



COMMITTEE ON NATIONAL PATRIMONY AND ECONOMIC REFORMS

HIGHLIGHTS OF THE PROPOSED AMENDMENTS TO ARTICLES II, XII, XIV, AND XVI OF THE 1987 CONSTITUTION (As adopted in Plenary on 08 December 2005)

NATIONAL ECONOMY AND PATRIMONY

National Patrimony

- The State shall develop a self reliant productive and competitive economy that will best serve the interest of the Filipino people.
- The State may explore, develop, and utilize natural resources, or enter into co-production, joint venture, or production-sharing agreements with corporations fully owned (no longer 40%) by foreigners.
- Alienable lands of the public domain shall be limited to agricultural and reclaimed lands. Private corporations or associations, including corporations fully owned by foreigners, may hold such alienable lands of the public domain by lease; but only Filipino citizens may acquire alienable lands. Constitutional limits on the extent of leasable area shall be determined through legislation.
- The State shall protect the rights of indigenous peoples to their ancestral lands to ensure their economic, social, and cultural well-being.
- Land classified in accordance with law as industrial, commercial or residential may be transferred or conveyed to foreign individuals or corporations with foreign ownership. Congress shall define the conditions for ownership of allowable lands by foreign individuals and by corporations with foreign ownership. However, Congress should define the conditions and limitations (such as area) on such lands, if and when transferred to foreign individuals and corporations with substantial foreign ownership.

National Economy

- The goals of the national economy are a more equitable distribution of opportunities, income, and wealth, and expanding productivity as the key to raising the quality of life for all, especially the underprivileged.
- Congress may declare certain areas of enterprise as restricted to their foreign participation. Such declaration must have sound economic rationale, as provided by the economic and planning agency. The State shall regulate and exercise authority over foreign investments, monitoring and regulating the conduct of foreign investors more rigorously than that exercised over corporations with majority Filipino ownership.
- Citizenship restriction on franchises and thus ownership of public utilities is removed. Congress should enact legislation to provide that franchises granted to corporations with substantial foreign ownership are limited to public utilities of large scale.
- Educational institutions at the pre-school, elementary and high school levels, other than those already established by religious groups and mission boards, shall be owned solely by citizens of the Philippines or corporations or associations at least sixty per centum of which is owned by such citizens. The Congress may, however, require increased Filipino equity participation in all educational institutions.
- Congress may allow foreign ownership in advertising and in mass media, in recognition of globalization of information, and of capital needed to achieve international standards for operation of such media.

Transitory Provision

- Every provision liberalizing extent of foreign ownership of corporations in certain lines of business, and of industrial, commercial, and residential lands shall take effect three years after ratification of this Constitution or upon earlier passage of legislation implementing the provision.

COMM. VICENTE T. PATERNO
Committee Chair