

# MBC FORUM

No. 1 Series 2017

## ADVANCING SHARED GOALS UNDER NEW ADMINISTRATIONS

SUNG Y. KIM

Ambassador of the United States to the Philippines

THANK YOU VERY MUCH, CHAIRMAN CHUA, for the kind introduction and thank you very much for inviting me today. Today marks the first for both of us. This is Chairman Chua's first meeting as (MBC) Chairman and it is my first time to appear before this very distinguished group. Congratulations on your new role; my team and I are looking forward to working with you and your colleagues in the business club. Congratulations also to the Club for its 35th anniversary.

Today also marks my two-month anniversary in Manila. I arrived here in December 1st last year, and interestingly, I've had several significant "two's" in my two months: I've had two long and productive meetings with President Duterte, I've had two visits to Davao, two visits to Baguio, two university programs and, very importantly, two basketball games including a La Salle and Ateneo championship game. And I've also delivered two speeches for the business communities – I did one for the American business community couple of weeks ago and, of course, today I'm speaking before you. And that's no accident. Given the robust economic partnership between our two countries I, obviously, wanted to speak to you early in my tenure. But I also wanted to wait a bit so I could share with you some informed and experienced impressions.



MBC IMAGES

*US Ambassador to the Philippines Sung Kim was the guest of honor at the MBC General Membership Meeting held on 1 February 2017 at the Dusit Thani Hotel, Makati City. Published here are excerpts from his keynote speech and the open forum.*

Let me first tell you how thrilled I am to be here in the Philippines. This is a wonderful country. Filipinos are warm, welcoming people. I also feel very much at home here in Asia. After my stint in the prosecutor's office in Los Angeles I switched to the State Department, and for the past 28 years I have been focusing on Asia since then as a diplomat. In fact, all of my assignments both overseas and in Washington have been Asia-related. So my personal preference for this wonderful region is obvious.

### **MAINTAINING STRONG PH-US MILITARY COOPERATION**

The United States has a critical and long-term interest in this region. This dynamic region accounts for more than one-quarter of the global GDP, and in the next two years, Asia is expected to contribute 60% of global growth. And in this great part of the globe, Philippines is our oldest ally and one of our most special friends and partners. Our military partnership remains as compelling as it was seventy years ago. Indeed, there is wide recognition in Washington of the importance of this alliance, and that both sides must give great care and attention to its management.

I've had several lengthy discussions with senior defense officials including Sec. Lorenzana and General Año, and I'm confident about the Philippines' very strong commitment to maintaining a very strong military cooperation with us. From counter-terrorism to disaster preparedness, our two militaries are working together to help promote regional peace, stability, and security necessary for economic growth.

### **HELPING IMPROVE PHILIPPINE COMPETITIVENESS**

A secure and stable environment, as this audience knows well, has allowed our two countries to expand bilateral trade and investment ties. And one of my very top priorities is helping you and your American counter-

parts make your economic partnership more robust. In talking to companies, both US and Filipinos, I know there is great enthusiasm for conducting business here, but it is also clear that recent developments have generated some questions and concerns. And I want to assure you that the United States will continue to work with our partners in the Philippines to address those concerns while, at the same time, we together look for ways to increase foreign investments, reduce trade barriers, and streamline business regulations.

The Makati Business Club is a very important partner in advancing our shared priorities of growth, prosperity, equality and integrity. MBC members are making enormous contributions to this country's impressive economic growth. I especially want to thank you for your commitment to ethical business practices and good corporate governance that help level the playing field in a way that benefits both the producers and consumers.

Now since I'm an American ambassador, please allow me a step back and recognize the significant role that the American business community is playing here. American firms are some of the largest employers, investors, exporters and taxpayers in this country. In fact, consider the three of the leading pillars of growth in the Philippines: BPOs, overseas foreign remittances, and the semiconductor industry. The BPO industry employs more than a million Filipinos, and BPOs get about 70% of their business from the United States. The single largest employer in the Philippines, Convergys, is an American company. On top of that, there is the semiconductor industry which generates almost half of all Philippine exports. Thirty-seven US companies operate in that field, including the largest exporter in this country, Texas Instruments.

And finally, there are the remittances. Overseas workers send

more than \$25 billion a year back to the Philippines, which is almost 10% of the country's GDP. And fully one-third of those remittances come from the United States. But American firms do not operate in a vacuum. They actively seek a partner with Philippines' companies – and together, we help each other and the competitiveness of the economy in general.

I know that improving the business climate is important to you and to your companies as it is to ours. There has been some progress in the past year as the Philippines moved up from 103rd to 99th in the World Bank's Ease of Doing Business Index. The country improved in four of the ten indicators used in the survey, with the biggest gains noted in protecting minority investors and expeditious issuance of construction permits. However, significant challenges remain. The Philippines' ranking decreased in some other areas: the ease of getting credit, starting a business, and resolving insolvency. On average, it takes about 28 days to start a business in the Philippines, compared to 19 in Malaysia and just 3 in Singapore. Now these challenges are serious, but I am confident the outstanding economic team here in Manila led by Secretary Dominguez and Governor Tetangco, together with all of you, will address them effectively and efficiently. For our part, we look forward to supporting your efforts to improve in all of these areas.

### **WELCOMING FILIPINOS**

Now let me conclude my remarks with a public service announcement about something, I understand, all of you are worried about: Visas. I want to emphasize that despite many rumors out there, we continue to welcome Filipino visa applicants. Just last year alone, our Non-immigrant Visa unit processed more than 220,000 visas for Filipino visa applicants. And we're

working hard every day to make that process even more efficient and more comfortable for Filipino visa applicants. We are totally committed to this effort.

I first visited the Philippines 25 years ago, and I was struck by the beauty of the place, the energy of the people and, of course, the strength of the ties between our two countries. Two months in, I can tell you I am incredibly happy and proud to be here. No doubt, we have some big issues and challenges facing us, but I am optimistic about our prospects. With your support we will resolve problems; we will uphold shared values; and we

will strengthen all aspects of this special partnership between our two countries.

Thank you very much for inviting me, and I look forward to getting to know you in the years to come. Salamat po. ■

Excerpts edited by  
ROXANNE V. LU  
Programs and Projects Director



The Makati Business Club invites guest speakers to its General Membership Meetings and MBC Briefings to discuss public issues and trends, whether local or global, that have an impact on Philippine development. MBC Forum highlights the speeches and discussions at these gatherings. The full text of speeches and other presentations may also be found at the MBC website, [www.mbc.com.ph](http://www.mbc.com.ph).

## Q&A

*moderated by Amb. Jose L. Cuisia*

**We would like to hear your views with regard to the recent executive order signed by President Trump that bars the entry of citizens from seven Muslim-dominated countries (Iraq, Iran, Libya, Syria, Yemen, Sudan, and Somalia) for 90 days, and barring the entry of refugees for 120 days. Will the order expand this further? Will this affect other countries?**

Regarding the executive order, I know there has been a lot of questions and concerns about the exact parameters of the executive order. Unfortunately, I think it's going to take some time for the details to be refined, and my hope is that over the next coming days we will see much better clarity regarding the exact parameters of the executive order. But might be useful to make a couple of general points: first of all, this was driven by our concerns over national security. This is not racism; this is not unfair prejudice. This is driven by our legitimate security needs and concerns. As you know, the US is not the only country that struggles with this issue of "how do you remain as open as possible but, at the same time, make sure that you do everything possible to make sure that you do everything possible to make the environment safe for your citizens?" And I think what was reflected in the executive order is an effort to make sure we are taking appropriate steps to provide the necessary security for our citizens and anyone who's residing in the United States. The America we know has always been open. We have always welcomed immigrants. I don't think that spirit has changed, nor will it change. This is simply a very important matter of dealing with security concerns.

**President Trump signed an order pulling out the US from the Trans-Pacific Partnership. It seems to send a signal that the US is not going to take the lead in terms of global trade, particularly with regard to free trade agreements. Do you think there is any chance that President Trump may reconsider and see if they can renegotiate it to at least eliminate portions of the agreement that may not be acceptable to him, because it seems to be that the US is giving up the leadership when it comes to global trade?**

I think Washington's policies are continuing to be formulated. I do think whether it is trade or important foreign policy issues, it is very difficult to make predictions at this very early juncture until President Trump has his full team in place. But a couple of comments about TPP and our trade policies: first of all, my personal guess is that the administration has made very clear its position on TPP with the pronouncement that we are pulling out. So it is hard to imagine that the TPP in its current form will somehow be revived. But that's not to say we don't believe in free trade or free market principles. I think it is quite clear that the administration is very focused on making sure that we continue to promote free trade and continue to encourage everyone to play by free market principles and rules.

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**“Dapat  
Clean and Safe.  
Absolute lang for me  
and my family.”**



Judy Ann Santos-Agoncillo  
Absolute Mom



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