

ADMINISTRATIVE ORDER NO. 372

**ADOPTION OF ECONOMY MEASURES
IN GOVERNMENT FOR FY 1998**

WHEREAS, the current economic difficulties brought about by the peso depreciation requires continued prudence in government fiscal management to maintain economic stability and sustain the country's growth momentum;

WHEREAS, it is imperative that all government agencies adopt cash management measures to match expenditures with available resources;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and direct:

SECTION 1. All government departments and agencies, including state universities and colleges, government-owned and controlled corporations and local governments units will identify and implement measures in FY 1998 that will reduce total expenditures for the year by at least 25% of authorized regular appropriations for non-personal services items, along the following suggested areas:

1. Continued implementation of the streamlining policy on organization and staffing by deferring action on the following:
 - a. Operationalization of new agencies;
 - b. Expansion of organizational units and/or creation of positions;
 - c. Filling of positions; and
 - d. Hiring of additional/new consultants, contractual and casual personnel, regardless of funding source.



2. Suspension of the following activities:

- a. Implementation of new capital/infrastructure projects, except those which have already been contracted out;
- b. Acquisition of new equipment and motor vehicles;
- c. All foreign travels of government personnel, except those associated with scholarships and trainings funded by grants;
- d. Attendance in conferences abroad where the cost is charged to the government except those clearly essential to Philippine commitments in the international field as may be determined by the Cabinet;
- e. Conduct of trainings / workshops / seminars, except those conducted by government training institutions and agencies in the performance of their regular functions and those that are funded by grants;
- f. Conduct of cultural and social celebrations and sports activities, except those associated with the Philippine Centennial celebration and those involving regular competitions / events;
- g. Grant of honoraria, except in cases where it constitutes the only source of compensation from government received by the person concerned;
- h. Publications, media advertisements and related items, except those required by law or those already being undertaken on a regular basis;
- i. Grant of new / additional benefits to employees, except those expressly and specifically authorized by law; and
- j. Donations, contributions, grants and gifts, except those given by institutions to victims of calamities.

3. Suspension of all tax expenditure subsidies to all GOCCs and LGUs

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4. Reduction in the volume of consumption of fuel, water, office supplies, electricity and other utilities
5. Deferment of projects that are encountering significant implementation problems
6. Suspension of all realignment of funds and the use of savings and reserves

SECTION 2. Agencies are given the flexibility to identify the specific sources of cost-savings, provided the 25% minimum savings under Section 1 is complied with.

SECTION 3. A report on the estimated savings generated from these measures shall be submitted to the Office of the President, through the Department of Budget and Management, on a quarterly basis using the attached format.

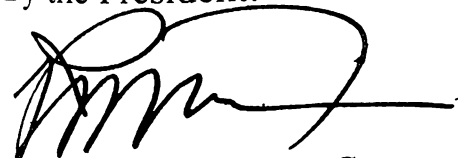
SECTION 4. Pending the assessment and evaluation by the Development Budget Coordinating Committee of the emerging fiscal situation, the amount equivalent to 10% of the internal revenue allotment to local government units shall be withheld.

SECTION 5. The Development Budget Coordination Committee shall conduct a monthly review of the fiscal position of the National Government and if necessary, shall recommend to the President the imposition of additional reserves or the lifting of previously imposed reserves.

SECTION 6. This Administrative Order shall take effect January 1, 1998 and shall remain valid for the entire year unless otherwise lifted.

DONE in the City of Manila, this 27th day of December, in the year of our Lord, nineteen hundred and ninety-seven.

By the President:



RUBEN D. TORRES
Executive Secretary



**Report on Savings Generated
For the Quarter Ending _____**

Department/Agency _____

Expenditure Item	Savings Generated

Prepared By:

Certified Correct:

Accountant

Agency Head