Joint Foreign Chambers of the Philippines



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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.

January 27, 2015

Hon. Florentino C. Doble Chairman Professional Regulatory Commission Paredes St. cor. Morayta St. Sampaloc, Manila

Dear Chairman Doble:

We extend our heartfelt congratulations on your appointment as Chairman of the Professional Regulatory Commission and hope to meet with you at an early opportunity.

On December 13, 2010 the Joint Foreign Chambers released Arangkada Philippines 2010: A Business Perspective. *Arangkada* is a vibrant policy reform advocacy tool to support the public and private sectors of the Philippines to implement a broad range of policy recommendations to stimulate transformational investment and inclusive growth.

The advocacy campaign is based on implementation of 471 recommendations in Arangkada, continuing research into constraints to more rapid growth of leading sectors of the economy identified as having the highest potential, and remediating any actions by government entities that weaken the investment climate. Part of the Arangkada recommendations is the removal of various restrictions on professionals and foreign equity participation in the Philippine economy. In particular, we seek the removal of the practice of professions from the Foreign Investment Negative List.

We are also working towards the amendment of laws regulating the practice of professions that remain restricted to Philippine nationals (i.e. Criminology, Forestry, Pharmacy and Radio and X-ray Technology). The inclusion of a reciprocity provision in the amendatory laws of the remaining four professions will in effect make the restriction in the Constitution a dead letter (except for the practice of law) and support the easier movement of Filipino professionals within the ASEAN Economic Community under the various Mutual Recognition Agreements being negotiated among member states.

Eventually the Philippine Government may consider whether the need of the country for foreign professionals exceeds the importance of the principle of reciprocity. Without question, the Philippines is experiencing a brain drain of its professionals and faces shortages in some important skills specialties. This trend may accelerate as the population grows to its predicted peak of 140 million in a few decades and strong economic growth requires more and more professionals. The reciprocity provision is difficult to administer, and the PRC reports very few foreign professionals have applied to practice in the country. Other countries in the region,

such as Malaysia and Singapore, have enriched their economies by welcoming foreign professionals. Perhaps having no reciprocity provision or including a waiver provision in the law should be considered sooner than later.

In a meeting with the Department of Labor and Employment in September 2014, a senior PRC representative stated that an omnibus bill removing reciprocity provisions is being prepared. We would request to be updated on this development.

Thank you and we look forward to continued partnership with you in the future and the opportunity to meet with you.

Sincerely,

RHICKE JENNINGS

President

American Chamber of Commerce of the Philippines Inc.

IAN PORTER

President

Australian-New Zealand Chamber of Commerce of the Philippines Inc.

JULIAN PAYNE

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