



The Government of the
Philippine Republic



The Philippines: Standing Firm Amid Global Economic Challenges

Exports and Investments

Philippine Economic Mission
Tokyo, Japan
20 - 21 January 2009

Secretary Peter B. Favila
Department of Trade and Industry





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Presentation Outline

- I. Effects of the global economic shocks
- II. Taking stock of what we have
 - Bright Spots
- III. Preparing for the global rebound
 - Challenges
 - Strategies



I. Effects of the global economic shocks

Exports	Revised Targets (in %)		
	2008	2009	2010
Total Goods	2	-3	14
Total Exports(Goods and Services)	7	5	20

- Electronics
- Motor Vehicle and Parts/ Components
- Giftwares/Decors
- Textile, Apparel, Footwear & Travel goods

II. Taking stock of what we have

Exports - Bright Spots	Target Growth Rates (in %)		
	2008	2009	2010
Processed Food	10	10	10
Marine Products	62	20	40
Home Furnishings	11	5	10
BPO	39	40	37
Other Services (e.g., tourism & game product dev't.)	38	40	40



I. Effects of the global economic shocks

	Jan-Oct 2007	Jan-Oct 2008	Inc (Dec)
	(US\$ Mn)		%
FDI (BOP Concept)	2,653	1,418	-46.6

II. Taking stock of what we have

Investments - Bright Spots	Jan-Nov 2007	Jan -Nov 2008	Inc (Dec)
	(US\$ Mn)		%
BOI-PEZA Investment Approvals	5,525.1	9,624.1	74.2%

- IT-BPO
- Mining
- Health and Wellness
- Retirement
- Agri Business



III. Preparing for the global rebound

Challenges

- **Create more job opportunities for new and displaced workers, including returning OFWs, through:**
 - Increasing exports from new and high growth potential export industries
 - Targeting non-dollar/non-traditional export markets
 - Sustaining increase in high value, high end, high impact investments
 - “Closing the deal” on investment leads
 - Creating Micro Small Medium Enterprises (MSME) livelihood entrepreneurship opportunities
- **Improve Philippine competitiveness**



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III. Preparing for the global rebound

Export Strategies

- **Market strategies**
 - Geographical markets (trade agreements, emerging markets e.g., India, Eastern Europe, South Africa, Bangladesh)
 - Culture-based markets (Halal, Kosher, Overseas Filipinos)
- **Product strategies**
 - Build up competitor intelligence
 - Initiate “export branding” consciousness among exporters



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III. Preparing for the global rebound

Export Strategies

- **Enterprise strategies**

- Enhance export capacity of enterprises
- Expand business towards more aggressive export promotion

- **Policy and legislative agenda to empower exporters**

- Streamlining and automation of trade procedures and government transactions
- Accede to the revised Kyoto Convention



III. Preparing for the global rebound

Investment Strategies

- Pursue legislative measures to promote investments
 - Amend EO 226, EO 313, Retail Trade Law, BOT Law, and the National Internal Revenue Code
 - Enact a comprehensive national competition policy
- Focus on high-end, high-value investments
- Promote services in IT, health & wellness, ecotourism, logistics & the retirement industry
- Promote investments in infrastructure
- Enhance investor aftercare servicing capability



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Top Japanese Locators

INDUSTRY	COMPANY
Electronics	Fujitsu Computer Products Corp. of the Philippines, Toshiba Information Equipment (Philippines), Inc., among others
Autoparts	Honda Parts Manufacturing Corp., Toyota Autoparts Philippines, Inc.; among others
I.T. Companies	EPSON Software Engineering (Phils.), Inc. NEC Telecom Software Philippines, Inc., among others



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III. Preparing for the global rebound

JPEPA

- Marks a new era of RP-Japan Relations
- Eases and increases flow of investments between both countries
- Improves market access by eliminating barriers to trade in agricultural and industrial goods
- Enhances understanding of protection intellectual property rights

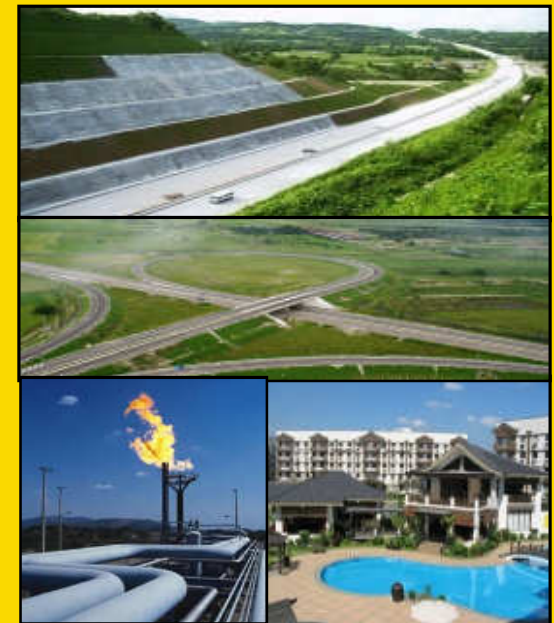


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Investment Opportunities in Infrastructure

- **Physical infrastructure** - such as highways, railways, roads and bridges
- **Power generation** - such as those utilizing indigenous and renewable energy sources, and other energy sources adopting environmentally-friendly except oil-fired projects
- **Agricultural Infrastructure** - such as irrigation, pre and post harvest storage, agro processing and packaging facilities, transportation, and bulk storage
- **Mass housing** - such as low-cost and socialized housing projects





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Investment Opportunities in Infrastructure

- Bulk water supply
- Mass rail transport
- Pipeline projects for oil and gas - transport of petroleum products and natural gas, petrochemicals, and similar products
- Projects under Build-Operate-Transfer (BOT) Law
- Logistics - such as passenger and cargo shipping, warehousing, ports, terminals, and cargo air transport





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