

Joint Foreign Chambers of the Philippines Philippine Business Groups

American Chamber of Commerce of the Phils., Inc. ♦ Australian-New Zealand Chamber of Commerce (Phils.), Inc. ♦ Bankers Association of the Philippines ♦ Canadian Chamber of Commerce of the Phils., Inc. ♦ European Chamber of Commerce of the Phils., Inc. ♦ IT and Business Process Association of the Philippines ♦ Japanese Chamber of Commerce & Industry of the Phils., Inc. ♦ Korean Chamber of Commerce of the Phils., Inc. ♦ Makati Business Club ♦ Management Association of the Philippines, Inc. ♦ Philippine Association of Multinational Companies Regional Headquarters, Inc. ♦ Philippine Chamber of Commerce and Industry ♦ Semiconductors Electronics Industries in the Philippines, Inc.



February 22, 2018

HON. FRANCIS ESCUDERO

Chairperson, Committee on Education, Arts and Culture
Philippine Senate, Pasay City

Dear Senator Escudero:

We write in relation to bills declaring July 27 of every year as a special national non-working holiday (NWH) to commemorate the Founding Anniversary of Iglesia ni Cristo (Senate Bills 304, 404, 865, and House Bill 5686), Senate Bill and Committee Report No. 212 on Senate Bill 1270 declaring the last Monday of January as National Bible Day, and other bills proposing NWHs.

The undersigned Joint Foreign Chambers and Philippine business groups request the Senate to consider the negative consequences legislating any additional NWHs.

With the recent enactment of the law declaring December 8 of every year as a NWH to commemorate the Feast of the Immaculate Conception of Mary, the chambers and business groups are increasingly concerned that the high number of regular and special NWHs is damaging the competitiveness of the country.

When we appeared at the committee hearing on the proposed December 8 NWH in May 2017, we were assured that the Senate position was to oppose all proposals for new NWHs. Regrettably, last December the Senate reversed its position and approved another NWH.

While Committee Report No. 212 on Senate Bill 1270 declaring the last Monday of January as National Bible Day amended the bill from regular to special working holiday, the business community was concerned that the Senate plenary might disapprove the committee report and revert the legislation to a NWH.

We understand that the Senate on January 30 approved SB 1270 as a special working holiday instead of a regular or special NWH. We commend the actions of the Senate to pass legislation that recognized the faith of the majority of Filipinos without placing any financial burden on employers by adding another paid holiday.

One of the fastest-growing industries in the country, business process outsourcing estimates that every NWH costs Php 750 million in extra expenses for overtime. This in an industry where costs exceed India by 10-15%.



While we do not have data on the effect of paid holidays on other industries, we should recognize the severe impact that additional paid holidays will have on other large sectors of the economy including manufacturing, transportation and logistics, and tourism.

Further, day workers lose a day of pay on holidays when they have no work.

According to DOLE, the total number of NWHs celebrated in the Philippines for the last five years has been:

Regular, special, and local non-working holidays in the Philippines, 2013-2017

Total	Year	Regular	Special	Local
20	2017	12	7	1
22	2016	12	9	1
25	2015	12	12	1
21	2014	12	8	1
21	2013	12	8	1

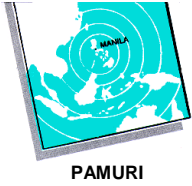
Source: DOLE study dated June 1, 2017 submitted to the Senate Committee on Education, Arts, and Culture

Below is the list of 20 NWHs for 2018, which includes the recently declared December 8 NWH for the Feast of the Immaculate Conception:

Date	Day	Holiday	Type of Holiday
January 1	Mon	New Year's Day	Regular
February 16	Fri	Chinese New Year	Special Non-Working
February 25	Sun	EDSA People Power Revolution Anniversary	Special Non-Working
March 29	Thu	Maundy Thursday	Regular
March 30	Fri	Good Friday	Regular
March 31	Sat	Black Saturday	Special Non-Working
April 9	Mon	Araw ng Kagitingan	Regular
May 1	Tue	Labor Day	Regular
June 12	Tue	Independence Day	Regular
August 21	Tue	Ninoy Aquino Day	Special Non-Working
August 28	Tue	National Heroes Day	Regular
November 1	Thu	All Saints Day	Special Non-Working
November 2	Fri	Additional Special Non-Working Day	Special Non-Working
November 30	Fri	Bonifacio Day	Regular
December 8	Sat	Feast of the Immaculate Conception	Special Non-Working
December 25	Tue	Christmas Day	Regular
December 30	Sun	Rizal Day	Regular
December 31	Mon	Last Day of the Year	Special Non-Working
TBA	TBA	Eidul Fitr	Special Non-Working
TBA	TBA	Eidul Adha	Special Non-Working

In addition, there are more than 100 local NWHs proclaimed each year. Since most companies must observe a local NWH, the total NWHs for most companies in 2018 will be 21.





By contrast, the numbers of NWHs in some selected countries in 2018 are:

Country	No. of Holidays
Australia	8
Cambodia	31
China	18
Germany	9
Hong Kong	17
India	3
Indonesia	26
Japan	20
Malaysia	14
Philippines	21
Singapore	11
South Korea	18
Taiwan	15
Thailand	17
United Kingdom	9
United States	13
Vietnam	12

Source: Fedex International Holiday Schedule



Within ASEAN, our main competitors for investment have fewer NWHs: Malaysia (14), Thailand (17), and Vietnam (12). Indonesia has more (26).

Currently, there are three bills in the Senate to legislate NWHs: (1) July 27 (Iglesia ni Cristo Founding Anniversary), (2) August 9 (Indigenous People's Day), and (3) December 25-January 1 (Special NWHs).

In the House of Representatives, there are eight bills pending to legislate many more NWHs: (1) 7 days (Feasts of the Lord), (2) Chinese New Year, (3) January 18 (Araw ng Kasambahay), (4) January 25 (fallen 44 PNP-SAF), (5) March 8 (National Women's Day), (6) July 17 (National Cardiopulmonary Resuscitation Day), (7) October 29 (Indigenous People's Day), and (8) December 25-January 1 (Special NWHs).

Instead of creating more NWHs through legislation, national competitiveness can be protected by making clear that both the Executive and Legislative branches will only support new working holidays and are opposed to new NWHs.

The economy is growing at sustained high and more inclusive levels, foreign direct investment has reached record levels, job creation is strong, and poverty is declining. At the same time, our competitors are not sleeping and work hard to improve the success of their companies and workforces. The Philippine economy should do the same to achieve *Ambisyon 2040*.



Sincerely yours,



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of the Philippines, Inc.




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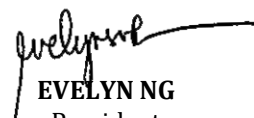
HO IK LEE
President
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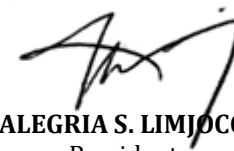
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Sen. Ralph Recto
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