

**PGMA's Speech during a Luncheon hosted by the Empire Club and the Canadian Club of Toronto**  
*Ballroom, Fairmont Royal York Hotel, Toronto, Canada (30 Jan 2002)*

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THANK YOU.

THANK YOU VERY MUCH, MR. ... FOR YOUR KIND INTRODUCTION.

SECRETARY OF STATE ...; GORDON MCKYVER, PRESIDENT OF THE CANADA CLUB OF TORONTO; MR. WO, VICE CHAIRMAN OF INTERNATIONAL BANKING AND WEALTH MANAGEMENT OF ...; HONORABLE BRENDA ELLIOT; MY COLLEAGUES IN THE PHILIPPINE DELEGATION WHO ARE HERE IN THE HEAD TABLES: SENATE PRESIDENT PRO TEMPORE MANNY VILLAR, SENATOR RALPH RECTO, CONGRESSMAN ALIPIO BADELLES, CONGRESSMAN PLARIDEL ABAYA, CONGRESSMAN EDMUNDO REYES, CONGRESSWOMAN CYNTHIA VILLAR; AMBASSADOR BENEDICTO, AMBASSADOR COLETTE, CONSUL GENERAL CASTRENSE. AND MAY I ALSO INTRODUCE OUR OFFICIALS WHO ARE NOT IN THE HEAD TABLE, WE HAVE THE GOVERNOR OF THE AUTONOMOUS REGION OF MUSLIM MINDANAO PAROUK HUSSIN; THE GOVERNOR OF BULACAN PROVINCE, JOSIE DELA CRUZ; THE GOVERNOR OF QUEZON PROVINCE, WILLY ENVERGA; THE CITY MAYOR OF ANTIPOLLO, LITO GATLABAYAN; MY CABINET MEMBERS AND OTHER OFFICIALS; OTHER GUESTS IN THE THREE HEAD TABLES; LADIES AND GENTLEMEN:

YESTERDAY, I HAD A PRODUCTIVE AND MEANINGFUL DAY IN OTTAWA. PRIME MINISTER CHRETIEN AND I AGREED THAT THIS IS A GOOD TIME TO EXPAND OUR TRADE AND INVESTMENT RELATIONS.

AND TODAY, THANK YOU FOR THIS OPPORTUNITY TO SPEAK AT THIS PRESTIGIOUS FORUM WITH SUCH A LONG AND DISTINGUISHED HISTORY MORE THAN A HUNDRED YEARS OLD. MANY WORLD LEADERS OF THE LIKES OF WINSTON CHURCHILL HAVE HAD THE PRIVILEGE OF ADDRESSING THE MEMBERS OF BOTH THE EMPIRE CLUB AND THE CANADIAN CLUB OF TORONTO OVER THE YEARS. AND CONSIDERING THE STRONG AND FRIENDLY RELATIONS BETWEEN CANADA AND THE PHILIPPINES, I AM NOT SURPRISED TO HEAR FROM BILL LAIDLO THAT AMONG THE WORLD LEADERS WHO HAVE SPOKEN BEFORE THIS FORUM ARE MY TWO PREDECESSORS, PRESIDENT CORAZON AQUINO AND PRESIDENT FIDEL RAMOS. PRESIDENT AQUINO SPOKE HERE MANY, MANY YEARS AGO AND SO DID PRESIDENT RAMOS, BUT I AM ALSO VERY GLAD TO HEAR FROM GORDON MCKYVER THAT FOR A LONG TIME NOW THIS CROWD HAS BEEN THE MOST SELL-OUT CROWD THAT THEY HAVE HAD IN THIS CLUB. AND I THANK YOU VERY MUCH FOR YOUR SUPPORT.

OUR INTERACTION IS INDEED MEANINGFUL ESPECIALLY TODAY. TODAY WE ARE STRONG ALLIES IN THE FIGHT AGAINST TERRORISM AND IN THE FIGHT AGAINST POVERTY. THE PHILIPPINES HAS A SPECIAL BOND WITH CANADA ARISING FROM OUR OVER 300,000 FILIPINOS WHOM CANADA HAS WELCOMED AS IMMIGRANTS. AND OF THE 300,000, 150,000 ARE HERE IN TORONTO.

OUR ECONOMIC RELATIONS ARE DEEP, SOLID, AND ROBUST.

PRIME MINISTER CHRETIEN ACCOMPANIED HIS TEAM CANADA BUSINESS DELEGATION IN JANUARY OF 1997, WHERE AT THAT TIME 31 MILLION DOLLARS IN COMMERCIAL CONTRACTS AND 469 MILLION DOLLARS IN BUSINESS AGREEMENTS WERE SIGNED. IN NOVEMBER OF THAT YEAR, THE TEAM PHILIPPINES BUSINESS DELEGATION VISITED CANADA AND A TOTAL OF 1.4 BILLION DOLLARS-WORTH OF AGREEMENTS WERE SIGNED.

SINCE THEN, PHILIPPINE-CANADIAN BUSINESS RELATIONS HAVE CONTINUED TO GROW EVEN MORE.

TOTAL TRADE BETWEEN OUR TWO COUNTRIES REACHED 1.2 BILLION DOLLARS IN THE YEAR 2000, AN INCREASE OF 45 PERCENT OVER 1997. AND LAST MONTH, SNC LAVALIN, ONE OF CANADA'S LEADERS IN ENGINEERING AND CONSTRUCTION, SIGNED AN IMPLEMENTATION AGREEMENT WORTH ONE BILLION DOLLARS TO FINANCE, DESIGN AND CONSTRUCT A LIGHT RAIL TRANSIT EXTENSION TO THE SUBURBS OF MANILA, TO THE DISTRICT OF CONGRESSMAN PLARIDEL ABAYA. THE DEAL REPRESENTS ONE OF THE BIGGEST AGREEMENTS SIGNED IN PHILIPPINE-CANADIAN HISTORY.

AND THERE IS MORE IN STORE FOR OUR ECONOMIC RELATIONS.

SINCE I ASSUMED THE PRESIDENCY A YEAR AGO, WE HAVE MADE PROGRESS. WHERE BIGGER AND RICHER ECONOMIES FAILED, OURS HAS MOVED FORWARD. OUR GROSS DOMESTIC PRODUCT GREW 3.4 PERCENT IN 2001 AND OUR GROSS NATIONAL PRODUCT INCREASED 3.7 PERCENT, ONE OF THE HIGHEST GROWTH RATES IN THIS WORLD TODAY WHERE MANY COUNTRIES ARE SUFFERING FROM RECESSION.

AND WHERE BIGGER AND STRONGER CURRENCIES COLLAPSED, OURS HAS HELD FIRM, EVEN THOUGH, AS THE IMF ACKNOWLEDGES, I AM THE ONLY PRESIDENT WHO ASSUMED OFFICE FOLLOWING A PERIOD OF POLITICAL AND ECONOMIC TURMOIL WHO DID NOT ASK FOR AN IMF PROGRAM.

INDEED, WE HAVE GONE A LONG WAY TO BRINGING OUR COUNTRY BACK ON THE RADAR SCREENS OF THE WORLD. A NEW CABINET, PICKED AS MUCH FOR THEIR INTEGRITY AS FOR THEIR COMPETENCE AND QUALIFICATIONS, HAS BROUGHT PROFESSIONALISM IN PUBLIC SERVICE TO NEW HEIGHTS. THIS PROFESSIONALISM IN MY CABINET IS ILLUSTRATED BY THE FACT THAT IN MY CABINET THERE ARE SEVEN HARVARD GRADUATES, THREE WHARTON ALUMNI, AND FOUR VETERANS OF WALL STREET. SOMETHING THAT I THINK VERY FEW GOVERNMENTS CAN EQUAL.

AND MUCH OF WHAT THE WORLD'S INVESTMENT COMMUNITY HAS ASKED OF US, WE HAVE THUS FAR DELIVERED. THE POWER BILL AND THE MONEY LAUNDERING ACT, LONG CONSIDERED LITMUS TESTS OF OUR POLITICAL WILL TO LEGISLATE REFORMS, WERE PUT INTO LAW DURING MY PRESIDENCY, FIRMLY OVERCOMING YEARS OF DELAY. IN FACT JUST BEFORE WE CAME TO CANADA THE IMPLEMENTING RULES AND REGULATIONS FOR THE PRIVATIZATION OF THE POWER SECTOR UNDER THE POWER REFORM LAW WERE PASSED SO THAT WE CAN BEGIN THE ROAD SHOWS TO PRIVATIZE OUR POWER SECTOR. AND THE CHAIRMAN OF THE HOUSE COMMITTEE WHO WORKED ON THOSE IMPLEMENTING RULES IS WITH US HERE TODAY, CONGRESSMAN ALIPIO BADELLES. OUR PUBLIC DEFICIT HAS BEEN PLACED UNDER CONTROL. INTEREST RATES AND INFLATION RATES HAVE DECLINED. INTEREST RATES ARE AT THEIR LOWEST IN THE LAST 15 YEARS.

EVEN RECENT UNEMPLOYMENT RATES HAVE SHOWN DECLINE. FROM 11.6 PERCENT WHEN I ASSUMED THE PRESIDENCY A YEAR AGO, IN NINE MONTHS WE WERE ABLE TO BRING IT DOWN TO 9.8 PERCENT. AND WE INTEND TO BRING IT DOWN EVEN MORE THIS YEAR.

LEADING INTERNATIONAL CREDIT RATING AGENCIES AND MULTILATERAL BODIES SUCH AS NEXI, JBIC OF JAPAN, THE WORLD BANK, AND THE ASIAN DEVELOPMENT BANK HAVE ALL RESPONDED TO OUR ECONOMIC PERFORMANCE BY ENDORSING OUR ENHANCED CREDIT WORTHINESS. J.P. MORGAN REPORTS THAT THE PREVAILING DECLINE IN RISK AVERSION HAS ALLOWED THE CONTINUOUS IMPROVEMENT IN ECONOMIC FUNDAMENTALS IN THE PHILIPPINES TO FINALLY SHINE THROUGH.

EVEN THE LESS COMPLIMENTARY SALOMON SMITH BARNEY IN ITS JANUARY TO FEBRUARY 2002 CREDIT RESEARCH SAYS: "INCREASING RISK APPETITE IN 2002 SHOULD FAVOR THE PHILIPPINES AMONG ASIAN SOVEREIGNS."

"WE EXPECT THE PHILIPPINES,' THEY SAY, "THE PHILIPPINES RATINGS TO STAY ON THE BALANCE IN 1H02."

SALOMON SMITH BARNEY CHARACTERIZES THE PHILIPPINES AS "GAINING MOMENTUM."

IT RECOGNIZES THAT "ECONOMIC GROWTH HAS BEEN RESILIENT LARGELY THANKS TO STRONG PERSONAL CONSUMPTION AND SOME WELL-PERFORMING AGRICULTURE AND SERVICES SECTORS ... THIS COULD BE BOLSTERED BY THE GOVERNMENT'S GROWING CREDIBILITY IN THE EYES OF FOREIGN INVESTORS ... GIVEN THE GOVERNMENT'S COMMENDABLE PERFORMANCE IN 2001, WE EXPECT IT SHOULD STAY CLOSE TO ITS MORE DIFFICULT TARGETS IN 2002."

THEY PROBABLY BASED THEIR EVALUATION ON OUR FIRST SEMESTER GROWTH WHICH WAS CONSUMPTION-LED. AND I THINK THAT THE ANALYSIS WOULD HAVE EVEN BEEN MORE UPBEAT NOW THAT IT IS CLEAR THAT OUR FULL-YEAR GROWTH WAS INVESTMENT-LED RATHER THAN CONSUMPTION-LED BECAUSE INVESTMENT-LED GROWTH IS MORE SUSTAINABLE. INVESTMENT-LED INDEED WAS OUR GROWTH WITH OUR DOMESTIC CAPITAL FORMATION RISING 4.3 PERCENT

AMIDST A WORLD WHERE THERE IS DISINVESTMENT IN MANY ECONOMIES.

AND AS FOR SALOMON'S STATEMENT REGARDING WELL-PERFORMING AGRICULTURE AND SERVICE SECTORS, I AGREE WITH THE ADJECTIVE WITH REGARDS TO OUR AGRICULTURAL SECTOR, WHICH GREW 3.9 PERCENT IN 2001. BUT I THINK THE WORD "WELL-PERFORMING" IS MILD WITH REGARD TO OUR SERVICE SECTORS, WHERE THERE WAS A 20.5 PERCENT GROWTH IN TELECOMMUNICATIONS AND 7.9 GROWTH IN BUSINESS SERVICES, WHICH INCLUDES I.T. SERVICES.

THE HIGH GROWTH OF OUR HUMAN RESOURCE-INTENSIVE, SKILLS-INTENSIVE SERVICE SECTORS LIKE I.T. DEMONSTRATES THAT THE PHILIPPINES IS THE HOME OF THE GREAT FILIPINO WORKER. WE ARE THE THIRD LARGEST ENGLISH SPEAKING COUNTRY IN THE WORLD. AND THIS GREAT FILIPINO WORKER YOU KNOW THEM BECAUSE 300,000 OF THEM ARE IN CANADA. WE HAVE A WORKFORCE THAT IS I.T.-LITERATE AND MULTI-SKILLED. WE HAVE A LARGE LABOR POOL WITH AN EDUCATIONAL SECTOR CHURNING OUT 400,000 COLLEGE GRADUATES PER YEAR, 40,000 OF THESE BEING KNOWLEDGE WORKERS LIKE ENGINEERS AND I.T. PROFESSIONALS. FILIPINO PROFESSIONALS ARE KNOWN FOR HAVING THE FASTEST LEARNING CURVE OF ONLY ABOUT SIX WEEKS TO LEARN TECHNICAL SKILLS.

WITH ITS HIGHLY SKILLED AND HIGHLY TRAINABLE LABOR FORCE, THE PHILIPPINES IS AN IDEAL OUTSOURCING PARTNER FOR I.T. SERVICES. WE HAVE ALREADY ENACTED AN E-COMMERCE LAW, A FIRST IN ASIA. THIS LAW REGULATES THE USE OF ELECTRONIC TECHNOLOGY AND PENALIZES CYBERCRIMES SUCH AS HACKING, AND THERE ARE MORE BILLS TO PROMOTE INFORMATION TECHNOLOGY IN THE PIPELINE TO ADDRESS OTHER SECURITY ISSUES AND ALSO THE ISSUE OF CONVERGENCE. I AM PLEASED TO ANNOUNCE THAT THE PHILIPPINES WILL BE HOSTING E-SERVICES PHILIPPINES, A MAJOR I.T. SERVICES FAIR, NEXT MONTH IN MANILA. AND I WOULD LIKE TO INVITE OUR CANADIAN FRIENDS TO VISIT THIS FAIR.

WE WANT TO MAKE THE PHILIPPINES A WELCOME AND SAFE PLACE FOR OUR INVESTORS. TO PROMOTE URBAN PEACE AND ORDER, THE PHILIPPINE NATIONAL POLICE LAST MONTH INCREASED ITS VISIBILITY BY HIRING 1,700 NEW POLICEMEN, ALL COLLEGE GRADUATES, ALL HIGHLY PROFESSIONAL.

WE ARE DETERMINED TO PROMOTE EFFICIENT AND TRANSPARENT GOVERNANCE. UNDER THE LEADERSHIP OF MY CABINET MEMBERS, GOVERNMENT AGENCIES ARE IMPLEMENTING MEASURES TO CUT IN HALF THE NUMBER OF SIGNATURES REQUIRED FOR THE DELIVERY OF SERVICES SUCH AS LICENSES, PERMITS, REGISTRATION AND FRANCHISES.

AND OUR LOCAL GOVERNMENTS -- FOUR OF THE LEADERS ARE HERE TODAY TO REPRESENT THE LOCAL GOVERNMENTS -- HAVE LIKEWISE AGREED TO STREAMLINE AND SLASH RED TAPE IN ORDER TO PROVIDE SEAMLESS EFFORTS BETWEEN NATIONAL AND LOCAL GOVERNMENTS TO BE INVESTOR-FRIENDLY.

LET US FOCUS ON SOME EXAMPLES OF TRADE AND INVESTMENT SECTORS THAT OFFER THE BRIGHTEST OPPORTUNITIES FOR CANADIAN BUSINESSMEN.

AS I MENTIONED EARLIER, WE ARE PROMOTING FAST-GROWING INDUSTRIES WHERE HIGH-VALUE JOBS ARE MOST PLENTIFUL AND WHICH CAN USE OUR MOST COMPETITIVE RESOURCE -- THE GREAT FILIPINO WORKER -- AND THAT IS INFORMATION TECHNOLOGY BEING A PRIMARY EXAMPLE. IN THE AREA OF TELECOMMUNICATIONS WHERE I MENTIONED WE ARE GROWING AT THE RATE OF 20 PERCENT, WE ARE PROMOTING INVESTMENTS IN PHYSICAL INFRASTRUCTURE FOR HIGH-SPEED CONNECTIVITY AT LOW COST. WE ARE ALSO ESTABLISHING MUNICIPAL TELECOMMUNICATIONS CENTERS, AND WORKING WITH MOBILE PHONE PRODUCERS TO DISPERSE CELL SITES TO MAKE THEIR SERVICES AVAILABLE ALL OVER THE COUNTRY. THE PHILIPPINES HAS 7,100 ISLANDS, AND THIS CERTAINLY OFFERS SOLID OPPORTUNITIES FOR WIRELESS TELECOMMUNICATIONS INFRASTRUCTURE.

TOURISM IS ALSO A GROWING SECTOR IN THE PHILIPPINES BECAUSE IT IS ALSO HUMAN RESOURCE INTENSIVE, SKILLS-INTENSIVE. AND WE ARE DEVELOPING ECO-TOURISM AND BEACH TOURISM SITES AND PROJECTS.

RELATED NOW TO AGRIBUSINESS, WHERE IN AGRICULTURE WE GREW 3.9 PERCENT -- A HEALTHY AGRICULTURE GROWTH RATE COMPARED TO MANY OTHER COUNTRIES IN THE WORLD TODAY --

IN AGRIBUSINESS MY ADMINISTRATION IS COMMITTED TO BRING ABOUT COUNTRYSIDE DEVELOPMENT THROUGH A MODERNIZED AND SOCIALLY EQUITABLE AGRICULTURAL SECTOR. HERE THERE ARE OPPORTUNITIES FOR TECHNOLOGY TRANSFER IN ANIMAL BREEDING STOCKS, FOOD PROCESSING EQUIPMENT, ORGANIC PRODUCTS AND IRRIGATION TECHNOLOGY.

OPPORTUNITIES ALSO LIE IN THE ENERGY SECTOR. AS I MENTIONED EARLIER, WE HAVE AN OMNIBUS POWER LAW ENACTED LAST YEAR TO PRIVATIZE THE STATE-OWNED NATIONAL POWER CORPORATION, BREAK THE MONOPOLY OF POWER GENERATION AND TRANSMISSION AND DEVELOP ELECTRICITY IN RURAL AREAS. THIS OFFERS SOLID INVESTMENT FOR CANADIAN FIRMS THAT HAVE EXCELLED IN THE POWER SECTOR WHETHER IT BE IN GENERATION, TRANSMISSION OR DISTRIBUTION.

IN THE AREA OF INFRASTRUCTURE, WE ARE LOOKING AT PRIVATE SECTOR DEVELOPMENT OF OUR MASS TRANSIT SYSTEMS VERY MUCH LIKE THE BILLION DOLLAR OPPORTUNITY THAT LAVALIN FOUND IN OUR COUNTRY. THIS IS ONE OF THE AREAS INDEED WHERE CANADIAN EXPERTISE IN ENGINEERING AND TRANSPORTATION INFRASTRUCTURE WOULD BE WELCOME. WE ARE ALSO EXPANDING AND MODERNIZING OUR AIRPORTS AND SEAPORTS, CREATING OPPORTUNITIES AGAIN FOR CANADIAN INVESTMENTS IN DESIGN, CONSTRUCTION, AND EQUIPMENT.

HOUSING CONSTRUCTION ALSO PRESENTS BUSINESS OPPORTUNITIES, AS LOW-COST HOUSING IS ONE OF OUR KEY PRIORITIES. THIS OFFERS OPPORTUNITIES FOR CANADIAN HOUSING TECHNOLOGY THAT IS INEXPENSIVE, INNOVATIVE AND ADAPTABLE TO A TROPICAL CLIMATE. WE WANT TO BUILD A 100,000 LOW-COST HOUSING A YEAR FOR OUR WORKERS AND WE INVITE CANADIAN HOUSING TECHNOLOGY TO TRY IT OUT IN THE PHILIPPINES.

INDEED, THIS IS THE TIME TO CAPITALIZE ON DEEPENING CONVERGENCE OF PHILIPPINE AND CANADIAN INTERESTS BY STRENGTHENING OUR COMMERCIAL RELATIONS. FOR IN A WORLD WHERE THERE IS GREAT UNCERTAINTY IT IS TIME FOR FRIENDS TO WORK TOGETHER. TO CREATE JOBS TOGETHER. TO IMPROVE TRADE TOGETHER. TO INVEST IN ONE ANOTHER'S ECONOMIES. AND IF THE OLD RELATIONSHIP BETWEEN CANADA AND THE PHILIPPINES -- OUR RELATIONSHIP THAT STARTED MORE THAN A HUNDRED YEARS AGO, IN 1895 WHEN SUNLIFE OF CANADA FIRST PUT ITS INVESTMENTS IN THE PHILIPPINES -- IF THIS OLD RELATIONSHIP CAN BE MADE TO GROW AND FLOURISH EVEN MORE IN THIS CENTURY -- THIS CENTURY OF UNCERTAINTY BUT ALSO THIS CENTURY OF GREAT COALITIONS AND GREAT OPPORTUNITIES -- TOGETHER WE CAN WEATHER THE STORM OF GLOBAL RECESSION AND ACHIEVE MUTUALLY PROFITABLE ALLIANCES.

COME TO THE PHILIPPINES, CANADA, AS WE THE FILIPINOS HAVE ALSO COME TO CANADA.

THANK YOU.