



**Asia-Pacific
Economic Cooperation**

2014/ISOM/SYM/004

Session: Opening

**Keynote Speech by Secretary of Socioeconomic
Planning, National Economic and Development
Authority, the Philippines**

Submitted by: The Philippines



APEC
PHILIPPINES
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**Symposium on APEC 2015 Priorities
Manila, Philippines
8 December 2014**

Keynote Speech of Socioeconomic Planning Secretary and NEDA Director General Arsenio M. Balisacan

[Delivered at the Grand Ballroom, Makati Shangri-La Hotel, Makati City, on December 8, 2014]

Executive Secretary Jojo Ochoa; Secretary Greg Domingo; other colleagues in government; delegates to the ISOM; members of the diplomatic community; ladies and gentlemen;

Let me also extend my warm greetings to all the APEC delegates to this symposium.

Taking off from last week's APEC 2015 Philippines National Launch led by President Benigno Aquino III, let me also reaffirm this country's commitment to our unified goal of building strong partnerships towards economic development.

As already been mentioned, it has been almost two decades since November 1996 when the Philippines last hosted this gathering. Since then, Asia-Pacific economies have so far sustained a relatively good level of growth. We are slowly, but steadily, recovering from the Global Financial Crisis of 2009. Over the next two years, growth in the region is expected to average at 3.8 percent. In particular, the Southeast Asian region has been identified as one of the world's bright spots. For APEC 2015, in light of our regional and national pursuit for inclusivity, and our common desire to make growth sustainable, we have selected the theme "Building Inclusive Economies, Building a Better World."

Specifically, the Philippine vision for APEC 2015 is to sustain a prosperous and cohesive region that places inclusive development at the heart of economic integration in the Asia Pacific. This symposium can help us further define what issues we need to address and opportunities we can take advantage of to guide APEC senior officials in drafting the roadmap for the Free Trade Area of the Asia Pacific. We have identified four priority areas for discussion, namely: (1) enhancing regional integration, (2) mainstreaming small and medium enterprises (SMEs) in global and regional markets, (3) investing in human capital development, and (4) building sustainable and resilient economies.

We believe that the advancement of economic integration in the Asia-Pacific region will further strengthen and facilitate trade and investment among APEC member economies. However, the slow recovery from the Global Financial Crisis that began in 2008 and the projected sluggish growth of world trade over the next two years, and perhaps beyond, are expected to present headwinds to these discussions. While these mean that many economies may have to look inward to promote economic growth, we need to remain resolute in our efforts towards greater economic integration as this provides a more robust channel to growth and development. In particular, building on previous strengths, we are one with the other APEC economies in exploring initiatives to further enhance the supply chain and identify best practices to expand connectivity through services, such as reaching the target of 25 percent reduction in the cost of doing business.

The second APEC 2015 priority is the mainstreaming of SMEs in regional and global markets. Currently, SMEs constitute more than 90 percent of the businesses in the developing APEC economies. Focusing initiatives to support this sector will have immense multiplier effects in terms of employment generation, product innovation through establishment of new industries, and countryside development by means of introducing and spreading new business opportunities.

For SMEs to take part in the regional and global value chains, we need to identify measures that will provide an open and transparent business environment that will serve as a seedbed for innovation and entrepreneurship. We want the sector to be able to participate in the global chain by providing them easier access to finance, markets, and innovation. Through these, we aim to increase the SMEs' profits along with their capacity to supply international partners with products that are at par with world standards.

Recognizing the significant impact of enhancing human capital to poverty reduction and economic growth, another priority we have set for 2015 is investing in human capital development. As economies and regions become more interconnected, the needs of the constantly innovating and dynamic industry and services sectors require a better-equipped and more competitive labor force. To address these

evolving requirements, we have identified interventions to implement educational reforms at both the primary and secondary levels, align education and training programs to respond to the requirements set by industries, emphasize the importance of the public and private sectors and the academe in human capital development, empower women and vulnerable groups, and provide trainings for skills upgrading that can reduce job-worker mismatches.

Moreover, we cannot underestimate the importance of building sustainable and resilient communities to maintain the growth we have been experiencing in the recent years. The Philippines is particularly prone to natural hazards and this very meeting is taking place amidst another very strong tropical cyclone to ever make landfall this year. The other economies in the region have, in varying degrees, their own share of risks to natural hazards. As the Intergovernmental Panel on Climate Change has shown, the occurrence of these hazards is actually becoming more frequent and more violent. For this reason, we are constantly challenged to instigate effective measures for disaster risk reduction and management (DRRM).

We hope that APEC will tackle interventions to mitigate the effects of climate change and push for enhanced DRRM. Specifically, the Cooperation could discuss ensuring food security; supporting livelihood resilience; promoting green technology and protecting the environment, among other concerns. We know that this priority will strike a chord because we all want our children and our children's children not only to enjoy a more prosperous life but a cleaner and greener environment that will sustain generations to come.

At the same time, we recognize the importance of addressing behind-the-border issues relevant to economic growth such as structural reforms. As developing economies integrate with the rest of the region and as economies mature into being middle income countries and then advanced economies, structural changes take place. To be sure, there are a lot of gainers, but there will be some who are bound to be hurt in the transition. Specifically, micro and small businesses, rural-based industries, agriculture and some worker groups would have to confront new challenges. And recognizing our end-goal which is inclusive development, these challenges and the hurdles they face need to be discussed and adequately addressed. These issues were already acknowledged in 2008, under the APEC New Strategy for Structural Reform. Back then, we resolved to undertake the necessary reforms to address the challenges faced by women and vulnerable populations, to promote SME development and labor market opportunities, to ensure a more open, transparent and competitive markets and better functioning and effectively regulated financial markets, and to implement effective and fiscally sustainable social safety net programs.

This year, a Ministerial Meeting on Structural Reform will take place for the second time since 2008. During this meeting, each APEC economy will take stock and report on the progress of work in the priority areas identified. More importantly, the Meeting will draw up a post-2015 structural reform agenda, building on previous gains but considering as well the need for new strategies to ensure that the economic benefits we achieve because of enhanced economic integration will redound to better well-being for all.

I hope that this symposium will serve as a venue for breakthrough discussions on how our economies can reinforce initiatives that will push forth these priorities. The Philippines is optimistic that with your support, our vision of inclusivity will come to fruition. May the APEC continue to be a bridge for development in the Asia Pacific region and the world. Let us remain solid in our aspiration to strengthen our community and work together to achieve economic growth and prosperity for all.

Thank you!

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