



# PHILIPPINE - BRITISH BUSINESS COUNCIL



PBBC NEWSLETTER

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## Message of the Chairman of the Philippine-British Business Council

*(Delivered at the Philippine Infrastructure and PPP Roadshow Seminar in Singapore on 29 September 2014, at the British High Commission, Singapore.)*



Ambassador Jesus P. Tambunting

As co-chair of the Philippine-British Business Council, [I would like to acknowledge that] the success of our [efforts in promoting] Philippine investment into infrastructure and public-private partnership (PPP) projects would not have been possible without the close cooperation between the [Philippine and British] public and private sectors. It is truly a delight to speak at the conclusion of this event, which took almost an entire year to conceptualize, plan, and organize.

Just before leaving Manila to come here [in Singapore for the Philippine Infrastructure and PPP Roadshow], rating agency Standard & Poor's raised its growth forecast for the Philippines and again upgraded our country's credit rating for the second time in a span of two years; from "BBB minus" to "BBB", above minimum investment grade. The credit rating upgrade comes at the heels of structural reforms the Philippine government has undertaken under President Noynoy Aquino in recent years to address administrative and governance issues, which have greatly strengthened the country's economic fundamentals. This points to positive, and in some cases, truly remarkable trends in many areas—especially the bold, institutionalized efforts to stamp out corruption, to cut out red tape, and to ensure transparency and accountability—which we expect to endure beyond the term of the current administration.

The country's entry to the ASEAN Economic Community in 2015 will see acceleration in institutional and physical infrastructure. Our participation in the ASEAN Economic Community is expected to bring opportunities for investment and growth in energy, transportation, financial services, and agriculture, among others.

Through infrastructure, vis-à-vis public-private sector partnerships, the Philippines is addressing the challenge of connectivity, which is necessary for regional integration. There is great room for growth in transport infrastructure and utilities, and both the government and private sectors would most welcome British participation in these programs. Thanks to UK's best practices in PPP projects, our own PPP Centre has benefited from the support extended through the UK Trade and Investments office.

But it is certainly not only in infrastructure where public-private partnerships presently thrive in the Philippines. The close collaboration between the public and private sectors likewise, through the working groups of the National Competitiveness Council has successfully borne fruit, as the Philippines has moved up closer to its development goal of landing into the roster of the top one third of the most competitive economies in the world by 2016.

According to the World Economic Forum, competitiveness determines the level of productivity and prosperity of each economy. We are pleased to report that the Philippines again moved seven notches higher in the World Economic Forum's Global Competitiveness Index for 2014 to 2015. We now rank 52nd out of 144 economies surveyed this year, up from the 59th spot among 148 countries in 2013. Among the countries surpassed by the Philippines this year are Brazil, Mexico, and South Africa, as well as India and the Russian Federation. Moreover, the Global Competitiveness Report notes that our country's gain of 33 places since 2010 is the largest gain over the period among all countries studied.



Ambassador Tambunting delivering his message at the Philippine Infrastructure and PPP Roadshow Seminar

The British government, in order to capitalize on our continuing positive economic growth and development, for the first time, appointed a Member of Parliament as a Special Trade Envoy specifically for the Philippines. This is in recognition of the special bilateral trade relationship between our flourishing economies and the strategic position the Philippines occupies in the Asian and western Pacific markets.

I therefore have a short message to investors and my friends present here: harness the competitive strengths of the Philippines as we are now in a better position to forge a breakthrough in global competitiveness and economic growth by 2015, and just in time for the year-end launch of the ASEAN Economic Community. Allow us to reiterate with much optimism that we are indeed open for business. We look forward to seeing you in the Philippines. ■

A quarterly publication of the Philippine-British Business Council (PBBC), the PBBC Newsletter provides the latest socio-economic updates, as well as news on developments in trade and investments between the two countries.

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## Philippine-British Business Council pushes for British infrastructure investments into the Philippines

SINGAPORE -- The Philippine-British Business Council (PBBC) and the British High Commission organized a two-day roadshow in Singapore on 29-30 September 2014 to promote investment opportunities and doing business in the Philippines to British companies, particularly in infrastructure and public-private partnership (PPP) projects, as well as opportunities in Philippine Economic Zones.

One of the key components of the roadshow is a business seminar on Philippine Infrastructure and PPP Investment Opportunities, held on 29 September at the British High Commission in Singapore, where over 50 British infrastructure companies had attended. Among those who spoke at the seminar are Public Works and Highways Sec. Rogelio L. Singson, Trade and Industry Usec. Ponciano C. Manalo, Jr., Transportation and Communications Usec. Rene Limcaoco, PPP Exec. Dir. Cosette Canilao, and Philippine Economic Zone Authority (PEZA) Dir. Elmer H. San Pascual.

A business delegation from the Philippines joined the roadshow in Singapore, led by PBBC Co-chair Ambassador Jesus Tambunting, with representatives from Aboitiz, Ayala, HSBC, SGV & Co., Shell, Science Park of the Philippines, and the British Chamber of Commerce (Philippines), to share the Philippine private sector perspective on doing business in the country.

A short briefing on the Philippine economic outlook, as well as trade and investment opportunities were given by Usecs. Manalo and Canilao, and Dir. San Pascual. A presentation by Usec. Limcaoco on future Philippine transport projects were well-received by all participants, most particularly the urban rail projects expected to be rolled out by 2015-2016. Updates from PPP and PEZA also generated interest from British companies wanting to enter the Philippine market. At the conclusion of the seminar, the participating British companies engaged the members of the official and business delegations in one-on-one sessions to further discuss potential partnerships and investment opportunities in the Philippine market.



Images courtesy of UKTI.



The Philippine business delegation was also given the opportunity to meet British companies from the Singaporean chapter of the British Chamber of Commerce, and conducted a B2B (business-to-business) dialogue on the Philippine business climate. Another program component of the roadshow was a visit to the construction site of the Bendemeer Station of the Singapore Downtown Line 3 Alignment, a rail infrastructure project extending the Singapore Mass Railway Transit (SMRT) Downtown Line. Usec. Limcaoco and the business delegation were briefed by Arup, a British company at the helm of the project, and were able to closely inspect the rail tunnels laid out so far.

Roadshow co-organizer, the British High Commission, expressed that the growing interest of British companies to enter the Philippines is due to the upward economic trend of the country. However, regardless of the huge British presence in the Philippines, there has been little participation in big-ticket infrastructure projects so far. In response, the Singapore roadshow was able to drum up interest and attract potential British investors towards the infrastructure sector, as well as draw attention to the advantages of locating in Philippine economic zones. Due to the overwhelming reception in Singapore, the British High Commission and the Philippine-British Business Council look forward to conducting a similar roadshow in the near future. ■

## Join the Philippine-British Business Council!

The PBBC was established in 1995 to promote trade and investments between the Philippines and the United Kingdom. The council is composed of top business executives who seek to explore business opportunities between the two countries and to promote the exchange of views on policies of mutual concern. The Makati Business Club serves as the secretariat of the PBBC.

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