

16 May 2012, Wednesday, 12:00 noon

Ballroom, Mandarin Oriental Manila, Makati City

Thank you for the kind introduction, and please know that it's great to be with old friends.

Your flyer states that I will be presenting a status report on the country's foreign affairs, with emphasis on the 2 plus 2 meeting in Washington DC and the latest developments on the Bajo de Masinloc impasse with China.

INTRODUCING THE NEW DFA

I would be honored to oblige with a brief overview, but I would first like to establish the following:

1) Our beloved President, as you know, is the architect of our foreign policy and the DFA merely implements. Let me take a minute or two to introduce the DFA. Let me begin, if you will, by posing a quick question to this body and the question is, "if there are 10 unknown government officials in a room, and I were to tell you that one of them is from the DFA and to please point him out, how would you do that?" I give you 5 seconds. The answer is, I think you would not be wrong if you chose the person with the heaviest eye bags. Why, because the DFA is known as the 'department that never sleeps'.

2) Having distinguished the DFA from other Government Departments, I would also like to manifest that the DFA has been undergoing a positive transformation in terms of:

a) Restoring morale. Morale has been restored in the DFA by the appointment of 34 career people as AEP with the exception of only one political appointee since we were sworn in;

b) Upgrading the skills of our senior officials. This has been done through expanded and more intense training ;

c) Putting merit over seniority. We now emphasize that meritorious performance, and not seniority is the way to advance one's career; and

d) Working and making the Department smarter, meaner and leaner. We are working to make the Department not only smarter and meaner but also leaner as we undertake a rational program resulting in the closure of 10 posts so that we can allocate limited resources to areas of greater need.

I believe these initiatives will enable us to more effectively focus on our foreign policy which consists of 3 pillars. These are promoting national security, enhancing economic diplomacy and protecting the rights and welfare of Filipinos overseas.

ON PROTECTING OUR FILIPINOS ABROAD

As you know within hours after we were sworn in, we were off for Libya on the first of several trips to repatriate our people affected by the Arab Spring. We repatriated over 10,000 Filipinos from many countries including Libya, Syria, Bahrain, Yemen, Iraq, and Japan. We also provided help to many of our people overseas including watching over 80 who are in death row and towards providing assistance in the release of nearly 800 seafarers who have been held hostage by pirates in Somalia. In keeping our people safe, with prayers, we have not lost a single life that was within our control.

A few weeks ago, I felt compelled to submit a courtesy letter of resignation to the President. Why? Because I was absolutely certain that a life would surely be lost and the government would be blamed. I felt that the President should not be blamed when it is I who should assume the responsibility and the buck stops with me. We were informed at midnight by one of our Embassies in the Middle East that an execution of a Filipino drug mule would take place within 5 hours or 5 a.m. our time. With the President's most kind help, and with the proactive assistance of the Middle Eastern Ambassador, we were able to obtain a "stay" before 5 a.m. and so both the accused and myself were both miraculously granted a "stay".

The President, for whom I have great affection and respect, has asked me several times not to place my life at risk by going to dangerous places. My response to him was "I must go to these places to stay ahead of the curve as someday a life will be lost and our only defense is to be able to say factually that - at all times - we did all the best that we possibly could".

ON ECONOMIC DIPLOMACY

The platform of the President is to address poverty alleviation and the creation of employment through good governance. What is the role of the DFA? In our relations with all nations, we are undertaking a planned program for generating foreign investment, boosting trade, increasing tourism and enhancing possible official development assistance. How do we do this? By making sure that our people all over the world are actively selling the country.

Economic diplomacy requires an upgrading of skills. As such, we have entered into a formal partnership with AIM so that our Ambassadors are properly trained before they assume their Posts. Our Career Ministers must pass a specially-designed full-time course work before they are promoted.

We have worked with the diplomatic corps in conducting business fora and have coordinated with different foreign chambers of commerce.

Believing that systematic inputs will ultimately result in positive outputs, we have set input targets and are closely monitoring the performance of our Posts. Although it has not been done before, we intend to recall non-performing Ambassadors.

ON PROMOTING NATIONAL SECURITY

Our major concern should be to build a safe and a strong regional neighborhood using ASEAN. Through ASEAN and on our own, we must engage regional powers such as China, India, Japan, South Korea, Australia, New Zealand, and Indonesia in mutually beneficial security dialogues. This includes, of course, an enduring defense partnership with the U.S.

Our country must also continue its vibrant relations with countries in the Middle East in resolving the Mindanao problems, the Palestinian issues, and global terrorism.

Since the Philippines is less likely to effect security arrangements on its own, it makes sense for us to do so in concert with others. We have, for example, the ASEAN Regional Forum and the United Nations to help in promoting global peace and development. Our over-all objective is to avoid foreign problems from spilling over into our home land or into our region.

ON U.S RELATIONS

The US remains as one of only 2 strategic partners of the Philippines and its only treaty ally. We have a comprehensive, mature, and resilient partnership that has been founded on the basis of a shared history, shared values, and shared sacrifices.

The U.S. is our largest source of official development assistance in terms of grants, our second largest trading partner, our second largest in terms of inward tourism, and our third largest source of direct investments. We have very dynamic people-to-people links.

ON CHINA RELATIONS

We have a long-standing friendship with China with incredible historical people-to-people links. China is our third largest trading partner. We benefit from our relations with China just as China benefits from its relationships with us. Philippine investments in China amount to nearly US\$ 3 Billion while China's investments in the Philippines amount to less than US\$1.5 Billion Dollars.

The President had an excellent State Visit to China during which we signed an agreement that both countries would work towards achieving US\$60 Billion in two-way trade within a five-year period and 2 Million in inward visitors within 5 years. It was also agreed upon that the bilateral agenda would be moved forward in the most positive way while the areas of contention such as the West Philippine Sea would be abstracted and dealt with separately.

WEST PHILIPPINE SEA

Last year, we had several intimidating Chinese incursions in the Reed Bank which is an integral part of the Philippines. It is 84 nautical miles and well within the 200 exclusive economic zone and continental shelf of Palawan. It is, at the same time, nearly 600 nautical miles from the nearest coastline of China.

When we protested these incursions, the response was that there could not be incursions since China had an indisputable sovereignty over the entire South China Sea on the basis of their 9-dash concept.

The 9-dash concept of China which we believe has no basis, has been protested in the UN by Indonesia, Malaysia, Vietnam and the Philippines. Additionally, Singapore has publicly asked that China explain and clarify its 9-dash position.

Recently, the dispute has shifted from the north of the Redd Bank to Bajo de Masinloc or Scarborough Shoal, which is 124 nautical miles from Zambales and over 450 nautical miles

from the nearest coastlines of China. Chinese fishermen had been blatantly destroying bio-diversity there by harvesting large volumes of endangered species. This is a gross violation of our Fisheries Code and of the International Convention Governing the Trading of Endangered Species.

Chinese maritime surveillance vessels had subsequently prevented us from enforcing our laws and had demanded that we exit from our exclusive economic zone. Your government had no choice except to take a stand to protect our sovereignty and sovereign rights. At the same time, since the West Philippine Sea is a main thoroughfare for international trade with as many as 50,000 ships traversing the area annually, it is our belief that other nations should be concerned over the potential threats to freedom of navigation and unimpeded lawful commerce.

Japan, Australia, South Korea, EU and the United States have taken the position that China and the Philippines should validate their respective claims in accordance with international law including UNCLOS.

The stand-off which ensued remains until this time. It is our belief that through continuing consultations, the crisis there could be defused peacefully. As the President has stated, we welcome China's emergence as a stable, peaceful, prosperous, and responsible nation. We would like to put the stand-off behind us and look forward to a positive relationship with China.

2 PLUS 2 MEETING

Secretary Voltaire Gazmin and I had been invited to meet with Secretary Hilary Clinton and Secretary Leon Panetta in a new discussion format, called the 2 + 2. The objective of the meeting was to be able to maximize our strategic partnership and to optimize our treaty alliance. We had a comprehensive discussion which included defense and security, economic cooperation, people-to-people engagements, transparency in governance, and the rule of law. There was no discussion in containing China as we are of the belief that a thriving China is good for the United States just as a thriving United States is good for China. Furthermore, we are of the belief that a thriving US and a thriving China would be good for all of us.

Thank you and I would be happy to answer your questions. END

