



# AMCHAM PHILIPPINES

The American Chamber of Commerce of the Philippines, Inc.

August 31, 2014

[PRESS RELEASE]

## STATEMENT ON THE RESULTS OF ASEAN BUSINESS OUTLOOK SURVEY 2015

The US Chamber of Commerce and the 10 American Chambers across ASEAN region have recently released in its annual publications of “ASEAN Business Outlook Survey,” a key document that assesses business opportunities in the region and gauges perceptions of future expansions of American investments.

AMCHAM Philippines takes exception on its report about the Philippines having increased across 9 out of 16 business factors over the last five years, led by 23% satisfaction with the stability of government and political system. Although, it sharply decreased from last year’s 62% to 43%, which explains the recent issues among the executive, legislative, and judicial branches of government.

Member firms of AMCHAM Philippines see high importance to ASEAN markets and that 71% believes that it will continue to be important for years. Majority of our members indicate increased level of trade in ASEAN region over the past 2 years and almost 90% expect to continue increasing over the next 5 years. Hence, we believe that ASEAN integration will bring vibrant business activities and unique opportunities for Filipinos, as the Philippines has the availability of trained personnel as its strength.

As we are nearing ASEAN 2015, we are alarmed with some major concerns the report has pointed out for the Philippines. Low labor cost indicator declined from 74% to 69% which means the country tends to be costly in 2014. Increases in non-working holidays from 16 (2013) to 19 (2014) partly explains this outcome, and we are wary of the 20 declared non-working holidays for 2015 excluding numerous proposals for additional non-working holidays in Congress.

Infrastructure is more challenging as dissatisfaction rates increased 13% from 54% to 67%. This is the immediate outcome of the Supreme Court ruling on the unconstitutionality of the Disbursement Acceleration Program, wherein the Executive branch has to hold in abeyance infrastructure projects in the pipeline.

Ease of moving products through customs deteriorated with a dissatisfaction rate of 55% from 44%. The truck ban issue negatively affected the movement of goods and disrupted national economic performance. We hope that the Executive department pays close attention to this unfortunate scenario.

We also took note of the improvements the country has performed in the survey. There is a decrease in dissatisfaction perception on corruption (59%-57%) that resulted from the government's continuous drive for transparency and intensive combat of corruption cases and anomalies in the bureaucracy. The Philippines is an active player in the Partnership for Good Governance and we hope that our government officials seriously consider among its ranks to sign the Integrity Pledge initiated by the business community.

Overall, AMCHAM member companies expect to increase its workforce in 2014. Almost 100% of its expatriates are generally satisfied with their assignments to the Philippines and 82% of which attempted to extend their time in the country. This shows that American business executives remain positive and are willing to invest and expand investments if major concerns are adequately addressed with urgency.

The complete copy of the ASEAN Business Outlook Survey 2015 is attached to this press statement. For inquiries, you may reach Ebb Hinchliffe, AMCHAM Philippines Executive Director at [execdir@amchamphilippines.com](mailto:execdir@amchamphilippines.com).

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