

13 December 2012

New World Hotel, Makati

Mr. Michael Rayber, President of the ECCP,

Excellencies, the Ambassadors of the European countries in the Philippines

Distinguished members of the ECCP

Distinguished guests

Ladies and Gentlemen:

Introduction

It is truly a privilege to be here. Some of you might be aware that I once headed a company for the noted Norwegian shipping magnate, Mr. Fred Olsen, who once told me that if you deal with European businessmen, they will never give you a free lunch; you have to work for it. Nevertheless, thank you for your kind invitation to this luncheon.

Levity aside, I have looked forward to being with you and, today, I have the honor to

share some thoughts and sentiments I have about my country's foreign policy with focus on our relations with Europe and how our two regions can both benefit from the emerging opportunities presented before us.

The New ECCP Leadership

[Charles Kettering](#) , known for his uncanny ability as an inventor and a businessman once said, "high achievement always comes in the framework of high expectations."

This thought comes to mind as I ponder the new leadership that make up the European Chamber of Commerce of the Philippines that took office in the middle of this year. A high degree of expectation is demanded by the 750 or so members of the ECCP, in view of the new and growing challenges posed by business on either side of the continents of Asia and Europe. A high degree of achievement is expected of the ECCP to fulfil its self-imposed mandate to bring European and Philippine business closer to each other, resulting in more business activities and, hopefully, more profits to both sides. I am quite confident that under your inspired leadership, Mr. RAYBER (Raeuber), the ECCP will propel the growth of Philippine-European economic cooperation to extraordinary heights of achievement.

Europe's New Asia/ Southeast Asia Policy

This goal for high achievement is premised, ironically, on the impetus driven by the global economic storm that has its eye in Europe today. The current economic crisis has urged European countries to look to emerging economies in Asia for new opportunities and resources.

We, in the Department of Foreign Affairs, observe that many of the countries you represent, including the UK, Italy, Switzerland, The Netherlands, our Nordic friends, Central and Eastern Europe, have all adopted a new Asia strategy as a sustainable alternative in the midst of the economic challenges in Europe today.

This new strategy has been made manifest via a number of high profile visits in 2012 between

the Philippines and our European partners. You are all aware of the historic visit to the Philippines made by Prime Minister Jean-Marc EYRO (Ayrault) last October which saw the conclusion of business deals that looked good on both sides of the spectrum. In June, the President also visited the United Kingdom and presided over the conclusion of several big-ticket contracts considered to be win-win deals by both sides. The President also participated actively in the Asia-Europe Summit held in Laos last month where he was encouraged by the support expressed by his European counterparts in issues espoused by the Philippines in that forum, namely, good governance equals good economics, the peaceful settlement of disputes in the resolution of the West Philippine Sea issue, migration, poverty alleviation, and many more where we found our country aligning our shared values and visions with Europe. At the sidelines of that meeting, the President met with the leaders of Norway, Switzerland, Italy, the EU and the European Commission and discussed with these leaders policy issues that would facilitate economic cooperation by both sides. Queen Sofia also came to visit the Philippines in July where a number of business contacts were established.

I myself have gone to a number of European countries this year, notably Germany, the UK, and Russia and I have as well received a number of my counterparts from Europe. In these meetings, I saw for myself a renewed interest by European countries that see the Philippines, not just as a recipient of ODA, but also as a co-equal partner in economic cooperation. The Philippines conducted at least ten vice-ministerial or high level consultations with European countries this year, notably with Spain, Switzerland, Sweden, the UK, Russia, Ireland, Poland, Croatia, Hungary, and the Czech Republic, to move forward Philippine-European relations.

Please take note that our emphasis is on win-win relationships between the Philippines and Europe. For indeed, while we are grateful for the official development assistance that Europe has been giving as interventions in various socio-economic projects, the business contracts generated so far have brought profits to both the Philippines and our European partners.

The DFA's New European Strategy

On the other hand, we have also conducted in the Department of Foreign Affairs a week-long strategic planning workshop in September during which we identified the focus areas of cooperation with Europe and in which we elevated relations with the continent to a high level in our geographic scheme of priorities.

In this strategy, we have taken into account the unique character of the European market in

terms of trade, investments, tourism, and, consider Europe not just a traditional economic partner but a vital ally in the political security pillar and a partner in championing the cause of democracy, human rights, good governance and maritime security. We also realize that Europe is home to around 760,000 Filipinos.

In July this year, I have signed, together with Lady Catherine Ashton of the European External Action Service, the Philippine-EU Partnership Cooperation Agreement, which is a framework document covering all aspects of our relations with the EU. I would like to acknowledge the governments of Estonia and Bulgaria for being the first two countries to have ratified the PCA. On the Philippine side, the PCA is completing internal requirements and shall soon be submitted to the President for ratification. The PCA is a building block towards the realization of more intensified cooperation, such as the negotiation of a Free Trade Area with the EU, which, even before the PCA has come into force, has already been accepted by the Philippines in principle as a viable way to increase trade between us.

The Three Pillars of Philippine Foreign Policy

Against this backdrop, we set the implementation of Philippine foreign policy in Europe premised in the pursuit of win-win solutions to the different challenges and opportunities confronting us in the three main pillars of Philippine foreign policy, namely, the political security pillar, the economic security pillar and the protection and promotion of the welfare of Filipino nationals abroad. In the case of Europe, I hasten to add another pillar in the area of cultural diplomacy since Europe, as they say, is global hub for culture.

The Political Security Pillar

In the new DFA Strategy for Europe, the Philippines believes that this continent could be a vital ally in its political security pillar. In our vision to achieve a credible defense posture, the Philippines is conducting a number of defense cooperation talks with many of your countries, particularly with Italy, Spain, Croatia and Poland. I also believe that the invaluable support and advice we received from European members of the International Contact Group and the International Monitoring Team, contributed to the forging of the MILF framework agreement that the leaders of all of your countries have very kindly praised and promised to support.

In our singular mission to defend our national sovereignty and our desire to settle maritime disputes in a peaceful manner and thus promote regional peace and stability, we found support and inspiration in the words of your leaders in Europe, expressed during the ASEM Summit which we attended last month in Vientiane. In Laos, we heard how Europeans have been concerned that the issue of the safety of navigation and the concept of free passage impinge on the very heart of European business plying through this busy maritime highway. We heard how this issue is no longer between two countries but should be the concern of Asia and Europe who both have vital stakes in assuring that the region is unencumbered by conflict and that all claimant parties abide by rules-based standards that are predictable, fair and peaceful. Of particular note are the statements made at the Plenary Session by European Council President Herman van Rompuy and UK Foreign Secretary William Hague who stated firm positions for a peaceful resolution of maritime disputes under the framework of the UNCLOS.

Europe is also our vital partner in combating transnational crime including illegal trafficking, drugs, transnational corruption, terrorism and similar scourges. Towards this end, we have forged various agreements with our European partners on Mutual Legal Assistance, Transfer of Sentenced Persons, and Combating Transnational Crime.

Economic Security Pillar

On the economic security pillar, I have directed our Ambassadors in Europe to intensify their economic diplomacy campaigns, talking to businessmen, allaying their concerns, getting them together with prospective partners and concerned government agencies here, answering their queries and literally holding their hands to entice them to do business in the Philippines. Our Ambassadors in Europe have been bringing to the Philippines business and investment missions and have facilitated the conduct of road shows and business opportunities seminars in their respective areas of jurisdiction. I would like to acknowledge at this point, the valuable support and cooperation my Department has been getting as well from the European Ambassadors here present, particularly outgoing Ambassador Luca Fornari of Italy , Jorge Domecq of Spain, Ivo Sieber of Switzerland and many more among you who understand that economic diplomacy is a two-way street.

In giving emphasis to our promotion of economic diplomacy, you must already know that we have upgraded the skills of our diplomats by entering into a partnership with AIM. Passing the rigid coursework designed by AIM is a must not only for being promoted to senior positions but also is a prerequisite for Chiefs of Mission prior to assuming their foreign posts.

Assistance to Nationals Pillar

As mentioned earlier, Europe is home to about 760,000 Filipino nationals, who, while being able to contribute actively to the social, political and economic advancement of their adoptive countries, are still Filipinos at heart and are the first to rush to the side of their countrymen during times of calamities and natural disasters like the one we just experienced last week.

I am happy to note that in general, Filipinos in Europe enjoy a high level of acceptance and are treated kindly in all parts of Europe. They are beneficiaries of social services commonly enjoyed in most of your countries and even in the midst of the economic crisis, our posts in Europe have not reported any anti-migrant sentiments nor have they experienced undue hardships there.

The Philippines does not, as a rule, encourage the migration of its skilled professionals and unskilled workers. However, we will not pose stumbling blocks to their finding greener pastures abroad. Even in the midst of high unemployment figures in some European countries, we note the high demand for skilled medical workers and engineers and technicians in most of your countries. The DFA, in coordination with our partner agencies, is now working on how these skilled human resources could find placement in some of your countries, focusing on the accreditation of their diplomas or certificates, removing bureaucratic red-tape to facilitate their legal departure, and establishing ways to curb irregular trafficking of Filipinos into your countries.

We have also forged Social Security Agreements with some European countries and are in the process of negotiating a few more. In April this year, we issued new Guidelines on the Departure of au pairs to Europe, effectively lifting the ban on this type of exchanges and at the same time providing them safety nets to prevent them from becoming victims of abuse and exploitation.

A FEW THORNS IN THE BUSHES

I do realize that investment disputes currently exist between the Philippines and a limited number of countries. I will choose not to speak about them here since they are now the subject of judicial processes. What I can say at this point is that we look forward to their peaceful resolution but their existence should not prevent us from pursuing vigorously the opportunities

presented to us.

For example, despite some of these issues, investments from Europe have been growing steadily, marked by the inauguration this year of Lufthansa Technik Philippines, of a US\$ 30 million maintenance hangar, its third in the Philippines, the opening by Nestle Philippines of a new 5-billion peso manufacturing facility in Batangas, the recent announcement by Holcim Cement of a US\$450 million expansion of its activities, and the opening of B/E Aerospace facility in Batangas, to name a few. On the other hand, Philippine companies such as PAL, Cebu Pacific and the MICTI, have not shied away from the challenges that Europe had to offer.

I would like to mention also at this point, the two issues in the EU that we are keen to resolve as their impact cuts across many of the concerns of your members and hundreds of thousands of Filipinos.

I am referring to the air safety ban that the EU has imposed on some Philippine carriers and the Philippine compliance with the STCW Convention involving our seafarers, on which the European Commission has raised some concerns which are too technical to discuss here. Just allow me to assure you that no less than the President himself has personally taken these issues to heart, and we had discussed these matters with Commission President Jose Manuel Barroso in Vientiane.

The New Normal- The Philippines as an Emerging Economic Power

As mentioned, we should be able to extract our healthy bilateral cooperation from the challenges we are facing and take advantage of the opportunities presented before us by the robust economic growth that the Philippines has been experiencing since the start of the Aquino administration.

For the longest time, the Philippines had been known as the perennial economic laggard. Not anymore. These days, the new normal is that the Philippines keep on breaking its own record in every aspect of economic performance.

I need not convince you of the bright prospects of bringing in new business to the Philippines from Europe. You are businessmen, you know your trade. You know the credit ratings accorded us by such prestigious institutions such as Moody's and the World Economic Forum which has elevated the Philippines 22 notches higher at No. 65.

The 7.1% increase in the Philippines' gross domestic product, labeled as "unexpected" by Bloomberg, has pushed the Philippines standing as the fastest growing economy in Southeast Asia.

Philippine- Europe relations are at their peak as we end 2012. Philippine-EU trade for 2012 alone is forecast to surpass last year's US \$10.40 billion. During the first three quarters of 2012, we have convinced around 258,290 Europeans that, indeed, it "

is
More Fun in the Philippines". I was hosting a function at one of our favorite hotels the other day and was told that almost everywhere, all hotels are fully booked.

I can imagine that as we approach a new year, the ECCP is anticipating new and exciting opportunities to do business in the Philippines. The Aquino Administration, specifically my Department, will be happy to partner with you to realize the mission ECCP has set out to do- to bring Philippine business to Europe and to help European business to be established in the Philippines.

Thank you and Merry Christmas!