



FINANCIAL EXECUTIVES INSTITUTE OF THE PHILIPPINES



Philippine Chamber of Commerce and Industry



SEIPI



Management Association of the Philippines



PHILEXPORT

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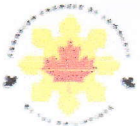
His Excellency Benigno S. Aquino III
President of the Republic of the Philippines
Manila, Philippines



AUSTRALIAN NEW ZEALAND

Your Excellency:

The Philippine Business Groups, including the Joint Foreign Chambers, held a series of dialogues to put together a list of key issues and proposed measures which we strongly believe your Administration should focus on for the remainder of your term. We believe that these issues will generate the greatest impact in achieving our shared vision of inclusive growth through job generation, poverty reduction, and global competitiveness.



CANADIAN

Since 2010, the Philippines has seen a resurgence in confidence, both in the economic side and in terms of governance, led by your administration's reforms towards a more transparent, fair and inclusive nation. The impressive economic growth rates, achievement of investment grade ratings, improving national competitiveness, and a palpable optimism and vigilance against corruption within the people are testaments to your leadership and the management of your Cabinet.



EUROPEAN

In the near term, the upcoming ASEAN Economic Community (AEC) and the Philippines' hosting of the APEC Summit, both occurring in 2015, present a golden opportunity to further institutionalize the initial efforts leading to inclusive growth.



JAPAN

As a crucial and necessary step, and given its current poor condition, strategic **transportation infrastructure projects must be accelerated and implemented at the soonest time.** These include projects that are in the Public-Private Partnership pipeline and other strategic transport projects. Three of these are developing the country's main international gateway, de-clogging the Port of Manila, and connecting NLEX and SLEX.



KOREAN

Enacting an effective anti-trust law and competition policy will create a level playing field that will encourage more productive investments, especially in light of impending ASEAN integration in 2015. There are several laws and issuances which do not address the complexities of the current market conditions, and as well result in overlapping jurisdictions and conflicts. Thus, we see the need for a single comprehensive law.



FAMURI

Smuggling continues to derail your efforts on revenue collection and job generation. It is estimated that the government is losing over P100 billion annually from these illegal activities—funds which could have been used for social programs and infrastructure. It is imperative to **overhaul the Bureau of Customs and to create an oversight body with private sector**

representation. In addition, the Philippines needs **to pass the necessary law to fulfill our commitment to the International Convention on the Simplification and Harmonization of Customs Procedures,** or the Revised Kyoto Convention.

We also strongly urge the **rationalization of existing incentive-giving laws** to further spur investments in crucial and strategic sectors especially those that will help generate jobs and enhance global competitiveness. In this light, we recommend that the grant of incentives be subjected to periodic reviews and time-bound to determine its applicability based on current conditions. On the administrative side, we suggest that the **government simplify procedures, delineate functions and responsibilities, and establish a system for coordination, reporting and monitoring for investment agencies.**

In the first quarter of 2013, the mining and quarrying subsector contracted by 17%. The Philippines remains globally competitive in terms of its geology but failed to take advantage of this due to inconsistency in policies and implementation. We support **retaining the existing Philippine Mining Act, complemented by the implementation of an internationally competitive fiscal regime** to provide a stable regulatory environment that will increase investor confidence. Furthermore, we encourage **ensuring conformity of local ordinances to national policies, as well as respect for vested rights under existing agreements.**

Power continues to be a primary concern for investors. It is thus imperative that **additional power capacity is committed within your term in all three main regions of the country, measures to bring down the cost of power are implemented swiftly, and that a favorable investment climate be provided** to potential energy investors.

We strongly urge your administration **to consider amending the economic provisions in the 1987 Constitution,** which restrict greater private sector participation. Pending such Constitutional amendments we suggest an initial and immediate course of action: **to revise the Foreign Investment Negative List by reducing the list of industries where foreign participation is limited.**

As a final point, we encourage the Executive to work closely with the Judicial and Legislative branches to institute **reforms that would address issues of competence and efficiency in the justice system.** Specifically, we support internal programs that provide training and capacity building, as well as proper compensation to public employees in the judicial system. Further, we express our concern about the seemingly arbitrary issuances and interpretations, the slow disposition of cases, and the negative impact of these to business perception.

Specific recommendations developed by this joint effort are attached for your consideration. In addition, the proposed priorities of each business organization involved are included as well.

Through these measures, the business community is of firm conviction that the Philippines will continue to be among Asia's fast rising economies, while ensuring that such economic and governance gains benefit the majority of our people that are in need the most.

Thank you very much for this opportunity to bring this matter to you, Mr. President, and we indeed look forward to working with your administration towards this common goal.

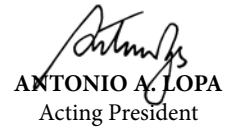
Yours sincerely,



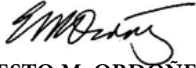
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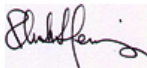
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