

Joint Foreign Chambers of the Philippines

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.



AMERICAN

June 10, 2011

Mr. Rogelio L. Singson
Secretary
Department of Public Works and Highways
Room 202, DPWH Building
Bonifacio Drive, Port Area
Manila



AUSTRALIAN-NEW ZEALAND

Mr. Ramon B. Alikpala
Chairman
Metropolitan Waterworks
and Sewerage System
3rd Floor, Engineering Building
MWSS Complex, Katipunan Road
Balara, Quezon City



CANADIAN

Dear Secretary Singson and Chairman Alikpala:

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.



EUROPEAN

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 **Infrastructure (Water)**.



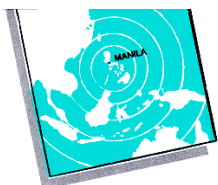
JAPANESE

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



KOREAN

- 1) Draft an Omnibus Water Sector Reform Act that addresses:
 - establishment of an independent water regulator. A Department of Water (similar to the DOE) should be created to develop the country's water system;
 - legislate a Water Reform Act that will establish the institutional and legal framework to guide cooperation by on private and government entities in developing water sources throughout the country as well as a separate government agency for water regulation; and
 - the Water Reform Act should lead to a master plan and integrated water policy on how to develop each water source, the capacity each source creates taking into account future demand supported by technical feasibility studies, as well as policies to attract large investors and lenders.



PAMURI

- 2) Establish clear policy, regulatory and institutional frameworks for increased private sector participation in the supply and delivery of water services:
 - allow the market to determine the wholesale price of water; and
 - the GPH should revisit its policy disallowing “take-or-pay” or sovereign guarantees, in the light of what makes sound economic sense.

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

- 1) Work on plans for other alternatives for water supply for Metro Manila – such as the water supply projects of Sierra Madre and Wawa, which can be completed at reasonable cost.
- 2) Implement measures to reduce silt and garbage in waterways and prevent flooding, including better drainage, sewage, dikes, spillways, and planting trees.
- 3) The executive branch should continue its current policy of strengthening the NWRB until new independent regulator is established.

Low Priority Recommendations. The Breakout Session singled out as a low priority *Arangkada Philippines* reform recommendation:

- 1) Encourage private sector investment through privatization of irrigation.

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.

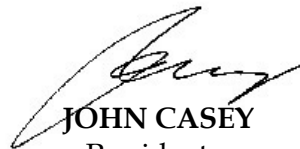
We look forward to another opportunity to discuss these issues with you in the months ahead.

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.



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

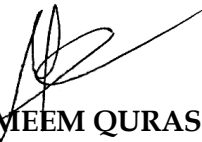
Japanese Chamber of Commerce
& Industry of the Philippines, Inc.



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

Secretary Gregory L. Domingo, DTI

Director General Cayetano W. Paderanga, Jr., NEDA

Executive Director Vicente S. Paragas, NWRB