

## JOINT FOREIGN CHAMBERS OF THE PHILIPPINES

American Chamber of Commerce of the Phils., Inc. • Australian-New Zealand Chamber of Commerce of the Phils.  
Canadian Chamber of Commerce of the Phils., Inc. • European Chamber of Commerce of the Phils., Inc.  
Japanese Chamber of Commerce & Industry of the Phils., Inc. • Korean Chamber of Commerce of the Phils., Inc.  
Philippine Association of Multinational Companies Regional Headquarters, Inc.



**AMCHAM**  
**PHILIPPINES**  
AMERICAN

June 16, 2020

Dr. Karl Kendrick Chua  
Acting Secretary  
National Economic Development Authority  
No. 12 Escriva Drive, Ortigas Center,  
Pasig City, MM 1605

Dear Acting Secretary Chua:

We would like to congratulate you on taking on the important yet heavy responsibilities as the country's chief economic planner, especially during a time of extreme challenge as a result of the COVID-19 pandemic.

As with your predecessors, we hope we will have the opportunity to confer with you in person soon. Until we are able to meet at your office, we would be pleased to arrange a video conference.

In the meantime, we would like to add our support to four legislative reforms that AmCham's Senior Advisor John Forbes recommended during your recent consultation with the Foundation for Economic Freedom on June 10:

1. Foreign Investment Act amendments (passed by House, pending 2<sup>nd</sup> R in Senate)
2. Public Services Act amendments (passed by House, pending CR in Senate)
3. Retail Trade Act amendments (passed by House, pending CR in Senate)
4. Open Access in Data Transmission bill (pending CR in House)

In the absence of amendments to the foreign equity restrictions in the Constitution, the above reforms would substantially demonstrate to the foreign investment community a Philippine commitment to structural reform in the country's foreign investment regime. Among 69 countries included in the OECD FDI Regulatory Restrictiveness Index, the Philippines is rated last and most restrictive at 69<sup>th</sup>.

In addition, the policy of reducing FDI restrictions, expressed in Point #3 of the Socioeconomic Agenda in May 2016, would be partially fulfilled with their enactment.

The 11<sup>th</sup> Foreign Investment Negative List (FINL) (EO 64) issued October 28, 2018 contained very limited "tweaks," in the words of then-Secretary Pernia. The FINL, for which NEDA is the secretariat, was usually issued every two years, in order to record legal changes in regulated foreign ownership in the country.



AUSTRALIAN -  
NEW ZEALAND



CANADIAN



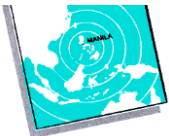
EUROPEAN



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We respectfully suggest that you recommend certification by President Duterte of these four measures as priority legislation and their inclusion in the legislative agenda he will discuss in his forthcoming State of the Nation Address on July 26. The address will provide a very important opportunity to highlight concrete reforms that prove the Philippines is serious at becoming one of the most attractive countries for foreign investment in the fast-growing Southeast Asian region.



With the world economy in depression this year, enactment of these reforms and passage of the CREATE bill (with some amendments we have suggested to the Senate) will assuredly reinforce our efforts to revive foreign investor interest in the Philippines.



These four bills failed to pass the Senate in the 17<sup>th</sup> Congress for lack of time. As the Second Regular Session of the 18<sup>th</sup> Congress begins, there is ample time for these long-awaited reforms to reach fruition and for the country to take its rightful place among the countries in ASEAN receiving the largest volumes of annual FDI.

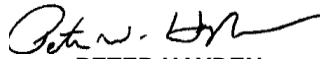


We appreciate that these bills are included in the Philippine Development Plan, are among the priorities of the Economic Development Cluster, and have moved quickly in the current Congress with the support of the Executive.




Please let us know how we can assist your efforts to enact them.

With best regards,

  
**PETER HAYDEN**  
President  
American Chamber of  
Commerce of the Philippines,  
Inc.

  
**DANIEL ALEXANDER**  
President  
Australia-New Zealand  
Chamber  
of Commerce of the Philippines

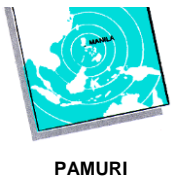
  
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**EVELYN NG**  
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cc: DOF Secretary Carlos Dominguez  
DTI Secretary Ramon Lopez  
Executive Secretary Salvador Medialdea  
PLLO Secretary Adelino Sitoy  
DICT Secretary Gregorio Honasan  
DOTr Secretary Arthur Tugade  
Senate President Vicente Sotto III  
Senate President Pro Tempore Ralph Recto  
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