

Singapore Government

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**SPEECH BY MR YEO CHEOW TONG,  
MINISTER FOR TRADE AND INDUSTRY,  
AT THE DINNER HOSTED BY THE MAKATI BUSINESS CLUB  
ON 23 JANUARY 1995 AT 7.00 PM**

**TOWARDS A NEW ERA OF ECONOMIC COOPERATION  
BETWEEN THE PHILIPPINES AND SINGAPORE**

On behalf of the members of the Singapore delegation here tonight, let me extend my sincere appreciation to the Makati Business Club for hosting this dinner for the trade and investment mission from Singapore.

While our two countries have enjoyed very cordial relations, especially within the framework of the Association of South East Asian Nations (ASEAN), we have yet to fully explore the economic dimension of our bilateral relations. However, 1995 promises to be an auspicious year for Philippines-Singapore economic relations, as these relations are clearly in the process of moving onto a new and higher plane.

One important indicator of our growing economic closeness is the formation of the Philippines-Singapore Business Council. As some of you may know, this Council was launched when President Ramos visited Singapore in October last year. The Council represents the wide ranging interests of our two business communities, and serves as a forum for our private sectors to meet regularly, to make valuable contacts and to form lasting partnerships. The Council's first meeting will take place tomorrow morning, marking what I expect will be the beginning of a long and mutually beneficial relationship.

The Philippines is starting off 1995 on a high note. And I am not just referring to the Pope's recent uplifting visit. Over the last year, the Philippine economy witnessed an impressive turnaround, achieving strong growth of 5.5 per cent. This year, the economy is expected to grow by a further 6.5 per cent. The Philippines certainly looks set for a period of sustained growth into the next century.

Much of the foundation for this happy state of affairs has been laid by President Ramos' able administration. His government has maintained political stability, improved law and order, and embarked on an ambitious programme of economic liberalisation. The Philippines government has also moved swiftly to resolve critical power shortages, and plans to turn Philippines into a newly industrialised nation by the year 2000.

These efforts have already achieved good preliminary results, as shown by the Philippines' greatly improved international credit rating, and the large increase in foreign investment flows into the Philippines over the last year. In the case of Singapore investments into the Philippines, these totalled US\$50 million for the first half of 1994, an incredible 476 per cent increase over the corresponding period in 1993.

The Philippines is also achieving success in gradually moving away from its dependency on the Western economies. This is due largely to the Philippine government's far-sighted policy of focusing mainly on plugging into the dynamism of the Asia-Pacific region, which is set to become the world's engine of economic growth.

This is a strategy which Singapore shares. Since 1993, the Singapore government has been encouraging our companies to look towards the Asia-Pacific region to form synergistic partnerships based firmly on a win-win philosophy. Singapore's expertise and resources can then be integrated with those of our host countries to generate benefits for all sides.

The time is now right for Singapore and the Philippines to deepen our economic co-operation. There are many opportunities for our two countries to cooperate and capitalise on, using our complementary advantages. The Philippines has a competitive edge in its availability of raw materials and its large pool of well-educated, English-speaking labour. With proper training, Filipinos have no problems becoming highly skilled personnel. At the same time, Singapore companies can contribute in the areas of infrastructural development such as airport maintenance and redevelopment, ship repair, telecommunications and in terms of financial leverage and management expertise.

It is difficult to keep good news from spreading. The Philippine government's major reform policies, including the complete liberalisation of foreign exchange controls, and the opening up of the banking sector to allow foreign banks to set up branches here, have generated great investor interest and confidence. And Singapore companies are eager to participate in the growing Philippine economy. This is well reflected in the size of the delegation here today. Our companies have diverse interests, and those here today represent a good mix of businesses ranging from logistics, to infrastructure development, to financial services.

The objective of this trade and investment mission is for businessmen from both countries to get to know one another better and to build up a comprehensive web of business relationships. Through more extensive strategic linkages, we can complement each other with the strengths that each of us possess and optimise our combined talents and resources. And as a reflection of the strong interest from Singapore businessmen, the Singapore Manufacturers' Association is also planning to send a mission to the Philippines later this year.

There are also bright prospects for Singapore to develop greater trade links with other provinces of the Philippines.

With the passage of the Local Autonomy Bill by the Philippine Congress, economic activities will be more broadly spread to the other parts of the Philippines. There is therefore substantial potential for building direct trade links between Singapore and other regions like the Central and Western Visayas, Palawan and Southern Mindanao. The creation of the East ASEAN Growth Area (EAGA), will also bring Mindanao Province and its capital Davao City to prominence and offer further opportunities for bilateral economic ties, for example in the tourism sector.

As countries in the region industrialise, we can expect intra-regional trade and investment to increase substantially. Thus it is significant that countries in the region have moved to facilitate cross-border flows and linkages through initiatives like the Asian Free Trade Area (AFTA), Asia Pacific Economic Co-operation (APEC), and other sub-regional groupings like the various growth triangles and quadrangles.

These overall frameworks for regional economic co-operation are supported by strong bilateral linkages and robust private sector tie-ups. The closer economic linkages which the Philippines and Singapore are forging through missions like this, and fora like the Philippines-Singapore Business Council, are part of this larger effort to form a complementary partnership where the sum of our co-operation is larger than the strength of our individual efforts.

I am confident and optimistic that the relationship which we have started will stand the test of time, and will yield bountiful fruits in the future. With that, let me close by wishing both business communities the very best as you explore the myriad opportunities before you.

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