



ARANGKADA PHILIPPINES FORUM: MOVING TWICE AS FAST

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GRAND BALLROOM, MARRIOTT HOTEL
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Welcoming Remarks

By

Mr. John Casey

President, Australian-New Zealand Chamber of Commerce of the Philippines

Your excellencies, guests from the Government of the Republic of the Philippines, representatives of our partner business associations, representatives from embassies, development partners, and academia, fellow members of the Foreign Chambers of Commerce, our website viewers in the Philippines and abroad, ladies and gentlemen, good morning.

My name is John Casey and I am President of the Australia New Zealand Chamber of Commerce. Today is an auspicious day, not just for *Arangkada*, but for Australia. For those who may not know, today is Australia's national day. This day also commemorates the arrival of the first fleet to Sydney Harbour in 1788 and the Proclamation of British Sovereignty over that small piece of land.

In the short life of *Arangkada Philippines* today represents a further milestone – its first anniversary. And it is my privilege to welcome you to this important forum and assessment of *Arangkada*. I'm certain it will be very productive.

It will be two years this coming April when the Joint Foreign Chambers presented the results of the work of 9 focus groups in which nearly 300 Philippine and foreign investors participated, the output of which included hundreds of recommendations all aimed at generating sustained rapid employment and GDP growth through investment in the 7 Big Winner Industry sectors. The resulting publication "*Arangkada Philippines*," reflects the collective view that a much higher growth rate, which is sustained and inclusive, is the economic solution to alleviate poverty, to propel forward the Philippines, and to improve its competitive position in the global economy. Indeed, the National Competitiveness Council aims for the Philippines to be in the top 1/3 in selected key indicators, including corruption perception, all aimed at sustaining directional change. We note the recent significant jump in the Philippines' ranking in a number of financial, development, and corruption perception indices, and we encourage strong continuing efforts for the Philippines to achieve a top 1/3 position.

All of us recognize the overriding importance of permanently reducing corruption and applaud the government's efforts. The Joint Foreign Chambers fully supports the government's programs. As you may know, in partnership with other Philippines business groups, the JFC has launched

the Integrity Initiative, which now has signed up 1,000 businesses and organizations, including many who are with us today.

The Joint Foreign Chambers see the Philippines as a high potential country, and the country now has a major opportunity to grow rapidly through increased domestic and foreign direct investment. 2012 looks to be a higher growth year with estimates as high as 6% projected from the additional effects of the now fast track rollout of government spending programs, PPPs, and private investment.

But, let me emphasize that we must pick up the pace of foreign direct investment to sustain the historically high economic growth in 2010. The Philippines has never achieved the levels of foreign direct investment that Indonesia, Malaysia, Singapore, and Vietnam have achieved. In 2011 Indonesia had a 20% increase in FDI approvals to \$19.3 billion, while the Philippines remained below \$4 billion in approvals and \$1 billion in actual inflow. While we can acknowledge this figure does not include some of the continuing reinvestment from existing corporations invested here, FDI remains disappointing, and we run the risk of some lesser developed ASEAN countries receiving higher levels of FDI, than the Philippines.

We are hopeful that the high level of Board of Investments approvals last year and the record inflow of \$1 billion in foreign funds into the Philippine Stock Exchange in the last two months is indicative of increasing levels of FDI in 2012 and in the coming years. The Asian Century is well underway, and the Philippines must elevate its position to benefit from the foreign investment opportunities in the 7 Big Winners industry sectors at a time when the impacts of multiple free trade agreements start to be felt across participating economies. As we progress through this morning's program, I would ask we keep one basic question in mind: are we in fact focusing on and progressing all of the 7 big industry sectors or a lesser number?

Today's fast paced program is self-explanatory and you have a copy of the agenda. Biographies of our speakers, moderators, and panelists are also in your folders. After an early lunch, beginning at 11:30 we will be honored by an address from his Excellency President Benigno S. Aquino III.

Mr. John Forbes, principal author of *Arangkada Philippines*, will shortly outline the purpose of the forum and provide an assessment of where we are relative to *Arangkada's* recommendations.

I would now like to introduce our first two speakers: Ms. Gloria Steele is the Philippine Mission Director of the US Agency for International Development, and she will present a message on "mapping new directions for inclusive growth." we owe a special thank you to USAID for supporting the *Arangkada* project including our forum today.

Ms. Steele will be followed by Gregory L. Domingo, Secretary of the Department of Trade and Industry, and upon whose shoulders rides the awesome responsibility to generate high levels of growth in trade and investment. He will provide his opening remarks entitled: "The Role of Foreign Investment in Philippine Economic Growth."