

# MBC FORUM

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## ENHANCING COOPERATION AND CEMENTING TIES BETWEEN THE PHILIPPINES AND THE UNITED STATES

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Ambassador of the United States of America to the Philippines

JOSE L. CUISIA

Ambassador of the Philippines to the United States

PHILIP S. GOLDBERG

I THANK ALL THE DISTINGUISHED GUESTS who are here to welcome back a great ambassador in Washington. Joey Cuisia and Vicky Cuisia, welcome back to the Philippines.

I have to say that the job in Washington is much more difficult than the job here. Anyone who has had to deal with the State Department as I have done for years deserves our thanks. You've done a terrific job and you've been a great partner to us at the US Embassy here in Manila in complementing the work we all have strived to carry on, which is to help make US-Philippine relations the best possible.

We also share something else in common that made that possible, and he is sitting at the table with us today—the former Secretary of Foreign Affairs Albert del Rosario. That, too, has made my job in Manila a little bit easier. The job that Secretary del Rosario has done, as has been shown for the last week in finally publicly recognizing the arbitration decision on the South China Sea, and all the things he did in improving US-Philippine relations.

### THE BUSINESS RELATIONSHIP BETWEEN THE PHILIPPINES AND THE US

I'm not going to repeat all of the things that have been said about what's occurred in the last few years. [The South China Sea issue and military and security issues] get a lot of attention, but what doesn't get as much attention is this very important economic and business relationship which all of you helped further. It is something that deserves to be highlighted. I want to



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*The Makati Business Club, along with the American Chamber of Commerce, the Management Association of the Philippines, and the US-ASEAN Business Council held a special testimonial luncheon on behalf of Amb. Cuisia and Amb. Goldberg on 29 July 2016 at the Fairmont Hotel and Makati City. Published here are excerpts from their remarks.*



AMB. PHILIP S. GOLDBERG

thank the organizations that are sponsoring this lunch and to say how grateful we are for the support of the private sector in carrying out the work that we do.

The first week I was here, two days after I presented my credentials to the Secretary of Foreign Affairs, I was in Tacloban just after Typhoon Haiyan passed through. In the year since, I visited Tacloban, Leyte, and Samar more than any other region outside Manila, except for Baguio, which is a special place for the United States. One of the things I am proudest of is the efforts undertaken by the American business community here in conjunction with the Philippine business community in

trying to bring back the affected communities to their former state.

There is still work to be done, but in the subsequent five visits over the years, I was able to participate in some of the joint activities we carried out to help promote the kind of Corporate Social Responsibility that we're so proud of. In fact one American company, Coca-Cola, won the Secretary of State's Award for Corporate Excellence. In the past year, Texas Instruments, another great American company here, won a runners-up prize in that global competition. We are very proud of that.

I also want to say that it is little known that the largest private employer in the Philippines is an American company, Convergys; and Texas Instruments, to my knowledge, is the largest exporter in the Philippines. These are all things that the private sector does and it is because the Philippines is an attractive place for its workforce and for its welcome to foreign companies.

We have to do more. We worked over that period of time and our efforts opened up even more to foreign direct investment. The policy side tried to help move along programs and policies that will help people here make the economic gains of the last few years even greater, because it

will be more sustainable and more inclusive.

#### REMEMBERING THE PHILIPPINES

Finally, I'd like to mention something very important to me. I was interviewed yesterday and I was asked what made the greatest impact during in my three years here in the Philippines. Some people might talk about some wonderful beaches and some might talk about going up to the mountains. I've been to Ilocos Norte to Tawi-Tawi, though I haven't been to 44 states (in the US) myself (unlike Amb. Cuisia), I've been all over the Philippines.

My answer was simple. It had nothing to do with geography, as beautiful and as attractive as the country is for tourism. The thing I will remember most are the people here and the welcome I received throughout the Philippines, from people of all levels of society, the warmth and graciousness of the Filipino people. That is something that my colleagues and I are going to take away from our time here. It is certainly what I'll remember most. ■

#### JOSE L. CUISIA

LET ME JUST ADDRESS ALL OF OUR DISTINGUISHED guests, the leaders of the business organizations, and all of you here today, thank you for your presence. I would also like to thank Ramon, Perry, Maxie and Ebb for the very kind words and praises you have expressed about me. We thank you for organizing this luncheon in honor of Amb. Goldberg and myself. Thank you to all our friends from the business community for your presence here.

I had a prepared speech but as Phil said, a lot of things have been mentioned earlier about the relationship. Let me just touch on some highlights, par-

#### ABOUT THE SPEAKER

### PHILIP S. GOLDBERG

Philip S. Goldberg was sworn in as a US Ambassador to the Philippines on November 23, 2013. Prior to that, he served as Assistant Secretary of State for the Bureau of Intelligence and Research and the Coordinator for Implementation of UNSC Resolution 1874 on North Korea. A career member of the US Foreign Service, Amb. Goldberg previously served as Ambassador to Bolivia, Chief of Mission in Pristina, Kosovo, Deputy Chief of Mission at the US Embassy in Santiago, Chile, and as acting Deputy Assistant Secretary of State for Legislative Affairs from January-June 2001. ■

ticularly on the military aspect of the relationship. As you all know, we have a much stronger alliance today. It's not only the Philippine officials who have been saying that, but also the US Officials who have been saying that, particular Secretary of State John Kerry and former Secretary of State Hillary Clinton.

We are very pleased with these stronger relations. I, too, would like to credit my former boss Albert del Rosario for his strong leadership, his leadership by example that inspired all of us in the Department of Foreign Affairs, particularly the Philippine Embassy in Washington DC and the Consulate General in the United States to pursue the goals, especially the three pillars of our foreign policy: strengthening national security; promoting economic diplomacy; and providing assistance to our nationals in the countries where we are working. I also have to thank Secretary Del Rosario for providing us with really outstanding personnel in the Embassy and the Consulates in the US.

### **ENHANCED DEFENSE AND MILITARY COOPERATION**

In terms of the security and military alliance, I'd like to thank the United States for the steady increase in FMF. I recall that when I arrived in Washington in 2011, we had \$15 million in FMF or Foreign Military Financing. Over the years, that has steadily increased. We had a record high of \$66 million in 2016. On top of that, we also received \$40 million in global security contingency funds in 2012 over a 3-year period.

More recently, last year the US Congress approved a \$425 million Maritime Security Initiative for five Southeast Asian countries: Thailand, Indonesia, Malaysia, Vietnam and the Philippines. In 2016, we got 84% of the \$50 million allocated for the first year. We got the bulk for

the first year allocation. That will be very useful to us in building up the maritime security capabilities of the Philippines.

We have received three High Endurance Cutters from the US Coast Guard. Two are already here and the third, [the Boutwell,] has sailed from Alameda. The two are the BRP Del Pilar and the BRP Alcaraz, plus an oceanographic vessel, the Melville, which has been named BRP Velasquez, which is already here. We hope to get the Boutwell towards the end of August. Now, we have three US Coast Guard Cutters, which are the largest vessels in the Philippine Navy today.

On top of that, we have received a lot of training for our law enforcement agencies. The total military, security and economic assistance the Philippines received from 2010-2016 amounts to about \$1.3 billion, including the \$434 million from the Millennium Challenge Corporation (MCC), which ended with a very successful MCC first compact in May this year. This is why we qualified for a second compact.

I was informed by the CEO of MCC before he stepped down, Daniel Yohannes, who is now the US Ambassador to OECD, that it was not likely that we would get a second compact because he said we had improved so much; our economy had grown so much. I said that there is still a lot to be done. Fortunately, the board of MCC decided that the Philippines would be eligible for the second compact. We don't know the exact amount that will be given, but we estimate that probably it will be between \$300 million to \$400 million, and will be focused on agriculture.

### **THE IMPORTANCE OF THE RULING ON THE SOUTH CHINA SEA**

Let me just talk about the South China Sea. We witnessed of course the historic

decision of the arbitral tribunal in favor of the Philippines in its case against China. I look at the favorable decision as a milestone, not just in our country's history, but also in the history of the United Nations Convention of the Law of the Sea. It takes on great regional and global significance as this is the Philippines' sincere attempt to promote the rule of law in managing international differences. We thank the United States, Japan, and the individual states of ASEAN and the EU who have supported the arbitration process as a peaceful means of settling maritime disputes.

We are aware that the US and other countries do not [take part] in these disputes, but statements [made by these countries support] the Philippine position of taking a principled stand against a major power, which has steadfastly ignored the international community's pleas to avoid coercion of threats especially against smaller nations. While right is might has been a mantra of the Philippines, as articulated by our Secretary of Foreign Affairs Albert del Rosario, our neighbor, unfortunately, has been guided by might is right.

I encourage the other business organizations to weigh in on the issue to ensure that business interests are protected. Sustained economic growth and economic prosperity are underpinned by political stability. No single country should be allowed to jeopardize the region's peace and security.

### **DEEPENED ECONOMIC RELATIONS**

In terms of the economic relations with the US, we've seen a very significant increase in terms of trade and investment. When I arrived in Washington in 2011, two-way trade between the US and the Philip-

piners was close to about \$13 million. By 2015, it was up to about \$18.2 million. The United States has also seen an increase in investments. The investments of the US in ASEAN amounts to almost \$200 billion, though unfortunately, we still get a very small portion of that. We hope that we will see a greater investment in the Philippines, because Secretary of Commerce Penny Pritzker has been pushing US firms to be more involved in the infrastructure sector and that's where we have a huge demand.

The Embassy arranged a number of trade and investment fora that were led by our cabinet secretaries, the Secretaries of Finance, Trade and Industry, Public Works and Highways, and the Director General of NEDA. We also organized, together with the private sector led by Dr. Bernie Villegas, CEO business missions that visited 12 cities in the United States since 2012. I hope that will be continued by this administration.

I also would like to thank the US government for the Partnership for Growth Initiative. We are the only Asian country that was part of that, there were four countries selected. I understand that we actually had the best performance among the four countries selected for the partnership. I already mentioned the Millennium Challenge Corporation. We were also congratulated by both Mr. Yohannes and the current MCC CEO Dana Hyde for the excellence performance of the Philippines under the first compact.

The Philippines and US also renewed their commitment to increase economic ties through the Trade and Investment Framework Agreement (TIFA) mechanism. The latest round of TIFA talks resulted in

conversations on issues such as investment, customs, intellectual property rights, agricultural trade concerns and the US Generalized System of Preferences (GSP). We actually export close to a \$1 billion under the GSP program, which allows our products to come in on a duty free basis.

### PEOPLE TO PEOPLE TIES AND CULTURAL DIPLOMACY

On the last item, the people-to-people ties, which I think is really the relationship's best asset. We have close to 3.4 million Filipinos and Filipino-Americans living in the US and about 500,000 Americans here in the Philippines. We constitute the fourth largest immigrant community in the US.

I'm proud to say that in every state I have visited, the Filipinos are gainfully employed. We have the lowest unemployment rate among the Asian minorities. The US Census says that Filipinos have the lowest poverty rate and unemployment rate among the Asian minorities. Our Filipinos are involved in various professions, particularly healthcare, the arts, accounting, law and IT.

My wife, Vicky, and I have been very much involved in trying to promote the Philippine culture through various cultural events. We brought in the Bayanihan



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AMB. JOSE L. CUISIA

dance troupe, the Madrigal Singers. We had a very successful After the Storm benefit concert that raised over \$400,000 for Typhoon Haiyan victims. That concert was led by Lea Salonga and Apl.de.Ap and 14 other Fil-Am artists from Broadway, Los Angeles, and so on. It was held in the Kennedy Center and it was jam-packed. I recall the Japanese Ambassador came up to me after the concert and said that it was only the Filipinos who could put up something like this because we have so much talent.

We also have a lot of exchange

### ABOUT THE SPEAKER

## JOSE L. CUISIA

Jose L. Cuisia was appointed Philippine Ambassador to the US on November 30, 2010. He has over 10 years of experience in public service, having served as Governor of the Central Bank of the Philippines and Chairman of its Monetary Board as well as President and CEO of the Philippine Social Security System in the 1980s and 1990s. Amb. Cuisia also has had an illustrious career in business, with over 32 years in financial services, most recently as the President & CEO of the country's largest and most profitable non-bank financial institution. He serves on the boards of many of the Philippines' most important private and listed companies, and has shared his expertise as Trustee on various academic institutions and non-government organizations espousing good governance and corporate social responsibility. ■

programs, for students and faculty that we have started. The Dean of the School of Engineering of the Catholic University of America (CUA) came to the Embassy and wanted to come to the Philippines. We arranged meetings with Deans of Engineering of four universities: UP, La Salle, Mapua and UST. He was surprised by the time he left Manila after four days he was able to sign three MOUs and even an MOA with UST. The first batch of faculty exchange members will be starting at CUA in January.

The two very successful programs that I have encouraged the State Department to support are the Fulbright Scholars program and the Peace Corps volunteers. Fortunately, they increased the budget for the Peace Corps volunteers by 20%. I was very pleased to see that both programs are being effectively encouraged by the State Department.

The most recent one is the Young Southeast Asian Leaders Initiative (YSEALI). I am proud to say that our delegates, the second largest delegation, have been praised by not just the organizers but also the other delegations for having been very active in the program and in coming up with very intelligent questions that no less than President Obama noted when he met with about 200 YSEALI delegates.

#### **RECOMMENDATIONS FOR THE BUSINESS COMMUNITY**

Before I end, I was asked to talk about some recommendations thoughts and recommendations on what I think the private sector should do. I hope reforms will continue to enhance competitiveness of the Philippines, particularly in the area of ease of doing business. The US-Philippines Society, a non-profit organization which was set up in 2012, can help the government in pursuing its objectives.

We can also build on the gains of the Aquino administration by strengthening good governance, especially accountability and transparency across government agencies. I am pleased to note that President Duterte will continue with the same economic policies of the past administration in his announcement of his 10-point economic agenda, particularly in terms of accelerating the infrastructure investments.

It is important to continue the promotion of rule of law and the respect for human rights, and encourage Congress to pass the Freedom of Information Act. Lastly, develop people-to-people ties, which will include the encouragement of the private sector to work with government to pursue the educational exchange programs I mentioned earlier.

#### **WORDS OF THANKS**

Before I end, I would like to share a few words of sincere appreciation to those who were partners in strengthening ties with the United States.

President Benigno Aquino and Secretary Albert del Rosario, who is probably my best boss in my entire working career, for what I believe is one of the most important diplomatic posts of our country and the opportunity to serve the Filipino people.

To my colleagues, past and current, at the Philippine Embassy in Washington DC and the Consulate General in the US, for the support and assistance.

To my friends in the business community, who have lent their immeasurable support and extended their assistance to the Embassy and Consulates in the US during my time there.

To Amb. Phil Goldberg and his colleagues in the US Embassy, including Amb. Harry Thomas, for their role in further cementing the ties between our



*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).*

two countries.

Lastly, my dear wife Vicky, who continues to be the wind beneath my wings, and my family, for their support and understanding.

Once again, I thank MBC and the other organizations for the honor that you have given us today. ■

Excerpts edited by  
**GIANNINA L. UY**  
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