

The Foreign Chambers of the Philippines

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Philippine Association of Multinational Companies Regional Headquarters, Inc.



STATEMENT ON PHILIPPINE NATIONAL COMPETITIVENESS

JOINT FOREIGN CHAMBERS OF COMMERCE

OCTOBER 17, 2006



The Joint Foreign Chambers applaud the multiple efforts underway to improve the competitiveness of the Philippines. In the space of only two weeks, an unprecedented series of six large meetings organized by DTI, the JFC, MAP, MBC, PCCI, PHILEXPORT, SEIPI are focusing on the issue of how the Philippines can better compete in the global economy and preparing multiple recommendations and action agenda. (see list below).



In late July, President Gloria Macapagal-Arroyo spoke extensively in her SONA about achieving competitiveness by improving infrastructure, reducing red tape, lowering business costs and keeping food prices affordable to reduce upward pressure on wages.



We salute the public and private sector leaders who have organized these many events on competitiveness and in particular the president who hosted the National Competitiveness Summit at Malacanang. The president also attended the FDI Workshop which estimated that the Philippines has the potential to attract \$34 billion in FDI in 2007-10, if the country implements broad reforms to make it more competitive.



In her speeches at both these events, the president committed the public sector to higher standards of competitive performance in a multitude of areas but especially in education, infrastructure, reducing barriers to investment, maintaining competitive fiscal incentives and the like. In particular, the president stated:

at the FDI Workshop



“The economy is on an extended bull run, and we are confident that the people can keep the pace going until we finally achieve economic take-off. The positive outlook across various sectors both here and abroad backed up by our improving economic indicators speak well of the things to come, and we call on our people...to sustain the momentum by



upholding excellence, productivity and unity that will assure their fair share of the benefits of growth.”

“We need to raise our sights and lower barriers to investment.”

“We know that the successful implementation of the solutions to the problems is our nation's biggest challenge.”

“(T)he Philippines will not become less competitive in the fiscal incentives we offer our foreign and domestic investors...I want to assure you that we will not support proposals that have that effect of reducing competitiveness.” *at the National Competitiveness Summit*

“The world is moving at breakneck speed and we must compete or get left behind.”

“We must also pay greater attention to those factors that affect productivity and the cost of doing business which impact on your ability to compete on a level playing field without need of artificial measures like subsidies and protection to cover up for our deficiencies.”

”This Competitiveness Summit is about taking the challenge head on and proving to ourselves, our nation and the world that the Philippines means business.”

“(T)hese actions are not just pipe dreams -- we can make them happen.”

“Each and every recommendation must move forward. No action is too small, no aspiration too big, if it will help catapult us to higher performance.”

“This is the start of a unified national campaign to bring us together around a common goal: to accelerate development, investment and growth.”

“I have signed an executive order creating a Task Force on Philippine Competitiveness composed of representatives of both the public and the private sector...to make sure that our resolutions in this summit will be carried out...”

The Joint Foreign Chambers are partners in Philippine national development and assure the public and private sectors of our total commitment to assist the Philippines to meet the challenge of implementing solutions to the nation's problems. The faster solutions are implemented, the faster the Philippines will be perceived as more competitive, the more domestic and foreign investment will become available to build the globally-competitive Philippine economy and the

more jobs will be created. However, if the country merely continues to muddle through with a "business-as-usual" approach, it will not become more competitive, unemployment and unrest will increase, and the great potential of the Philippines will remain unrealized.

EVENTS DISCUSSING COMPETITIVENESS

- Oct 4 - Government Infrastructure Forum 2006
- Oct 5 - "How to Attract \$3 Billion in FDI" Workshop of the JFC
- Oct 6 - National Competitiveness Summit
- Oct 11 - MAP CEO Forum "Reversing the Trend, Turning the Bend: Recipes for Competitiveness"
- Oct 17 - SEIPI CEO Forum on Global Competitiveness
- Oct 18-20 - PCCI Philippine Business Conference "Seizing Global Opportunities"



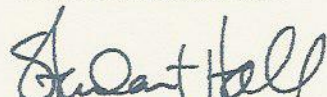
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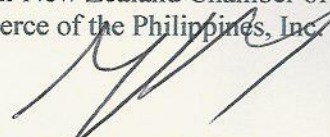
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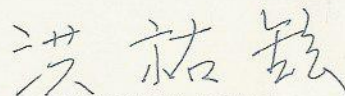
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