



EUROPEAN UNION DELEGATION
TO THE PHILIPPINES

Friedrich Naumann
FOUNDATION

FOR FREEDOM



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EU FDI IN PHL TO DOUBLE IN FIVE YEARS

“Today is the moment for Europeans to invest in the Philippines. The country is making good progress and is putting itself more on the map of European companies. Let’s aim for a doubling of EU FDI in the next five years,” said Ambassador Guy Ledoux of the European Union (EU) Delegation at a forum entitled Foreign Direct Investments (FDI): Engine for Job Growth on 13 May 2014 held at The Mind Museum, Bonifacio Global City.

The EU is currently the largest foreign investor in the Philippines with an estimated stock of Euro 7.6 billion. Around 600 European companies are now in the country, employing an estimated 400,000 Filipinos. “There is much more out there. The EU contribution to the Philippines is still marginal compared to what other ASEAN countries are receiving. There are a number of measures that the Philippines could implement that could create a win-win environment for both Philippines and the EU,” added Ledoux. Ledoux mentioned that liberalizing areas such as professional and financial services, as well as reducing ownership limitations in key industries such as retail, manpower recruitment, government procurement, insurance and finance will facilitate the new investments. Ledoux concluded that the ongoing review to revise the Foreign Investment Negative List and the Investment Act are good indicators that the Philippines is opening up its market.

“We have a pro-investment President. We have a government that is busy making sure that the business climate improves, and this means reducing risks that businesses face,” assured Department of Trade & Industry (DTI) Secretary Greg Domingo who delivered the keynote speech in the forum. “The perception abroad on the investment climate of the Philippines is low but this changes when companies actually come here and experience the excellent workforce that we have. The country’s competitive advantage is quality labor,” said Domingo. Domingo explained that the average age of workers in the Philippines is 23, which makes the country poised for high growth from a demographic standpoint.

Also in the forum was House Speaker Sonny Belmonte who emphasized that inclusive growth could be achieved if higher-paying jobs were available. According to Belmonte, “The importance of foreign direct investments in improving the quality of employment in an economy cannot be overemphasized. This is why I am advocating for the amendment of restrictive economic provisions in our Constitution that hamper foreign investments in our country.” Belmonte presented its legislative agenda for the 16th Congress designed to enhance the Philippines’ competitiveness and promote inclusive growth, among which: Anti-trust or Competition Law, Fiscal Incentives Rationalization, Tax Incentives Management and Transparency Act, and amendments to the Central Bank Charter, the Build-Operate-Transfer Law, Cabotage Law, among others.

**FOREIGN
DIRECT
INVESTMENT**

ENGINE FOR JOB GROWTH



“Policies that create a thriving environment for commerce and investment generally, will benefit both domestic and foreign companies. Whether they are foreign or domestic, good manufacturing, service and financial companies create jobs, mobilize domestic savings and investment for economic growth, and their wages and profits create a stronger tax base that supports education, health and other public services,” said Donald Kanak, Vice Chair of the EU-ASEAN Business Council. Kanak commended the Philippines for ranking 56th out of 132 countries in the Social Progress Index, ahead of its neighboring countries Thailand and Indonesia, and even economic powerhouses like Russia, China and India.

“The Philippines is undervalued. We have to change the low perception about our country by sharing good stories about how we are institutionalizing good governance reforms,” encouraged House Deputy Speaker Dina Abad.

Also in forum were Bosch Philippines Managing Director Andrew Powell, National Economic & Development Authority (NEDA) Assistant Director-General Rosemarie Edillon, Public-Private Partnership (PPP) Center Director Eleazar Ricote, European Chamber of Commerce in the Philippines (ECCP) President Michael Raeuber, Rep. Anthony del Rosario, Philippine Chamber of Commerce & Industry (PCCI) Honorary Chair Donald Dee, Philippine Institute for Development Studies (PIDS) President Dr. Gilberto Llanto, Foundation for Economic Freedom (FEF) President Calixto Chikiamco, Makati Business Club (MBC) Project Coordinator Jose Cortez, Spanish Chamber of Commerce in the Philippines President D. Javier Warleta, EU Head of Trade Section Walter van Hattum, ANC News Head Coco Alcuaz, and veteran editor Vergel Santos. Over 200 guests were present at the event.

The activity was co-organized by the EU Delegation and the Friedrich Naumann Foundation for Freedom (FNF), a German liberal foundation promoting free trade. “A social market economy thrives on competition to bring out creativity, investment and innovation. FDI can increase the level of quality of products, services and labour and benefit employment and standard of living. Further reforms are needed for the Philippines to reach its potential,” said FNF Country Director Jules Maaten.

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