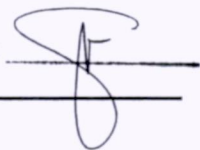


SENATE
P.S. RES. No. 139

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RECEIVED BY: 

Introduced by Senator WIN GATCHALIAN

A RESOLUTION DIRECTING THE SENATE COMMITTEE ON ENERGY TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE SHORT, MEDIUM, AND LONG-TERM PLANS OF THE DEPARTMENT OF ENERGY TO ACHIEVE ENERGY SECURITY TO MITIGATE THE ADVERSE REPERCUSSIONS OF SUPPLY SHOCKS ON PHILIPPINE OIL SUPPLY AND PRICES FOLLOWING THE 14 SEPTEMBER 2019 ATTACK ON THE SAUDI ARABIAN OIL COMPANY

1 WHEREAS, last 14 September 2019, an attack on the facilities of the Saudi
2 Arabian Oil Company (ARAMCO) eliminated about 5% of global oil supply¹ and
3 triggered a 12% increase in oil prices on 16 September 2019, which is reportedly the
4 biggest jump since the 1990-1991 Gulf crisis;²

5 WHEREAS, on 18 September 2019, Saudi Arabia's Energy Minister said that
6 Saudi Arabia will restore its lost oil production by the end of September.³ However,
7 there are increasing tensions in the Middle East and further escalation could affect
8 global oil supply and prices as the drone or missile found by Saudi Arabia appears to
9 be Iranian made⁴ and the United States is reported to have proof to believe the attacks
10 originated in southwestern Iran;⁵

11 WHEREAS, as of June of 2019, 99.9% of crude oil in the Philippines is imported,
12 with 74% coming from the Middle East, of which 33% is from the United Arab

¹ Bloomberg. "Saudis Face Lengthy Oil Halt With Few Options to Fill Gap" by Dipaola, A., Blas, J., and Lee, J. Bloomberg Markets. (17 September 2019)

² Reuters. "Saudi Aramco attacks: What we know so far" compiled by Blair, E., Bell, A. and edited by Heinrich, M. and Choy, M. Thompson Reuters. (16 September 2019 updated 18 September 2019)

³ Reuters. "Saudi Arabia to restore oil output fully by end of September: energy minister" by Gamal, RE., and Kalin, S. Thompson Reuters. (18 September 2019)

⁴ The New York Times. "To Find Clues in Saudi Oil Attacks, U.S. Examines Missile and Drone Parts" by Schmitt, E., Barnes, J.E., and Kirkpatrick, D.D. The New York Times, Middle East. (17 September 2019)

⁵ Reuters. "Saudi oil attacks came from southwest Iran, U.S. official says, raising tensions" by Stewart, P. and Hafezi, P. Thompson Reuters. (17 September 2019 updated 18 September 2019)

13 Emirates, 26% from Kuwait, 12% from Saudi Arabia, and 3% from Oman respectively.
14 The remaining comes from Russia at 15%, Southeast Asia at 9%, and Australia,
15 Taiwan, and South Korea at 2%;⁶

16 WHEREAS, as of October 2018, 68% of petroleum consumption in the
17 Philippines was for the transportation sector, 11% for commercial use, 5% for power
18 generation, 5% for manufacturing, and 11% for other industries including agriculture,
19 mining, and construction;⁷

20 WHEREAS, this attack on Saudi ARAMCO and the brewing conflict in the region
21 raises concerns on the availability of supply and its effect on oil prices in the Philippines
22 specifically in the transportation and power generation sectors;

23 WHEREAS, the Department of Energy (DOE) as the primary agency in charge
24 of planning and implementation of comprehensive programs for the supply of energy,⁸
25 needs to inform the Filipino public about the following: *First*, the effects of the Saudi
26 ARAMCO attack on oil supply and prices in the Philippines; *Second*, its short and
27 medium term plans and strategies to ensure continuous and sufficient supply and
28 reasonable prices amidst strains in the Middle East; and *Third*, its long-term plans and
29 strategies to achieve energy security in order to prevent vulnerability to supply shocks
30 and insulate consumers from unexpected shortages and sharp price increases;

31 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved, to direct the
32 Senate Committee on Energy to conduct an inquiry, in aid of legislation, on the short,
33 medium, and long-term plans of the DOE to achieve energy security to mitigate the
34 adverse repercussions of supply shocks on Philippine oil supply and prices following
35 the 14 September 2019 attack on the Saudi ARAMCO.

Adopted,



WIN GATCHALIAN

⁶ DOE data on FY2019 Philippine Crude Oil Imports with local source (2019)

⁷ Philippine Statistical Yearbook (2018)

⁸ Sec.5(a) of Republic Act No. 7638 or the "Department of Energy Act of 1992" (9 December 1992)