ARANGKADA PHILIPPINES

A Project of the Joint Foreign Chambers of the Philippines

REFORM IN MOTION

15 YEARS OF *ARANGKADA* AND THE ROAD AHEAD

Updating the recommendations of the ***Arangkada Philippines 2010: A Business Perspective***

This document is an update of the 2010 Arangkada Philippines: A Business Perspective.

SCAN QR TO READ

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ABOUT THIS PUBLICATION

This publication is independently produced by the ***Arangkada* Philippines Project**, with support from the **Joint Foreign Chambers of Commerce of the Philippines (JFC)** composed of the **American, Canadian, European, Japanese, and Korean chambers of commerce** and the **Philippine Association for Multinationals and Regional Headquarters Inc.**, in partnership with the **Center for International Private Enterprise (CIPE).**

The views and findings presented herein are based on a series of roundtable discussions held between May and July 2025, as well as independent research conducted by the authors and identified industry experts. These views do not necessarily reflect those of the individual chambers of the JFC or of CIPE.

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Abbreviations

ADB - Asian Development Bank
AmCham - American Chamber of Commerce of the Philippines
APEC Asia-Pacific Economic Cooperation
ARTA - Anti-Red Tape Authority
ASEAN - Association of Southeast Asian Nations
BIR - Bureau of Internal Revenue
BOC - Bureau of Customs
BOI - Board of Investments
BPO - Business Process Outsourcing
BSP - Bangko Sentral ng Pilipinas
CAAP - Civil Aviation Authority of the Philippines
CanCham - Canadian Chamber of Commerce of the Philippines
CECP - Creative Economy Council of the Philippines
CHED - Commission on Higher Education
CIPE - Center for International Private Enterprise
CITEM - Center for International Trade Expositions and Missions
COA - Commission on Audit
CPI - Consumer Price Index
DA - Department of Agriculture
DAR - Department of Agrarian Reform
DBM - Department of Budget and Management
DENR - Department of Environment and Natural Resources
DICT - Department of Information and Communications Technology
DILG - Department of the Interior and Local Government
DOJ - Department of Justice
DOF - Department of Finance
DOH - Department of Health
DOLE - Department of Labor and Employment
DOST - Department of Science and Technology
DOT - Department of Tourism
DPWH - Department of Public Works and Highways
DTI - Department of Trade and Industry
ECCP - European Chamber of Commerce of the Philippines
EIA - Environmental Impact Assessment
EO - Executive Order
EODB - Ease of Doing Business
EMB - Environmental Management Bureau
ERC - Energy Regulatory Commission
FDA - Food and Drug Administration
FDI - Foreign Direct Investment
GCG - Governance Commission for GOCCs
GDP - Gross Domestic Product
GFI - Government Financial Institution
GII - Global Innovation Index
GNI - Gross National Income
GOCC - Government-Owned and Controlled Corporation
GVA - Gross Value Added
IATF - Inter-Agency Task Force
IBPAP - IT and Business Process Association of the Philippines
ICT - Information and Communications Technology
IMF - International Monetary Fund
IMD - International Institute for Management Development
IP - Intellectual Property
IPOPHL - Intellectual Property Office of the Philippines
IPR - Intellectual Property Rights
IPP - Independent Power Producer
IPR - Intellectual Property Rights
IPP - Independent Power Producer
IRR - Implementing Rules and Regulations
IT-BPM - Information Technology and Business Process Management
JCCIPI - Japanese Chambers of Commerce and Industry of the Philippines, Inc.
JFC - Joint Foreign Chambers
JMC - Joint Memorandum Circular
KCCP - Korean Chamber of Commerce Philippines
LTO - Land Transportation Office
MAP - Management Association of the Philippines
MARINA - Maritime Industry Authority
MAV - Minimum Access Volume
MBC - Makati Business Club
MC - Memorandum Circular
MEPZ - Mactan Economic Processing Zone
MICE - Meetings, Incentives, Conferences, Exhibitions
MMDA - Metropolitan Manila Development Authority
MNC - Multinational Corporation
MRO - Maintenance, Repair, and Overhaul
MSME - Micro, Small, and Medium Enterprises
NCC - National Competitiveness Council
NEDA - National Economic and Development Authority
NIP - National Infrastructure Program
NIPAS - National Integrated Protected Areas System
NTC - National Telecommunications Commission
NTP - National Tourism Policy
NWPC - National Wages and Productivity Commission
ODA - Official Development Assistance
OTOP - One Town, One Product
PAMURI - Philippine Association of Multinational Regional Headquarters Inc.
PAMB - Protected Area Management Board
PBB - Performance-Based Bonus
PCCI - Philippine Chamber of Commerce and Industry
PDEA - Philippine Drug Enforcement Agency
PEZA - Philippine Economic Zone Authority
PhilHealth - Philippine Health Insurance Corporation
PIDS - Philippine Institute for Development Studies
PISA - Programme for International Student Assessment
PNP - Philippine National Police
PPA - Philippine Ports Authority
PRA - Philippine Retirement Authority
PRC - Professional Regulation Commission
PSA - Philippine Statistics Authority
PSAAC - Philippine Skills and Accreditation Council
PSAC - Private Sector Advisory Council
PPP - Public-Private Partnership
R&D - Research and Development
RCEP - Regional Comprehensive Economic Partnership
RORO - Roll-On/Roll-Off
SEIPI - Semiconductor and Electronics Industries in the Philippines Foundation, Inc.
SEC - Securities and Exchange Commission
SEZ - Special Economic Zone
SIPP - Strategic Investment Priority Plan
SONA - State of the Nation Address
SRA - Sugar Regulatory Administration
SSS - Social Security System
TDGVA - Tourism Direct Gross Value-Added
TESDA - Technical Education and Skills Development Authority
TBI - Technology Business Incubator
TIEZA - Tourism Infrastructure and Enterprise Zone Authority
TRB - Toll Regulatory Board
TTDI - Travel and Tourism Development Index
TWG - Technical Working Group
UHC - Universal Health Care
UNDP - United Nations Development Programme
UNESCAP - United Nations Economic and Social Commission for Asia and the Pacific
USAID - United States Agency for International Development
VASP - Value-Added Service Provider
WB - World Bank
WGI - Worldwide Governance Indicators
WTO - World Trade Organization

Preface

Fifteen years ago, the Joint Foreign Chambers of the Philippines (JFC) launched *Arangkada Philippines 2010: A Business Perspective*, a roadmap of over 400 reforms to accelerate inclusive growth. Since then, the Philippines has made important progress—in liberalization, infrastructure, fiscal reform, and digital transformation—but gaps remain, and regional peers continue to move faster.

Reform in Motion: 15 Years of Arangkada updates this agenda for 2025 and beyond. It reviews the original recommendations, assesses outcomes, and sets new priorities for the "Seven Big Winner Sectors"—Agribusiness, Creative Industries, IT-BPM, Infrastructure, Manufacturing, Mining, and Tourism—together with cross-cutting issues of competitiveness and legislation. The analysis draws from roundtables with government, business, and civil society, reflecting our belief that progress is strongest when reforms are shaped through dialogue.

This is a living document, which the JFC will update annually. By tracking results and refining recommendations, we aim to keep the reform agenda practical, timely, and forward-looking.

Our message is clear: reforms matter, and the Philippines must act decisively to compete and to seize its opportunities. This publication is not just a report—it is an advocacy tool, a partnership offer, and a call to action.

We remain committed to supporting the Philippines in achieving a more competitive, inclusive, and resilient economy.

American Chamber of Commerce of the Philippines
Canadian Chamber of Commerce of the Philippines
European Chamber of Commerce of the Philippines
Japanese Chamber of Commerce and Industry of the Philippines, Inc.
Korean Chamber of Commerce Philippines
Philippine Association of Multinationals and Regional Headquarters, Inc.

"Arangkada is a Tagalog word which means 'to accelerate.' It was launched by the Joint Foreign Chambers in December of 2010.

It extends beyond administrations, and maybe we'll be sufficiently committed to stay with it all the way to the realization of AmBisyon Natin 2040.

When we launched it, we said it means 'move twice as fast,' to move GDP growth twice as fast, FDI levels twice as fast, exports twice as fast… a great sort of motivational theme and some of those have indeed been happening in recent years."

Late *Arangkada* Philippines founder John D. Forbes at the 6th *Arangkada* Philippines Forum: Implementing the 10-Point Agenda on September 14, 2017

Acknowledgements

Arangkada Philippines extends its deepest appreciation to the many individuals and institutions whose contributions made this publication possible.

We recognize with gratitude the Joint Foreign Chambers of the Philippines (JFC)—especially the dedicated representatives from each chamber whose efforts spanned consultations, research coordination, and editorial preparation. From AmCham: Ebb Hinchliffe, Rachel de Guzman, Divina Combes, Nadine Gatdula, Dana de Leon, Adriana Sayson, and Gracie Camaisa; from CanCham: Christopher Ilagan, Carol Marcelo, and Maria Rowena Gempesaw; from ECCP: Paulo Duarte, Florian Gottein, and Atty. Kathyrin Pioquinto; from JCCIPI: Kazuhiro Nomura, Nobuo Fujii, and Ronnavi Tanega; from KCCP: Joseph Um, Sang Sta. Ana, and Chi Carreon; and from PAMURI: Atty. Mimi Lopez Malvar and Alex Chua. We also acknowledge Katie Stuntz, whose early guidance was instrumental in shaping this document.

Special thanks to the Center for International Private Enterprise (CIPE) for its steadfast partnership and support. We also acknowledge the many business associations and organizations whose insights, data, and advocacy enriched this report—such as the Creative Economy Council of the Philippines, IT & Business Processing Association of the Philippines (IBPAP), Better Internet Philippines, Chamber of Mines of the Philippines, Semiconductor and Electronics Industries of the Philippines (SEIPI), Livable Cities Philippines, and the Asia Foundation's Commuter 4 Change.

We are deeply grateful to our sectoral expert authors—Mr. Paolo Mercado (Creative Industries), Ms. Grace Mirandilla-Santos (Infrastructure/Broadband), and Atty. Ronald Recidoro (Mining)—and to our roundtable moderators, whose facilitation ensured robust, inclusive dialogue: Dr. Roehlano Briones (Agribusiness), Ms. Celeste Ilagan (IT-BPM), Mr. Junard Cruz and Mr. Max Motschmann (Airports), Engr. Rynor Jamandre (Roads and Rail), Ms. Ruth Yu-Owen (Power), Dr. Enrico Basilio (Seaports), Atty. Charade Grande (Water), Dr. Danilo Lachica (Manufacturing), and Ms. Cherry Lyn Rodolfo (Tourism). We also thank the many stakeholders from government, business, academe, and civil society who participated in the May–July 2025 sectoral roundtable discussions.

The editorial team also thanks the participants of the August 19 consolidation workshop, who helped finalize the 75 recommendations in this publication: Katie Stuntz and Atty. Armie Evardone (AmCham); Christopher Ilagan (CanCham); Joaquin Reloj (ECCP); Nobuo Fujii (JCCIPI); Sun Ah Kim (KCCP); Atty. Mimi Lopez-Malvar (PAMURI); Ryan Evangelista (CIPE); Bettina Bautista (Makati Business Club); Froland Tajale (IBPAP); Cristjan Dave Bael (SEIPI); and individual contributors Atty. Kristine Alcantara, former DTI Undersecretary Rafaelita Aldaba, and John Avila—longtime advocacy partners of the project.

Finally, we pay special tribute to the late John D. Forbes, Senior Adviser of the AmCham and founder of the Arangkada Philippines Project whose vision, leadership, and unwavering commitment paved the way for this advocacy; as well as to the late Shameem Qurashi, founding leader of PAMURI, co-convener of the JFC, and recipient of the Arangkada Lifetime Achievement Award in 2023; and the late Robert Sears, executive director of AmCham and co-convener of the JFC whose leadership and guidance during the formative years of Arangkada helped establish its credibility and long-term impact.

To all who have contributed to this endeavor, *Arangkada* Philippines extends its sincere gratitude. The enduring impact of *Arangkada* rests on the shared commitment to a more competitive, job-generating, and inclusive Philippine economy.

Executive Summary

Fifteen years on from the publication of the Arangkada Philippines 2010: A Business Perspective, this 2025 update - **Reform in Motion: 15 Years of Arangkada and the Road Ahead** - revisits the original recommendations, identifies reform successes, and integrates insights from roundtables held from May–July 2025 to develop an updated list of recommendations covering seven "Big Winner" sectors— agribusiness; creative industries; IT-BPM; infrastructure; manufacturing; mining; and tourism in consideration of geopolitical shifts, technological advances, and rising challenges to Philippine competitiveness. A total of 75 recommendations came out from this process and will serve as a roadmap for *Arangkada's* advocacy agenda for the next three to five years.

Chapter 1: Political economy landscape of the Philippines. Since 2010, Philippine growth averaged roughly 6 percent annually before the pandemic slump of −9.5 percent in 2020 and a 7.6 percent rebound in 2023. That recovery reflected decisive political action—the Bayanihan stimulus laws, swift passage of the CREATE tax reform, and liberalization of key sectors under amended Public Service and Retail Trade acts. Foreign direct investment, which fell to just US $2 billion in 2020, recovered to over US $10 billion in 2021. Looking ahead, forecasts from the ADB, IMF, and AMRO project 5.5–5.8 percent GDP growth through 2028, while the Philippine Development Plan targets 6.5–8 percent. To sustain this momentum, urgent enactment of pending reforms— including Freedom of Information, Electric Power Industry Reform Act amendments a National Land Use Act, and Warehouse Receipts modernization— will be essential.

Chapter 2: Becoming more competitive. Despite gains, the Philippines lags regional peers on core competitiveness indicators—quality of transport and energy infrastructure, regulatory efficiency, and digital readiness. It ranks near the bottom on the WEF's Global Competitiveness Index and IMD's Yearbook, while broadband speeds and affordability trail Malaysia, Thailand, and Vietnam. Electricity tariffs and logistics costs remain among the highest in ASEAN.

Priorities include streamlining regulations, enforcing open-access broadband, modernizing public services through e-governance, and fostering competitive market frameworks in energy and transport. A summary of the ranking of the Philippines in the indices can be found in the table below.

Index	Source	Earliest Ranking	Earliest ASEAN-6 Ranking	Latest Ranking	Latest ASEAN-6 Ranking
World Risk Index	Institute for International Law of Peace and Armed Conflict Bündnis Entwicklung Hilft	3 of 173 (2011)	1 of 6	1 of 193 (2024)	1 of 6
Global Innovation Index	World Intellectual Property Organization and Portulans Institute	76 of 132 (2010)	6 of 6	53 of 133 (2024)	5 of 6
Global Hunger Index	Concern Worldwide, Welthungerhilfe, and the Institute for International Law of Peace and Armed Conflict	35 of 123 (2008)	5 of 5	67 of 136 (2024)	4 of 5

Index	Source	2010 Ranking	2010 ASEAN-6 Ranking	Latest Ranking	Latest ASEAN-6 Ranking
Fragile States Index	Fund For Peace	51 of 177 (2010)	1 of 6	64 of 179 (2024)	1 of 6
World Competitiveness Yearbook	International Institute of Management Development	40 of 55	4 of 6	51 of 69 (2025)	5 of 5
International Property Rights Index	Property Rights Alliance	20 of 125	4 of 6	84 of 125 (2024)	5 of 6
Corruption Perception Index	Transparency International	134 of 178	6 of 6	114 of 180 (2024)	6 of 6
Human Development Report	United Nations Development Programme	113 of 187	4 of 6	117 of 193 (2023)	6 of 6
Environmental Performance Index	Yale Center for Environmental Law and Policy	42 of 132	3 of 6	169 of 180 (2024)	5 of 6
E-governance Readiness Index	United Nations Public Administration Network	78 of 183	4 of 6	73 of 193 (2024)	6 of 6
Human Development Index	United Nations Development Programme	113 of 187	4 of 6	117 of 193 (2023)	6 of 6
Travel and Tourism Development Index	World Economic Forum	86 of 133	5 of 6	69 of 119 (2024)	6 of 6

Also in the chapter, but not included in the table are Organisation for Economic Co-operation and Development (OECD), Programme for International Student Assessment (PISA), World Bank, including the Business Ready (B-READY) report and the World Bank Governance Indicator The B-READY report was launched in 2024, and PISA results are available only for 2018 and 2020.

Chapter 3 examines the Seven "Big Winner" Sectors—each a proven engine for employment, exports, and inclusive growth. Though endowed with rich resources or global competitiveness, these sectors still face structural constraints—from high costs and regulatory bottlenecks to skills gaps and infrastructure deficits. This chapter revisits the original 2010 recommendations, assesses progress, and introduces new headline priorities. In aggregate, it proposes 75 focused reforms.

Agribusiness The Philippine agribusiness sector contributes roughly 8 percent of GDP and employs over 20 percent of the workforce, yet productivity remains below ASEAN peers. Farmers capture only 7–8 percent of retail value, while fragmented landholdings, high logistics costs, and underinvestment in R&D and mechanization limit scale.

Recommendations (10): Invest in shared-service facilities (dryers, cold chains, mechanization centers) • Enable scale through voluntary clustering, land-lease models, and Agricultural Economic Zones • Streamline cooperative registration and restore DA support for farmer groups • Professionalize and digitalize extension services; expand agri-entrepreneurship pathways • Prioritize crop-by-crop value-chain analysis and targeted investments • Balance local production with measured import safeguards and tariff reviews • Significantly increase climate-resilient R&D funding and adopt science-based biotech policies • Clarify and strengthen fair-trade and regenerative-agriculture frameworks • Scale precision farming, agri-tech platforms, and climate-smart irrigation solutions • Enact National Land Use, Department of Water Resources, Warehouse Receipts, and Food Hub legislation.

Creative Industries Boasting world-class talent in creative skills, the Philippines accounts for less than 2 percent of ASEAN creative exports. Growth is hampered by fragmented governance, weak IP protection, and restrictive foreign-equity rules.

Recommendations (7) •Fully fund and implement the Philippine Creative Industries Development Plan • Update sector roadmaps and prioritize high-value subsectors for export • Establish Creative Economic Zones and strengthen creative-cluster infrastructure • Develop a 4IR/5IR digital transformation roadmap for creative workflows • Launch a unified "Creative Nation" branding and market-access strategy • Reform curricula to integrate creative thinking and entrepreneurship at all education levels • Amend foreign-equity caps and enhance IP registration, enforcement, and commercialization

IT-Business Process Management (IT-BPM). The IT-BPM industry now employs 1.7 million Filipinos and contributes over 8 percent of GDP, yet growth is threatened by regulatory uncertainty, cybersecurity gaps, and talent mismatches.

Recommendations (10) • Harmonize incentive policies and permitting across DICT, NTC, and LGUs under EO 18 and the Ease of Doing Business Act • Modernize labor and immigration rules for hybrid work, including visa facilitation by PEZA • Amend the Cybercrime Prevention Act to strengthen fraud controls and sector-specific enforcement • Enact a Cybersecurity Act to mandate budget, skills training, and compliance for critical infrastructure • Safeguard cross-border data flows; repeal RMC 05-2024 on digital-service taxes • Align DepEd, CHED, TESDA, and industry upskilling with AI fluency, multilingual CX, and cloud computing • Rationalize national and local holidays to reduce scheduling disruption and cost • Refocus "Digital Cities" on genuinely investment-ready locations and sector-specific landing services • Establish an OECD-aligned International Business Services framework with competitive incentives • Advance AI governance, Freedom of Information, E-Governance, and Digital Economy legislation

Transportation infrastructure covers airports, roads and rail, and seaports. The Philippines' archipelagic layout demands an integrated, multimodal transport network. Persistent bottlenecks at airports, congested highways, and underutilized seaports inflate logistics costs, undermine competitiveness, and limit regional inclusion. A unified, PPP-driven strategy—backed by digital systems and streamlined regulation—can modernize gateways, expand capacity, and seamlessly link air, land, and maritime corridors.

Recommendations (7): • Finalize and implement the National Transport System Master Plan.. • Formulate sector-specific nationwide master plans for aviation, land, and maritime transportation.. • Adopt digital solutions to modernize transportation networks.. • Strengthen right-of-way (ROW) acquisition to enable timely delivery of transport projects.. • Accelerate decentralization and decongestion of urban centers by modernizing transportation infrastructure across and between regions. • Introduce bureaucratic reforms to strengthen governance, prioritize transportation safety, develop human capital, and encourage public-private collaboration. • Passage of critical reform legislation and policies. Advance key bills to strengthen institutional mandates and unlock sectoral transformation.

Broadband. Internet speeds and affordability remain below regional averages despite rising penetration

Recommendations (6) • Enforce open-access provisions under the Konektadong Pinoy Act for all data-transport networks • Issue a transparent Spectrum Management Policy Framework aligned with WRC cycles • Streamline rights-of-way, permits, and tower-sharing through DICT-led interagency rules • Mandate passive sharing of poles, ducts, and fiber under an amended Public Telecomm Act • Future-proof regulations for free-space optics, fixed wireless, and next-generation technologies.

Power. Coal and gas still dominate at 57 percent of installed capacity, exposing the grid to price volatility and supply risk.

Recommendations(6) • Embed energy security in the Philippine Energy Plan 2023–2050 with clear targets for renewables, gas, and nuclear • Deepen and expand WESM trading beyond Luzon to Visayas and Mindanao grids • Mobilize private and multilateral financing via a Clean Technology Investment Plan • Stabilize contracts with financial-stability clauses and ring-fenced project structures • Accelerate BESS deployment and grid-hardening for climate resilience • Amend EPIRA to strengthen ERC oversight, enhance competitive auctions, and facilitate distributed generation

Water. Despite abundant resources, 15 percent of households lack safe water connection and poor coordination remains an issue.

Recommendations(6) • Create a Department of Water Resources and an independent Water Regulatory Commission • Develop a climate-smart National Water Roadmap under integrated water-resource management principles • Fast-track bulk-water PPPs for Angat extenders and Laguna Lake diversions • Institutionalize wastewater reuse, rain-harvesting, and decentralized treatment standards • Accelerate flood-control investments through river-basin planning and dredging programs • Mandate water-footprint disclosures and eco-labeling for high-impact industries

5. **Manufacturing.** Manufacturing's share of GDP slid from 22.5 percent in 2011 to 15.7 percent in 2024, reflecting limited clustering and value addition.

Recommendations (7) • Consolidate sectoral roadmaps under an Industrial Master Plan with clear performance targets • Strengthen "Made in the Philippines" branding and expand preferential market access via FTAs • Digitize business registration and licensing across all LGUs and national agencies • Finance SME adoption of automation, robotics, AI, and digital supply-chain platforms • Scale up enterprise-based training and tertiary STEM programs in partnership with industry • Direct PPP infrastructure projects toward specialized industrial parks and export processing zones • Amend CREATE MORE to extend incentives to high-tech manufacturing and R&D hubs

6. **Mining** With US $1.4 trillion in mineral wealth, the Philippines contributes less than 1 percent of GDP due to policy uncertainty and local bans.

Recommendations (8) • Enact a comprehensive National Mining Policy clarifying roles of national and local governments • Simplify permitting: eliminate redundancies, impose strict timelines, and implement parallel processing • Ensure fiscal stability via the mining fiscal-regime law and contract sanctity clauses • Develop port and power infrastructure to support high-volume mineral exports and processing • Incentivize downstream refineries for nickel, copper, gold, and critical-minerals value addition • Appoint a dedicated mining-investment "champion" within government • Strengthen SDMP integration with local development plans and third-party environmental audits • Amend the Mining Act to resolve conflicts with local ordinances, expedite SDMP approvals, and protect contractual rights.

7. **Tourism.** Tourism rebounded to 99 percent of pre-pandemic arrivals by 2024, contributing 8.9 percent of GDP, yet inbound remains at 72 percent of 2019 levels due to limited air access, underfunded marketing, and infrastructure gaps

Recommendations (10) • Scale gateway PPPs—NAIA, Clark, Cebu, Bohol—and expand route-development incentives • Amend CAAP and PPA charters to separate regulation from operations and streamline CIQ processes • Rationalize travel taxes into a dedicated tourism-infrastructure fund under

TIEZA reform • Invest in sustainable destination infrastructure: wastewater, renewable microgrids, and carrying-capacity enforcement • Triple tourism marketing budgets and forge co-marketing partnerships with airlines, cruise lines, and digital platforms • Build a "Care Capital of Asia" brand bundling medical, wellness, and retirement offerings with SRRV enhancements • Professionalize the tourism workforce through expanded FBSE training, language programs, and technical certifications • Digitalize the visitor journey with a unified e-Travel platform and interoperable payment systems • Strengthen safety and crisis management via Tourist Police units, a Transportation Safety Board, and disaster-resilient facilities • Amend the Tourism Act to update destination development, accreditation, and public-private coordination frameworks

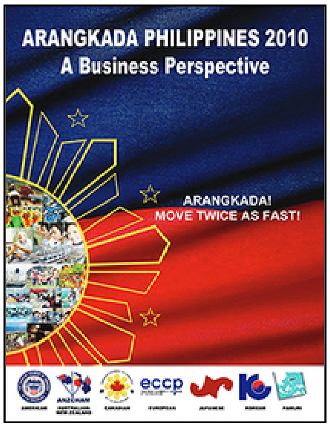
Chapter 4: Legislation. Since 2010, vital laws have reshaped the investment climate: the DICT Act (2016); Customs & Tariff Modernization (2016); Cybercrime and Data Privacy Acts (2012); the PPP Code (2023); CREATE MORE Act (2024); and Konektadong Pinoy Act (2025). Complementary reforms in energy efficiency, tax administration, and property valuation have strengthened governance. Remaining priorities include EPIRA amendments, CAAP/PPA charter reforms, the E-Governance Act, Freedom of Information, National Land Use, AI governance, the Cybersecurity Act, and a Department of Water Resources law—each essential for consolidating investor confidence.

Chapter 5: Sustaining Momentum: Continuing Legacy and the Road Ahead. Over the past 15 years, Arangkada has proven that structured private-sector engagement can drive policy reform. The recommendations of this updated are covered by four cross-cutting policy themes: Development and proper implementation of sectoral plans; Infrastructure Modernization and Intermodal Connectivity; Digitalization and Smart Systems; and Human Capital Development and Future-Ready Skills. *Arangkada* continues building its legacy through the organizing of the annual *Arangkada* Philippines forum and recognizing the business advocacy champions - the *Arangkada* Lifetime Achievement Awardees - whose work has greatly enhanced the investment climate.

Former BSP Governor Amando Tetangco Jr., 2017 Arangkada Lifetime Achievement Awardee, with the Joint Foreign Chambers and past awardees—Former PEZA Director General Lilia de Lima (2014) and Mr. Washington Sycip (2015).

Introduction

The 2010 *Arangkada* Philippines: A Business Perspective was an ambitious undertaking led by the American Chamber of Commerce under the USAID Investment Climate Improvement Project with support from the Joint Foreign Chambers of the Philippines (JFC)—a coalition currently composed of the American, Canadian, European, Japanese, and Korean chambers, and the Philippine Association of Multinational and Regional Headquarters, Inc with the shared goal of supporting policy reform recommendations that enhance the Philippine investment and regulatory climate and create more and better jobs for Filipinos.



In photo: heads of the JFC turning over the 2010 Arangkada Philippines: A Business Perspective to former Department of Trade and Industry Secretary Gregory L. Domingo.

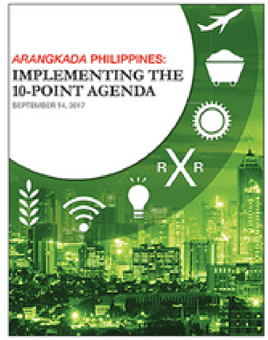
The release of the publication – which outlined over 400 recommendations across key economic and social sectors – became a springboard for the establishment of the Arangkada Philippines Project (TAPP) as the central advocacy arm of the JFC, as well as the annual Arangkada Philippines forum as the flagship activity since 2012. The annual Arangkada Philippines forum continues to be a venue to discuss updates on the status of the 2010 recommendations and launch companion assessment documents and policy briefs, which have proven valuable in capturing private sector sentiment for government decision-makers in introducing reform measures.

Since the 2010 book's publication, annual assessments on the status of the 400 recommendations were released from 2012 – 2016. These assessments were an opportunity to determine whether the government had accomplished, or started to pursue, the recommendations from the private sector.

"We recognize the Joint Foreign Chambers – Your critical role as an active partner of government in promoting investment opportunities. We seek your organization's continued support and expertise to help boost the country's investment competitiveness and to liberalize foreign investment amongst others."

President Ferdinand Marcos Jr. during his Keynote Message at 11th *Arangkada* Forum: Reform, Rebuild, Recover on December 6, 2022

The assessments were launched at the annual Arangkada forum and distributed to key Philippine government offices. Updates of the 2010 recommendations were also published through Arangkada Philippines: Implementing The 10-Point Agenda (2017) and Reform. Rebuild. Recover (2022), as well as through various sectoral policy briefs on the seven big winner sectors, of which a total of 12 have been released between 2014 - 2024.



In celebration of the 15th anniversary of the release of the 2010 book, the JFC is bringing annual assessments back with the publication of this book. In preparing this 2025 update, the JFC convened a series of roundtable discussions with government officials, private sector representatives, academics, and industry experts. Together, they reassessed the 2010 recommendations in light of recent policy reforms, geopolitical shifts, the pandemic, and emerging technologies, to ensure they are actionable for government policymakers and are measurable for future assessments.

This publication focuses on what the JFC refer to as the Seven "Big Winner" Sectors: (1) Agribusiness; (2) Creative Industries; (3) Information Technology and Business Process Management (IT-BPM); (4) Infrastructure – through the four subsectors of (a) transportation infrastructure: airports; railways; roads and bridges; seaports; (b) broadband; (c) power; and (d) water; (5) Manufacturing; (6) Mining; and (7) Tourism. Identified by the JFC in 2007, these high-growth sectors remain central to the country's economic development priorities.

The 2025 update will also follow the same general format of the 2010 publication. Chapter 1 will dive into the political economy landscape of the country, including a discussion on the timeline of key business reforms and comparison of economic data compared to neighboring economies since 2010.

Chapter 2 looks into the different competitiveness indices that were cited in 2010 – some of which have been discontinued – and identifies additional competitiveness indices that have been established after the publication was released.

Chapter 3 will then analyze the 2010 recommendations for the growth of the Seven Big Winner Sectors. The chapter will discuss pertinent sectoral updates, identify which 2010 recommendations were completed and obsolete, and propose additional necessary policy recommendations.

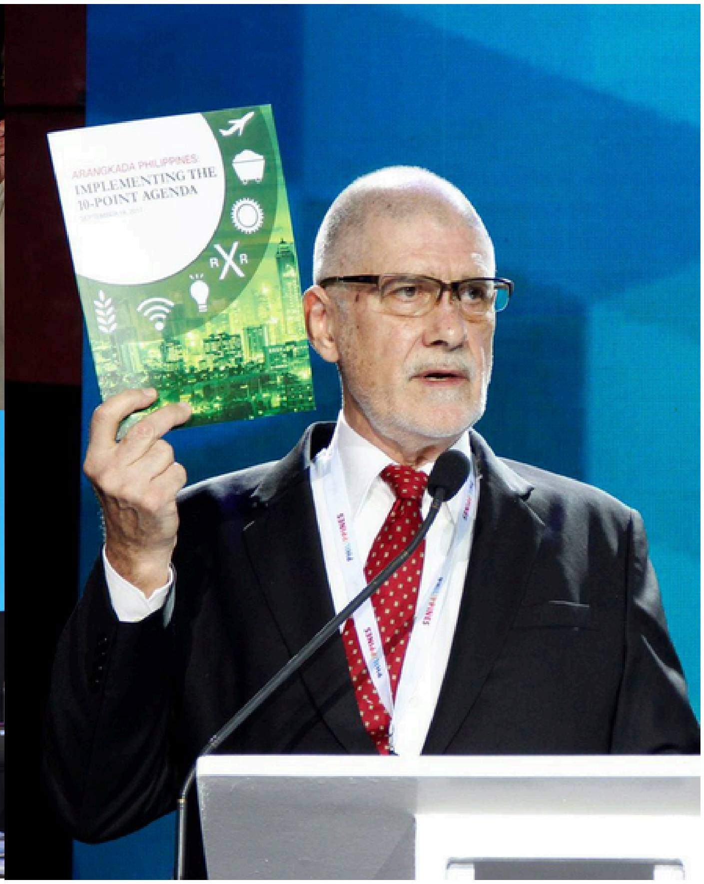
The discussion of the enabling business environment, which used to have a separate chapter, has been incorporated throughout and folded into the sectoral discussion. Instead, Chapter 4 on Legislation – which is at the core of *Arangkada's* public advocacy – has been added in its place. The chapter will explore the legislative milestones in economic reform achieved since 2010, as well as pending legislation.

> *The Joint Foreign Chambers (JFC) was founded on the idea of bringing together the existing foreign chambers at that time to have a communal voice to government on what we needed for our businesses to prosper and grow and what would attract new foreign investments.*
>
> **Peter Wallace**
> *JFC Founding Member*
> On the inception of the Joint Foreign Chambers, September 10, 2025

Leveraging *Arangkada's* tried and tested model in coalition building, this document seeks to provide a compendium of actionable policy insights and sectoral recommendations from the private sector. This policy book has been transmitted to the Office of the President, key cabinet members, the Senate, and the House of Representatives as part of the JFC's continuing public advocacy initiatives.

This 2025 update reaffirms the JFC's commitment to fostering a more competitive, inclusive, and resilient Philippine economy by providing a timely, evidence-based roadmap for reform. At a time when the country is navigating post-pandemic recovery, rapid technological change, and shifting geopolitical dynamics, this publication offers actionable, sector-specific policy recommendations grounded in private sector insights. It serves as both a diagnostic tool and a strategic guide—highlighting progress, identifying gaps, and proposing forward-looking solutions that align with national development goals. By streamlining recommendations and focusing on measurable outcomes, this update hopes to empower policymakers, business leaders, and development partners to collaborate more effectively in shaping a future-ready Philippines.

The JFC has long been a believer in the power of collective action to drive positive development outcomes that directly impact economic growth and inclusive development. In reviving the tradition of annual assessments, *Arangkada* sees this publication as a living document: regularly revisited, updated, and refined by the private sector and used as a reference for that collective private sector action.



CHAPTER 1

Political Economy Landscape of the Philippines

Sustaining economic growth through reform advocacies

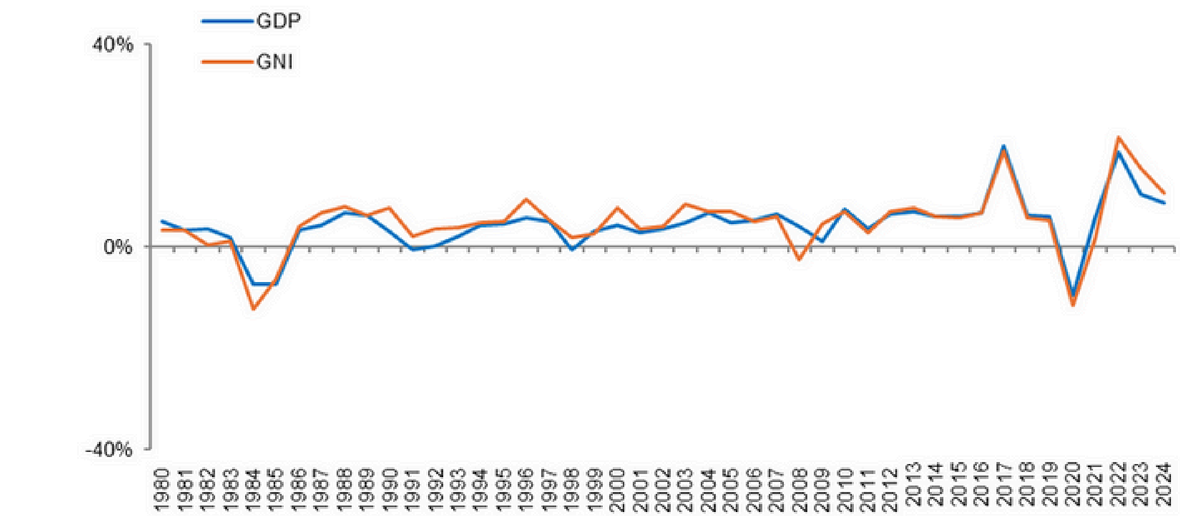
> ***The hallmark of a good economy is not merely accelerated growth, but also sustained growth***
>
> – Former President Benigno S. Aquino III at the first Arangkada Philippines Forum: Move Twice as Fast, January 26, 2012

Arangkada Philippines has always shared the government's vision of accelerated, inclusive, sustainable growth for the Philippines through the implementation of game-changing reform initiatives that foster a more stable policy environment and robust business climate to encourage greater investment and create more and better jobs for Filipinos.

In 2011, the Government of the Philippines - jointly with the United States Government in a study under its Partnership for Growth (PFG) initiative - identified governance and fiscal space as the main binding constraints that hinder sustained and broad-based growth of the Philippine economy. The study cited poor regulatory quality, persistent and widespread corruption, and political instability as components of problems related to governance.

The Philippines has had a long history with political and economic uncertainty, which has visible effects on the country's overall growth. The 2010 Arangkada Philippines: A Business Perspective policy book highlighted the turbulent economic history of the Philippines, as seen in the episodes of boom-and-bust cycles experienced since the 1980s. Figure 1 shows this timeline updated to 2024, where the impact of post-pandemic reform initiatives are more evident.

Figure 1. Historical Philippine GDP & GNI real growth rates, 1980-2024



Sources: Philippine Statistics Authority; Bernardo and Tang (2008); Consensus forecasts

The 2022 *Arangkada* update Reform, Rebuild, Recover reported that the Philippines went from growing too slow in 2009 to catching up through implementation of key business economic reforms introduced in subsequent administrations. However, this momentum was disrupted in 2020 by the onset of the COVID-19 pandemic, which saw a drastic drop in GDP growth to -9.5% - the lowest in Philippine history.

It was during this period when the Philippine government exercised its political will to swiftly enact *"Bayanihan to Heal as One Act"*, which authorized the President to reprogram appropriations, impose price controls, extend loan and rental moratoriums, and fast-track emergency health spending measures that restored cash flow to households and businesses, stabilized credit markets, and underwrote critical testing and contact-tracing operations.

The Philippines has since recovered significantly from the impact of the pandemic - even becoming the fastest growing in terms of real GDP in 2023, but continued reform initiatives need to take place to sustain inclusive growth for the Filipino people. The original Arangkada document challenged government to set an ambitious target of 9% GDP growth – or double the figure at the time. Forecasts from the Asian Development Bank (ADB), International Monetary Fund (IMF) and the ASEAN+3 Macroeconomic Research Office show that this is unlikely to happen in the near future. In the Philippine Development Plan 2023-2028, the Philippine government has set a target of 6.5 – 8% in GDP growth by 2028 – a much more realistic target within reach given the current trends and forecast trajectories.

Table 1. Philippine Growth Forecasts, 2025-2030, %

Year	International Monetary Fund	ASEAN+3 Macroeconomic Research Office	Asian Development Bank
2025	5.5%	5.6%	5.6%
2026	5.8%	5.5%	5.8%
2027	6.1%		
2028	6.2%		
2029	6.3%		
2030	6.3%		

Source: IMF, AMRO, and ADB

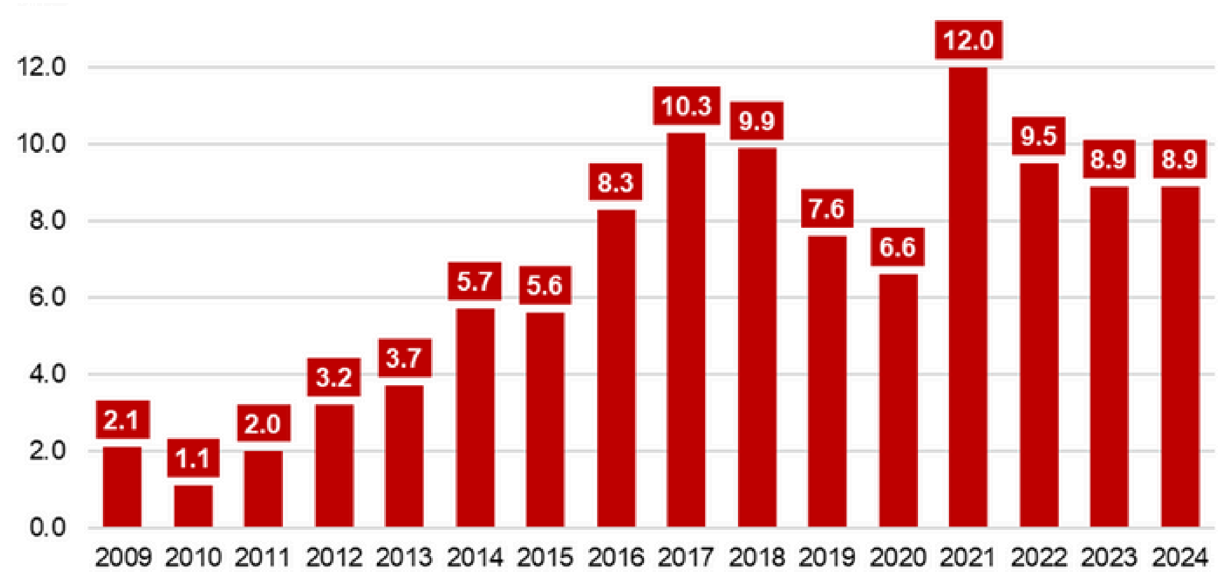
Foreign Direct Investments

Foreign investment into the country was significantly affected during the pandemic, with numerous foreign companies forced to cease operations due to uncertainties caused by the nationwide lockdowns and international travel restrictions. To address this downturn and prevent further capital flight, lawmakers fast-tracked the long-debated Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act through virtual committee hearings and a bicameral conference committee. CREATE phased corporate income tax cuts from 30 to 25 percent and rationalized fiscal incentives under a transparent, cost-capped framework. These reforms collectively reassured investors, restored policy stability, enhanced the Philippines' regional competitiveness, and laid the groundwork for a sustained, recovery-led expansion.

> *The growth in FDI reflected continued positive foreign investor sentiment on the country amid expectations of a rebound in domestic economic activity and declining COVID-19 reported cases, as well as the strengthening of the global economy*
>
> – Former BSP Governor Benjamin Diokno, March 11, 2022

Government efforts to restimulate the economy and retain and attract foreign investors paid off when the Philippines hit an unprecedented USD 10.5 B in foreign direct investment in 2021 – marking the highest recorded annual FDI inflow in the country.[1] Figure 2 shows Philippine foreign direct investment flows since 2009. The 2010 Arangkada document urged the government to target USD 7 billion in FDI in 3-4 years. While it took longer than the prescribed time period for the Philippines to reach this amount, FDI inflows have consistently been over the target each year, with the exception of 2020.

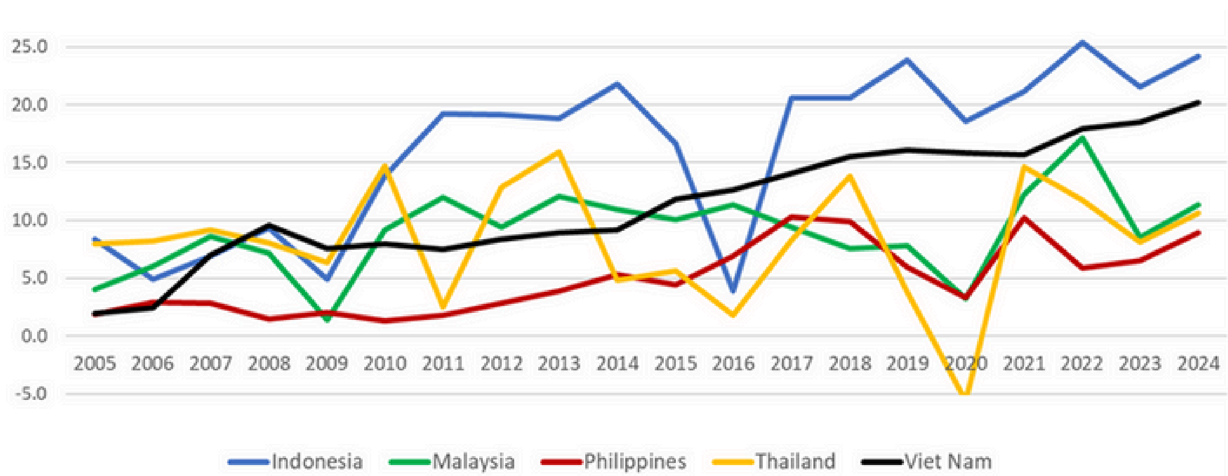
Figure 2. Foreign direct investment inflows, Philippines, 2009 - 2024, in USD billions



Source: Bangko Sentral ng Pilipinas

With the exception of Vietnam - which maintained impressive stability in FDI inflows - ASEAN economies experienced declines in FDI similar to that seen in the Philippines during the pandemic's peak with global investment declining by 35%. (See Figure 3). While Philippine FDI inflows have recovered and surpassed pre-pandemic levels, much still needs to be done to catch up with neighboring countries.

Figure 3. Foreign direct investment inflows, ASEAN-5, 2005 - 2024, in USD billions



Source: UNCTAD World Investment Reports (various years)

1 Revised BSP figures show this amount as USD 12.5 B. There have been consistent differences in the accounting methods of BSP and UNCTAD in reporting FDI figures for the Philippines.

The Philippine government has made progress in enacting laws liberalizing certain segments of the Philippine economy. The amendments to the Public Service Act, for example, effectively liberalized industries such as telecommunications, airports, railways, toll roads and shipping, opening these industries to greater levels of foreign investments. The Retail Trade Liberalization Act Amendments lowered the minimum paid up capital and investment per store requirement and streamline documentary requirements for investors.

There are still several reform measures that are pending before Congress, including the Freedom of Information bill, the National Land Use Bill, and the Warehouse Receipts Law amendments, all of which can further attract investment. A more comprehensive list of business reform legislation supported by the Joint Foreign Chambers can be found in Chapter 4.

Long-term Economic Vision

Towards the end of Aquino III's administration, the National Economic Development Authority (now Department of Economy, Planning and Development, or DEPDev) under the leadership of Sec. Arsenio Balisacan launched AmBisyon Natin 2040 – a long-term socioeconomic vision for the Filipino people charting strategies and targets for the next 25 years. This was the first time the Philippine government released a long-term vision document spanning multiple administrations. The Duterte Administration adopted it in 2016 through Executive Order No. 5 (s. 2016), and it continues to serve as an anchor for the Marcos Jr. Administration's Philippine Development Plan 2023-2028, signaling a stronger resolve for continuity in public service delivery and socioeconomic policymaking.

AmBisyon Natin 2040 encapsulates the Filipino people's collective vision for a "stable, comfortable, and secure life" (*matatag*, *maginhawa*, *panatag*). It translates this aspiration into four interrelated objectives:

- Prosperity and inclusive growth, targeting a predominantly middle-class society where no one lives in poverty.
- Health and well-being, aiming for longer life expectancy and universal access to quality health services.
- Innovation and competitiveness, fostering a smart, creative workforce through enhanced education and research and development.
- Trust and social cohesion, building a high-trust society with transparent governance, rule of law, and strong community bonds.

As the Philippines continues to pursue its long-term vision, sustained reform momentum remains essential, not only to meet growth targets but also ensure that prosperity is felt by all. This aligns with the vision of the Joint Foreign Chambers through the *Arangkada* Philippines Project – which lays out a reform agenda focusing on the seven big winner sectors as the main engines for growth for the economy to create more and better jobs for the Filipinos to build a "stable, comfortable, and secure life."

The Joint Foreign Chambers (JFC), through the Arangkada Philippines Project, have been worthwhile partners of the national government in pursuit of inclusive and sustainable development. As champions of economic reform, the JFC have provided a platform for critical dialogue on development issues and refinement of national policies. Since I rejoined the government in 2016, I have seen first hand their support for our policies to improve the lives of Filipinos.

- *They were one of our strongest allies in the Department of Budget and Management in accelerating infrastructure development, through public-private partnerships.*
- *At the Bangko Sentral ng Pilipinas, they were big advocates of amending the Agri-Agra Law to allow the banking industry to better serve our farmers and fisherfolks.*
- *At the Department of Finance, they worked with us in securing the passage of the Ease of Paying Taxes Law to simplify tax administration and to boost tax compliance.*

These partnerships between the public and private sectors highlight the valuable contributions of the JFC and Arangkada in the Philippine growth story.

- Monetary Board Member and Former Finance Secretary and BSP Governor Benjamin Diokno

Key to our successful journey in instituting reforms, especially a graft-free agency, was our active collaboration with the Joint Foreign Chambers/ ARANGKADA which laid out clear and defined policy reforms championing ease of doing business and attracting foreign investments. As a strong and potent advocacy group, when ARANGKADA speaks and suggests, it is listened to by both the private and public sectors. I am extremely grateful to JFC/ARANGKADA for journeying with PEZA in its thrust of instituting vital reforms so essential to our country's economic development. And I am deeply honored to have been conferred the first ARANGKADA Lifetime Service Award in 2014 together with the greatly admired and highly respected President Fidel V. Ramos, which to me is a testament to our shared efforts to champion reforms to attract foreign investments into our country. MABUHAY ARANGKADA!

- Former PEZA Director-General and 2014 Arangkada Lifetime Achievement Awardee Lilia de Lima

CHAPTER 2

Becoming More Competitive

Arangkada's discipline in tracking competitiveness rankings and publishing annual scorecards kept us honest—and spurred us to celebrate together when the Philippines jumped dramatically in the World Economic Forum's Global Competitiveness Index.

- Former Finance Secretary Cesar Purisima

International Competitiveness: The Philippine Outlook

With the evolving global shifts over the past decade, it is essential for the Philippines to maximize its international competitiveness, particularly amid geopolitical and economic uncertainties, the rise of AI and rapid digital transformation, and the impacts of climate change.

Adapting to these shifts, international competitiveness rankings have expanded in scope, incorporating a broader range of indicators to encompass key dimensions such as digital adoption, climate resilience, health and food security, tourism development, environmental sustainability, gender equality, and innovative capacity.

This chapter summarizes and updates the nine ratings from the following indices from the *Arangkada* Philippines 2010 book:

- Fund for Peace, *Fragile States Index*
- International Institute for Management Development (IMD), *World Competitiveness Yearbook*
- Property Rights Alliance, International Property Rights Index
- Transparency International, Corruption Perceptions Index
- United Nations Department of Economic and Social Affairs (UNDESA), *E-Government Development Index*
- United Nations Development Programme (UNDP), Human Development Index
- World Economic Forum (WEF), Travel and Tourism Competitiveness Report
- World Bank:
  - The Business Ready (B-READY) report
  - *World Bank Governance Indicators*
- Yale University & Columbia University (in collaboration with WEF and others), Environmental Performance Index

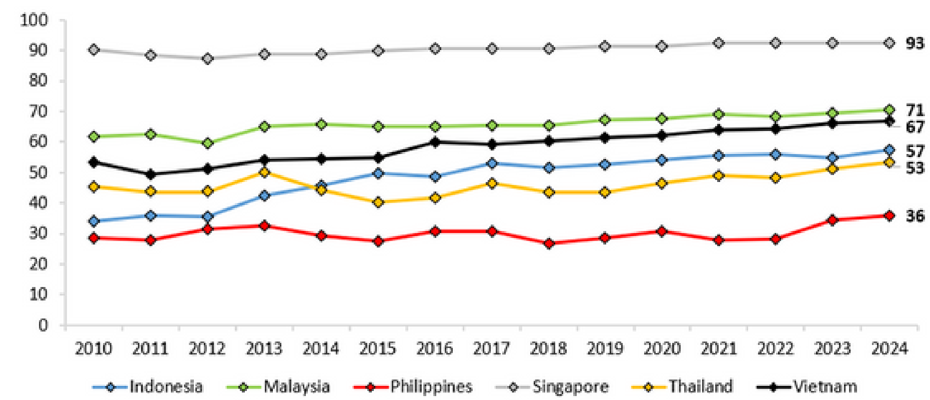
To supplement the discontinued indices, the 4 indices have been included in this edition:
- Bündnis Entwicklung Hilft & Ruhr University Bochum (Germany), WorldRiskIndex
- Concern Worldwide & Welthungerhilfe (formerly with IFPRI), Global Hunger Index
- Organisation for Economic Co-operation and Development (OECD), Program for International Student Assessment (PISA)
- World Intellectual Property Organization (WIPO), INSEAD, and Cornell University, Global Innovation Index

The figures in this chapter show the percentile rankings of Indonesia, Malaysia, Singapore, Thailand, the Philippines, and Vietnam, collectively referred to as the ASEAN-6 countries. This section highlights the overall rankings of the Philippines, its performance among the ASEAN-6, and its strengths and weaknesses across selected sub-indices or categories. This edition also includes a comparison of performance since 2010, along with updated rankings. Over time, the number of countries assessed and the range of indicators included in several indices have evolved to improve coverage. As such, the rankings are presented in percentile format, offering a consistent and accurate representation of the Philippines' relative standing.

Fragile States Index (formerly Failed States Index)

The Fragile States Index (FSI) is an annual ranking produced by The Fund for Peace (FFP) that assesses the vulnerability of states based on their levels of fragility. Formerly known as the Failed States Index, it was renamed in 2014 to avoid the negative connotations associated with labeling a state as "failed." The index evaluates 179 countries, ranking each based on cohesion, social, economic, and political indicators. These indicators measure a country's stability, with more stable countries receiving higher rankings. In the 2024 index, the Philippines ranked 64th overall, showing improvement compared to its 2009 ranking of 53. This is likely due to reduced scores in Economic Decline and Human Flight and Brain Drain. These economic indicators suggest increased stability in economic conditions and improved retention of skilled workers. However, the Philippines remains the least stable among the ASEAN-6, scoring high in the cohesion indicators Security Apparatus and Factionalized Elites (which suggests issues with contested use of force and political divisions among elites) As shown in Figure 4 below, its ranking improved from 30th in 2009 to 36th in 2024.

Figure 4. Fragile States Index, Percentile Rankings, 2010-2024

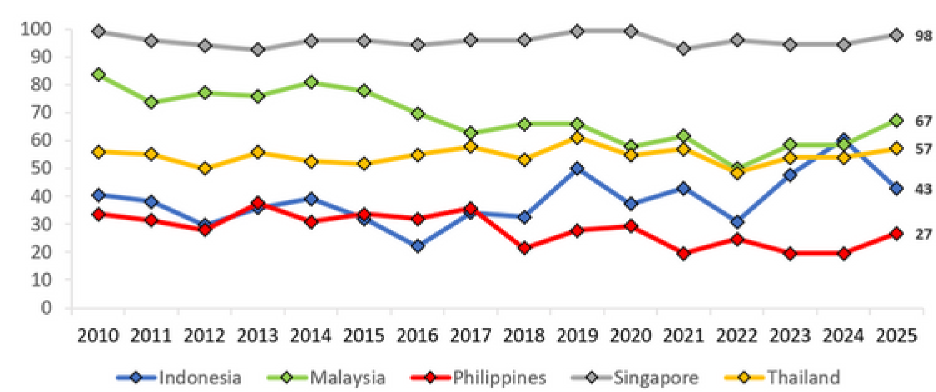


Source: The Fund for Peace

World Competitiveness Yearbook

The International Institute for Management Development (IMD) publishes the annual World Competitiveness Yearbook. It benchmarks the performance of 69 economies based on criteria measuring various aspects of competitiveness, mainly business efficiency, economic performance, government efficiency, and infrastructure. As of 2025, the Philippines ranks 51st, one spot higher than its position of 52nd in both 2024 and 2023. This stands in stark contrast to Singapore, which ranks 2nd. The Philippines' ranking has declined since 2010, when it placed 39th, and it has consistently ranked lowest among the ASEAN-5 since then, as reflected in its percentile ranking (see Figure 5).

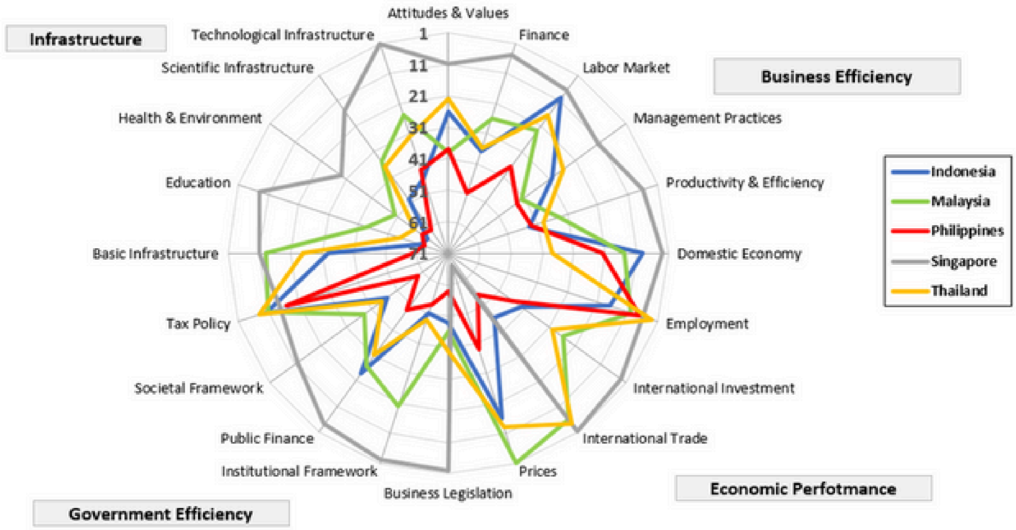
Figure 5. World Competitiveness Yearbook, Percentile Rankings, 2010-2025



Source: International Institute for Management Development (IMD)

In 2020, Indonesia overtook the Philippines, establishing a clear lead after several years of being closely ranked. The Philippines performed poorly compared to its peers in factors such as finance, international trade, business legislation, and societal framework. Its performance was especially weak in basic infrastructure, education, health & environment, and scientific infrastructure. It ranked 63rd out of 69 in education, just behind Indonesia, which ranked 62nd. However, the Philippines performed well in employment, ranking 7th in that sub-factor (see Figure 6 for the sub-factor rankings).

Figure 6. World Competitiveness Yearbook, Sub-Factor Rankings, Selected ASEAN Countries, 2025

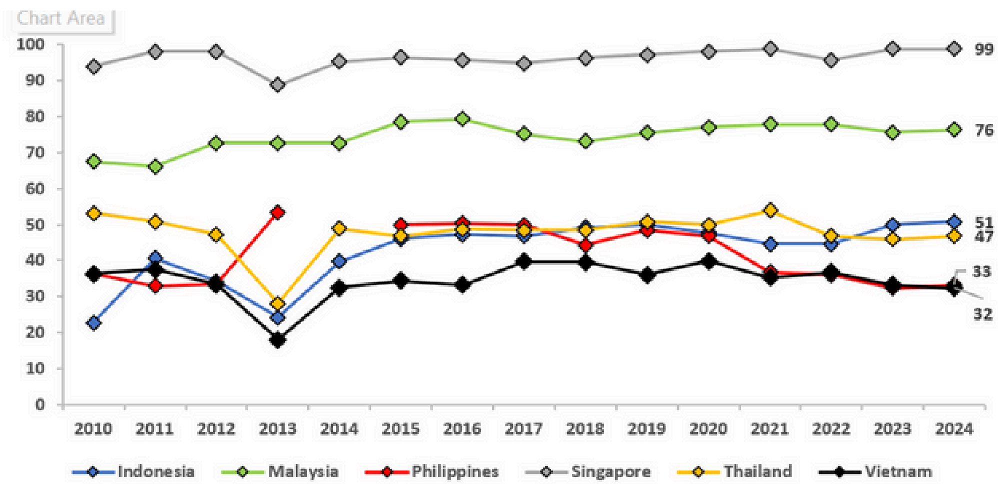


Source: World Competitiveness Yearbook

International Property Rights Index

The International Property Rights Index, published by the Property Rights Alliance, presents the state of property rights through the following components: legal and political environment, physical property rights, and legal property rights. In 2024, the Philippines ranked 84th out of 125 countries and 5th among the ASEAN-6, with Vietnam ranking 6th. The Philippines' ranking has fluctuated since the 2010 index, in which it ranked 80th (See Figure 7 below for percentile rankings).

Figure 7. International Property Rights Index, Percentile Rankings, 2010-2024



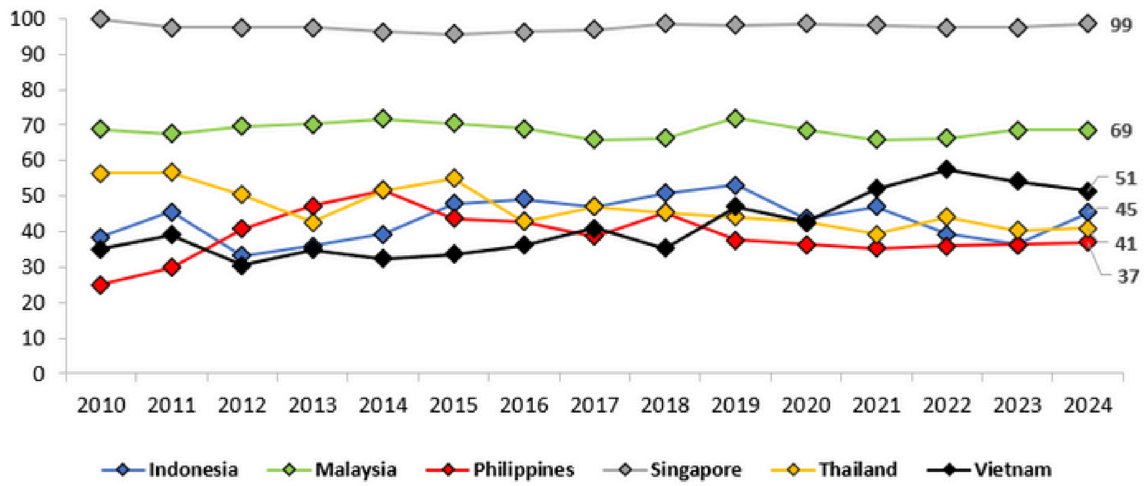
Source: Property Rights Alliance

Note: The Philippines has no ranking for 2014.

Corruption Perceptions Index

The Corruption Perceptions Index is released annually by Transparency International. It ranks 180 countries and territories based on perceived levels of public-sector corruption, as assessed by experts and businesspeople. In the 2024 index, the Philippines ranks 114th overall. In terms of percentile ranking, the Philippines consistently ranked among the bottom two in the ASEAN-6 from 2010 to 2024 and has held the lowest position since 2019, indicating stagnant perceptions of public-sector corruption (see Figure 8).

Figure 8. Corruption Perceptions Index, Percentile Rankings, 2010-2024

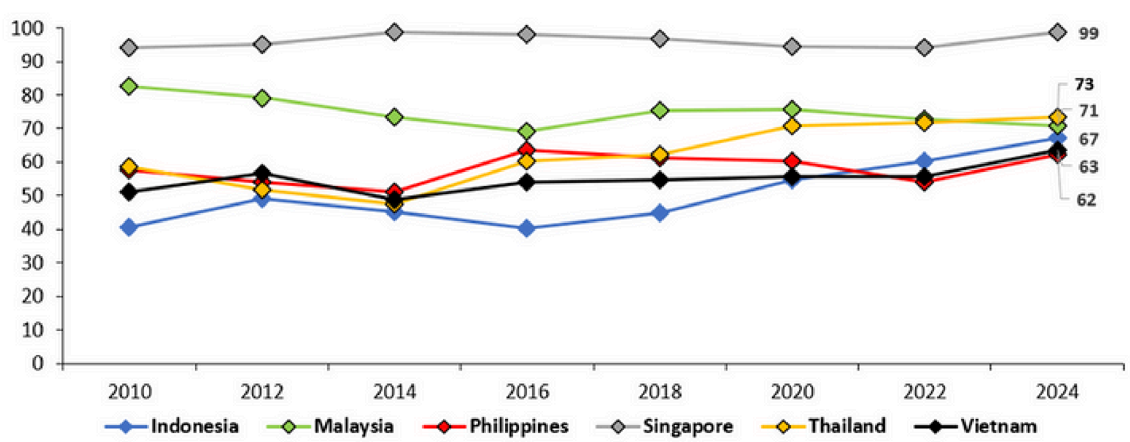


Source: Transparency International

The United Nations E-Government Survey

The United Nations E-Government Survey is a biennial publication produced by the United Nations Department of Economic and Social Affairs (UN DESA) to assess the e-government development of all UN Member States. Its key metric, the E-Government Development Index (EGDI), provides a composite ranking of 187 countries based on three core dimensions: the provision of online services, telecommunication infrastructure, and human capital. In the 2024 index, the Philippines ranked 74th overall and last among the ASEAN-6 countries. Figure 9 shows the percentile rankings of ASEAN-6 from 2010-2024.

Figure 9. E-Government Development Index, Percentile Rankings, 2010-2024

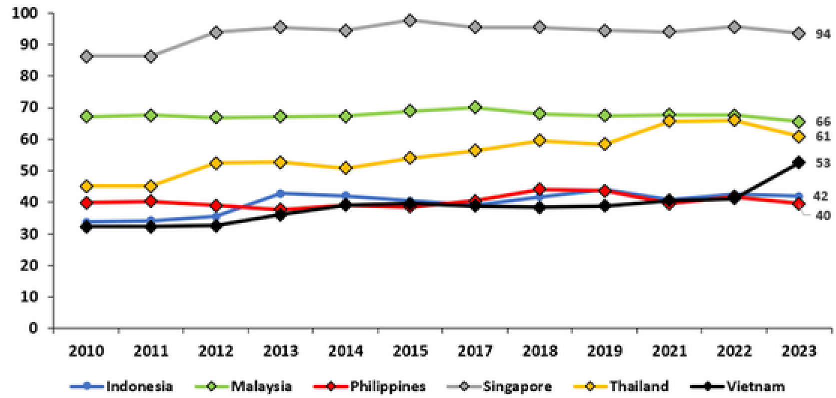


Source: UN DESA

Human Development Report

The Human Development Report is an annual publication by the United Nations Development Program (UNDP) that assesses global human development. The Human Development Index (HDI) is the report's summary composite measure used to rank countries based on their average achievements in three basic aspects of human development: health, as measured by life expectancy at birth; knowledge, as measured by mean years of schooling and expected years of schooling; and standard of living, as measured by estimated gross national income (GNI) per capita. In the 2023 HDI, the Philippines ranked 117th out of 193 countries. It was classified as having "high" human development, along with Malaysia, Thailand, Vietnam, and Indonesia. Placing last among the ASEAN-6, the Philippines' percentile ranking of 40 in 2023 reflects minimal progress since 2010 relative to its regional peers. In 2023, Vietnam (which had previously ranked at the bottom of the ASEAN-6) overtook the Philippines (see Figure 10).

Figure 10. Human Development Index, Percentile Rankings, 2010-2023

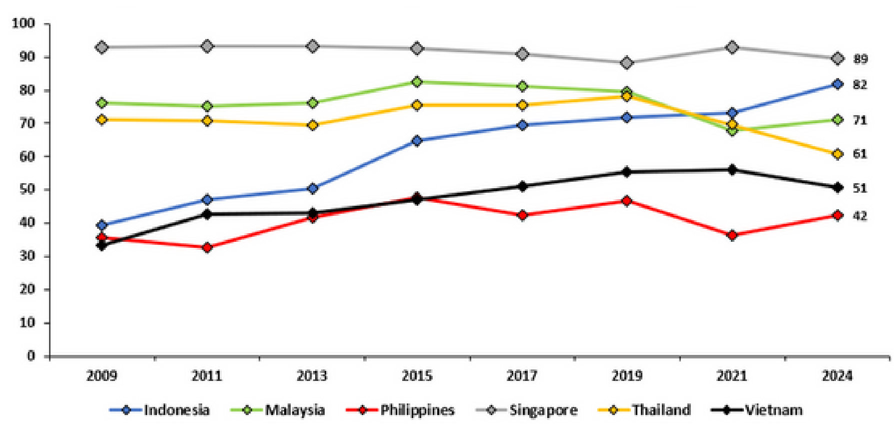


Source: UNDP

The Travel & Tourism Development Index (TTDI)

The Travel & Tourism Development Index (TTDI) is the second edition of the index, which evolved from the Travel & Tourism Competitiveness Index (TTCI) series, published biennially by the World Economic Forum since 2007. The transition from the TTCI to the TTDI reflects the index's broader coverage, including the growing importance of sustainability and resilience in travel and tourism (T&T) development. The number of countries covered has also been reduced, as some lacked reliable or recent data for the updated metrics. First released in 2022, the TTDI benchmarks and measures "the set of factors and policies that enable the sustainable and resilient development of the Travel and Tourism (T&T) sector, which in turn contributes to the development of a country." In 2024, the Philippines ranked 69th out of 119 countries and placed last among the ASEAN-6 based on percentile rankings (see Figure 11 below).

Figure 11. Travel & Tourism Development Index, Percentile Rankings, 2009-2024



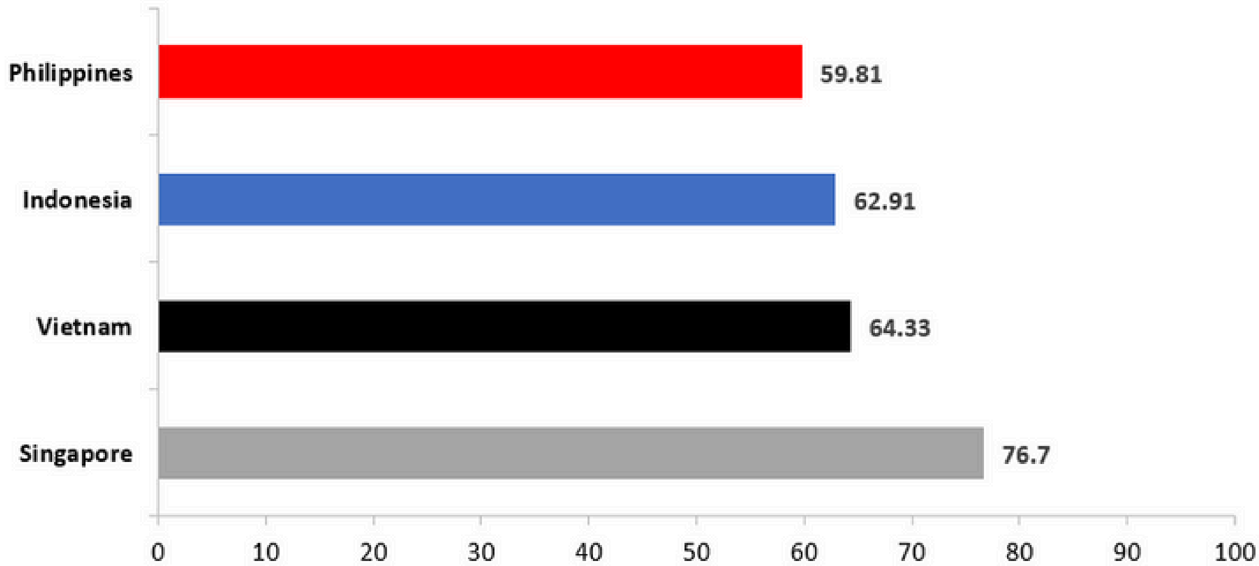
Source: World Economic Forum

The Business Ready (B-READY) Report

Launched in 2024, Business Ready (B-READY) is the World Bank Group's flagship report providing a quantitative assessment of the global business and investment climate. It replaces and improves upon the World Bank Group's previous "Doing Business" project. The first edition of B-READY covers 50 economies across all income levels and geographic regions, with coverage set to expand during its three-year rollout phase. Data collected from experts in government, the private sector, and civil society are scored and combined to allow comparisons across economies. These economies are assessed using 10 indicators: Business Entry, Business Location, Utility Services, Labor, Financial Services, International Trade, Taxation, Dispute Resolution, Market Competition and Business Insolvency, each reflecting a key stage in a business's life cycle. Cross-cutting themes such as digital adoption, environmental sustainability and gender inclusion in the business environment are integrated across all indicators. All 10 indicators examined by B-READY are organized under three pillars: (I) Regulatory Framework, (II) Public Services and (III) Operational Efficiency. Each indicator score is calculated by averaging results across the three pillars.

The report covers the following ASEAN countries: Indonesia, the Philippines, Singapore, and Vietnam (ASEAN-4). Among them, Singapore scored the highest both within the region and globally, with a total average score of 76.7. On the other hand, the Philippines ranked 28th out of the 50 countries and placed last among the ASEAN-4, behind Singapore (1st), Vietnam (17th), and Indonesia (20th), with a total average score of 59.81 (see Figure 12).

Figure 12. B-READY Scores of Selected ASEAN Countries (0-100)



Source: World Bank

Note: Malaysia and Thailand are not included in the first edition of the report.

The Philippines scored 70.68 in the Regulatory Framework (I) pillar, reflecting improvements in business regulations that contribute to a more stable and supportive business environment. It outperformed Vietnam and Indonesia in this aspect. However, it scored the lowest among the ASEAN-4 in the Public Services (II) pillar, with a score of 50.8, suggesting challenges in the digitalization of government services and transparency in business-related processes. It also ranked lowest in the Operational Efficiency (III) pillar, with a score of 57.95, reflecting limitations in regulatory compliance and the effective use of public services relevant to business operations (see Table 2).

Among the ASEAN-4, Singapore scored the highest in almost all 10 indicators (see Table 3). However, the Philippines performed the best in Labor (75.54), surpassing the other three countries.

It also outperformed Vietnam and Indonesia in Financial Services (60.70), and scored higher than Indonesia in International Trade (71.47). The Philippines recorded its lowest scores in Business Insolvency (45.5), Business Entry (48.49), and Market Competition (50.13).

Table 2. B-READY Scores of Selected ASEAN Countries in the Three Pillars

Country	Pilar I Regulatory Framework	Pilar II Public Services	Pilar III Operational Efficiency
Singapore	72.37	70.4	87.33
Vietnam	66.81	53.41	72.78
Indonesia	63.98	63.44	61.31
Philippines	70.68	50.8	57.95

Table 3. B-READY Scores of Selected ASEAN Countries in the 10 Indicators

Indicators	Singapore	Vietnam	Indonesia	Philippines
Business Entry	93.57	65.47	63.72	48.49
Business Location	78.24	62.92	68.09	60.27
Utility Services	81.76	78.73	78.73	66.47
Labor	66.83	73.19	73.19	75.54
Financial Services	73.33	57.17	56.51	60.7
International Trade	79.83	72.39	64.58	71.47
Taxation	70.39	56.46	59.91	56.66
Dispute Resolution	71.08	64.24	64.24	62.88
Market Competition	62.29	57.67	52.34	50.13
Business Insolvency	89.69	55.12	56.96	45.51

As Secretary of Finance from 2010 to 2016, I saw first hand how the American Chamber of Commerce's The Arangkada Philippines Project (TAPP) became a steady, solutions-oriented partner in our reform agenda. That spirit of constructive engagement began at the outset: its foundational 2010 report, Arangkada Philippines 2010: A Business Perspective, set a pragmatic roadmap built around the 7 Big Winner Sectors and a pragmatic set of 471 recommendations that we in government drew from to create the Philippine Development Plan (PDP) 2011-2016, and tracked year after year through annual assessments and public dialogue.

- Former Finance Secretary Cesar Purisima

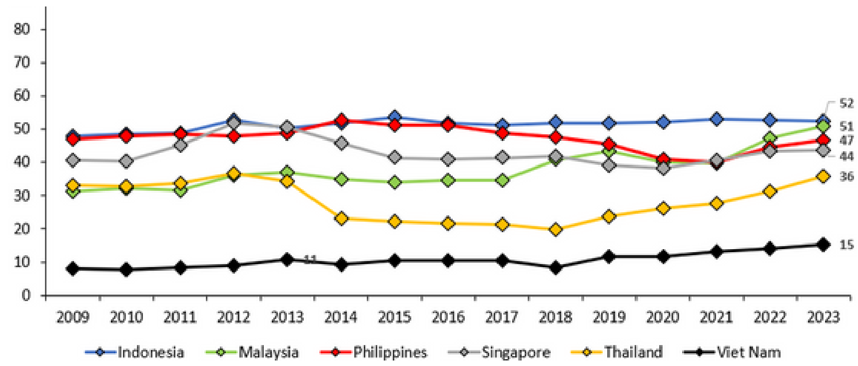
World Bank Governance Indicators

The Worldwide Governance Indicators (WGI) is a research dataset developed by the World Bank to give an overall picture of governance quality perceived across over 200 economies between 1996 and 2023. The WGI report on six broad dimensions of governance: Voice and Accountability, Political Stability and Absence of Violence or Terrorism, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.

Voice and Accountability.

In 2023, the Philippines ranked third among the ASEAN-6, following Indonesia (first) and Malaysia (second), with a percentile ranking of 46.6 in the Voice and Accountability dimension. This dimension measures the extent to which citizens can elect their government and exercise freedoms of expression, association, and the press. While the Philippines has maintained a relatively stable position in the 46-51 percentile range since 2010, its ranking has declined in recent years. Despite this, it remains ahead of Singapore, Thailand, and Vietnam in the latest ranking (see Figure 13).

Figure 13. Voice and Accountability, Percentile Rankings, 2010-2023



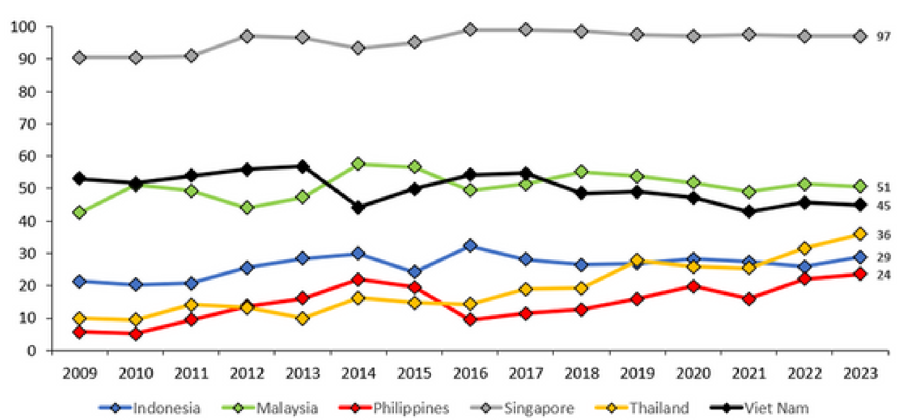
Source: World Bank

Note: Unrounded values shown to preserve exact percentile ranking.

Political Stability and Absence of Violence or Terrorism

In the dimension of Political Stability and Absence of Violence or Terrorism, the Philippines ranks the lowest among the ASEAN-6, with a percentile ranking of 23.7 in 2023 (see Figure 14). This reflects continued challenges in maintaining political stability. Despite improvements in its percentile ranking over the years, the Philippines has consistently ranked the lowest among its regional peers since 2010.

Figure 14. Political Stability & Absence of Violence or Terrorism, Percentile Rankings 2010-2023



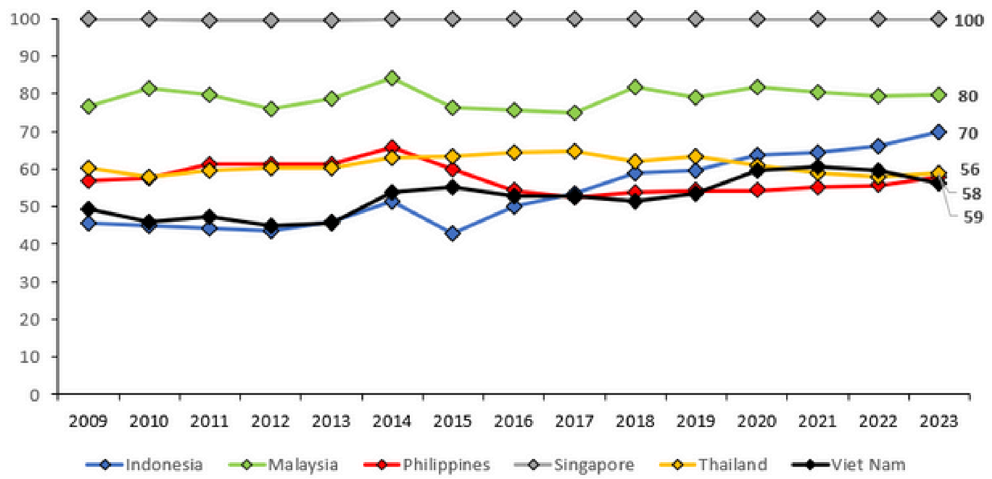
Source: World Bank

Note: Unrounded values shown to preserve exact percentile ranking.

Government Effectiveness

The Philippines ranks fifth among the ASEAN-6 in the dimension of Government Effectiveness, which captures the quality of public services and the formulation and implementation of policies. In 2023, the Philippines had a percentile ranking of 58, coming in just below Thailand at 59. From 2010 to 2023, the Philippines' ranking has hovered in the mid-50s range (see Figure 15).

Figure 15. Government Effectiveness, Percentile Rankings 2010-2023



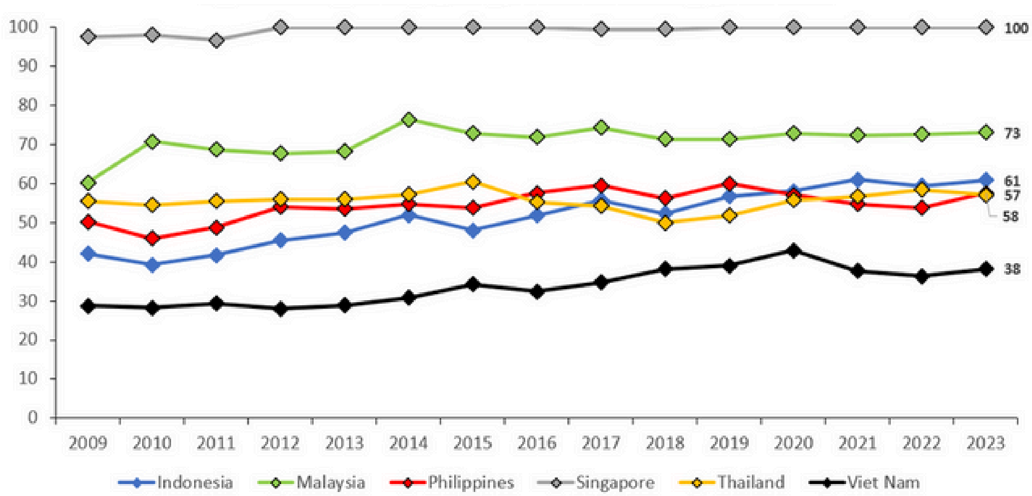
Source: World Bank

Note: Unrounded values shown to preserve exact percentile ranking.

Regulatory Quality

The dimension of Regulatory Quality reflects perceptions of the government's ability to formulate and implement policies and regulations that promote private sector development. In this dimension, the Philippines ranked 5th among the ASEAN-6 in 2023, with a percentile ranking of 57.5. From 2010 to 2023, the percentile ranking of the Philippines has remained stable, but it has continued to lag behind regional peers such as Indonesia and Malaysia (see Figure 16).

Figure 16. Regulatory Quality, Percentile Rankings, 2010-2023



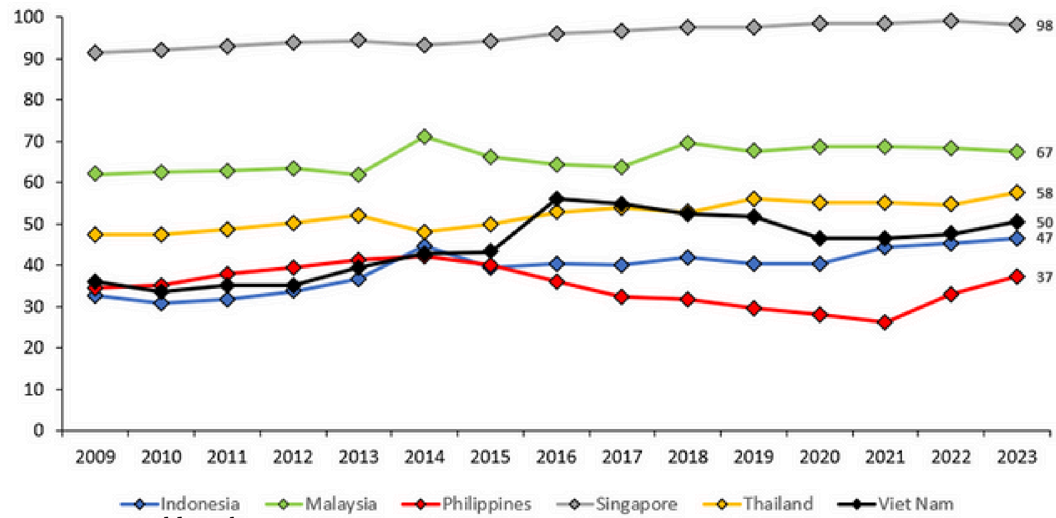
Source: World Bank

Note: Unrounded values shown to preserve exact percentile ranking.

Rule of Law

Among the ASEAN-6, the Philippines ranked last in the dimension of Rule of Law, with a percentile ranking of 37.3. It was overtaken by Indonesia in 2014 (see Figure 17).

Figure 17. Rule of Law, Percentile Rankings, 2010-2023

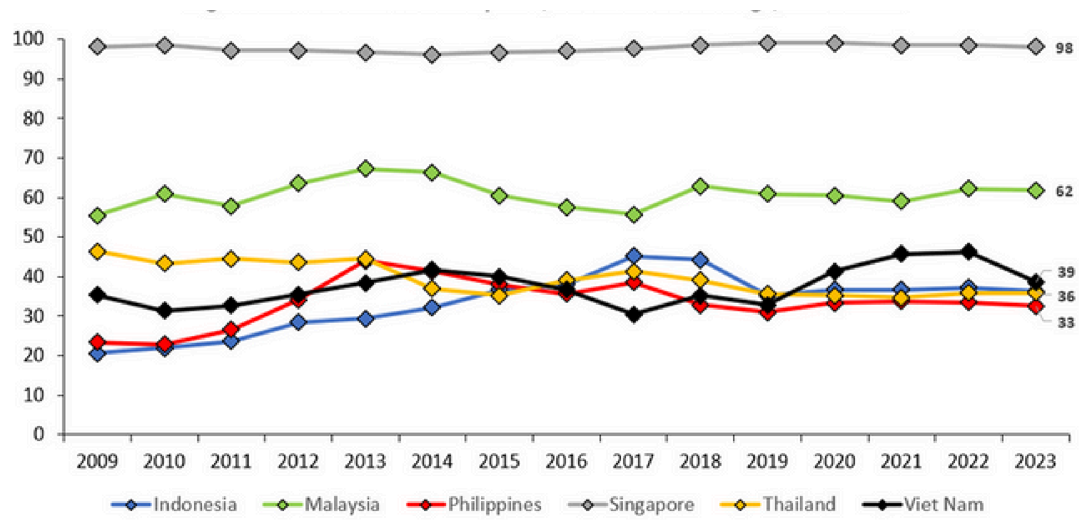


Source: World Bank

Control of Corruption

For the dimension of Control of Corruption, the Philippines ranked last among the ASEAN-6 countries, with a percentile ranking of 32.3. The Philippines' ranking has improved since 2010, when it stood at 22.9, even rising to 44.1 in 2013. However, the Philippines' ranking dropped to 32.9 in 2018 and has remained stagnant in this range since then.

Figure 18. Control of Corruption, Percentile Rankings, 2010-2023

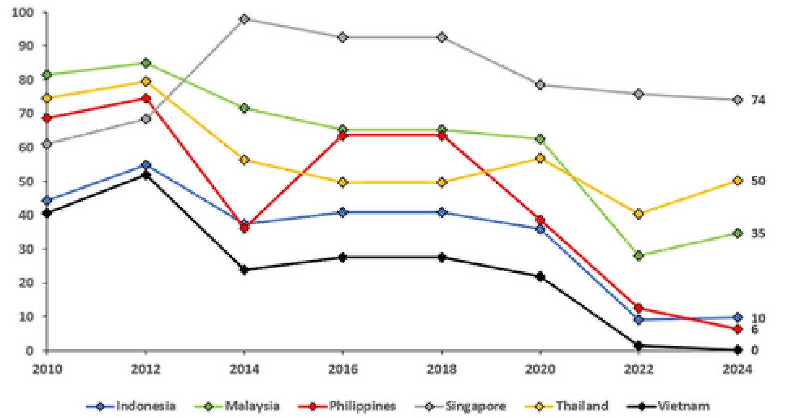


Source: World Bank

Environmental Performance Index

The Environmental Performance Index (EPI) provides a data-driven overview of global sustainability. Released biennially in even-numbered years, the EPI is produced by the for International Earth Science Information Network of the Earth Institute at Columbia University, with support from the McCall MacBain Foundation. The EPI ranks 180 countries based on their performance in climate change, environmental health, and ecosystem vitality. These indicators offer a national-level assessment of how close countries are to meeting established environmental policy targets. In the 2024 index, the Philippines ranked 169th out of 180 countries, 21st out of 25 in the Asia-Pacific region, and 5th among the ASEAN-6 (see Figure 19 for percentile rankings).

Figure 19. Environmental Performance Index, Percentile Rankings, 2010-2024

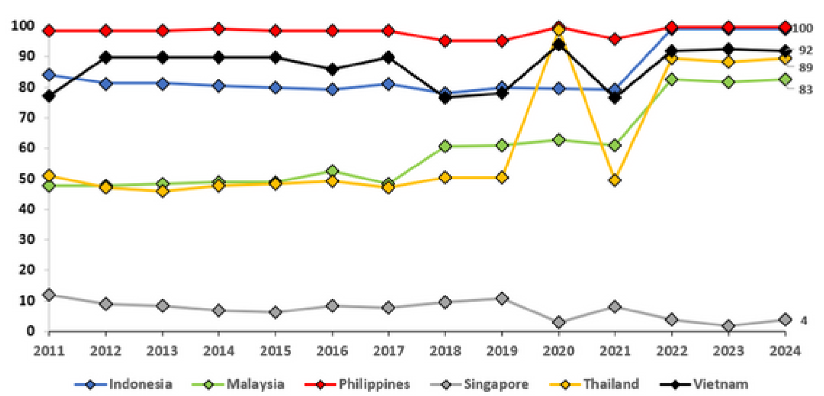


Source: Environmental Performance Index

World Risk Report

The WorldRiskReport is published annually by the Institute for International Law of Peace and Armed Conflict (IFHV) at Ruhr University Bochum and Bündnis Entwicklung Hilft, a consortium of leading German NGOs. It is based on the WorldRiskIndex, which ranks 193 countries according to their disaster risk from extreme natural events and the negative impacts of climate change. The index measures risk by assessing a country's exposure, susceptibility, and coping and adaptive capacities. A lower numerical ranking indicates higher susceptibility to natural disasters and climate-related risks. In the 2024 index, the Philippines ranked 1st globally out of 193 countries, followed by Indonesia in 2nd place, establishing them as the most exposed countries in Southeast Asia to climate risks. Since 2022, both have consistently held the top two spots globally. The Philippines has ranked 1st among the ASEAN-6 since the index was first published in 2011 (see Figure 19 for percentile rankings).

Figure 20. World Risk Index, Percentile Rankings, 2011-2024

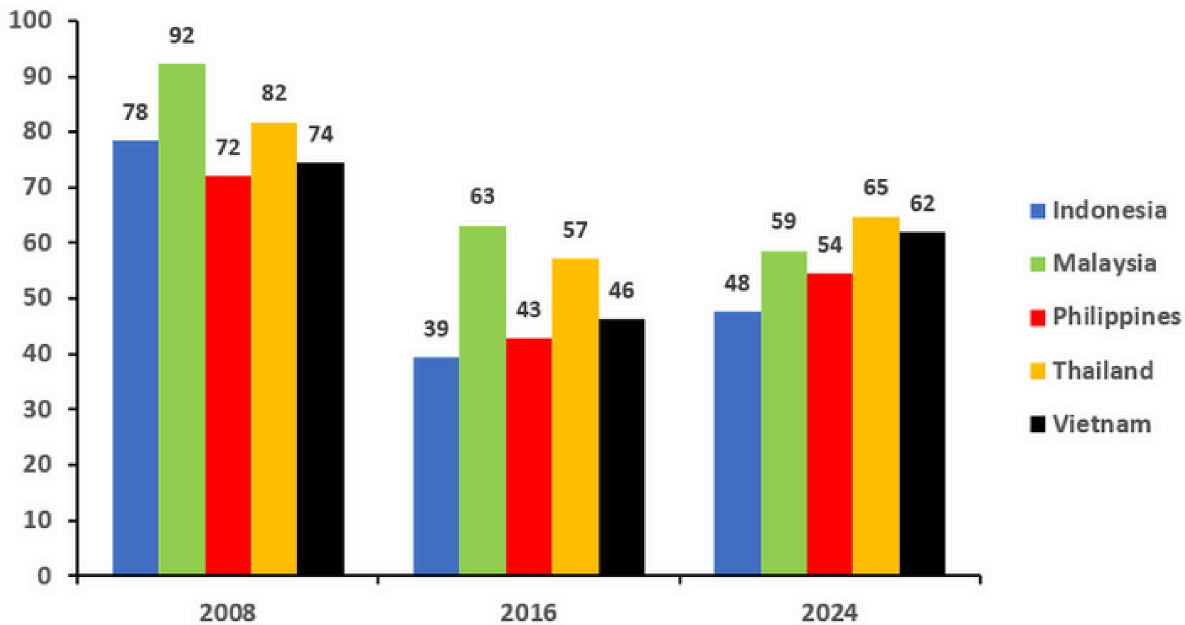


Source: WorldRiskReport

Global Hunger Index

The Global Hunger Index (GHI) is a report jointly published by Concern Worldwide, Welthungerhilfe, and the IFHV that measures and tracks hunger at global, regional, and national levels using four indicators: undernourishment, child stunting, child wasting, and child mortality. Undernourishment reflects a country's level of food security and access to nutrition, while child stunting, wasting, and mortality indicate the health and nutritional status of children under the age of five. In the 2024 index, the Philippines ranked 67th out of 136 countries, and its level of hunger is classified as moderate. A lower ranking corresponds to less hunger, while a higher ranking corresponds to greater hunger severity. Singapore is not included in the index as it does not meet the GHI inclusion criteria based on the prevalence of undernourishment and child mortality data. Among the ASEAN-5, the Philippines placed 5th in 2008 and 4th in both 2016 and 2024 (see Figure 21).

Figure 21. Global Hunger Index, Percentile Rankings, 2008-2024



Source: Global Hunger Index

Program for International Student Assessment (PISA)

According to the latest Programme for International Student Assessment (PISA) results in 2022 by the Organisation for Economic Co-operation and Development (OECD), Filipino students scored less than the OECD average in mathematics, science, and reading. It was among the weakest performers in these categories, ranking 77th out of 81 countries based on average scores (see Figure 21). Subsequently, Filipino students also scored lower in creative thinking, where they were ranked second from bottom (63rd out of 64th), citing the same report. The Philippines first participated in PISA in 2018 where it ranked last out of 79 countries. While there was a minimal improvement compared to 2022 rankings, its performance indicators remain far below other countries (see Table 4).

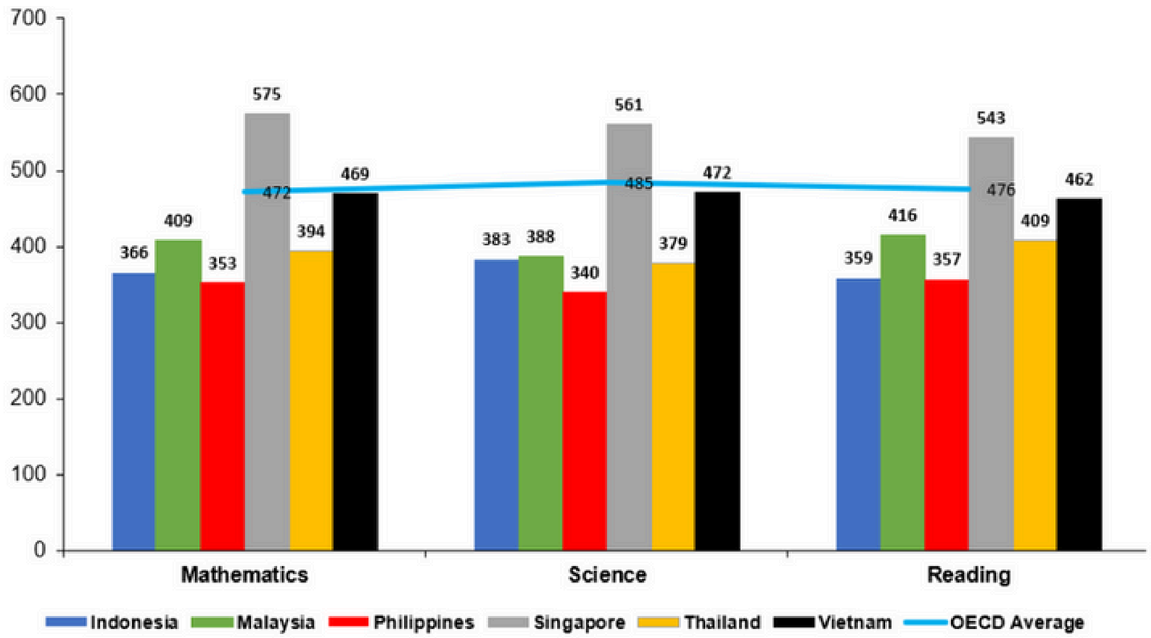
Table 4. Philippines' Performance in the 2018 and 2022 PISA

	2018	OECD Average (2018)	2022	OECD Average (2022)
Mathematics	353	489	355	472
Reading	340	487	347	476
Science	357	489	356	485

Source: OECD

In comparison with other participating ASEAN countries, only Singapore scored higher than the OECD average scores (ranked no.1). It is also noteworthy that Vietnam, a lower-middle income country, outperformed its neighbors Brunei Darrusalam, Malaysia, and Thailand with higher per capita income.

Figure 22. ASEAN Performance in the 2022 PISA



Source: OECD

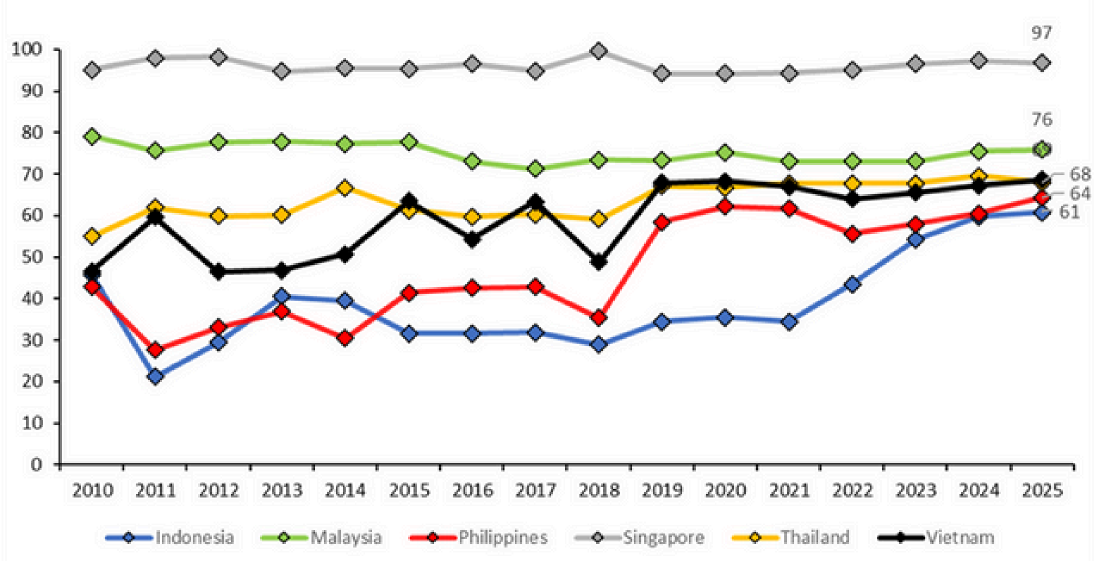
The country's poor PISA ranking is a clear indication of the persistent learning crisis in the Philippines, which will eventually lead to a less productive workforce and hinder the country's economic growth and global competitiveness.

The PISA assesses the knowledge and skills of 15-year-old students in mathematics, reading and science. The tests explore how well students can solve complex problems, think critically and communicate effectively. This gives insights into how well education systems are preparing students for real life challenges and future success.

Global Innovation Index

The World Intellectual Property Organization (WIPO), a specialized agency of the United Nations, publishes the Global Innovation Index (GII), evaluates the innovation capabilities and performance of 137 economies worldwide. The overall rankings are based on two sub-indices: the Innovation Input Sub-Index, which measures factors such as institutions, human capital, research infrastructure, credit, investment, and linkages; and the Innovation Output Sub-Index, which assesses the creation, absorption, and diffusion of knowledge, as well as creative outputs. In 2025, the Philippines ranked 50th overall globally - doing especially well in the *Knowledge and technology outputs* indicator, where the country ranked 38th. The country's ranking improved from the previous years where it placed 53rd in 2024, 56th in 2023 and 59th in 2022. The Philippines performed strongly in trade-related indicators, ranking 1st globally in high-tech exports, 4th in high-tech imports, 16th in creative goods exports, and 20th in ICT services exports. In terms of percentile rankings, the Philippines placed 5th among the ASEAN-6, ahead of Indonesia (see Figure 22).

Figure 23. Global Innovation Index, Percentile Rankings, 2010-2025



Source: World Intellectual Property Organization

The Way Forward: Enhancing the Philippines' International Competitiveness

These rankings highlight critical challenges for the Philippines in strengthening its international competitiveness, as the country ranks among the lowest in key indicators such as education, infrastructure, health, and scientific infrastructure, all of which are essential to bolstering the Philippines' competitiveness in the global economy.

In attracting more investments, it is vital for the Philippines to improve business-related factors such as insolvency, market competition, and ease of business entry, while also addressing persistent issues related to corruption and governance. Additionally, the country's top global ranking in climate risk exposure also underscores its vulnerability and the urgent need to enhance environmental resilience.

Despite these challenges, the Philippines performed relatively well in labor and employment, outperforming its regional peers. It also showed strong results across various trade-related indicators, scoring highly in sectors such as high-tech exports and imports, creative goods, and ICT services.These achievements suggest that the Philippines is moving in the right direction to better position itself within today's globalized digital economy. However, sustained progress will depend on effective structural reforms and targeted policy interventions to strengthen the nation's competitiveness, resilience, and long-term development prospects.

Over the past fifteen years, Arangkada has been at the forefront of reform advocacy that has advanced priority sectors critical to the Philippines' competitiveness. Its strong support was instrumental in the passage of the Creative Industries Development Act and the Electric Vehicle Industry Development Act, while its advocacy for the Manufacturing Roadmaps and the Inclusive Innovation Industrial Strategy (i3S) has reinforced the policy foundations for long-term industrial transformation. These initiatives have not only fostered stronger manufacturing capabilities but also encouraged innovation-driven growth, creating an environment more conducive to foreign direct investment and deeper participation in global value chains.

Working alongside Arangkada, I have witnessed how its evidence-based advocacy and constructive dialogue with policymakers and stakeholders amplified the private sector's role in shaping development policy.

By championing reforms that foster openness, innovation, and inclusiveness, Arangkada has made a lasting contribution to building a more dynamic, sustainable, and globally competitive Philippine economy.

- Former DTI Undersecretary for Competitiveness and Innovation Rafaelita Aldaba

CHAPTER 3

Seven Big Winner Sectors

The Joint Foreign Chambers has used the term "Big Winner Sectors" since 2008 to refer to the seven major economic sectors identified as having the greatest potential. These sectors were identified through a series of consultations with members and advocacy partners, and are as follows:

- **Agribusiness**, which has significant potential for scale, export competitiveness, and rural transformation. CanCham and ECCP, with expert guidance from Dr. Roehlano Briones, co-led this section and authored the Arangkada policy brief.

- **Creative Industries**, which supports the economic valuation of creative work and the recognition of the robust creative economy of the Philippines. Mr. Paolo Mercado, founding president of the Creative Economy Council of the Philippines and author of the 2018 Creative Industries policy brief, also wrote this section.

- **Information Technology and Business Process Management (IT-BPM)**, which has evolved into a globally competitive, digitally enabled services hub. PAMURI, in partnership with IBPAP, co-led this section with expert guidance from Ms. Celeste Ilagan, Chief Operating Officer of IBPAP.

- **Infrastructure** is further broken down into **(a) Transportation connectivity,** including airports, railways, roads, and seaports - all of which are critical for the efficient movement of people and goods and encourage both global accessibility and inter-regional connectedness; **(b) broadband infrastructure,** which underpins digital connectivity and enables participation in the global digital economy and expands opportunities for innovation across sectors; **(c) power infrastructure,** which ensures reliable and affordable energy to support industrial activity, business operations, and household needs**; and (d) water infrastructure**, which provides safe and sustainable access to water for communities, agriculture, and industry**.**

- **Manufacturing**, in which there is significant potential for industrial upgrading, export diversification, and digital transformation through coherent policy, infrastructure investment, and workforce development. AmCham, in partnership with SEIPI, co-led this section with expert guidance from Dr. Danilo Lachica, who moderated the roundtable.

- **Mining** - particularly sustainable mining and critical minerals, is led by CanCham in collaboration with Atty. Ronald Recidoro, Executive Director of the Chamber of Mines of the Philippines who wrote the chapter and led the roundtable discussion.

- **Tourism** - which focuses not only on the development of the country's tourist attractions, but also on positioning the Philippines as a prime wellness and retirement destination, is led by KCCP, with the expertise of Cherrylyn Rodolfo, co-author of the 2019 Arangkada Tourism policy brief.

"Arangkada mentions 7 promising sectors… they represent the global competitive advantage of the Philippines. They are primary areas of growth that can create millions of jobs for our economy and potentially change the tragic paradigm of poverty afflicting many of our citizens."

Late President Benigno S. Aquino III during his Keynote Message at First Arangkada Forum: Move Twice as Fast on January 26, 2012

Table 5 shows the relevant industry associations and sectoral experts with whom TAPP and the JFC collaborated to ensure recommendations reflect industry sentiment. Many of these experts have been long-time advocacy partners of Arangkada in pursuing shared reform initiatives as part of a larger coalition of Philippine Business Groups and foreign chambers.

Table 5. Industry roundtables organized for the 2025 policy book update

#	Sector	Date	Lead Chamber	Partner Industry Group/Organization	Expert/ Moderator
1	Agribusiness	June 30	CanCham and ECCP	N/A	Dr. Roehlano Briones
2	Creative Industries	June 27	AmCham	Creative Economy Council of the Philippines	Mr. Paolo Mercado
3	IT-BPM	July 24	PAMURI	IBPAP	Ms. Celeste Ilagan
4	Infrastructure (Airports)	June 19	ECCP	N/A	Mr. Junard Cruz Mr. Max Motschmann
5	Infrastructure (Broadband)	July 30	AmCham	Better Internet Philippines	Ms. Grace Mirandilla-Santos
6	Infrastructure (Power)	July 3	ECCP	N/A	Ms. Ruth Yu Owen
7	Infrastructure (Railways)	June 26 & July 11	JCCIPI	Center for International and Private Enterprise	Engr. Rynor Jamandre
8	Infrastructure (Roads & Bridges)	July 11	AmCham	Center for International and Private Enterprise	Engr. Rynor Jamandre
9	Infrastructure (Seaports)	July 1	ECCP	N/A	Dr. Enrico Basilio
10	Infrastructure (Water)	July 16	CanCham	N/A	Atty. Charade Grande
11	Manufacturing	May 23	AmCham	SEIPI	Dr. Danilo Lachica
12	Mining	July 14	CanCham	Chamber of Mines of the Philippines	Atty. Ronald Recidoro
13	Tourism	June 23	KCCP	N/A	Cherry Lyn Rodolfo

The recommendations listed at the end of each sector were workshopped by representatives of the JFC and advocacy partners - organizations and individuals - to ensure that the proposals are aligned with the priorities of the business sector, reflective of global best practices, and are not in conflict with each other.

Following a series of fourteen roundtable discussions, Arangkada convened a small group of representatives from the Joint Foreign Chambers, Philippine Business Groups, and advocacy partners for a final session to refine the recommendations that emerged from the sectoral discussions held between May and July 2025.

The objective of this session was to ensure that the recommendations in this publication are relevant, reasonable, and actionable, and that they do not conflict with existing business sector initiatives or recommendations in other sections of the report.

Participants to the final roundtable discussion to refine the final list of recommendations for the 2025 *Arangkada* policy book (August 19)

Over the last 15 years, Arangkada Philippines has been a tireless advocate for reforms that lay the groundwork for stronger, more competitive growth. Its mission of promoting open trade, investment, and ease of doing business has helped create a more dynamic environment for enterprises and consumers alike. The consistency of Arangkada's advocacy has made it an indispensable partner in pushing for policies that bring stability, opportunity, and long-term development to the Philippine economy.

Working alongside Arangkada has shown how vital private sector engagement is in shaping policies that genuinely move the economy forward. By aligning reform priorities with the broader goal of building an inclusive and resilient economy, we have seen meaningful progress in areas that matter most from investment competitiveness to sustainable growth. As we look ahead, advancing reforms that keep the Philippines open, innovative, and globally connected will remain a shared priority.

Former BSP Governor Amando M. Tetangco, Jr.
2017 Arangkada Lifetime Achievement Awardee

AGRI BUSINESS

SECTOR EXPERT
DR. ROEHLANO BRIONES
Senior Research Fellow
Philippine Institute for Development Studies

AUTHOR AND ROUNDTABLE COORDINATOR
KIRSTEN ARLAN UY
European Chamber of Commerce of the Philippines

RESEARCH ASSISTANT
AGAPE BENEDICT TRIA
Arangkada Philippines

Overview and Sectoral Background

While the agribusiness sector contributes 8% to GDP, employs 21% of the labor force, and covers 43% of the country's land area, it remains one of the country's most underperforming sectors. While ASEAN-6 neighbors such as Vietnam tripled agricultural exports over the past two decades, the Philippines' share in ASEAN-6 exports has fallen below 5%. Persistent barriers such as high production costs, fragmented landholdings, weak infrastructure, and underinvestment in research and development continue to limit productivity and competitiveness.

The 2010 *Arangkada* Philippines advocacy paper framed agribusiness as a "Big Winner" sector if the right reforms were undertaken. The analysis highlighted how, in the 1970s, Philippine agricultural exports held parity with other major ASEAN-6 exporters, yet by 2009 the country had slipped to the bottom of the group.

The document identified several structural constraints:

- High costs of production arising from expensive transport, labor, fertilizer, and insecticides.
- Archipelagic logistics barriers that made shipping within the Philippines more costly than importing from abroad.
- Fragmented landholdings as a result of agrarian reform, which limited economies of scale.
- Weak farm infrastructure and low R&D investment, with only 0.12% of GDP spent on agricultural research.

To address these, the 2010 paper advanced eighteen recommendations under three headline recommendations focused on free trade, land markets, infrastructure, and farmer integration:

Table 6. 2010 Headline Recommendations for Agribusiness

	2010 Headline Recommendations
1	**Seizing new trade opportunities** from ASEAN and global free trade agreements. Philippine producers were urged to engage in export development, while the government was expected to guide the sector through both opportunities and risks from increased imports.
2	**Lowering domestic costs** through investment in farm-to-market roads, irrigation, post-harvest facilities, and regulatory streamlining.
3	**Modernizing the sector** by promoting integration models between corporate agribusiness and small landholders, strengthening education and entrepreneurial training, and liberalizing landholding limits after the conclusion of the Comprehensive Agrarian Reform Program.

More broadly, the paper highlighted the need to transform the agricultural sector toward a more competitive, integrated system capable of supplying both domestic and international markets. Five years later, despite incremental reforms, the Philippines remained far behind its ASEAN neighbors. Agriculture still employed nearly 30% of the workforce, but food exports accounted for less than 5% of ASEAN-6 total exports. By contrast, Vietnam had tripled its share since 1997, while the Philippine share had declined.

The 2015 Arangkada Philippines assessment report underscored several points:

- Productivity remained low. High labor and logistics costs persisted, and mechanization efforts had only begun with the passage of the Farm Mechanization Act.
- Infrastructure bottlenecks continued, with farm-to-market roads and cold storage still inadequate. The 2014 Manila Port congestion crisis highlighted vulnerabilities in agricultural supply chains.
- Land reform effects lingered. The extension of the Comprehensive Agrarian Reform Program (CARP) under CARPER until 2014 discouraged investment, leaving farms fragmented and undercapitalized.
- Integration models were underdeveloped. While commercial hog and poultry farms expanded, smallholders lacked strong cooperatives and access to integrators.
- Innovation was uneven. There were advances in drought-resistant rice and adoption of biotech corn, but legal setbacks on field testing of other genetically modified crops created uncertainty for future R&D.
- Export diversification showed early promise in cacao, coffee, palm oil, and rubber, particularly in Mindanao, but volumes remained modest.

Positive developments included sugar block farming and ethanol projects coming online, coconut water exports had expanded, and there was growing interest in mariculture and organic products. Efforts to integrate agribusiness into conflict-affected areas of Mindanao—through ventures like La Frutera and other banana exporters—demonstrated how investment could serve both economic and peacebuilding goals.

The contrast between 2010 and 2015 reveals a shift in policy focus. The 2010 agenda was about recognition, positioning agribusiness as a growth driver and laying out the broad reforms required. By 2015, the conversation had turned to implementation and reform, with a sharper understanding of structural weaknesses that kept the Philippines from capitalizing on regional trade.

Two lessons stand out from this period. First, opportunities in agribusiness are highly time-sensitive. While ASEAN neighbors used free trade agreements to rapidly expand exports, the Philippines failed to keep pace, and delays in reform only widened the competitiveness gap. Second, scale and integration remain decisive factors for success. In the absence of land market reforms, stronger cooperatives, and deeper private-public integration, small landholders continue to lack access to value chains, weakening the country's overall export capacity.

The assessment concluded that the Philippine agribusiness sector had clear advantages: fertile land, a large workforce, disease-free zones for livestock, and high-value niche products. Yet realizing these advantages required overcoming entrenched policy and institutional barriers. The next phase required bolder reforms that could finally allow Philippine agribusiness to catch up with its neighbors and fulfill its role as a genuine "Big Winner" sector.

Looking back at the 2010–2025 period, reforms can be grouped into four categories: those that have been implemented (including mechanization, cabotage reform, expanded roads and irrigation, value-added coconut exports); ongoing (export diversification, Mindanao crop expansion, biotech corn adoption, selective infrastructure); stalled (land market reform, investment funds, agri-education, supply chain efficiencies); and obsolete (jatropha biofuels, overreliance on sugar and copra).

At the June 30, 2025 Agribusiness roundtable discussion hosted by CanCham and ECCP with representatives from other chambers of commerce, industry leaders, civil society, academia, and government gather insights and concrete recommendations to guide policy directions for the next decade, stakeholders reaffirmed these concerns. Farmers still earn only 7–8% of retail prices, and small landholders lack significant access to export markets. Proposed reform measures have centered on voluntary clustering, cooperative reform, and establishment of agricultural economic zones (AEZs) modeled after PEZA; strengthening extension systems through professionalized and digital delivery; and expanding adoption of mechanization, biotechnology, and climate-smart irrigation. Participants emphasized that the government should act as an enabler, providing infrastructure, security, and sound regulation, supporting the private sector to lead investments.

Roundtable stakeholders agreed that opportunities are real but time-sensitive. ASEAN peers have advanced and outperformed the Philippines by leveraging trade agreements, scaling farms, and embracing innovation. To catch up, reforms must prioritize scale, integration, and innovation. With decisive action, agribusiness can shift from subsistence to competitiveness, ensuring food security, increased rural incomes, and expanding the Philippines' presence in regional and global agricultural markets.

Participants highlighted both the potential and persistent challenges facing Philippine agribusiness. Stakeholders agreed that food security and the profitability of farming must remain central to policy. National frameworks such as Ambisyon Natin 2040, the Philippine Development Plan, and the NAFMIP were acknowledged, but participants raised concerns about implementation gaps, and that plans often read as "wish lists" that are disconnected from funded programs.

Several core themes emerged:

- **On trade and competitiveness**, the Philippines continues to lag behind ASEAN peers in maximizing free trade opportunities. Large agribusinesses navigate export requirements, but small landholders remain excluded.
- **The Comprehensive Agrarian Reform Program (CARP)** has resulted in fragmented land, thus reducing economies of scale. Farmers capture only 7–8 percent of retail prices, while high costs and too many intermediaries erode incomes.

Calls were made for stronger **farmer clustering, cooperatives, and grower partnerships** (e.g., Nestlé's coffee model) to link small landholders with larger value chains. Current cooperative regulations were seen as too restrictive to encourage genuine organization.

- On technology and mechanization, the group identified broader adoption of high-yield varieties, modern machinery, and climate-smart practices as essential to reducing costs and raising productivity.
- Environmental and climate pressures also emerged as participants stressed the urgency of addressing sustainability and compliance requirements, warning against "greenwashing" and emphasizing the need for genuine regenerative practices and resource management.
- The private sector emphasized its readiness to lead investment and integration, provided the government focuses on enabling infrastructure, security, and clear regulatory frameworks rather than micromanaging crop choices.

Table 7 shows the assessment of the roundtable attendees on the proposals put forward in the 2010 *Arangkada* book. A recurring concern was the mismatch between policies and practice. Laws and roadmaps exist, but without proper funding, monitoring, and impact assessment, they fail to achieve intended outcomes. Some participants advocated for Agricultural Economic Zones (AEZs) modeled after PEZA to allow clustering of farms under coherent governance and incentive structures. Others stressed the importance of crop-specific business model analysis to guide public-private collaboration.

The roundtable concluded with a consensus that Philippine agribusiness retains significant potential in high-value crops such as coffee, cacao, coconut, and halal-certified products. But to realize this, reforms must address land consolidation, cooperative development, cost competitiveness, and export readiness. Without urgent action, opportunities in both domestic and international markets will continue to slip away.

Updated recommendations for 2025 and beyond focus on ten priorities: investing in shared services and climate-smart infrastructure; enabling scale through AEZs and modernized land policies; streamlining cooperative formation; reforming extension systems and agri-preneurship programs; adopting crop-by-crop value chain models; balancing local production with imports while reviewing input tariffs; expanding R&D funding and science-based biotech regulation; strengthening fair trade and regenerative agriculture with measurable KPIs; scaling precision farming and agri-tech solutions; and passing enabling legislation such as the National Land Use Act, the Department of Water Resources law, the revised Warehouse Receipts Law, and the National Food Hub Bill.

Agribusiness remains both one of the Philippines' greatest untapped strengths and its most pressing challenges. Despite fertile land, rich biodiversity, and a large agricultural workforce, the sector continues to underperform compared to ASEAN peers. Past reforms delivered incremental gains—such as mechanization and value-added exports—but the structural foundations of land, scale, logistics, and innovation remain weak. The lessons of the last fifteen years are clear: opportunities are time-bound, and without decisive reforms, the competitiveness gap will continue to widen.

The next stage requires bold, coordinated action. Consolidation through AEZs, modernized land systems, revitalized cooperatives, and professionalized extension services can provide the scale needed for productivity. Strategic investments in shared services, climate-smart infrastructure, and agri-tech adoption will unlock efficiency and resilience. Meanwhile, reforms in R&D, biotechnology, and sustainable practices can future-proof the sector against climate change and shifting global market demands. Above all, policies must move from paper to practice, with clear KPIs and accountability mechanisms.

Table 7. Assessment of the 2010 Recommendations for Agribusiness during the June 30 Agribusiness Roundtable

CATEGORY	ASSESSMENT
Completed	1. Farm Mechanization Act enacted to accelerate mechanization and improve productivity. 2. Cabotage Law amendments introduced competition in domestic shipping, lowering logistics costs. 3. Expanded infrastructure spending on farm-to-market roads and irrigation. 4. Coconut and sugar diversification into value-added products (coconut water, ethanol, biomass).
Ongoing	5. Export diversification under FTAs (coffee, cacao, palm oil, rubber, mariculture), though exports remain <5% of ASEAN-6 totals. 6. Infrastructure upgrades in ports, cold storage, and logistics, but unevenly distributed. 7. Integration models are expanding in poultry, hogs, and sugar block farming, yet cooperatives remain weak. 8. R&D progress in biotech corn and climate-resilient rice, though broader biotech innovation is constrained. 9. Mindanao agribusiness hub development continues, but infrastructure and political risks persist.
Stalled	10. Agrarian reform resolution remains incomplete, with land tenure and ownership caps discouraging investment. 11. Agribusiness Investment Fund proposal did not advance, leaving farmers dependent on costly, fragmented credit. 12. Agricultural education and training remain underdeveloped; few graduates pursue agribusiness careers. 13. Supply chain reform slowed; logistics inefficiencies and credit barriers still weigh heavily on competitiveness
Obsolete	14. Jatropha for biofuels lost viability due to declining oil prices and alternative energy trends. 15. Reliance on traditional exports (sugar, copra) diminished; higher-value crops (cacao, coffee, organics) are now more promising export drivers.

Updated Agribusiness Sector Recommendations

1. Focus more investment in shared services (e.g., drying, cold chains, mechanization centers). Shift KPIs from infrastructure length to productivity impact. Reduce logistics costs through transport upgrades and simplify port access. Use climate-smart irrigation and assess water availability.

Shared service facilities such as drying centers, cold chains, and mechanization hubs are critical to reducing post-harvest losses and improving product quality for both domestic and export markets. For example, inadequate cold storage continues to undermine the competitiveness of fisheries and horticulture. A shift in measurement from kilometers of farm-to-market roads to productivity indicators like yield per hectare or reduced spoilage rates would align infrastructure spending with tangible farmer outcomes. Transport and port bottlenecks, as highlighted by the Manila port congestion crisis in 2014, remain pressing issues. Climate-smart irrigation, guided by regional water assessments, is also essential given rising risks from drought and flooding.

2. Enable farm consolidation through voluntary clustering, land lease models, and AEZs modeled after PEZA. Modernize land policies by reviewing ownership caps and creating flexible, investment-ready land systems to boost scale, mechanization, and market access.

Small farm sizes averaging less than one hectare prevent efficient mechanization and bulk input purchasing. Voluntary clustering and land lease arrangements, such as those piloted by large pineapple and banana exporters in Mindanao, show how scale can be achieved without undermining farmer participation. The creation of AEZs, modeled after PEZA, would allow private developers and cooperatives to consolidate land, attract capital, and streamline regulatory compliance. Revisiting ownership caps and outdated land restrictions is necessary to enable larger, investment-ready parcels capable of meeting global market standards.

3. Streamline the Cooperative Development Authority's (CDA) requirements and restore institutional support within the Department of Agriculture (DA) for cooperative formation. Provide incentives to well-governed and sustainable farmer groups.

The current process of registering and maintaining cooperatives is highly bureaucratic, leaving many farmers excluded from government support programs. Streamlining CDA requirements and reestablishing a dedicated office within the DA to support farmer clustering would strengthen small landholder participation. Well-governed cooperatives can serve as platforms for mechanization, training, and market access—mirroring successful models such as dairy and coffee cooperatives in Vietnam. Incentives should prioritize sustainability, transparency, and accountability to avoid short-lived, subsidy-driven organizations.

4. Reform the agricultural extension system for professionalized, digital, and localized delivery and scale to provinces. Expand programs such as agri-preneurship in schools and create clear farmer support pathways for production, processing, and marketing.

Extension services remain fragmented due to devolution to local governments and lack of technical staff. Professionalizing the extension system, supported by digital platforms and mobile advisory services, can improve reach and quality. Programs such as agri-preneurship in schools can encourage younger generations to see farming as a business rather than a fallback occupation. Structured pathways —from seed and input provision to post-harvest processing and market linkages—would help farmers transition from subsistence to profitable agribusiness.

5. Prioritize crop-by-crop business models with full value chain analysis—from production to logistics to market. Focus investments on strategic crops (e.g., coffee, cacao, calamansi), guided by market demand and regional strengths.

Rather than spreading resources thinly across multiple commodities, targeted investments should be directed at crops with demonstrated competitive potential. Coffee and cacao, for example, have strong export demand and favorable growing conditions in Mindanao, while calamansi holds value for both domestic consumption and export niches such as juices and concentrates. A full value chain analysis—covering farm gate prices, logistics costs, and market positioning—ensures interventions are demand-driven and scalable.

6. Encourage local production while ensuring affordability and supply stability. Use targeted safeguards and complementary support for affected local producers. Review import duties on critical agri-inputs to enhance cost competitiveness. Consider the abolition of the MAV system altogether. Address non-tariff barriers, such as the "archived" Administrative Order No. 23-2024 that seeks to impose pre-shipment inspections of cargoes at ports of origin.

Domestic production must remain central to food security, but importation will continue to fill gaps in supply and stabilize consumer prices. The balance lies in protecting vulnerable producers without raising costs for consumers. For example, calibrated safeguard measures can shield rice and corn farmers from sudden import surges, while reducing tariffs on inputs like fertilizer and machinery can lower production costs across the sector. In the meantime, trade barriers must be removed and trade distorting mechanisms, like the MAV system, should be abolished.

7. Significantly increase R&D funding for climate-resilient and high-value crops. Strengthen local seed systems and enforce intellectual property protections. Adopt a science- and risk-based framework for biotech approvals.

The Philippines invests far less in agricultural R&D than its ASEAN peers, leaving farmers vulnerable to climate shocks and pest outbreaks. Increasing funding for climate-resilient varieties of rice, corn, and vegetables is vital, alongside support for high-value crops. Strengthening seed systems and IP protections will encourage private breeders to invest. Adopting a science-based, risk-managed approval system is critical to harnessing the benefits of biotech innovations.

8. Clarify and strengthen fair trade and regenerative agriculture models. Encourage environmental compliance that avoids greenwashing while rewarding sustainability practices. Ensure policies and subsidies have clear KPIs to track outcomes.

Fair trade and regenerative agriculture can improve farmer incomes and environmental resilience, but they require clear definitions and measurable outcomes. Certification systems for coffee and cacao, for example, can enhance export positioning if coupled with government support for reforestation and watershed protection. Policies must include KPIs for sustainability subsidies, ensuring they produce measurable improvements rather than superficial compliance.

9. Support the adoption of new technologies in production by scaling precision farming, biotechnology, and climate-smart solutions. Expand access to mechanization and digital platforms through cooperatives and service providers, incentivize agri-tech startups, and provide financing and incentives to enable smallholders to adopt innovations that enhance productivity, resilience, and competitiveness.

Precision farming, drone-assisted monitoring, and digital platforms are transforming agriculture globally, but adoption among Filipino small landholders is limited by cost. Scaling these through cooperatives and service providers can spread benefits widely. Incentives for agri-tech startups can accelerate innovation in areas such as farm management apps and e-commerce platforms. Financing and targeted subsidies should help smallholders adopt these tools, boosting both resilience to climate risks and competitiveness in regional markets.

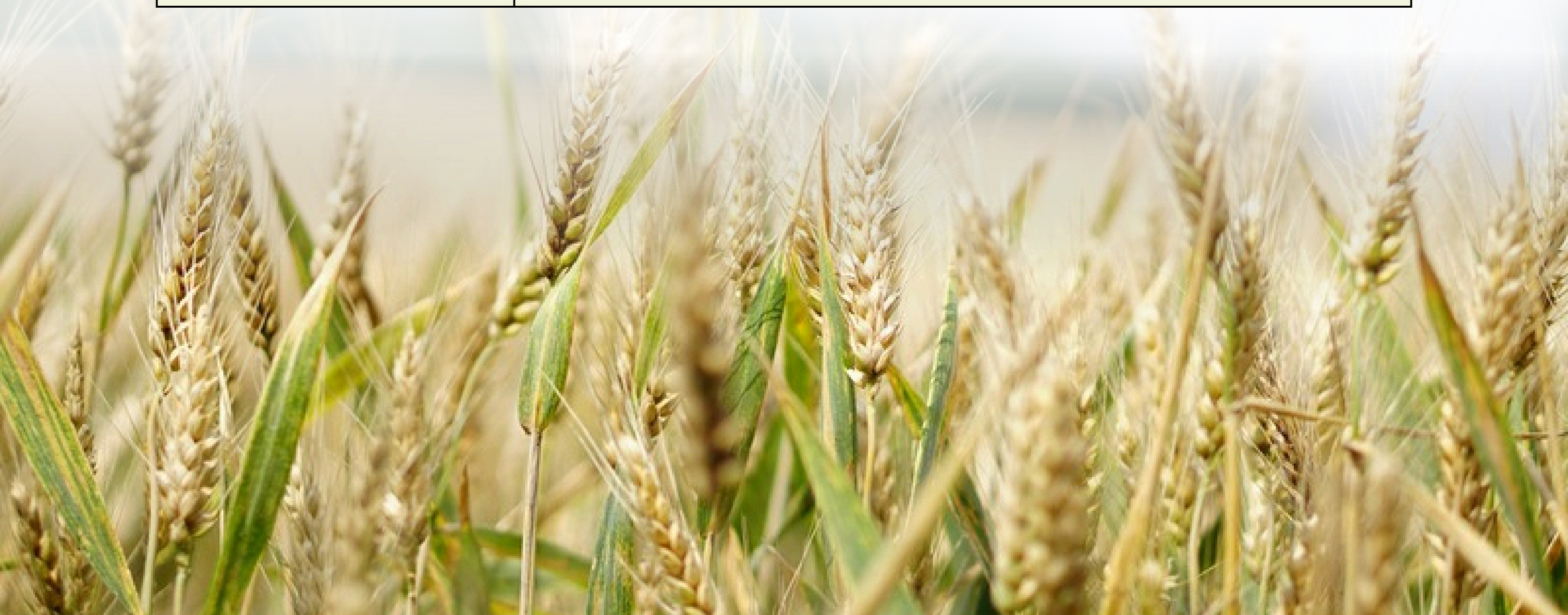
10. Passage of key legislative reforms, including National Land Use Act, Department of Water Resources, Revision of Warehouse Receipts Law, Rice and Corn Law Amendments and the National Food Hub Bill. Maintain legislative reforms that have proven effective, while reviewing those that may cause hindrances to the development of the agriculture sector.

Structural reforms require legislative backing. A National Land Use Act would rationalize competing claims on land. Establishing a Department of Water Resources is critical for integrated water management. Updating the Warehouse Receipts Law can modernize commodity financing and storage systems, while the Amendment to the Rice and Corn Law would remove foreign investment restrictions in the value chains of these strategic commodities, including the feed and food processing sectors. The National Food Hub Bill would facilitate efficient distribution and value-adding in key logistics centers. Together, these reforms would provide the enabling environment for sustained agribusiness growth. In the meantime, it is important to retain key legislative gains already made, such as the Rice Tariffication Law and the New Agrarian Emancipation Law, while reviewing those which may cause challenges in the advancement of the agriculture sector, such as the Philippine Agriculturist Act.

In Photos: Sectoral Roundtable on Agribusiness, co-hosted by the Canadian and European Chambers of Commerce for Arangkada on June 30, 2025

Table 8. Agribusiness Legislative Agenda

Agribusiness Legislative Agenda	
Department of Water Resources	To create a dedicated department to oversee and rationalize water resource management, ensuring sustainable supply for households, agriculture, and industry.
National Food Hub Bill	The National Food Hub aims to serve as a primary platform for farmers, cooperatives, and private sector players to directly supply agricultural goods to wholesalers, retailers, the hospitality industry, and other end users—cutting out intermediaries and improving traceability and standards.
National Land Use Act	To introduce a framework for the government to properly identify land use and its allocation patterns to balance competing demands for land across agriculture, industry, and housing, among others.
Rice and Corn Law Amendments	To bolster food security through reestablishing the National Food Authority's (NFA) authority to directly buy corn and rice from local farmers and cooperatives.
Warehouse Receipts Law Revision	Modernization of this framework would allow warehouse receipts to serve as tradable financial instruments and collateral, improving financing and efficiency in logistics and supply chains.



CREATIVE INDUSTRIES

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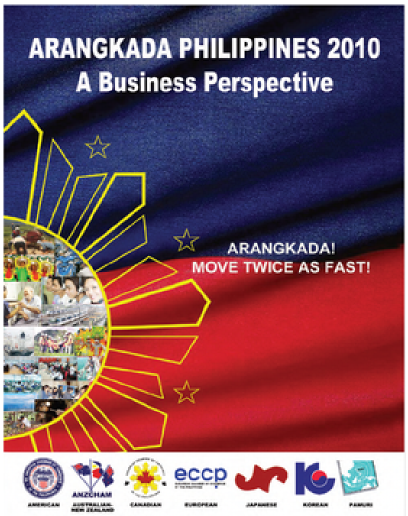
CREATIVE ECONOMY
COUNCIL OF THE PHILIPPINES

Overview and Sectoral Background

Creative industries are now recognized globally as engines of innovation, employment, and cultural diplomacy. For the Philippines, creativity has long been a natural resource—yet one that has not been fully translated into international competitiveness or economic strength. Arangkada was one of the first organizations to recognize the importance of Creative Industries in the Philippines, and that development policy covering the industry should be distinct from culture and arts development policy. This distinction would help to harness the country's strong international reputation for creativity in music, design, and performance, while addressing issues such as weak global visibility.



In 2018, the TAPP published a comprehensive policy brief on Philippine Creative Industries, co-authored by Paolo Mercado from the Creative Economy Council of the Philippines (CECP), reframing the conversation from "industries" to the broader "Creative Economy" and presented a Creative Economy Roadmap to 2030, with a bold vision of becoming the #1 Creative Economy in Southeast Asia by 2030.

> **"By 2030, the Philippines will be the #1 Creative Economy in ASEAN in terms of size and value of our creative industries, as well as the competitiveness and attractiveness of our creative talent and content in international markets."**

This was the first policy brief in the country to recognize the need for a more comprehensive Creative Economy policy to support creative industries and their impact on national growth as a whole. Six priority development areas were identified:

- **Creative Policy** – A Creative Economy Executive Order and eventual Creative Economy Act declaring and recognizing creative industries development as a national priority.

- **Creative Industries** – Defining the scope of creative industries, identifying, and incentivizing those with highest growth potential especially in international markets.
- **Creative Clusters** – Developing not just creative hubs, but "Creative Economic Zones" in order to increase investor visibility and sector productivity.
- **Creative Cities** – Encourage more Philippine cities to be accredited members of UNESCO's Creative Cities Network, through committed programs to develop creative and cultural sectors within the city.
- **Creative Tourism** – Make the Philippines known for its rich culture and creative talent through a comprehensive creative tourism strategy.
- **Creative Education** – Ensure a robust pipeline of creative talent, especially among the youth, by developing a strong creative education program in all levels (Basic Education, Higher Education, Technical Education).

Specific milestones and key results were then outlined to establish clear goals to achieve moving towards the 2030 goal as outlined in the following table.

Table 9. Creative Economy Roadmap to 2030, Creative Economy Council of the Philippines

Roadmap to 2030	2018-2020	2020-2025	2025-2030
Creative Policy	Creative Economy Task Force Set Baseline and Goals; GDP, Jobs, IP	Creative Economy Agency Deliver KPIs: GDP, Jobs, IP	ASEAN Creative Economy Lead KPIs: GDP, Jobs, IP Regional Ranking
Creative Industries	Identify and Prioritize Creative Industries for Accelerated Growth KPIs: Reputation, Revenue, Market Share	Invest, Incentivize and Incubate Priority Creative Industries KPIs: Reputation, Revenue, Market Share	Accelerate Growth of Priority Creative Industries KPIs: Reputation, Revenue, Market Share
Creative Clusters	1-5 Special Economic Zone Creative Clusters KPIs: Reputation and Revenue Growth	5-10 Special Economic Zone Creative Clusters KPIs: Reputation and Revenue Growth	10+ Special Economic Zone Creative Clusters KPIs: Reputation and Revenue Growth
Creative Cities	1-2 PH Cities in UCCN KPIs: Tourism and Inclusive Development	3-4 PH Cities in UCCN KPIs: Tourism and Inclusive Development	5+ PH Cities in UCCN KPIs: Tourism and Inclusive Development
Creative Tourism	Develop PH as a Destination for Creativity (Festivals, Conventions, Shows, etc.) KPIs: Visitors, Revenue and Reputation	Competitive in ASEAN for Creative Tourism (top 3) KPIs: Visitors, Revenue and Reputation	Competitive in APAC for Creative Tourism (top 3) KPIs: Visitors, Revenue and Reputation
Creative Education	Develop/Uplift Creative Education at all levels KPIs: Competitive and Employable Talent	Competitive in ASEAN for Creative Education KPIs: Competitive and Employable Talent	Competitive in APAC for Creative Education KPIs: Competitive and Employable Talent

Source: Creative Economy Council of the Philippines, 2018 Arangkada Philippines policy brief

The Philippine creative economy has abundant talent but weak measurement, fragmented governance, and restrictive laws limiting investment. It was not until 2022 when the Philippine Creative Industries Development Act (RA 11904) was enacted, institutionalizing the Creative Industries Council and mandating a national development plan. By 2025, however, despite progress in skills training, UNESCO Creative Cities recognition, and creative tourism focused on festivals and gastronomy, key elements remain stalled, including Creative Economic Zones, Creative Nation branding, the completion of the Philippine Creative Industries Council (PCIC), and the final approval and implementation of the Philippine Creative Industries Development Plan (PCIDP).

Other significant updates in Creative Policy include the Design Competitiveness Act of 2013 (RA 10557) and the recently approved National Design Policy 2025-2030. Good progress was also made with UNESCO's recognition of three Philippine Creative Cities – Baguio for Crafts & Folk Art, Cebu for Design and Iloilo for Gastronomy. Creative Tourism is also on the right track especially for these 3 cities. The lagging areas in the roadmap were the acceleration of Creative Industries especially for creative goods & services exports, the establishment of Creative Economic Zones, and the concerning decline in quality of basic education including creative education as reported in EDCOM II.

Table 10. Creative Economy Roadmap to 2030 with existing milestones

Roadmap to 2030	
Creative Policy	PHILIPPINE CREATIVE INDUSTRIES DEVELOPMENT ACT RA 11904 Malikhaing Pinoy 2024-2034 Roadmap National Design Policy 2025-2030
Creative Industries	Strong Domestic Creative Econmy Lagging in International Trade for Creative Goods and Services
Creative Clusters	No recognized Creative Economic Zones Initiatives in-progress for Design & Content Creative Zones
Creative Cities	3 UNESCO Creativve Cities: Baguio, Cebu, Iloilo +2 Applicants for 2025 (Quezon City and Dumaguete)
Creative Tourism	Growth of Creative Festivals among the UCCN Cities and beyond
Creative Education	Integration of Creative Skills in PSF DTI, TESDA, CHED supporting Creative Skills Programs Creativity in Basic Education Lagging
CREATIVE MARKETS & MARKETPLACES	**Need for International Creative Markets opportunity assessment and prioritization of market segments where PH creative industries will compete and win.**

Source: Creative Economy Council of the Philippines, 2018 Arangkada Philippines policy brief

Several recommendations from 2010 and 2018 are in progress but require continued attention and greater institutional coordination:

- Intellectual property protection and capacity-building by IPOPHL remain ongoing, but continued vigilance is needed to strengthen IP protection, while more proactive work is needed to encourage the development of original ideas and content.
- Trade promotion programs such as CREATE Philippines and Manila FAME, alongside cultural festivals and exhibitions, have increased visibility, yet Filipino creative exports are still small compared to Asian neighbors.
- Various capacity building initiatives were shared by CIDO, but the scale and impact of these numerous activities need to be measured and calibrated.
- Civil society and industry groups have also organized themselves more robustly, with CECP, Kapisanan ng mga Broadcaster ng Pilipinas (KBP), the Philippine Fashion Coalition (PFC), Inter Guild Alliance (IGA), Organisasyon ng Pilipinong Mang-aawit (OPM) and others advocating sectoral needs. However, coordination across these groups is fragmented, limiting unified influence.

Famous Filipino boy group SB19 performing during the 2018 Arangkada Philippines Creative Industries Forum last November 27, 2018 at the Fairmont Hotel in Makati City.

While there has been much progress, several critical priorities remain unfulfilled. The most urgent stalled priorities flagged by all stakeholders are:

- The incomplete representation of the private sector in the Creative Industries Development Council. With only 2 out of 9 approved appointments, the creative industries themselves are under-represented in their own council where most members are ex-officio government representatives.
- The Philippine Creative Industries Development Plan has yet to be approved by the President and funded by Congress, leaving the sector without a unified framework and the means needed to execute. Of great concern is the reduction of the CIDO budget from PHP400 Million in 2024, to only PHP50 Million in 2025.
- The lack of clear prioritization and promotion of high growth creative sectors (i.e. media and entertainment and digital creative services), the absence of high visibility Creative Economic Zones, and the inexistent "Creative Nation" Brand Strategy do not give local and foreign investors the necessary confidence in the growth potential of Philippine creative industries.
- Little progress has been made in allowing more foreign direct investment and equity stake in creative industries, thus limiting much needed capital infusion to accelerate industry growth.
- EDCOM II has highlighted the country's education crisis in its first year report "Miseducation: The Failed System of Philippine Education". While this report did not specifically cover creative education, recent trends in the de-prioritization of creative education in K–12 do not bode well for the nation's creative future. In higher education and workforce development, CHED and TESDA have expanded programs in animation, game development, and design, but creative curricula at the basic education level remain weak—risking the long-term development of creative talent.

Updated Creative Industry Sector Recommendations

On June 27, 2025, creative industries stakeholders from both the private and public sector converged for a roundtable discussion to review the 2010 recommendations, which can be seen in the table below, and update these in consideration of proposals that have been completed or are seen as obsolete.

Table 11. 2010 Headline Recommendations: Creative Industries

	2010 Headline Recommendations
1	Improve planning with a **Philippine Creative Industries Masterplan**, pass legislation to create the **Creative Industries Development Council**, and organize private sector into **a Creative Industries Initiative**.
2	**Stimulate the overall creative industries environment** with human resources development, rebrand the Philippine creative image, protect intellectual property, organize awards, exhibits and lectures, study foreign markets, reduce local costs, develop uniquely Filipino products, encourage tie-ups with large foreign firms, and encourage Filipino talent to stay home, as well as return home
3	**Encourage foreigners to practice creative industry professions** in the Philippines, as a key to attracting creative investments and R&D activities, resulting in technology transfer, investment, and job creation. **Remove restrictions on foreign equity in advertising**.

Source: Creative Economy Council of the Philippines, 2018 Arangkada Philippines policy brief

Seven updated recommendations emerged from the discussion. These emphasize the urgent completion of the PCIC and implementation of the PCIDP (also known as the Malikhaing Pinoy Program), reforming restrictive laws especially on foreign investment in creative industries, updating sector-specific creative industries roadmaps, accelerating creative education, pursuing creative industries' digital transformation, supporting creative placemaking, and developing a coherent international "Creative Nation" brand for Filipino creativity.

1. Urgent implementation and funding of the Philippine Creative Industries Development Plan (PCIDP 2025–2035). The PCIDP, mandated by RA 11904, must receive final presidential approval and a dedicated budget to translate policy into action. Clear economic targets and KPIs, an inter-agency coordination mechanism spanning DEPED, CHED, TESDA, and formalized public–private partnerships will unify fragmented initiatives into a cohesive growth strategy. Thanks to a provision within RA 12023 (VAT on Digital Services Act of 2024) allocating 5 percent of incremental VAT from digital service providers to creative-industry development—an estimated PHP5 billion over five years—there is already a ready fund for execution.

2. Update Creative Sector–Specific 2030 Growth Roadmaps. Each creative domain needs updated sectoral mapping, market-sizing studies, and export-opportunity analyses to (i) identify high growth potential and priority areas for the export of creative goods and services; (ii) target destination countries and potential partner foreign companies in building distribution networks for Filipino products, and (iii) expand smaller domestic markets by encouraging Filipino creative industry practitioners to engage in creative entrepreneurship inside the country and create local incubators.

These should identify priority destination markets and strategic foreign partners, while domestic incubators and entrepreneurship programs drive local commercialization. The Philippines has a strong domestic creative economy but remains a marginal player in global trade. Benchmarking against South Korea's Hallyu wave strategy and Indonesia's EKRAF ministry will illustrate how targeted incentives, branding, and institutional support elevate global competitiveness.

The draft PCIDP already identifies four high growth clusters with specific creative sectors under each. A review and update of the existing roadmaps of these creative sectors will be imperative for 2025-2026. (Table 12)

Table 12. Priority Creative Industries Clusters

HIGH GROWTH	TIER I SECTORS	TIER II SECTORS
Entertainment and Media	Video and film Music Games	Books, Novels, & Comics Performing Arts Digital Animation Toys & Characters
Digital Creative Services	Digital Advertising Software Development (including Artificial Intelligence and Virtual Reality Development)	Graphic Design Web Development
Creative Goods	Fashion Furniture Visual Art Objects	Accessories/Jewelry Textile Footwear Indigenous Materials
Creative Tourism	Creative Cities	Architecture Cultural Sites Festivals Food and Gastronomy

3. Advance Creative Placemaking through Creative Hubs, Creative Cities and Creative Economic Zones. Creative work thrives on visibility and connection, so we must seed grassroots Creative Hubs that empower community festivals, incubators, and co-working spaces while simultaneously designating high-visibility Creative Economic Zones and Centers of Excellence for incubation, production, exhibition, education, and R&D in priority sectors. Aligning these zones with city development plans and UNESCO Creative City applications will galvanize local–national policy synergy, attract investors, and anchor urban identity through culture. By clustering creatives—designers, filmmakers, musicians, artisans—in shared facilities equipped for prototyping, digital production, and live showcases, we foster collaboration, spark innovation, and create export-ready platforms. This dual approach ensures that creativity is not an afterthought but a cornerstone of sustainable urban development, tourism, and national competitiveness.

4. Develop a 4IR to 5IR Digital Transformation Roadmap for Creative Industries. As the global creative economy hurtles toward the Fifth Industrial Revolution, the Philippines must invest in broadband infrastructure and cybersecurity to support borderless workflows for studios, agencies, and freelance platforms. This roadmap should strategize how automation, machine learning, and generative AI can turbocharge design, animation, music composition, and content creation—while also instituting reskilling initiatives, safety nets, and ethical guidelines to protect traditional practitioners. By experimenting with human-AI co-creative models and spotlighting Filipino values such as cultural empathy, "diskarte" ingenuity, and narrative flair—we turn the challenges of 4IR/5IR into a springboard for global leadership in digital creativity.

5. Build a Philippine "Creative Nation" Branding Strategy. A coherent country brand for creativity is urgently needed. Filipino creatives are admired globally, but the Philippines lacks a unifying identity for its creative products and services. Beyond tourism campaigns, a "Creative Nation" strategy—woven into Tatak Pinoy—must deploy data-driven narratives, showcase success stories at major trade fairs and festivals, and launch signature Philippine creative platforms that draw international buyers and investors. By auditing market perceptions in key regions and crafting targeted cultural-diplomacy campaigns, we'll position our animation, fashion, gaming, literary, and design sectors on par with Korea's Hallyu or Japan's Cool Japan. This unified identity will unlock new export channels, strengthen soft power, and cement the Philippines as Asia's next creative powerhouse.

6. Reform and Accelerate Creative Education. Creative education must be treated as a long-term investment and the crisis in education must be treated with urgency. Curricula must encourage originality, critical thinking, and entrepreneurship, preparing Filipino talent for global competition. The Filipino workforce remains one of the youngest and most dynamic in Asia, but education systems must evolve to sustain competitiveness. Short-term measures include scaling TESDA's training and apprenticeship programs to address industry demand. Longer-term reforms require integrating creative thinking into DEPED's K-12 curriculum and ensuring CHED and TESDA programs foster originality, entrepreneurship, and adaptability. Beyond technical skill, the goal must be to nurture a generation of professionals capable of creating, innovating, and competing globally. Professionalizing the large community of online freelancers is equally urgent, as this sector can become a recognized export earner if given support, regulation, and protection.

Sectoral roundtable discussion on Creative Industries June 27, 2025

7. Review and Reform Restrictive Laws that may limit the growth of creative industries, including (i) policies related to foreign investment in creative industries and (ii) more proactive and progressive intellectual property policies that increase IP registrations and IP-based revenue.

Outdated policies—such as foreign equity caps on advertising, architecture, and audiovisual production, and the ambiguous "mass media" definition—must be clarified or repealed to encourage foreign ownership in creative sectors. Aligning with ASEAN peers, many of whom already allow 100% foreign ownership in creative sectors, will create a level playing field and demonstrate the Philippines' seriousness in becoming a creative hub. Explicitly exempting digital content from restrictive provisions will unlock foreign capital, technology transfer, and job creation.

Strengthening intellectual property systems must also be part of this reform, incentivizing original content creation and commercial exploitation of Filipino intellectual property. IPOPHIL should expand beyond IP registration counts to measuring gross value add from licensing, royalties, and other IP-based revenues. Consultations with Filipino and international creative stakeholders will ensure reforms are investor-friendly, culturally respectful, and primed to unleash the nation's full creative potential.

Table 13. Creative Industries Legislative Agenda

Creative Industries Legislative Agenda	
Artificial Intelligence bills	To position the country as an AI-ready economy. It establishes a forward-looking regulatory framework that promotes the responsible development, application, and use of AI across industries, while safeguarding public interest through an AI Bill of Rights
Digital Economy Act	Provides a clear policy roadmap to sustainably develop the e-commerce sector, financial technology, and innovation in digital ecosystems
Intellectual Property Code amendments	To strengthen intellectual property systems and incentivize original content creation and commercial exploitation of Filipino intellectual property.

In Photos: Sectoral Roundtable on Creative Industries, hosted by the American Chamber of Commerce for Arangkada in partnership with the Creative Economy Council of the Philippines, June 27, 2025

When the Joint Foreign Chambers (JFC) launched Arangkada in 2010 and focused—among others—on "7 Big Winners," Creative Industries was seen as one of the sectors that has great potential:

Filipinos enjoy a well-deserved international reputation for creativity. Filipino musicians and singers have long been global troubadours and, in recent years, are entertaining luxury cruise passengers and appearing on stage in West End and Broadway musicals. Filipino designers and crafts persons have helped the country to be known as the 'Milan of Asia' in designer circles.

Henry Schumacher, 2018 Arangkada Special Awardee, in his BusinessMirror column "Creative Industries" (January 8, 2018)

IT-BPM

ROUNDTABLE MODERATOR & SECTOR EXPERT	**CELESTE ILAGAN** *IT and Business Process Association of the Philippines*
RESEARCH SUPPORT	**FROLAND TAJALE & ANNA HABANA** *IT and Business Process Association of the Philippines*
ROUNDTABLE LEAD	**JEANETTE CARRILLO & LEA PRIOL** *IT and Business Process Association of the Philippines*
RESEARCH ASSISTANT	**AGAPE BENEDICT TRIA** *Arangkada Philippines*

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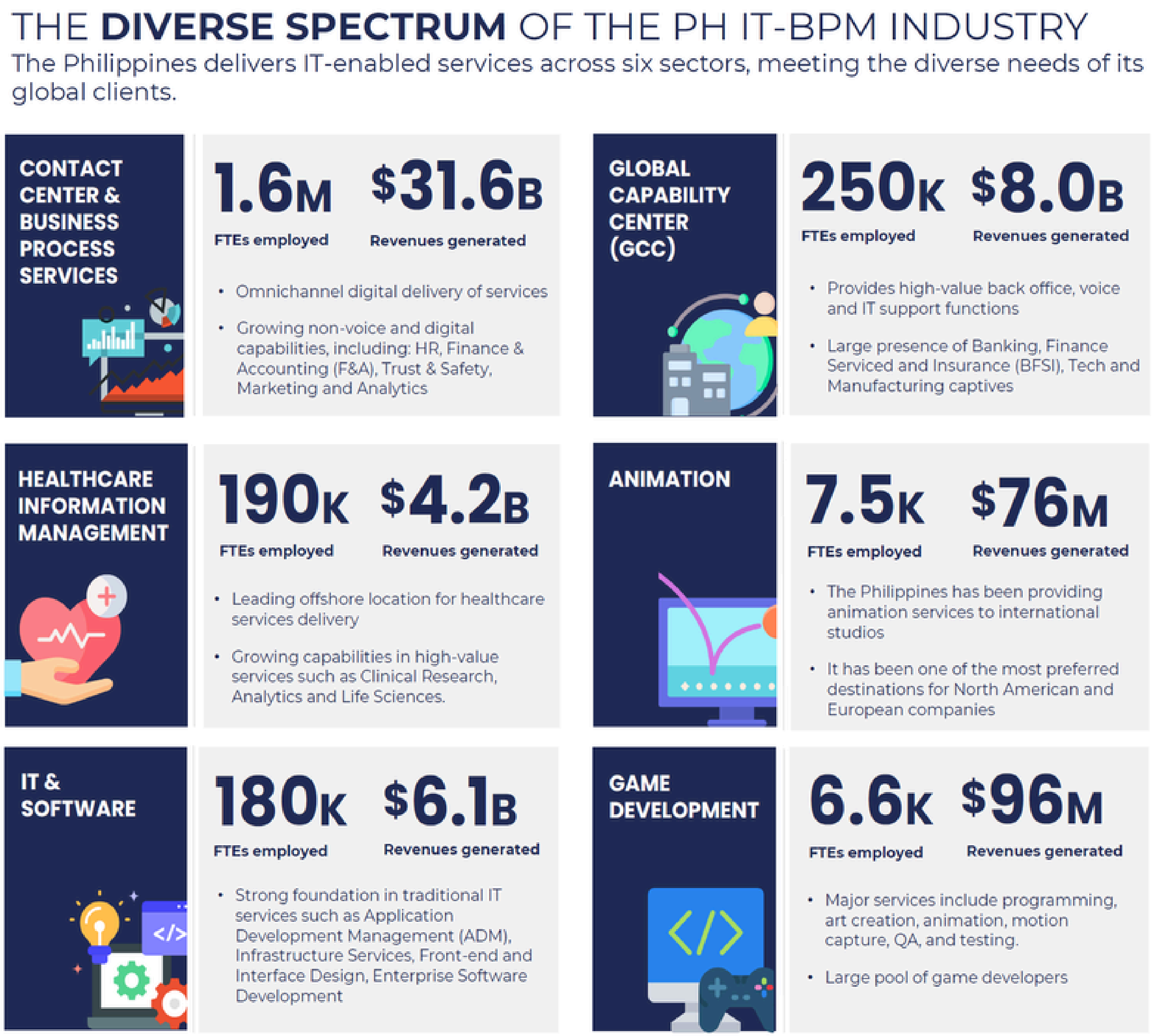
PHILIPPINES

Overview and Sectoral Background

The Philippine Information Technology and Business Process Management (IT-BPM) sector has evolved from a promising niche to a global powerhouse. In 2010, Arangkada Philippines identified IT-BPM as one of the country's "Big Winner" sectors, citing its potential to generate millions of jobs and drive inclusive growth. At that time, the sector had employed over 493,000 people and generated USD 7.4 billion in revenues, with voice services accounting for 64% of employment and 67% of revenue.

The IT-BPM industry is composed of multiple subsectors, including contact and call centers; back-office and knowledge process outsourcing services such as finance, accounting, and human resources; research; and analytics. It also encompasses global in-house centers, creative services (e.g., animation and game development), as well as IT, engineering, and healthcare information management services.

Figure 24. Subsectors of the Philippine IT-BPM Industry



Source: IBPAP

As of 2025, the industry remains a vital engine of economic growth and global competitiveness. With annual revenues exceeding USD 40 billion and a workforce of approximately 1.9 million full-time employees, the sector has demonstrated remarkable resilience and adaptability in the post-pandemic landscape.

The industry's evolution is marked by a decisive shift toward high-value services. Artificial intelligence now underpins customer experience platforms, analytics, and creative outsourcing workflows. Healthcare and financial technology outsourcing have expanded significantly, driven by global demand and the Philippines' reputation for skilled, empathetic service delivery. Hybrid work arrangements—once considered temporary—have been institutionalized, supported by regulatory reforms that recognize remote capability as a strategic asset.

The IT-BPM industry is on track to contribute an estimated 8.5% to the Philippines' GDP by 2028, reinforcing its role as a strategic pillar of the national economy. This projection reflects the sector's multiplier effect on consumption, infrastructure, and investment, as well as its resilience amid global disruptions. With consistent policy support and talent development, IT-BPM is positioned not just as a revenue generator but as a catalyst for digital transformation, export diversification, and long-term economic stability.

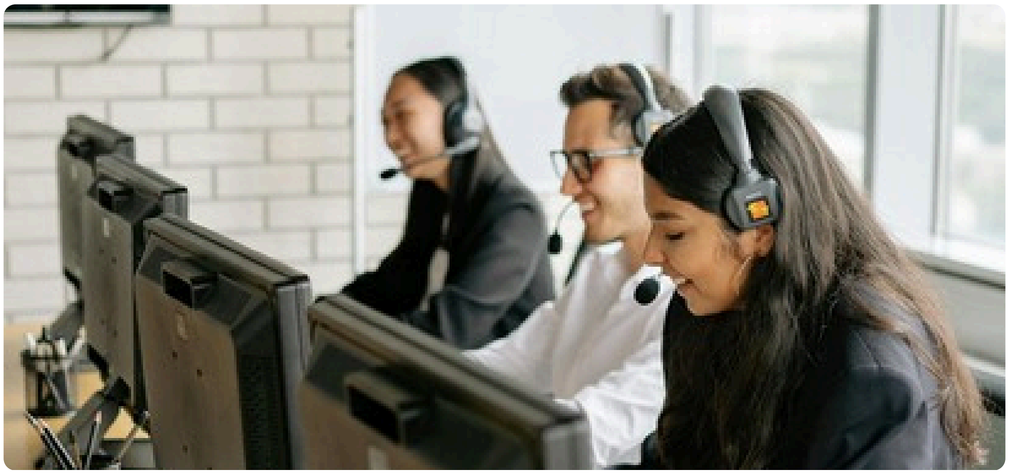


Photo by Yan Krukau: https://www.pexels.com/photo/call-center-agents-working-8867265/

The growth of the IT-BPM sector has significantly boosted labor productivity and real wages within the services economy. This expansion not only absorbs a significant portion of the educated workforce but also generates up to 4.5 million indirect jobs across adjacent industries such as retail, transportation, food services, and real estate.

Talent development remains a critical challenge. The sector's demand for specialized skills has incentivized educational institutions to align curricula with industry needs, resulting in a steady pipeline of ICT and BPO graduates who contribute directly to productivity gains and operational efficiency. The Basic Education Development Plan 2030 introduced STEM-focused reforms, yet industry leaders continue to advocate for accelerated upskilling in cybersecurity, data science, and AI. Strengthening industry-academe collaboration, particularly in regional centers, is essential to closing the skills gap and ensuring a sustainable talent pipeline.

In their 2028 roadmap, IBPAP envisions the Philippines as the world's top experience hub for digitally enabled services by 2028. To achieve this, IBPAP sets ambitious targets: USD 59 billion in revenue, 2.5 million direct jobs, and a stronger contribution to GDP. But reaching these goals requires more than scale—it demands transformation.

They outline three core strategies to guide the sector's growth:

1. **Grow the Market**: The industry aims to deepen its presence in mature verticals like BFSI and healthcare, while expanding into high-growth areas such as AI, cloud services, cybersecurity, and analytics. There is also a push to diversify client geographies, with increased focus on Asia Pacific, Europe, and the UK to reduce overdependence on North America.
2. **Transform the Workforce and Services**: Upskilling and reskilling are central to the roadmap. The sector must prepare talent for multi-functional, digital-first roles, especially in emerging technologies. IBPAP also emphasizes the need to mature Global In-House Centers (GICs), encouraging them to evolve from support units into innovation hubs with platform ownership and specialized expertise.
3. **Create Inclusive Impact:** A key priority is regional expansion. IBPAP targets 54% of new jobs to be created outside Metro Manila, supporting economic decentralization and inclusive growth. The roadmap also integrates ESG goals, encouraging sustainability and responsible business practices across the sector.

Table 14. 2010 Headline Recommendations for IT-BPM

	2010 Headline Recommendations
1	**Strengthen the industry with a robust legal framework**. The 15th Congress should pass as soon as possible: (1) Department of Information and Communication Technology, (2) Cybercrime, (3) Data Privacy, (4) Holiday Rationalization, and (5) much needed Labor Code amendments (all of which improve country competitiveness). Avoid new laws discouraging investment and that that make it more difficult to operate businesses.
2	**Develop a highly positive and supportive environment for the industry**. Achieve wide public understanding of the industy's present and potential contribution to the economy and generate public support for the industry. Adopt the National Competency Test for hiring. Expand higher-speed broadband using new fiber-optic network in more cities. Maintain the fiscal incentive regime supportive of the sector and ensure LGUs are supportive of IT-BPO firms following the intent of PEZA/BOI guidelines. Promote the IT-BPO industry with an aggressive international marketing campaign.
3	**Raise quality and quantity of labor supply available to the industry**. Implement educational reform to improve quality of graduates. Correct lack of exposure to spoken English by promoting use of English language in broadcast media and advertising. Use internet cafes for English training. Increase computers in public schools and use computers for English training. Colleges should adopt curriculum that properly prepares students for IT-BPO careers, introduce integrated service, science, management courses and, industry-standard programs in English and technical courses. Expand more certification programs, scholarships, and management development programs.

At the July 24, 2025 IBPAP-JFC Roundtable, industry leaders and policymakers converged to chart a unified path for the Philippine IT-BPM sector's global ascent. The discussion emphasized harmonized governance, future-ready talent, and resilient digital infrastructure as pillars of inclusive growth. Below are the recommendations from the roundtable:

Updated IT-BPM Sector Recommendations

1. Ensure full and consistent implementation of existing laws through harmonization of government agencies to unlock sector competitiveness and inclusive growth. DTI, DOF, and DILG should jointly issue a Memorandum Circular to harmonize LGU practices on business permitting, RBELT, and incentive administration. Implementation must clarify onboarding eligibility for existing IT-BPM projects and operationalize enhanced deductions for training, upskilling, and digital infrastructure under CREATE MORE. Strengthened ARTA partnerships are essential to accelerate LGU compliance with national standards and regulatory timelines under EO 18 (Constituting Green Lanes for Strategic Investments) and the Ease of Doing Business Law.

2. Modernize labor and immigration rules for hybrid work and global mobility. Update DOLE DOs 174-17 Series to maintain contractor status exemptions (174) from registering as a contractor, 248 to streamline visa processing, and 252 to right-size OSH staffing. Institutionalize flexible work arrangements and authorize PEZA to issue work visas for PEZA locator employees.

3. Amend the Cybercrime Prevention Act to deter fraud and enable sector-specific enforcement. The Cybercrime Prevention Act of 2012 (RA 10175) remains a foundational legal framework for addressing digital offenses in the Philippines. However, its current provisions lack the precision and agility needed to respond to the evolving threats faced by the IT-BPM sector—particularly in areas such as identity theft, data breaches, financial fraud, and platform manipulation.

4. Strengthen cybersecurity and legal infrastructure for secure digital operations. Pass a Cybersecurity Act to build national resilience and align with global standards to establish a comprehensive legal framework for cybersecurity, functioning as the "front end" of cyber space security. Unlike the Cybercrime Prevention Act, which deals with offenses after they occur, the Cybersecurity Act aims to prevent crimes by building a robust national cybersecurity infrastructure. It is intended to provide "legal teeth" for essential components such as securing appropriate budget from Congress, mandating compliance across all agencies, and funding skills training for cybersecurity professionals. This is deemed especially critical because the Philippines is noted as "one of the very few countries without a national cyber security law," currently relying only on a national cybersecurity plan that lacks the necessary legal enforcement power.

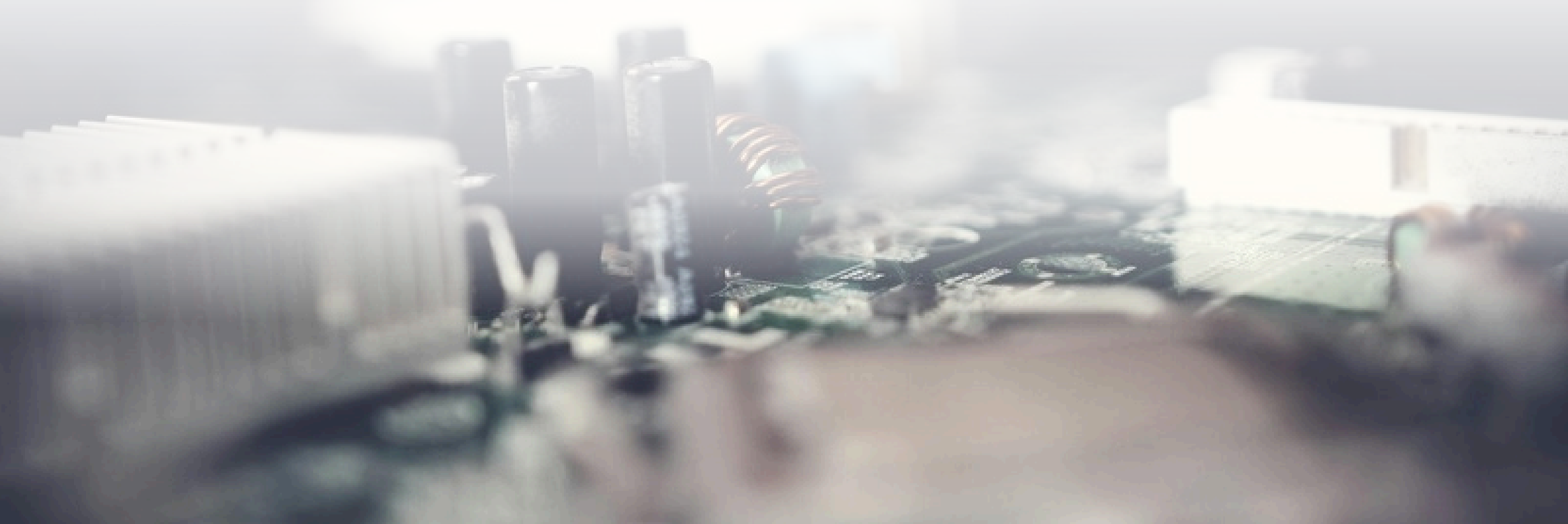
5. Protect cross-border data flows. Ensure policy supports open data ecosystems and adheres to WTO, CPTPP, and RCEP commitments to safeguard global operations and digital exports. Revoke RMC 05-2024, which imposes additional taxes on cross-border transactions, impacting the country's competitiveness. The free flow of data is essential to digital trade and economic development.

6. Expand education and targeted training for future-ready talent. A long-term vision is to position the Philippines as a multilingual service delivery hub. The government has committed substantial resources to support workforce training in the IT-BPM sector and should continue to align DICT, TESDA, CHED, and DepEd programs with sector needs such as AI fluency, multilingual CX, and IT and digital skills while scaling the Philippine Skills Framework across HEIs and DepEd. Companies should be encouraged to participate in available EBET programs.

7. Rationalize holidays to reduce cost and disruption. Holiday rationalization has long been recognized as important to the growth of the industry and was a key recommendation in the original 2010 Arangkada policy book. Beyond national holidays, there's growing occurrences of local governments pushing for local holidays as well as last-minute movements of previously announced holidays, which increases uncertainties and costs for businesses. The Philippines should seek to limit additional national and LGU-declared holidays and implement a minimum two-week lead time for holiday declarations to allow better business planning.

8. Recalibrate the Digital Cities initiative and implement growth roadmaps for high-potential subsectors. The strong growth of IT-BPM operations in the countryside supports continued focus on expanding digital cities as part of the industry’s investment strategy. However, not all locations currently designated as digital cities meet investor expectations in terms of readiness, suggesting a need for more strategic selection and promotion. There should be a refocus of investment promotion in locations with proven readiness: talent availability, infrastructure, and business environment. Develop targeted strategies for shared service centers, health information management, and AI-enabled services to drive regional expansion and inclusive job creation. There needs to be a review of the current Digital Cities list to focus on a smaller group of genuinely investment-ready locations. A more selective approach would allow for more targeted and impactful promotion to investors considering expansion in the provinces.

9. Develop an OECD-aligned International Business Services framework. Offer competitive incentives and streamlined registration to attract shared service companies and position the Philippines as a regional services hub. Thailand and Malaysia already offer similar frameworks, creating strong competition in the region. Without a comparable offering, the Philippines risks being left behind in attracting these types of operations. The goal is to provide multinational companies with a competitive, compliant structure that encourages more high-value jobs and investment in the Philippines.



10. **Advance priority legislation** to strengthen the enabling environment and reflect sector realities and global competitiveness goals. (See Table 15 for the list of legislative priorities)

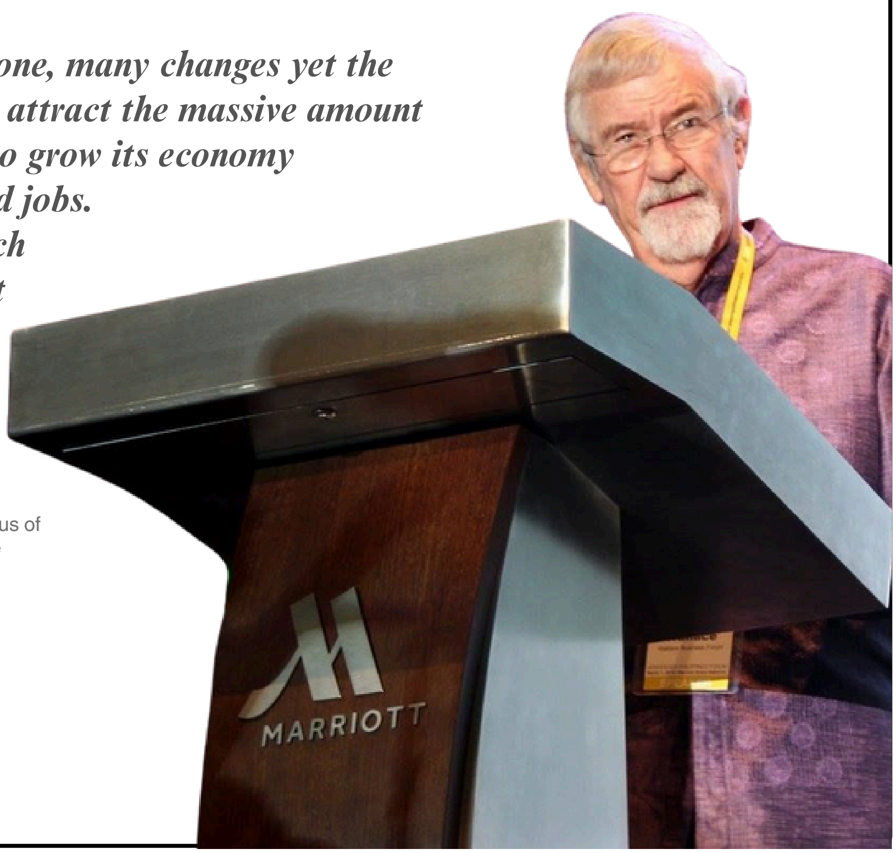
Table 15. IT-BPM Legislative Agenda

IT-BPM Legislative Agenda	
Artificial Intelligence governance bills	To position the country as an AI-ready economy. It establishes a forward-looking regulatory framework that promotes the responsible development, application, and use of AI across industries, while safeguarding public interest through an AI Bill of Rights
Cybercrime Prevention Act amendments	To modernize the foundational legal framework for addressing digital offenses in the Philippines and respond to the evolving threats faced by the IT-BPM sector—particularly in areas such as identity theft, data breaches, financial fraud, and platform manipulation.
Cybersecurity Act	To institutionalize and strengthen cybersecurity measures as well as safeguard the Philippines' critical information infrastructure.
Digital Economy Act	To provide a clear policy roadmap to sustainably develop the e-commerce sector, financial technology, and innovation in digital ecosystems
Holiday Rationalization	To limit additional national and LGU-declared holidays and implement a minimum two-week lead time for holiday declarations to allow better business planning.
International Business Services framework	To create a framework for competitive incentives and streamlined registration to attract shared service companies and position the Philippines as a regional services hub.
PEZA Law amendments	To empower PEZA to issue visas for locator employees, bypassing redundant processes with DOLE in line with investment facilitation objectives.

Arangkada became one could almost say a leader in the advancement of the business needs of foreign investors. It worked closely with the Department of Trade, and its highly competent secretaries. And further beyond with other relevant departments and the committees in congress.

I am retired now, but under the Wallace Business Forum, we worked with Arangkada in building those close relationships to effect those changes. It has not been an easy task, but Arangkada has met the challenge. Positive change has ensued. So, it's wonderful to see it complete another year of success. I expect to see Arangkada continue in its role as we go through different challenges.

But more needs to be done, many changes yet the Philippines is indeed to attract the massive amount of investment it needs to grow its economy and create much-needed jobs. Arangkada has yet much to do, but I'm confident it will.



Peter Wallace
Founding JFC Member, President Emeritus of ANZCham, and 2020 Arangkada Lifetime Achievement Awardee

INFRA STRUCTURE

TRANSPORTATION
AIRPORTS
ROADS & RAILS
SEAPORTS

BROADBAND

POWER

WATER

Overview and Sectoral Background

Infrastructure is a “Big Winner” sector because of its transformative potential to unlock inclusive growth, attract investment, and enhance national competitiveness. The chapter focuses on four major infrastructure subsectors:

- **Transportation Connectivity,** specifically airports, roads, railways, and seaports that facilitate the movement of goods, people, and services across the archipelago.
- **Broadband infrastructure,** which serves as the backbone of digital connectivity, empowering individuals and enterprises to engage in the global digital economy. It unlocks cross-sectoral innovation and supports inclusive access to online services, platforms, and opportunities.
- **Power infrastructure**, which should be able to deliver stable and cost-effective energy essential for driving industrial production, sustaining business operations, and meeting everyday household demands. It anchors economic resilience and productivity.
- **Water infrastruture,** for the safe, reliable, and sustainable delivery of water resources to communities, farms, and industries. It supports public health, agricultural output, and industrial processes while safeguarding long-term resource management.

Quality infrastructure generates employment, stimulates local economies, and lays the foundation for other industries such as manufacturing, tourism, agriculture, and IT-BPM - all of which are also considered as big winner sectors. However, it also remains a persistent challenge to the country’s development trajectory.

In the World Economic Forum’s (WEF) Global Competitiveness Index (2017–2018), the Philippines ranked 97th out of 137 countries for overall infrastructure quality—trailing behind regional peers such as Thailand, Malaysia, and Singapore. The WEF also identified “inadequate supply of infrastructure” as one of the top three barriers to doing business in the country, alongside inefficient bureaucracy and corruption.

Table 16. Most Problematic Factors for Doing Business, Philippines, 2013-2017

	2013	2014	2015	2016	2017
Inefficient government bureaucracy	17%	13%	19%	18%	20%
Inadequate supply of infrastructure	21%	16%	17%	18%	18%
Corruption	18%	18%	16%	17%	14%
Tax regulations	9%	13%	12%	8%	11%
Tax rates	6%	10%	10%	11%	9%
Policy instability	7%	5%	8%	7%	8%
Global Competitiveness Report 2017-2018, World Economic Forum					

The consequences of underinvestment are tangible. Poor road conditions, limited rail coverage, congested airports, and unreliable utilities raise the cost of doing business, slow down logistics, and restrict market access—particularly for small and medium-sized enterprises (SMEs) and rural producers. In Metro Manila, traffic congestion can reduce travel speeds to just one kilometer every five minutes. Meanwhile, gaps in digital infrastructure hinder the growth of remote work, e-commerce, and IT-BPM operations in provincial hubs.

To fully realize its potential, the Philippines must treat infrastructure as both an investment opportunity and a policy imperative. This requires accelerating project implementation, improving regulatory coordination, and ensuring that infrastructure development is inclusive, resilient, and future-ready. Addressing these challenges is essential not only for economic competitiveness but also for broader goals in poverty reduction, climate adaptation, and regional equity.

The urgency is not just economic—it is developmental. Improved connectivity allows farmers to reach markets, students to access education, and healthcare services to reach underserved areas. Reliable utilities support digital inclusion, industrial growth, and climate resilience. As the Philippines aspires to reach upper middle-income status, infrastructure investment will be key to reducing poverty, bridging regional disparities, and sustaining long-term progress.

Recent legislative reforms have made progress. The passage of the Public-Private Partnership (PPP) Act and amendments to the Public Service Act (PSA) are critical wins for liberalizing the sector and attracting greater investment. The PPP Act strengthens the legal framework for private sector participation, streamlining approvals and clarifying risk-sharing mechanisms. The amended PSA allows 100% foreign ownership in key infrastructure segments—including telecommunications, railways, airports, and domestic shipping.

These reforms directly address long-standing investor concerns about infrastructure gaps and regulatory uncertainty. By opening the door to foreign capital and improving policy clarity, they position infrastructure not only as a growth sector—but as a strategic enabler of national competitiveness, regional development, and digital transformation.

The current infrastructure reform agenda is further reinforced by the Philippine government's PHP9 trillion investment program, which includes 207 Infrastructure Flagship Projects (IFPs) identified by the Department of Economy, Planning, and Development as nationally significant. Figure 25 shows the distribution of the IFPs across the Philippines. While a sizable amount of the planned projects under the IFP program are still located in Luzon, several significant projects have also been proposed for Visayas and Mindanao, particularly airport, railway, and road connectivity projects.

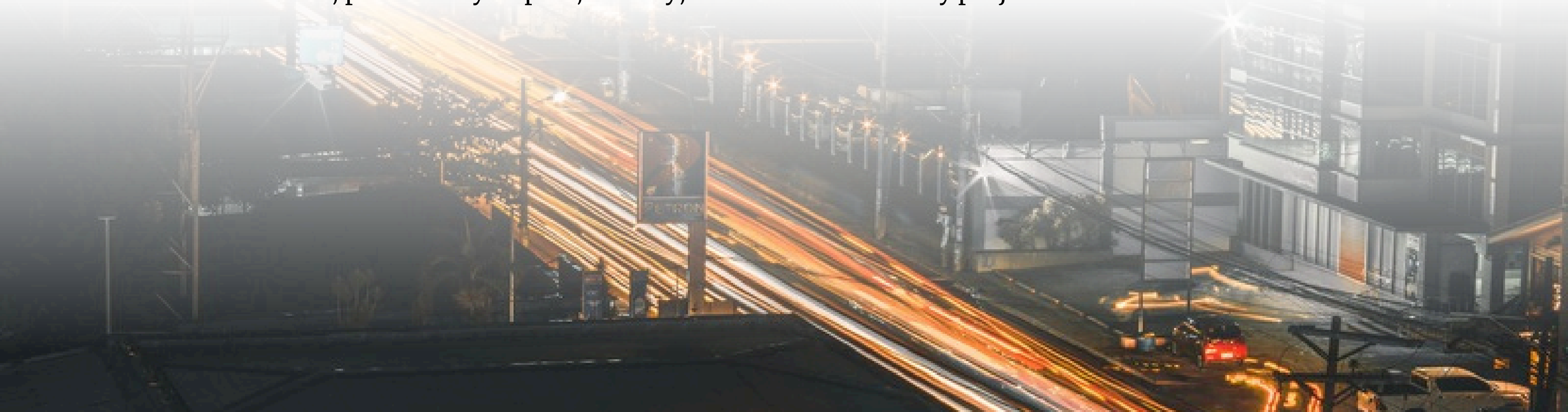
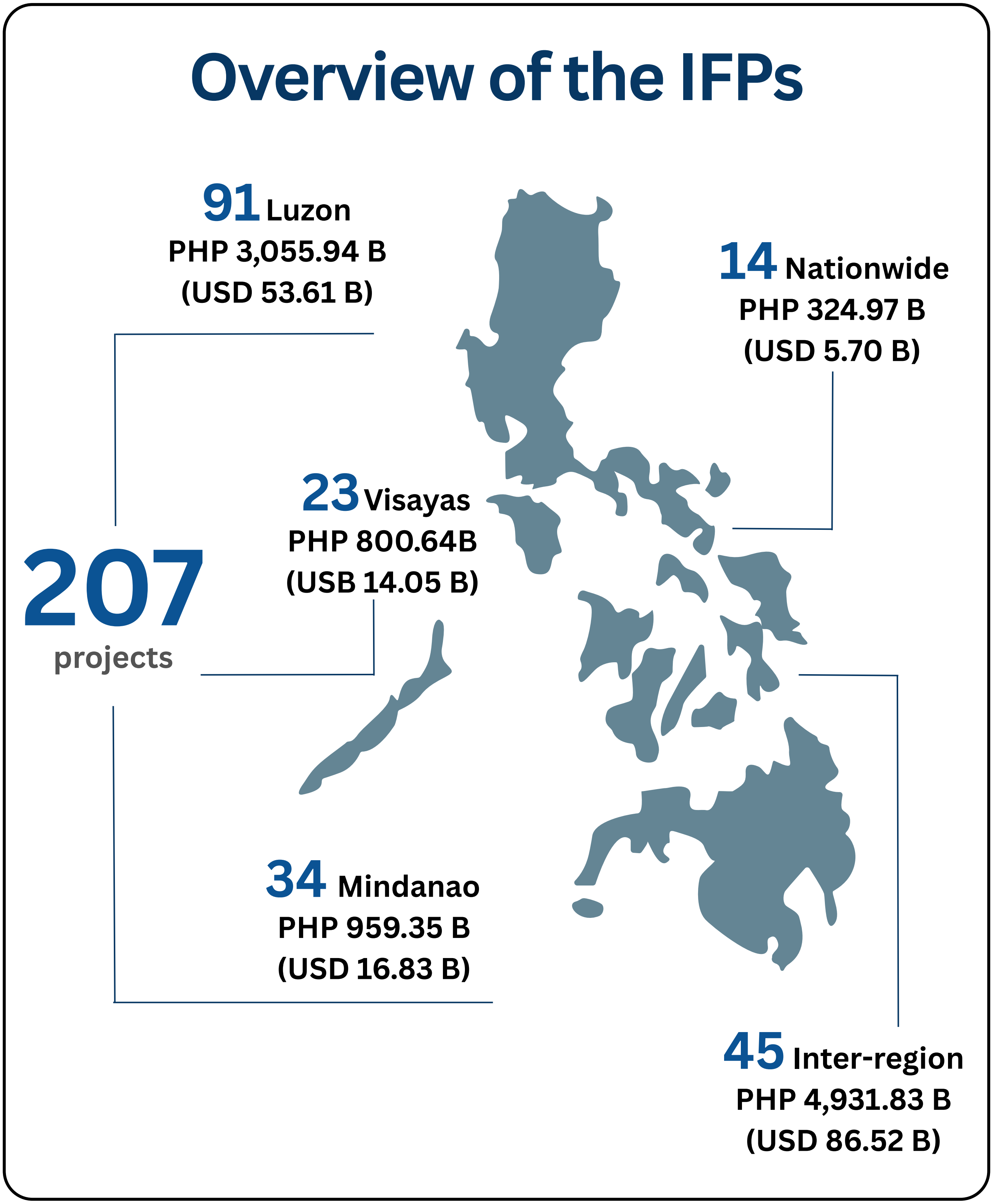


Figure 25. Philippine Infrastructure Flagship Projects



Source: Department of Economy, Planning, and Development

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PHOTO BY REX ALFORD LAGARTO

PHOTO BY WILSON REN

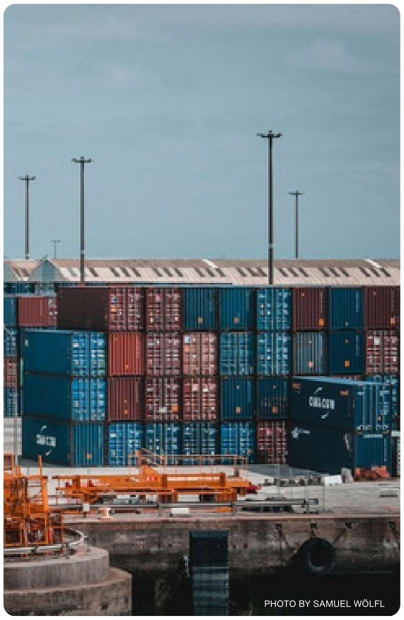


PHOTO BY SAMUEL WÖLFL

Infrastructure as a Strategic Growth Driver in the Philippines

Transportation infrastructure is a critical enabler of national development. It enables the movement of people, goods, and services; connects regions and markets; and underpins productivity, resilience, and inclusive growth. In the Philippine context—where archipelagic geography presents both logistical complexity and strategic opportunity—the imperative is clear: build and sustain a safe, efficient, and integrated transport system that supports long-term economic development.

The Japan International Cooperation Agency (JICA) has estimated traffic congestion in Metro Manila alone costs the economy PHP 3.5 billion per day in lost productivity and missed opportunities. Without decisive interventions, this figure is projected to rise to PHP 5.4 billion daily by 2035. These losses are compounded by fragmented governance, underutilized corridors, and limited intermodal connectivity—issues that constrain economic dynamism and deepen regional disparities.

The government has made notable progress in scaling up infrastructure investment. As of the first nine months of 2024, public infrastructure spending reached PHP 1.14 trillion, marking a 12% increase from the same period in 2023 and accounting for three-quarters of the PHP 1.51 trillion full-year allocation. This level of investment is equivalent to 5.5% of projected GDP, falling within the Medium-Term Fiscal Framework target of sustaining infrastructure spending.

According to the Global Infrastructure Hub's Global Infrastructure Outlook and research by McKinsey and Oxford Economics, countries that consistently invest 5–6% of GDP in infrastructure are better positioned to meet development goals, reduce economic inefficiencies, and attract private capital. For countries like the Philippines, sustained investment at this level is essential to catch up with peers, unlock productivity gains, and future-proof infrastructure systems against climate and demographic pressures.

The original Arangkada Philippines 2010 policy book highlighted the importance of developing and modernizing Philippine airports, railways, roads, and seaports as core drivers of national competitiveness and inclusive growth. It emphasized the need for expanded capacity, improved connectivity, and institutional reforms to address congestion, reduce logistics costs, and attract investment. This sentiment persists up to today, with infrastructure remaining central to the country's development agenda. Current reform proposals build on Arangkada's foundations by advancing governance consolidation, regional equity, and multimodal integration, ensuring that long-standing priorities are realized through a future-ready, systems-based approach.

This is hinged on the development and implementation of a National Transport System Master Plan, which prioritizes interconnectivity, resilience, and inclusive access across all modes of transport. By aligning sector-specific infrastructure plans for aviation, land, and maritime with a unified national strategy, the government can ensure that investments support regional growth, climate adaptation, and logistical efficiency.

Out of 207 Infrastructure Flagship Projects (IFPs) identified by the Department of Economy, Planning, and Development as nationally significant, 128 projects fall under the physical connectivity sector—covering roads, railways, airports, and seaports—underscoring the centrality of transport infrastructure to the country's development strategy. Flagship initiatives such as the Metro Manila Subway, North–South Commuter Railway, Luzon Spine Expressway Network, NAIA rehabilitation, and Subic–Clark Railway reflect the government's commitment to multimodal integration, regional decongestion, and climate-resilient design.

Table 17. Transportation Infrastructure Projects in the Philippine Infrastructure Flagship Project List

SUBSECTOR	INDICATIVE PROJECT COST (IN PHP B)	NUMBER OF PROJECTS
Airports	PHP 1,106.01	16
Railway	PHP 4,637.36	25
Roads	PHP 2,629.02	81
Seaports	PHP 205.28	6
Grand Total	**PHP 8,577.67**	**128**

Airports

Since 2010, Arangkada has consistently identified aviation as an important driver of trade, investment, tourism, and employment. This report builds on earlier recommendations for the sector, from the original 2010 advocacy paper to the comprehensive 2024 Airport Policy Brief, culminating in the updated 2025 stakeholder roundtable outputs conducted in June of this year.

The 2010 baseline outlined 15 recommendations organized under three themes: (1) investments in airport terminal, runway, and communication facilities, (2) creation of regional airports, and (3) reducing costs and liberalizing air access. The 2024 Policy Brief identified additional priorities and reforms, such as incorporating sustainability in the overall aviation industry, investments in national aviation safety management systems and security, and the ratification of the Cape Town Convention and Aircraft Protocol.

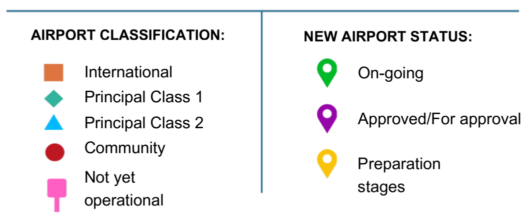
These recommendations support the goal of enhancing aviation infrastructure so that the sector is not only safe and efficient, but also globally competitive, thus driving trade, tourism, investment, and sustainable development. Aviation not only enables the movement of travelers, but also directly supports the country's tourism-driven economy. According to data from the Philippine Statistics Authority (PSA) and the Department of Tourism (DOT), the tourism sector accounts for 14 percent of the nation's total employment.

There are significant opportunities to improve operational efficiency and reduce logistics costs in the sector. Among ASEAN nations, the Philippines has trailed in the development of transport infrastructure, ranking at the bottom in terms of infrastructure adequacy, highlighting the urgent need for policy reforms and increased public investment.

Ninoy Aquino International Airport (NAIA), the country's main international gateway, was ranked as the fourth-worst airport in Asia in 2024, receiving a score of 2.78 out of 10. This low rating is primarily due to ongoing issues with capacity constraints and operational inefficiencies. The potential of the tourism sector, both domestic and international, is significantly linked to the quality and capacity of the country’s airports and seaports. Despite having some of the busiest airports in Asia, driven by an increase in both domestic and international tourist arrivals, the surge in air travel highlights the clear limitations in the country's infrastructure.

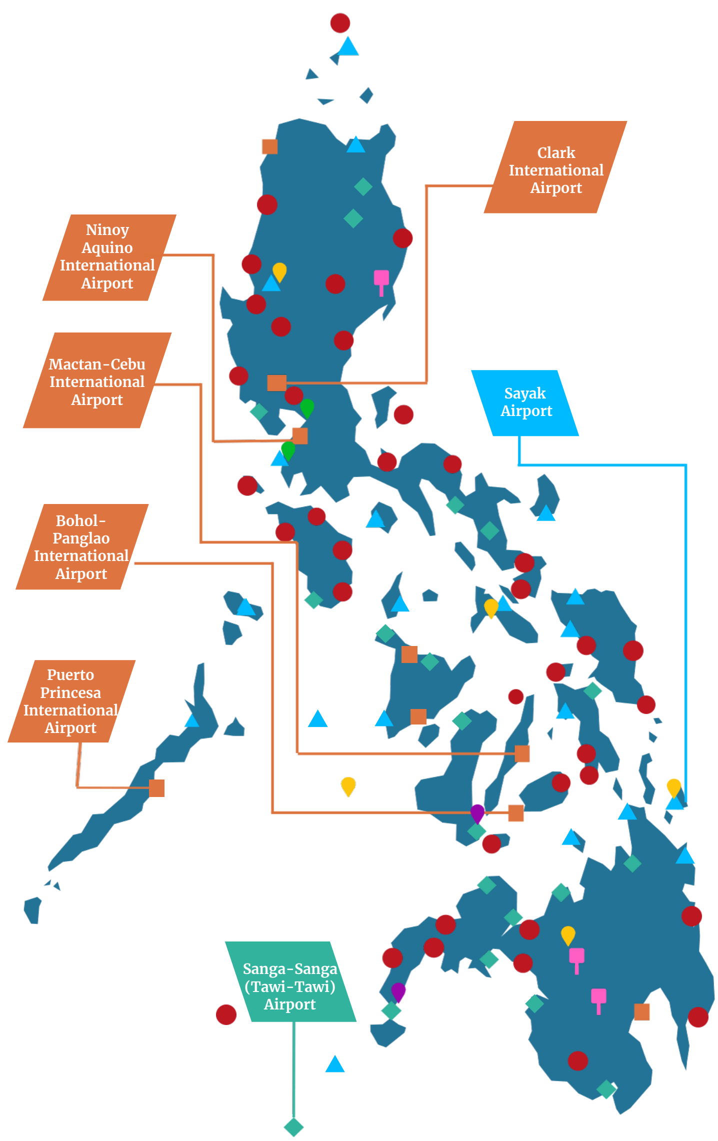
The Philippines currently has over 90 airports, including several major international hubs, and is actively upgrading its infrastructure to expand capacity. Central to this is the development of a National Transportation Master Plan that ensures balanced regional growth, improved intermodal connectivity, and modernized gateways such as Clark and NAIA, alongside expanded airport safety programs and MRO integration. Key projects include the development of the New Manila and Sangley Point International Airports, along with the renovation and privatization of regional airports in Iloilo, Davao, Bacolod, Siargao, Kalibo, and Dumaguete. A mapping of the Philippine airport projects can be found in Figure 26:

Figure 26. Philippine Airport Network: Existing and Planned Airport Projects



Status of Airport Public-Private Partnership Projects

Status	Airports
Advanced stages in the pipeline (5)	1. Laguindingan International Airport 2. Bohol-Panglao International Airport 3. Iloilo International Airport 4. Puerto Princesa International Airport 5. Kalibo International Airport
Under development/ evaluation (4)	1. Laoag International Airport 2. Sayak Siargao Airport 3. Francisco B. Reyes Airport and the new Busuanga Airport (Coron, Palawan) 4. New Surigao Airport Project
With live contracts (7)	1. Clark International Airport Expansion Project – Operation and Maintenance (O&M) 2. Mactan-Cebu International Airport Project (MCIA) 3. Cagayan North International Airport Project (Lal-lo Airport Project) 4. Caticlan Airport Development Project (CADP) 5. New Manila International Airport (Bulacan International Airport) 6. Sangley Point International Airport (SPIA) Project 7. Ninoy Aquino International Airport Public-Private Partnership (NAIA PPP) Project



Ninoy Aquino International Airport (NAIA), which currently exceeds its 35 million passenger capacity, is being modernizedso that it can ultimately serve a capacity of 50 million by 2025 and 62 million annually in the longer term, with hourly flight movements rising from 42 to 48. Passenger traffic continues to recover toward pre-pandemic levels, while air cargo reached 317.9 million kilograms in 2024, reflecting 5.2% growth from 2023. Expanding routes to North America, Europe, and Asia are further strengthening connectivity.

Recognizing the importance of education in the industry, President Marcos signed Republic Act 12255 in September 2025, renaming the Philippine State College of Aeronautics as the National Aviation Academy of the Philippines (NAAP) and designating it as the country's premier aviation education institution. The law mandates NAAP to deliver world-class training, advanced studies, and research in aviation and aerospace, serving both the private sector and government, including the Armed Forces. The institution will also provide education on aviation safety, security, and information technology to address evolving industry needs. By strengthening aviation education, this would enable the development of airports and related infrastructure through a highly trained workforce essential for the country's aviation industry growth.

In the Philippines, the aviation industry's role has been of growing importance, supporting 1.9 million jobs and contributing USD 20.3 billion (4.6% of GDP). Strengthening the sector through sustained investments, regulatory reforms, and alignment with global standards will be vital to ensuring aviation continues to drive national competitiveness and economic development.

Source: International Air Transport Association

In the 2010 Arangkada advocacy book, fifteen recommendations were proposed to address the lack of modern airport infrastructure at both the national and regional levels, grouped into three headline themes as summarized below:

Table 18. 2010 Headline Recommendations for Airports

	2010 Headline Recommendations
1	**Prioritize investments in airport terminal, runway, and communication facilities.** A Transportation Master Plan for Central Luzon until 2050 is needed. DMIA should become the primary international gateway and NAIA primarily a domestic airport.74 NAIA: renovate T-1 for wide-body international; connect T-1 and T-2; use T-3 for narrow-body domestic/international. DMIA will need a 2nd parallel runway, a new passenger terminal, and high-speed rail connection to NAIA/Makati. Settle the NAIA T-3 investor case.
2	**Each region should have one international airport only** (convert existing airports). Prioritize Laguindingan. Expand Mactan. **Reform the Civil Aviation Authority of the Philippines (CAAP)** in order to reverse Federal Aviation Administration (FAA) and EU downgrades. Implement the Japanese government-funded Air Traffic Management Project of the Department of Transportation and Communications (DOTC).
3	**Prioritize international tourism and increase international carrier service through reduced costs and pocket open skies** (starting with Palawan). Prepare for ASEAN open skies. Before more foreign airlines terminate Philippine service, replace Customs, Immigration, and Quarantine overtime, meal, and transportation fees with 24/7 government service and end unwarranted taxes on carriers (gross Philippine billings and common carriers tax), which other countries do not charge.

In Photos: Sectoral Roundtable on Airport Infrastructure, hosted by the European Chamber of Commerce of the Philippines for Arangkada Philippines, June 19, 2025

Roads & Rail

Since 2010, the Philippine roads and rail sectors have grown substantially, driven by robust policy reforms and sustained investment.

The 2018 Policy Brief recommended a series of priorities and reforms, such as scaling up expressway development, restoring rail corridors, and integrating climate resilience into road design. It also documented the rapid growth of vehicle ownership—over 500,000 new cars and 1 million motorcycles sold annually—and the resulting traffic bottlenecks, with average speeds in Metro Manila falling below 20 km/h. Expressway length stood at 385 km, with 282 km under construction and 796 km planned. Rail coverage was limited to 77 km, though nearly 1,900 km were envisioned by 2022.

Among ASEAN nations, the Philippines continues to lag in land transport infrastructure, raising concerns about long-term competitiveness. The last World Economic Forum Global Competitiveness Report ranked the Philippines among the bottom in terms of both quality of road (2010 - 2019) and rail infrastructure (2010 - 2018) among ASEAN peers, showing that while much has been accomplished, a lot of work still needs to be done to improve the quality of road and rail infrastructure.

Figure 26A. Quality of Road Infrastructure, ASEAN-6, 2008 - 2019

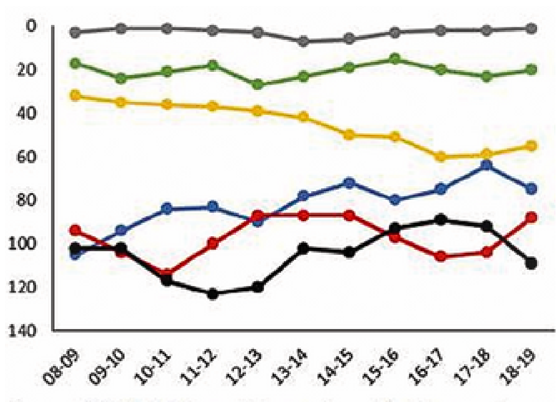
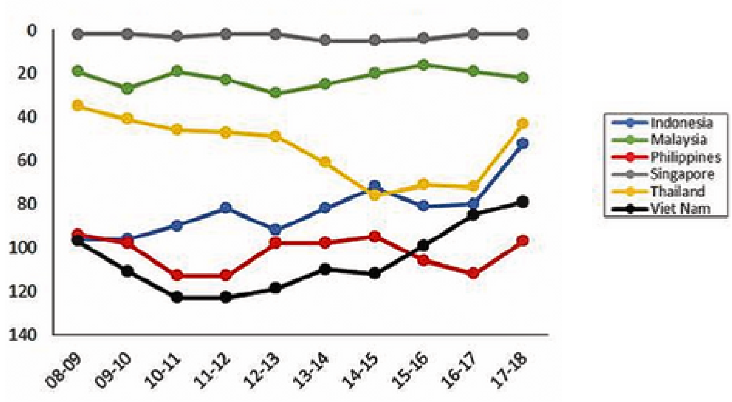


Figure 26B. Quality of Rail Infrastructure, ASEAN-6, 2008 - 2018



Source: World Economic Forum Global Competitiveness Report

Traffic congestion remains to be a top concern in urban areas. The Japan International Cooperation Agency (JICA) reported that traffic congestion in Metro Manila alone results in economic losses of approximately PHP 3.5 billion per day - a figure projected to rise to PHP 5.4 billion daily by 2035 without major interventions. These losses stem from delays in the movement of goods and people, increased fuel consumption, and reduced productivity, disproportionately affecting low-income commuters and small businesses.

The scale of these inefficiencies underscores the urgency of modernizing road infrastructure, improving public transport systems, and accelerating intermodal integration to unlock inclusive growth and regional competitiveness.

According to DPWH, the Philippine road network now spans over 210,000 kilometers, with national roads nearly fully paved. However, local roads—especially barangay and municipal—remain unevenly developed, with less than one-third paved nationwide. This disparity underscores the need for targeted investment, stronger intergovernmental coordination, and institutional reforms to improve rural connectivity and logistics efficiency. Expanding and upgrading these networks is essential to ensure equitable market access for farmers, small enterprises, and underserved communities across the archipelago.

The country's expressway network has grown to 667 km as of 2025, with targets to reach 900 km by 2028. Major corridors such as TPLEX, CALAX, NLEX-SLEX Connector, and Mindanao's Infrastructure Logistics Network are reshaping regional access. Yet gaps remain in inter-island linkages, bypass roads between ecozones, and multimodal integration.

Rail transport remains one of the most efficient and sustainable means of moving both people and goods - reducing travel time, lowering logistics costs, and cutting carbon emissions. Yet the existing network remains limited, fragmented, and underutilized, with only around 77 kilometers of operational commuter rail as of 2010. According to the DOTr's Philippine Railway Development Plan, the country is undertaking its most ambitious rail expansion in decades, with over 3,000 kilometers of new lines planned across Luzon, Visayas, and Mindanao. Flagship projects such as the North-South Commuter Railway, Metro Manila Subway, and Mindanao Railway are now reshaping the national landscape, supported by a 30-Year Railway Master Plan. Expanding and modernizing the rail system is essential to connect regional growth hubs, streamline freight delivery, and ensure inclusive mobility for commuters, workers, and businesses.

Philippine road and rail infrastructure should not only be safe and efficient, but also regionally competitive, as a driver of logistics, connectivity, and sustainable national development. These do not merely facilitate movement, they underpin food security, tourism, manufacturing, and rural access.

The 2010 baseline outlined nine recommendations organized under three themes: (1) expansion and upgrading of national highways, farm-to-market roads, and inter-island bridges; (2) development of a north–south expressway spine and intercity toll roads via competitive PPPs; and (3) institutional reforms to accelerate right-of-way acquisition, ring-fence maintenance funding, and unified planning and regulation across modes.

Table 19. 2010 Headline Recommendations for Roads and Rail

2010 Headline Recommendations	
1	**Build expressways and national roads twice as fast, using PPPs as well as DPWH funds** (see list below). Cost: USD 3+ billion (not including national roads).
2	**Build intercity rail and urban light rail, especially on Luzon, twice as fast. Accelerate rail construction on Luzon, using PPPs as well as DOTC funds** (see list below). Cost: USD 11+ billion.
3	**National government budget should focus on the core road network.** Major road and rail projects which government decides to be funded as PPPs should be **bid out competitively and evaluated and awarded transparently**. Unsolicited proposals should be minimized
4	**Apply HDM-4 for roads**. Create **single light rail agency** for Metro Manila.

In Photos: Sectoral Roundtable on Roads & Rail Infrastructure, hosted by the American and Japanese Chambers of Commerce of the Philippines in partnership with the Center for International Private Enterprise for Arangkada Philippines (June 26 & July 11, 2025)

Seaports

Seaports are fundamental to a nation's economic future, serving as linchpins of enterprise and the backbone of logistics corridors that drive growth and prosperity. This is especially true for an archipelagic nation like the Philippines, whose geography necessitates a robust network of maritime corridors to connect population centers, industrial hubs, and agricultural areas with domestic, regional, and global markets.

The Philippines is inextricably linked to its maritime sector. The country's seaports are not just points of transit; they are essential arteries through which a majority of domestic and international commerce flows. These maritime gateways serve as pillars for national competitiveness and economic growth, and are integral to the daily lives of Filipinos. Therefore, the efficiency, safety, and capacity of these seaports are crucial for unlocking the country's full economic potential and ensuring inclusive and decentralized development.

The Philippine maritime sector continues to be a cornerstone of the national economy, buoyed by strong domestic demand and significant public and private investments. Port operations and related activities play a crucial role in facilitating trade, moving goods, and supporting the country's logistics network.

The port and maritime sector's contribution to the Philippine GDP is an integral component of the overall services and logistics industries. For the first half of 2025, the Philippine economy saw a steady growth trajectory, with a 5.4% year-on-year growth in the first quarter and 5.5% in the second quarter. Key contributors included the services sector, which grew by 6.9% in the second quarter. The maritime and logistics sector falls under this umbrella, with its growth directly correlating to the increase in trade and transport activities.

For the first six months of 2025, the Philippine Ports Authority (PPA) posted a remarkable PHP14.67 billion in revenue, a 14 percent increase from the same period last year. From January to June 2025, key operational indicators all registered healthy growth: cargo throughput rose to 148.93 million metric tons, an increase of 7.54%; container traffic reached 4.16 million TEUs, up 11.03%; passenger traffic grew to 45.99 million, up 10.25%; RoRo traffic hit 6.39 million, a 9.36% increase; and shipcalls totaled 340,494, an 8.81% rise.

The cruise sector continues to show promise, with passenger volume soaring to 143,149. This represents a 91.25% increase that nearly doubled last year's figures and underscores the ports' role in reviving tourism. The PPA is also modernizing the country's gateways, with 90 locally funded projects underway nationwide. In the first semester of 2025 alone, the PPA completed major port developments in Luzon, Visayas, and Mindanao, among other areas. In Luzon, this included the Capinpin, Romblon, and Mauban Port expansions. In Visayas, the Tagbilaran Back-up and Estancia Port expansions were also completed, while Mindanao also saw the expansion works at Balingoan Port completed. Other key developments in Mindanao are also nearing full completion, including projects at the Port of Cagayan de Oro, the Port of Benoni, and Malalag Port.

Based on PPA data, Philippine seaports are making a significant recovery from the pandemic's impact. In 2019, before the pandemic, seaports recorded 503,098 total shipcalls, with a quarterly average of 125,774. While this number dropped sharply in the second quarter of 2020, recent data shows a strong rebound. The average number of shipcalls for the first two quarters of 2025 has already reached 168,781, a notable increase that surpasses pre-pandemic levels.

There is also a positive trend in cargo throughput, with figures already exceeding pre-pandemic levels. While the data shows a consistent dip every fourth and first quarter, it bounces back robustly in the second and third quarters of the following year. Moreover, in the first quarter of 2019, cargo throughput was at 59,933,496, while in the first quarter of 2025, it reached 65,931,292, and by the second quarter of 2025, it had climbed to 83,302,964.

The country’s container traffic has shown a slight improvement, having dipped during the pandemic but remaining relatively stable since the second quarter of 2020. Container traffic in the first quarter of 2019 was at 1,897,158 twenty-foot equivalent units (TEUs), and by the second quarter of 2025, it had improved to 2,138,705 TEUs.

Of all the metrics, passenger traffic was the most affected by the pandemic. However, it is now relatively stable and has exceeded pre-pandemic levels. The first quarter of 2019 saw 18,143,560 passengers, which is well below the 26,004,270 passengers recorded in the second quarter of 2025. This strong recovery is mirrored in intermodal traffic, which shows upward mobility and now far exceeds the lowest levels seen during the pandemic. In the first quarter of 2019, this traffic was at 1,735,844, and by the second quarter of 2025, it had more than doubled to 3,352,775.

In the latest Container Port Performance Index (CPPI) published in 2023 by the World Bank Group and S&P Global, the Philippines' overall ranking stood at 310 out of 405 container ports globally, indicating significant room for improvement in efficiency. While this ranking suggests challenges, it's notable that several individual ports within the Philippines fared considerably better: Batangas was ranked 133rd, Cebu 143rd, Subic Bay 227th, and Davao 279th. This disparity highlights the varying levels of operational efficiency across the country's port network and underscores the potential of key regional gateways to support and distribute cargo more effectively, thereby alleviating pressure on congested primary hubs and contributing to the nation's broader maritime competitiveness.

The PPA presented several expansion and construction projects, promising these ports to be both modern and climate-resilient. From 2016 to 2024, the PPA completed a total of 297 locally funded projects nationwide. Additionally, the PPA continues to partner with the private sector, successfully bidding out 30 ports nationwide including the Port of Zamboanga (2021), the Port of Puerto Princesa (2021), and the Iloilo Commercial Port Complex (2024).

Investments in digital transformation through the agency’s Electronic Payment System and the Trusted Operator Program - Container Registry and Monitoring System (TOP-CRMS), among others, aim to enhance inter-agency coordination. The Maritime Industry Authority has also rolled out its digitalization initiatives with the issuance of E-Certificates for seafarers and is integrating Regulatory Impact Assessments into its policy formulations. The Subic Bay Metropolitan Authority is also seeing rapid expansion, with plans to expand its capacity, new container terminals, cruise ship facilities, and pioneering green port initiatives like shore power connections.

Table 20. 2010 Headline Recommendations for Seaports

2010 Headline Recommendations	
1	A **NCR/Central Luzon Transportation Master Plan up to mid-century** is needed and should include a strategy to utilize Batangas, Manila, and Subic seaports, with modern ground transportation links to industrial and urban centers. **Manila Should be decongested gradually, shifting international container traffic to Batangas and Subic**. Develop cruise business at Manila and other major ports (see Map 4).
2	**All major ports should have complete infrastructure** (terminals, cranes, yards, scales, silos, and discharging equipment and areas) under a hub-and-spoke system feeding goods by truck and RORO. Major RORO ports should have modern passenger terminals. Allow chassis RORO (cargo containers on chassis without truck). Reduce fees on all shipping. Increase consortium shipping arrangements.
3	**PPA should focus on an independent regulatory role** and promote competitive participation in port operations. Activate the National Port Advisory Council. Pass the new Maritime Law. The Maritime Industry Authority (MARINA) should impose higher standards on shipping and follow international practice.

In Photos: Sectoral Roundtable on Seaports Infrastructure, hosted by the European Chamber of Commerce of the Philippines for Arangkada Philippines (July 1, 2025)

Updated Recommendations for Transportation Infrastructure

For the 2025 update, the recommendations for airports, roads and rail, and seaports have been merged under the broader umbrella of transportation infrastructure as there are several intersections and repetitions between each of the subsectors. Sub-sector specific proposals are identified under each headline recommendation.

1. Finalize and implement the National Transport System Master Plan.
The National Transport System Master Plan should guide long-term development of safe, efficient, integrated, and people-centered networks across all forms of transportation. Ensure continuity of policies and projects across administrations, with cancellations limited to early-stage, non-viable initiatives. Sustain public and private investment above 5% of GDP, prioritizing land transport modernization and enabling PPPs to supplement public funding for major infrastructure.

2. Formulate sector-specific nationwide master plans for aviation, land, and maritime transportation.
In support of the National Transport System Master Plan, the sector-specific infrastructure plans should prioritize strategic corridors and interregional links that connect growth centers, logistics hubs, and underserved communities, and ensure transportation investments support climate resilience, food security, and inclusive access.

For aviation: Incorporate sustainable practices such as Promotion of the local production of Sustainable Aviation Fuels (SAF), which can significantly reduce carbon emissions and dependence on imported fossil fuels. Additionally, airports should adopt and implement globally recognized sustainable airport practices, ensuring that infrastructure development and operations align with international environmental standards and contribute to long-term ecological resilience.

For land: Modernize road infrastructure nationwide by expanding expressways, national roads, farm-to-market routes, and inter-island bridges across Luzon, Visayas, and Mindanao. Prioritize strategic corridors and interregional links that connect growth centers, logistics hubs, and underserved communities. Develop interzonal bypass roads between ecozones. Ensure road investments support climate resilience, food security, and inclusive access.

For maritime: Modernize port infrastructure and expand hub-and-spoke systems. Designate strategic ports as cargo hubs supported by RORO and truck-accessible spokes. Upgrade facilities for container, bulk, and break-bulk cargoes with modern cranes, silos, marshalling areas, and weighing systems. Scale up successful privatization models and explore a GOCC-to-IPO strategy to attract broad-based investment. Build on recent liberalization laws to further reduce container shipping costs. Rationalize/standardize fees and improve safety on the nautical highway through LGU enforcement, rest areas, and a trucker complaint hotline. MARINA must impose higher standards on safety, quality, and environmental performance.

3. Adopt digital solutions to modernize transportation networks.

For airports and land transportation this could be done through the digitalization of every step of the traveler's journey and implementation of biometric-based systems to support contactless travel. Continue the implementation of interoperable cashless payment methods for all railway networks in Metro Manila.

For ports, digitalize and transform Philippine ports into smart logistics hubs; implement a national single-window system for port clearances; leverage big data, AI, and IoT for real-time logistics optimization and cargo tracking. Build a public data ecosystem to support planning, transparency, and route viability assessments.

4. Strengthen right-of-way (ROW) acquisition to enable timely delivery of transport projects.

Equip implementing agencies with skilled personnel, dedicated budgets, and streamlined procedures to secure ROW efficiently and transparently. Institutionalize ROW acquisition as a core function to reduce delays and unlock infrastructure impact. Pass the Accelerated and Reformed Right of Way Act, which will provide a stronger framework for the acquisition of land for the construction of big-ticket infrastructure projects.

5. Accelerate decentralization and decongestion of urban centers by modernizing transportation infrastructure across and between regions.

Across Sectors: Encourage the devolution of selected national-level public transport functions to local governments. Empower local government units (LGUs) to initiate and implement infrastructure projects —such as BRT systems and railways—and to mobilize the necessary financing. Support the establishment of metropolitan public transit authorities.

For Airports: Development of alternative gateways to Manila, commensurate to passenger to passenger and cargo demand, and finalize plans for each region to have an international airport.

For Land: Development of a national land transportation network with intermodal bus terminals linked to expressways, rail stations, airports, and urban transit hubs to streamline transfers and reduce congestion. Expand Bus Rapid Transit (BRT) systems in major cities—modeled on the EDSA Carousel—with dedicated lanes, timed dispatch, integrated fare systems, and real-time passenger information. Ensure terminals and BRT systems are designed for inclusive access and multimodal integration. Scale up mass transit networks in key metropolitan areas and restore underutilized corridors to connect regional growth hubs, logistics centers, and international gateways.

For Seaports: Shift international cargo volumes from South Harbor and MICT to Batangas and Subic under a firm timetable. Retain Manila as a domestic and cruise port. Establish regional customs clearance hubs to enable direct shipping and reduce costs, congestion, and central processing bottlenecks.

6. Introduce bureaucratic reforms to strengthen governance, prioritize transportation safety, develop human capital, and encourage public-private collaboration.

- Establish a Philippine Transportation Safety Board to investigate accidents, recommend systemic improvements, and uphold accountability. Treat routine and preventive maintenance as a core function, with clear mandates, performance standards, and transparent funding to protect infrastructure investments and ensure safe, reliable service nationwide.

- Separate policy-making from port operations by reviving a National Port Advisory Council and placing all port operations under DOTr jurisdiction. Establish a formal PPP framework for joint investment and research. Launch a Port Sector Human Capital Development Plan to update curricula, train personnel, and ensure a steady pipeline of skilled professionals.

- Establish a single national rail authority to oversee planning and regulation across all systems—consolidating PNR, LRTA, Mindanao Railway, the Philippine Railway Institute, and PPP rail projects. Separate oversight from operations and training and strengthen the Toll Regulatory Board with adequate resources to fulfill its mandate and ensure regulatory coherence.

- Reform the land transportation franchising process to allow interested and capable LGUs and public transit authorities to directly provide public transport services when necessary—either independently, in partnership with the private sector, or by tendering service contracts to private operators.

7. Passage of critical reform legislation and policies. Advance key bills to strengthen institutional mandates and unlock sectoral transformation. The full legislative agenda can be found on Table 21.

The Arangkada Transport Infrastructure Policy Briefs

Table 21. Transportation Infrastructure Legislative Agenda

Transportation Infrastructure Legislative Agenda (General)	
Accelerated and Reformed Right of Way Act	To streamline and speed up the acquisition of land for infrastructure, reducing delays and costs for critical government and public service projects.
Competition Law amendments	To give the Philippine Competition Commission more powers
Philippine Transportation Safety Board Creation	to create an independent body to investigate accidents and strengthen transport safety across air, land, and sea.
Transportation Infrastructure Legislative Agenda (Airports)	
CAAP law amendments	To separate regulatory functions from development and planning,
Civil Aeronautics Act of 1952 amendments	To include airport economic regulatory functions under the Civil Aeronautics Board (CAB).
Philippine Airport Authority / Development Corporation Act creation	To create a centralized body that would take over the development and proprietary functions of CAAP
Transportation Infrastructure Legislative Agenda (Land)	
LGU Transportation Act	to amend sections of the Local Government Code (LGC), enabling willing and capable LGUs to provide public transportation services and facilities within their jurisdiction, for the general welfare of their constituents.
Public Transit Authorities bill	To enable establishment of Public Transit Authorities in metropolitan areas and equip LGUs with broad powers to operate and manage public transport services
LTFRB charter amendments	To update regulatory powers, limit operationaloles, and facilitate orderly devolution of powers to LGUs
Transportation Infrastructure Legislative Agenda (Seaport)	
Blue Economy Act	To promote sustainable maritime development and ocean-based industries.
PhilPorts charter amendments	To decouple regulatory and developmental functions
MARINA charter amendments	to expand its mandate on safety, standards, and investment promotio
International Maritime Trade Competitiveness Act	To lower excessive shipping charges, improve transparency, and make Philippine trade more competitive globally.
National Single Window Policy	To enhance efficiency of the various trade regulatory government agencies by integrating and automating the licensing, permit, clearance, and certification systems onto a single platform.
Warehouse Receipts Law revision	To modernize the framework to allow warehouse receipts to serve as tradable financial instruments and collateral, improving financing and efficiency in logistics and supply chains.

Quality infrastructure is key to sustainable growth. Infrastructure is the framework that supports economic growth. Roads, seaports, airports, and railway systems enable trade and mobility. Electricity powers production and safe water is key to public health. When we put money into building and maintaining critical infrastructure assets, we create more jobs, improve overall productivity, promote a healthy and clean environment, and create wealth.

Ramoncito Fernandez, then-MAP President, delivering the keynote at the 2018 Arangkada Forum: Better Infrastructure for a Strong Economy

BROADBAND INFRASTRUCTURE

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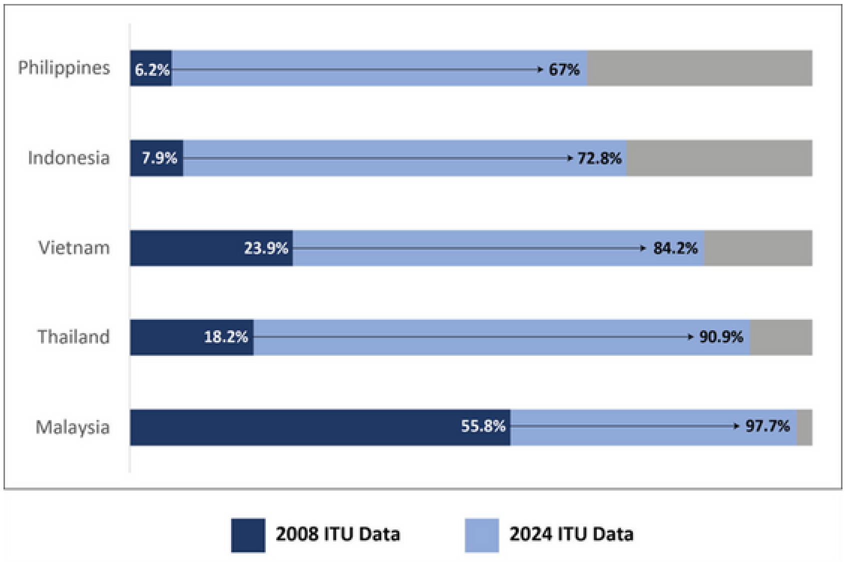
Better Internet PH

Overview and Sectoral Background

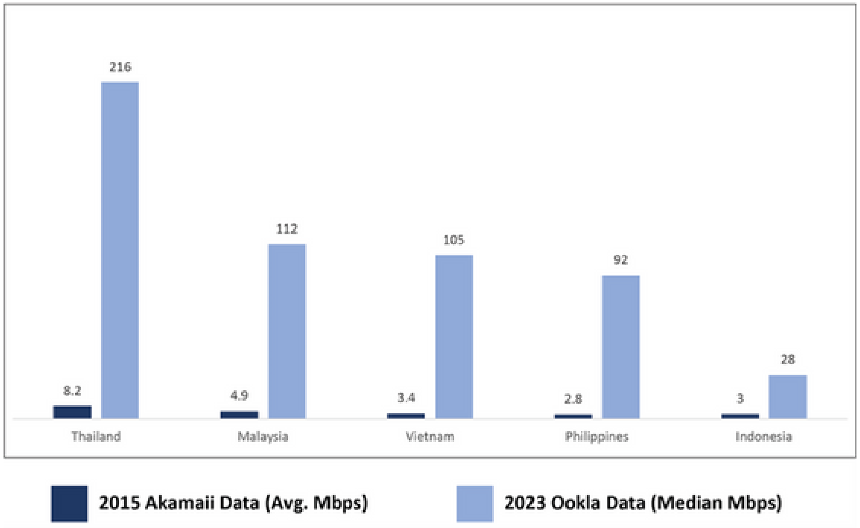
Broadband or high-speed, always-on internet use, has grown steadily in the Philippines–from 6 percent of the population in 2008, to 44 percent in 2014 and 67 percent by 2024. From only having 21 percent of all public schools connected in 2016, 64 percent of Elementary, 72 percent of Junior, and 67 percent of Senior High Schools were reported to be online by 2020. Despite these gains, however, Philippine broadband continues to lag behind neighboring countries. Internet use in the Philippines remains lower than in Malaysia (98% of population), Thailand (90.9%), and Vietnam (84.2%),

Figure 28. Internet Use in PH, TH, MY, VN, ID 2008 vs 2004



Average download speeds in the Philippines have increased, though at a slower rate compared to other countries. The Philippines has consistently ranked behind Vietnam, Thailand, and Malaysia in download speeds for both mobile and fixed broadband, and the gap with these three countries increased in absolute terms between 2016 and 2024.

Figure 29. Download Speeds for PH, TH,VN,MY

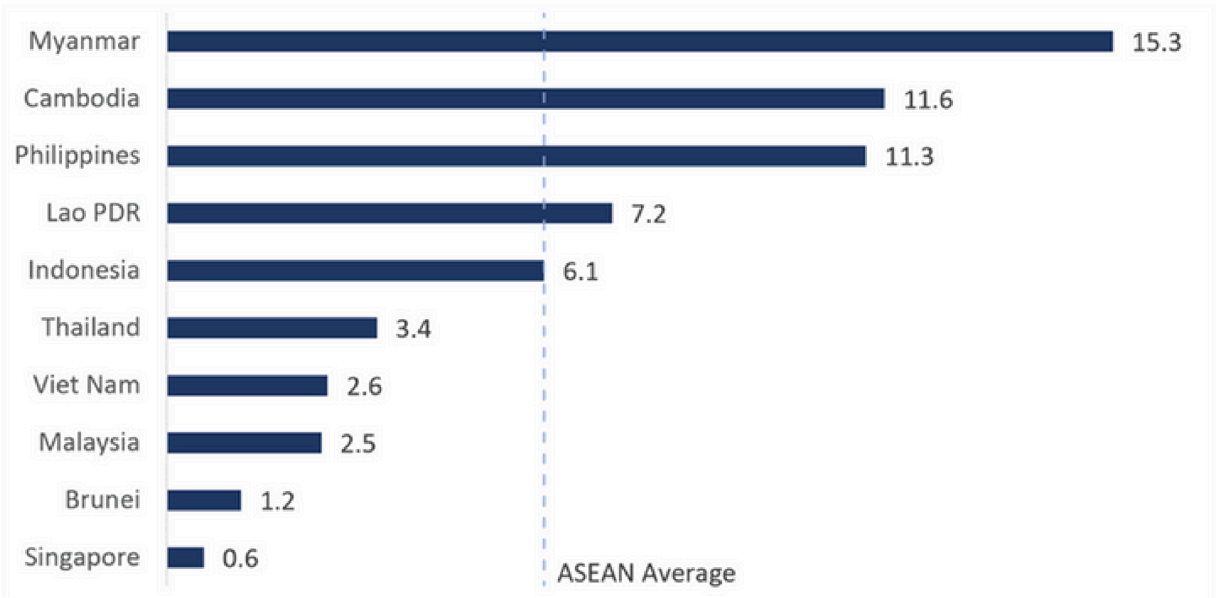


Source: 2016 (as cited in the Arangkada Brief) vs 2024 (as cited in the World Bank Report)

Relative to other countries–in terms of average and medium download speeds–there is no significant change in the Philippines' ranking in 2010 (Akamai, 101st globally) and 2017 (Ookla, 100th).

Despite its slower average speeds, Philippine broadband has remained among the most expensive globally over the same period. In 2010, fixed broadband cost 9.7% of gross national income per capita (GNI p.c.), or almost 70% higher than the Asia-Pacific average of 5.8% GNI p.c. While prices have gone down since, costs have fallen much more slowly in the Philippines than in comparable countries, with fixed broadband costing almost 5x that of Vietnam and Malaysia.

Figure 30. Cost – Fixed Broadband Basket (% of GNI Per Capita, 2022, ITU)



The Arangkada Philippines 2010 - A Business Perspective report provided recommendations for empowering the then-burgeoning Internet connectivity landscape. Among its recommendations were (1) amending the Public Telecommunications Policy Act to remove the Congressional franchise requirement for broadband; (2) passing a law creating the Department of Information and Communications Technology (DICT); (3) instituting a National Broadband Roadmap; and (4) establishing Free Wi-Fi access in urban areas.

Republic Act No. 10844, or the DICT Act of 2015, was approved by President Benigno Aquino III on May 23, 2016. The law established the DICT as the primary ICT policymaking agency of the country.

Subsequently Republic Act No. 10929, or the Free Internet Access in Public Places Act, was approved by President Rodrigo Duterte on August 2, 2017. RA 10929 mandated the DICT (as lead implementing agency) with administering a free internet service program in public places "where maximum use and access to the benefits shall be ensured."

Table 22. Broadband use indicators, 2010 vs. 2016 vs. 2025

2010 Context	2016 Context	2025 Context
Internet use: 6% (5.9 million users according to ITU; 94 million population according to NSO)	Internet use: 44% (2014, Google)	Internet use: 67% (2024 NICTHS)
Earliest available data on public school access to the internet in PH starts in 2016. (See: PIDS Discussion Paper Series No. 2022-10)	Only 21% of public schools online	64% of Elementary, 72% of Junior, and 67% of Senior High Schools connected (2020, DepEd)
Philippine average download speeds ranked 101st globally (Akamai State of the Internet Report)	Philippine download speed behind Thailand, Malaysia, Vietnam (Ranked 100th in 2017 out of 133 countries - Ookla)	Philippines falling further behind in download speed (in absolute terms, based on data collected by World Bank, 2024)
The cost of fixed broadband in the Philippines was 9.7% of GNI (ITU) (Asia & Pacific average was 5.8%)	Second most expensive internet service out of 62 countries globally	Still among most expensive - almost 5x the cost in VN, MY (data collected by World Bank, 2024)

Around the same time, the DICT finalized and issued the country's first National Broadband Plan in 2017, which aims to achieve "open, pervasive, inclusive, affordable, and trusted broadband internet access." In April 2024, the government launched Phase 1 of the National Fiber Backbone (component 1 of the NBP). A year after, Phases 2 and 3 were launched and Phases 4 and 5 are reportedly underway.

Together, these policies directly addressed recommendations (2), (3), and (4) from the Arangkada Philippines 2010 report. The removal of the Congressional franchise for broadband networks remained a persistent barrier to the growth of Philippine digital infrastructure. As such, the 2016 Arangkada Policy Brief No. 4 reiterated the importance of removing the franchise requirement (as part of an open access model for data networks). The report also recommended the development of the Philippine digital infrastructure ecosystem: promoting open and neutral internet exchange points, improving spectrum management, and enhancing competition.

In 2016, the Open Access in Data Transmission bill was first filed during the 17th Congress to address these remaining challenges. While the House of Representatives had consistently approved the Open Access bill, but the Senate was a bottleneck. At the latter part of the 19th Congress, the Open Access bill was renamed to "Konektadong Pinoy" (KP) and became a priority legislation at the LEDAC. In January 2025, President Ferdinand Marcos, Jr. certified the bill as urgent, leading to its approval in the Senate in February. The bill was ratified by both chambers of Congress on June 9 and transmitted to the Office of the President on July 24. On August 24, 2025, Konektadong Pinoy became law. It was published as Republic Act No. 12234 in the Official Gazette and became effective by September 13, 2025. The KP Act underwent comprehensive deliberations in the legislature, and received wide support from stakeholders in government, private sector, academia, and civil society.

The KP Act is a landmark digitalization law that incorporates many of the recommendations made in the 2016 Arangkada Policy Brief. RA 12234 institutes an open-access policy for data transmission networks, removes the Congressional franchise requirement for data transmission industry participants (DTIPs), requires the issuance of a spectrum management policy framework to maximize the use of spectrum resources, and mandates the DICT, the National Telecommunications Commission (NTC), and the Philippine Competition Commission (PCC) to enhance and protect competition in the sector.

Additionally, RA 12234 promotes market-based infrastructure sharing, allowing DTIPs to make use of digital infrastructure in an open, fair, reasonable, and non-discriminatory basis, subject to technical feasibility national security concerns.

While RA 12234 represents an expansive and foundational policy for Philippine broadband, other complementary reforms are still necessary. Notably, the Arangkada Philippines 2010 report emphasized the importance of "making e-governance a reality for most Filipinos." While initiatives, such as the eGov PH Super App and the Digital National ID, help bring public services online, the Philippines still lacks an e-governance law as of writing.

RA No. 12254 or the E-Governance Act, one of the Marcos Administration's priority policies, provides a framework for e-governance in all branches and levels of government, from national government agencies (NGAs) and local government units (LGUs). The law was signed by the President on September 11, 2025.

In July 2025, Arangkada – in partnership with better Internet Philippines - hosted a roundtable on broadband infrastructure reforms to gather the insights of the sector towards the 2010 recommendations seen below. A summary of the developments that have happened since then can be found in Table 23.

Table 23. 2010 Headline Recommendations for Broadband

2010 Headline Recommendations	
1	**Undertake programs to use broadband to empower a majority of Filipinos**, providing inexpensive access to information and e-governance. Develop a **national plan to double computer penetration and triple Internet penetration, including a National Broadband Roadmap** and **free Wi-Fi access** in crowded urban areas. Prepare for widespread use of mobile phones and devices to connect Filipinos inexpensively to the Internet. Provide fiscal or other incentives
2	**Pass necessary legislation** such as **amendments** to the **Telecommunications Policy Act** and the **DICT bill**. Use executive orders and pass other legislation needed to give most Filipinos access to information technology.
3	**Make e-governance a reality for most Filipinos**, enabling Internet access for interactions with government and enhancing transparency. The president should appoint a Task Force to prepare recommendations for an ambitious e-governance program. **Use digital fund transfer technology for public sector payments**. Create a **national government data center and website**. Promote a **national GPS** mapping and information system
4	**Expand mobile phone service in remote areas** with more cell sites to benefit economic development and tourism. Provide fiscal or other incentives.

Table 24. Broadband Policy Updates – Summary Table

Recommendations from the 2010 and 2016 Arangkada Reports	Policy Updates
Creation of the Department of Information and Communications Technology	Republic Act (RA) No. 10844 - the DICT Act of 2015
Amendments to the Telecommunications Policy Act (2010 report); Removal of the Congressional franchise requirement (2016 report)	RA No. 12234 - the Konektadong Pinoy Act (KPA) - removes franchise requirement for data transmission networks *KPA does not entirely amend RA 7925. KPA introduces a regulatory framework for data transmission, which is separate from basic telecoms services as tackled in RA 7925.
Develop a National Broadband Roadmap / Plan	National Broadband Plan launched 2017 / NBP component: National Fiber Backbone Project Phase 2 and 3 completed (as of 2025). Phase 4 and 5 underway.
E-Governance for Filipinos	RA No. 12254 E-Governance Act eGovPH App and Digital National ID launched
Expand mobile services in remote areas	The KPA (1) creates a database of unserved and underserved areas and (2) extends shared network infrastructure in unserved and underserved
Adopt an open access model	The KPA, also called the Open Access in Data Transmission Act, promotes the open-access model
Promoting open and neutral internet exchange points (IXPs) and encourage infrastructure sharing	RA No. 12234 has provisions on market-based infrastructure sharing There is no specific IXP policy available yet. Common Tower Policy (DICT Rules on Accelerated Rollout of Common Towers in the Philippines)
Improve spectrum management	The KPA includes provisions on spectrum access, management, and transparency, including a Spectrum Management Policy Framework
Ensure and protect competitiveness of the telecommunications industry	The KPA mandates the DICT, NTC, PCC to ensure competition, oversee providers with significant market power

Updated Broadband Infrastructure Recommendations

1. Establish open access as the foundation for inclusive broadband development. The *Konektadong* Pinoy Act represents a significant step for encouraging the entry of new players and implementing an open access model for broadband networks. Effective implementation of the law, including its Implementing Rules and Regulations (IRR), will determine the reform's effectiveness in removing barriers to entry in the sector.

Beyond removing the Congressional franchise requirement, successfully implementing open access will require effective infrastructure sharing across towers, poles, fiber, and corridors, including DICT's common tower policy. Addressing any remaining regulatory barriers for the adoption of any viable technology, whether wired or wireless, will also help lower deployment costs, expand last-mile connectivity, and unlock competition. These could potentially include rules for testing new technologies, or for accessing and utilizing spectrum resources.

2. **Modernize spectrum governance through a forward-looking Spectrum Management Policy Framework (SMPF).** As mandated by the KP Act, regulators and policymakers must create a modern, transparent, and efficient framework for maximizing the use of radio spectrum. This includes making space for new technologies and alternative users of frequencies, enabling non-telco, community-based, and R&D-driven wireless models to participate in delivering universal service and affordable access. In light of existing frequency allocations, the SMPF must include considerations such as a 3G sunset and 2G retention strategy, and aligning spectrum updates with the World Radiocommunication Conference's four-year cycle. These will ensure that spectrum is used rationally and made available to users in line with global regulatory developments and technological innovations.

3. **Streamline market entry and expansion for broadband operators**. While the KP Act removes the franchise requirement for DTIPs, care must be exercised to ensure the registration process (and authorization process for spectrum users, or those with international gateway facilities or national backbone networks) is manageable for both large and smaller players alike. Similarly, further streamlining of the permitting and licensing process for network deployments across relevant NGAs and LGUs will also help accelerate the rollout of digital infrastructure. Addressing these roadblocks will be particularly helpful for reducing overhead and empowering small and regional players to foster innovation, support underserved communities, and scale connectivity nationwide.

4. Establish a unified framework for passive infrastructure sharing across agencies. Issues such as rental disputes, inefficient cost negotiations, and market discrimination hamper the effective sharing of passive infrastructure among DTIPs and other users. A unified framework for infrastructure sharing as mandated by the KP ACT, jointly developed and promulgated by relevant government agencies (including but not limited to the DICT, NTC, DPWH, DOTr, DHSUD, DOE, ERC, and NEA) in consultation with stakeholders, will help address these issues and streamline access to poles, towers, fiber corridors and the like. Effective infrastructure sharing will help reduce unnecessary duplication of infrastructure, lower deployment costs, and accelerate nationwide broadband expansion.

5. **Future-proof broadband policy frameworks to enable emerging technologies.** While the KP Act is technology-neutral, a survey of other laws and regulations may be necessary to ensure there are no policy roadblocks for research, development, and deployment of emerging technologies. As an example, free-space optics (FSO) technologies may utilize light frequencies beyond the coverage of the NTC's national frequency allocation table. Existing laws, such as the 1995 Public Telecommunications Act and the 1931 Radio Control Law, may therefore not be sufficient to reflect current realities and support next-generation solutions.

In photo: Sectoral roundtable discussion on Broadband infrastructure hosted by the American Chamber of Commerce on behalf of *Arangkada* in partnership with Better Internet Philippines. (July 31, 2025)

"Over the past 15 years, Arangkada Philippines has been a powerful catalyst for reform, helping to institutionalize private sector engagement in policy development through evidence-based recommendations, annual forums, and public scorecards. During my time at the Department of Trade and Industry, we shared a common mission with Arangkada: to sharpen the Philippines' global competitiveness, attract high-quality foreign direct investment, and modernize trade and industry policies. Whether through the liberalization of key sectors, digital transformation measures, or industrial development strategies, Arangkada's coalition-driven model consistently turned broad aspirations into actionable reforms. Our partnership was especially critical in accelerating investment facilitation. Under Executive Order No. 18, we launched Green Lanes for Strategic Investments—creating a single-entry window and mandating faster permit processing across government agencies and LGUs.

These efforts complement long-standing Arangkada advocacy, particularly on ease of doing business, and reinforce the need for sustained collaboration to boost investor confidence and position Philippine industries for success in fast-moving global markets. Arangkada remains a vital force for aligning policy with private-sector priorities and unlocking our country's full economic potential."

- Former Department of Trade and Industry Secretary and 2024 Arangkada Lifetime Achievement Awardee Alfredo Pascual

POWER INFRASTRUCTURE

ROUNDTABLE MODERATOR

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Co-Chair, ECCP Renewable Energy and Energy Efficiency Committee

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Overview and Sectoral Background

The power industry plays a critical role in supporting the Philippines' economic growth and improving quality of life. In 2024, the Philippines became one of the fastest growing economies in Southeast Asia, outpacing several of its ASEAN neighbors. At present, it is on track to move out of the lower-middle income status and into the upper-middle classification by 2026 given the steady economic growth since 2021 due to the recovery of key economic sectors. Despite this significant movement, however, challenges persist within the country's power sector particularly in terms of ensuring reliable, affordable, accessible, and sustainable electricity. In conjunction, electricity demand has likewise been rising across all major islands due largely to population growth, urbanization, and digitalization.

From 16,596 MW of actual peak demand in 2022, the total peak demand for the country is projected to increase to 68,483 MW by 2050, accounting for a 5.2% annual growth rate beginning in 2023. To address these developments, private and public stakeholders have steadily expanded the Philippines' total grid installed capacity. However, the power sector remains shaped by its heavy reliance on fossil fuels with coal and natural gas comprising 42% and 15% of the total capacity, respectively, which highlights the sector's vulnerability to supply and price volatility.

In response, the government noted that it remains committed to diversifying the energy mix to meet the country's long-term energy security and sustainability goals. At the beginning of 2025 alone, renewables accounted for 72% of the total committed projects with a capacity of 4,945 MW. Complementary to the addition of new generation facilities, the Department of Energy (DOE) has also been eyeing the completion of battery energy storage system (BESS) projects to further reinforce the grid. The National Grid Corporation of the Philippines (NGCP) also completed several large scale projects in 2024 to ensure a more stable and resilient power supply for households, businesses, and industries, across all the major islands.

The policy and regulatory landscape of the country, in turn, reflects similar priorities in securing reliable supply and accelerating the transition to cleaner energy. Landmark laws, such as the Electric Power Industry Reform Act (EPIRA) of 2001 and Renewable Energy Act of 2008, continue to lay the groundwork for liberalizing the sector, attracting investments, and scaling up renewables. However, implementation has often lagged behind policy intent, which only highlights the need for stronger institutional capacity and coordination, clearer accountability mechanisms, and more consistent enforcement of existing laws and regulations.

In essence, the Philippine power sector finds itself in the midst of a delicate yet pivotal transition. Growing demand, high consumer costs, and dependence on fossil fuels continue to pressure the grid and the market. On the other hand, the Philippine Energy Plan's (PEP) energy targets and decarbonization goals demand large-scale investment and regulatory innovation. The relevant stakeholders from both the public and private sectors have laid out ambitious commitments for expanding renewable energy and modernizing the grid, but implementation remains uneven. The way the country manages this energy transition will directly shape its economic competitiveness and long-term resilience.


Photo by Miguel Á. Padriñán

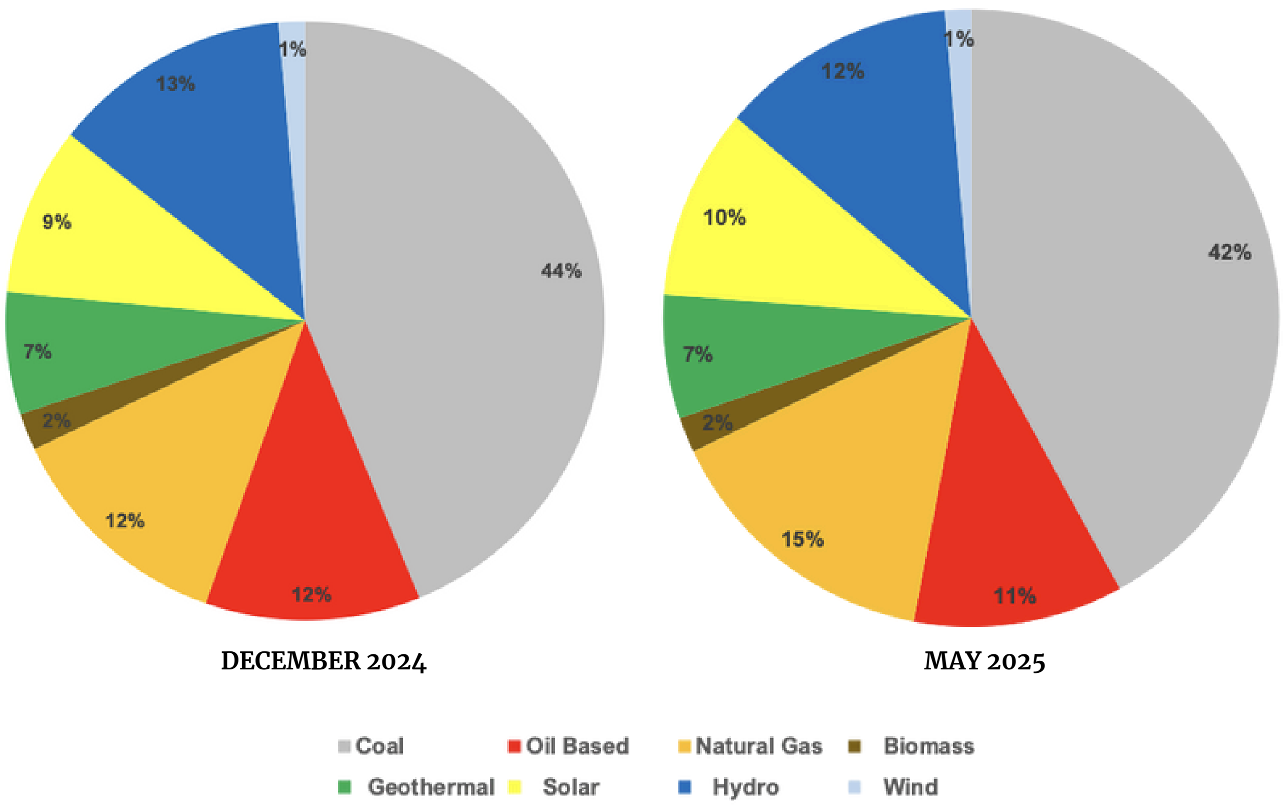
In addition to the increased capacity and diversification of the energy mix, the Philippine power sector has, likewise, been reshaped by regulatory and legislative reforms alongside relevant programs that further build upon the foundations laid by the EPIRA Law and RE Act. In 2011, the DOE launched the first National Renewable Energy Program (NREP), which set out an ambitious goal to expand renewable capacity from 5,438 MW in 2010 to 15,304 MW by 2030. The program was later updated in 2020, raising the bar to a 35% renewable share in the generation mix by 2030 and 50% by 2040. The Power Development Plan (PDP) 2030-2050, on the other hand, is a more comprehensive plan outlining the national strategy while still incorporating the NREP's goals and ambitions.

In terms of expanding participation and improving processes, the **Green Energy Option Program (GEOP)** was introduced in 2017 as a voluntary policy mechanism allowing end-users the alternative to directly contract renewable suppliers and strengthen their participation in the energy transition. In parallel, the **Energy Virtual One-Stop Shop (EVOSS)** was later enacted in 2019 in an effort to streamline permitting processes for energy projects and reduce red tape in project approvals for generation, transmission, and distribution. Energy efficiency also entered the policy mix with the passage of the **Energy Efficiency and Conservation Act**, implemented in 2021, which mandated designated establishments to adopt energy-saving measures and provided fiscal incentives for efficiency-related investments.

The DOE also amended Section 19 of the Implementing Rules and Regulations of the RE Act of 2008 through Department Circular 2022-11-0034 allowing full foreign ownership of solar, wind, biomass, and ocean or tidal energy projects in line with the government's efforts to ramp up investments in the sector. Relatedly, the Green Energy Auction Program (GEAP) has awarded thousands of megawatts of solar, wind, hydro, and geothermal capacity since its launch in 2021 and expansion under GEA-2 and GEA-3. Most recently, "Green Lanes" for were created under Executive Order 18, for expediting the process of obtaining necessary licenses and permits for strategic investments, which includes projects in clean energy.

In relation to the higher penetration of renewable energy, wholesale electricity market prices have likewise shown an overall decrease. This, in turn, resulted in reduced market clearing prices as it displaced higher-cost conventional plants. This is further supported by findings of the Energy Regulatory Commission (ERC) as tempered generation rates were recorded in May 2025 due to improved general market conditions, increased supply in the system, and the regulatory body's diligent enforcement of rules (see Figure 31).

Figure 31. Philippines Installed Capacity (Grid-connected), December 2024 vs. May 2025.



Together, these measures reflect a gradual but determined shift that encompasses the promotion of renewable energy and efficiency, as well as a more open and investment-friendly environment for both domestic and foreign players.

On July 3, 2025, ECCP hosted a roundtable discussion to assess the power sector recommendations put forward in the 2010 *Arangkada* policy book and discuss proposals that have successfully been implemented and identify necessary reforms that still need to be pursued. Table 25 shows the headline recommendations from the 2010 book.

Table 25. 2010 Headline Recommendations for Power Infrastructure

2010 Headline Recommendations	
1	Challenge: There is no substitute for long-term power purchase agreements (PPAs) between credit-worthy parties to support financing of new power generation projects. Lenders cannot and will not accept merchant risk or PPAs involving parties that do not have financial wherewithal to fulfill their contractual obligations. **Solution: The Department of Energy could formulate policies and plans to address this challenge, such as credit enhancements, guarantees, incentives, and more**.
2	Challenge: Investments in new cost-effective power generation projects require initiation of open access and retail competition. **Solution: Fulfill conditions precedent to declaration of Retail Competition and Open Access** within 2010. All but one condition precedent has been fulfilled, namely transferring management and control of 70% of IPP contracts with NPC to IPP Administrators
3	Challenge: Investments in new cost-effective power generation projects require a viable WESM. The Luzon WESM has functioned well since mid-2006, but initiation of the Visayas WESM has been deferred for more than one year. **Solution: Initiate Visayas WESM without further delay and integrate it with Luzon WESM. Initiate Mindanao WESM no later than mid-2011.**
4	Formulate an integrated energy policy plan including all energy sources, plant location, investment/financing, energy efficiency. Enhance credit worthiness of distribution utilities and cooperatives. Prepare for nuclear power in a decade. **Revisit take-or-pay** for baseload plants. **Remove restrictions on foreign equity** in power projects. Develop a large coal plant on a small island with domestic/ foreign coal. **Introduce LNG** for cleaner power and transportation. Privatize Agus and Pulangi dams by 2011.

Updated list of Power Infrastructure Recommendations

1. **Position energy security as a central pillar of national development.** Prioritize domestic capacity, fuel diversification, and grid reliability to shield the country from external shocks and price volatility. Embed energy security across the Philippine Energy Plan, climate strategies, and trade frameworks.

2. **Ensure effective, whole-of-nation implementation of the Philippine Energy Plan 2023-2050,** taking into consideration future demand, optimal plant siting, transmission corridors, and regulatory harmonization between national and local government units. Define a resilient fuel mix strategy with clear targets for renewables—solar, wind, hydro, biomass, geothermal—and support for LNG, nuclear, and hybrid systems. Align with climate goals, regional cooperation, and investor sentiment.

3. **Deepen and expand the wholesale energy spot market (WESM)** to support merchant plant viability and competitive pricing. Introduce forward contracts, performance security, and full grid interconnection to enable nationwide electricity trade. Resolve transmission bottlenecks and accelerate interconnectivity, including submarine cable links to Mindanao and isolated grids.

4. **Strengthen access to credit and financing for energy investments.** Implement the Clean Technology Investment Plan to meet climate finance standards. Improve utility creditworthiness through policy support and credit enhancement. Revisit limits on “take-or-pay” and sovereign guarantees. Engage ADB, IFC, and JBIC to support financing and provide technical assistance for new power generation projects. Strengthen the energy service company sector.

5. **Ensure regulatory stability and enforceability of contracts**. Prevent retroactive reinterpretation of rules and guarantee that contracts are honored throughout implementation. Regulatory predictability is essential for investor confidence.

6. **Advance key bills that will enable sectoral transformation.**

Table 26. Power Infrastructure Legislative Agenda

Power Infrastructure Legislative Agenda	
Electric Power Industry Reform Act amendments	Key amendments should address: (a) Strengthening regulatory oversight and accountability; (b) Enhancing competitive market mechanisms, including WESM reforms; (c) Supporting renewable energy integration and distributed generation; (d) Clarifying roles and responsibilities across the value chain; (e) Enabling more flexible contracting and financing arrangements
National Land Use Act	To introduce a framework for the government to properly identify land use and its allocation patterns to balance competing demands for land across agriculture, industry, and housing, among others.

In photo: Sectoral roundtable discussion on Power infrastructure hosted by the European Chamber of Commerce on behalf of *Arangkada* Philippines. (July 3, 2025)

WATER INFRASTRUCTURE

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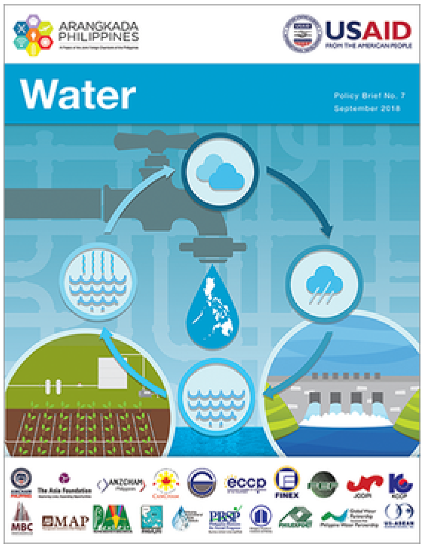
Photo by PS Photography

Water security is a fundamental prerequisite for sustainable economic growth, agriculture, power, public health, and environmental resilience and a cornerstone of Philippine prosperity. The Philippine Water Supply and Sanitation Master Plan, which seeks to achieve universal access to safe, sufficient, affordable, and sustainable water supply and sanitation by 2030, estimates PHP 1.07 trillion worth of water infrastructure investment is needed from 2020–2030 to reach 95 percent water and 97 percent sanitation coverage.

The Philippines enjoys 145.9 billion m^3 of renewable water annually (125.8 billion m^3 surface run-off; 20.2 billion m^3 groundwater) across 421 basins, but only 81 billion m^3 is abstracted each year via sanitation connections. Of that volume, 56% flows to irrigation, 31% to industry, and 13% to municipalities. Currently, 14.5% of households still lack safe water and 5.9% lack sanitation connections.



The 2018 Water Policy Brief warned of critical supply-demand imbalances and infrastructure deficits. Per-capita renewable water availability had declined to 1,553 m^3/year—below the internationally accepted "water stress" threshold of 1,700 m^3. Only 96% of Filipinos enjoyed improved drinking-water services, and 81% had improved sanitation. Non-revenue water averaged 55% among Metro Manila concessions, while 15% percent of households lacked safe water connections and 66% percent lacked sanitary facilities.

These concerns still exist today and Metro Manila epitomizes the country's supply-vulnerability: over 90% of its water originates from a single source: Angat Dam. Planned diversions from Laguna Lake, Wawa, Kaliwa, and the Laiban transbasin scheme remain under development, leaving the capital region dangerously dependent on one reservoir.

The WHO-UNICEF Joint Monitoring Programme reports that, as of 2020, 97% of Filipinos had access to at least basic drinking-water services (up from 96%), and 94% had basic sanitation (versus 81%). Still, this leaves over three million households without safe water connections and about two million without sanitary facilities.

Climate variability compounds these structural imbalances. El Niño events now affect more than 900,000 Filipinos per episode, triggering severe droughts, Conversely, La Niña drives above-average monsoon rains that urban drainage systems cannot absorb, inundating low-lying barangays, displacing over 100,000 residents on average, and inflicting billions of pesos in damages to homes, schools, and transport networks.

Meanwhile, the sector's water-use profile remains skewed: agriculture still consumes roughly 80% of total freshwater withdrawals at nominal or zero cost, discouraging conservation and efficiency measures at the farm gate. At the same time, sanitation infrastructure falls disastrously short. Outside Metro Manila, barely 7% of the population is served by any form of centralized sewerage. Vast volumes of untreated and partially treated wastewater enter rivers and coastal zones, compounding water-quality risks and public-health threats whenever droughts or floods strike.

These intersecting pressures - extreme hydrological swings, undervalued agricultural demand, and deficient sanitation—underscore the imperative for a unified, climate-resilient water governance framework that can balance bulk-water sourcing, equitable pricing, basin-level planning, and ecosystem protection that must address both headwater planning and end-use equity to secure water availability for all sectors and communities.

Arangkada has long championed the establishment of a Department of Water Resources as the Philippines' apex policy and planning authority to bridge this gap. It would be a cabinet-level department empowered to unify water-resource allocation, infrastructure development, climate-adaptation design, and economic regulation under a single strategic framework. By consolidating responsibilities currently dispersed across more than 30 agencies, the Department of Water Resources would ensure clear accountability, streamline permitting and financing, and integrate bulk-water sourcing with flood-control investments.

Photo by Tear Cordez: https://www.pexels.com/photo/flooded-street-in-metro-manila-with-people-walking-32404938/

Public demand for reliable flood-control measures has never been higher, underscoring the need for a unified institutional framework. This reform is particularly urgent as urban centers experience an alarming rise in large-scale flood events—each displacing thousands of residents, disrupting livelihoods, and inflicting billions of pesos in economic losses. Under a centralized governance model, DPWH's dams, spillways, river-channel improvements, and urban drainage systems would be maintained and upgraded according to unified performance standards and multi-hazard data analyses.

With dedicated budgets, mandated basin-level planning, and a cabinet-level position to oversee interagency coordination, the Department of Water would transform piecemeal flood-control measures into a resilient, adaptive infrastructure network—safeguarding communities, optimizing resource use, and restoring public confidence in the nation's water sector. Without such integrated oversight projects remain vulnerable to underfunding, scope creep, and operational lapses, leaving communities exposed to recurring inundation and undermining public trust in infrastructure investments.

The 2010 baseline outlined nine recommendations under three themes:

- Adopt integrated water-resources management (IWRM) through river-basin organizations and an apex coordinating body.
- Create a unified economic regulator—a Water Regulatory Commission—to set tariffs, performance standards, and licensing.
- Expand universal access by upgrading water districts, financing farm-to-tap networks, and building new bulk-water sources with private-sector partnerships.

Table 27. 2010 Headline Recommendations for Water Infrastructure

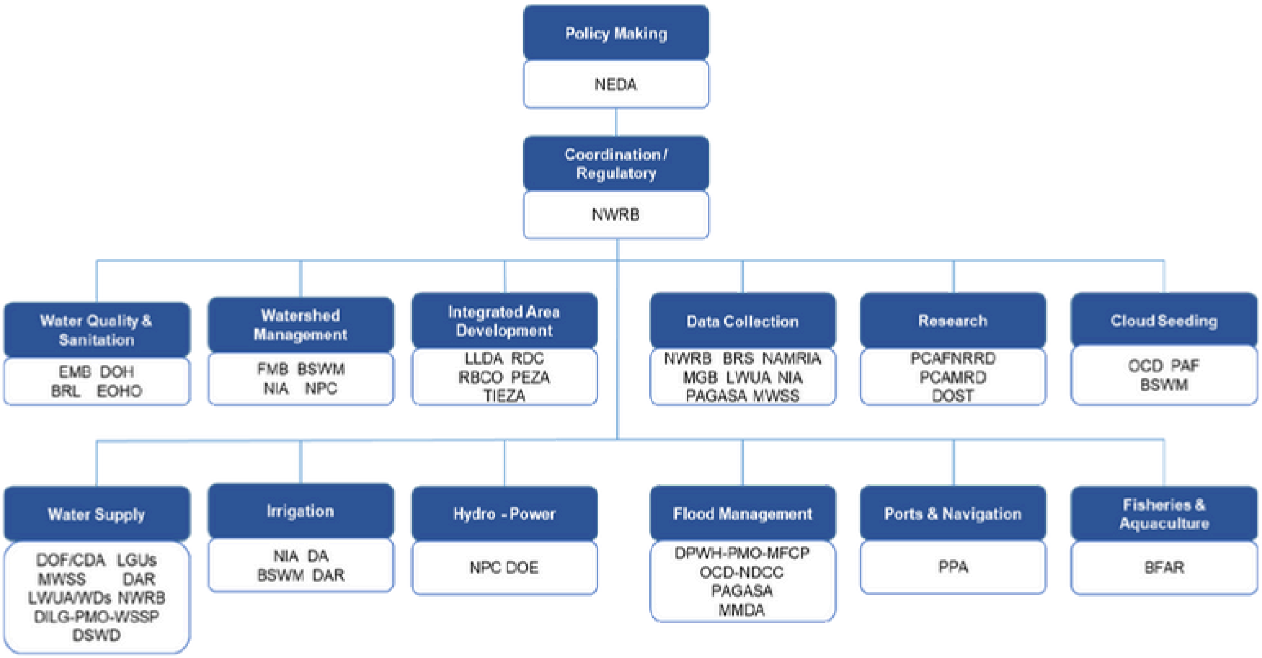
2010 Headline Recommendations	
1	**Challenge:** There is **no substitute for long-term take-or-pay bulk water purchase agreements** between credit-worthy parties to support financing of new water supply projects**. Solution: The GRP must enhance creditworthiness of water supply agencies such as the MWSS with performance undertakings. Alternatives: The MWSS concessionaires voluntarily enter into take-or-pay contracts** for bulk water supply projects supported by their balance sheets or **fund major new water supply projects directly.**
2	**Challenge:** Public policies, rules, and regulations for water are administered by numerous departments and agencies thereby undermining its development. **Solutions: Rationalize water supply administration and policy via a Water Reform Act; strengthen the** National Water Resources Board (NWRB). **Establish a Department of Water** and an independent water regulator. Develop a National Water Master Plan that identifies major water resources and treatment requirements; establish supportive policies, rules and regulations.
3	**Challenge: New dams to provide additional water supplies for Metro Manila should be built. Solutions: Engage the private sector,** preferably through transparent bidding. The policy disallowing “take-or-pay” and sovereign guarantees needs to be reviewed. Smaller and less expensive **Sierra Madre or Wawa projects** should be moved forward while the approach to the Laiban project is decided.
4	**Challenge:** Irrigation and flood control desperately need reform and budgetary support. **Solutions: Encourage the private sector to invest in irrigation using the BOT law or joint ventures with National Irrigation Administration** (NIA). **Reduce flooding by implementing measures to reduce the accumulation of silts and sediments and disposal of garbage in waterways. Prohibit development** and construction of residences and commercial, industrial, or institutional structures **within the flood plain**.

Updated list of Water Infrastructure Recommendations

The following are the updated recommendations, in consideration of successful and obsolete proposals from 2010 as well as current trends and issues in the sector following the roundtable discussion on the state of water infrastructure:

1. **Establish a central entity to unify water governance and regulation.** Create a Department of Water Resources and a separate Water Regulatory Commission (WRC) to consolidate mandates, harmonize standards, and unlock investment. Figure 30 shows all the different agencies involved in managing water. The Department of Water Resources consolidates all of these under a central body. Prioritizing the creation of a WRC will build regulatory capacity and investor confidence, followed by the Department to institutionalize long-term sector leadership.

Figure 32. Water-related agencies in the Philippine government



Source: Philippine Water Supply and Sanitation Master Plan (as of September 2021)

2. Develop a National Water Resources Roadmap guided by the principles of Integrated Water Resource Management and strengthen water districts. Survey national water availability and align with projected demand across agriculture, industry, tourism, and power. Institutionalize the roadmap under DEPDev and embed it in planning, permitting, and PPP frameworks. Provide targeted support to water districts outside Metro Manila to improve service delivery and investment readiness.

3. **Issue national policy on wastewater reuse and rainwater harvesting to expand potable supply**. Encourage LGUs and concessionaires to adopt reuse technologies through DOH-approved standards and incentives, especially in water-stressed urban areas.

4. **Designate major water projects as projects of national significance" to fast-track approvals and attract investment.** Accelerate permitting for dams, irrigation systems, and flood control infrastructure under EO 18. Prioritize high-impact projects for PPP structuring and blended financing.

5. **Strengthen flood control investment through basin-wide planning and private sector engagement. Identifying the root causes and then finance accordingly.** Integrate masterplans, dredging, culvert expansion, and sediment management into national pipelines. Enable private-led urban flood mitigation through LGU coordination, land-use reforms, and viability gap funding.

6. **Institutionalize water footprinting and eco-labeling to drive efficiency and awareness.** Develop standards for water-efficient appliances and fixtures. Integrate into DENR and DTI programs and scale adoption through public campaigns and industry partnerships.

Table 28. Water Infrastructure Legislative Agenda

Water infrastructure Legislative Agenda	
Department of Water Resources creation	To create a central governing body that ensures sustainable management, equitable distribution, and long-term security of the nation's water resources.
Water Regulatory Commission Act	To create a central regulatory body that standardizes tariffs, enforces service quality, and ensures fair, efficient, and accountable water service delivery nationwide.

In photo: Sectoral roundtable discussion on Water infrastructure hosted by the Canadian Chamber of Commerce on behalf of *Arangkada* Philippines. (July 16, 2025)

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Overview and Sectoral Background

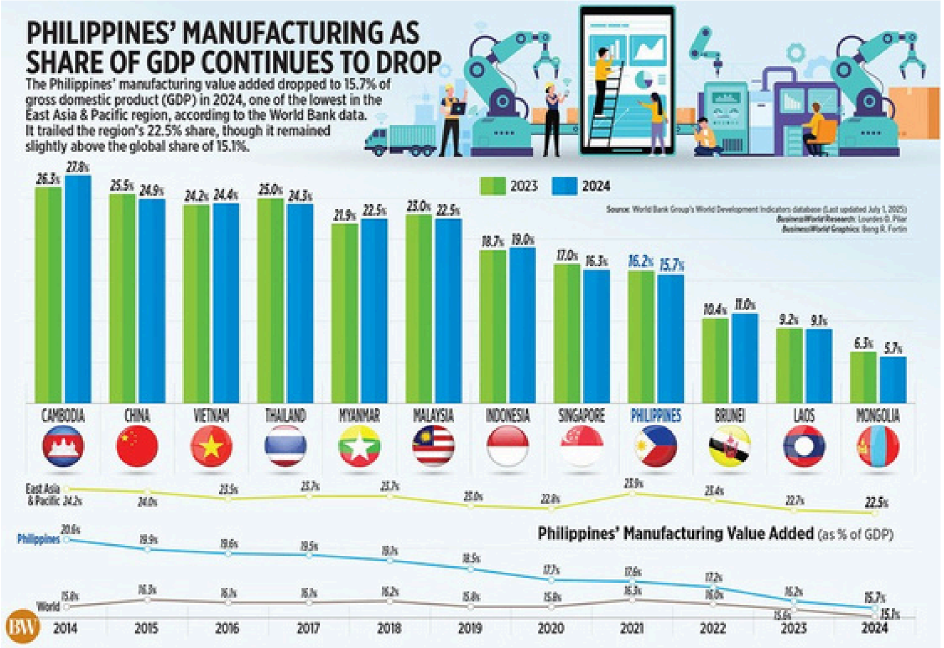
The manufacturing sector continues to play a vital role in the Philippine economy. As a key element of the nation's industrial growth plan, the manufacturing sector creates employment opportunities, fosters innovation, improves skills, and incorporates the Philippines into worldwide value chains. Table 29 shows the composition of the manufacturing sector and its contribution to the gross value add (GVA) of the industry.

Table 29. Share of Manufacturing GVA, %, per subsector

Manufacturing Subsector	Share of Manufacturing GVA (%) in 2024
Food and Beverage Processing	~40%
Electronics and Semiconductors	~30%
Chemicals, Plastics, and Rubber	~10%
Transport Equipment and Parts	~5%
Garments, Footwear, and Textiles	~4%
Furniture and Wood Products	~3%
Others (e.g., metal fabrication, printing)	~8%

Source: Philippine Statistics Authority

In 2024, manufacturing accounted for more than 15% of the Philippine GDP, and while this remains to be a significant contributor to the country's growth, it has experienced a steady slide from 2011's 22.5% and trails behind the ASEAN average of 21% of GDP.



Source: BusinessWorld

There is a clear need for further reform in industrial policy, infrastructure investment, and skills development have been far more aggressively aligned to accelerate upgrades and broaden domestic supply chains to sustain the sector as an engine of inclusive growth.

In recent years the Philippine government has enacted a series of substantive reforms to modernize and revitalize manufacturing. Since 2018, the Department of Trade and Industry has transitioned from ad hoc sectoral initiatives to an overarching Inclusive Innovation Industrialization Strategy (i^3S), aligning dozens of industry-specific roadmaps under the Strategic Investment Priority Plan and embedding science, technology, and innovation as the core drivers of industrial policy.

The Joint Foreign Chambers supported passage of significant liberalization measures, including the Foreign Investments Act (RA 11647), the Retail Trade Liberalization Act (RA 11595), and the Public Service Act (RA 11659), to help ease equity limits across manufacturing-related services, expand the investor base for mid-tech sub-sectors, and unlock private participation in park-level power and logistics infrastructure.

The JFC also supported the passage of the Electric Vehicle Industry Development Act (RA 11697) which seeks to provide a framework for the Philippines to be an attractive destination for EV manufacturing by providing multi-year duty exemptions, registration-fee discounts, and tax incentives for EV assemblers and charging-station developers, laying the legal foundation for a domestic EV ecosystem.

The Comprehensive Automotive Resurgence Strategy (CARS, 2015–2021) and its successor, the Revitalizing Automotive Industry for Competitiveness Enhancement (RACE, 2022–2028), have cumulatively mobilized over PHP18 billion in incentives for local vehicle assembly and component manufacturing, jump-starting new parts clusters and engineering capabilities.

Still, the Philippine manufacturing industry continues to face structural issues, such as elevated production costs, insufficient infrastructure, limited technological adoption, and mismatched skills. Addressing these issues requires a thorough and collaborative strategy that includes government, industry, and labor stakeholders.

1. **Fragmented Industrial Policy:** Sectoral roadmaps advance independently rather than under a unified master plan, resulting in duplicated efforts, misaligned funding, and missed opportunities for cross-industry synergies.

2. **Elevated Production Costs:** Electricity tariffs rank among the highest in Southeast Asia, while a patchwork of port congestion, toll fees, and limited rail connectivity drives up logistics expenses and compresses margins.

3. **Infrastructure Gaps:** Insufficient baseload generation, antiquated industrial estates, and underdeveloped intermodal transport corridors constrain economies of scale and force manufacturers to rely on costly private solutions or incur operational downtime.

4. **Skills Mismatches:** Educational and vocational programs frequently produce graduates whose competencies diverge from the requirements of automated, digitalized production—hindering technology adoption and suppressing productivity gains.

5. **Regulatory Complexity:** Overlapping national and local permitting processes, inconsistent LGU enforcement, and fragmented customs procedures prolong site clearances, import/export approvals, and compliance timelines.

On May 23, 2025, AmCham hosted a roundtable discussion to assess the manufacturing sector recommendations put forward in the 2010 Arangkada policy book and discuss proposals that have successfully been implemented and identify necessary reforms that still need to be pursued. Table 30 shows the headline recommendations from the 2010 book.

Table 30. 2010 Headline Recommendations for Manufacturing

	2010 Headline Recommendations
1	**Increase priority given to manufacturing. Working with the private industry, the government should:** (1) develop an industrial master plan, identifying the best opportunity sectors for the export of goods and services to global markets created by FTAs; (2) Support the plan with consistent policies, fiscal incentives, legal, administrative, and other reforms; and (3) put a strong economic team in the cabinet that works in tandem with designated private sector leaders of the targeted global industries.
2	**Improve the business climate and level the playing field:** (1) reduce the costs of doing business including electricity, transport infrastructure, domestic logistics, corruption, and red tape; (2) increase E2M coverage for customs; (3) professionalize the bureaucracy; (4) allow industry to operate free of government interference, such as price controls; (5) link minimum wage policies to productivity enhancements; (6) rationalize holidays; and (6) eliminate smuggling by sending smugglers to jail.
3	**Ramp up promotion of Philippine exports and investment: establish an export development fund to promote exports and investment; aggressively promote the Philippines at international trade fairs. Allow duty and tax-free importation of capital equipment.**

Updated list of Manufacturing Recommendations

The recommendations below present a comprehensive plan to enhance local manufacturing, boost competitiveness, and establish the Philippines as a center for sustainable and high-value production.

1. Strengthen Domestic Industrial Policy and Coordination. Industrial policy in the country has traditionally been fragmented, with different sectoral plans functioning independently. The lack of a cohesive strategy has restricted the nation's capacity for long-term industrial advancement. A **presidentially endorsed industrial master plan** that consolidates sector-specific strategies (e.g., electronics, automotive, creative industries, processed food, and mineral processing) should be developed and executed. This plan must clearly define priority sectors, **streamline coordination across national and local government units (LGUs)** to ensure alignment of budgets, incentives, and infrastructure priorities with manufacturing and export growth goals and **eliminate redundant regulations** by enhancing inter-agency collaboration, particularly between the Department of Trade and Industry (DTI), the Board of Investments (BOI), the Department of Finance (DOF), and LGUs.

This can be done by establishing industrial performance dashboards that can be consistently monitored by and communicated to stakeholders.

2. Enhance Global Competitiveness and Investment Branding. The Philippines has significant potential to enhance its involvement in regional and global value chains. Creating a cohesive and robust investment brand can establish the nation as a trusted center for sustainable, high-value manufacturing and services. Government should **develop a National Investment Promotion Strategy** that unifies communication among DTI, BOI, Philippine Economic Zone Authority (PEZA), and the Department of Foreign Affairs (DFA) and work towards aggressively expanding market access by implementing strategic FTAs and expanding Generalized System of Preferences (GSP) advantages with important markets like the United States and the European Union.

This can be done by establishing the Philippines as a trusted hub for sustainable manufacturing by encouraging eco-friendly manufacturing methods, incorporating renewable energy sources, and adhering to environment, social, and governance (ESG) standards.

3. Modernize Government Processes. Bureaucratic red tape and delayed business approvals continue to pose major barriers to investment. Streamlining processes and completely digitizing government services can significantly lower transaction costs for manufacturers by expanding the **implementation of the Electronic-to-Mobile (E2M) system** across customs offices to standardize procedures and reduce processing duration and mandating **full digitalization of business registration and licensing** through the Department of Information and Communications Technology (DICT) in collaboration with LGUs.

4.Strengthen Human Capital Development through Industry-Aligned Education and Labor Policy. The Philippines faces ongoing skills mismatches, as educational results often fail to correspond with industry requirements. Improving workforce quality is essential for maintaining competitiveness and encouraging innovation. Government should enhance basic education through DepEd to strengthen science, technology, engineering, and mathematics (STEM) competencies; Recalibrate CHED programs to ensure graduates possess skills pertinent to the industry, particularly in advanced manufacturing, digital technologies, and engineering; work with TESDA to promote enterprise-based upskilling programs in collaboration with industry associations; Review Professional Regulation Commission (PRC) licensing frameworks; and Broaden EdTech and AI integration in education to address skill gaps early and nurture a future-ready labor force.

5. Government-led Infrastructure Development. Infrastructure remains one of the country's major bottlenecks to manufacturing competitiveness. Reliable power supply, effective logistics, and modern industrial zones are essential for sustainable industrial development.

6. Accelerate Digital Transformation in Manufacturing. The Fourth Industrial Revolution offers opportunities and challenges for manufacturing in the Philippines. Embracing Industry 4.0 technologies is essential for maintaining global competitiveness. Financial assistance and funding options (e.g., low-interest loans, tax incentives) should be made available to SMEs to invest in automation, robotics, and AI technologies. Promotion of technology extension services through innovation hubs, academic institutions, and government research facilities should be encouraged.

7. Pass legislative reforms in support of the manufacturing sector.

Table 31. Manufacturing sector legislative agenda

Manufacturing Legislative Agenda	
Electric Power Industry Reform Act amendments	Key amendments should address: (a) Strengthening regulatory oversight and accountability; (b) Enhancing competitive market mechanisms, including WESM reforms; (c) Supporting renewable energy integration and distributed generation; (d) Clarifying roles and responsibilities across the value chain; (e) Enabling more flexible contracting and financing arrangements
CREATE MORE Act amendments	To expand coverage of the incentives to other manufacturing sectors
Cybersecurity Act	To institutionalize and strengthen cybersecurity measures as well as safeguard the Philippines' critical information infrastructure.

In photo: Sectoral roundtable discussion on Manufacturing hosted by the American Chamber of Commerce of the Philippines in partnership with the Semiconductor and Electronics Industries in the Philippines Foundation, Inc. on behalf of *Arangkada* Philippines. (May 23, 2025)

"I've always been a very big supporter of Arangkada. Arangkada has been providing government and business with a forum to [discuss] the issues that need to be addressed by the country"

Makati Business Club Chair Edgar Chua delivers his presentation at the 12th Arangkada Philippines Forum: Towards Sustainable Transformations on October 25, 2023.

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Photo by Tom Fisk: https://www.pexels.com/photo/yellow-excavator-2101137/

Overview and Sectoral Background

The Philippine mining industry remains one of the country's most underutilized economic drivers—geologically rich but historically constrained by policy and institutional bottlenecks. With mineral reserves conservatively valued at USD 1.4 trillion and globally ranked deposits of nickel, copper, gold, and cobalt, the Philippines has the potential to be a critical player in global supply chains. Yet despite this endowment, mining contributes less than 1% to GDP, and only 2.5% of mineralized land is under active development. This paradox—abundance without transformation—has persisted for decades.

The historical arc underscores this pattern of promise and paralysis. Landmark projects such as *Antamok* (gold), *Toledo* (copper), and *Nonoc* (nickel) mines once positioned the country among the world's top producers. The Philippine Mining Act of 1995 was designed to restore investor confidence, but momentum was stalled by constitutional challenges to trade agreements until 2005. A brief revival gave way to renewed uncertainty when Executive Order No. 79 in 2012 froze new mineral agreements, compounded by DENR audits, closure orders, and the open-pit mining ban of 2017. The doubling of mineral excise taxes under the TRAIN Law in 2018 further eroded competitiveness.

Despite these setbacks, the industry demonstrated resilience. Metallic mineral production reached PHP132.2 billion in 2020 and PHP195.9 billion in the first three quarters of 2024, supported by the reopening of the Toledo copper mine and sustained global demand. Many firms adopted global sustainability frameworks—including ISO 14001, EITI, and the Towards Sustainable Mining (TSM) initiative—helping operations persist through the pandemic.

The 2025 passage of the *Mining Fiscal Regime Act* marks a turning point. By introducing progressive royalties, windfall profit taxes, project ring-fencing, enhanced LGU revenue-sharing, and mandatory disclosure, the law finally delivers the fiscal clarity long sought by investors. Coupled with new DENR administrative orders, digital permitting reforms, and initiatives to integrate SDMPs with the SDGs, the sector now has the tools to reposition itself as a strategic pillar of inclusive development.

Global dynamics heighten this opportunity. Between 2022 and 2030, demand for nickel is projected to rise by 169%, copper by 54%, and cobalt by 253%. The Philippines ranks 3rd in gold, 4th in copper, and 5th in nickel reserves worldwide. Agreements with the U.S. and EU aim to diversify supply chains while promoting local processing. Unlocking even a fraction of the country's reserves could catalyze regional development, industrial transformation, and long-term export growth.

In late 2024, the Chamber of Mines of the Philippines (COMP) formally submitted a set of policy reform recommendations to anchor recent reforms and address remaining gaps. Developed through COMP's internal review of persistent sectoral challenges—such as permitting delays, regulatory uncertainty, tax instability, and local government ordinance risks—the recommendations were conveyed to President Marcos in Malacañang.

Figure 33. Recommendations to address challenges in the mining sector

1	**Assure long-term consistency in mining policy**	**Draft a robust mining policy for the Philippines covering overall objectives, sustainable mining, clarifying the role of national and local government units, specifying the approach to indigenous community management, and driving the use of technology/ innovation**
2	**Simplify and expedite approval processes for mineral agreements**	• Simplify the permitting process for MPSA, FTAA, and MPP applications, reducing application steps, eliminating redundancies and imposing clear-cut timelines, in close coordination with DENR-MGB, DILG, NCIP and ARTA, with the intent to benchmark with our nearest competition; • Implement an online or digital register of pending applications, supporting the DENR's position to allow parallel permitting process and prepare to implement Virtual One Stop Shop mechanism in mining.
3	**Minimize business continuity risk from local ordinances**	• Clarify the status of mining companies as government contractors and /or exporters to be consistent across national and local laws; • Rationalize LGU's power to issue ordinances prohibiting mining or specific mining methods within their jurisdictions; • Request ARTA to identify and fix redundancies between national and local ordinances, and empower it to suspend the implementation of those inconsistent with the EODB Act and the Citizen's Charters of LGUs.
4	**Address uncertainties in tax policy and investment incentives**	• Establish a stable and predictable mining fiscal regime; • Include a "financial stability clause" in all mineral agreements to guarantee continuity of mining operations and assure the sanctity of contracts, regardless of material adverse change in government policies that would prevent mining contractors from performing their obligations; • Strengthen the potential of the mining industry by appointing a senior government official who will focus on addressing obstacles to mining investments and in promoting and marketing the industry.

Source: Chamber of Mines of the Philippines

In July 2025, Arangkada – in partnership with COMP - hosted a roundtable on mining sector reforms where their proposals served as the anchor for the sector's insights in updating of the 2010 recommendations seen below:

Table 32. 2010 Headline Recommendations for Mining

2010 Headline Recommendations	
1	**Increase the growth of the mining sector by removing redundant approvals and non-performing claims**. Exploration and similar permits should be granted transparently at the regional level within 6 weeks and renewed in one day at one stop shops. Reduce environmental compliance certificate (ECC) processing time. Allow pre-permitting access to potential project lands. MGB should adopt Philippine Mineral Ore Resources Reserve Reporting Code. **Develop model best-practice regions**.
2	**Work closely with indigenous peoples; develop mining HR skills; monitor legal developments**. Since most mines are in ancestral domains, involve IPs as partners from project commencement. Achieve a 50% increase in direct mining and milling costs allocated for community development. Implement release to LGUs of their share of mining taxes paid to the GRP. Improve salaries and practical skills of MGB staff. Develop mining engineering programs at universities. Implement the current Mining Act and avoid arbitrary application of the Writ of Kalikasan. Continue the Minerals Development Council.
3	**Carry out a public information campaign and increase dialogue with concerned groups**. Inform the public about responsible mining that minimizes the environmental impact. Find common-ground solutions with LGUs, NGOs, religious leaders, and local communities to issues raised against specific projects. LGUs should not have mining bans against national policy. Encourage downstream processing/manufacturing. Source supplies from local communities. Endorse Extractive Industries Transparency Initiative.

Updated Mining Sector Recommendations

1. Establish a robust National Mining Policy and strengthen coordination with LGUs. A consolidated national policy must clarify the rules of the game and reaffirm primacy of national law over conflicting local ordinances. ARTA should be empowered to resolve redundant rules, while DOJ and OSG act against unlawful local bans. Timely LGU revenue sharing must be ensured to build confidence, and model mining regions should be developed to showcase responsible operations and align local support with national priorities.

2. Reduce red tape and streamline permitting. The permitting system remains a major barrier to investment, with overlapping approvals across agencies. Simplification should eliminate redundancies, adopt centralized verification with strict timelines, and digitize land verification and permitting into a single platform with a public register. Integrating geospatial tools will improve monitoring, while stricter screening and cancellation of non-performing claims will ensure only credible operators advance.

3. Ensure clarity in fiscal terms and investment incentives. The Mining Fiscal Regime Act provides long-awaited stability, but its success depends on consistent implementation. Future agreements should embed financial stability clauses to guarantee contract sanctity, while incentives must be streamlined and aligned with national goals. Reducing regulatory risk will unlock the capital-intensive projects needed for large-scale mining and downstream industries.

4. Upgrade infrastructure to support mining and processing. Reliable power and modern transport are critical to making the Philippines competitive. Expanding power supply—including renewable, gas, and nuclear—will reduce operating costs and outages. Upgrading ports, airports, and logistics hubs, and developing integrated industrial corridors, will enable efficient upstream and downstream operations and attract investment into value-added processing.

5. Accelerate downstream processing and industrial transformation. Move beyond raw mineral exports by incentivizing domestic refineries and processing hubs for nickel, copper, gold, and cobalt. Supporting community-based supplier industries will spread opportunities locally, while stronger fiscal transparency will ensure revenues are reinvested in development. This shift will help anchor industrial transformation and strengthen value chains.

6. Champion investment promotion and facilitation. Global competition for critical minerals is intensifying. To position the Philippines as a reliable partner, government should designate a senior "champion" official to coordinate across agencies, remove bottlenecks, and actively market Philippine opportunities abroad. A visible promoter of responsible mining will help attract world-class investors, embed the country in global supply chains, and establish mining as a pillar of inclusive, sustainable growth.

7. Build public trust through engagement and government leadership. Mining's social license depends on credibility and transparency. Sustained public information campaigns and structured dialogue with LGUs, communities, and indigenous peoples should highlight the sector's role in the energy transition and regional development. Strengthening SDMP integration with local development plans, third-party validation of impacts, and scaling rehabilitation programs will demonstrate long-term responsibility. National government leadership must guide LGUs toward predictable enforcement to prevent policy fragmentation.

Table 33. Mining Sector Legislative Agenda

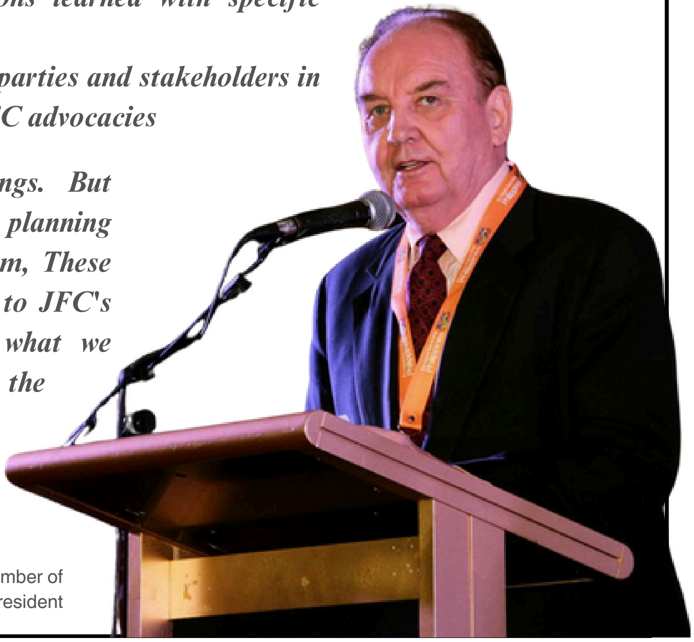
Mining Legislative Agenda	
Electric Power Industry Reform Act amendments	To (a) Strengthening regulatory oversight and accountability; (b) Enhancing competitive market mechanisms, including WESM reforms; (c) Supporting renewable energy integration and distributed generation; (d) Clarifying roles and responsibilities across the value chain; (e) Enabling more flexible contracting and financing arrangements
National Land Use Act	To introduce a framework for the government to properly identify land use and its allocation patterns to balance competing demands for land across agriculture, industry, and housing, among others.

In photo: Sectoral roundtable discussion on Mining hosted by the Canadian Chamber of Commerce on behalf of *Arangkada* in partnership with the Chamber of Mines Philippines. (July 14, 2025)

Looking back at the 15 years of Arangkada, it has provided the JFC, other business associations, and the business community, as well as public authorities both national and local with three great and needed augmentations to the JFC advocacies:

1. *A forward-looking macro business and economic context for specific advocacies in the year ahead;*
2. *A rearward-reflection on progress and lessons learned with specific advocacies in the year past; and*
3. *The wider possible participation of interested parties and stakeholders in discussion of the future context for specific JFC advocacies*

Arangkada has contributed many other things. But reflecting on my personal participation in the planning and presentation of the annual Arangkada forum, These three aspects have been its great augmentation to JFC's original mandate and mantra in advocating what we collectively consider was needed to better achieve the full business and economic potential of the Philippines for the benefit of the Filipino people and its international partners in trade and investment.



– Julian Payne, Former Canadian Chamber of Commerce former President

TOURISM

ROUNDTABLE MODERATOR

CHERRY LYN S. RODOLFO
Asian Institute of Management - Dr Andrew L. Tan Center for Tourism.

RESEARCH ASSISTANT

ARIANNE MEGAN GUTIERREZ
Arangkada Philippines

ROUNDTABLE COORDINATOR

JESSAN MARIE STA. ANA
Koream Chamber of Commerce of the Philippines

Overview and Sectoral Background

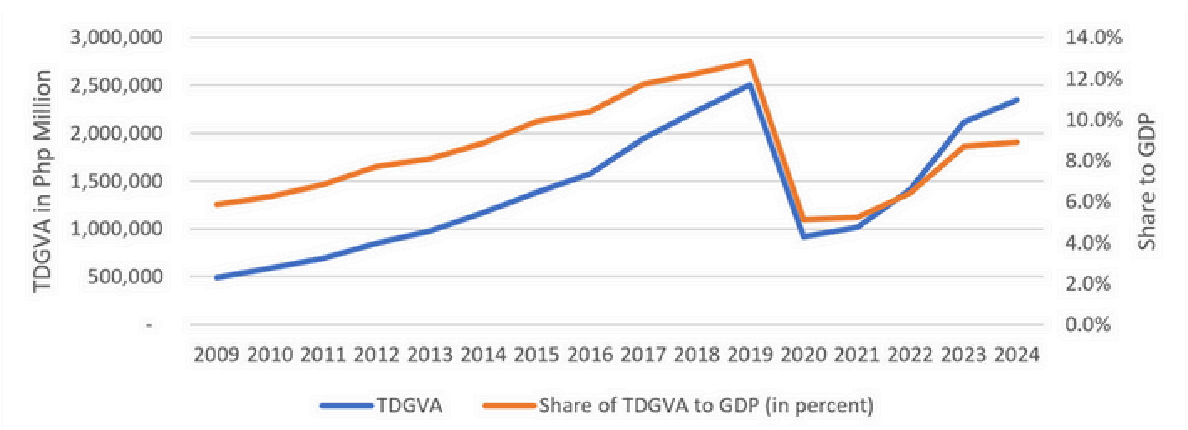
Tourism drives jobs, investment, and foreign exchange for the Philippines. The National Tourism Development Plan (NTDP) 2023–2028 envisions establishing a Philippine tourism industry anchored on Filipino culture, heritage, and identity, which aims to be sustainable, resilient, and competitive in order to transform the Philippines into a tourism powerhouse in Asia. Built on three strategic pillars—Convenience, Connectivity, and E(Quality)—the NTDP provides the framework for sector transformation. This brief examines how the Philippines can leverage its strengths while addressing critical gaps to achieve this vision and provides an overview of how Arangkada recommendations can contribute to the Philippine tourism vision.

International tourism has rebounded strongly, with 1.4 billion trips in 2024, reaching 99% of pre-pandemic levels. Tourism receipts hit USD 1.6 trillion globally, generating USD 10.9 trillion (10% of global GDP). Southeast Asia leads the recovery with 127 million arrivals in 2024, generating USD 373.9 billion in GDP and supporting nearly 45 million jobs. This regional momentum creates significant opportunities for the Philippines.

Tourism is a major economic pillar. Direct tourism gross value-added (TDGVA) grew from PHP495 billion (5.9% of GDP) in 2009 to PHP 2.5 trillion (12.9%) in 2019, before declining to PHP917 billion (5.1%) in 2020. By 2024, it recovered to PHP2.35 trillion (8.9% of GDP), demonstrating remarkable resilience, with tourism directly generating nine pesos out of every 100 in the economy in 2024. The domestic market remained the backbone: 134.1 million trips in 2024 generated PHP3.16 trillion in domestic spending, while inbound tourism contributed close to PHP700 billion (10.3% of exports, making it the third-largest foreign exchange source). Every peso of core tourism investment (fixed capital formation plus public tourism spending) generated approximately PHP5.50 in visitor expenditures- over 450% beyond cost recovery, and each tourism peso generated PHP0.61 in direct value-added, highlighting strong economic multipliers.

Tourism generates substantial fiscal returns: USD15.2 billion in tourism-linked taxes in 2023 represented 21.7% of government revenues—the highest share in ASEAN. International arrivals reached 5.95 million visitors in 2024 (72% of 2019 levels), placing the Philippines 7th in ASEAN. The pace of recovery reflects several interrelated challenges, including the decline in Chinese visitors (around 1.4 million fewer than 2019), constraints in air connectivity and accommodation capacity, higher travel costs, and a relatively low marketing budget compared to regional neighbors. These supply-side bottlenecks have created uneven regional recovery patterns, though the strong performance of long-haul markets such as the United States, Australia, and Canada demonstrates robust underlying demand for Philippine tourism experiences.

Figure 30. Tourism Direct Gross Value-Added (TDVGA): 2009-2024



Source: Philippine Statistics Authority

The sector's employment impact demonstrates both scale and inclusivity, with tourism directly employing 6.75 million Filipinos in 2024 (13.8% of national employment), almost back to its 2019 peak. It is also an inclusive sector: WTTC data show that women account for 45% of the workforce, youth (15–24) for 17%—the highest in ASEAN—and 37% of jobs are high-wage, above Thailand or Vietnam. Tourism is thus not only a mass employer but also a ladder of social mobility.

Despite these strengths, the Philippines ranked 69th out of 119 economies in the World Economic Forum Travel & Tourism Development Index 2024, trailing most ASEAN peers. While scoring highly on natural and cultural resources, the country lags significantly in: Tourism services infrastructure, ground and transport infrastructure and connectivity, ICT readiness, business and visa facilitation. For an archipelago where 99% of international visitors arrive by air (highest in Southeast Asia), limited connectivity to target markets particularly from the secondary airport gateways represents an existential constraint. A marketing investment gap also constrains growth, with the Philippines operating on significantly lower budgets than regional competitors despite achieving strong visitor yields.

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Three strategic priorities emerge for unlocking the Philippines' tourism potential. First, dramatically scale marketing investment annually to approach regional competitive levels while maintaining proven efficiency in attracting high-value segments. Second, implement comprehensive connectivity development with route development incentives supported by adequate promotional resources to address the critical air access bottleneck. Third, ensure integrated government coordination across departments—from infrastructure to immigration—recognizing that tourism success requires ecosystem-wide support to convert any marketing efficiency into arrival volumes. The fundamentals prove the Philippines can compete for premium visitors; strategic investment at scale will determine whether these proven efficiencies translate into the visitor volumes needed for tourism sector transformation. Strategic reforms in this sector can deliver outsized economic returns and support national development goals. The recovery trajectory is positive, but realizing the NTDP's vision requires matching the sector's economic importance with proportionate investment in infrastructure, connectivity, and marketing. The fundamentals are strong—execution will determine whether the Philippines captures its full tourism potential.

The Joint Foreign Chambers meeting with Department of Tourism Secretary Christina Garcia Frasco on February 4, 2025.

Over the past 15 years, Philippine tourism reform has passed through distinct but connected phases. The 2010 Arangkada blueprint was fundamentally capacity-driven, focusing on removing bottlenecks and creating an enabling environment for growth. Core infrastructure recommendations included open skies policies, 24/7 airport and seaport operations, upgraded roads and gateways, and Tourism Enterprise Zones (TEZs) as investment anchors. Fiscal reforms featured prominently, targeting discriminatory airline taxes, streamlined Customs, Immigration and Quarantine (CIQ) overtime charges, and travel tax reviews. Human capital development emphasized expanded training programs, certification systems, and local government unit (LGU) officer capacity-building. Even at this early stage, sustainability concerns emerged through recommendations for destination masterplans, sanitation systems, and mandatory accreditation.

The blueprint also recognized the Philippines' unique positioning, urging the country to leverage comparative advantages in medical travel and retirement tourism through transparent pricing, expanded hospital capacity, long-stay visas, and dedicated retirement villages.

As arrivals nearly tripled between 2009 and 2019, the reform agenda shifted from building capacity to managing it effectively. Rapid tourism growth had created congestion and environmental pressures, prompting a pivot toward sustainability and seamless travel experiences. Destination stewardship became the priority—enforcing carrying capacities, improving wastewater and solid waste management, and strengthening convergence with local government units. Seamless travel reforms, including simplified visas, integrated CIQ processes, and digital touchpoints, were identified as critical for maintaining competitiveness. This period also emphasized product diversification, with calls to expand gastronomy, farm tourism, and culture-based experiences alongside traditional beach circuits. Tourism was reframed not merely as an economic driver, but as a vehicle for inclusivity and community empowerment.

The post-pandemic reset of 2022-23 sharpened focus on resilience, digitalization, and global competitiveness. The sector's collapse in 2020–2021 exposed critical structural vulnerabilities: overdependence on limited source markets, weak crisis response protocols, and chronic underinvestment in destination promotion.

The recovery framework of "Reform, Rebuild, Recover" emphasized modernizing gateways through public-private partnerships, digitalizing border systems (eTravel, eVisa, advanced passenger information system or APIS), and improving safety and security through Tourist Police units and disaster-resilient infrastructure.

Marketing underinvestment emerged as a headline constraint. Despite achieving one of the highest yields per tourist globally, the Philippines spent significantly less per visitor on promotion than ASEAN peers. This sparked intensified calls for scaled-up marketing campaigns, route development incentives, and unified branding around health and retirement tourism under a "Care Capital of Asia" identity. Both the Reform of Republic Act (RA) No. 9593 and RA No. 9497 (or the Civil Aviation Authority of the Philippines (CAAP) law were recognized as overdue priorities. The recommendations across 2010, 2019, and 2022-23 converge into six thematic pillars that remain relevant today:

1. Connectivity and Infrastructure
2. Investment Climate and Business Environment
3. Human Capital and Competitiveness
4. Sustainability and Destination Stewardship
5. Marketing and Niche Positioning in health, wellness, and retirement
6. Safety, Security, and Resilience

The consistency of these themes underscores persistent implementation gaps, while their evolution reflects shifting priorities: 2010 focused on capacity-building, 2019 on sustainability and seamlessness, and 2022-23 on resilience, competitiveness, and premium positioning. The 2025 private sector agenda builds directly on this trajectory, translating unfinished reforms into sharper calls for action aligned with the NTDP 2023–2028 vision of a sustainable, inclusive, and globally competitive tourism powerhouse.

Completed Reforms. Several significant reforms have been successfully implemented over the past decade. Early fiscal reforms included the removal of the Gross Philippine Billings (GPB) and 3% Common Carriers Tax (CCT) on passenger revenues through RA No. 10378 (2013), which eased regulatory burdens on international carriers. Three comprehensive national tourism development plans spanning 2010–2016, 2017–2022, and 2023–2028 were completed under the RA 9593 framework, providing strategic direction for sector growth.

The current administration has achieved notable market access improvements. Executive Order No. 86 (2025) established the Digital Nomad Visa program to welcome global remote workers, boosting tourism while stimulating local economies. Cruise visa waivers and visa-free entry (for Indian and Taiwanese nationals) have simplified travel and strengthened the Philippines' appeal as a regional tourism hub. RA No. 12079 introduced Value-Added Tax (VAT) refunds for non-resident tourists on goods purchased in the Philippines, encouraging high-value visitor spending. Digital border systems including APIS and eTravel now reduce entry point friction for travelers.

Gateway infrastructure has advanced significantly with the Ninoy Aquino International Airport (NAIA) privatization in 2024 and major upgrades completed in Cebu, Clark, Bohol, and Laguindingan airports. Broader economic reforms have created a more favorable tourism investment climate. Amendments to the Public Service Act (2023) allowed 100% foreign ownership in transport and telecommunications sectors.

The CREATE Act, as amended by the CREATE MORE Act (2024), reduced corporate tax rates and enhanced investment incentives while designating the Tourism Infrastructure Enterprise Zone Authority (TIEZA) as an investment promotions agency. RA No. 12252 (2025) amended the Investors' Lease Act by extending the maximum allowable aggregate period of lease contracts for private land by foreign investors to 99 years, subject to certain requirements and conditions, facilitating long-term tourism infrastructure development. RA No. 12234, or the *Konektadong* Pinoy Act (2025), has also been enacted to improve connectivity, which will benefit tourism destinations nationwide.

Ongoing Reforms. The majority of reform priorities remain works in progress. Aviation and port sector modernization is incomplete, with full 24/7 airport and seaport operations not yet achieved and CAAP institutional reform stalled in Congress. In specialized tourism sectors, while the Special Resident Retiree's Visa (SRRV) program continues operating, broader policy improvements and insurance portability remain pending. Regional destination development plans have yet to be completed across all regions due to limited budget. Promotional budgets remain low compared to regional competitors.

Stalled Reforms. Several reforms have encountered political or practical obstacles. They include elimination of the CCT on cargo shipments, creation of the Philippine Transportation Safety Board (PTSB) and broader foreign practice rights for health. The overall implementation picture reveals partial execution: meaningful reforms have been achieved, many initiatives remain in progress, but several transformative changes are stalled.

Table 34. 2010 Headline Recommendations for Tourism, including retirement and health travel

2010 Headline Recommendations	
1	**Improve international connectivity** – eliminate the Common Carriers Tax and Gross Philippine Billings tax on foreign airlines (not practiced elsewhere); implement 24/7 operations in international airports and seaports; reform the CAAP.
2	**Develop and implement national and destination masterplans** and protect property rights of investors and communities in line with the Tourism Act of 2009. **Promotional resources should be directed to key tourist regions with infrastructure** and direct international flights, including Cebu/Bohol, Clark/Subic, Davao, Laoag, and Cagayan de Oro.
3	**Reduce costs of doing business and enhance mobility for travel and tourism enterprises and tourists** across the value chain (e.g. implement sustainable tourism taxation (national and local), streamline procedures, travel tax, customs and immigration, licensing, amend Sanitation Code).
4	**Pursue negotiations of public insurance portability** for international medical travel and retirement; **promote transparency develop and implement a national policy** on wellness and medical travel.
5	**Facilitate seamless travel of medical travelers and health professionals** (as part of exchange programs with overseas hospitals) by issuing longer medical tourism visas for patients and their companions and streamlining procedures.

6	**Restrictions on foreigners should be liberalized in designated tourism and retirement zones** to allow foreign ownership of land and retail facilities and the practice of professions. Until the constitutional limit on foreign ownership of land can be reformed, joint ventures with reputable Philippine corporations as well as GRP agencies and LGUs should be encouraged; rules and regulations for JVs with the government should be reviewed accordingly.
7	**Encourage co-investment by the Philippine Retirement Authority in infrastructure development** to support long-stay tourism and retirement programs.

The most impactful potential reforms—comprehensive aviation governance modernization, scaled-up destination marketing, and integrated health and retirement tourism ecosystems—remain pending. This implementation continuity explains why the 2025–2030 reform agenda is framed not as entirely "new" proposals, but as unfinished priorities requiring decisive execution to realize the Philippines' tourism potential fully.

Updated Tourism Sector recommendations

The following headline recommendations build on the cumulative lessons of past Arangkada assessments and remain pending priorities that require urgent action. Each is also aligned with the NTDP 2023–2028 vision of transforming the Philippines into a sustainable, inclusive, and globally competitive tourism powerhouse anchored on Filipino culture, heritage, and identity. Together, they address the high-yield but low-volume paradox by linking long-standing reform gaps with the country's current aspirations.

1. Accelerate Gateway Infrastructure Upgrades and Route Development. Building on successful PPP completions at NAIA, Clark, Cebu, Bohol, and Laguindingan, strategically extend this proven model to remaining secondary gateways and emerging destinations to create a comprehensive network of modern tourism entry points. Introduce time-bound, performance-based route development incentives that attract airlines and boost capacity at underserved and unserved gateways, while developing a comprehensive local PPP project pipeline for tourism destinations anchored on robust destination management plans and integrated tourism circuits that maximize visitor flow and economic impact. Enable seamless travel and deliver frictionless visitor experiences from arrival to departure. These coordinated infrastructure and digital reforms will enhance the entire visitor journey, reduce operational friction for both travelers and operators, and strengthen the Philippines' regional competitiveness while directly supporting the NTDP's convenience and accessibility pillars.

2. Amend the CAAP Law. Aviation regulation has remained a persistent gap flagged in all Arangkada reports. Amending the CAAP Act to separate regulatory, safety, and commercial functions — and potentially creating a Philippine Airports Authority — will professionalize oversight, enhance safety, align governance with international best practice, and enhance the value proposition of the network of airports to support tourism growth. Reliable and safe aviation is a prerequisite for achieving the NTDP vision of a seamless, globally competitive tourism experience.

3. Accelerate Sustainable and Resilient Tourism Infrastructure Investments. Fast-track the development of climate-resilient tourism infrastructure by prioritizing tourism roads and ancillary infrastructure to support the regional and local tourism circuits designed to withstand natural disasters while strengthening the Philippines' competitive positioning as a destination. Address the accommodation shortage by promoting strategic investments to bridge the 120,463-room hotel gap identified in the Philippine Hotel Industry Strategic Action Plan (PHISAP) 2023-2028 to support the NTDP targets. Drawing lessons from Boracay's closure to current overtourism pressures in emerging hotspots, prioritize environmental sustainability infrastructure in high-growth destinations through targeted investments in sewage treatment plants, sanitary landfills, renewable energy microgrids, and circular economy projects that protect natural assets while ensuring long-term destination resilience. Institutionalize this sustainability approach by enforcing scientifically-determined carrying capacities at the local government unit (LGU) level, directly supporting NTDP goals of resilient and inclusive development while preserving the cultural heritage and identity that define authentic Philippine tourism experiences.

4. Reduce cost of doing business in tourism to enhance destination competitiveness. Lower electricity costs and improve reliability in tourism destinations by expanding competitive retail electricity access, strengthening grid infrastructure, and enabling direct wholesale market access for resorts and airports to reduce operational expenses. Accelerate renewable energy adoption through streamlined permitting and incentives to stabilize supply, diversify energy sources, and insulate tourism operators from volatile fossil fuel prices, while encouraging microgrids in island destinations to eliminate dependence on costly diesel generation that inflates accommodation and operational costs. Simultaneously rationalize passenger service charges and airport fees to directly reduce the overall cost barrier for international visitors and making Philippine destinations more accessible to source markets. Establish formal mechanisms to escalate power-related business concerns from local tourism operators to national government agencies, ensuring that destination-specific energy challenges receive appropriate policy attention and resources for resolution.

5. Modernize the Tourism Regulatory Framework. Update the legal framework to align with contemporary industry needs by comprehensively amending RA 9593 (Tourism Act) to address modern challenges such as but not limited to impacts of crises, climate change, and social protection for tourism enterprises and workers among others while simultaneously optimizing travel tax allocation by dedicating these funds specifically for tourism infrastructure development that will enable the country to improve its global competitiveness rankings and build a more resilient, sustainable tourism sector capable of withstanding environmental and economic challenges. Explore the removal of the travel taxes with other means of financing the tourism infrastructure program.

6. Build a Future-Ready Workforce. Build on the proven success of the Philippine Tourism Human Capital Development Program 2021-2025, which has trained 332,300 tourism workers in the Filipino Brand of Service Excellence (FBSE) as of August 2025, institutionalizing the hallmark warmth, hospitality, and genuine care that define the Filipino visitor experience. Expand this foundation by institutionalizing comprehensive training programs in digital hospitality, foreign languages, eco-tourism, and elder care while creating robust certification systems for caregivers that align workforce skills with evolving global demand and emerging tourism sectors. Strengthen partnerships between academic institutions, industry stakeholders, and local government units to ensure training programs are responsive to actual employer needs and market requirements, while reinforcing NTDP's strategic goals on skills development and inclusive economic participation that positions Filipino tourism workers as the region's most capable and service-oriented hospitality professionals.

7. Boost Marketing Budget and Strategic Partnership Investments. Close the resource gap with ASEAN competitors by scaling budget allocations and leveraging strategic partnerships with airlines, cruise lines, accommodation, tour operators, and digital platforms that amplify reach and impact. Deploy campaigns that position the Philippines in diverse segments while maximizing efficiency through co-marketing.

8. Position the Philippines as the "Care Capital of Asia" through Integrated Health, Wellness, and Retirement Tourism. Develop a unified national brand that positions the Philippines as the premier regional hub for comprehensive care services, building on existing strengths as the 24th globally ranked destination for medical tourism and 8th in Asia Pacific for wellness tourism. Create an integrated promotional platform that bundles accredited hospitals, wellness centers, world-class spas, and premium retirement communities while highlighting the country's expertise in safe, non-invasive medical procedures and internationally accredited healthcare facilities. Leverage the Philippines' established global reputation in caregiving excellence and authentic traditional healing practices to develop comprehensive retirement estates that combine medical care, wellness services, and cultural immersion experiences. Enhance the Special Resident Retiree's Visa (SRRV) program with extended long-stay options, seamless insurance portability, secure property tenure arrangements, and streamlined single-window processing systems that create a truly welcoming environment for international retirees and medical tourists.

9. Strengthen Safety and Security Infrastructure to Build International Confidence. Address longstanding safety and security concerns that have historically deterred visitor confidence by implementing comprehensive institutional reforms across multiple security dimensions. Establish professional tourist police units equipped with multilingual capabilities, body cameras for accountability, and integrated digital reporting systems that ensure rapid response to visitor concerns while maintaining transparent incident documentation. Create a dedicated Transportation Safety Board to oversee and enhance safety standards across all tourism-related transportation modes, while simultaneously expanding disaster-resilient infrastructure and comprehensive crisis management protocols that demonstrate the country's preparedness for natural disasters and emergency situations. These coordinated safety enhancements directly support NTDP objectives on superior visitor experience and destination resilience while protecting the invaluable cultural and natural assets that form the authentic foundation of Philippine tourism appeal.

These measures converge to address the fundamental challenges identified across 15 years of Arangkada assessments while supporting the NTDP's vision of a tourism industry rooted in Filipino identity. Together, they provide a comprehensive framework for converting the Philippines' premium positioning into scaled growth, ensuring that tourism development remains sustainable, inclusive, and competitive in the global marketplace. In this sense, the reforms are both a continuation of unfinished business and a strategic accelerator toward 2028 goals.

Table 35. 2010 Tourism Legislative Agenda

Tourism Legislative Agenda	
CAAP Act amendments	To separate regulatory, safety, and commercial functions — and potentially creating a Philippine Airports Authority — will professionalize oversight, enhance safety, align governance with international best practice
Digital Economy Act	To provide a clear policy roadmap to sustainably develop the e-commerce sector, financial technology, and innovation in digital ecosystems
Electric Power Industry Reform Act amendments	Key amendments should address: (a) Strengthening regulatory oversight and accountability; (b) Enhancing competitive market mechanisms, including WESM reforms; (c) Supporting renewable energy integration and distributed generation; (d) Clarifying roles and responsibilities across the value chain; (e) Enabling more flexible contracting and financing arrangements
Philippine Transportation Safety Board creation Act	To oversee and enhance safety standards across all tourism-related transportation modes, while simultaneously expanding disaster-resilient infrastructure and comprehensive crisis management protocols that demonstrate the country's preparedness for natural disasters and emergency situations
Tourism Act amendments	To address modern challenges such as but not limited to impacts of crises, climate change, and social protection for tourism enterprises and workers among others while simultaneously optimizing travel tax allocation by dedicating these funds specifically for tourism infrastructure development

In photo: Sectoral roundtable discussion on Tourism hosted by the Korean Chamber of Commerce Philippines on behalf of *Arangkada.* (June 23, 2025)

CHAPTER 4

Legislation

> ***We laud the Arangkada Philippines team for this initiative and for the constant drive to educate the public in the different policies that affect the economic, social, and political landscape of the country.***

Former Tourism Undersecretary Benito Bengzon Jr. delivers the keynote at the 8th Arangkada Forum: Turning on the T.A.P. on November 21, 2019.

Legislative advocacy remains central to *Arangkada's* mission of advancing a more competitive and investment-friendly business environment in the Philippines. To complement the original recommendations in *Arangkada* Philippines 2010: A Business Perspective, *Arangkada* has published two Legislation Policy Briefs examining how enabling laws can accelerate growth across key economic pillars. The first brief was published in September 2013, during the third year of President Benigno S. Aquino III's term and the first year of the 16th Congress. The second was released in November 2022, early in the administration of President Ferdinand R. Marcos Jr., to assess the progress of priority reforms under the 18th Congress and to lay out a legislative agenda for the 19th Congress.

These briefs sought to offer a retrospective view of legislative accomplishments, a forward-looking vision for policy reform, and a roadmap for how legislation can help close the gap between potential and desired tangible outcomes. While notable reforms have been achieved, the Philippines' bicameral structure and deliberate legislative process often means that complex reforms stretch across different administrations. Continued advocacy is necessary to enact strong, targeted reforms that can improve the business environment, foster inclusive development, and drive economic growth.

Investment Climate Legislation 2010-2025

Since the book's publication in 2010, more than a dozen key reform measures aligned with Arangkada's original recommendations have been passed into law, marking meaningful, if gradual, progress. Over the past 15 years, successive administrations and Congresses have enacted reforms untangling bottlenecks in regulatory systems and laying the foundation for modernizing key aspects of the economy. These include laws or executive orders that aim to improve fiscal incentives, streamline customs procedures, update labor regulations, expand market access, and support emerging sectors such as creative industries. The passage of major reforms such as the Customs and Tariff Modernization Act, the Energy Efficiency Act, and the more recent CREATE MORE Act signal that advocacy can yield results.

However, the pending or only partially implemented proposals still outnumber the completed ones. Pending policy proposals include long-standing priorities such as the Freedom of Information Act, Clean Air Act amendments, the rationalization of holiday legislation, updates to the Telecommunications Policy Act, the National Single Window System, and the creation of a Department of Water, despite their cross-sectoral impact. In areas where legislation stalled, executive orders have occasionally served as stopgap interventions, though often lacking the permanence and clarity upon which long-term business planning and decision-making depend. The pace of progress underscores the challenges in the legislative process and the need for consistent coalition-building and public-private collaboration to advance economic reform.

The table below summarizes Arangkada's 2010 legislative recommendations, along with their current status.

Table 36. Legislative proposals from the 2010 *Arangkada* Philippines: A Business Perspective policy book.

Legislation	Status
Department of Information and Communication Technology (DICT) Bill	Republic Act No. 10844, 23-May-2016
Cybercrime Act / Cybercrime Bill	Republic Act No. 10175, 12-Sep-2012
Data Privacy Act	Republic Act No. 10173, 15-Aug-2012
Holiday Rationalization Act / Amendments to rationalize holidays	Pending legislation
Labor Code Amendments / Modernize the Labor Code	Republic Act No. 10151 21-Jun-2011 Republic Act No. 11210 20-Feb-2019 Republic Act No. 11360 7-Aug-2019 Executive Order No. 51, s. 2018
BOT (Build-Operate-Transfer) Law Amendments	Revised 2022 IRR of the BOT Law (RA 6957) as amended by RA 7718 - Department of Economy, Planning, and Development 21-Sep-2022
Freedom of Access to Information Act / Freedom to Information Act	Pending legislation Executive Order No. 2, s. 2016
EPIRA (Electric Power Industry Reform Act) Amendments	Pending legislation
Energy Efficiency Act	Republic Act No. 11285, 12-Apr-2019
Telecommunications Policy Act (RA 7925) Amendments	Pending legislation
Customs and Tariff Modernization Act (CTMA)	Republic Act No. 10863, 30-May-2016
Clean Air Act	Pending legislation
Foreign Investment Negative List (FINL)	Executive Order No. 175, s. 2022
Anti-Graft and Corrupt Practices Act Amendments	Republic Act 10910, 21-Jul-2016
Ombudsman Act Amendments	Pending legislation
Whistleblowers Protection Act	Pending legislation
National Single Window Program	Pending legislation
Anti-Deadly Weapons Act	Republic Act No. 10591 23-Jul-2012
Reproductive Health Legislation	Republic Act No. 10354 23-Jul-2012

Table 36. Legislative proposals from the 2010 *Arangkada* Philippines: A Business Perspective policy book. (Cont'd)

Legislation	Status
LGU Code Amendments	Pending legislation
Philippine Legal Code and Code of Regulations	Pending legislation
Farm Land as Collateral law	Pending legislation
Creative Industries Development Council	Republic Act No. 11904 28-Jul-2022
Department of Water	Pending legislation
Water Reform Act	Pending legislation
Rationalization of Fiscal Incentives	Republic Act 12066 8-November-2024
Creative Industries Development Council	Republic Act No. 11904 28-Jul-2022

Advocacy in the 19th Congress

The 19th Congress enacted a number of key reforms that aim to advance the Philippines' goal of building a more competitive and resilient economy. With comfortable majorities in both chambers following the 2022 national elections, the Marcos administration made notable progress on its Common Legislative Agenda during the first half of its term.

At the forefront were the CREATE MORE Act, which strengthens the framework for investment incentives and aligns them more closely with national priorities, and the Public-Private Partnership (PPP) Code, which streamlines and modernizes the country's PPP framework to encourage more private sector participation in infrastructure development. Another landmark measure, the Konektadong Pinoy Act, originally filed as the Open Access in Data Transmission bill in the 17th Congress, was passed at the close of the 19th Congress and is expected to significantly enhance internet connectivity across the Philippines.

Fiscal modernization remained a central priority, with the passage of the Ease of Paying Taxes Act and amendments to the Tax Amnesty Act aimed at improving tax administration. Other major governance reforms included the Real Property Valuation and Assessment Reform Act, which standardizes property taxation nationwide, and the Automatic Income Classification of LGUs Act, which seeks to create a more equitable basis for allocating national resources. The Maharlika Investment Fund Act, while met with mixed reception, established a sovereign investment vehicle intended to channel capital into strategic sectors. Meanwhile, the Investors' Lease Act looks to provide greater security and certainty for foreign investors by extending lease terms.

President Ferdinand R. Marcos Jr. on December 5, 2023 signs the Public-Private Partnership Code of the Philippines (PPP Code) and the Internet Transactions Act of 2023. (Photos courtesy of the Presidential Communications Office)

In support of the digital economy, the legislature passed the Internet Transactions Act and approved enabling measures for human capital development such as the Trabaho Para sa Bayan Act, the Enterprise-Based Education and Training (EBET) Framework Act, and the Magna Carta of Filipino Seafarers. Sector-specific reforms also advanced, including the Philippine Salt Industry Development Act, Enhanced Fiscal Regime for Large-Scale Metallic Mining Act, the Philippine Natural Gas Industry Development Act, and the Philippine Ecosystem and Natural Capital Accounting System Act, which lays the foundation for a more sustainable and data-informed approach to managing natural capital.

The table below summarizes key reform laws enacted in the 19th Congress.

Table 37. Reform Laws Enacted in the 19th Congress (2022-2025)

	Laws	Law No.	Date Enacted
1	The New Agrarian Emancipation Act	RA No. 11953	Jul 7, 2023
2	Maharlika Investment Fund Act	RA No. 11954	Jul 18, 2023
3	One Town, One Product Philippines Act	RA No. 11960	Aug 24, 20…
4	Trabaho Para sa Bayan Act	RA No. 11962	Sep 27, 20…
5	Automatic Income Classification of Local Government Units Act	RA No. 11964	Oct 26, 2023
6	Public-Private Partnership (PPP) Code of the Philippines	RA No. 11966	Dec 5, 2023
7	Internet Transactions Act	RA No. 11967	Dec 5, 2023
8	Ease of Paying Taxes Act	RA No. 11976	Jan 5, 2024
9	Tatak Pinoy (Proudly Filipino) Act	RA No. 11981	Feb 26, 2024
10	New Philippine Passport Act	RA No. 11983	Mar 11, 2024
11	Philippine Salt Industry Development Act	RA No. 11985	Mar 11, 2024
12	Philippine Ecosystem and Natural Capital Accounting System (PENCAS) Act	RA No. 11995	May 22, 2…

Table 37. Reform Laws Enacted in the 19th Congress (2022-2025) (cont'd)

Laws		Law No.	Date Enacted
13	Kabalikat sa Pagtutoro Act	RA No. 11997	May 31, 2…
14	Real Property Valuation and Assessment Reform Act	RA No. 12001	Jun 13, 2024
15	Free College Entrance Examinations Act	RA No. 12006	Jun 14, 2024
16	New Government Procurement Act	RA No. 12009	Jul 20, 2024
17	Anti-Financial Account Scamming Act	RA No. 12010	Jul 20, 2024
18	Magna Carta of Filipino Seafarers	RA No. 12021	Sep 23, 20…
19	Anti-Agricultural Sabotage Act	RA No. 12022	Sep 26, 20…
20	VAT on Digital Services	RA No. 12023	Oct 10, 2024
21	Self-Reliant Defense Posture Revitalization Act	RA No. 12024	Oct 10, 2024
22	Discontinuing the Use of the Mother Tongue as Medium of Instruction	RA No. 12027	Oct 10, 2024
23	Academic Recovery and Accessible Learning (ARAL) Program Act	RA No. 12028	Oct 16, 2024
24	Enterprise-Based Education and Training (EBET) Framework Act	RA No. 12063	Nov 7, 2024
25	Philippine Maritime Zones Act	RA No. 12064	Nov 7, 2024
26	Philippine Archipelagic Sea Lanes Act	RA No. 12065	Nov 7, 2024
27	Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act	RA No. 12066	Nov 8, 2024
28	Ligtas Pinoy Centers Act	RA No. 12076	Dec 6, 2024
29	Amendment of the "Agricultural Tariffication Act"	RA No. 12078	Dec 6, 2024
30	VAT-Refund Mechanism for Non-Resident Tourists	RA No. 12079	Dec 6, 2024
31	Basic Education Mental Health and Well-Being Promotion Act	RA No. 12080	Dec 6, 2024
32	Philippine Natural Gas Industry Development Act	RA No. 12120	Jan 8, 2025
33	Expanded Tertiary Education Equivalency and Accreditation Program Act	RA No. 12124	Mar 3, 2025
34	Economy, Planning and Development Act	RA No. 12145	Apr 10, 2025

Table 37. Reform Laws Enacted in the 19th Congress (2022-2025) (cont'd)

Laws		Law No.	Date signed
35	Capital Markets Efficiency Promotion Act	RA No. 12214	May 29, 2025
36	Philippine Agriculturists Act	RA No. 12215	May 29, 2025
37	Government Optimization Act	RA No. 12231	Aug 4, 2025
38	Judicial Fiscal Autonomy Act	RA No. 12233	Aug 14, 2025
39	Konektadong Pinoy Act	RA No. 12234	Aug 24, 2025
40	Investors Lease Act	RA No. 12252	Aug 29, 2025
41	Enhanced Fiscal Regime for Large-Scale Metallic Mining Act	RA No. 12253	Sep 4, 2025
42	E-Governance Act	RA No. 12254	Sep 5, 2025

Legislative and Policy Priorities in the 20th Congress

Ahead of the 20th Congress, the JFC and partner Philippine Business Groups (PBGs) convened a series of consultations and roundtable discussions with the foreign chambers, Philippine business groups, government and industry stakeholders, and policy experts to consolidate the business community's list of priority reforms. The following list of priorities reflect the business community's collective views on key reforms needed to accelerate the country's economic growth and promote a healthy business and investment environment. Notably, the 20th Congress reform agenda does not only include pending legislation, but rather emphasizes the importance of effective implementation and execution of policies through executive and regulatory actions.

Table 38. PBG-JFC Priority Measures for the 20th Congress

Priority Bills	Priority Executive Action
1. Electric Power Industry Reform Act (EPIRA) Amendments 2. Cybersecurity Act 3. E-Governance Act 4. Digital Economy Act 5. Open Access in Data Transmission / *Konektadong Pinoy* Act 6. Freedom of Access to Information Act 7. Foreign Investors' Long Term Lease Act Amendments 8. National Single Window System 9. National Land Use Act 10. Artificial Intelligence (AI) Act 11. Blue Economy Act 12. Civil Aviation Authority Act Amendments 13. Philippine Ports Authority (PPA) Charter Amendments 14. Holiday Rationalization Act	1. Improve implementation of Ease of Doing Business Act 2. Improve implementation of Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act 3. Reconsider Digital and Integrated System for the Pre-Border Technical Verification and Cross-Border Electronic Invoicing of All Import Commodities (Administrative Order No. 23) 4. Streamline travel requirements and improve the visa application of foreign nationals to further attract tourists to the Philippines 5. Review and suspend implementation of Revenue Memorandum Circular No. 5-2024 (Taxes on Non-Resident Foreign Corporations) 6. Improve implementation of Ease of Paying Taxes Act 7. Reconsider Food and Drug Administration Revised Registration Fees (Administrative Order No. 2024-0016) 8. Review Extended Producers' Responsibility (EPR) Act

Transportation and Energy Reform

Addressing structural weaknesses in the energy and transport sectors is essential to improving national productivity and competitiveness. Amending the EPIRA is crucial to lowering electricity costs, strengthening competition, and enhancing regulatory oversight. Reforms in transportation governance are also long overdue. Amending the Civil Aviation Authority Act and Philippine Ports Authority Charter would eliminate institutional inefficiencies, enhance operational autonomy, and resolve conflicts of interest by separating regulatory and operational functions, laying the groundwork for more efficient and investment-ready infrastructure systems.

Securing the Digital Future

Modernizing the Philippines' digital infrastructure is critical to long-term growth in the increasingly digitalized global economy. The Open Access in Data Transmission/Konektadong Pinoy Act can increase competition and lower barriers to expand internet access. Complementary reforms like the Cybersecurity Act and Digital Economy Act would safeguard critical infrastructure and create a policy roadmap for a robust digital ecosystem. The E-Governance Act would further transform public service delivery through secure, interoperable digital systems, while the National Single Window System enhances efficiency in trade-related processes. Finally, the AI Act positions the Philippines as an innovation-ready economy, encouraging responsible AI development with a strong governance framework.

Boosting Investment and Strengthening Governance

To sustain investor confidence, the Philippines must foster a transparent, rules-based business environment. Amendments to the Foreign Investors' Long-Term Lease Act would offer long-term investors greater security and improve administrative efficiency.

The Freedom of Access to Information Act would promote good governance and accountability across public institutions. Additionally, the Holiday Rationalization Act would support business continuity and productivity by providing a more consistent and predictable schedule of non-working days.

Sustainable Resource Management

Ensuring inclusive and sustainable growth requires coherent frameworks for managing natural resources. The National Land Use Act introduces a long-overdue strategy to balance competing demands for land across agriculture, housing, industry, and conservation. At sea, the Blue Economy Act recognizes the vast potential of marine ecosystems and provides a comprehensive approach to supporting sustainable coastal development, environmental stewardship, and growth in maritime industries.

Strategic Recalibration of Regulatory Measures

A competitive business environment depends on consistent and transparent regulation. The business groups have expressed strong support for efforts to improve the implementation of the Ease of Doing Business Act, with a focus on reducing bureaucratic red tape, streamlining procedures, and ensuring full compliance across agencies. The business groups asked Food and Drug Administration Revised Registration Fees (AO No. 2024-0016) to be reconsidered to avoid imposing excessive costs, particularly on small and medium enterprises, as well as to safeguard public access to essential health products. In the same spirit, the business groups recommended improving EPR Act implementation to better enable private sector involvement, streamline incentives to encourage more investment in capital-intensive and job-generating waste management activities, and ensure clear compliance pathways, especially for Micro, Small, and Medium Enterprises (MSMEs).

Open and Accessible Economy

Streamlining cross-border processes and attracting global engagement are also important. The business groups called for reconsideration of the Digital and Integrated System for the Pre-Border Technical Verification and Cross-Border Electronic Invoicing of All Import Commodities (AO No. 23) to address implementation challenges that are disrupting supply chains and creating uncertainty for importers and logistics providers. The groups also asked the administration to streamline travel requirements and improve the visa application of foreign nationals to further strengthen the country's position as an investment and tourism destination.

Aligning Tax Measures with Investment Goals

A predictable and fair tax environment is fundamental to attracting, sustaining, and retaining investment. The effective implementation of CREATE MORE is critical to ensuring that the country's investment incentives are fully realized and aligned across government agencies. At the same time, improving implementation of the Ease of Paying Taxes Act is vital to minimizing compliance costs for all taxpayers and creating a more transparent and efficient tax system.

Moreover, the business groups respectfully called for the review and suspension of RMC No. 5-2024 (Taxes on Non-Resident Foreign Corporations), expressing concern that the Circular's broad interpretation unduly expands tax application beyond established legal and factual boundaries, contradicts long-standing tax situs principles, and undermines treaty-based exemptions. This risks imposing substantial and retroactive tax burdens on a wide range of cross-border services, including information technology software, international cloud services, and essential business support functions. Without timely recalibration, it risks diminishing the Philippines' attractiveness as a regional services hub.

Other JFC Advocacies

While the JFC-PBG Priority Measures submitted to the Marcos administration represent the collective reform agenda of the business community, there are also several sector-specific advocacies drawn from this book's chapters that, though not included in the formal list, remain highly significant. Advancing these reforms would complement the priority measures and accelerate growth in the Seven Big Winner Sectors.

- Department of Water Resources: A long-standing proposal to create a dedicated department to oversee and rationalize water resource management, ensuring sustainable supply for households, agriculture, and industry.
- Clark National Food Hub Bill: Envisions a modernized hub for the centralization, storage, and processing of agricultural products, supporting food security and improved logistics in the agri-business sector.
- Intellectual Property Code Amendments: Updates to the IP Code, particularly to address digital innovations, remain a priority to strengthen the innovation ecosystem and attract creative and technology-driven investments.
- Cybercrime Prevention Act Amendments: Proposed amendments seek to strengthen provisions against online fraud and improve enforcement capacity around digital crimes.
- PEZA Law Amendments: Adjustments to the PEZA framework are being advocated to reinforce investor protections, streamline processes, and maintain the competitiveness of the country's economic zones.

- **Freelance Protection Bill**: A measure to extend legal and contractual protections to freelancers, supporting the growing gig economy and expanding livelihood opportunities.
- Warehouse Receipts Act: Modernization of this framework would allow warehouse receipts to serve as tradable financial instruments and collateral, improving financing and efficiency in logistics and supply chains.
- **MARINA Charter Amendments**: Strengthening MARINA's institutional mandate through amendments would enhance regulatory capacity and support the maritime sector's competitiveness.
- International Maritime Trade Competitiveness Act: A proposed measure to reduce costs, streamline processes, and align Philippine maritime trade rules with global best practices.
- **Competition Law Amendments**: Enhancements to the Philippine Competition Act are being proposed to strengthen enforcement mechanisms and ensure fair competition across industries.
- **Telecommunications Policy Act Amendments**: Updates to the telecom framework remain a priority to encourage investment, expand coverage, and accelerate the rollout of digital infrastructure.

These advocacies highlight areas where reform momentum can be broadened. While not part of the immediate JFC-PBG list, they remain important levers for unlocking sectoral growth and ensuring that progress in the 20th Congress translates into long-term competitiveness.

From 2010 to 2025, Arangkada's legislative efforts have contributed to meaningful policy gains across the Seven Big Winner Sectors. Looking ahead to the 20th Congress, Arangkada will continue to push for timely and targeted policy reforms, both through new legislation and improved implementation, to sustain momentum towards inclusive and resilient economic growth.

"It is truly an honor and privilege to speak before the movers and shakers of the Philippine economy during the Fourth Arangkada Philippines Anniversary Forum. I congratulate the Joint Foreign Chambers of the Philippines for another successful holding of Arangkada. You have chosen a very impressive theme, "Invest Now for Inclusive Growth", which totally captured the essence of what we in government have been doing for almost five years.

As your Senate President, I find it truly heartwarming and fulfilling that the rating agencies, financial institutions and the business community attribute the rosy economic picture to the government's relentless efforts to fortify our institutions, encourage efficient government spending, reduce debt, improve fiscal management and promote transparency and accountability."

Former Senate President Franklin Drilon, 2022 *Arangkada* Lifetime Achievement Awardee, delivering the keynote speech at the 4th Arangkada Philippines Anniversary Forum: Invest Now for Inclusive Growth" March 3, 2015

CHAPTER 5

Sustaining Momentum: Continuing Legacy and the Road Ahead

Reform in Motion: 15 Years of Arangkada and the Road Ahead

"Arangkada is a fitting description to a business agenda that supports the government's Sulong Pilipinas – a slogan that laid the groundwork to translate GDP growth into something that has a tangible effect on everyone, be it business or ordinary folks on the street."

PCCI Chairman and former President George Barcelon at the 6th Arangkada Anniversary Forum, September 14, 2017.

When the 2010 *Arangkada* Philippines: A Business Perspective was launched, it set out to be a living document—evolving as reforms advanced, and advocating stronger investment, economic growth, job creation, and poverty reduction. Fifteen years later, Arangkada has become not only a brand for reform advocacy but also a platform that has shaped policy through books, briefs, assessments, and the annual Arangkada Philippines Forum.

This 2025 update builds on that legacy. It documents seventy-six (76) recommendations drawn from roundtable discussions on the seven big winner sectors—agribusiness, creative industries, infrastructure, IT-BPM, manufacturing and logistics, mining and critical minerals, and tourism—reaffirming *Arangkada's* commitment to accelerated growth, an improved business environment, and more and better jobs for Filipinos. Across these discussions, four cross-cutting themes emerged. Some examples can be seen in Table 39.

Table 39. Cross-cutting themes in the 2025 Sectoral Recommendations

Cross-cutting themes	Recommendation (Sector)
Development and proper implementation of sectoral plans	• Urgent implementation and funding of the Philippine Creative Industries Development Plan (CI) • Ensure full and consistent implementation of existing laws through harmonization of government agencies to unlock sector competitiveness and inclusive growth. (IT-BPM) • Finalize and implement the National Transport System Master Plan. (Infra-Transpo) • Effective, whole-of-nation implementation of the Philippine Energy Plan 2023-2050 (Power) • Develop a National Water Resources Roadmap guided by the principles of Integrated Water Resource Management and strengthen water districts. (Water) • Strengthen Domestic Industrial Policy and Coordination by ensuring that the various industry plans are all working towards the same goal and complement each other. (Manufacturing) • Establish a robust National Mining Policy and strengthen coordination with LGUs. (Mining)
Infrastructure Modernization and Intermodal Connectivity	• Strengthen agribusiness sector by investing in shared services (Agribusiness) • Government should take the lead in proactively building critical infrastructure to support the growth of manufacturing. (Manufacturing) • Upgrade infrastructure to support mining and processing. (Mining) • Accelerate Tourism Infrastructure Investments through Enhanced TIEZA Capacity. (Tourism)
Digitalization and Smart Systems	• Support the adoption of new technologies in production by scaling precision farming, biotechnology, and climate-smart solutions. (Agribusiness) • Develop a 4IR to 5IR Digital Transformation Roadmap for Creative Industries. (CI) • Adopt digital solutions to modernize transportation networks. (Infra-Transpo) • Accelerate digital transformation in manufacturing by supporting the adoption of Industry 4.0 technologies such as automation, robotics, AI, IoT, and advanced data analytics. (Manufacturing) • Enable Seamless Travel through Digitalization. (Tourism)
Human Capital Development and Future-Ready Skills	• Reform the agricultural extension system for professionalized, digital, and localized delivery and scale to provinces. (Agribusiness) • Reform and Accelerate Creative Education. (CI) • Expand education and targeted training for future-ready talent. (IT-BPM) • Strengthen Human Capital Development through Industry-Aligned Education and Labor Policy. (Manufacturing) • Build a Future-Ready Workforce. (Tourism)

The *Arangkada* Philippines Forum has been central in turning these proposals into dialogue and dialogue into reform. From invaluable keynote messages to high-level panel discussions, the *Arangkada* Forum has transformed the policy recommendations into actionable ideas that inspire change, foster innovation and collaboration, and pave the way for reforms that matter.

Arangkada Philippines Forum through the years

For its 14th edition, the *Arangkada* Philippines Investment Forum continues to evolve as it goes beyond its traditional dialogue to a more immersive and interactive format with a two-day conduct of plenary sessions, breakout sessions to highlight the *Arangkada's* key priority sectors, and business-to-business and government industry talks and booth exhibits to showcase business solutions and investment opportunities.

The Forum has also honored reform champions through the Arangkada Lifetime Achievement Award, conferred since 2013 on distinguished leaders who have dedicated their lives to improving the Philippine business environment.

- **2013** – Former President Fidel V. Ramos - For liberalizing the economy, promoting peace and stability, and opening the Philippines to global investment.
- **2014** – Former PEZA Director General Lilia De Lima - For transforming PEZA into a globally respected, corruption-free zone authority that attracted billions in FDI.
- **2015** – SGV Founder Washington Sycip - For pioneering accounting and corporate governance, and mentoring generations of business leaders.
- **2016** – Former Foreign Affairs Secretary Amb. Roberto Romulo - For advancing economic diplomacy and institutional reform, and bridging business with global policy.
- **2017** – Former BSP Governor Amando Tetangco Jr. - For maintaining macroeconomic stability and promoting financial inclusion during his tenure at BSP.
- **2018** – Former Senate President Edgardo Angara - For legislative leadership in education, health, and economic reform, fostering inclusive development.
- **2019** – Former Foreign Affairs Secretary Amb. Delia Albert - For elevating Philippine diplomacy and promoting strategic international partnerships.
- **2020** – ANZCham Chairman Emeritus Peter Wallace - For amplifying investor concerns and advocating policy reforms across mining, ICT, and governance.
- **2021** – GoNegosyo Founder Joey Concepcion - For championing MSME development and leading pandemic recovery efforts through GoNegosyo.
- **2022** – Former Senate President Franklin Drilon - For authoring key liberalization laws that modernized the Philippine investment landscape.
- **2023** – PAMURI Founder Shameem Qurashi - For founding PAMURI and shaping ROHQ policy, strengthening multinational operations in the country.
- **2024** – Former DTI Secretary Alfredo Pascual - For promoting global investment, supporting MSMEs, and leading strategic DTI roadshows.
- **2025** – Former Cabinet Secretary Rene Almendras - For bridging public-private reform, championing energy security, and leading strategic diplomacy and investment advocacy.

JFC Special Achievement Awardees

- **2018** - Former President of ECCP Henry Schumacher
- **2022** - *Arangkada* Philippines founder John D. Forbes

Arangkada remains to be a living document, a convening platform, and a call to action. It is a reform engine designed to endure, adapt, and accelerate. As priorities shift and new challenges emerge, Arangkada continues to offer a clear, actionable agenda shaped by conversation and coalition. This 2025 update exemplifies Reform in Motion as it reflects on the last 15 years of Arangkada and looks down the road ahead—a show of commitment to the continuing journey to keep moving, keep accelerating, and keep building the future of reform.

*The idea behind **Arangkada** originated several years ago.*

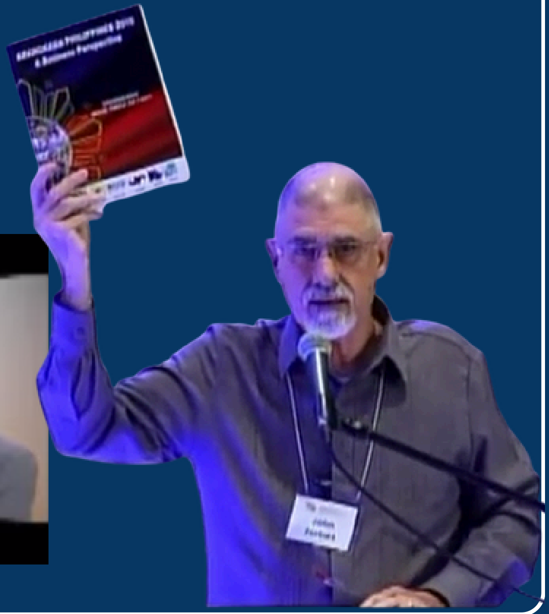
*The Joint Foreign Chambers decided they wanted to develop recommendations for what we call the **"seven big winner sectors"** that would accelerate growth within those sectors.*

*They're pretty well-known: **agri-business**, **business processing**, **creative industrie**s, **infrastructure**, **manufacturing** and **logistics**, **mining**, and **tourism**, including retirement and medical travel.*

*So we did **9 focus group discussions** with almost **300 investors**, foreign and Filipino, and developed recommendations, which were turned into this hefty volume. **471 recommendations**, **1.5 kgs**.*

*We produced this a year ago. We've had lots of **dialogues with stakeholders in government** and other leaders. We found a good reception to it.*

John D. Forbes *(1943–2023), founder of Arangkada Philippines, outlines the history of Arangkada Philippines 2010: A Business Perspective to Maria Ressa in a Rappler interview on January 28, 2012*

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Arangkada Philippines publication database *https://arangkadaphilippines.com/publications/*
Center for International Private Enterprise *https://www.cipe.org/*
DEPDev Infrastructure Flagship Projects Dashboard *https://depdev.gov.ph/infrastructure-flagship-projects/*
World Bank Open Data *https://data.worldbank.org/*

ASEAN+3 Macroeconomic Research Office *https://amro-asia.org/*
Asian Development Bank *https://www.adb.org/*
International Monetary Fund *https://www.imf.org/*
IT & Business Processing Association of the Philippines *https://www.ibpap.org/*
UN Trade and Development (UNCTAD) *https://unctad.org/*

Anti-Red Tape Authority *https://arta.gov.ph/*
Bangko Sentral ng Pilipinas *https://www.bsp.gov.ph/*
Department of Finance *https://www.dof.gov.ph/*
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Table 40. Summary of Recommendations: 75 recommendations across 7 big winner sectors

Sector	Recommendations
Agribusiness (10)	1. Strengthen agribusiness sector by investing in shared services 2. Enable farm consolidation through voluntary clustering, land lease models, and Agricultural Economic Zones (AEZs) modeled after PEZA. 3. Streamline the Cooperative Development Authority's requirements and restore institutional support within the DA for cooperative formation. 4. Reform the agricultural extension system for professionalized, digital, and localized delivery and scale to provinces. 5. Prioritize crop-by-crop business models with full value chain analysis—from production to logistics to market. 6. Encourage local production while ensuring affordability and supply stability. 7. Significantly increase R&D funding for climate-resilient and high-value crops. 8. Clarify and strengthen fair trade and regenerative agriculture models. Review the Minimum Access Volume system. 9. Support the adoption of new technologies in production by scaling precision farming, biotechnology, and climate-smart solutions. 10. Passage of key legislative reforms
Creative Industries (7)	1. Urgent implementation and funding of the Philippine Creative Industries Development Plan 2. Update Creative Sector–Specific 2030 Growth Roadmaps. 3. Advance Creative Placemaking through Creative Hubs, Creative Cities and Creative Economic Zones 4. Develop a 4IR to 5IR Digital Transformation Roadmap for Creative Industries. 5. Build a Philippine "Creative Nation" Branding Strategy. 6. Reform and Accelerate Creative Education. 7. Review and Reform Restrictive Laws that may limit the growth of creative industries
IT-BPM (10)	1. Ensure full and consistent implementation of existing laws through harmonization of government agencies to unlock sector competitiveness and inclusive growth. 2. Modernize labor and immigration rules for hybrid work and global mobility. 3. Amend the Cybercrime Prevention Act to deter fraud and enable sector-specific enforcement. 4. Strengthen cybersecurity and legal infrastructure for secure digital operations 5. Protect cross-border data flows. 6. Expand education and targeted training for future-ready talent. 7. Rationalize holiday to reduce cost and disruption. 8. Recalibrate the Digital Cities initiative and implement growth roadmaps for high-potential subsectors. 9. Develop an OECD-aligned International Business Services framework. 10. Advance priority legislation to strengthen the enabling environment.
Infrastructure: Transportation (7)	1. Finalize and implement the National Transport System Master Plan. 2. Formulate nationwide master plans for aviation, land, and maritime transportation. 3. Adopt digital solutions to modernize transportation networks. 4. Strengthen right-of-way (ROW) acquisition to enable timely delivery of transport projects. 5. Accelerate decentralization and decongestion of urban centers by modernizing transportation infrastructure across and between regions. 6. Introduce bureaucratic reforms to strengthen governance, prioritize transportation safety, develop human capital, and encourage public-private collaboration. 7. Passage of critical reform legislation and policies.
Infrastructure: Broadband (5)	1. Establish open access as the foundation for inclusive broadband development. 2. Modernize spectrum governance through a forward-looking Spectrum Management Policy Framework (SMPF). 3. Streamline market entry and expansion for broadband operators. 4. Establish a unified framework for passive infrastructure sharing across agencies. 5. Future-proof broadband policy frameworks to enable emerging technologies.

Table 40. Summary of Recommendations: 75recommendations across 7 big winner sectors (cont'd)

Infrastructure: Power (6)	1. Position energy security as a central pillar of national development. 2. Effective, whole-of-nation implementation of the Philippine Energy Plan 2023-2050 3. Deepen and expand the wholesale energy spot market (WESM) 4. Strengthen access to credit and financing for energy investments. 5. Ensure regulatory stability and enforceability of contracts. 6. Passage of critical reform legislation and policies.
Infrastructure: Water (6)	1. Establish a central entity to unify water governance and regulation. Create a Department of Water Resources and a separate Water Regulatory Commission (WRC) to consolidate mandates 2. Develop a National Water Resources Roadmap guided by the principles of Integrated Water Resource Management and strengthen water districts. 3. Issue national policy on wastewater reuse and rainwater harvesting to expand potable supply. 4. Designate major water projects as "projects of national significance" to fast-track approvals and attract investment. 5. Strengthen flood control investment through basin-wide planning and private sector engagement. 6. Institutionalize water footprinting and eco-labeling to drive efficiency and awareness. .
Manufacturing (7)	1. Strengthen Domestic Industrial Policy and Coordination by ensuring that the various industry plans are all working towards the same goal and complement each other. 2. Enhance Global Competitiveness and Investment Branding. 3. Modernize government processes to facilitate faster business transactions and approvals and reduce bureaucratic red tape. 4. Strengthen Human Capital Development through Industry-Aligned Education and Labor Policy. 5. Government should take the lead in proactively building critical infrastructure to support the growth of manufacturing. 6. Accelerate digital transformation in manufacturing by supporting the adoption of Industry 4.0 technologies such as automation, robotics, AI, IoT, and advanced data analytics. 7. Pass legislative reforms in support of the industry.
Mining (8)	1. Establish a robust National Mining Policy and strengthen coordination with LGUs. 2. Reduce red tape. Simplify and streamline permitting. 3. Ensure clarity in fiscal terms and investment incentives. 4. Upgrade infrastructure to support mining and processing. 5. Accelerate downstream processing and industrial transformation. 6. Champion investment promotion and facilitation. 7. Build public trust through engagement and government leadership. 8. Pass legislative reforms in support of the industry.
Tourism (9)	1. Accelerate Gateway Infrastructure Upgrades and Route Development. 2. Amend the CAAP Law. 3. Accelerate Sustainable and Resilient Tourism Infrastructure Investments. 4. Reduce cost of doing business in tourism to enhance destination competitiveness. 5. Modernize the Tourism Regulatory Framework. 6. Build a Future-Ready Workforce. 7. Boost Marketing Budget and Strategic Partnership Investments. 8. Position the Philippines as the "Care Capital of Asia" through Integrated Health, Wellness, and Retirement Tourism. 9. Strengthen Safety and Security Infrastructure to Build International Confidence.

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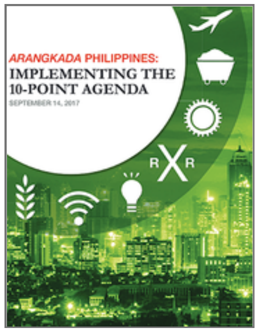

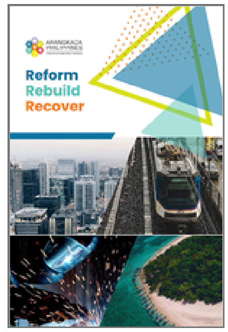

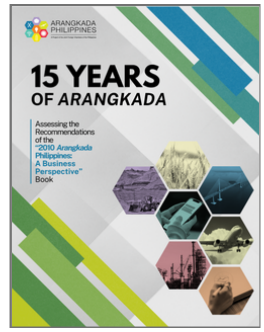

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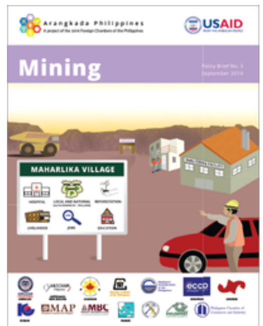

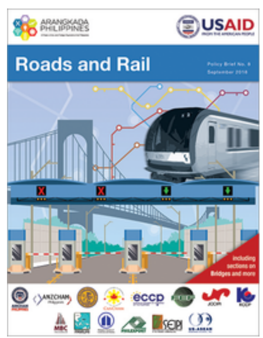

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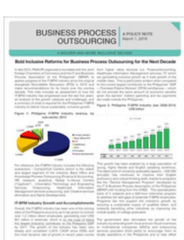

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