

Joint Foreign Chambers of the Philippines



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CANADIAN



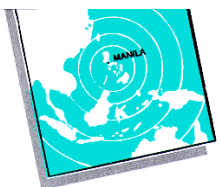
EUROPEAN



JAPANESE



KOREAN



PAMURI

American Chamber of Commerce of the Phils., Inc. ♦ Australian-New Zealand Chamber of Commerce (Phils.), Inc.
Canadian Chamber of Commerce of the Phils., Inc. ♦ European Chamber of Commerce of the Phils., Inc.
Japanese Chamber of Commerce & Industry of the Phils., Inc. ♦ Korean Chamber of Commerce of the Phils., Inc.
Philippine Association of Multinational Companies Regional Headquarters, Inc.

May 11, 2011

Mr. Gregory L. Domingo
Secretary
Department of Trade and Industry
4th Floor BOI Building
385 Sen. Gil J. Puyat Avenue
Makati City

Dear Secretary Domingo:

On March 30 the Joint Foreign Chambers hosted the Seven Big Winner Sectors Workshop at the Asian Institute Management Conference Center in Makati to revalidate 283 Seven Big Winner Sectors recommendations in the *Arangkada Philippines 2010* report. Sponsored by the Joint Foreign Chambers, *Arangkada Philippines 2010* presents a path for the Philippines to become a middle-income economy with robust investment levels, high levels of job creation, modern infrastructure, and rising government revenues to pay for enhanced social services.

At the Workshop expert moderators from the private and public sectors led Breakout Sessions with industry and government participants that prioritized near and medium term recommendations for Investment Climate reforms. We would like to share the status of the recommendations identified in the Breakout Session on **Creative Industries**.

High Priority Recommendations. The Breakout Session affirmed the following *Arangkada Philippines* reform recommendations to be of the highest priority:

- 1) The private sector should organize a Creative Industries Initiative (Creative Economies Council of the Philippines or CECP).
- 2) Pass legislation to establish the Creative Industries Development Council. Ideally, the private sector will drive the council.
- 3) Create a Philippine Creative Industries Master Plan:
 - protect Philippine intellectual property (IP). Expand IP protection to include digital works;
 - re-create a Design Center of the Philippines. Expand programs of the Design Center of the Philippines to include incubation centers, a showcase center/museum, etc. and funding such programs;
 - revive the Center for International Trade Expositions and Missions' plans for a Creative Industries Trade Conference to showcase the best Filipino products, services and talents to the world market;
 - expand university and technical course programs for serving creative industries;
 - seek government intervention to keep business costs at a globally competitive level;

- conduct foreign market studies to determine where the local Filipino input in design and/or materials has unique competitive value;
- actively facilitate creative industries by showcasing Philippine talent abroad and releasing budgeted funds for participation in foreign trade shows and sub-sector specific congresses;
- expand the Philippine design talent pool by incentivizing Philippine creative professionals working abroad to practice in the Philippines (similar to the Balik Scientist program);
- expand the small domestic market by encouraging Philippine creative industry practitioners to sell to the Philippine market what they create abroad;
- design a program to bring overseas Filipino creative professionals back home by providing incentives for them to invest and establish their own companies in the Philippines;
- for government to improve access to capital;
- partner with larger foreign companies abroad with distribution networks for Filipino designs, and creative products and services; and
- re-brand the country's creative products and coherently market them abroad as distinctively Filipino.

Completed Recommendations. The Breakout Session singled out as a completed *Arangkada* reform recommendation:

- 1) Organize a Creative Industries Initiative through the CECP.

Ongoing Recommendations. The Breakout Session identified the following as ongoing *Arangkada Philippines* reform recommendations:

- 1) Do more to expand IP protection to include digital works.
- 2) Recreate the Design Center of the Philippines – expanding the scope of the programs under the Design Center to include incubation centers and a showcase center/museum (requires increased funding for programs and increased inputs from private sector such as CECP).
- 3) Improve design curriculum and training facilities – Commission on Higher Education and Technical Education and Skills Development Authority expanding course programs for serving creative industries with the launch of courses on animation and game development. Be open to foreign ideas and travel to understand markets abroad.
- 4) Seek government intervention to keep the cost of doing business at a globally competitive level.
- 5) Conduct foreign market research.
- 6) Creation of Medium Term Development Plan to guide government agencies in the formulation of action plans and incentives to benefit creative industries.

Not Under Way Recommendations. The Breakout Session identified the following *Arangkada Philippines* reform recommendations as not under way:

- 1) Showcase Philippine talent and release budgeted funds.¹
- 2) Expand the Philippine design talent pool – no government agency is taking a lead role.
- 3) Encourage foreign professionals to practice and invest in creative industries in the Philippines and incentivize returnees to practice in the Philippines.
- 4) Expand the domestic market for Philippine made creative products and services.
- 5) Government should improve access to capital, particularly access to small and medium enterprises financing.
- 6) Partner with large foreign companies abroad with distribution networks for Filipino designs and creative products (needs government intervention in terms of initial support).
- 7) Branding the country as a source of creative products and services.

The Workshop affirmed that a strong start has been made on the reforms needed to accelerate investment and job creation. A number of recommended reforms have been implemented and a considerable number are under way. Results of the improved Investment Climate should begin manifesting themselves in 2011, and even more in 2012.

But major challenges remain - including unanticipated ones – and the implementation of other important reform recommendations is not yet under way. Be assured that we remain committed to a partnership with the Aquino Administration to achieve the goal of an accelerating economy for the benefit of the Filipino people.

We look forward to the opportunity to discuss these issues with you in the months ahead.

Best Regards,



AUSTEN CHAMBERLAIN
President

American Chamber of Commerce
of the Philippines, Inc.



JOHN CASEY
President

Australian-New Zealand Chamber
of Commerce of the Philippines, Inc.

¹ DTI has placed initiatives of this type for creative services on hold.



JULIAN PAYNE

President

Canadian Chamber of Commerce
of the Philippines, Inc.



HUBERT D'ABOVILLE

President

European Chamber of Commerce
of the Philippines, Inc.



N OBUYA ICHIKI

President

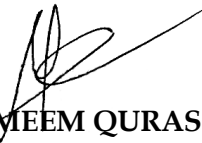
Japanese Chamber of Commerce
& Industry of the Philippines, Inc.



EUN GAP CHANG

President

Korean Chamber of Commerce
of the Philippines, Inc.



SHAMEEM QURASHI

President

Philippine Association of Multinational Companies
Regional Headquarters, Inc.

Cc:

Executive Secretary Paquito N. Ochoa, Jr., Office of the President

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