

## **SPEECH BY**

### **PRESIDENT FERDINAND R. MARCOS**

#### **AT THE RIBBON CUTTING OF THE SME FINANCIAL HUB**

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Thank you very much, Bianca, Secretary Bianca. I have to get used to that, for your introduction; His Excellency, the Ambassador of Singapore to the Philippines, His Excellency Gerard Ho Wei Hong; the Ambassador of India to the Philippines, His Excellency Shambhu Kumaran, did I pronounce that properly? Thank you; and the Chairman of and CEO of Esquire Financing Inc. Rajan Uttamchandani, you'd think I'd know how to say your name by now *[laughter]*, known to us all as --- to his close friends as Piku; the other distinguished guests who are here today for joining us on this very --- actually very important day; ladies and gentlemen, good morning.

There is no greater joy for me than to witness our people — especially who are trailblazers in your own right — joining forces to create bigger avenues for Filipinos to prosper in a thriving country.

This new financial hub, that we unveil today, is a welcome space where our people, MSMEs, particularly them, can find and create meaningful opportunity for their businesses.

It is a testament, just as it is a preview, of the fruits that we can harvest when we engage in such meaningful collaborations.

So congratulations to everyone who has successfully built this financial hub and organized its unveiling.

With the potential it holds, this place, and all the transactions that will arise here, will be highly valuable in further empowering MSMEs in the country — a move that is in line with the national goal of advancing growth and development.

We recognize the influence and importance of MSMEs in improving the social and economic conditions of the country. I would like to take this chance to celebrate and commend all of those who comprise this sector.

They have taken perhaps the largest hit during the pandemic economy. And it is for them that we are doing all of these things and it is very, very

gratifying to note that the first financial hub in the world that is specifically devoted to MSMEs is here in the Philippines because of the statistic that we cannot ignore 99.6 percent of businesses in the Philippines are MSMEs, up to 65 percent of our employment in businesses --- of our employees in businesses are in MSMEs.

There is another factor that sometimes we do not often talk about and that is the very big problem in the Philippines of the distribution of wealth. And that is something that I have always kept in the back of my mind and that it is all right for the wealthy businesses, the big conglomerates to make money. But we must always find a way to bring those advantages down to ordinary Filipinos who are not CEOs, who are not big taipan, but who are ordinary small, medium enterprise businessman.

And this encouragement of the economic activity at this level, at the MSME level will be a very large force for distributing that wealth that the Philippines will be able to generate hopefully in the near future.

And maybe the imbalance that we see, that we have seen in the past many years, between the richest of our citizens and the poorest of our citizens, perhaps we can continue to make that gap smaller and to remedy that imbalance.

It is an important consideration, whenever we do our planning, that not only do we want everyone to be wealthy, everyone to have a good living, everyone to make money out of the businesses that we are encouraging. But perhaps even more importantly, especially for an administrator, a president, is that that wealth, that generated wealth, that value added be felt not only by those in the very top of our financial system but also those who are actually at the base and the foundation of all our economic activity, the MSMEs.

By working hard to achieve their dreams and provide for their families and communities, MSMEs have a presence in our markets that creates impacts that are deeper and more lasting than we can possibly imagine.

It is our MSMEs that deliver novel and innovative products and services. They address the needs of many unserved communities, and generate gainful opportunities for our people.

With our current situation, it is important for us to understand the role that this sector plays in stimulating the economy towards inclusive and sustainable recovery.

We may not know it, some may not know it, but based on our figures for 2021, again, the 99.5 percent still remains a constant.

MSMEs provide five million jobs, more than five million jobs for our citizens, enabling a significant portion of our population to not just survive and fulfill their basic needs, but also to empower them with the opportunity to pursue their dreams.

And this is reflected somewhat in a statistic that we --- I have been pointing out to all our economic managers, that the migration rate from subsistence level of our MSMEs, to a more --- a higher income rate is rather low.

Nabubuhay sila, binibigyan natin ng tulong, buhay sila, meron silang bawi nang kaunti sa kanilang negosyo, pero hindi na sila nagpro-progress, hanggang doon na lang. Kaya't itong mga financial hub na ganito, becoming very, very important because that is the migration rate from subsistence level to actually making a profit, to actually making plans for the future for expansion, that is where we want to take it, and that is what this financial hub, we have great hopes for, we'll do precisely that.

It is one powerful sector. There should be no question as to the significance of our constant investment in MSMEs.

Having said that, this Administration has not and will not waver in carrying out its commitment to enable the MSMEs to continue flourishing, especially after having to bear the brunt of the pandemic economy.

Let me make the assurance to you that the government remains dedicated to streamline the existing processes to make the ease of doing businesses -- - to do better at making the ease of doing business better for our investors.

And I speak --- sometimes when we talk about investors, people immediately assume that I'm talking about foreign direct investment, I am. But another great part of it is local investment from our local businessmen who are very --- are actually unanimous in saying that the ease of doing business must be improved and that is why we have entered in a program of digitalization to improve that ease of doing business.

We have entered into a program of rightsizing the government and of modernizing the bureaucracy. So we will continue to initiate worthwhile programs to give our kababayans enough space and resources to maintain, to start, and even restart their ventures.

Several public and private financial institutions, especially those who are present with us today, have also been eager to participate in our national endeavor by extending support to our MSMEs.

As such, I thank you for all being a source of hope for our existing and aspiring entrepreneurs.

I hope that you will further assist our MSMEs in overcoming the setbacks of recent years and facing the challenges that are yet to come.

I encourage all of our MSMEs to now avail of the existing financial assistance and facilities that are being provided together with our partner institutions, so that you may maximize your growth potential.

The DTI has -- is now going to initiate a network so that MSMEs will be able to contact one another to be --- to go to a marketplace on the Internet and be able to find new suppliers, and to be able to tie up with other MSMEs. And this is going to be available to them very, very soon.

And that is I think going to be a very important primer in making our MSMEs more aware of the actual business terrain that they are facing, and give them many, many more opportunities also to be able to respond to the changes that are coming, because we will provide them with that market information, we will provide them with the ability and the capacity to be able to make the decisions that they feel are important for their businesses to make their businesses flourish.

We also embrace ICT for our country's digital transformation. And this is part of it. We can ensure the continuity of business amidst the COVID-19 pandemic and meet the growing demands of businesses and consumers.

And that is why we have been working very, very hard to change the mindset of our people and come to the point where we can say the pandemic, the COVID is still around, but we are not in crisis any longer. We are no longer in an emergency. We have learned to handle and manage COVID.

And that is the aspiration. It is not going to go away as we all well know. It is not going to go away. It will become like the flu or like pneumonia which is about --- but we know how to deal with it. It is no longer 2020 where getting sick and getting COVID immediately, immediately put you in a crisis situation.

It is different now. We have vaccines. We have a better understanding of the disease, and I believe that we are able to slowly manage it, and that will be to the benefit of businesses because we, as we remove all of the protocols, as we try to open as much as possible the economy of the Philippines we --- it is not only important for actually, the actual economic activity that this will encourage, but to change the mindset already of Filipinos that we are no longer in an emergency, we have to now work for the future and use and utilize all the assets and advantages that we have, that being the hard work of Filipinos, the well-trained Filipino workforce, the English-speaking Filipino workforce. All of these must come together and be maximized to be able to face this new economy after the pandemic and hopefully soon after Ukraine.

Ladies and gentlemen, our MSMEs hold real potential to become engines for inclusive economic growth and recovery. The success of them will mean the success of our economy.

So, I ask everyone to join the government in revitalizing our economic activity by empowering and strengthening the MSME. Today's opening of this hub for MSMEs is an enormous step in the good direction.

Let us all work harmoniously, through our respective endeavors, to keep the Philippines rich and fertile for businesses to grow and evolve — one where every citizen can confidently take the leap of faith, start a business, dare to dream of a future of security, stability, and prosperity.

The other area that is related to what we are talking about here today is that we are doing our best to provide a good environment for startups and this is important because the key to success in this new economy is going to be innovation and all that we can do to encourage that innovation, to give people an area where they feel that they can go away and think big thoughts, not just think how do we increase our profit, how do we sell more of this, but to think of new ideas and we will help them bring it to market.

Now, of course, startups have a peculiar character and that we cannot say that all of them will be successful. But if we provide that environment that is conducive to startups, that is helpful to startups then if 30 percent, 40 percent, 50 percent of those startups succeed, they will be a huge contributor to our economy.

So thank you and congratulations to everyone. May the good Lord watch over and guide this place so that the blessings and opportunities that might arise from here will overflow and uplift more lives in the years to come.

Congratulations to you all for this very fine day that we have acknowledged and that we commemorate today. And I look forward to bring --- to your financial hub here bringing a better future to many, many Filipinos and their families.

Mabuhay kayong lahat! Marami pong salamat at magandang umaga po sa inyong lahat. *[applause]*

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