

**PRESIDENTIAL COMMUNICATIONS OFFICE
PRESIDENTIAL NEWS DESK**

**KEYNOTE ADDRESS OF PRESIDENT FERDINAND R. MARCOS JR.
FOR THE PHILIPPINE BUSINESS FORUM**

[27 July 2023]

Thank you Secretary Fred Pascual for that... [Oh, please take your seats.] a thumbnail sketch of what we are hoping to achieve at these meetings.

We have also with us the Finance Secretary, Secretary Ben Diokno; and our partner who is an important part of all our plans because of the new legislation that we are having to enact to be able to respond better to the new economy, he is the Speaker of the House of Representatives in the Philippines, Speaker Martin Romualdez [applause]; and our Ambassador, Ambassador to Malaysia of the Philippines, Ambassador Charles Jose; our partners in the private sector who have come to join us today; the business delegations; the different corporations who are here represented and together with their discussions with the Philippine delegation; ladies and gentlemen, good morning.

It gives me great pleasure to address you about the good things that are happening in the Philippines, and how we aim to move forward and to move – and cooperate strongly with our partners such as Malaysia to reap the benefits of partnership and cooperation in this shared future that we are facing.

I will focus my discussion on what we have done so far, what the opportunities are between our two countries, and how we look forward to tapping the benefits of a deeper shared partnership for the future.

Let me first discuss the Philippines' fundamentals, and how we have fared amidst the recent global challenges.

The Philippines has shown healthy signs of recovery from the economic downturn brought about by the pandemic. We are very proud to have registered a 7.6% growth rate in 2022. This makes the Philippine economy one of the best-performing in the region.

For the first quarter of 2023, the Philippines outperformed its peers in the region by posting the highest GDP growth of 6.4%, which is right in the middle of our target of 6.0 to 7.0% for the year.

We rolled out our Philippine Development Plan for 2023-2028. The country has been open and transparent. These discussions that we have are not simply for us to explain to our prospective partners what is happening and what we are planning to do in the Philippines, but also to listen to all of you and to hear what are in your view are the necessary changes and the elements that we have to put together so as to be able to make the Philippines a more attractive investment destination.

The country has come up with a development plan which centers on partnerships and one of the central elements of the economic policy that we have rolled out is the importance that we have put in the partnerships with our private sector.

We have developed what we call the whole – which started off as a whole-of-government approach wherein all the problems that we are facing in terms of public service are attended to, not only by one department or one agency but all agencies that might be relevant in helping to face the challenge.

Now, in the context of businesses and partnerships, what we have come to extend that concept now to the whole-of-nation approach. And we believe it is certainly my belief that the government can do much but the government needs partnerships with every sector of government and the private sector plays an enormous part in those development plans that we have.

Malaysia is still the 4th top source of Foreign Direct Investment to the Philippines. The FDI from Malaysia stands at about \$108 million, which continues to indicate a strong interest from Malaysia to the Philippines.

However, it has been at that level for a fairly long time now and I agree I think that it's time that with the new transformation and this provides many new opportunities and that will give us a chance to increase that level of trade that we have been achieving over the past many years.

We have met with a number of Malaysian businesses in the key sectors of agriculture, transportation, and technology. The insights from these meetings have once again convinced us that it is the right way – we have embarked upon the correct way, the changes that needed to be made in the Philippines, to make it again an ideal investment partner for Malaysian businesses.

So, once again, I thank you all for joining us here and for your continued interest in the Philippines and in partnering with our private sector, with our government, and in any other way that we can achieve so as to further this transformation that we are trying to bring about in the Philippines.

The investment commitments that we have received thus far valued at around \$235 million, which is a good indication that there is strong interest from Malaysia to invest in the Philippines.

The engagements with Malaysian companies and business leaders this morning yielded very interesting and what I believe will provide – have a potential for mutual beneficial outcomes for both Malaysian and Philippine companies. At present, Malaysian investments already provide a valuable contribution to the Philippines and its economic development, particularly in terms of the administration's food security, in terms of infrastructure development, job generation for our Filipinos.

We continue our commitment to support not only prospective Malaysian investors, but most particularly, the Malaysian companies who are currently doing business as well in the Philippines already. We have identified manufacturing, agribusiness, service industries, infrastructure, and property development, energy especially renewable energy, and the BIMP-EAGA priority industries such as the priority sectors of investment promotion for and to Malaysia.

So, let me focus on the policies and programs we have set in motion. This is to support our proposition for the Philippines as your strategic partner for regional and growth investments:

We have broadened the range of liberalized business and sectors, through the passage of key landmark legislations such as the Retail Trade Liberalization Act, the Foreign Investments Act, the Public Services Act, and the Renewable Energy Act. Through these measures, we have opened up sectors including air transport, telecommunications, shipping, retail, and renewable energy projects to foreign ownership.

Again, this is probably a very good example to cite in terms of when we say we talk of whole-of-government approach. As you can well imagine, we could not possibly have achieved these changes without a close coordination with our partners in the legislature. And that is why we consider them again to be essential in understanding and promoting and finally enacting what amendments are necessary to the existing laws and to enact new laws which we think are more attuned to the times that we are living in.

So, we have made our system of corporate tax more business-friendly, with a lowered tax rate and improved mechanism for tax and duties incentives.

We continue to seek ways to facilitate and expedite investments. We have recently established “green-lanes” for strategic investments. It is a means of applying the whole-of-government approach so as to make it easier for our foreign partners to facili – at the – to work in the highest levels of government and to make the critical investments – to make the critical investments that are necessary for the development and competitiveness in the Philippines.

We are also leveraging our active participation in multilateral platforms to sustain and promote its economic agenda. As we have all joined the RCEP or the Regional Comprehensive Economic Partnership, this again opens markets to the Philippines. However, the fact that these markets are opened to us does not mean that that is necessarily going to be a success unless we make ourselves competitive.

And that competition is what will make the economy healthier. And that is why the investments are necessary and that is why the transfer of technology is necessary. And that is why the different – what we – we have to redress the balance, for example, between our – the contributions to GDP, we are at the present, it is a large part of – the largest, the majority of the GDP, the contributions to GDP are in service industries, which is fine as we are a service export hub in the Philippines.

However, we have to redress that balance and put manufacturing also at a more even level with the service industries in terms of their contribution to the GDP. And for that, we need capital intensive investments and not the... The hot money is all very well for making a quick buck but that is not what we are looking for. What we are looking for are partnerships. What we are looking for are commitments on a long-term so we can make a – when we make that commitment, that commitment will take us through the many years to our final and ultimate success.

So, with our participation in multilateral cooperation such as RCEP, we are strengthening our participation in regional supply chains, with an objective of attracting more foreign direct investment.

The Philippines looks to foster economic partnerships with our fellow ASEAN member countries, especially Malaysia, through this RCEP. The country looks at RCEP positively as a catalyst that will form more collaborations among businesses and bring prosperity to both nations. Participation in the RCEP is seen as beneficial for both countries as it enhances market access for most goods in the region and encourages investments in vital sectors.

I think that in these critical times, I think a good guide will be to say that we compete with each other, but we cooperate whenever possible.

There is significant potential for complementation between our two countries. We take pride in our key asset – our people. The Philippines boasts a deep pool of human capital. They are highly skilled and educated, talented, dedicated to take on various roles in different sectors.

The Philippine workforce is accustomed because of our very large OFW or overseas Filipino worker community. We are quite accustomed to working with partners not from the Philippines. So, it is something that will be a natural progression of the experiences that people have gained while they were working outside of the Philippines.

We also sit on an ideal demographic spot. The median age of our country is 25 years old, which gives us the youngest workforce, the most – of all the countries around the region. And they are well-trained, again, they are used to working with foreign entities such as foreign corporations, even governments, and have gained this cosmopolitan experience to the advantage for our dealings with our foreign partners.

So, this translates to immense potential to achieve breakthrough growth and greater productivity, higher savings rate, and increased creativity.

So, we recognize the important role of mid-tier companies in the regional value chain. So, we invite you to offer the key advantages of the Philippines as a strategic choice for expansion of the mid-tier companies. The Philippines is not only a market of a hundred plus million individuals. It also provides a strategic launch-pad for your exports to compete in regions like the European Union. With the European Union's agreement with the Philippines our EU GSP Plus Advantages, local manufacturers and investors enjoy zero-tariff access to the EU for over 6,000 product lines.

So, let me end with this assurance that we are committed and will continue to commit our support to Malaysian investors. I thank you for your interest and your confidence, and I look forward to the Malaysian business community coming to the Philippines and working together with their Filipino counterparts in partnership to unlock value not only in our two countries but in our entire region.

So, as the slogan that we have adopted goes: Let us all Make It Happen in the Philippines.

Mabuhay! Terima kasih banyak banyak! Thank you very much. Magandang umaga po sa inyong lahat. [applause]

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