discussed the proposed PESA currently being deliberated on by the Economic Stimulus Response Package (ESRP) Cluster of the Defeat COVID-19 Ad Hoc Committee (DCC).</p> <p>The PESA, which is aimed at mitigating the effects of the ECQ and help stimulate the economy, seeks to allocate the following amounts for specific purposes: P30 billion for the loan programs for micro, small and medium enterprises (MSMEs); P50 billion interest-free loans for non-essential businesses (to be sourced from the Land Bank of the Philippines and the Development Bank of the Philippines); P10 billion assistance to MSMEs for innovation, upskilling, reskilling, and identification of new market trends; and P44 billion for assistance to the industry and services sectors.</p> <p>DTI Undersecretary Ceferino Rodolfo expressed support for the bill and promised to submit the Department's comments and recommendations on the proposed law.</p>
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