



Press Statement

20 December 2013

## **MBC SUPPORTS AMENDMENT OF ECONOMIC PROVISIONS IN THE CONSTITUTION AS PATH TO INCLUSIVE GROWTH**

The Makati Business Club believes that the opportune moment for addressing the restrictive economic provisions of the Constitution regarding foreign land ownership and equity participation is now upon us. It is imperative that we take advantage of this narrow window of opportunity to finally amend the portions of the Constitution that can further propel the country and our people towards full progress, while there is high interest in the country from overseas investors and there is a level of confidence that our political leaders will not take advantage of the amendment process to advance political agendas.

We should not take the myopic view that granting foreigners greater access to our economy equates to the diminution of Filipinos' sovereign rights and the deprivation of economic opportunities for our people. There are ways by which we can protect our domestic interests through sensible legislation and regulation, coupled with close monitoring of foreign investors' compliance with Philippine laws, especially on the social and environmental impact of their participation in the economy. Moreover, rather than depriving Filipinos the means to improve their lives, the expected increase in investment flows will in fact translate to the acceleration of much-needed jobs generation and contribute to poverty alleviation, which are requisites for inclusive growth.

The business community believes that increasing foreign participation in our economy would be a welcome development, as it would mean a fresh infusion of financial resources for our undercapitalized sectors, the introduction of new technologies to spur greater innovation and efficiency in our industries, and the promotion of healthy competition that will lead to better-quality and more competitively priced products and services for the people.

We understand that the removal of Constitutional restrictions is not the only factor that will determine foreign direct investment flows to our country—infrastructure development and the guarantee of a stable policy and regulatory environment are critical as well—but it is an issue that we can no longer afford to ignore or postpone given the realities and challenges of the global marketplace.

Thus, we urge President Aquino and our leaders in Congress to support proposals to amend the Constitution. In particular, we support House Joint Resolution No. 1 filed by Speaker Feliciano Belmonte Jr. We believe that this proposal—for the House and the Senate to surgically amend the restrictive economic provisions by inserting the phrase “unless otherwise provided by law,” requiring the endorsement of 3/4 of each chamber, submitting the amendments to the public for approval in a plebiscite, to be followed by the necessary legislation—is a safe, streamlined, and effective way of pursuing this most significant undertaking. Let us set this initiative in motion now and ensure that our country does not miss the boat to national competitiveness and progress.

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