

**PRESIDENT FERDINAND ROMUALDEZ MARCOS JR.'s
SPEECH AT THE INDO-PACIFIC BUSINESS FORUM**

Shangri-La The Fort, Taguig City
May 21, 2024

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Thank you all. Thank you, Trade and Industry Secretary Fred Pascual.

Please take your seats.

The Excellencies of the Diplomatic Corps; US Trade and Development Agency Director Enoch Ebong; the Bureau of East Asia and Pacific Affairs Assistant Secretary Daniel Kritenbrink; the honorable members of the Cabinet that are here present with us today; honorable members of the Senate and the House of Representatives of the Philippines; all the participants and I believe there is a fair number of you, there's 740 more or less attendees to this which is -- - gives us a very fine cross section of the business and government agencies and entities that have an interest in what we are going to be doing here in this Indo-Pacific Business Forum; other distinguished guests; ladies and gentlemen. Good morning.

It is an honor to address you today at the 6th Indo-Pacific Business Forum, a testament to our collective vision for a resilient and prosperous Indo-Pacific region.

Through this Economic Framework, 14 partner nations have embarked on a transformative journey, aiming to foster sustainable and inclusive economic growth. This forum's success is particularly significant, as it precedes the inaugural IPEF Clean Economy Investor Forum in Singapore this June.

The key themes we are discussing today — clean energy, digital transformation, supply chain resilience, infrastructure, emerging technologies — are at the heart of the IPEF agenda. These areas represent the pillars of our shared future, driving energy security, decarbonization, digital trust, robust supply chains, and of course, technological innovation.

The recent U.S. Presidential Trade and Investment Mission further solidified our commitment to deeper economic ties. We sought greater participation in global value chains, increased foreign direct investments, and a sustained robust economic growth, recognizing that an economically strong Philippines will be a valuable ally in the region.

The Philippines' co-hosting of the 6th IPBF reaffirms our dedication to stronger stakeholder engagement and to deeper economic ties that are worker-centered, sustainably driven, inclusive, and targeted towards meaningful economic activity for all our countries.

This forum provides a platform to showcase our investment opportunities, economic potential, and ongoing development projects, solidifying our leadership role in the Indo-Pacific region.

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As the Philippines occupies a strategic position in the Indo-Pacific, we are leveraging our strategic geopolitical location, economic engagements, and participation in regional agreements.

With this region accounting for over one-third of global economic activity, this presents immense opportunities for our nation. We are proud to be a major contributor, with our GDP ranking amongst the fastest-growing in the region, coupled with our burgeoning population, and significant trading outputs.

I am proud to share that our economic achievements have been outstanding in the last— in 2023. The Philippines' 5.5 GDP growth surpassed major economies in Asia based on the latest available data. Foreign direct investment continues to flow in, with four consecutive months of expansion.

Our investment pledges have also soared, reflecting a healthy pipeline of inward FDI. Notably, IPEF partner countries play a significant role in our robust economic growth, contributing substantially to our FDI and other approved investments. Through these economic strengths, we aspire to transform the Philippine economy into a regional hub for smart and sustainable manufacturing and for services.

On April 11, 2024, we discussed one of the most important collaborations amongst our IPEF partner countries: the Luzon Economic Corridor. Given Luzon, our northernmost and largest and most economically active island in the Philippines --- given Luzon's critical status as the host of most of the Philippines' export manufacturing and high-technology industries, upgrading infrastructure in this area is essential. These enhancements are crucial for

empowering the workforce and facilitating the smooth flow of goods and services.

We have earmarked key projects to spur growth in the Luzon Economic Corridor, creating strategic connections between Subic, Clark, and the CALABARZON region, a prime location for export-manufacturing firms. These initiatives will enhance freight transport services, mobility, and access to key economic zones, ensuring business continuity and positioning the Philippines as a regional hub for agribusiness and logistics in the Asia-Pacific.

Our renewable energy potential, with over 491,821 megawatts from sources like geothermal, hydropower, solar, and wind, is ready to be harnessed.

Recent amendments to our Renewable Energy Act allow 100 percent foreign ownership of RE resources, making us an attractive destination for clean energy investments.

We intend to tap this vast potential as we target to increase the share of renewables in our power generation mix from the current 22 percent to 50 percent by the year 2040.

Since the Covid-19 pandemic and other socio-political concerns exposed the vulnerabilities of supply chains, we also emphasize the need for diversification and for resilience.

As mentioned, we are focused on developing priority industries like electronics, semiconductors, critical minerals, and we want to attract investments that generate employment, and strengthen our position in the global value chain.

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The Philippines is also embracing digital transformation, with a government-led strategy to enhance digital infrastructure, connectivity, and business facilitation. With micro, small, and medium enterprises at the heart of the Philippine economy and for that matter at the heart of the economies in the Indo-Pacific, we equip them with necessary tools to become a sustainable business.

We believe that Indo-Pacific investors have the potential to contribute significantly to the expansion of such businesses. The Philippines also offers a strategic location with a robust experience and record in the IT-BPM competencies and a strong direction towards upgrading Business Process Outsourcing into Knowledge Process Outsourcing such as market intelligence, business analytics, legal services, and AI, amongst others.

Furthermore, the Philippines can serve as a platform for companies to access the more than 600 million-strong Southeast Asian consumer market. Our proximity to these growing economies can allow them to enter other supply chains and be part of inter-country economic systems, creating more opportunities for collaboration and for partnership.

Our "Build Better More" infrastructure program, encompassing 185 priority projects worth 9.5 trillion Philippine pesos, is set to transform our nation's infrastructure landscape. These projects contribute to our goal to be the next logistics hub in Asia.

But achieving this requires a whole-of-nation approach, particularly private investments. Therefore, we invite foreign investors to participate in this endeavor through public-private partnerships, engineering, procurement, and construction contracts, and for feasibility studies, as well.

With the Public-Private Partnership Code, we have accelerated the delivery of critical projects, fostering economic growth, and enhancing the quality of life for all Filipinos. This landmark legislation makes collaboration between the government and the private sector even more efficient.

Additionally, the recent establishment of the Maharlika Investment Fund, our sovereign wealth fund, demonstrates our strong commitment to strategically invest in key sectors that will accelerate national development. This fund plays a vital role in financing critical infrastructure projects, stimulating economic growth, and generating long-term returns for the benefit of all Filipinos. By mobilizing resources and attracting private capital, the Maharlika Fund will be pivotal in our goal of creating more opportunities for future generations.

Let us now talk about transportation. While we have not yet reached the point of seamless smart transportation, we are not standing still either. We have a wide range of programs and projects underway, all aimed at making our transport systems more efficient and our cities smarter.

At the heart of this effort is our National Transport Policy. This policy recognizes the crucial role that transportation plays in our socio-economic development. This is about enabling inclusive and sustainable growth and helping us achieve our broader national goals.

Since this program requires a coordinated effort, agencies such as the Department of Public Works and Highways, the Department of Transportation, and the National Economic and Development Authority are

working together to develop and implement transportation projects that truly meet the needs of the Filipino people and of the Philippine economy.

We are investing in everything from roads and railways to ports, airports, all intending to create a transport network that is safe, efficient, and accessible to everyone. Such are the lessons learned from the pandemic.

We are also embracing new technologies to make our transport systems smarter, more responsive to changing needs. There is a long way to go still, but we are committed to making the Philippines a leader in smart and sustainable transportation. And we believe that with the right investments and partnerships, we will achieve that goal.

In terms of legislation, we are committed to creating a conducive business environment. Our game-changing reforms such as the Corporate Recovery and Tax Incentives for Enterprises or CREATE Act, and initiatives like the Ease of Doing Business Act and the Green Lanes for Strategic Investments Executive Order, underscore this determination to attract and to support foreign investments.

Significantly, there is now in --- upcoming in the pipeline the CREATE More Act which represents a significant leap forward as we expand and refine the incentives introduced under the original CREATE Act. Through this, we are making the Philippines even more attractive for investments, both local and foreign.

With CREATE More, we enhance the existing incentives by widening the range of eligible activities and providing greater flexibility in the application process. Additionally, it streamlines administrative procedures, reducing bureaucratic hurdles, making it easier for businesses to access such benefits.

Through these reforms, we assure you that the Philippine government is fully committed to supporting and facilitating your business endeavors in our country. We extend our hand in partnership and stand ready to provide any assistance that you may require as you navigate the business landscape of the Philippines.

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And last but not least, we are also at the forefront of actively promoting the Philippines as a prime investment destination through strategic partnerships such as Free Trade Agreements and the Generalized System of Preference, ensuring that investors in the Philippines benefit from such preferential market access.

Through our ties with different countries, our nation enjoys access to various markets, including the ASEAN market, the Regional Comprehensive Economic Partnership, the Philippines-Japan Economic Partnership Agreement, amongst others.

These agreements underscore our commitment to fostering economic growth and international cooperation. With RCEP, investors can access other markets from RCEP countries by manufacturing and exporting their products from the Philippines. It is important as well not just to be physically in the right location, but also to have access to other markets by way of FTAs and other tools.

The Philippines is one of the best countries when it comes to all of these. Allow me to wear my salesman's hat for a little bit.

Before I end, I want to emphasize, the Philippine economy is not only growing, but I should say it is also thriving. In fact, we are one of the fastest growing economies in the world, we are committed to fostering and continuing this momentum. We are continuing to formulate transformative reforms to ensure a conducive business environment, cultivate a skilled and competitive workforce to drive industrial transformation. Through these steadfast efforts, we are attracting foreign investments that are not only fueling our growth, but also broadening our economic base.

As we forge international collaboration and trade agreements, we create stronger economic ties with nations across the globe. Therefore, I am confident to be able to say that the Philippines stands at a pivotal moment in its economic journey.

We remain at the forefront of ensuring collaboration, innovation, and a shared vision for a prosperous Indo-Pacific region.

Together, we can unlock unprecedented opportunities for growth and for development. So, we invite you to join us in this exciting journey and together let us make it happen in the Philippines!

Thank you very much and good morning. [applause]

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