



Office of the President of the Philippines  
**PRESIDENTIAL MANAGEMENT STAFF**  
Malacañang

27 April 2012

**Mr. RHICKE S. JENNINGS**

President, American Chamber of Commerce  
On behalf of the Joint Foreign Chambers of the Philippines  
2/F Corinthian Plaza Building  
121 Paseo de Roxas 1229  
Makati City

Dear Sir:

Thank you for your letter dated 10 April 2012, transmitting a copy of the Arangkada 1st Anniversary Assessment. In his speech during the Arangkada forum in January 2012, the President announced that the government shall focus on three sectors that have high economic linkages and job generation potential, namely: agriculture, infrastructure, and tourism. In this regard, we would like to provide you with the attached list of major initiatives that the administration has taken to promote the said sectors.

We encourage the Joint Foreign Chambers of the Philippines to continue its coordination with our Economic Managers in moving forward the Arangkada Philippines' priority agenda.

Rest assured that the administration, particularly through the Economic Development Cluster (EDC), shall continue to work to improve the investment climate and push for the Arangkada objectives in line with the administration's development thrusts.

Thank you.

Respectfully,

For the Secretary:



**Atty. HERMINIO C. BAGRO III**  
Chief of Staff  
\*184205

cc: Mr. John Forbes  
2/F Corinthian Plaza Building  
121 Paseo de Roxas 1229, Makati City

## MAJOR GOVERNMENT INITIATIVES TO PROMOTE INCLUSIVE GROWTH

A. Improving Agricultural Productivity. The government allocated P53.3 billion for 2012 to enhance agricultural productivity and attain rice self-sufficiency by 2013. The government accomplished the following in 2011:

- Irrigated 20,929 hectares (ha), restored 28,317 ha, and rehabilitated 131,031 ha of land;
- Distributed 270,230 packs of starter seeds to farmers; and
- Constructed 747.75 kilometers of farm-to-market roads (FMRs), benefiting 229,474 households.

The government, through the Department of Agriculture, targets to accomplish the following in 2012:

- Irrigate 81,170 ha, rehabilitate 88,580 ha, and restore 53,870 ha of land;
- Construct and rehabilitate 1,882 kilometers of FMRs; and
- Construct state-of-the-art trading centers in the country to connect farmers and fisherfolks directly to the consumers to address unfavorable prices for small farmers and fisherfolks and high prices of agricultural and fishery products, among others.

B. Boosting Infrastructure Development. In 2011, the government has successfully bid out its first Public-Private Partnership (PPP) project, the P1.96-billion Daang Hari-South Luzon Expressway (SLEX) Link Road Project. The 18 months it took to launch the Daang Hari-SLEX Project was the fastest time it took for a new government to launch a PPP project (excluding the power PPPs during the Ramos Administration, which were bid out in one year using special powers granted to the executive). The government aims to roll out eight (8) other PPP projects in 2012.

The government also acted early in implementing its infrastructure programs through the early release of 67.8% or P139.5 billion (as of 23 March 2012) of its P205.8 billion total infrastructure budget for fiscal year 2012. Moreover, from January to 15 March 2012, the Department of Public Works and Highways (DPWH) has already bid-out 89% or 1,899 out of its 2,128 projects for 2012. The DPWH has also issued Notices to Proceed (NTPs) to around 91% or 1,730 projects of the 1,899 projects that were bid-out.

C. Promoting Tourism. Tourist arrivals reached 3.92 million in 2011, 11% higher than the 3.52 million posted in 2010 and 5% larger than the 2011 target of 3.74 million. Tourist arrivals also increased by 17.5% from 349,713 in January 2011 to 411,064 in January 2012. This is also the first time that the country has breached the 400,000 tourist arrival mark in a single month. The government targets 10 million tourist arrivals by 2016.

The government has launched the “It’s more fun in the Philippines” campaign to highlight the competitive advantages of the country as an attractive destination for tourism, trade, and investment. The campaign trended strongly on social media sites immediately after its introduction.

Other government initiatives to promote tourism in the country include pursuit of a liberalized air policy through the Open Skies Policy; provision of competitive investment incentives to tourism enterprises; and provision of infrastructure support, such as roads, ports, and airports, to improve market access and connectivity to tourism destinations.