

[MEMORANDUM ORDER NO. 228, October 05, 2006]

DIRECTING ALL DEPARTMENTS, BUREAUS, COMMISSIONS, AGENCIES, OFFICES AND INSTRUMENTALITIES OF THE NATIONAL GOVERNMENT TO IMPROVE TRANSACTION COSTS AND FLOWS IN ORDER TO ENHANCE PHILIPPINE COMPETITIVENESS

WHEREAS, it is the collective desire of the government and the business sector to move up in international competitiveness rankings in the immediate future;

WHEREAS, the holding of a National Competitiveness Summit immediately addresses the critical problems on a business efficiency, infrastructure, and governance, which are causing the decline in the country's international competitiveness;

WHEREAS, key government agencies, private business organizations and academic institutions drafted an initial Action Agenda for national Competitiveness, laying down the foundation for a unified national campaign to address six sources of competitiveness, namely; Infrastructure, Human Resources, Transaction Flows and Costs, Energy Cost Competitiveness and Self-Sufficiency, Efficiency Public-Private Management and Access to Financing;

WHEREAS, the delivery of immediate and concrete gains in all performance fronts on target and on time by the end of the year 2006 is imperative to jumpstart the national competitiveness;

WHEREAS, the biggest drag to business efficiency and costs is red tape and its resultant corruption;

WHEREAS, the global perception of difficulty in doing business in the Philippines will erode national competitiveness unless, drastic steps are taken to compel key frontline agencies to streamline procedure.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

1. All agencies shall:

- a. Freeze the issuance of additional administrative requirements, particularly with regard to business and investments registration, immigration, customs and internal revenue procedures.
- b. Conduct an impact analysis on existing procedures and implement streamlined processes as previously instructed in Executive Order 428, dated May 18, 2005.