



PHILIPPINE - BRITISH BUSINESS COUNCIL



PH-UKBC NEWSLETTER

SECOND QUARTER 2013

Philippine-British Business Council welcomes new UKTI director



(From left) Amb. Jesus Tambunting, Derek Page, and Iain Mansfield

The Philippine-British Business Council held a special general membership meeting to bid farewell to outgoing UK Trade & Investment director Derek Page, as well as to welcome incoming UKTI director Iain Mansfield.

Ambassador Jesus Tambunting, Philippine-British Business Council chairman, expressed his gratitude for the role UKTI and Mr. Page have played to

further strengthen bilateral relations and improve trade between the two countries.

In his keynote, Mr. Page emphasized how the Philippines' friendly and open business environment made it easy for UKTI to perform its duties. Mentioning that the Philippines has been one of the most satisfying trade posts he has ever held, he added that the incoming director is "in good hands, [given] the excellent Filipino team in UKTI."

The new UKTI director has held various positions within the UK's Department for Business, Innovation and Skills. Prior to this new assignment, Mr. Mansfield served as the assistant director for competition policy at the department. He has wide-ranging policy experience in science, innovation, and trade, and holds a master's degree in physics from the University of Cambridge. ■

A quarterly publication of the Philippine-British Business Council, the **PH-UKBC 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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UK's luxury automobile brands enter Philippine market

Photo from autoindustry.com



Starting this year, British luxury automobile icons Bentley and Rolls-Royce will now be available in the Philippines, further cementing the country's status as one of the world's

newest investment hubs and burgeoning luxury brand market.

Bentley's Manila Showroom, located at the PGA building along EDSA Greenhills, was inaugurated last 8 May. In attendance were British Ambassador Stephen Lillie, and Bentley

Regional Director for Asia-Pacific and the Middle East, Geoff Dowding.

Rolls-Royce, meanwhile, held an event 19 last June at the Manila Peninsula to announce their official dealer appointment. Paul Harris, Rolls-Royce Motor Cars Asia-Pacific Regional Director mentioned that, having monitored the Philippine market for years, they now see the increasing interest among local car enthusiasts and buyers. Rolls-Royce Motor Cars Philippines will be opening an interim showroom at The Fort in Taguig in October.

Bentley and Rolls-Royce's entry in the Philippines underscores the UK's thriving automotive industry, which generates around US\$45 billion annually, and exports hundreds of vehicles to markets worldwide. ■

Philippine Q1 2013 GDP shoots to 7.8%, exceeds expectations

The Philippines' National Statistical Coordination Board reported a 7.8% gross domestic product (GDP) growth for the first three months of the year, surpassing expectations of various international financial institutions and other similar agencies. Not only did the country exceed performance forecasts, it posted the fastest growth rate in Asia for the same period. First quarter 2012 GDP was at 6.5%.

The agriculture and industry sectors reflected more than double growth gains from the previous year. Agriculture was able to rally within a one-year period, growing 3.3% from 1.1% in 2012, with significant recovery in the fisheries subsector. Industry's growth rate of 10.9%, from 5.3%, was mainly due to developments in the construction and manufacturing subsectors, having grown 32.5% and 9.7% in a year, respectively. The services sector has sustained its pace at a 7.0% growth rate, with consistent gains in all its subsectors.

The Philippine government is steadfastly keeping within target of its 6-7% GDP growth by year-end 2013. It remains confident that the country's strengthened public spending

CONTRIBUTIONS TO GDP GROWTH (IN %)

	2013 Q1
AHFF	0.4
Industry	3.5
Services	3.9
GDP	7.8

Source: NSCB

and robust domestic consumption will sustain and anchor its strong economic fundamentals throughout the year. ■

GROWTH RATES OF MAJOR INDUSTRIES (IN %)

	2012		2013
	Q1	Q4	Q1
Agriculture, Hunting, Fisheries and Forestry (AHFF)	1.1	4.9	3.3
Industry	5.3	8.9	10.9
Services	8.4	6.5	7.0

Source: NSCB

PHL receives 2 investment grade ratings, expects higher FDI within the year

The Philippines was awarded its first-ever investment grade rating last March after international credit-rating agency Fitch Ratings raised the country's BB+ rating to BBB-. The country's credit rating was furthermore assigned a stable outlook, now considered a "net creditor" due to a "persistent current account surplus, underpinned by remittance inflows."

In May, Standard & Poor's (S&P) credit rating agency likewise awarded the Philippines the same minimum investment grade (BBB-), with the Philippines beating Indonesia to said rating. S&P likewise echoes Fitch's "stable" outlook for the country, given the Philippines' consistently strong economic showing and stable macroeconomic fundamentals.

With the two firms' respective seals of approval and confidence, the Philippine government is optimistic a higher flow of foreign direct investment (FDI) will start steadily pouring into the country. According to the United Nations

Conference on Trade and Development, the Philippines has lagged behind seven of its ASEAN counterparts in attracting FDI in 2012, receiving only \$1.5 billion. The figure trails Cambodia (\$1.8 billion), Myanmar (\$1.9 billion), Thailand (\$8.1 billion), Vietnam (\$8.4 billion), Indonesia (\$19.2 billion), and Singapore (\$54.4 billion). Amando Tetangco Jr., Bangko Sentral Governor, is positive the investment-grade ratings will translate into actual short- to medium-term investments in the Philippines, and that the country can expect to catch up with its ASEAN neighbors with a more competitive FDI rate level.

The government hopes to attract and channel incoming investments towards the expansion and improvement of infrastructure, revival of the manufacturing sector, sustaining the business process outsourcing industry, promotion of more public-private partnership initiatives, and supporting the booming tourism sector. ■

Philippine-British Business Council inducts new member

The Philippine-British Business Council (PH-UKBC) welcomed a new member last 17 June during its general membership meeting, as PH-UKBC Chair Amb. Jesus Tambunting, in the presence of new UK Trade and Investment Director Iain Mansfield, inducted Mr. Richard Weatherstone of SHORE Solutions, Inc.

Established in 2005, SHORE Solutions, Inc. provides consultancy services to companies seeking to offshore components of their business. SHORE's services cover the crafting on an initial business case, campaign creation, process alignment, hiring, sourcing of premises and fit out. Weatherstone is currently director and co-owner of SHORE.

Prior to Shore Solutions, Weatherstone was Director of Business Development for the BT Group in the UK, and General Manager of the Descartes Systems Group Europe.



Join the Philippine-British Business Council!

The PH-UKBC 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 PH-UKBC.

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