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ECONOMYPH

A SNAPSHOT OF THE PHILIPPINES' ECONOMIC PATH

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Quick Stats

STATS	Jan-Sept 2016	Jan- Sept 2015
Gross Domestic Product (constant prices, annual % change)	7.0	5.7
Unemployment Rate (as of October)	4.7	5.6
Population (mn)	102.2	101.8
Exports (USD bn)	41.7	44.5
(year-on-year growth in %)	-6.2	-5.4
Imports (USD bn)	59.5	52.2
(year-on-year growth in %)	14.0	6.9
Per-capita GDP ^{1/} (current prices, USD)	2,980	2,880
(constant 2000 prices, USD)	1,780	1,692
Balance of Payments Position (USD mn)	1,648	1,808
Current Account (USD mn)	1,621 (end-Q2)	6,225 (end-Q2)
Cash Remittances (USD mn)	20,025	19,103
Gross International Reserves (USD mn)	86,139	80,551
Inflation Rate (%)	1.6	1.6
M3 Growth (%)	12.6	8.8
Php Close per USD (on last trading day)	48.5	46.7
BSP Rates ^{2/} Overnight Lending Rate (as of end-September, in %)	3.5	6.0
Overnight Reverse Repurchase Rate (as of end-September, in %)	3.0	4.0
Overnight Deposit Rate (as of end-September, in %)	2.5	2.5
7-day Deposit Rate (as of September 28, in %)	2.5	NA
28-day Deposit Rate (as of September 28, in %)	2.5-2.5625	NA
Average Bank Lending Rate (%)	5.5	5.6
General Government Debt/GDP (%)	35.4 (end-Q2)	36.1 (end-Q2)
National Government Debt/GDP (%)	43.1	45.3
National Government Balance/GDP (%)	-2.1	-0.3
National Government Revenues/GDP (%)	15.9	16.8
Credit Ratings		
Fitch Ratings	BBB-/positive	BBB-/positive
Moody's Investors Service	Baa2/stable	Baa2/stable
Standard & Poor's	BBB/stable	BBB/stable
Japan Credit Rating Agency	BBB+/stable	BBB+/stable
NICE Investors Service	BBB/stable	BBB-/positive
R&I Information Inc.	BBB/stable	BBB/stable
91-day T-bill Rate (as of last auction date for the period, in %)	1.3	1.5
PSEi Close (on last trading day)	7,629.7	6,893.9
ROP 10-year Bond Spread over US Treasuries (bps)	78.1	122.2
ROP 5-year Bond Spread over US Treasuries (bps)	67.0	94.5
ROP 10-year CDS Spread (bps)	170.0	198.6
ROP 5-year CDS Spread (bps)	116.8	134.6

1/ Jan-Sept 2016 figure is annualized; Jan-Sept 2015 is actual FY2015.

2/ On June 3, 2016, the BSP shifted to an interest rate corridor system; Overnight Lending Rate was formerly called overnight lending or repurchase (RP) facility and the overnight deposit rate was called the special deposit accounts.



Philippines grows 7.1% in Q3, among fastest in Asia

SOCIOECONOMIC PLANNING SECRETARY ERNESTO PERNIA

THE PHILIPPINES was among the fastest growing major economies in Asia in July-September, with its gross domestic product (GDP) expanding by 7.1 percent year-on-year during the period. This brought its average growth for the first three quarters of the year to 7.0 percent.

The growth rate for the third quarter followed India's 7.3 percent, and beat China's 6.7 percent, Vietnam's 6.4 percent, Indonesia's 5.0 percent, and Malaysia's 4.3 percent.

It was also consistent with earlier projection made by Socioeconomic Planning Secretary Ernesto Pernia that the country's economic performance for the quarter was likely to exceed 7.0, partly on account of recovery of the agriculture sector.

The agriculture sector expanded by 2.9 percent, ending the five consecutive quarters of decline as it recovered from the drought brought about by El Niño.

Meantime, the industry sector grew by 8.6 percent compared with 6.1 percent in the same period of the previous year.

Sustained robust growth in private-sector investments and consumption provided significant boost to the overall expansion of the economy, indicating strong investor and consumer confidence even as the Philippines transitioned to a new set of leadership.

Household consumption accelerated to 7.3 percent from the previous year's 6.1 percent, while fixed capital formation jumped 23.5 percent versus 13.9 percent.

President Rodrigo R. Duterte, who officially assumed office on June 30, is considered one of the most popular presidents of the country. Based on a survey by the SWS, the Duterte administration earned a net satisfaction rating of +66 percent in his first three months in office, beating record of previous administrations in their respective first three months.

Moreover, another SWS survey conducted from September 24-27 showed "very high optimism" among Filipinos on the economy over the short term. In particular, 46 percent of respondents expect quality of their life to improve over the next 12 months compared with 3 percent who expect a deterioration, resulting in net optimism of +43 percent.

Confidence on the economy under the new leadership is partly credited to perceived strong sense of direction of the Duterte administration's economic team. Soon after the national elections – and even prior to the inauguration of President Duterte and his Cabinet – the economic team had already announced the Duterte administration's 10-point socioeconomic development agenda. The agenda is aimed not only at sustaining economic gains from the past years but significantly reducing poverty over the next six years.

"All things considered, our economy's strong growth in the third quarter is a very good sign of things to come. Together with low inflation environment, a sustained growth bodes well for continued poverty reduction this year," National Economic and Development Authority Undersecretary Rosemarie Edillon said in a statement.

The government targets economic growth to reach between 6.0 and 7.0 percent in 2016, and between 6.5 and 7.5 percent in 2017.

The Duterte administration aims to bring down poverty incidence in the country to 15¹ percent by 2022 from 21.6 percent in 2015.

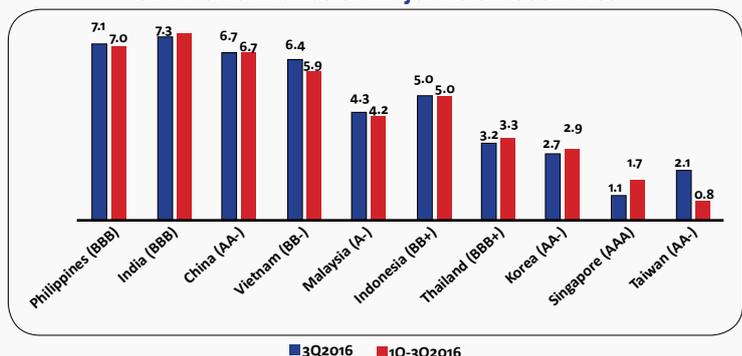
¹ (Sourced from Department of Finance (DOF) press release dated December 13)-<http://www.bworldonline.com/content.php?section=Economy&title=poverty-reduction-to-hinge-on-pace-of-reforms-dominguez-says&id=135819>)

The Philippines' robust growth in the first three quarters of 2016 has prompted various institutions to revise their GDP growth projections for the country for the year.

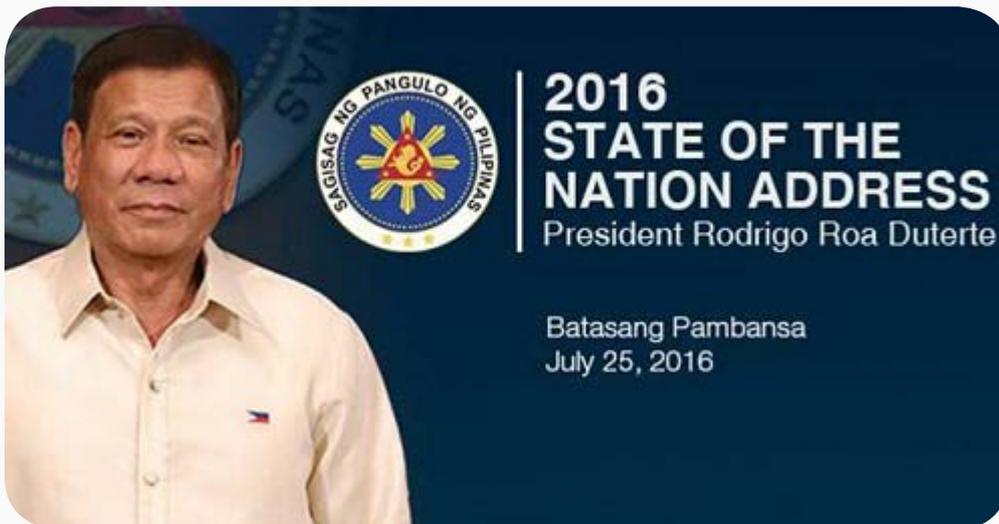
2016 Growth Forecasts (%)

	Previous	Revised
Credit Suisse	6.6	6.8
JP Morgan	6.4	6.8
Nomura	6.7	6.9
HSBC	6.5	6.8
Citi	6.7	6.9

GDP Performance of Major Asian Countries



President Duterte's first State of the Nation Address (SONA): Economic highlights



THE ENTRY OF THE DUTERTE administration signals the next phase of economic development efforts for the Philippines.

After successfully improving its macroeconomic fundamentals and boosting growth—with the expansion of gross domestic product (GDP) averaging 6.2 percent from 2010 to 2015—the Philippines is now bent on translating its economic gains into accelerated poverty reduction.

This is in recognition that economic growth should benefit all.

As such, in his first State-of-the-Nation Address (SONA), President Rodrigo R. Duterte further pressed on his administration's economic agenda, which his economic team earlier bared.

The economic agenda is anchored on the overall goal of reducing poverty incidence in the country to just 15 percent by 2022 (from 21.6 percent in 2015).

Maintenance of sound monetary, fiscal, and trade policies

With the Philippines now enjoying a much more manageable debt burden, sustained current account surplus, hefty foreign-exchange reserves, stable inflation, and robust growth, President Duterte said sound policies behind these shall be maintained.

Said policies are also credited for helping the Philippines secure investment grade sovereign credit ratings from major international credit watchdogs starting 2013 after the country had long suffered from stubborn speculative ratings.

"We will achieve this [next stage of economic development] through prudent fiscal and monetary policies that can help translate high growth into more and better job creation and poverty reduction. By the end of my term, I hope and pray to hand over an economy that is much stronger, characterized by solid growth, low and stable inflation, [sufficient] dollar reserves, and robust fiscal position," said the country's Chief Executive, who was sworn into office on June 30.

Pursuit of better economic ties with other countries

The President emphasized on the need to further strengthen economic ties with other nations. This is tantamount to engaging in more agreements that will help boost trade and investments between the Philippines and other countries.

“We must also endeavor to develop and cultivate partnerships with nations sharing common interests and concerns with the Philippines; maintain and sustain bilateral and multilateral consultations and dialogues,” the President said.

Implementation of tax reform

The Duterte administration is keen on reducing personal and corporate income tax rates to levels close to rates imposed in other Southeast Asian countries.

Such a move is meant to increase take-home pay of average Filipinos, thereby boost consumption, as well as to entice even more foreign direct investments (FDIs) to the Philippines.

The Department of Finance is looking at lowering the personal and corporate income tax rates to 25 percent. At the moment, corporate income tax rate is at 30 percent, while the maximum personal income tax rate stands at 32 percent.

To ensure sustained revenue growth for the government despite the planned income-tax cut, the Duterte administration vows to improve tax administration efficiency and further strengthen the fight against tax evasion by relaxing the Bank Secrecy law and making tax evasion a predicate crime to money laundering, and is looking at raising taxes on sugary and fatty foods.

“On taxation, my administration will pursue tax reforms towards a simpler, more equitable, and more efficient tax system that can foster investment and job creation. We will lower personal and corporate income tax rates and

relax the Bank Secrecy Law,” President Duterte said.

“At the household level, there must be sufficient income for all Filipinos to meet the basic food and non-food needs of their families. We shall continue to attract investments that will generate thousands of jobs each year,” he added.

Cutting of red tape and strengthening of efforts toward ease of doing business

To help attract more investments, the Duterte administration vows to significantly cut red tape and further strengthen ongoing efforts toward making it easier to do business in the Philippines.

This involves reduction in the processes and the number of days in registering a business and getting permits from various government agencies.

As far as the Department of Finance is concerned, it has already set up an “anti-red tape” unit, headed by Finance Undersecretary Gil Beltran who is now also called the DOF’s anti-red tape czar.

The DOF team will be responsible for arriving at strategies and policies to cut down processes in transacting business with the DOF’s attached agencies, including the Bureau of Internal Revenue (BIR) and the Bureau of Customs (BOC).

These processes include tax payments, claiming of tax refunds, release of import shipments from customs ports, etc.

“We shall also enhance local business environment by addressing bottlenecks in business registration and processing, streamlining investment application process and integration of the services of various government offices,” the President said.

“Processing time in issuing permits and licenses shall be reduced to the barest minimum,” he added.

Increase of investments in human capital development

Complementing other efforts to attract investments is the goal of investing more on human capital development.

Year after year, the Philippines has been significantly raising the government's budget for education. From P225.1 billion in 2010, the education budget stands at P501.8 billion for this year.

The Duterte administration aims to keep the robust pace of growth in public spending for human capital development, consistent with the aim of helping more unemployed Filipinos find jobs and reducing poverty incidence.

"We must also invest in human capital and ensure equal access to economic opportunities," President Duterte said.

Strengthening of the promotion of responsible parenthood

In the previous administration, the Philippines reached a milestone for legislating into law a bill that promotes responsible parenthood.

Now, the Duterte administration aims to put teeth into this important piece of legislation by empowering government health entities to implement its provisions, such as through programs that inform couples of available means toward family planning.

"The implementation of the Responsible Parenthood and Reproductive Health Law must be put into full force," President Duterte said.

Promotion of entrepreneurship

Besides wooing more investments, teaching entrepreneurship to low-income Filipinos is another route that the Duterte administration wants to take toward poverty reduction.

In the SONA, the President ordered government financial institutions to develop financing programs for small entrepreneurs.

Also, he disclosed plans for concerned agencies to develop financial education programs for households who will graduate from the government's Conditional Cash Transfer (CCT) program, under which the government grants food subsidy in exchange for commitment to send children to public schools and for commitment of regular visits of recipients to community health centers.

"When employment is not an option, for instance in extremely rural neighborhoods, entrepreneurship will be advocated," the President said.

"The beneficiaries of 4Ps [the CCT program] shall be made to become independent and self-reliant after they have graduated from the program. We aim to present them with other forms of assistance so that they can stand on their own two feet," he added.

Tourism development

For the Philippines to maximize economic gains from its attractive destinations, the Duterte administration aims to further ramp up investments in tourism development.

The country's tourism sector has been growing over the years, with foreign tourist arrivals rising by more than 25 percent from 3.5 million tourists in 2010 to 5.4 million tourists in 2015.

Nonetheless, the room for tourism development remains huge given the still small tourist arrivals in the country compared with its neighbors.

"In the field of tourism, we shall construct more access roads and tourism gateways to service centers and tourist sites," President Duterte said.

Bigger infrastructure spending

Rising business activities in the country have worsened the traffic situation and caused severe traffic congestion more so in urban areas.

Over the past years, the Philippines has been spending more and more on infrastructure to improve mobility, consistent with the aim of sustaining a robust economic growth.

From an amount equivalent to 1.8 percent of GDP in 2010, the allocation for infrastructure in the national budget has continually risen to hit 4.3 percent of GDP in 2015.

The Duterte administration aims to further ramp up spending on infrastructure over the next six years, looking at spending as much as 7.1 percent of GDP by 2022.

The focus of infrastructure development will be on areas outside Metro Manila in order to make the country's economic growth geographically broad-based and to aid in faster poverty alleviation, given that more poor people live outside the capital.

"[The government will] accelerate infrastructure spending by improving national roads and bridges and implementing the Mindanao Logistics Infrastructure Network and other road network master plans. We shall pursue inter-island linkage projects," President Duterte said.

Observance of good governance

Lastly, the Duterte administration vows to maintain, if not further improve on, the government's work toward the good governance agenda.

Over the years, good governance has proven beneficial, as this helped improve confidence of investors and other stakeholders on the Philippines.

President Duterte said the fight against corruption will even strengthen under his term.

"This will be a clean government," he said.

To support his administration's good governance agenda, President Duterte has asked Congress to legislate a measure that will help further curb corruption in government.

"[Congress is asked] to enact a Whistleblower Protection law while the present Witness Protection Program shall be strengthened," the President said.

Line agencies flaunt initial accomplishments under Duterte admin

Besides the goals, initial accomplishments under the relatively new administration have been reported by select government agencies.

Given the penchant of the Duterte administration for quick implementation of reforms and for seeing immediate positive changes in the delivery of public services, government agencies were prompted into action early on.

Some of the accomplishments reported by select government agencies are outlined below.



NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY (NEDA)

- Coordinated the formulation of the Philippine Development Plan (PDP) for the period 2017-2022. The proposed PDP framework will be anchored on the country's long-term vision or the AmbisyonNatin 2040 and will translate the President's 0-10 Socioeconomic Agenda into concrete plans, strategies and programs.
- NEDA Board approved seventeen projects amounting to PHP368.06bn:
 1. Inclusive Partnership for Agricultural Competitiveness (IPAC)
 2. Eastern Visayas Regional Medical Center Modernization (EVRMC) Project
 3. Modernization of Gov. Celestino Gallares Memorial Hospital Project

4. Metro Manila Flood Management Project, Phase I
 5. Metro Manila Bus Rapid Transit (BRT) – EDSA
 6. Increase in Passenger Terminal Building (PTB) Area of the Bicol International Airport
 7. Change in Scope of the New Bohol Airport Construction and Sustainable Environment Protection Project
 8. Ninoy Aquino International Airport (NAIA) PPP Project
 9. Maritime Safety Capability Improvement Project for the PCG, Phase II
 10. Scaling Up of the Second Cordillera Highlands Agricultural Resources Management Project (CHARMP 2)
 11. Expansion of the Philippine Rural Development Project (PRDP)
 12. Improvement/ Widening of General Luis Road (Quezon City to Valenzuela City) Project
 13. Plaridel Bypass Road Project
 14. New Cebu International Container Port Project
 15. North-South Railway – South Line Project
 16. Malitubog-Maridagao Irrigation Project, Stage 2
 17. New Nayong Pilipino at Entertainment City
- Started implementation of the following policies to improve and streamline the Government’s approval processes of major public investment projects: (1) Updated the economic hurdle rate from 15 percent to 10 percent to facilitate the economic justification for more projects; (2) Raised the cost of projects that will require Investment Coordination Committee (ICC) approval from PHP1bn to PHP5bn to deplug the ICC project pipeline approval; (3) Streamlined ICC review procedures for minor changes in scope, design, cost, and extension of implementation or loan/grant validity of projects; and (4) Streamlined the NEDA Board and ICC membership, i.e. NEDA Board membership down to 11 from 22 [new composition: President, Secretaries of NEDA, DOF, DTI, DPWH, DBM, DOTr, DOE, Executive Secretary, Chairperson of MINDA, and Deputy Governor of BSP] while the ICC has been limited to 6 members, composed of the Secretaries of DOF, NEDA, DBM, DOE, the Executive Secretary, and Governor of BSP

DEPARTMENT OF TRADE AND INDUSTRY



- DTI partnered with the Department of Interior and Local Government and the Department of Information and Communications Technology in cutting business permit processing and licensing from an average of more than a week to two days or less using a unified form and a maximum of two signatures only. Such streamlining is now done in 85 percent of LGUs, in its first month of implementation.
- On MSME development and promotion from July to September 2016, DTI established 84 Negosyo Centers, assisting more than 116,000 clients and 55 shared service facilities (SSF) and fabrication laboratories that benefitted 90,247 micro entrepreneurs.
- Together with the Department of Finance and the Department of Social Welfare and Development, DTI signed the implementing rules and regulations of the Microfinance Act (RA 10693), authored by Senator Bam Aquino.
- The Board of Investments recorded a 35.5% increase, or Php 324.5 billion, in its approved investments in January - November 2016.
- On industry development, 36 roadmaps are in various stages of implementation, two regional master plans are ongoing with support from the Japan International Cooperation Agency, 14 roadmaps localization activities were held and the Comprehensive Automotive Resurgence Strategy program was implemented, in partnership with Mitsubishi Motors Philippines Corporation and Toyota Motors Philippines Corporation. [Source: PIA/DTI Press release- <http://news.pia.gov.ph/article/view/2131476110881/lopez-submits-dti-s-first-100-days-to-duterte>]

DEPARTMENT OF TRANSPORTATION



Road Sector

- Lengthened validity of drivers' licenses from three (3) years to five (5) years
- Started Government to Government (G2G) negotiations for printing of driver's licenses
- Added a fifth route to the Premium Point to Point (P2) bus service, from Fairview to Makati. P2P service is now 24 hours in the routes SM North to Makati, and Trinoma to Makati.
- Initiated the formation of an Inter-Agency Council on Traffic (i-ACT) that implemented no "window hours" policy on major thoroughfares of EDSA, C5, Roxas Boulevard, Alabang-Zapote Road, and roads within the cities of Mandaluyong, Las Piñas, and Makati. The number-coding scheme was also extended to 7 a.m. to 8 p.m. effective on 1 November 2016
- Average travel time is faster by an average of 3 minutes and 05 seconds, while speed along EDSA by car was increased by 0.78 kph at 18:45 kph

Aviation and Airports Sector

- Transfer of some domestic flights to Clark Airport
- Launched a One-Stop Shop for OFWs in Clark
- On-time flights increased from 47 to 71 percent

Rails and Tollways Sector

- Fast tracked completion of NAIA Expressway Phase 2
 - ✓ 22 September 2016 – Phase 2A soft opening (Macapagal Blvd. – MIA Road/NAIA Terminals 1 and 2); to be fully operational by the end of the year

- ✓ 4 November 2016 – Ramp 1 of Phase 2B which connects Terminal 3 to Skyway was opened . Phase 2B is expected to be completed by April 2017

- Resolved common station issue between SM North EDSA and Trinoma
- Improved capacities and operation of LRT 1, LRT 2, MRT 3 and PNR
 - ✓ 26 Dalian LRVs/cars for MRT 3 were delivered and are being prepared for operations by 1Q2017
 - ✓ Operations of LRT1 extended from 9:30 pm to 10:15pm
 - ✓ Completed total rail replacement from Baclaran to Monumento for LRT 1
 - ✓ Operations of LRT2 was extended up to 10:15 pm
 - ✓ Increased PNR operational trains from 5 to 7 and expanded its 10 stations
- Improved station experience by selling tickets off-site

DOTr Frontline Services

- Reactivated DOTr's action center, and response rate increased to 76% in September 2016 compared with only 3% in June 2016

DEPARTMENT OF ENERGY



- As of September 29, 2016, 13,224 households in the towns of Bulacan, Quezon province, Antipolo, Cainta, Marikina, Angono, Laguna, Parola, Tondo, Espana, Malate, Tutuban, Balagtas, Balintawak, Paranaque City, and Caloocan City were energized.
- Facilitated private sector participation for the provision of adequate supply of electricity

- Ordered the technical audit of the power generating plants
- Signed Memorandum of Agreements (MOAs) with the Professional Regulatory Commission (PRC)-accredited Institute of Integrated Electrical Engineers of the Philippines (IIEE) and the Philippine Society of Mechanical Engineers (PSME) to access technical expertise and pro-bono services to augment the DOE's Technical Audit Team
- Directed the technical audit of all electric cooperatives served by the NPC-Small Power Utilities Group
- Directed NEA to come up with their recommendations in addressing the financial and management problems of the ten (10) ailing cooperatives
- Endorsed to the Department of Finance (DOF) and the Bureau of Internal Revenue (BIR) the exemption of the Systems Loss Charge from VAT
- Completed the Philippine Energy Plan 2016-2030 Update

DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS



- Created the Unified Project Management Office Right-of-Way (UPMO-ROW) Task Force that will handle the monitoring of ROW issues that affect the implementation of road, bridge, and flood control projects nationwide
- Rolled out 24/7 construction work on high-impact projects situated in areas with high population, i.e., major urban centers in Visayas and Mindanao. The projects that have ongoing 24/7 construction are the following: (1) Road

rehabilitation and improvement project at United Nations (U.N.) Avenue, Ermita, Manila; (2) Mandaluyong Main Drainage Project; (3) Quezon Ave. East Bound road widening and drainage improvement; and (4) Mother Ignacia road widening and drainage improvement

- Implemented the following reforms:
 - ✓ Use of Multi-Year Obligational Authority (MYOA) for multi-year infrastructure projects
 - ✓ Strict imposition of calibrated sanctions/penalties on contractors with negative slippages
 - ✓ Strict enforcement of uniform guidelines on suspension and blacklisting of contractors/suppliers/consulting firms
 - ✓ Revisit level of authority of District Engineering Offices based on performance and absorptive capacity
 - ✓ Integrate physical and financial accomplishment reports to existing DPWH system for an integrated real time reporting

DEPARTMENT OF FINANCE



- Submitted to the Congress on Sept. 26 Package One of the proposed Tax Reform for Acceleration and Inclusion Act—designed to exempt most Filipinos from paying income taxes and grow the middle class, while still collecting enough revenues from affluent taxpayers and corporations to help fund the President's 10-point socioeconomic agenda.

- Formed an anti-red tape committee headed by Undersecretary Gil Beltran to speed up the processing of the public's official transactions with the Department and its attached agencies, such as the Bureaus of Customs (BOC) and of Internal Revenue (BIR).
 - ✓ Teamed up with the Department of Information and Communications Technology (DICT) on designing an online business and citizen registry that would serve as a one-stop shop for individuals and corporate entities to easily track and validate their records, removing from them the burden of proving legitimacy when securing licenses, permits, and other official documents or requirements.
 - ✓ Worked with the Bureau of Customs (BOC), Bureau of Internal Revenue (BIR), Securities and Exchange Commission (SEC), and other department-attached offices in streamlining official transactions in all these agencies for the benefit of the public and private businesses.
 - ✓ BOC will implement the higher limits on de minimis importations, which refer to small-value imports worth P10,000 or below that are exempt from tax payments.
 - ✓ BIR simplified and reduced the processing of tax clearances and certificates authorizing registration for real properties and shares of stock to only 3-5 days from several weeks.
- Initiated a web-based system on the recording and monitoring of data on the debt and liabilities of state-run firms in partnership with Governance Commission for GOCCs (GCG) to aid in the analysis of their debt and better manage government financial exposure

- Signed a Memorandum of Understanding with the Ministry of Commerce of the People's Republic of China on Supporting the Conduct of Feasibility Studies for Major Projects
- Signed a Memorandum of Understanding on Financing Cooperation with the Export-Import Bank of China.

DEPARTMENT OF BUDGET AND MANAGEMENT



- Submitted to Congress on Aug 15, 2016 the FY 2017 Budget ahead of the 30-day deadline. Budget now ratified by Congress.
- Submitted to the Office of the President on Jul 25, 2016 the bill on Rightsizing the Bureaucracy
- On-going draft of the Legislation of the Salary Standardization Law (SSL IV)
- Disseminated to the Public Financial Management Institutions the draft Budget Reform Bill

2017 budget to fund goal of 'equitable prosperity'



BUDGET SECRETARY BENJAMIN DIOKNO

CONGRESS HAS RATIFIED the Duterte administration's P3.35-trillion national budget for 2017, which is up for signing by President Duterte before end-2016. The country's chief executive said the budget would help realize the goal of making economic gains felt by the masses.

Early or on-time passage of a proposed budget means the intended increases in various development initiatives for the succeeding year will be implemented. It means the government will not have to make do with a smaller, re-enacted budget amounting to that of the previous year.

"This is my administration's first budget. It is a budget that gives flesh and bone to the promise by which I won as President: to fight for social justice. It was designed to realize change in the here and now," President Rodrigo Duterte said in his budget message.

Duterte said the proposed budget would help realize "equitable prosperity," as it reflects higher investments in infrastructure, social services, and other job-generating initiatives, more so in less developed areas of the country.

The proposed budget for 2017 is 11.6 percent higher than the P3 trillion for 2016.

By expenditure class, the proposed 2017 budget is broken down as follows:

- ✓ Social services: 40.1 percent (P1,344.8bn)
- ✓ Economic services: 27.6 percent (P924.0bn)
- ✓ General Public Services: 17.4 percent (P581.8bn)

- ✓ Debt Burden: 10.5 percent (P351.6bn)
- ✓ Defense: 4.4 percent (P147.8bn)

HIGHLIGHTS OF THE PROPOSED 2017 BUDGET

Infrastructure

Out of the budget for economic services, infrastructure gets the lion's share of P860.7 billion, which is equivalent to 5.4 percent of the country's projected gross domestic product (GDP) for the year.

The infrastructure allotment for 2017 is 13.8 percent higher than the P756.4 billion for 2016, while the infrastructure spending/GDP ratio for 2017 is also an improvement from the estimate of 5.1 percent for 2016.

Part of the infrastructure budget is the P31.5 billion allocated for the "Mindanao Logistics Infrastructure Network," which aims to spur development in the South, such as by connecting its provinces to the country's growth centers. The amount is almost 62 percent higher than this year's allocation for the same project.

"We have proposed that P355.7 billion of the budget for infrastructure be spent on fixing and building road networks, railways, seaports systems, and airport systems. The infrastructure outlays in 2017 is equivalent to 5.4 percent of the GDP. This would eventually make the Philippines at par with its ASEAN neighbors by the end of this administration," Budget Secretary Benjamin Diokno said in a statement released by the Department of Budget and Management earlier.

Infrastructure allocation for 2017 substantiates earlier pronouncements of economic managers that the Duterte administration intends to have a more broad-based economic growth, such as by dedicating more public investments in areas outside Metro Manila, including Mindanao.

Conditional Cash Transfer

Out of the budget for social services, P78.7 billion is earmarked for the "Pantawid Pamilyang Pilipino Program" (Conditional Cash Transfer, or CCT, program), under which selected poorest households are given monthly subsidies on the condition that children are sent to public schools, and that children

and mothers regularly visit public health centers. The amount covers 4.6 million poor families.

The budget allocation for the CCT program for 2017 is about 25 percent higher than for 2016.

The economic team earlier said the Duterte administration aims to enhance efficiency of the CCT program in terms of poverty alleviation, such as by engaging the beneficiaries in programs that will enhance their skills for purposes of employment or entrepreneurship.

Education

Staying true to its earlier pronouncement of accelerating development of the country's human capital, the Duterte administration is allocating more funds for education.

Out of the proposed 2017 budget for social services, education gets P649.6 billion, which is 29.4 percent of the total budget.

The amount covers the hiring of more teachers, construction of more classrooms, student financial assistance and scholarship programs, and the country's technical skills training program.

Technology and Innovation

Punctuated by the Duterte administration's earlier pronouncements that it wants to see internet speed and services in the country to significantly improve, the Executive branch earmarks P3.6 billion out of its proposed budget for next year for the newly created Department of Information and Communications Technology (DICT).

The law creating the DICT was signed towards the end of the Aquino administration, and the Duterte administration is supporting the law's objective of lifting the quality of ICT services in the country.

According to the budget department, the proposed

allocation for DICT is meant to finance initiatives aimed at improving internet speed in the country, enhancing the country's capability to deter cybercrimes, and institutionalizing ICT in schools and manpower development programs.

At the same time, given the importance given by the Duterte administration to science and technology, the Executive branch is setting aside P20.8 billion out of the national budget for the Department of Science and Technology (DOST).

Development of science and technology is actually included in the 10-point economic agenda of the Duterte administration.

In particular, the agenda states: "Promote science and technology, and the creative arts to enhance innovation and creative capacity toward self-sustaining, inclusive development."

* * *

The Duterte administration calls the proposed 2017 national budget a "budget for real change," as it aims to help realize the government's 10-point socioeconomic agenda that stresses on the need to allow economic gains to trickle down to the masses and significantly reduce poverty.

"This budget is for the people and by the people," the President said.

He added that with the budget, the administration aims to have "rural communities that can compete with imperial Manila, small businesses that can compete with big corporations, and a domestic economy that can compete with the rest of the world."

Big boost in infrastructure eyed

THE DUTERTE ADMINISTRATION is eyeing to consistently hike infrastructure spending throughout its six-year term.

This is consistent with the aim of decongesting urban areas and attracting more private-sector investments.

In particular, the proportion of infrastructure spending to the country's gross domestic product (GDP) is targeted to increase from 5.1 percent this year to the following:

2017	2018	2019	2020	2021	2022
5.4 percent	6.6 percent	6.7 percent	6.7 percent	6.9 percent	7.1 percent

Source: Secretary Benjamin Diokno's conference call with Fitch and Standard & Poor's on September 14, 2016

For 2017, the proposed amount to be spent by government on infrastructure is P860.7 billion. This is for "pure" public infrastructure, such as roads, railways, ports, airports, and bridges.

According to a report from the Department of Budget and Management (DBM), as of end-November 2016, the Department of Public Works and Highways (DPWH) has already utilized 96.7 percent of its cash allocation released during the first 11 months of 2016 amid aim to accelerate infrastructure spending. Moreover, infrastructure and capital outlays reached P352.2bn in the first three quarters of the year, equivalent to 3.4 percent of GDP.

To ramp up public infrastructure spending, Budget Secretary Benjamin Diokno said the Administration will carry out existing programs but will also administer expenditure reforms that will expedite budget preparation and project implementation.

"There's no point in cutting on spending. We have to make up for the past neglect in infrastructure," Secretary Diokno was quoted as saying earlier.

Among the budget-related programs implemented in the previous administration that are likely to be retained by the current administration are the early bidding for infrastructure projects, strengthening of institutional capacity through the creation of full-time delivery units (FDU) in key government agencies, and hiring of key staff for planning, procurement, project management, monitoring, and evaluation of projects.

On the other hand, included in the budget reform programs of the Duterte administration are the review of Build-Operate-Transfer (BOT) law with focus on streamlining of the approval and procurement process, 24/7 construction work, proceeding with PPP shovel-ready projects, and encouragement of PPP scheme for local government unit (LGU) projects. Moreover, the government is simplifying the implementing rules and regulations (IRR) for government procurement. The Government Procurement Policy Board in August approved the revised IRR, which streamlines and makes uniform the procurement process in government. It requires having standard procurement



manuals, and bid documents and forms for simpler and more transparent process.

The PPP program will continue to play a role in the goal of accelerating infrastructure development under the Duterte administration.

As of 16 November 2016, 15 PPP projects amounting to \$7.0 billion have already been awarded, while 13 projects amounting to \$7.6 billion are already under procurement, data from PPP Center showed.

Among the big ticket items for procurement are the NAIA PPP Project, LRT Line 6, Regional Prison Facilities, regional airport projects such as the Iloilo and Davao Airport Operations, Maintenance & Development Project, and the New Centennial Water Source-Kaliwa Dam Project

In addition, the Asian Development Bank has approved loans totaling \$600 million for the promotion of PPP projects and execution of policy changes. The financial assistance from ADB will help attract more investments in the infrastructure sector.

"These loans will help the government pursue policy reforms clearing obstacles to PPPs and increasing long-term private sector finance for them," Juan Luis Gomez, Principal Public Management Specialist at ADB's Southeast Asia Department, earlier said in a statement.

Some of the big-ticket infrastructure projects that have been approved by the NEDA Board so far under the Duterte administration are:

1. Metro Manila Flood Management Project, Phase I (P23.5bn)
2. Metro Manila Bus Rapid Transit (BRT) – EDSA (P37.8bn)
3. Ninoy Aquino International Airport (NAIA) PPP Project) (P74.6bn)
4. New Cebu International Container Port Project (P9.2bn)
5. Increase in Passenger Terminal Building (PTB) Area of the Bicol International Airport (P4.8bn)
6. Change in Scope of the New Bojol Airport Construction and Sustainable Environment Peroteciton Project (P7.8bn)
7. North-South Railway – South Line Project (P170.7bn)

DOF jumpstarts fight vs red tape: processes in tax, customs bureaus to be streamlined



FINANCE SECRETARY CARLOS DOMINGUEZ III

QUICK TRANSACTION at the least cost.

This is the commitment made by the Department of Finance, and its attached bureaus and state-run firms, to the public following the release of Department Order No. 38-2016 or the creation of the anti-red tape team.

The move is in line with President Rodrigo Duterte's strong message to government agencies to streamline their processes thus providing hassle-free frontline services to the public.

The team, headed by chief economist and Undersecretary Gil Beltran, was given marching orders by Finance Secretary Carlos Dominguez, to formulate measures that will significantly improve efficiency in the conduct and delivery of services, and simplify procedures.

The agency's Anti-Red Tape Team is composed of all members of the agency's Committee on Citizen's Charter, along with representatives from the attached bureaus and agencies.

Apart from reviewing the current rules and regulations being implemented by the department and its attached agencies, the team is also expected to innovate measures to rationalize procedures and reengineer the existing transaction systems.

Dubbed as the anti-red tape czar, Beltran noted that the goal is to slash by half the number of days required to process documents when transacting businesses with the DOF and all attached agencies.

This covers transactions such as paying taxes, getting tax refunds, acquiring tax exemption certificates, getting imports released, shipping out exports, registering businesses, and getting appointments with DOF officials.

Policies affecting the delivery of services, such as implementation of the Public Assistance Desk, No Fixer Policy, and No Lunch Break Policy, will also be reviewed to ensure that these are properly regulated.

Beltran added that to expedite transactions and facilitate customer feedback, the department also plans to tap modern technology, including social media channels.

To track progress of the initiative, the anti-red tape team is required to submit a report at the start of each quarter.

Meantime, in a recent forum, Secretary Dominguez underscored the importance of reducing the documentary requirements in businesses, as excessive requirements "impede the flow of trade and place an unnecessary burden to business operations."

With the anti-red tape team in place, the finance department echoes the new administration's goal of cutting red tape in government agencies, eliminating corruption, and improving the country's competitiveness.

The DOF said the anti-red tape team's accomplishments so far include the development of single database for verifying business and government records, which will reduce processing time for government frontline services and improve the ease of doing business in the Philippines. The automated business and citizens' databank portal will trail blaze e-governance in the country.

The DOF has secured a P21.5 million grant from the German development bank Kreditanstalt für Wiederaufbau (KfW) Group to implement an anti-red tape initiative to simplify processes in documentary requirements for imports and exports in an effort to ease the way of doing business and trade facilitation. The DOF through its Inter-Agency Business Process Interoperability (IABPI) Program, aims to streamline the process of issuing permits for imports and exports from two weeks to a maximum of only three days.

Duterte admin eyes deeper reforms: proposed laws lined up

PRESIDENT RODRIGO R. DUTERTE reiterated the direction that his Administration intends to take over the next six years during his first State of the Nation Address (SONA) held 25 July 2016.

The shift to a federal system of government, comprehensive tax reform, and emergency powers to immediately solve traffic and other transport problems are among the list of proposed bills that the country's Chief Executive wants Congress to prioritize.

At the same time, complementing the Duterte administration's socioeconomic development agenda, Congress is also considering drafting laws that will improve law-and-order situation in the country, improve transparency in government, and enhance social protection for the poor and the marginalized.

Proposed pieces of legislation are geared toward an even better Philippines by 2022, particularly one where economic growth has lifted significantly more people out of poverty, where an overwhelming majority of citizens are law abiding, and where government entities have institutionalized means to better serve the public.

Below is a summary of the legislative agenda of the Duterte administration, as well as of the House of Representatives and the Senate.

Legislative Agenda (Compiled by the Investor Relations Office)		
Duterte Administration*	House of Representatives	Senate
<p>Legislative Priorities</p> <ul style="list-style-type: none"> ▪ Shift to a federal system of government ▪ Lowering of personal and corporate income tax rates /Comprehensive Tax Reform ▪ Amendments to the Bank Secrecy Law ▪ Emergency powers to solve traffic and other transport problems ▪ The Bangsamoro Basic Law without unconstitutional provisions ▪ Creation of the People's Broadcasting Corp. to replace PTV-4, with separate television channels for Muslims and the Lumad ▪ Whistleblower Protection Act ▪ Consolidation of concerned agencies and creation of a single department to handle Overseas Filipino concerns ▪ Universal health insurance through the Philippine Health Insurance Corp. ▪ Amendments to the Anti-Money Laundering law, especially to make tax evasion predicate crime to money laundering** ▪ Amendments to the 1996 Passport Law to extend validity of passport ▪ PPP Act** ▪ Exemptions from the salary standardization law for BIR and BOC personnel*** ▪ Freedom of Information**** ▪ Budget Reform Act**** ▪ Streamlining of the Government Act**** ▪ Military and Uniformed Personnel (MUP) Compensation and Pension Reform**** 	<p>Based on speech of House Speaker on 25 July 2016 during the opening of Congress</p> <ul style="list-style-type: none"> ▪ Federal parliamentary system through Constitutional Convention ▪ Simplified Income Taxation ▪ Re-imposition of the death penalty for heinous crimes ▪ Emergency powers for the President to address Metro Manila Traffic ▪ Amendment of the Government Procurement Act or R.A. 9184, as amended ▪ Freedom of Information Law ▪ Legislative Franchise for Mining Firms ▪ Exportation of Processed Ore only ▪ Increase in penalties for non-payment of minimum wage and addressing of contractualization ▪ SSS Pension Hike 	<p>During the 25 July 2016 inaugural address of Senate President (SP) Aquilino Pimentel III, he said that the Senate will support the legislative initiatives that President Rodrigo Duterte envisions as necessary to promote the public welfare.</p> <p>He also said that the following essential elements of the Program of Government for Change that majority of senators have agreed upon will hopefully lay the basis for the development and progress of our country and people:</p> <ol style="list-style-type: none"> 1. All-out search for Peace in our land 2. Move for the adoption of a Federal System of Government 3. Support the all-out war against crime, drugs, and corruption 4. Reform taxation system and make it more just and truly progressive 5. Strengthen the Rule of Law and make justice system work 6. Reform the budget and declare a war on waste 7. Call for sustainable and inclusive economic growth 8. Protect the environment 9. Deliver quality education and quality health care 10. Fight abuse and the abusive 11. Focus on the needs and the situation of the helpless and impoverished members of Philippine society, especially the sick, the elderly, and the children, because they need the help of government more than the others

* Based on the State of the Nation Address of President Rodrigo Duterte on July 25, 2016

** Based on pronouncements of Economic Managers

*** On July 24, 2016, President Duterte signed an Executive Order implementing freedom of information in the Executive Branch

**** Based on the President's 2017 Budget Message

Investors told: PH's robust growth, modest inflation, stability to persist

THE PHILIPPINES will continue to enjoy robust economic growth over the medium term without compromising modest inflation and stability.



BSP DEPUTY GOVERNOR DIWA C. GUINIGUNDO

This was the common message of officials from the Bangko Sentral ng Pilipinas (BSP) who met with local and foreign portfolio investors and fund managers during their investor missions to the Philippines.

The investor missions, which reflect strong interest on the Philippines, were arranged by investment banks for their clients in coordination with the Investor Relations Office (IRO).

With boom-and-bust cycles now a thing of the past for the Philippines, BSP Deputy Governor Diwa Guinigundo said the economy could sustain the momentum of robust growth without suffering from overheating nor reversing the growth trajectory.

“Growth and stability do not have to be mutually exclusive. In the case of the Philippines, they can go hand in hand,” Guinigundo said during his meeting with executives from JP Morgan and its clients, who visited the BSP and other government economic agencies on August 23 to learn more about the Philippines.

In a separate meeting with executives from Barclays and its clients, Veronica Bayangos, Director of the BSP’s Center for Monetary and Financial Policy, said inflation is expected to remain modest even as the economy continues to be one of the fastest growing economies in Asia.

“We see strong growth momentum and at the same time expect inflation to remain manageable,” Bayangos said in the meeting with the executives from Barclays and its clients held August 22.

Based on latest projections of the BSP, inflation will average 1.8 percent this year, slightly below the official target range of 2 to 4 percent for the medium term, before rising to 3.0 percent in 2017, and 2.9 percent in 2018.

Dennis Lapid, Deputy Director at the BSP’s Department of Economic Research, said in a separate meeting with a visiting research analyst from global insurer Teachers Insurance Annuity Association (TIAA) that the ability of the Philippines to keep inflation at bay despite sustained economic growth was on the back of improved productivity.

“We still see benign inflation even if GDP growth remains robust. This is due to increased productivity in the economy,” Lapid told the executive from TIAA.

TIAA is a Fortune 100 financial organization with over \$800 billion in assets under management.

Meantime, all three BSP officials likewise cited in the separate meetings the country’s strong macroeconomic fundamentals, as well as the sound, stable, and liquid financial system that is able to support the funding needs of companies wanting to locate or expand their businesses in the Philippines.

The visitors in the investor missions likewise met with officials from other economic agencies, including the Department of Finance, the Department of Budget and Management, and the National Economic and Development Authority, among others.

Besides meetings for the executives and clients of JP Morgan, Barclays, and TIAA, the IRO likewise helped arranged meetings for Morgan Stanley, Credit Suisse, Citi, and HSBC.

“The investor missions to the Philippines are an indication of the continually growing interest on our economy given its bright prospects amid uncertainties in the global environment,” IRO Executive Director Editha Martin said.

WHAT THEY SAY ABOUT THE PHILIPPINES

BNP Paribas: Sound fundamentals to keep PH resilient to external headwinds



BNP PARIBAS ASIAN ECONOMIST
PHILIP MCNICHOLAS

AMID EXTERNAL HEADWINDS, such as potential lingering effects of Brexit on financial markets, economic slowdown in China and other markets, uneven monetary policies among advanced economies, and geopolitical tension, BNP Paribas expects the Philippines to remain resilient to the shocks.

Philip McNicholas, Asian economist of BNP Paribas, expects the Philippine economy to grow by 6.8 percent this year and 7.0 percent in 2017.

He said the Philippines cannot be totally immune to shocks, citing potential ill effects of declining oil prices on remittances given the significant number of Filipinos working in the Middle East, but described the economy as “fairly well insulated” to global economic challenges.

The Philippines’ resilience is seen to be anchored on sound macroeconomic fundamentals, which McNicholas believes will be sustained throughout the Duterte administration.

“I think it is too early for a proper assessment of their [Duterte administration’s] economic performance. However, the policies espoused are broadly in keeping with those of the previous administration. As such, any deterioration in fundamental metrics under the new administration should be manageable and would likely reflect efforts to improve the productive capacity of the economy,” the economist said in an email to the Investor Relations Office (IRO).

* * *

BNP Paribas is a multinational bank and financial services company with global headquarters in Paris. It has more than 189,000 employees in 75 countries. The multinational company has significant retail operations in the United States, Poland, Turkey, Ukraine, and North Africa, as well as large-scale investment banking operations in New York, London, Hong Kong, and Singapore.

BNP Paribas established its presence in Manila in 1975 initially as a representative office. In 1977, BNP Paribas Manila Offshore Branch became a licensed offshore banking branch. At present, the bank offers a broad range of products and services to its corporate and institutional clients, including loan syndication, bond underwriting, export finance, project and aviation finance; interest rate, foreign currency, and commodity hedging and derivatives; and correspondent banking and global trade solutions.

Poro Point Freeport Zone: Toward Becoming PH's Gateway to Southeast Asia



Thunderbird in Poro Point



San Fernando International Seaport



Thunderbird at night

PERCHED NEAR the edge of a scenic cliff, the 76-ft. Poro Point lighthouse offers a sweeping 360 degree view of the West Philippine Sea and San Fernando Bay.

To fishermen and seafarers, the lighthouse serves as navigational aid—a beacon of safety. But in recent years, the lighthouse is more than just a towering structure. It serves as an inspiration—a beacon of development. The lighthouse sparks hope that the former US military base is set to become a premier investments and tourism destination in Northern Luzon.



Poro Point Lighthouse

The Zone

In July 1993, the former Wallace Air Station in San Fernando, La Union was converted into a freeport and investment zone otherwise known as the Poro Point Special Economic and Freeport Zone (PPSEFZ).

In March 2007, Republic Act No. 9400 affirmed the Freeport Status of the Zone with explicit tax and duty free incentives and was renamed as Poro Point Freeport Zone (PPFZ).

PPFZ offers incentives to locators, such as tax and duty-free importation of machineries, equipment, raw materials supplies, and finished goods, and exemption from national taxes. In lieu of taxes, PPFZ enterprises

shall pay a preferential tax of 5 percent of gross income earned.

The Bases and Conversion and Development Authority (BCDA), which is tasked to oversee the development of former US military bases in the Philippines, and the Poro Point Management Corp. (PPMC), the managing entity of the freeport, envision PPFZ to become an international gateway for trade, business, and tourism by 2020.

At 240.5 hectares, it is the smallest economic zone in the country. However, its strategic location and the presence of both an airport and a seaport give it competitive advantage.

“Poro Point is located in the international sea lane thus making it an ideal springboard for access to the thriving economies of South East Asia,” PPMC Business Development Manager Eliza Monsod said.

To further boost economic activity, travel time from Manila to Northern Luzon has been cut significantly with the major expressways connected—NLEX, SCTEX, and TPLEX. From the previous 6 hours, one could now get from Manila to Poro Point in just 4 hours.

Tourism Hub

It is hard to miss the sea of blue and white in the sprawling 65-hectare property in the heart of Poro Point peninsula. To many, it is like being transported to Santorini in Greece coupled with the experience of Filipino hospitality.

Considered the pride of La Union, Thunderbird Resort and Hotel is the only luxury, triple A resort in Northern Luzon. It is so far, the biggest among the 16 locators in Poro Point.

To date, the Mediterranean inspired resort-casino has 35 deluxe rooms, 39 premium rooms, 15 beach villa, promenade, and a nine-hole golf course.

“We are developing the whole property in terms of room accommodation and facilities. Since we are a family resort hotel, we also plan to put up wellness centers, more swimming pools, and more recreational facilities,” Thunderbird Resort and Hotel General Manager Marvin Lanuza told EconomyPH.

Increased job opportunities await the residents of La Union following the expansion of both the hotel and casino. “We are looking at 25 percent increase

in manpower this year. Currently, we employ around 580, most of which are locals,” Lanuza said.

Thunderbird has already captured the local market. The company’s goal, according to Lanuza, is to be more visible among foreigners. “We want them to see that there’s this kind of idyllic property in Northern Luzon,” he added.

Meanwhile, to enhance competitiveness of PPFZ in attracting more locators and tourists, PPMC invested in a P58.91-million tourism infrastructure project. The Poro Point Baywalk features amenities, such as events center, amphitheater, ecopark, and playground. The 1.3-km promenade by the bay has a commercial strip that will be open for lease. Preference in leasing of 44 cut lots will be given to small and medium entrepreneurs from La Union.

Airport Development

Envisioned as the gateway of the North, the PPMC plans to solicit proposals on how to develop the 40.5-hectare San Fernando Airport into eventually becoming an international airport that can cater to larger aircrafts, such as Airbus 320 and Boeing 737.

The airport is also aimed at providing a link with and complementing the operations of the Clark International Airport.

Further, PPMC is eyeing the development of an airport terminal with a mall complex similar to Changi airport of Singapore, although smaller in scale.

The San Fernando Airport is also home to Leading Edge International Aviation Academy, Inc. (LEIAA). Since 2008, the company has been leasing 1,600 square meter property for its hangar and flying school. It is owned and managed by a group of retired officials of the Philippine Air Force who are optimistic about the future of aviation industry in the Philippines.

“La Union, in particular, is a good location for an aviation school since there is no air traffic congestion. It is very safe for flying. Likewise, our country is ideal for aviation training because of the mostly good weather. We have so much airspace as well—something which our neighboring countries like Singapore could not offer. Singapore has a lot of flying schools but they don’t have enough airspace so they conduct ground schooling instead or they send their students to train in Australia and in the US,” LEIAA President Edgardo Mendoza said.

Master Development Plan

The developmental blueprint for the 146-hectare investment area in the Freeport zone is seen to spur tourist traffic and economic activity in the region. It plots Poro Point into four districts—Business Hub and Lighthouse Area, Commercial Marina and Transit Hub, Sports Town Center, and Cliffside/Residential Homes.

The development of the business hub has two phases and is expected to be implemented within the next five years.

Phase 1A will focus on the construction of the lighthouse area and the strip for information technology (IT) and business process outsource (BPO) companies.

“We will capitalize on the availability of highly skilled human resources, our strategic location, and the fiscal perks we offer in attracting more investments in the IT-BPO industry,” Monsod said.

Meanwhile, the remaining area under Phase 1B will include the creation of a commercial marina and the expansion of the San Fernando Promenade.

As the first phase of the long-term development plan takes off, PPMC is optimistic that it will chart the direction of Poro Point toward becoming an investment haven in the North.

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