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BUILD, BUILD, BUILD

A CLOSER LOOK AT THE ADMINISTRATION'S
AMBITIOUS INFRASTRUCTURE PROGRAM



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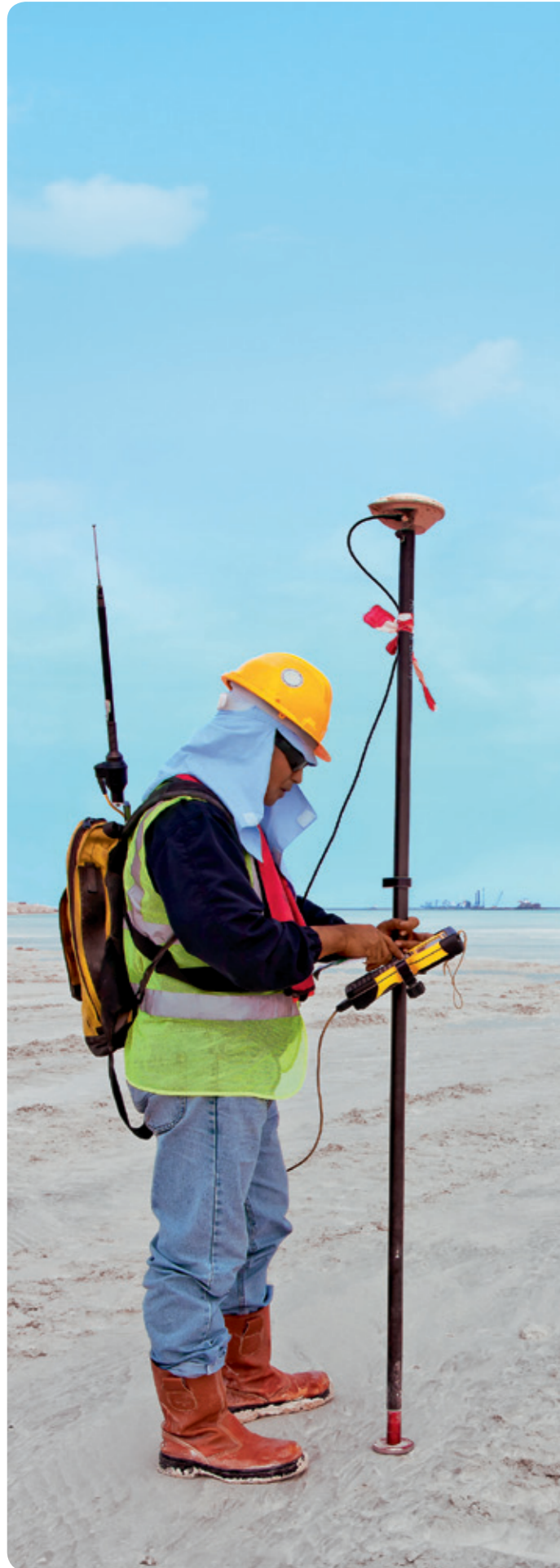
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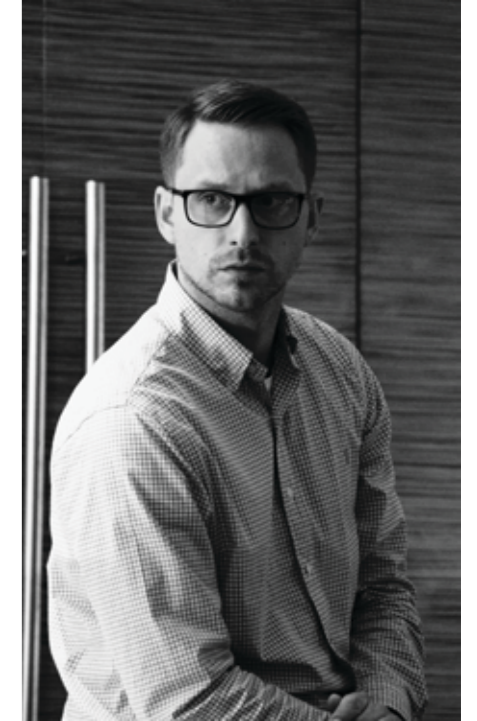


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Editorial



FLORIAN GOTTEIN
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Recently, I attended an event hosted by the World Trade Center with DPWH Secretary Mark Villar. During this event, some of the projects lined up under the current administration's infrastructure plan were presented and discussed. The Duterte Administration's recently unveiled 'Build, Build, Build' program has drawn widely varying opinions from both sides of the fence, both from government and the private sector. Some praise the administration's political will to get things going and its commitment to improving one of the biggest bottlenecks when it comes to Philippine progress while others signal caution when it comes to how the country will obtain resources to execute these ambitious plans.

“For many years, the conversation has focused on the potential that the country has to offer, with many choosing to come here, live, work, or to do business here, specifically because of this high potential, myself included.”

Taking a look at our ASEAN competitors, one thing is certain: the Philippines has not only to catch up with the backlog in infrastructure spending over the last decades, but also has to increase its pace in moving forward here to not further lose out compared to some of its neighbours in ASEAN. For many years, the conversation has focused on the potential that the country has to offer, with many choosing to come here, live, work, or to do business here, specifically because of this high potential, myself included. I also personally believe that once the infrastructure backlog is addressed

adequately, the ease of doing business in the Philippines will greatly improve and will encourage more foreign direct investments. That is not to say that infrastructure will solve everything, but it is a very good point to start.

Flying in and out of meetings, and being able to run businesses more efficiently have been made more possible given the efficiency of new roadways such as the NAIAX. Less and less excuses have to be made now for the country's traffic situation, especially when hosting foreign visitors for business meetings. Another infrastructure development many are looking forward to is the Skyway Stage 3, or the SLEX - NLEX connection as I do believe this will be a huge step forward in decongesting Metro Manila, especially EDSA. According to DPWH Secretary Mark Villar and DOTR Sec. Arthur Tugade, Skyway Stage 3 will be turned over to traffic by 2nd Quarter of 2018. We flesh out the benefits and the costs of the 'Build, Build, Build' program in this month's cover story on page 15.

The last few months of the year are going to be a very busy time for the ECCP. We have a number of pillar events coming up including the Sustainable Agriculture Forum, the Healthcare for All Forum, EU-Philippine Business Summit, European Networking Night, and Energy Smart in September, and the ECCP Football Challenge, Waste Management Forum, Innovation in Infrastructure Congress, and Sustainable Cities Forum. For a full list of our upcoming events, turn to page 28. We look forward to your continuing support in our efforts to push for progress in different industries through our pillar events.

Please enjoy this month's issue of the Euro-PH Connect and thank you for continuously supporting the ECCP. ■

Notes from the IPR SME Helpdesk

IP Protection Strategies in the Philippines for the Logistics and Transportation Industry

The logistics and transportation industry in the Philippines is growing steadily due to strong economic growth in the country and gradual increase in domestic demand fueled by the rise of the country's middle class and increase in remittances from workers abroad. According to various studies, the industry is expected to grow as much as 16.7% by 2020. Opportunities for logistics providers also continue to expand thanks to the steady growth in the Philippine's e-commerce sector.

However, transportation costs in the Philippines are still significantly higher than in many other ASEAN countries, notably in Malaysia and Thailand. This is due to the geographic challenges that the Philippines faces as a conglomerate of islands, but also due to unclear regulations imposed by different government agencies that sometimes induce informal payments. The transportation and logistics industry also faces some infrastructural challenges as the country still suffers from congestion on the roads in urban areas and at seaports. For example, clearance time

for shipments at ports is more than twice as long in the Philippines than in many of its neighboring countries.

On the other hand, this year the Philippine government has put forward an ambitious plan of modernizing and improving the country's infrastructure such as building new roads, railways, airports and improving the situation of seaports. The government has also committed itself to improving the regulations and to fight corruption in transportation sector. This means that the transportation and logistics industry would offer lucrative business opportunities for European SMEs in the near future.

European logistics and transportation SMEs wishing to enter the Philippines' market need to keep in mind that despite the improvements in the Philippines' IP laws and regulations, counterfeiting and other IP infringements are still commonplace in the country and thus a robust IP strategy is needed to grow their business in the Philippines.

BRAND PROTECTION - THE

FOUNDATION OF BUSINESS SUCCESS

Logistics companies' branding strategies are highly important in an industry that is built on the ability to persuade customers that their valuable goods will be shipped smoothly and safely by the chosen logistics company. It could be very damaging to SME's reputation if someone would use a similar or an identical brand to provide substandard services, as it could directly translate into loss of clients' confidence in the original service provider. It is thus of utmost importance for EU SMEs operating in the logistics and transportation industry to protect their brand through trade mark registration when planning to do business in the Philippines.

SMEs planning to enter the Philippines market should register their trade mark in the country well in advance before even starting their business there because the Philippines applies the first-to-file' trade mark registration system, meaning that the first person to register a trade mark owns that mark, regardless of the first use. It is

especially important to register trade marks in the Philippines because trade mark piracy due to 'bad-faith' registration is still a major problem. Bad-faith registrations exist where a third party (not the legitimate owner of the mark) first registers the mark in the Philippines, thereby preventing the legitimate owner from registering it in the country. These unscrupulous companies would normally try to resell the trade mark back to its legitimate owner at an inflated price.

At the same time owners of well-known marks may benefit from the Philippines membership to the Paris Convention. Foreign nationals may request the refusal or cancellation of a registration of a trade mark which constitutes a reproduction, imitation or translation of a well-known mark in another country that is also a member of the Convention. This process can, however, be costly.

European SMEs should also keep in mind that according to the Trade Mark Law of the Philippines, in order to maintain the registration of a mark, a Declaration of Actual Use of the mark together with the proof of use of the mark must be filed after 3 years from the application date of the mark and then again within 1 year from the 5th anniversary of the registration.

DON'T FORGET TO PROTECT YOUR INTERNET DOMAIN NAME

Most logistics companies rely on their website when managing their day-to-day communication with clients and to attract new customers. As the Philippine domain name can be the key to business growth locally, it is advisable to register internet domain names in the Philippines. It is also important to register internet domain name in the Philippines because problems like 'cybersquatting' and typosquatting are a serious concern in the country. Cybersquatting means that a third party registers a domain name that is identical to European company's product or trade mark name, with the purpose of selling the domain names back to the rightful owner at a premium price.

Typosquatting refers to registering a domain name with misspellings, or typos of famous brands, or company names. The registrant or the 'domainer' benefits from the traffic generated when people mistype a URL into a browser. As an example, if an internet user mistypes the URL - e.g. www.euroap.eu instead of www.europa.eu - the user reaches the website of www.euroap.eu, where the domainer can place a number of sponsored links. If the internet user then clicks on one of those exposed links, the registrant of the domain name receives a portion of the advertising revenue paid by the advertiser. Most importantly, typosquatting may lead to consumer confusion or lost web traffic, as internet users may be directed to either fraudulent websites or competitor's websites.

Internet domain names can be registered with the Internet Domain Name Registry of the Philippines (dotPH). Registrations should be done as soon as the company envisages doing business in the Philippines because internet domain name registration also functions under the 'first-to-file' system. Indicatively, it costs around EUR 34 per year to register internet domain names in the Philippines.

European SMEs should also keep in mind that the Philippines Internet Domain Name Registry has a domain name dispute resolution system and that cybersquatting is illegal under

the intellectual property laws of the Philippines. Thus, companies should monitor similar domain names and enforce their domain name rights in case of confusion or cybersquatting.

PROTECT YOUR TECHNOLOGY OR BUSINESS PROCESSES WITH PATENTS

In the era of innovative applications to businesses, patents can become significantly important in the logistics and transportation industry, as they help to protect technological inventions and thus increase the competitiveness of companies. Logistics companies can protect not only their technological inventions but also their business processes. As recent examples, DHL obtained a patent for its 'GoGreen' service which allows customers to be carbon neutral, or Amazon obtaining a patent for anticipatory package shipping, which allows the packages to be shipped before the order has been placed.

The Philippines adopts a 'first-to-file' patent system, meaning that the first person to file a patent in the jurisdiction of the Philippines will own that right within the country once the application is granted. The Philippines also allows utility model registrations for an invention with lesser degree of inventiveness. The process for obtaining a utility model is shorter, however, there is a reduced term of protection - as patents are protected for 20 years after filing whilst utility



models are only protected for 10 years after filing. Utility models should be considered by the transportation and logistics companies, as a lot of technology these companies use consists of improved versions of the technology already in use.

Domestic patent applications in the Philippines should be registered with the Intellectual Property Office of the Philippines. The cost of the application fee is based on whether the applicant is considered a small-medium or large entity. Entities with assets worth PHP 20 Million (approximately EUR 385,000) or less are considered small entities while entities with assets exceeding the said amount are considered large entities. In practice, foreign companies are presumed as large entities unless they are able to prove the quantitate requirement regarding their assets. In order to qualify as a small entity, the foreign company must submit an affidavit stating that it is in reality a small entity. Application price starts from EUR 70.

Furthermore, logistics companies wishing to make their patent protection more far-reaching may opt to file for a patent through the Patent Cooperation Treaty (PCT) route which allows for patent protection in PCT multiple member states by filling out just one patent application. The PCT

application route also gives applicants an extra 18 months to assess the commercial viability of the invention and the likely market.

ALWAYS ENFORCE YOUR RIGHTS

Entering a new market also means being ready to enforce or defend IP rights in order to ensure that business objectives are met and therefore budget planning for enforcement is key to a successful and comprehensive business strategy. When European SMEs identify that their products are being infringed, they should actively enforce their rights in the Philippines through the various avenues available. If an SME builds a reputation for being prompt and reactive, then unscrupulous companies will be less likely to infringe its rights in the future.

In the Philippines, there are three avenues to enforce intellectual property rights: administrative actions, civil litigation and criminal prosecution. As civil litigation and criminal prosecution tend to take longer time and become costly, administrative actions are often the preferred means of enforcement for small-medium businesses. Administrative authorities have the power to impose preliminary injunctions, preliminary attachments (a provisional remedy wherein the court/administrative body is asked to take custody of the property of the adverse



party as security for satisfaction of any judgment) as well as damages and administrative fines. In many cases, however, negotiations between the parties can be a more viable option as they are cost effective. ■

Helika Jurgenson

South-East Asia IPR SME Helpdesk

SOUTH-EAST ASIA

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The South-East Asia IPR SME Helpdesk supports small and medium sized enterprises (SMEs) from European Union (EU) member states to protect and enforce their Intellectual Property Rights (IPR) in or relating to South-East Asian countries, through the provision of free information and services. The Helpdesk provides jargon-free, first-line, confidential advice on intellectual property and related issues, along with training events, materials and online resources. Individual SMEs and SME intermediaries can submit their IPR queries via email (question@southeastasia-iprhelpdesk.eu) and gain access to a panel of experts, in order to receive free and confidential first-line advice within 3 working days.

The South-East Asia IPR SME Helpdesk is co-funded by the European Union.

To learn more about the South-East Asia IPR SME Helpdesk and any aspect of intellectual property rights in South-East Asia, please visit our online portal at <http://www.ipr-hub.eu/>

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This purposefully built facility is being built to be a hub of creativity, designed to become a new gateway to our campus. Large multipurpose areas, and display spaces are central to the design. As with all our developments, ensuring the design provides maximum flexibility has always been a priority. This has been achieved through retractable and moveable seating, flexible stages and moveable walls. In entrusting the architecture to Lor Calma and Partners, with Architect Ed Calma leading the team, we are certain that the design of the new Visual and Performing Arts Building will reflect the creative spirit that we want to foster among our students.

With natural light and plenty of airflow, along with a rain collection facility and environmentally sound building methods, we continue to prepare for the future. The design of this facility is focused on promoting and teaching art, music, design, dance and drama. The spaces are large and the flow is designed for learning, performance, and exhibitions to take place in a multitude of settings.

Once completed we also hope this building will become a centre of not only our visual and performing arts but also a home for the wider art, music and drama communities of Taguig and Manila. Our aim is to promote the arts as we believe it to be vital to recreation, expression, and learning.

21st Century learning is hard to predict, however, the one thing we are fairly sure about is its constantly changing nature and by building with flexibility and creativity at the forefront of our design, we believe that we will be best positioned to adapt and evolve in the years to come, mirroring what we expect from our students. ■



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COVER STORY

BUILD, BUILD, BUILD A CLOSER LOOK AT THE ADMINISTRATION'S AMBITIOUS INFRASTRUCTURE PROGRAM

BY MARI ANTONETTE MENDOZA

INFRASTRUCTURE has long been a challenging aspect of Philippine development, often cited as one of the main obstacles to the country reaching its full potential, especially in attracting foreign investments. Existing transport infrastructure is made up of roads, railways, airports, and ports. While water transport plays a crucial role given the archipelagic nature of the land with its 1,300 ports, the country's more than 215,000 km of road networks are considered as the dominant subsector, servicing 98% of passenger traffic and 58% of cargo traffic. The Philippines has a total of 215 airports and 3 commuter trains alongside heavy rail lines, concentrated in Luzon.

Urban transport in the Philippines is largely lacking, marred by ineffective planning and management. Public transport is dominated by jeepneys, buses, and tricycles, means of transportation that ultimately create more congestion problems than help alleviate transportation issues.

Inadequate supply of infrastructure is cited as one of the main hindrances in doing business in the Philippines. Despite levels of high economic growth, the country's mass transit systems and available transport infrastructure has not adequately been able to keep up with the growing population. Problems are most apparent in Metro Manila wherein traffic congestion is a constant pain point for businesses and commuters. The country's major international gateways, including NAIA and Manila Port, are largely beyond capacity, another aspect that significantly hampers business operations.

Enter: the Duterte Administration's ambitious infrastructure plan, entitled "Build, Build, Build". The 'Build, Build, Build' program, also known as 'Dutertenomics', is an infrastructure development program expected to increase infrastructure spending to P8.6 trillion over the next six years. For 2017, capital outlays as a share of GDP has been pegged at 5.7% and is expected to rise to 7.5% by 2022 while the infrastructure spending-to-GDP ratio has been pegged at 5.3%, expected to rise to 6.9% by 2022. To do this, the Philippine government will be securing Overseas Development Loans (ODA) and foreign loans, looking at China to be one of the main sources of funding. The program will also be implementing a hybrid PPP approach wherein the

"The 'Build, Build, Build' program, also known as 'Dutertenomics', is an infrastructure development program expected to increase infrastructure spending to P8.6 trillion over the next six years."

government will take charge of building roads, bridges, airports, and railways and will then later on bid out the operation and maintenance of completed projects to private investors. This approach is expected to greatly speed up the speed of construction, which under the original PPP

set-up took an average of 29 months before construction even began. Under this approach, the government will also be in charge of securing right-of-way clearance, another major roadblock to projects getting underway.

Through the 'Build, Build, Build' initiative, the government seeks to deliver high-impact projects designed to boost economic growth, address bottlenecks, increase productivity, diversify growth across many industries while stimulating regional growth. Alongside this, the government also seeks to create millions of jobs nationwide through the increased number of projects. An improved flow of goods within, to, and from the country is also expected as a result of this project, lowering transportation costs and increasing

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competitiveness. Eventually, these improvements are expected to directly impact the development of other industries, such as manufacturing, agriculture, and mining among others. Through improving Philippine infrastructure, the government also aims to develop tourism, reduce traffic congestion in Metro Manila, and decongest Metro Manila to diversify economic development and expansion of other provinces. There is also a plan to move national government offices out of Metro Manila, the most viable alternative looking to be Clark Green City. Urban centers are also being planned in Clark and Subic, which could lead to 2-3 million people moving out of Metro Manila. Further countryside development is also planned in cities such as Pampanga and Bataan, which is expected to lead to diversification of geographic drivers of economic growth. The government also aims to highlight transparency and inclusiveness through the creation of a portal wherein all details of all projects and 'Build, Build, Build' will be available to the public.

Agencies involved include the National Development Economic Authority (NEDA), Department of Transportation (DOTr), Department of Public Works and Highways (DPWH), and the Bases Conversion and Development Authority (BCDA). Under the DOTr, projects earmarked include the Metro Manila Clark Railway, Metro Manila Bus Rapid Train System, Mindanao Railway, and BGC-NAIA Bus Rapid Transit. Under the DPWH projects listed include the Santa Monica-Lawton-BGC Viaduct, the UP-Miriam-Ateneo Viaduct and the NLEX-SLEX Connector Road. Under the BCDA, major projects include the Clark International Airport New Terminal Building and the building of a new 9,450 hectare smart, green, and disaster-resilient city to help decongest main urban centers.

Despite good intentions, many doubts arise

Many have already started to weigh the pros and cons of such an ambitious outline of projects as well as the staggering amount of investment required, much of which will be borrowed. The Department of Budget and Management has already stated that the 'Build, Build, Build' program would not result to a debt crisis similar to the "plagued" economy in the early 80s. "Concerns over a looming debt crisis, as a result of the Duterte Administration's 'Build, Build, Build' program are unwarranted," said the Department in the statement adding that the country's debt position would remain stable despite the planned increase in borrowings. According to the Department, this is largely due to the administration's focus on infrastructure rather than other capital outlays such as corporate equity and capital transfers to LGUs. Foreign Technical Undersecretary for International Economic Relations, Manuel Teehankee, also shares that the 'Build, Build, Build' program "complements the President's 10-point socioeconomic agenda, as well as the federal regionalist and sub-economic regions program, which will also improve connectivity through logistics improvement and infrastructure development."

Despite those praises and assurances, many remain

“Despite concerns, we are optimistic that the 'Build, Build, Build' initiative could work and usher in the beginning of a new era for the Philippines.”

doubtful. According to international political risk analyst Anders Corr, "Dutertenomics, fuelled by expensive loans from China, will put the Philippines into virtual debt bondage if allowed to proceed." Corr goes on to explain that the increase in infrastructure spending could increase the current Philippine national debt from \$123 billion, to \$290 billion and that doesn't even include interest. Assuming an interest rate of 10%, that debt would balloon even further to \$452 billion, bringing the Philippine debt to GDP ratio to 197%, the second-worst in the world. According to Corr, China is likely to lend at an interest rate between 10% - 15%.

Under the hybrid-PPP scheme, the Philippine government also intends to secure ODA from countries that give the government extending the ODA the ability to select the contractor to be used for the project (likely a contractor from their own country) as well as to hire laborers from them as well. For example, China has financed projects from other countries for which they have required that the country obtaining the ODA hire a Chinese construction firm and hire Chinese laborers. This is directly in conflict with one of the main goals of the Philippine government with the Build, Build, Build program in that they expect this program to create millions of jobs for Filipinos.

There are also concerns that that the increased borrowings would weaken the economy. Bangko Sentral ng Pilipinas Governor Nestor Espenilla has raised concern on the "seemingly imminent wind-down of ultra-easy monetary policies in advanced economies" and how these events may have far-reaching consequences that could undermine the Philippines' economic performance. This in addition to the fact that the Philippine peso exchange rate continues to show weakness against the dollar, reaching levels last seen about 11 years ago. The current account has also slipped into negative balance during Q1 this year, reflecting a deficit of \$318 million as of March versus a surplus of \$730 during the same period last year. Increased outflows from the BSP's foreign exchange operations have also diminished the country's international reserves to \$81.4 billion as of June. Veteran journalist Jose M. Galang states that while "the Philippine economy in general remains fundamentally strong, weaknesses persist. Any surge in external borrowings to levels beyond the absorptive capacity could choke growth sectors and lead to serious issues similar to what the country experienced under Marcos."

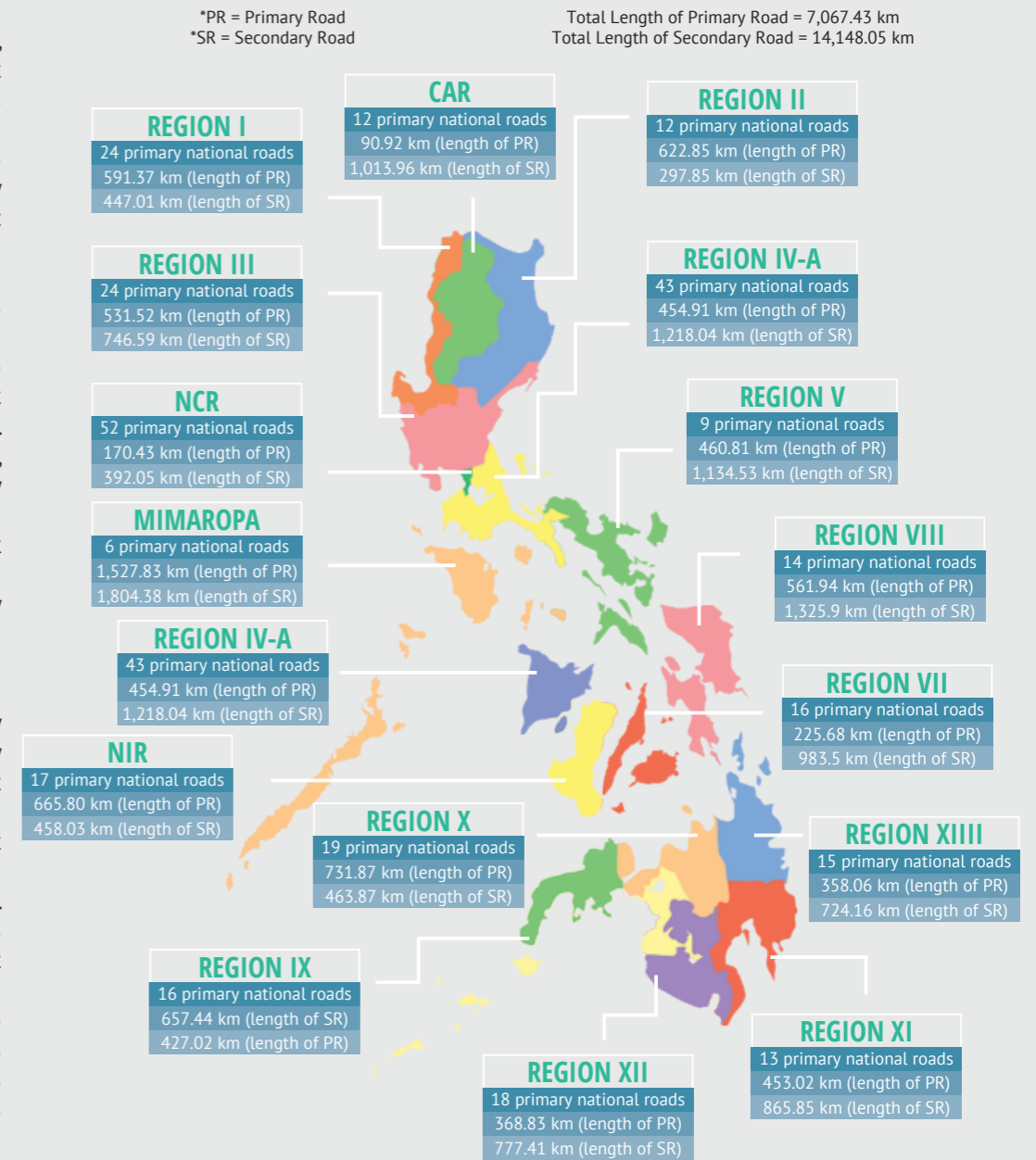
Looking towards our neighbours

Looking at the regional perspective, there are parallels with ASEAN neighbours Malaysia and Vietnam. Today, Malaysia ranks as the second most attractive infrastructure

investment destination in Asia and fifth globally. Last year, Malaysia Launched the ambitious 11th Malaysia Plan, a program that also concentrates on infrastructure improvements to boost productivity and support economic expansion. Included in this plan is the Klang Valley mass rapid transit and the 2,000 km Pan-Borneo Highway and West Coast Expressway. Under this initiative, Malaysia has already seen a 68% increase in its road network and a 32% in its urban rails. One of the key challenges faced by the nation when implementing this plan is ensuring the quality and sustainability of the newly built infrastructure and making sure that these projects were not compromised. According to Acadis Asia Head of Client Solutions Graham Keane "The key to unlocking investments in the region hinges on making the projects bankable." Malaysia has also succeeded in creating a win-win situation with China, in which they build on the capital, technology, and experience that China has extended when it comes to infrastructure development. There are also similarities between Clark and Putrajaya, a planned city designed to consolidate govt offices in one location to decongest Kuala Lumpur.

Vietnam has also received a lot of support from China with regard to infrastructure development, with China being its eighth largest investor at \$10.5 billion. Vietnam continues to welcome Chinese investment as seen in the first quarter of this year wherein Chinese companies have also pledged to invest \$684 million. Vietnam Chamber of Commerce and Industry Deputy General Director Nguyen The Hung

PHILIPPINE INFRASTRUCTURE AT A GLANCE



however clarifies that "What we want from our investors is not just capital, but also advanced technology." Economic and Commercial Counselor of China's Consulate General in Ho Chi Minh City Wei Xichen also makes very clear that "Vietnam is not a receiver of secondhand equipment or junk products." He also adds that "As long as Vietnamese companies have other sources of capital, they don't really have much need for Chinese money." In the Vietnamese situation, wherein they have estimated that they will require around \$480 billion for infrastructure developments planned until 2020, the private sector is expected to play a crucial and very active role due to the government's limited financing capacity.

Building upwards

Despite the above raised concerns, we are optimistic that the 'Build, Build, Build' initiative could work and usher in the beginning of a new era for the Philippines. The first and most important first step is to open up the construction sector to more foreign investments through the amendment of Rule 3.1 of the IRR of RA 4566, or the Contractor's License Law to encourage increased private sector participation. In doing so we decrease the dependence on ODA, the use of public funds, and encourage more private sector participation.

It is imperative that the Comprehensive Tax Reform Program (CTRP) be implemented and enacted in order to allow for the maintenance of government fiscal responsibility as infrastructure spending increases. This will allow for additional revenue generating measures, without which an increase in government spending on infrastructure will likely cause the budget deficit to breach 3% of the GDP, a key threshold monitored by credit ratings agencies, and may result in a downgrading of the Philippines' credit ratings. While we support the CTRP, especially with regard to the reduction of income tax and corporate income tax, reservations remain with the current version of the law's provisions for taxing the food and beverage, automotive, and ICT-BPO industries even further. Current investors, both foreign and local, will be put at an even greater disadvantage and thus affecting competitiveness and attractiveness to investors. So while it is crucial for the 'Build, Build, Build' program that the CTRP be passed, we strongly recommend that industry concerns be thoroughly taken into consideration.

International political risk analyst Anders Corr suggest that all the terms of any debts take out by the government be fully transparent to the Philippine public in advance, for full cost-benefit analyses to be done by an independent authority on each deal, and for there to be a vote by

Philippine Congress to be done before each deal proceeds in order to avoid unjust and odious debt and thereby avoiding virtual debt bondage to China. This is very important as, should the Philippines be unable to repay this the debt, the country may be forced to give political and economic concessions to China in order to make them open to renegotiating the debt or to pay for the interest. These concessions could include giving up territory or oil rights, an example of such is the long-standing issue on the West Philippine Sea, selling its national companies to China, or agreeing to export products at below-market rate. As seen in the case of Venezuela, wherein the country took extensive loans from China, which it then could not repay due to the dropping of oil prices. Today, Venezuela is in turmoil, with China no longer willing to extend further debt or renegotiate terms and turning to Russia, who will likely extend even stiffer terms.

The government is implored to take a very close look at the lending terms from countries that will extend ODA or loans, in the sense that it does not go against the main goals of the 'Build, Build, Build' program. In the case of China, wherein they often require that the contractor chosen for the projects they finance be a local Chinese firm and that the country being lent to hire laborers from China, the Philippines can take a cue from Thailand. Just this past July 2017, Thailand was able to convince China to agree that Thai companies will handle construction and hire Thai labor while China provides railway, technology, and signal systems as well as technical training.

Finally, the Philippine is highly encouraged to look at other sources of funding, such as grants, to ease the burden on using public funds for the financing of the planned infrastructure projects. Such as in the case of Vietnam, the government should exhaust alternative measures for raising the funds required and actively involving the private sector before taking on such high levels of debt. ■



There is a growing awareness of the substantial contribution of the minerals industry in accelerating the development of infrastructure, principally in the country's rural areas. In places where there are responsible mining operations, much of the economic activity therein are spurred by mining companies' investments and requirements for supply of goods and services for its operations.

The economic activity from mining has a multiplier effect. The mining company undertakes exploration, development, and construction resulting in employment of workers and creation of demand for goods and services as factors of production. The project also stimulates employment in other businesses in the project's vicinity such as setting up of stores/groceries, restaurants, and other businesses to serve the mine personnel.

The Philippine Mining Act and its implementing rules and regulations mandate that mining companies devote funds consisting of a percentage of total operating costs for their Social Development and Management Programs ("SDMP"). The SDMP is a fund meant to promote the development and general welfare of host and neighboring communities.

A substantial portion of SDMP funds are devoted to infrastructure development in areas where there are mining operations. The country's mining projects have contributed substantially to the infrastructure development in the countryside. Examples of the same are set out below.

OceanaGold Philippines ("OGPI") from 2013 to the second quarter of 2016 spent around PhP 500 million for the development of the host and neighboring communities. During this period, OGPI donated PhP 43 million for the construction of a three-story senior high-school building on the Eastern Nueva Vizcaya National High School campus in Brgy. Didipio to support the Department of Education K-12 program in the mining village.¹

Philex Mining Corporation ("Philex") reported that it has completed during the first half of 2017 about PhP 15.84 million worth of public infrastructure projects which are part of its 2016 SDMP for its Padcal mine. During the first quarter of 2017, it was reported that Philex invested 22 infrastructure projects worth PhP 9.88 million, including a 379-meter long farm-to-market road with pavement widening worth PhP 1.49M and a 44-meter two-bench grouted riprap worth PhP 1.23 million. During the second quarter of 2017, Philex invested PhP 3.61 million for rehabilitation of a slope protection wall in Sitio Samoyao, Brgy. Ampucao in Itogon, PhP 1.25 million for a slope protection wall constructed in Sitio Upper Camp, and PhP 1.1 million for a box culvert in Tuba's Sitio Alang.²

From 2012 to 2013, Sagittarius Mines Incorporated ("SMI") which owns the Tampakan copper-gold project, has reported that it contributed around PhP 2.5 million for the Sarangani Provincial Government's Class Dormitory Project. In 2014, SMI contributed PhP 1.2 million to the construction of the Lapulabao High School Annex building.³

Nickel producer Nickel Asia Corporation ("NAC") has indicated in its 2015 Annual Sustainability Report, that it allocated a total of approximately PhP 37.9 million for its SDMP. Its 2015 SDMP included PhP 17.49 million allocated for capacitating health centers and sanitation, and other health awareness campaigns, PhP 3 million was allocated for road-widening and improvement, and PhP 9.4 million was spent for barangay site development and waste management projects.⁴

Carmen Copper Corporation ("Carmen Copper"), a wholly-owned subsidiary of Atlas Consolidated Mining and Development Corporation, spent PhP 41 million on sustainable development in 2013. PhP 23 million was earmarked for infrastructure projects, ranging from the construction of community stage and covered courts, water system, concrete spillway, and farm-to-market roads. The company donated two school buildings to address the scarcity of adequate learning spaces. In 2014, Carmen Copper's SDMP budget was approximately PhP 128 million. In 2014, Carmen Copper started construction of a cultural and multi-purpose center in Toledo City. In inaugurated the same on 6 July 2016.⁵

The foregoing cites merely a representative number of mining projects that have made significant contribution to countryside infrastructure development. Aside from infrastructure, the SDMP fund contributes in other ways to the development of host and neighboring communities, such as financial support for livelihood training during the life of mine and post-mine closure, financial support to students and teachers, and indigents' hospitalization program. Minerals development is truly an example of collaboration between the private and private sectors where social development projects are built and the benefits thereof transferred to the community. Well-enforced mining and environmental laws will ensure that only responsible mining is promoted in the country and continue to contribute to countryside development.

¹ <http://www.businessmirror.com.ph/oceana-gold-shows-how-much-we-care/>

² <http://pia.gov.ph/news/articles/41499350540>

³ <http://www.smi.com.ph/newsevents.do?id=21951>

⁴ http://www.nickelasia.com/download_file/view_inline/701

⁵ <http://www.atlasmining.com.ph/sites/default/files/sustainability%20reports/02%20AT%20Sustainability%20Report%202013.pdf>

PROJECT	BENEFIT
NLEX-SLEX Connector Road	Reduce travel time from Alabang to Balintawak to 30 minutes
Mega Manila Subway Project	25-km underground subway system to connect Mindanao Avenue in Quezon City to NAIA and FTI in Taguig
Metro Manila Rapid Bus Transit System	Efficient mass transit system in EDSA and other major thoroughfares
Mindanao Railway	Shorten travel time within the Mindanao region; more efficient transport of agricultural goods
Clark Green City	Creation of new urban center; address traffic and congestion in Metro Manila
Clark International Airport - new terminal	Reduce congestion in NAIA and traffic in nearby locations
Manila-Clark Railway	1 hour travel time from Metro Manila to Clark
Subic-Clark Cargo Railway	More efficient transport of goods; lower transport costs

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Dennis Quintero is a partner in the Corporate & Commercial Practice Group of Quisumbing Torres. He heads the Firm's Energy, Mining & Infrastructure Industry Group. He is ranked as a leading individual in (i) Corporate and M&A by The Legal 500 Asia Pacific and (ii) Financial and Corporate by the IFLR1000. He is consistently ranked as a leading individual (Band 1) in Projects, Infrastructure, and Energy/Natural Resources and Mining by the leading international legal directories (i.e., Chambers Global and Asia Pacific, IFLR 1000/The Petroleum Economist, and The Legal 500 Asia Pacific). Dennis is also a Certified Public Accountant. He is a member of the Association of International Petroleum Negotiators.



Solving Transportation Woes One Infrastructure Project At A Time

BY THE DEPARTMENT OF TRANSPORTATION (DOTR)

The state of transportation in the Philippines needs an overhaul, to say the least. The current administration of the Department of Transportation (DOTr) understands this, but it remains hopeful as it goes all-out for high-impact infrastructure projects within the next five years.

The 30-year roadmap laid down by Transportation Secretary Arthur P. Tugade within the first 100 days of the administration provided an overview of how he envisions the country's transport sector in the next few decades: efficient, safe, convenient, world-class, and environment-friendly. Transportation infrastructure is a key element in turning that vision into a reality, and we must start now.

The DOTr, along with other infrastructure agencies, is carrying out some of the biggest and most ambitious projects under the BuildBuildBuild Infrastructure program of the Duterte administration. From only 75 kilometers of railways, it seeks to build 1,900 kilometers of rails, build new gateways and develop existing airports, modernize sea ports, and introduce efficient mass transportation systems.

Railway systems are being built outside Metro Manila and Luzon to spread development and economic gains all over the country. The Mindanao Railway, due for construction in Q3 2018, is a 1,530-kilometer line that will connect key cities in the southern tip of the Philippines and bring about genuine growth in the region. There will also be lines going to Bulacan and Clark in North Luzon and Bicol in the South via PNR lines. These lines will be further extend to La Union, Tuguegarao, and Subic Freeport.

The Philippines will also get to experience its first subway system through the Metro Manila Subway Project, which will use Japanese tunneling expertise. A new line, MRT-7, will rise in 2019 to connect Quezon City and Bulacan. LRT-1 is finally being extended to Cavite, after years of delay. All three lines will be connected to the MRT-3 via the Common Station, a project that took eight years just to identify a location.

In aviation, a new airport terminal is now operational in

Puerto Princesa, further boosting the tourism industry in Palawan. New airports are being built in Panglao, Bohol and Mactan, Cebu, both targeted for completion in June 2018. All over the Philippines, airports are being developed, runways expanded, terminals improved, and equipped with night-landing capabilities. The Communication Navigation Surveillance/Air Traffic Management System (CNS/ATM), which will be fully operational by year-end, guarantees on-time flight schedules, better air traffic control, and safer and more efficient flights for everyone. Under the System, 10 additional radars covering the entire Philippine airspace will be installed nationwide, increasing the number of radars from three to 13.

At sea, ports in all parts of the country are being modernized to improve operational efficiency and passenger experience. A 25-hectare international container terminal will be built in Cebu by July 2018 not only to improve operations and increase cargo handling capacities, but also decongest roads in the Cebu base port area. Further, the country's first barge terminal is undergoing construction in Cavite, allowing trans-shipment of cargo from Manila port to Cavite via barges to reduce truck trips in the Metro. A shorter maritime route now links Davao – General Santos – Bitung, Indonesia, reducing shipping time from five weeks to just two to three days.

Dedicated roadway for buses to ensure fast and reliable travel times will be implemented in Metro Manila. Known worldwide as the Bus Rapid Transit (BRT) system, this will provide affordable, high-speed, and high-capacity public transport services for commuters. This complements the PUV Modernization program that the DOTr is embarking on to modernize the fleet and move towards low emission PUVs, reform the system and consolidate the industry, improve the welfare of commuters, and improve the standard of living of drivers, operators, and their families.

These projects may seem too ambitious for naysayers, but the DOTr does not stop at anything. With a working government free of corruption, these infrastructure projects will rise from the ground up, finally giving Filipinos what they deserve. ■

Golden Age of Infrastructure in the Philippines

BY ATTY. KAREN OLIVIA V. JIMENO, UNDERSECRETARY FOR
LEGAL AFFAIRS AND PRIORITY PROJECTS

In June 2017, Forbes declared the Philippines as the 10th fastest growing economy in Asia and the Duterte Administration is optimistic in maintaining, even surpassing, this standing.

The government is steadfast in ushering in the Golden Age of Infrastructure by one simple strategy – to Build, Build and Build.

The Department of Public Works and Highways, as the State's engineering and construction arm, is optimistic in making all these possible.

With P847.2 Billion budget in 2017, about 383 percent higher than the 2011 allocation of 175 billion pesos, DPWH pledges to provide vital infrastructure projects in the next five years to strengthen further the country's economic development.

This is in line with the economic initiatives of the administration, branded as Dutertenomics, which laid down President Duterte's plus (+) ten (10) point socio-economic agenda, three (3) programs directly concern the DPWH: to increase competitiveness and the ease of doing business; to accelerate annual infrastructure spending to account for five (5) percent of gross domestic product, with public-private partnerships playing a key role; and to promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism.

With the government planning to spend 8-Trillion pesos in the next five years, more public-private partnership programs will be rolled-out to further encourage private sector participation.

Master plans and roadmaps will be formulated and updated to ensure that implementation of programs and projects are harmonized.

The Road Network System will be upgraded to ensure road efficiency and connectivity. Widening of existing road networks will improve road capacity and provide environment-friendly infrastructure such as bike lanes and pedestrian lanes.

DPWH will implement more road projects that will open up the countryside and connect more areas to key markets.

More infrastructure for the education sector will be constructed to augment the deficit for classrooms especially with the implementation of the K-12 program.

Given the country's vulnerability to disasters and climate change, risk reduction and climate change adaptation strategies in infrastructure development will be given high priority. Flood Control and Drainage Master Plans for the 18 Major River Basins in the country will be updated and implemented.

Infrastructure-related researches will be given utmost priority to take advantage of the state-of-the-art facilities and breakthrough technologies available at this age.

The government is committed to just do it. The Duterte administration recognizes the need to Build, Build, Build. Build more roads and bridges, urban mass transport, airports & seaports, railways, and new and better cities.

The Department of Public Works and Highways is committed to support the government in making this possible to improve the quality of life for Filipinos. ■



PPP CENTER STRATEGIZES ON THE WAY FORWARD

BY THE PUBLIC-PRIVATE PARTNERSHIP CENTER OF THE PHILIPPINES

Faced with the administration's shift towards ODAs and use of public funds to finance infrastructure, the PPP Center (PPPC) is rebuilding its pipeline of projects by reaching out to other government agencies, government-owned and controlled-corporations (GOCCs) and local government units (LGUs) that are considering the PPP modality to deliver infrastructure projects. The Center's effort has led to the identification of potential PPP projects from agencies such as the Department of Information and Communications Technology (DICT), National Housing Authority (NHA), Bureau of Customs (BoC), Duty Free Philippines Corporation (DFPC), National Development Company (NDC), Cebu City, and other LGUs. These would be in addition to projects of traditional implementing agencies (IAs) that are still in the feasibility studies stage, unsolicited proposals, and to ODA and GAA financed projects where a private partner will take on the O&M.

The PPPC will further intensify its LGU PPP strategy to encourage more projects in the regions. A persistent challenge in the LGUs is the lack of capacity to develop projects and insufficient interest from investors and financiers in small scale projects. The political risk associated with the short life-span of LGU officials further negatively affects the bankability of such PPP projects. The Center is collaborating with the Asian Development Bank (ADB) to promote the use of the Asia Pacific Project Preparation Facility for the financing of project development. To make LGU projects more attractive to investors, the Center is studying how clustering of LGUs could effectively be done to increase project scale and how the availability payments

to the private party in a LGU PPP can be financed.

The Center is also taking steps to enhance the Philippine PPP program. In collaboration with other agencies, it continues to reform the program through a proposed PPP Act and other measures to achieve shorter project delivery times, enhanced competition, and sustained good governance. Among those that are being implemented or considered to shorten project cycles are the improvement of the project planning processes, the creation of standard provisions to address issues that commonly arise in PPP contracts, improved market sounding, adoption of project management tools, translating lessons from past implementations into improved processes, streamlined and standardized pre-qualification procedures, using the PPP Center as a procurement body, fast-tracking the issuance of permits, restricting the issuances of temporary restraining orders (TROs), institutionalization of the Project Development and Monitoring Facility (PDMF) and accelerating the acquisition of right-of-way.

The PPPC is looking into a proposal from various stakeholders to implement the practice of short-listing of qualified bidders to get more aggressive solicited bids. On the other hand, allowing implementing agencies to convert unsolicited proposals to a solicited project, giving more time for challengers to prepare their counter offer and replacing the "right to match" with "best and final offer" are among the reforms the Center is seeking to enhance competition in unsolicited proposal.

Good governance shall be sustained by including the institutionalization of the PPP Center and the PPP Governing Board in the PPP Act. A further improvement in governance is the disallowing of bodies with regulatory functions to enter into a PPP in a project that they are supposed to regulate.

With the massive infrastructure backlog in the country, engaging the private sector through PPP remains an effective strategy towards the success of the government's infrastructure agenda. ■



Ongoing construction of the Bulacan Bulk Water Supply PPP Project



廠煙冠皇

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INSIDE THE ECCP MANILA: EVENTS

JOINT FOREIGN CHAMBERS LUNCHEON MEETING WITH DENR SECRETARY CIMATU

In partnership with the American, Australia-New Zealand, and Canadian Chambers of Commerce Joint Membership Luncheon Meeting with the Department of Environment and Natural Resources (DENR) Secretary Roy Cimatu was held last 15 June 2017 at the Makati Shangri-La Ballroom. Secretary Cimatu expressed DENR's full support on implementation of the Renewable Energy Act of 2008, presented DENR's notable improvements in the implementation of the environment impact statement system, and discussed the issuance of tree cutting permits. During the open forum, issues on landfills, dumpsites, and responsible mining were addressed, giving emphasis on the signed resolution on Waste-to-Energy and on steps to ensuring a responsible mining industry. Over a hundred guests attended, with USec. Marlo Mendoza, USec. Jonas Leones, USec. Louie Jacinto, Gen. Mariano Chan, DENR Regional Director Jackie Caancan, NSWMC Secretariat Belly Cabeso, NWRB Executive Director Bill David, ECCP President Guenter Taus, and ECCP Executive Director Florian Gottein in attendance. ■



ECCP ANNUAL GENERAL MEMBERSHIP MEETING

ECCP held its Annual General Membership (AGM) Meeting last 16 June 2017 at the New World Makati Hotel. ECCP President Guenter Taus reported on the chamber's membership developments, sector committee activities, and upcoming events, while ECCP Acting Treasurer Vanessa Gosiengfiao reported on the financial status of the Chamber and priorities for 2017. During the AGM, Gerrard Paez from Sanofi, John Casey from Sonion, Martin Ruby from Deltadore, Reyner Villasenor from Syngenta, and Vanessa Gosiengfiao from Diageo were elected to the ECCP board directors for 2017-2019. During the second half of the program, there was a timely discussion on Comprehensive Tax Reform, with former UP School of Economics Dean Ramon Clarete delivering a presentation on tax reform for sustained and inclusive growth. Afterwards, Dr. Clarete was joined by Walter Van Hattum, EU Delegation Manila Head of Economic and Trade Section, and Jacques Reber, CEO of Nestle Philippines in a panel discussion moderated by Atty. Tony Abad. ■



JOINT FOREIGN CHAMBERS NETWORKING NIGHT

The Joint Foreign Chambers Networking Night was held at the Bellevue last 2 June 2017. ECCP Executive Director Florian Gottein, American Chamber of Commerce's Executive Director Ebb Hinchliffe and President Bruce Winton, Japanese Chamber of Commerce and Industry of the Philippines' President Hiroshi Shiraishi, Korean Chamber of Commerce of the Philippines' President Hoik Lee, and Australian - New Zealand Chamber of Commerce Philippines' Director Chris Ward were in attendance. The JFC networking night served as a platform for the Chambers to promote open trade, increase foreign investment, and improve businesses that will benefit the Philippines and the JFC members. Over 400 guests were in attendance. ■



WATER CHALLENGE FORUM 2017

The Water Challenge Forum held last 14 June 2017 at The Marriott Hotel brought together key stakeholders from the private and public sectors to address issues concerning Philippine water resources and discuss possible solutions to these challenges, with Senator Loren Legarda, EU Delegation Head of Trade & Economic Section Walter Van Hattum, and National Water Roadmap & Summit Secretary General Dr. Ernie Ordonez, delivering keynote addresses on the challenge averting a water crisis and creating a Department of Water Sanitation and Sewerage, EU perspective on promoting water cooperation, and the challenging pursuit for a roadmap for the Philippine Water Sector, respectively. Speakers from both the private and public sectors discussed on the looming water crisis and the need to provide for all, the country's degenerating water quality and the need to enforce wastewater management, flood waters and the need to promote water-sensitive urban planning and innovative water solutions. ■



INSIDE THE ECCP MANILA: EVENTS



ECCP Coffee Mornings: Keys to Success: Discovering Strengths-Based Development to Drive Best Performance

In May 31, 2017, Genevieve James, Human Performance professional and Gallup certified coach lead a timely and effective workshop among top business executives and managers. This month's coffee morning topic, Keys to Success: Discover Strengths-Based Development to Drive Best Performance enticed notable company representatives in enhancing personal development and teamwork through each person's unique traits based on Clifton Strengthsfinder, Gallup's online psychological assessment.

The dynamic workshop began with a collection of pictures that were distributed in each table. Each person had to choose whichever picture resonated with their personalities, and individuals volunteered to share their insights with the group. Notable participants like Bjorn Martinoff, CEO Executive Coach of Marshall Goldsmith Stakeholder Centered Coaching, chose a picture of a mother holding a baby as he emphasized the need to view the world with full of potential and growth. The workshop encouraged personal reflection and discussed the implications of knowing your individual strengths.

The strengths-based development is unique in its approach and outcomes by bridging an individual's talents and strengths with how they work with others. Leveraging strengths leads to affective trust, stability, and management. The participatory discussion highlighted the 5 Clues to Strengths: yearning, rapid learning, flow, glimpses of excellence, and satisfaction. Finding your strengths, excitement, and motivation determines future

actions. The strengths are categorized in 34 themes such as achiever, command, analytical, learner, and etc.

Strengths based approach to managing companies means knowing your team and employee's strengths thus having a more productive and engaged workforce. Moreover, there is positive impact regarding strengths-based development with clients as it heightened self awareness, opened up communication, and created a more collaborative environment in the workplace. According to Gallup's research, teams who use their Clifton strengths are 10%-19% more likely to be engaged in their jobs, 14%-29% increased profit, 14%-29% increased engaged employees, and had a 26%-72% lower turnover rate.

The Clifton Strengthsfinder's author and creator, Donald Clifton was commended by the American Psychological Association with a Presidential Commendation as the Father of Strengths-Based Psychology in 2003. The esteemed Strengthsfinder test can be taken online via <http://strengths.gallup.com/> or purchase the book, StrengthsFinder 2.0 by Tom Rath. Now, over 16 million individuals have taken the test.

Coffee mornings are held monthly by the ECCP and are designed to be a platform for business leaders to discuss issues on trade, investment, business opportunities, and management topics. This event is free for ECCP members, but open to non-members as well. ■

INSIDE THE ECCP MANILA: YOUNG PROFESSIONALS COMMITTEE

INTER-CHAMBER YOUNG PROFESSIONALS NETWORKING NIGHT

In partnership with the American, Australian, French, New Zealand, and Nordic Chambers of Commerce along with the Philippines-Netherlands Business Council, the second inter-chamber young professionals networking night was held last 19 July 2017 at the Century City Events Hall. Over 400 young professionals from the six partner chambers were in attendance for an evening of making new connections and strengthening existing relationships. Throughout the evening, raffle prizes courtesy of Auro Chocolate, Pedro Brewcrafters, Dusit Thani, Loudbasstard, Suntori, TAG Media, Trends & Concepts, Acceler8, Bambike, F&F, VMV Hypoallergenics, Electric Studio, Mireio, Discovery Primea, Raffles & Fairmont, Azumi Boutique Hotel, Alphaland City Club, i-Aicon, 210 Kitchen & Drinkery, Guava Pass, and Urban Ashram Yoga were given out to lucky winners.

For more information on future Young Professionals Committee events or for those interested to sponsor, e-mail ypc@eccp.com. ■





2017 EVENTS CALENDAR

AUGUST

Professional Presence for Women in Business Workshop

Aug. 8, 2017, Holiday Inn & Suites Makati

Multi-Generational Synergy Workshop

Aug. 16-17, 2017, New World Makati Hotel

YPC Learning Session: Crystalizing Your Business Idea

August 17, 2017, Acceler8 Coworking

Food & Beverage For All Forum

Date to follow

SEPTEMBER

Understanding Financial Reports

September 5-6, 2017

YPC Learning Session: Pitching & Branding for Startups

September 2017, Acceler8 CoWorking

ECCP Cebu Relaunch Event

September 19, 2017, Venue to Follow

Sustainable Agriculture Forum

Sep. 27, 2017, SMX Aura Convention Center

OCTOBER

Communicating with Diplomacy, Tact & Credibility

October 4-5, 2017

Healthcare For All Forum

October 10, 2017

YPC Learning Session: Transitioning from Launch to Growth

October 12, 2017, Acceler8 Co-Working

Mt. Pulag Climb for a Cause

October 13-15, 2017

EU-Philippines Business Summit

October 17, 2017, Shangri-La at the Fort

European Networking Night

October 17, 2017, Shangri-La at the Fort

Energy Smart Philippines

October 26, 2017, Shangri-La at the Fort

NOVEMBER

Energy Smart Visayas

November 7, 2017

YPC Learning Session: Networking for Dummis 2.0: Expanding Your Network

November 2017, Acceler8 CoWorking

ECCP Football Challenge

November 11, 2017, Laguna

Waste Management Forum

November 16, 2017, Marriott Manila

JFC Networking Night

October/November, Venue to Follow

Innovation in Infrastructure Congress

November 21, 2017, Shangri-La at the Fort

Sustainable Cities Forum

November 22, 2017

Energy Smart Mindanao

November 28, 2017

DECEMBER

YPC Member's Night & Christmas Party

December 2017

FOR MORE DETAILS, CONTACT
JRUNEZ@ECCP.COM OR VISIT OUR WEBSITE
WWW.ECCP.COM/EVENTLIST

INSIDE THE ECCP CEBU

11TH ECCP FOOTBALL CUP

BY CHARITY OH

A Harvard Business Review published research by Massachusetts Institute of Technology found that productivity can be predicted by how much engagement a team has outside their workstations and formal meetings. Socialization and networking are part of the solutions in company efficiency and peso productivity.

ECCP in its effort of enhancing high company performance and strengthening team rapport organized its 11th Football Cup 2017 open to both foreign and local companies alike, mixing the top and middle management for a friendly tournament.

This year in an unlikely comeback, the NKC Manufacturing Corporation who was immediately eliminated in 2016, emerged victorious with a 4-1 score for the Women's

Division. While Accenture triumphed against Timex Philippines, 2-0, in the Men's Championship.

The event was co-sponsored by Globe, real estate firm Vista (Philippine Access Realty and Brokerage Firm), insurance corporation Pacific Cross, auto rental company Fast Transit and clothing enterprise Habagat. ECCP also partnered with radio station iFM 93.9. The University of Cebu Medical Hospital provided the medical coverage. While food concessionaires from Virginia Food, Leylam Shawarma and Zagu completed the sports experience.

As the bright orange soccer balls sponsored by Sunsport came to a standstill, ECCP Cebu is already planning a year-end repeat of this athletic encounter. ■



UC K12 STUDENTS TOUR THE MATERIALS INNOVATION CENTRE - MATIC

BY CHARITY OH

“What are examples of intangible properties that belong to you?”

“Emotions,” replied one Grade 11 student. He was quite right, and the objective for the MATIC (Materials Innovation Centre) tour was to expose University of Cebu K12 students to the creative industry in a 2-part talk on the pivotal role of innovative materials, and the IP (Intellectual Property) Rights of innovators, like them.

Created under the DOST 7 and ECCP Materials R&D Program, MATIC serves as a repository of material swatches and resources. It is also a venue of inspiration for design industries, a link to materials and design experts, and an access point for sourcing technology suppliers. It is a haven for product developers, designers and students to touch, feel, and play around with materials.

According to WIPO (World Intellectual Property Organization), Intellectual Property refers to the creations of the mind, this includes from scientific and industrial inventions, to artistic and literary works, names and logos that are used in commerce, and even geographical indicators.



Emotions, intangible ideas and figments of the mind's eye; These can still be stolen and needs to be protected. Creating a culture of creativity should not ignore the protection of our idea generators. Because when the environment promoting creativity and innovation dies out, then improvements will cease. Simply put, Cebu will lose its creative edge.

So as the K12 students were introduced to innovative material applications, the students also understood that they can retain the right to decide how or where their designs or inventions can be used.

MATIC, as a repository of material swatches and books, opened the eyes of the eager learners of the treasures of both our local materials and Filipino ingenuity. They will never see a leaf or a stick in the same way again. ■

ECCP'S PIE: EQUIPPING PROFESSIONALS

BY CHARITY OH

Everyone carries a brand. Every person in the company has the ability to carry a professional brand standard wherever they go and whoever they interface with. Image does affect business quality.

ECCP set a four-hour activity on Professional Image Enhancement (PIE) last June 8 in training participants on Professional Image, people-interface management, overall impact and finessing the business meal.

The animated interactions included visual poise, power walks, including the appropriate dressing for one's industry, job category, geographic area and occasion, and discussed codes of conduct for a globally competent Filipino in the world stage.

The resource speaker, Ida Maria M. Castro, headed the PAL personality Development Division and served under PAL for 13 years; credited for propagating the safety and service culture of PAL as a Trainer of Pilots, Flight Attendants, Customer Service Agents. She also hosted in IBC Channel 13 for 4 years and was Best Newscaster Nominee in the Golden Dove Awards.

ECCP aims to enhance local companies' in leveling up to an international standard of competencies that will benefit the domestic as well as international economy. ■



INSIDE THE ECCP DAVAO

ECCP MOUNTS FOCUSED GROUP DISCUSSION FOR DAVAO'S HOSPITALITY INDUSTRY

The European Chamber of Commerce of the Philippines (ECCP) through its Davao office organized, together with SGS Philippines and Regus Philippines, a Focus Group Discussion (FGD) for the hospitality industry dubbed as The RoundTable: Shaping the Food Safety Culture last May 22, 2017 at Regus Topaz Tower, Lanang, Davao City.

Attended by the big players in Davao City's hospitality industry: Mr. Kennedy Kapulong of Seda Abreeza Hotel, Ms. Emelyn Mauhay-Rosales of Park Inn by Radisson, and Mr. Bryan Yves Lasala of Waterfront Insular Hotel, together with Regional Director Roberto Alabado III of Department of Tourism Region XI, and Ms. Generose Tecson of Davao City Tourism Office, with the lead of SGS, world's leading inspection, verification, testing and certification company, the discussion mainly centered on the overview of Republic Act 10611 or Food Safety Act of 2013. Also, SGS presented their existing Hospitality Excellence Program. ■



EUROPEAN UNION, ECCP RUN FORUM IN DAVAO ON DOING BUSINESS WITH EUROPE – OPPORTUNITIES FOR MINDANAO BASED COMPANIES.

Last May 12, a delegation from the European Chamber of Commerce of the Philippines and the European Union went to Davao to hold a forum on “Doing Business With Europe – Opportunities For Mindanao Based Companies.” Held at Seda Abreeza, esteemed guests and speakers were ECCP President Guenter Taus; ECCP Executive Director Florian Gottein; Flanders Investment and Trade (Embassy of Belgium) Commissioner Luc Fabry; Walter Van Hattum Head of Economic and Trade Section, European Union; and Lars Wittig, Country Manager, REGUS Philippines. Organized by the European Chamber of Commerce of the Philippines Davao, the forum aimed to bring to awareness to Mindanao-based companies that there are many opportunities to be made in doing business and partnering with European-based companies. Another special guest to the event was Mr. Romeo Montenegro, Assistant Secretary – Deputy Executive Director of the Mindanao Development Authority (MinDA) who shared with the audience the many plans and programs of the government for Mindanao that will further its growth and progress. The panel discussion was moderated by Mr. Antonio Peralta, Executive Director of the Foundation For Rural Enterprise And Ecology Development Of Mindanao (Freedom), Inc. ■



ECCP DAVAO BUSINESS FORUM AND NETWORKING NIGHT – DOING BUSINESS WITH EUROPE

The European Chamber of Commerce of the Philippines (ECCP) Davao held a business forum and networking event with a theme “Doing Business with Europe: Opportunities for Mindanao-based Companies” at the Seda Abreeza Hotel on May 12th. The event kick started ECCP Davao’s initiative to create business opportunities and build close economic relations between decision makers from key player industries in Mindanao and the European Union (EU).

Attendees of the said event were able to gain inside information and connections from guests and speakers including Walter Van Hattum, Head of Economic Trade Section of the EU Delegation, Luc Fabry, Commissioner of Flanders Investment and Trade (Embassy of Belgium), Guenter Taus, President of ECCP and Florian Gottein, Executive Director of ECCP.

In his opening salvo, Van Hattum remarked that “Mindanao was a place close to the EU’s heart and focus of development, peace and trade.” He emphasized the competency of the EU by noting its impressive track as one of the most competitive economies in the world due to its ambitious reforms.

In addition, although it has its challenges, the EU prides itself with its “social miracle of solidarity” translating into EU projects that transform economies worldwide; substantiating EU’s title of being the world’s largest donor of aid. ■



INSIDE THE ECCP CAGAYAN DE ORO

NORTHERN MINDANAO BUSINESS OPPORTUNITIES AND INVESTMENTS FORUM

The joint Cagayan De Oro Chamber, Mindanao Development Authority and ECCP held a Forum on the topic of Northern Mindanao Business Opportunities and Investments held at Grand Caprice Restaurant, Cagayan de Oro City last March 31, 2017.

Speakers in the forum were Italian Chamber Executive Director Lorens Ziller; Mr. Antonio Uy of PCCI; Datu Abul Khayr Alonto, Secretary of the Mindanao Development Authority; Emmanuel De Ghellink, Business Support Officer for EPBN, myself as representative of the ECCP; and Jibrael Datukan and Elmer Francisco of PEZA. The ECCP was invited to talk about European interests and opportunities in the region, specifically Northern Mindanao. ■



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INSIDE THE ECCP

ADVOCACY UPDATES

May

EPBN Food and Beverages Committee Meeting - 25 May 2017

The Committee discussions focused on the following:

- Philippine Platform for Consumer Health, Diet and Physical Exercise - EPBN was able to get support from DOH Usec. Bayugo in this initiative.
- E-registration & bandwidth capacity - It was agreed to revive the EPBN-FDA TWG to immediately address such issues concerning the aforementioned agency.
- Updates on Codex Alimentarius - The chair encouraged interested members to join the 40th Conference on Codex Alimentarius on July 17-22, 2017 in Switzerland.
- Food Safety - The committee agreed to organize a Food and Beverage Summit as an avenue to discuss industry issues like food safety in the country.
- Committee review on position paper inputs - Partners and members were encouraged to fill out the industry survey in order to gather their sentiments crucial in the development of the third Advocacy Papers.

EPBN Meeting with PPP Center Executive Director Ferdinand Pecson - 23 May

The EPBN Infrastructure and Transportation Committee met with PPP Center Exec. Dir. Pecson and his team on 23 May at the PPP Center in Quezon City. Important issues discussed were: (1) HB 5720 filed by House Speaker Pantaleon Alvarez which requires proponents of projects under the BOT law and the PPP program to seek franchises from Congress, (2) improvement of the PPP Program, (3) government's plan to use public funds over PPP, and use new hybrid funding system for infrastructure projects, (5) PCAB licensing for foreign contractors, and (6) updates on the PPP Projects/Pipeline.

Forum on Bringing Healthcare to Juan and Juana - 18 May 2017

On 18 May 2017, from the first forum in May 2016 and with its continued efforts to bring together experts and leaders in the field of healthcare, PHAP and its partners organized the second healthcare forum with the theme, "Bringing Health to Juan and Juana: Universal Healthcare in the Communities."

This year's forum is aimed at highlighting the role of the local governments in achieving better health for all Filipinos through providing primary health care. The forum was attended by representatives from the government, LGUs, industry associations, and academe, among others, to

promote and present discussions and recommendations to advance health in the national agenda.

The group heard speeches and received presentations from key health and government representatives; among which include PHAP Executive Director Teodoro Padilla, DOH Secretary Paulyn Ubial, DBM Secretary Benjamin Diokno, and Senator Ralph Recto.

QAMOC Hearing - 16 May

ECCP joined the Quality Affordable Medicines Oversight Committee (QAMOC) meeting last May 16 at the Philippine Senate. The QAMOC is tasked to monitor the implementation of the said law Universally-Accessible Cheaper and Quality Medicines Act.

The Committee discussed stakeholders' comments and views on the said law's implementation, as well as their recommendations on how access to affordable quality drugs and medicines for all can be better achieved.

The Pharmaceutical and Healthcare Association of the Philippines (PHAP) presented the industry's position which is very much in line with the ECCP's -- that mandatory price cuts should just be a reserve instrument and a temporary measure in the absence of effective competition.

As per PHAP's position paper, "studies revealed most of these medicines continue to be inaccessible to many Filipinos primarily due to poverty and the need for increased government support for financing medicines. The country's official poverty statistics showed that one in five Filipinos remains poor. Thus, no matter how low medicines are priced, they will still be out of reach for many Filipinos.

While it did not achieve intended health outcomes, the PHAP further notes that the government-mandated price reductions had undesirable effects, including reduced industry growth rates with probable implications on tax contributions. Several of our members were also compelled to scale down operations and cut jobs to cope with the financial impact of such reductions."

ECCP will continue to monitor this issue.

Consultation with Clark International Airport Corporation (CIAC) President Alexander Caguiran

Last Tuesday, the Joint Foreign Chambers (JFC) organized a consultation with CIAC President Caguiran and his team

at AmChall Hall, Corinthian Plaza Bldg. in Makati. Pres. Caguiran presented the updates on the full development of Clark International Airport (CRK) and encouraged airlines, air courier services and air freight service providers, aviation maintenance and training firms, and other member companies to invest or do business in CRK. Among the attendees were representatives from Cathay Pacific and Cathay Dragon, China Eastern Airlines, Delta Airlines, Milcon Gulf Group, Seair, and Asia Foundation.

JFC Meeting with Cong. Sarmiento

ECCP, together with the Joint Foreign Chambers, met Cong. Sarmiento and discussed the legislative priorities of the House Committee on Transportation and transport concerns which include airports, rail, roads, and seaports. JFC legislative priorities were also discussed. These points included Emergency Powers to address traffic and transportation crisis and the removal of conflicting functions of CAAP, which include CAAP law amendments, the creation of Philippine Airports Authority, and the creation of the National Transportation and Safety Board.

Bureau of Customs CMTA IRR Presentation - 3 May

Last Wednesday, Bureau of Customs Project Manager, Atty. Althea Acas, presented on the Customs Modernization and Tariff Act's (CMTA) implementing rules and regulations (IRR), with the objective of disseminating information and providing a platform for consultation on the amended Tariff and Customs Code of the Philippines.



June

Meeting with DoE Sec. Cusi

Last Friday, 16 June 2017, the ECCP along met with the Department of Energy Secretary Alfonso Cusi to discuss important issues related to the energy sector.

Luncheon Meeting with DENR Sec. Cimatú

Last Thursday, 15 June 2017, the ECCP along with other foreign chambers, invited the newly appointed DENR Secretary Roy Cimatú to a luncheon meeting to discuss the

department's agenda and priorities under his leadership.

- Clean & Green Energy. The DENR fully supports the DOE in the implementation of the Renewable Energy Act of 2008 and has been actively promoting the deployment of clean and green energy sources
- DENR's role in facilitating issuance of environmental clearances for investors. The Department recently introduced some notable improvements in the implementation of the environment impact statement system as well as processing and issuance of tree cutting permits.
- Waste-to-energy and addressing the issues of landfills and dumpsites. In 9 June 2016, Under the National Solid Waste Management Commission, the Resolution on Waste-to-Energy (WTE) was signed, which provides for the guidelines on WTE technologies and standards. Currently, a Department Administrative Order for waste-to-energy burn technologies as a mode of waste disposal is being crafted.
- Water resources management in the Philippines. To address the problems in water resources management, the DENR through the National Water Resources Board is initially focusing on 2 major concerns: (1) Governance, and (2) the lack of science-based data and information for planning and decision making. There is also an ongoing initiative towards a Comprehensive National Plan.
- Ensuring responsible mining. To ensure a responsible minerals industry, mining contractors were required to be ISO14001 compliant. It is also notable that the Philippines is now a candidate country to the Extractive Industries Transparency Initiative. The DENR has submitted the 3rd year report which is now undergoing the validation by the International EITI Secretariat.

Comprehensive Tax Reform Discussed at the ECCP AGM

During the Annual General Membership Meeting last Friday, 16 June 2017, members of the academic and private sector had a discussion on Tax Reform for Sustained and Inclusive Growth. Below are the highlights of the discussion which was kicked off by former UP School of Economics Dean Mr. Ramon Clarete, who delivered a presentation on the tax reform, followed by a panel discussion with Mr. Walter Van Hattum, Head of Economic and Trade Section of the EU Delegation to the Philippines, Mr. Jacques Reber, Nestlé Philippines CEO, and moderated by Mr. Tony Abad. ■



BUSINESS OPPORTUNITIES

THE PHILIPPINE BOARD OF INVESTMENTS HAS LISTED THE FOLLOWING PROJECTS FOR JOINT VENTURES:

Food Processing Plant
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Fruit Processing Plant
Passi City, Iloilo

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Passi City, Iloilo

Property Development Project
Passi City, Iloilo

Sports Academy Project
Passi City, Iloilo

Convention Center Project
Legazpi City, Albay

Reclamation Project
Legazpi City, Albay

Retirement Village cum
Business Resort
Legazpi City, Albay

Redevelopment of Gen San City
Central Public Market
General Santos City

Integrated Food Terminal
with Abattoirs
General Santos City

Designs and Innovation Center
Freeport Area of Bataan
Bataan Province

Construction / Operation of a
Barging System / Service
Freeport Area of Bataan,
Bataan Province

Fabric / Accessories Park
Freeport Area of Bataan,
Bataan Province

FAB Manufacturing Estate
Freeport Area of Bataan,
Bataan Province

Electronic Components
Manufacturing / High Value
Product Manufacturing
Subic Bay Freeport Zone,
Zambales

Industrial Estate Development
Redondo Peninsula
Subic Bay Freeport Zone,
Zambales

Ship Repair Facility
Redondo Peninsula
Subic Bay Freeport Zone,
Zambales

Manufacturing, Electronics /
Semiconductor, ICT/BPO
Clark Development Corporation
Clarkfield, Pampanga

Coconut Water Production
Facility
Zamboanga City Special
Economic Zone Authority,
Zamboanga City

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ERRATUM

In cover story of the March - April issue of the Euro-PH Connect
entitled "A Situationer on the Philippine Medical Tourism
Industry", the passage featuring the Makati Medical Center was
regrettably misprinted. Below is the correct passage:

At Makati Medical Center (MakatiMed), initiatives such as the MMC HealthHub, a focal point for health services which can tailor fit health care needs of each patient and refer to the roster of board-certified specialists. The MMC HealthHub is staffed by well-trained Executive Liaison Officers who personally guide and assist the patients through every step of the pre-planned medical itinerary. When asked regarding how they see the future of medical tourism in the Philippines, Ms. Arlyn Songco, VP for Marketing & Sales Services shares that "The ASEAN Integration presents challenges to the medical industry, but it also presents opportunities to further enhance our medical services and continue to elevate the skills and competence of our clinical and allied healthcare staff to be competitive with our more advanced neighbors, but maintain affordable medical care. (Ultimately) increasing the Philippines' market share will have significant positive impact on our economy and the economic welfare of Filipinos."

We apologize for this oversight.

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Filipinas Multi-Line Corporation started in 1986 in the midst of growth in the construction industry that followed the EDSA revolution. Its first line of business was the distribution, design and installation of building systems.



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