



## Message of the Chairman of the Philippines-France Business Council



**Anthony T. Huang Jr.**

It has been a little over 14 years since the Philippines-France Business Council (PFBC) was established as a platform for trade links and investment cooperation between our two countries. As evidenced by our business missions to France in 2001 and 2007, as well as future missions to come, we remain steadfast to actively strengthen our economic ties and foster friendship between our countries' enterprises and people even further.

The Philippines is currently in what economic analysts and experts call a "demographic sweet spot" for investment. Reports and indicators have all been well-publicized: our competitiveness rankings, based on World Economic Forum standards, have risen by 20 places in the last two years. Our credit ratings are just one or two notches below investment grade, as said by the major ratings agencies. Our GDP growth by year-end of 2012 hit 6.6%, cementing our country's economy as one of the best-performing in Asia. It has also been forecasted that the Philippines would be the 16th largest economy by 2050, joining the likes of China, the United States, Germany, the United Kingdom, and also France, among others, in the Top 20.

Such strong fundamentals of the Philippines are the result of a long and oftentimes painful transition that the country went through, beginning with the restoration of democracy in 1986 under the administration of President Corazon Aquino, the mother of our incumbent President Benigno S. Aquino III, who now focuses on good governance. The series of economic reforms since 1992—from deregulation, liberalization, privatization and stabilization—has also made the economy more resilient and its industries more competitive.

It is under these pretexts that we welcome and look forward to a renewal of stronger economic relations between the Philippines and France, and discover even more opportunities for collaboration. The PFBC stands ready to help foster trade among enterprises between our two countries, as well as further cement the bonds of friendship between our people.

A quarterly publication of the Philippines-France Business Council, the **PH-FRBC 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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# MBC

**MAKATI BUSINESS CLUB**  
THE FORUM FOR CONSTRUCTIVE IDEAS

## BOI begins 2013 Investments Plan consultations

Spearheaded by the Board of Investments (BOI), consultations with government and the private sector are now underway for the formulation of the 2013 Investment Promotions Plan (IPP). Targeted for submission to the President on April this year, industry stakeholders and concerned government agencies were given until February 25 to submit their respective position papers to the BOI.

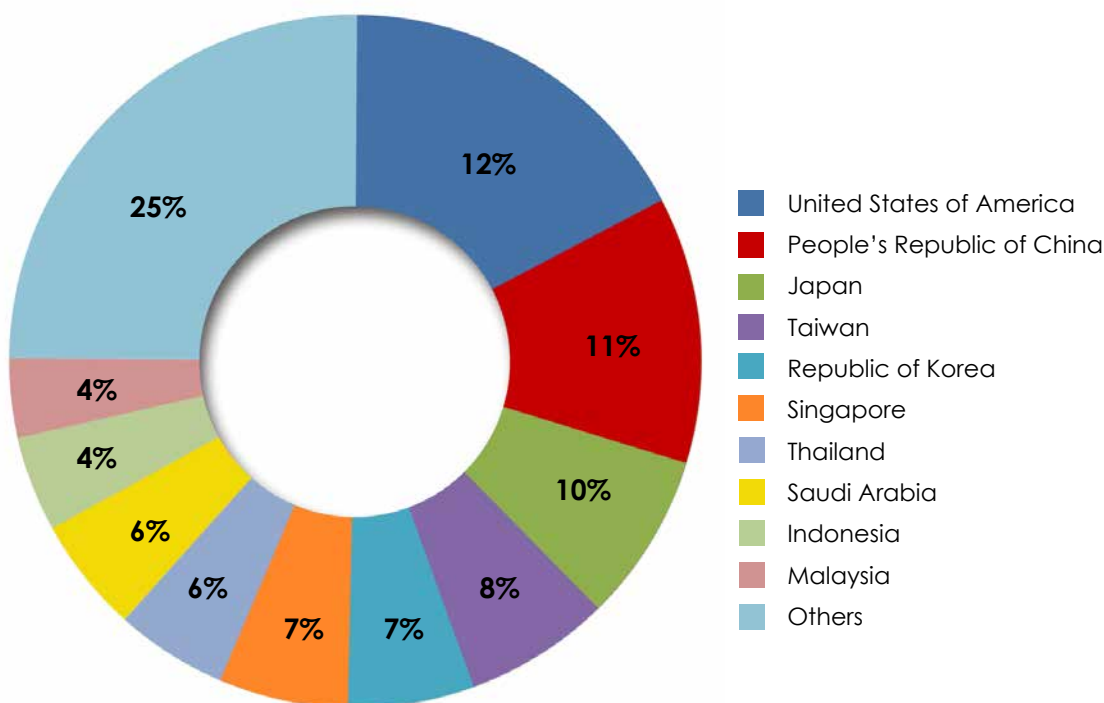
The IPP is an annual listing of the country's priority sectors for investment. Industries and sectors identified in the IPP will qualify for and enjoy fiscal and non-fiscal incentives, which include, but are not limited to, income tax holidays and duty-free importation of capital equipment, among others.

Preferred sectors identified in last year's IPP were agriculture/agribusiness and fishery, creative industries/knowledge-based

services, shipbuilding, mass housing, iron and steel, energy, infrastructure, public-private partnership (PPP) projects, research and development, green projects, hospital and medical services projects, motor vehicles, strategic projects, and disaster prevention and recovery projects.

The Philippine Development Plan serves as the overall framework for the IPP in identifying sectoral opportunities and promoting forward and backward linkages in priority areas and high-growth potential sectors to attract investments and generate employment. Also to be included in the IPP are over 50 industry roadmaps submitted by private sector stakeholders to the BOI last year, which will be integrated into a comprehensive manufacturing industry roadmap. ■

## 2012 Philippine Imports Share (Top Ten Countries)

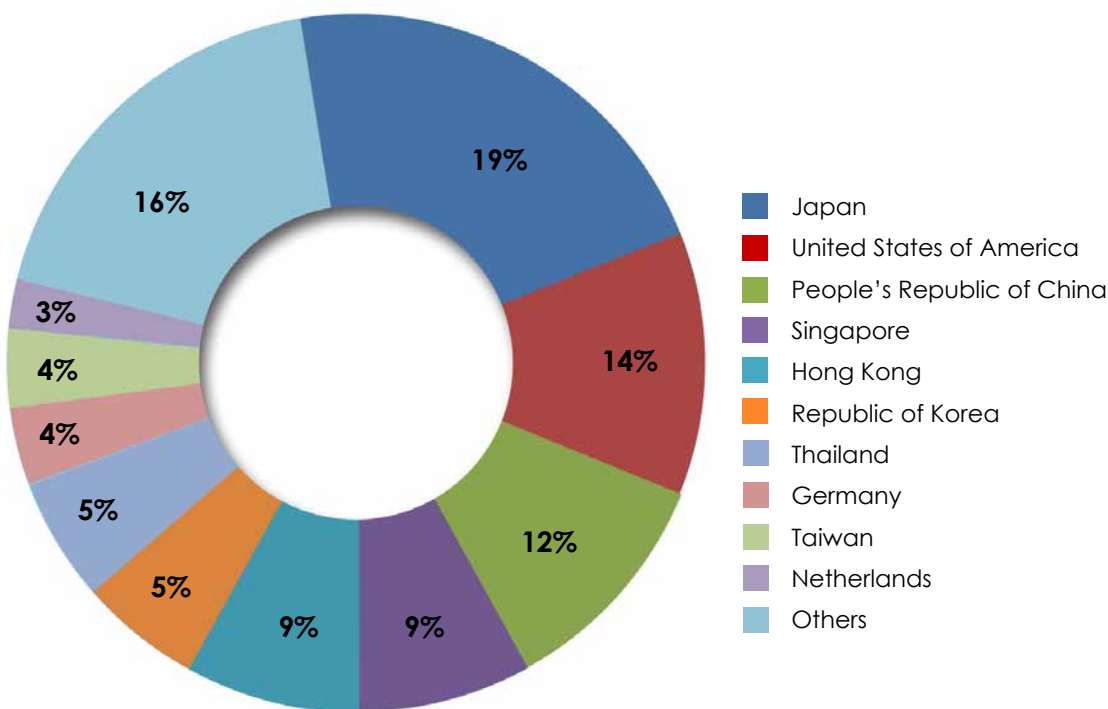


### TOP 10 PHILIPPINE IMPORT MARKETS AS OF 2012

Rank	Country	Value of Imports (in million US\$)	% share
1	United States of America	7,118	11.53%
2	People's Republic of China	6,663	10.80%
3	Japan	6,446	10.44%
4	Taiwan	4,833	7.83%
5	Republic of Korea	4,504	7.30%
6	Singapore	4,403	7.13%
7	Thailand	3,447	5.58%
8	Saudi Arabia	3,432	5.56%
9	Indonesia	2,732	4.43%
10	Malaysia	2,494	4.04%
	Others	15,642	25.35%
<b>17</b>	<b>France</b>	<b>884</b>	<b>1.43%</b>
	<b>Total</b>	<b>61,714</b>	<b>100.00%</b>

Source: National Statistics Office  
Note: Values are rounded off

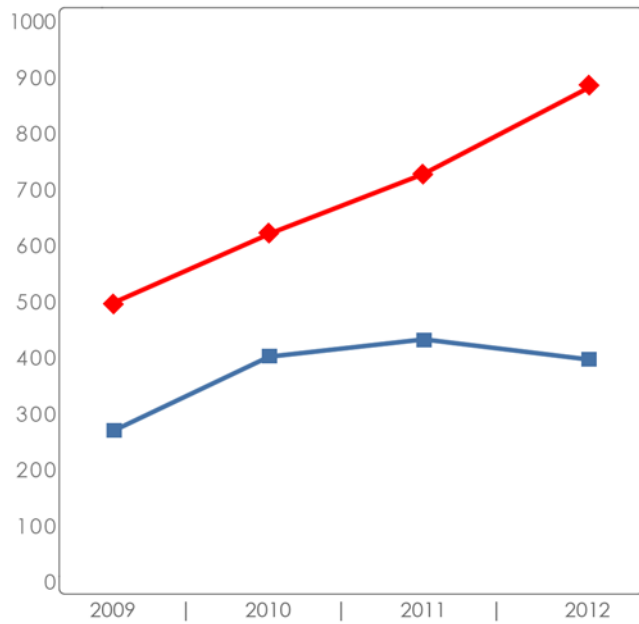
**2012 Philippine Exports Share  
(Top Ten Countries)**



TOP 10 PHILIPPINE EXPORT MARKETS AS OF 2012			
Rank	Country	Value of Exports (in million US\$)	% share
1	Japan	9,881	19.00%
2	United States of America	7,396	14.22%
3	People's Republic of China	6,159	11.85%
4	Singapore	4,864	9.35%
5	Hong Kong	4,776	9.19%
6	Republic of Korea	2,862	5.50%
7	Thailand	2,446	4.70%
8	Germany	1,957	3.76%
9	Taiwan	1,915	3.68%
10	Netherlands	1,551	2.98%
	Others	8,189	15.77%
<b>18</b>	<b>France</b>	<b>360</b>	<b>0.69%</b>
<b>Total</b>		<b>51,995</b>	<b>100.00%</b>

Source: National Statistics Office  
Note: Values are rounded off

## Philippine Trade with France

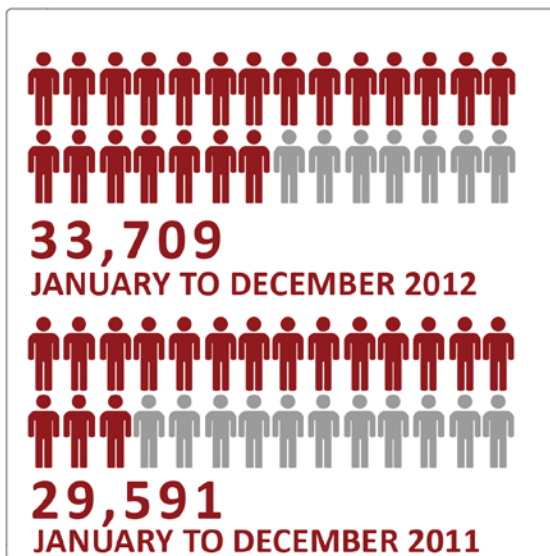


PHILIPPINE TRADE		
in million US\$	EXPORTS	IMPORTS
2009	266	507
2010	413	630
2011	430	714
2012	360	884

*Source: National Statistics Office*

- Export
- ◆ Import

## Visitor Arrivals from France



NO. OF VISITOR ARRIVALS FROM FRANCE	
January to December 2012	<b>33,709</b>
January to December 2011	29,591

*Source: Department of Tourism*

 increase of 13.9%

## Lifting of mining moratorium raises expectations on investments

The Philippine government revised its target and expectations on mining investments, from \$718 million to \$1 billion, following the lifting of Memorandum Order No. 2011-01, a moratorium on the acceptance of all types of mining applications.

With the lifting of the moratorium, local and foreign mining companies are expected to start applying for exploration permits. Since 2011, the Mines and Geosciences Bureau (MGB) has reviewed a total of 2,100 mining applications, with 500 passing MGB standards, and 400 under appeal.

The moratorium, issued two years ago, imposed a suspension on mining applications such as, but not limited to, exploration permits, mineral product sharing agreements, financial or technical assistance agreements, and industrial sand and gravel licenses. Around 1,200 mining areas where mining permit applications were previously cancelled for two years have now been opened to accommodate new mining applications.



Image courtesy of Benguet Corp.

The Philippine government also expects an increase in revenues due to the issuance of Administrative Order No. 2013-10 in February. The Order increases application fees for permits and agreements from P60 to P300 per hectare. ■

## Join the Philippines-France Business Council!

The PH-FRBC was established in 1998 to promote trade and investments between the Philippines and France. 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 PH-FRBC

For membership inquiries, contact Ms. Maria Victoria Sibal, PH-FRBC Coordinator at (+63 2) 751-1143 or send an email to [v.sibal@mbc.com.ph](mailto:v.sibal@mbc.com.ph) or [mbc.businesscouncils@gmail.com](mailto:mbc.businesscouncils@gmail.com)