

Joint Foreign Chambers of the Philippines

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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.

June 7, 2017

HON. RAMON M. LOPEZ

Secretary
Department of Trade and Industry
385 Sen. Gil J. Puyat Avenue
Makati City

Dear Secretary Lopez:

Our colleague John Forbes spoke to you briefly at the Inclusive Innovation Conference 2017 on Thursday, June 1, 2017 about the Public Services Act (PSA) amendments and the Retail Trade Act Reform bill. This letter is a follow-on to that conversation.

We wish to thank you for your public endorsement of the PSA bill, which we hope will be passed in the House and heard by the Senate Committee on Public Services early in the Second Regular Session of Congress. This measure is included in the Philippine Development Plan (PDP) (Chapter 9, page 134 under Legislative Agenda) in fulfillment of Point 3 of the President's Socio-economic Agenda and under the statement (page 130) "...repeal or amend as appropriate relevant laws, rules, and regulations that impose restrictions on foreign participation in certain economic activities. We also note that this reform is included in the Common Legislative Agenda (CLA) of the Congress and the Presidential Legislative Agenda (PLA) of the Presidential Legislative Liaison Office (PLLO). We can assure you that, once this important measure is enacted, we will vigorously support DTI efforts to publicize the measure widely in order to make foreign investors aware of the new opportunities in telecommunications, transportation, and other services.

The Retail Trade Liberalization Act reform bill has been introduced by House Committee on Economics Chairman, Rep. Arthur Yap as HB 4595 and referred to the Committee on Trade. A copy is enclosed. A hearing has yet to be scheduled. In the Senate, Trade Committee Chair Sen. Juan Miguel Zubiri has informed us he will introduce the bill and hold a hearing. This reform measure is also included in the PDP 2017-2022 under the Legislative Agenda of Chapter 9 on page 134 and explained as "Align guidelines for foreign investments with the Foreign Investment Act and lower capital requirements for foreign enterprises and harmonize with those observed in Asian countries." We note that the proposed measure is not included as a priority of the CLA nor the PLA of the PLLO. We would welcome the Economic Development Cluster endorsing the Retail Trade reform for inclusion in the PLA list.



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PHILIPPINES**

AMERICAN



AUSTRALIAN-NEW ZEALAND



CANADIAN



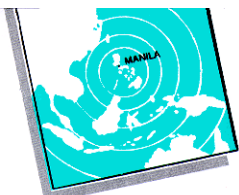
EUROPEAN



JAPANESE



KOREAN



PAMURI

The bill would amend the Retail Trade Liberalization Act of 2000 so that an investment in the retail trade sector by a foreign investor will be permitted on the same basis as that contained in the Foreign Investment Act. This is, with a minimum investment of US\$200,000 or US\$100,000 if new technology is involved or 50 jobs for Filipinos are created. Currently, the minimum equity investment required by RA 8762 is US\$2.5 million, a threshold which very few investors have met in the last 15 years.

Best regards,



BRUCE WINTON

President

American Chamber of Commerce
of the Philippines Inc



TOM GREALY

President

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



JULIAN PAYNE

President

Canadian Chamber of
Commerce of the Philippines



GUENTER TAUS

President

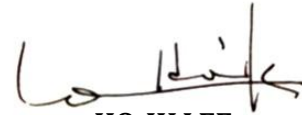
European Chamber of
Commerce of the Philippines



HIROSHI SHIRAISHI

President

Japanese Chamber of Commerce
& Industry of the Philippines, Inc.



HO-IK LEE

President

Korean Chamber of Commerce
of the Philippines, Inc.



DAN MOLLOY

President

Philippine Association of
Multinational Companies
Regional Headquarters, Inc.

Enclosure: as stated

cc: Rep. Arthur Yap, Senator Juan Miguel Zubiri, Senator Grace Poe
PLLO Secretary Adelino Sitoy
Economic Development Cluster Chair, Department of Finance, Secretary
Carlos G. Dominguez