



PHILIPPINES-SINGAPORE BUSINESS COUNCIL



PSBC NEWSLETTER

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Message from the Co-Chairman of the Philippines-Singapore Business Council

Guillermo D. Luchangco

*Delivered at the PSBC Conference:
"Philippines: An Economic Reawakening",
4 February 2015, Shangri-La Hotel Singapore*



On behalf of the Philippine side of the Philippines-Singapore Business Council, allow me to express our delight once again, [having been given the opportunity] to visit the bustling and green city of Singapore at the conduct of the Philippines-Singapore Business Council Conference. We are pleased to represent the Philippine private sector, as we usher in the age of our country's so-called "economic reawakening."

The Philippines-Singapore Business Council, or PSBC, which celebrated the 20th year of its founding last year, has always been one of [the Philippines and Singapore's] staunchest advocates for the strengthening and deepening of our bilateral ties. Over the past twenty years, the PSBC has worked tirelessly with our partners and friends in the private sector and our respective governments in a number of programs and initiatives for the promotion and expansion of the PH-SG trade and investment links. By virtue of the PSBC's annual business and trade missions back

and forth between the Philippines and Singapore, the foundation of our efforts is consistent: the high levels of confidence and commitment we share towards reinforcing our economic cooperation. Singapore President Tony Tan Keng Yam, in his State Visit to the Philippines last year, expressed the "critical role" the PSBC has played in the furtherance of our bilateral relationship. It is indeed a responsibility the PSBC takes seriously.

The Philippine official and business delegations, cognizant of our country's economic complementarity with Singapore, is determined to actively engage more of Singapore's enterprises, in order to take advantage of the economic renaissance the Philippines is currently experiencing. We bring good news and assurance of economic growth and stability in our country: as announced by the Philippine Statistics Authority, our economy expanded 6.1% in 2014, posting the second-fastest growth in the region next to China. It is interesting to note that Singapore has been a significant contributor to the Philippine success story, being the third leading source of our foreign portfolio investments, and our second biggest source of investment projects in 2014. Singapore is still the Philippines' top trading partner in the ASEAN region, further cementing the significance of our long-time trade links.

Our conference today is, once more, in the interest of the fulfilment of one of PSBC's main functions and objectives: to identify and encourage the joint exploration of business opportunities in both our countries, and to develop further investment in mutual sectors and industries of interest. Speaking at our forum today are Philippine Cabinet Secretaries at the helm of industries and sectors currently displaying the highest potentials for growth, opportunities for investments, and market access in the Philippines: public infrastructure and construction, transportation and communications, and projects for public-private partnerships. Likewise, our business delegation, is primarily representative of these sectors, and is equally keen to search for Singaporean enterprises to engage and partner with in their respective ventures.

It is both my and co-chairman Loh's distinct pleasure to witness how both the Philippines and Singapore's relations have progressed decidedly beyond political geography, and how the PSBC, its friends, and partners—the Singapore Business Federation and International Enterprise Singapore, the Makati Business Club, and the Philippine and the Singaporean governments—have shown the same dedication and enthusiasm as the PSBC in solidifying our invaluable economic partnership. It is our fervent hope that today's conference will not only forge new connections between our countries' enterprises, but also call attention to the reality that the Philippines and Singapore have a stake in each other's future, and in the ASEAN region's success.

A quarterly publication of the Philippines-Singapore Business Council, the **PSBC 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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PHILIPPINES-SINGAPORE BUSINESS COUNCIL TRADE MISSION REINFORCES BILATERAL ECONOMIC PARTNERSHIP

SINGAPORE – The Philippines-Singapore Business Council (PSBC) led its annual PSBC trade and investment promotion mission last 3-4 February 2015, in its latest initiative towards continuously expanding its bilateral trade links. The 2015 PSBC mission was co-led by PSBC Co-Chairman Guillermo D. Luchangco, and PSBC Philippine Executive Committee Vice Chairman Fernando Zobel de Ayala, and had brought a high-level business delegation mostly comprised of executives representing Philippine interests in infrastructure, transportation, real estate development, retail, and financial services.

This year's PSBC mission had sought to respond to Singapore President Tony Tan Keng Yam's call to the Philippine and Singaporean business communities to give their bilateral economic relations more importance and priority, which was one of the primary objectives of his State Visit in 2014. In the regional context, Singapore remains to be the Philippines' top trading partner within ASEAN, thus further underscoring the driving components of the trade mission.

On 3 February, the annual bilateral meeting of the Philippines-Singapore Business Council was convened, co-chaired by Mr. Luchangco and Mr. Loh Chin Hua (PSBC Co-Chairman, Singapore), to discuss the PSBC's initiatives and programs for the year, and to serve as a business networking opportunity for representatives of the Philippine

and Singaporean private sectors. Both PSBC heads had agreed to increase the level of engagement between the two countries through more business missions within the year, taking full advantage of the Philippine hosting of the 2015 Asia Pacific Economic Cooperation Summit. The PSBC has also resolved to cast a wider net; to reach out to medium-scale enterprises and to expand its network to involve more business organizations and interest groups, both in the Philippines and in Singapore.

Held in conjunction with the 2015 PSBC mission was the conduct of the PSBC Conference, themed "Philippines: An Economic Reawakening" on 4 February, at the Shangri-La Hotel Singapore. Organized in partnership with the Singapore Business Federation and International Enterprise Singapore, the PSBC Conference was geared to introduce the Singaporean private sector to high-yield Philippine investment opportunities, such as in infrastructure construction and development—particularly through the Philippine public-private partnership program. Joining the PSBC delegation and speaking at the conference were Department of Public Works and Highways (DPWH) Secretary Rogelio L. Singson, Department of Transportation and Communications (DOTC) Secretary Jose Emilio Aguinaldo Abaya, and Public-Private Partnership (PPP) Center Executive Director Cosette V. Canilao. One-on-one business networking sessions were also arranged for



members of the PSBC delegation and Singaporean companies in attendance.

Singapore Minister for Trade and Industry, Mr. Lim Hng Kiang, graced the PSBC Conference as guest of honour. In his keynote address, Minister Lim echoed President Tan's advocacy towards deepening the Philippine-Singaporean economic relationship, both as bilateral partners and as ASEAN collaborators. He further implored PSBC and its private sector networks to continue developing its cross-border cooperation towards the achievement of its objectives, and urged all Singapore companies in attendance to look no further than the Philippines as world's current ideal capital market and investment destination.

To continue from Minister Lim's assertions, according to DPWH Secretary Singson, Philippine infrastructure investments has been projected to grow from 2.5% of the country's GDP in 2013 to 5.0% in 2016, most of which are considered to be high value opportunities to foreign investors. Some of the public works projects that had piqued interest at the conference were the Laguna Lakeshore Expressway Dike worth US \$2.8 billion, and the Metro Manila Flood Management Program worth US \$7.99 billion. Likewise, DOTC Secretary Abaya has presented investment opportunities in Philippine airport construction, expansion, development, and operations & maintenance worth US \$832.4 million. Prospective transportation projects that were particularly well-received by the audience were the North-South Railway project worth US \$3.8 billion, and the Makati-BGC-CCP Complex Mass Transit Loop project worth US \$8.2 billion. The PPP Center, a vital partner in the implementation of key DPWH and DOTC projects, followed with their corresponding updates, as well as a comprehensive presentation of current and prospective infrastructure construction, operations & maintenance, and development projects under their program.

A presentation on "Doing Business in the Philippines," by SGV Chairman Cirilo Noel, pointed out that Singapore, currently the Philippines' third leading source of foreign portfolio investments, should take advantage of the current government's priority spending on infrastructure. The Philippine infrastructure program, valued to be over US \$10 billion in 2015, may be easily accessed by any foreign investor through the centralized system of the PPP Centre—duly acknowledged for its transparent practices and platform of good governance. As a nod to the conference theme, the presentation also recognized various industries and sectors deemed to be "bright spots" offering huge returns of investments, and preferred market entry

points in the Philippines; namely, manufacturing, tourism, retail and consumerism, BPO & Offshoring, and banking and financial services.

The PSBC Conference, attended by over 150 representatives of the Singaporean business community, while a strong testament to a healthy Philippine-Singaporean bilateral relationship, also underscores the fact that there are still a number of areas to be explored in furtherance of economic cooperation. According to Mr. Luchangco, in response, the PSBC is "determined to actively engage more of Singapore's enterprises, in order to take advantage of the economic renaissance the Philippines is currently experiencing," and that the conference had "called attention to the reality that the Philippines and Singapore have a stake in each other's future, and in the ASEAN region's success."



Fernando Zobel de Ayala
PSBC Philippine Executive Committee Vice Chairman

Join the Philippines-Singapore Business Council!

The PSBC was established in 1994 to promote trade and investments between the Philippines and Singapore. 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 PSBC.

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

