



**2016 PHILIPPINE BUSINESS AND INVESTMENT FORUM
OPENING REMARKS OF
AMBASSADOR JOSE L. CUISIA, JR.
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***Development Centered on People, 2010-2016:
A Story of Economic Empowerment***

It is my honor and pleasure to welcome you to the 2016 Philippine Business and Investment Forum (PBIF) in New York City.

I would like to begin by thanking Finance Secretary Cesar Purisima, Agrarian Reform Secretary Virgilio de los Reyes, former Trade Secretary Greg Domingo, and the rest of the Philippine delegation for taking time to be with us today. I also want to express our appreciation to the distinguished members of the private sector delegation led by Atty. Perry Pe, President of the Management Association of the Philippines; and Mr. Lorenzo Tan, President of the Bankers Association of the Philippines.

Of course, I would like to thank InvivaLink for organizing this very important Forum. Nadine, Jose Antonio, and to your team, thank you very much. Likewise, our deepest gratitude goes to the US-Philippines Society and all the partners and sponsors that supported the organization of the PBIF.

And on behalf of my Government and the Secretaries, I want to express our appreciation to the participants from the US side, led by Ambassador Negroponte, Assistant USTR Michael Delaney, and Nouriel Roubini. Your presence and support clearly reaffirm the vitality of the Philippine-American economic relationship, which we hope can only deepen and strengthen as the United States pursues its pivot to Asia.

Ladies and gentlemen, friends: The central theme of our discussions today will be the economic transformation of the Philippines, which is due largely to the good governance program implemented by President Aquino and the economic reforms undertaken by his Administration.

With growth rates of 7-10% projected for the next decade and an HSBC Global Research Report predicting the country to be the 16th largest economy in the world by 2050, the Philippine economic story consists of record-level macroeconomic and stock-market performances, credit ratings upgrades, improvements in competitiveness rankings, high levels of FDI, increased tax revenues and growing demand for world-class Filipino talent, all of which have resulted in unprecedented economic growth, greater international business confidence and renewed optimism in the potential of the country.

It is undeniable that the Aquino administration's good governance agenda is indeed bearing fruit. And the confidence of investors and our robust economic partnerships with key economies, such as the United States, constitute the solid foundations upon which our economic managers continue to promote the Philippines as fully open for business. These efforts become more vital if viewed in the context of the US rebalance to Asia.

In order to ensure the sustainability of our good governance dividends, the Philippine Government remains focused on a menu of crucial policy areas. In the course of the last few years, the Philippines enhanced its market position and consumer-protection mechanisms by pursuing a dynamic and growth-oriented legislative agenda. Important laws were enacted in order to increase the Philippines' attractiveness for

investment by ensuring a level playing field for domestic and international business, but also by institutionalizing the foundations of good governance, fair competition and business transparency.

This Forum provides a venue for influential Philippine thought-leaders, policy makers, and private sector representatives, along with their U.S. and international counterparts, for a comprehensive and candid examination of the economic and political environment in the Philippines and the opportunities for investors, both in capital markets and in industry.

Indeed, ladies and gentlemen, today is a great opportunity for us to take stock of the incredible performance of the Philippine economy and to bring attention to the successful reforms that have driven the country's economic transformation. However, to paraphrase the historian William Manchester, I don't think we have put enough years in between in order to contemplate in its entirety all of the Aquino Presidency's six-years, and see larger patterns emerge. What I would like to do, therefore, today is to offer one very specific observation.

And it is this: the narrative of Philippine economic growth is not only an exciting story about the exceptional economic performance of the country, but inclusive growth also became the north star of Philippine national economic policy.

From day one, a challenge that the Aquino administration met head on was the need to make the most of the scarce resources available to the government. Zero-based budgeting was instituted. Bottom-up budgeting also became the norm. Technology was harnessed to implement measures for transparency and accountability. Since corruption caused a vital leakage of scarce resources, the government vigorously tackled this complex and crippling national problem. Thus, tax evaders and smugglers were targeted by relentless law enforcement operations as evidenced by the large number of cases filed in court against them.

With more resources from the economic boom and savings from corruption, we invested in our greatest resource: the Filipino people. President Aquino himself has always said that the source of his bullishness on the Philippines even before it regained economic prominence is the Filipino people. The President has been quoted as saying that "they have always been the greatest resource of my country whether in the Philippines or overseas, whether in the boardrooms of top corporations or in the rural hinterlands of the provinces."

From 2010 to 2015, the social welfare and development budget increased seven-fold, the education budget doubled, and the Technical Education and Skills Development Authority's (TESDA) budget increased by 84%. All of these were achieved without raising any taxes, except for the sin taxes, the proceeds of which went to expanding medical services for the needy.

Educational infrastructure was upgraded. The backlog of classrooms, as well as shortages in seats and textbooks, were addressed. Conditional cash transfer was expanded from Php 7 billion in 2010 to Php 48 billion. TESDA worked closely with the private sector to design and implement courses that give poor people the best chance to attain a sustainable livelihood. Focus was given to infrastructure with its multiplier effects on livelihood, connectivity and economic opportunity. Access to medical services was enhanced.

As a result, poverty incidence decreased by 2.1% comparing the first semesters of 2012 (27.9%) and 2014 (25.8%). This is starkly different from the decline of .2% from 2006-2009, and of .7% from 2009-2012. On the expanded conditional cash transfer program, the number of beneficiaries has gone from less than 800,000 households to 4.4 million, or roughly equivalent to 22 million Filipinos. And the employment rate of 6.4% is already well within the PDP's targets range of between 6.6% and 6.8%. And in October 2015, the World Bank stated that poverty reduction is expected to continue if the country is able to maintain the relatively high economic growth and better job trends in recent years. All of this only shows that if we harness our economy and our people properly, we can achieve inclusive growth.

Friends, ladies and gentlemen, thirty years ago, President Benigno Aquino's mother, Corazon Aquino, became the symbol of the political empowerment of the Filipino people. She became the embodiment of

the restoration of our democracy. By her selflessness, faith, and simplicity, she brought back decency into government. She unshackled the press. She reinstated the supremacy of civilian authority over the military. And she presided over the first peaceful and democratic turn-over of power since the declaration of Martial Law.

Today, thirty years hence, it is her son, Benigno Simeon Aquino III, who, as President, has become the symbol of the economic empowerment of the Filipino people. President Aquino and his economic managers, in pursuing inclusive growth and investing in the Filipino, empowered our people to become greater participants and stakeholders in growing the Philippine economy.

It is my hope, therefore, that the main lesson you will take away from the Philippine story is not only one of good governance, competitiveness and economic growth; rather, might you share with the rest of the world the inspiring narrative of inclusivity, of a development centered on people, on an investment that reaps dividends with a human face. Thank you all for being here today.

Mabuhay po tayong lahat.

