

[EXECUTIVE ORDER NO. 454, October 31, 1997]

**IMPLEMENTING AUSTERITY MEASURES IN GOVERNMENT FOR
1997**

WHEREAS, in the light of the current currency crisis, the government has reassessed its financial condition to ensure that its targeted fiscal position remains on track;

WHEREAS, the recent peso depreciation and associated rise in interest rates will increase government expenditures in terms of higher foreign-denominated costs and larger expenditures for debt servicing, among others;

WHEREAS, there is a need to maintain a prudent and firm fiscal posture to send positive signals about the government's genuine commitment to economic stability and sustainable growth and facilitate the reduction of the country's current account deficit and domestic interest rates;

WHEREAS, the Consultative Conference on Socio-Economic Development on 26 September 1997 has reaffirmed the need for government to identify cost-reduction measures to meet the fiscal targets for the year and augment resources for priority economic and social projects.

NOW, THEREFORE, I FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the power 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 government units shall implement austerity measures to reduce expenditures and enhance cost effectiveness and efficiency in government programs and projects. For this purpose, they shall identify and undertake measures that will reduce expenditures by at least five (5%) percent of authorized regular appropriations for non-personal services items.

SECTION 2. The measures may include the implementation of any or all of the following:

2.1 Continued implementation of the policy on personnel attrition;

2.2 Deferment of any of the following activities;

a. Acquisition of motor vehicles;

b. All foreign travels of government personnel, except those approved by the Office of the President and those associated with scholarships and trainings funded by sponsors other than the government;