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THE PHILIPPINES

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Asia's one-stop, non-stop shop

Growing tiger economy flexes its muscle

As one of the high-growth "Tiger Cub Economies" of Southeast Asia (together with Malaysia, Indonesia and Thailand), the Philippines is building an increasingly important role in the region. In fact, analysts include the country in the list of the world's top 50 economies by 2050 — driven by its services and manufacturing sectors, a young population and political stability and accountability.

Today, the country's burgeoning construction and real estate sectors, together with its leading role in global Business Process Outsourcing (BPO), are pushing the country forward with stable annual growth rates of about 7 percent. As Sushant Palakurthi Rao, senior director and head of Asia for the World Economic Forum (WEF), points out: "The Philippines is no longer the sick man of Asia; it's actually the most improved South-east Asian country."

International investors now consider the country an attractive investment location, an ideal tourist destination and a preferred meeting place for international organizations and leaders from all around the world.



Speakers in East Asia Economic Outlook, during the World Economic Forum on East Asia in Metro Manila, the Philippines, May 22, 2014

"We are a good place to invest in, live in or visit," says the director-general of PEZA (Philippine Economic Zone Authority), Lilia de Lima. "Our people are our

competitive advantage." Foreign interest in the country's longest stretch of economic expansion since the 1950's extends to buying up shares in its largest

public companies. "There's so much liquidity in the system, and we are seeing an increasing number of IPOs as companies need to catch up with our economic

growth," says John Benette Mamañun, investor relations officer of the Philippine Stock Exchange (PSE).

CONTINUED ON PAGE B5

Environmentally respectful nickel mine is successful business as well

Marcventures Mining & Development (MMDC) recently made headlines as one of the most successful mining companies in the Philippines, since operations began under new management in August 2013. It achieved this while focusing on the environment and sustainability in its operations.

"We would like to think that our company is a model mining citizen," says its Vice Chairman, Isidro Alcantara. "Since we acquired it last year, we have gone from 600,000 WMT (wet metric tons) to 2.7 million WMT, and from \$2.2 to \$23 million in income."

Alcantara is hopeful that Marcventures can replicate these results for its operations in 2014, as it continues to implement efficient work measures and reduce operating costs. It has also tripled its original estimate of mineral reserves, making it well-positioned for higher shipment volume.

As part of its business strategy, it views Japan as a sought-after addition to its current China market. Japanese companies are also viewed as potential partners to advance Marcventures'

core competencies and expansion — especially in nickel processing.

"If the Japanese buy from you, it's a stamp of quality," Alcantara explains. "Japanese companies such as Sumitomo, Mitsui, PAMCO and Mitsubishi have started inquiries to us, and we're very happy about that."

"Aside from diversifying from China, we hope to gain the technology to eventually upgrade the business from raw ore to processed products and other metals," Arsenio K. Sebial, president of the mining subsidiary adds. "Currently, we are also looking at acquiring additional mines suitable for nickel processing."

Marcventures is aware of the huge potential for mining in the country, given the Philippines' vast reserves, competitive operating costs, and highly educated workforce. In addition, the Philippine government itself has set high standards for mining companies operating in the country.

"What a lot of people don't realize is that the process of acquiring a mining permit is very stringent here," explains Alcantara. "It requires a lot of groundwork and re-



Isidro Alcantara, Vice Chairman of MMDC

sources. You need a positive environmental impact statement explaining how you can minimize negative effects to the area, and do mine rehabilitation and redevelopment afterwards."

As Marcventures continues to grow, it is committed to social development in the areas it serves. It has also prioritized the hiring of locals and indigenous people for its operations. Its on-going reforestation and rehabilitation programs, with more than 210,000 trees planted already, are proof of its commitment to sustainability. ♦

www.marcventuresholdings.com

End-to-end expert ICT partner for the enterprise market

PLDT ALPHA Enterprise is the single entity that heads the large enterprise business of PLDT and Smart, the Philippines' biggest telecommunications and mobile networks. The company's focus is on staying relevant in a rapidly changing technological ecosystem.

"Today, our approach is to be the single point of contact for the enterprise customer," says Jovy I. Hernandez, first vice president and head of PLDT ALPHA Enterprise and SMART Enterprise Business Group. "We now don't merely provide plain connectivity; we also present an optimum package of bundled applications, devices, and managed services. We aim to be the trusted expert end-to-end information and communications technology provider for every technological aspect of our customers' specific needs."

Leveraging on PLDT's domestic fiber optic network, which connects the Philippine archipelago with 88,117 kilometers of fiber optic cable at a speed of 5.13 terabytes per second — coupled with the widest wireless coverage in the country — Hernandez sees growing demand and opportunity to empower corporate organizations and their personnel for more efficient day-to-day operations. The company has fashioned its commitments to leading edge technology and expertise as pinions of its brand. It recently launched two new



Jovy I. Hernandez, First Vice President and Head of PLDT ALPHA Enterprise and SMART Enterprise Business Group

machine-to-machine (M2M) solutions last June — Work Force Management and Power Form — that enable clients to use tablets and mobile phones to replace conventional paper forms.

SMART Enterprise is an active member of Conexus, an alliance of mobile

players across Asia that has just concluded its first M2M summit.

"We also recently launched the Philippine Internet of Everything Consortium that brings together software developers, OEM manufacturers for these devices, representatives from the government, academia and other industry verticals such as the hotel industry, retailing and manufacturing," Hernandez adds. "Our objective is to help transform the Philippines into a more well-connected country, capitalizing on new technologies."

PLDT ALPHA Enterprise has always viewed collaboration as the key to its evolution and success. NTT Communications of Japan, in particular, is one of the company's biggest equity partners.

"We're in close partnership with NTT, not only from a technology platform point of view," Hernandez explains. "With our partnership, we've immediately established rapport with Japanese businesses here in the Philippines since we have two of their representatives on our board and technical engineers from Japan posted here as well. In addition, we have yearly *kaizen*, or continuous improvement, meetings in Tokyo."

As PLDT ALPHA Enterprise moves into the international arena, the company continues to consider NTT an integral partner in cultivating global best practices and expertise. ♦

www.pldtalpha.com



A message from the President of the Philippines

My warmest greetings to *The Japan Times* on the publication of your 6th Special Business Report on the Philippines.

This report comes at an especially opportune time as we welcome the world's top thought leaders and decision makers as we host the **World Economic Forum on East Asia**. This gathering serves as a venue to build more strategic partnerships that will result in a more robust ASEAN community, and bring us closer to the fulfillment of our shared goals of mutual prosperity and inclusive growth.

The tie between the Philippines and Japan grows stronger with each year paving new avenues for greater collaboration. The forthcoming ASEAN integration in 2015 has fueled our peoples' hopes for a more vibrant business landscape that teems with opportunities to harness our countries' potential. As the Philippines continues to surpass expectations and make impressive strides towards sustainable development, we count on partners such as Japan to sustain our momentum in this new era of revitalization. Together, let us augment our strengths and galvanize our visions towards cooperation and success.

Resilience and perseverance — qualities we share with our Japanese friends — have allowed us to overcome countless challenges and trials. Let us strive even harder to build a more harmonious, progressive community of nations and ensure a brighter future for our peoples.

BENIGNO S. AQUINO III

Niche player is leading proponent of indigenous sustainable energy

Despite the Philippines' robust economic growth in recent years, and its consequent rise in energy demand, no significant generation capacity has been installed during this period. This is causing a severe supply-demand imbalance in the country.

Bronzeoak Philippines, a leader in the country's bio-energy and solar sector, sees further ASEAN integration as only accelerating economic growth and demand for power. This growth in overall demand also creates opportunities for indigenous and sustainable power generation. With a target generation capacity of over 250 MW from renewable sources, it is active in the regions of the Visayas, and Central and Southern Luzon.

Bronzeoak's flagship solar project, San Carlos Solar Energy (SaCaSol), is a partnership with the



Phase 1 of the San Carlos Solar Energy power plant, with a total gross capacity of 22 megawatts

German investment group ThomasLloyd, and is the first utility scale solar farm in the country. It is currently generating 22 MW of solar power and being expanded

to reach 45 MW by 2015.

In addition, ground has also been broken for SaCaSol 2, which is expected to bring in another 30 MW by next year. Other sites and

strategic partnerships are already in place to keep the company in line with its ambitious goal.

Bronzeoak's main vision is to create a sustainable

supply of indigenous energy for the Philippines, which currently imports 99 percent of its oil requirements for transport fuels and a large portion of its fossil fuel fired power plants. Support for this initiative is rapidly rising among local communities, the government and the private sector.

"Solar power, in particular, has an important role to play in displacing our reliance on diesel power," says SaCaSol's President Jose Maria P. Zabaleta Jr.

He further points out that the Philippine archipelago is conducive for renewable energy projects, where distributed generation with smaller plants throughout the country is ideal. "We're doing a lot and there is room for the entry of the right partners and investors because of this huge opportunity."

Collaboration with Japan could be the key to significant growth in the Philip-

"We're doing a lot and there is room for the entry of the right partners and investors because of this huge opportunity."

— JOSE MARIA P. ZABALETA JR.
President of SaCaSol

pine solar energy sector. Japanese companies are leading players in solar energy, involved in financing, engineering and equipment supply. The potential synergy between Japan's expertise and the Philippines' growing sector and abundant sun makes good business sense. ♦

www.bronzeoakph.com

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The Philippines

Getting ready for the new ASEAN reality



George S.K. Ty, Chairman of the Board of GT Capital Holdings

As one of the Philippines' largest holding companies, GT Capital is ready to engage in a single-market ASEAN. "We are definitely well-positioned for the planned integration," says the conglomerate's newly elected

cent acquisition of two new Toyota dealerships: Toyota Manila Bay Corp. and Toyota Cubao, Inc., in line with a significant increase in group car sales of 39 percent as of June this year. These dealerships are in partnership with Mitsui of

Iloilo that will be completed in 2016. With both ORIX of Japan and Meralco PowerGen as shareholders and strategic partners, Global Business Power benefits from top expertise and shared technology in planning and oper-



As the Philippines, a key ASEAN member country, moves forward, GT Capital aims to do its part in putting its home country in the investment limelight.

Chairman, Francisco Sebastian. "We have expertise in banking and finance, vehicle assembly and dealership, life and non-life insurance, property development and power generation. Whoever wants to invest or do business in the Philippines would benefit by working with us as partners."

GT Capital's President, Carmelo Bautista, reinforces the group's bullish disposition by pointing out its re-

Japan.

"We aim to dominate the auto sector with our new dealerships, and also through our involvement with the non-life insurance company, Charter Ping-An," says Bautista. "For every Toyota vehicle sold, we have a stake in the wholesale, retail, insurance and financing segments, along with the dealership for service and parts. The strategy is to increase the level of synergy, taking advantage of this high-growth sector."

GT Capital has also heightened its stake in its energy company, Global Business Power Corporation. Significant developments include the early completion of its 82 MW Toledo expansion plant, set to be operational by the end of this year, and the recent groundbreaking for a 150 MW plant in

ating its projects.

Strategic partnerships have always been a strong foundation of GT Capital's business model. Sebastian underscores GT Capital's global orientation as key to its growth, citing its partnership with

Among GT Capital's international partners, Japanese firms are the most long term and also the most dominant.

Toyota, ORIX, Mitsui, Sumitomo, Kajima, ANZ and AXA as vital not only for the group, but also for the local economy in general.

Among GT Capital's international partners, Japanese firms are the most long term and also the most dominant. "I'd like to

think we're the favorite of the Japanese," quips Bautista. "Our alliances are not just on the professional and organizational level, but also on the personal level. We welcome more Japanese players to come in, as our corporate cultures are compatible with Japanese management philosophies."

ASEAN's bold new move next year will also facilitate GT Capital identifying more strategic partners



Alfred V. Ty, Co-Vice Chairman; Arthur V. Ty, Co-Vice Chairman; Carmelo Bautista, President

from integration," says Sebastian, "we are here to participate actively in the continued growth of the Philippines, to be at the forefront of its development, to pro-

mote it in these exciting times and to invite more foreign companies to come and share our recent successes." ♦ www.gtcapital.com.ph

Leading the new Philippine reality of transparency, security and growth

One of the Philippines' largest banking institutions, having just achieved a 46 percent increase in profit last year, is already compliant with Basel III requirements even though implementation in other developed markets has been extended to 2019. Metrobank is poised to usher in ASEAN integration in 2015 by positioning itself as one of the key growth drivers of the Philippine economy. In this move, its Japanese links are one of its strongest competitive advantages.

Metrobank was the first Filipino bank to be granted a banking license by Japan's Ministry of Finance, and it has participated in a number of successful ventures with Japanese firms.

Fabian Dee, the bank's president, highlights Metrobank's strong partnership with the global automotive leader — namely Toyota — since 1988. "Toyota dominates the market locally as well as globally, and it is the best example for other Japanese companies to follow," he says.

Metrobank has prepared well in anticipation of increasing demand from Japanese companies to invest in the Philippines. "Our branches in Tokyo and Osaka are set to provide assistance and financing to Japanese SMEs who are looking for investment opportunities in our country," says Dee. "We want to make it easier for Japanese investors to come in. That's why we have aligned our front and back offices and reinforced our Japan desk here in Manila with a team of experienced Japanese consultants."

Metrobank has also partnered with the Japan Bank for International Cooperation and Japan Finance Corporation, as

"We want to make it easier for Japanese investors to come in. That's why we have aligned our front and back offices and reinforced our Japan desk here in Manila with a team of experienced Japanese consultants."

— FABIAN DEE
President of Metrobank



well as with Japanese regional banks, to facilitate the entry of Japanese SMEs into the Philippines.

Dee values the relationship between the Philippines and Japan, particularly in terms of culture, where he sees many similar areas as complementary traits. "Filipinos have a lot in common with the Japanese, which makes us very compatible," he explains. "We are humble, honest, hardworking and we value honor and integrity. Aside from that, we have what the Japanese need: a consumer-based society with increased per capita income, as well as a young, educated and, of course, English-speaking workforce."

He wraps up by highlighting the Philippines' new image of being safer, more secure and more welcoming to business and investment: "The government is now more transparent, and there's

an excellent model of governance in place that is strengthening the country's image and brings in increased investment from abroad. The world needs to find out about this: they need to come and experience the new Philippine reality."

Leading Metrobank since mid-2012, Dee is excited about what lies ahead. His vision of the Philippines is that it is currently the best place in Southeast Asia for investment, with a future that looks even more promising. "The next five years will definitely be exciting for us, our Japanese partners and the country as a whole," he concludes. ♦



www.metrobank.com.ph

Setting up a one-stop-shop for Philippine equities

When the Philippines hosted its first World Economic Forum (WEF) in Manila last May, First Metro Investment helped set up the WEF-ASEAN Financial Ministers' forum, and it was a huge success.

In fact, First Metro, which celebrated its 50th anniversary in 2013, has done a lot to raise the country's profile internationally. That year was also a banner year for the company, which reached a record income of \$250 million.

The upturn has coincided with the company opening up new perspectives beyond the Philippines. "We've been entertaining a minimum of two to three visiting Japanese delegations a month," says First Metro's President, Juanchito Roberto Dispo. "They come looking for business opportunities, with the potential to relocate and diversify their presence in the region. It is an exciting time for the country, and we're getting a lot of interest from regional and also global players."

Part of the Metrobank Group, First Metro is gearing up for ASEAN integration next year. Already, it has forged regional partnerships with DBS Vickers of Singapore and Tokai Tokyo Financial Holdings of Japan. Tokai Tokyo has even sent an employee-trainee to First Metro's offices in Manila to facilitate the exchange of equity market research that aims to establish inward and outward flows between the two countries.



Juanchito Roberto Dispo, President of First Metro

integration in general."

As Dispo sees it, ASEAN economic integration will promote efficiency and consolidation. He finds a huge opportunity for Japan, in particular, to open up to the Philippines and effectively empower the aging Japanese population to obtain high returns through investment opportunities in the ASEAN market. At the same time, he is also interested in bringing investors to Japan.

"I think there's a great need for the Philippine economy and market to promote itself more to Japanese businesses and investors, both retail and institutional," he says. "When I first met the chairman of Tokai Tokyo, he told me that he had been sending his people to this country for the past two years for the purpose of studying Philippine equities and investment opportunities."

"Sadly, there's not much literature about investing in Philippine financial markets today," Dispo continues. "So, very clearly, there's a lack of consciousness about it in Japan and globally. We should be able to promote our country more to external markets."

As part of its fundamental strategy in the years ahead, First Metro is positioning itself to be the ideal point of contact for companies actively seeking to invest in the Philippines and throughout the region. ♦

www.firstmetro.com.ph

Japanese-Filipino partnership proves an ideal match

Having just celebrated its 50th anniversary in April 2014, ORIX has grown significantly from its humble beginnings as a 13-employee start-up in Japan. Through the years, the group has grown in the sectors of leasing, lending, investment, life insurance, banking, asset management, automotive, real estate, environment and energy.

It has also expanded globally with a current presence in the Americas, Asia, Oceania, the Middle East, northern Africa and Europe. One specific area of growth and potential is its partnership in the Philippines with the GT Capital Group.

"We now have 63 branches for ORIX METRO, our leasing and finance arm, all over the country, but we could not have done it alone," says its director, Fumihiko Sato. "The majority of our business profit comes from the provinces, and this could not have been possible without Metrobank's support."

"Our partnership involves a lot of commitment — we established the company here in 1977," he continues. "But it was in the year 2000 — when Metrobank and ORIX first worked together — and when ORIX's business in the Philippines really started to grow. For the past 37 years, we've had good times and bad times, but we have a commitment — so we always take the long-term view. The understanding between our cultures has been the key to our successful partnership."

It's a sentiment echoed by Alfred V. Ty, co-vice chairman of GT Capital Group, Metrobank's holding company. "Again, that is the approach we have in terms of partnerships," he explains. "First, to



George S.K. Ty, Metrobank Group Chairman and Yoshihiko Miyauchi, ORIX Senior Chairman

get a partner, you need an open mind. We're not just talking of one project or talking about what we can do today, it's more of what we can do by looking at the bigger picture. From ORIX METRO to the Midori Residences and the Grand Hyatt development, we have grown to be comfortable with each other. This is a testament to ORIX's outlook and confidence in the Philippines."

Metrobank is one of the biggest conglomerates in the Philippines with various Japanese affiliations, and that fact is always cited as a proud achievement for Ty that shows the stability in Filipino-Japanese business

synergy.

"After being involved in different ventures with Japanese companies — I know it can be done well," he concludes. "We don't need to send our people or workers abroad in order to deliver Class A efficiency; it can be done here. The expertise and knowhow from our friends in Japan blend perfectly with our Filipino character — adaptable and easy to train. We have a young population who are English-literate. The collaboration between the Philippines and Japan makes for a very good combination indeed." ♦

www.orix.co.jp

The power to serve

The success of Global Power has always been founded on strategic partnerships with industry leaders, aimed at becoming the leading efficient energy provider in the country. Beginning with established relationships with Formosa Heavy Industries (FHI), a leading Taiwanese manufacturer of heavy industrial plants, and the Aboitiz Group, one of the country's major energy companies, Global Power has

Global Power has made giving back to the community a priority, especially in the areas it serves.



completed key alliances to maintain its growth strategies.

ORIX, a publicly listed financial investment institution in Japan with global investments and a strong Asian presence, and Meralco — one of the Philippines' largest power distributors, are now the newest industry partners of Global Power. Through these alliances with industry leaders in their own right, Global Power is itself becoming a recognized power industry player. In this way, it is reinforcing its position in the energy sector with assured financial capabilities and an adequate, reliable

and cost-efficient national power supply.

In turn, Global Power has made giving back to the community a priority, especially in the areas it serves. The Philippines' Visayas region was struck by two major disasters in 2013: first, a 7.2 magnitude earthquake which left the islands of Bohol and Cebu severely damaged, and then Super Typhoon Yolanda which levelled entire cities and villages. In the aftermath, Global Power immediately started distributing more than thousands of relief bags for affected families.

More importantly, as one of the leading independent power producers in the Visayas, Global Power — with the help of Meralco — provided technical assistance and trucking equipment to electrical cooperatives in the stricken areas to aid in the restoration of power. In fact, the Philippine Energy Secretary, Jericho Petilla, cited these efforts for effecting immediate power restoration in northern Cebu within the shortest time possible, while reconstruction was finalized in 13 days and the majority of customers served within 40. ♦ www.gbpc.com.ph

The Philippines

www.worldeyereports.com



Alfred V. Ty, Toyota Motor Philippines Vice Chairman; Akio Toyoda, Toyota Motor Corporation President; Michinobu Sugata, Toyota Motor Philippines President

The Philippines' No. 1 automaker strives for greater heights

Targets are high for leading automotive manufacturer Toyota Motors Philippines Corp (TMPC). Last year the company sold more than 75,500 units in the Philippines, while the total sales of all manufacturers was about 210,000. This year, expectations are higher for Michinobu Sugata, president of TMPC, as the company is pursuing the target sales of 100,000 units.

"Things look quite promising, as the Philippines' automotive industry has been consistently growing since 2010," he explains. "We expect this growth to be sustainable since the per capita income of Filipinos is increasing. I'm sure the country will have motorization to the levels of Thailand and Indonesia soon."

"In order for this growth to be sustained, we expect the government to pay more attention to infrastructure development," Sugata adds. "It will help not only Toyota, but all the manufacturers in the country."

He is also aware of increasing competition, especially brought in by next year's integration of the ASEAN community into a single market. "We need to introduce new products, as well as strengthen our production capability and dealership network around the country," he explains. "This way, we will remain number one despite the fierce competition."

"We launched four new models in the Philippines this year — Altis, Innova, Wigo and Yaris — all widely accepted by the market, especially the Wigo, which is newly introduced and the most affordable," Sugata adds. TMPC's target sales total for the Wigo was 500 units per month, and the company has already substantially surpassed this by hitting monthly sales of 1,000 units.

TMPC has 70 suppliers in the Philippines, which exported a total of \$1 billion last year: "a big contribution to the local economy," he says.

He also highlights TMPC's long-term strategy and vision. Strong proof of this is the opening of a technical school, called the TMP School of Technology, in Santa Rosa in Laguna. It prepares graduates for a successful career in Toyota anywhere in the world.

"We already have a program with Abdul Latif Jameel Imports and Distribution, which is based in Saudi Arabia," Sugata says. "This way we ensure our graduates get hands-on experience from Toyota dealerships worldwide."

Next year the school will turn out its first batch of graduates, who will be ready to start working immediately. "I want them all to get jobs," he emphasizes.

Sugata is proud to be the head of TMPC in these times, in a company in which he has served for the last 9 years. He sees himself remaining in this position until he realizes his dream: "I want Toyota to sell more than 100,000 units this year, and eventually reach my dream of cumulative sales of 1 million units. We can do this because we are surrounded by excellent people at all levels."

"Thanks to them, TMPC earned the 2011 Employer of the Year award from the People Management Association of the Philippines, as well as a special recognition award in 2012 by Singapore Human Resources Institution," he concludes. "I feel privileged and honored to be working with these people."



Manila's next grand statement rises in the Fort

Just months away from the planned launch of the ASEAN Economic Community in 2015, the Philippines is viewed as one of the strongest Southeast Asian economies — in prime position as the ideal gateway to the ASEAN region.



In fact, just last May, the Philippines was chosen to host the World Economic Forum on East Asia, with the attendance of the world's top leaders and shapers. It was considered by many as global recognition of the current Aquino administration's successful good governance and economic growth initiatives. In 2015, the country is expected to receive even more attention as it holds that year's Asia-Pacific Economic Cooperation conference.

Manila's newest central business district, Bonifacio Global City (BGC) in the heart of the metropolis, is a reflection of the nation's changing lifestyle and rapid growth. Where Shanghai has its Pudong and Tokyo its Shimbashi, Manila has BGC.

The Fort, as BGC is commonly referred to due to its past incarnation as an army camp, is now the

new base of the country's biggest multinational companies and conglomerates, retail shops and international schools; becoming the hub of everything new and exciting in the metro. Given its central, easily accessible location, it is now the most sought-after property area in metropolitan Manila.

With all the major local real estate players and international hotel chains present in the area, there is increasing demand to locate here from locals, investors and expats moving to the country. Among the major new developments is a much-anticipated project: the Grand Hyatt Manila Residences. Set for final completion in 2017, it is expected to be the most luxurious residential complex in the country.

The Grand Hyatt Manila Residences, a joint venture between Japan's ORIX and Federal Land, has gone through careful planning with exquisite attention to detail. It will also make a bold statement as the flagship project of Federal Land — one of the Philippines' most well-known high end property developers.

Under the Grand Hyatt brand, the plan is to situate metropolitan Manila prominently on the world map — setting the standards for six-star service, tasteful design and quality amenities. Residents will have access to the Grand Hyatt Hotel and its amenities next door, along with other commercial establishments on the lower floors. Nevertheless, the utmost security and exclusivity will be maintained for Grand Hyatt residents.

"Even more than the positive contribution this project generates for Federal Land, we are equally inspired about the multiplier effects that a Grand Hyatt hotel development will generate for greater Manila," comments Alfred V. Ty, Federal Land's president.

Through constant coordination with the Hyatt team of experts in Hong Kong, Federal Land is



particularly motivated about its collaboration with the globally renowned brand, as a management company that specializes in providing a top-quality customer experience in all services available in this hotel.

Fumihiko Sato, director of ORIX METRO Leasing and Finance Corp., stresses the significance of the joint venture project for both Federal Land and his company. "We just want to make the best-of-the-best," he says. "We will not compromise and with a partnership in automobile leasing, moved on to property development, and then — most recently — power generation across the energy-hungry archipelago."

"More significantly, the key to our strong bond lies in the commitment and mutual respect between our groups," adds Sato. "We've been through good times and bad times, and we are here for the long term."

With continued international credit upgrades, booming infra-



structure projects and a promised surge of foreign investors lined up, the Philippines is increasingly being referred to in international media as the next Asian boom country. In this landscape, Federal Land is determined to capitalize on the synergy of its strategic partnerships with international brands to help the country realize its true place in the world.

www.federaland.ph

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Japan and the Philippines: Strategic partners in a resurgent Asia

By His Excellency, the Ambassador of the Philippines to Japan, Manuel M. Lopez

The recent World Economic Forum on East Asia in Manila on May 23 and 24 highlighted and brought to a wider international audience the economic success of the Philippines — hailed during the Forum as the “Next Asian Miracle.” The message to top-level international business executives, influential thought leaders, and the international community was clear: improvements in governance directly translate into sustainable economic progress.

Japan has proven to be an excellent partner in this effort for one of three reasons. First, our economic relations with Japan have never been this active. Two-way trade continues to rise, and as of April 2014, Japan remains the Philippines’ largest trading partner. More and more Japanese companies pour investments in the Philippines — a testament to their faith and confidence in the Philippine economy.

Second, Japan continues to actively participate in our country’s renewal. As our largest source of development assistance, Japan has contributed immensely to the Philippines’ priority development initiatives, helping us bridge the financing gap in critical areas such as infrastructure, transport, urban renewal and the development of Mindanao.

Finally, Japan never fails to come to our aid in times of calamity, extending not only financial aid but also their expertise in disaster preparedness, response and risk management. Highly exposed to natural disasters them-



The Hon. Manuel M. Lopez, the Philippine Ambassador to Japan

selves, the Japanese people have demonstrated their solidarity with us in the wake of Typhoon Haiyan.

As the Philippines continues to move up the path to becoming a more competitive hub of international business and trade in ASEAN, its strategic partnership with Japan can be a catalyst in elevating its role in the ASEAN Economic Community and in a more cohesive and connected East Asian region going forward.

The visit of Japanese Prime Minister Shinzo Abe to Manila in July 2013 — his second visit since December 2006 during his first term — was certainly an affirmation of our enhanced bilateral relations and a concrete step toward the elevation of our Strategic Partnership.

As far as trade relations are concerned, the prime minister’s second visit to the Philippines took place when Japan became our number one trading partner and our number one source of approved investments. I should note that it was under Abe’s leadership that the Philippines-Japan Economic Partnership Agreement or PJEPA had been signed — shortly before his first visit in 2006. His second visit nearly seven years later saw both our countries reap the fruits of that economic partnership.

As in his first visit in 2006, Abe’s return to the Philippines in 2013 also highlighted Japan’s invaluable assistance on disaster response and humanitarian relief, especially in the wake of the destruction of Typhoon Haiyan. In addition to ongoing humanitarian aid, the prime minister committed to help enhance the maritime safety and emergency response capability of the Philippine Coast Guard, and pledged an additional stand-by loan facility for disaster management. He also extended Japan’s support for the Philippines’ priority infrastructure needs, most notably through Japan’s expertise in helping to craft a transport infrastructure road map.

Philippine President Benigno Aquino III returned the favor of Abe’s visit in July 2013 by coming to Japan barely five months later. The massive post-Haiyan humanitarian effort was still a major concern for my country, and Japan once again showed why it is indeed a true friend. The prime minister pledged an additional \$66 million in grant aid, on top of around \$50 million already committed. The standby loan pledged during the July 2013 visit

was increased to around \$500 million. Both leaders witnessed the signing of the agreement on the provision of 10 multipurpose response vessels — a huge help to our embattled and under-equipped coast guard to strengthen their search and rescue and coastal emergency responsiveness. Leading Japanese companies, represented by Keidanren, had also contributed significantly to the aid effort.

Greater opportunities for people-to-people connectivity and two-way tourism have been made possible through the new Philippines-Japan bilateral Air Services Agreement, which was signed during the president’s Japan visit in December, 2013. It will allow increased flight frequencies between Japan and the Philippines, including daily flights from Manila to Haneda. Coupled with the recent easing of entry requirements for Filipinos wishing to come to Japan, the doubling of the number of flights has led to a remarkable increase in arrivals to Japan, which may reach close to 200,000 by the end of 2014 — a 235 percent increase from 2012 when the visa requirements were liberalized.

I cannot stress enough how Japan solidly stood by the Philippines in the most concrete and powerful way during our darkest hour of need. When Typhoon Haiyan struck the Philippines in November last year, it completely overwhelmed our disaster preparedness infrastructure and left behind horrific devastation and death.

Japan, perhaps reminded of what it was like to suffer the terrible effects of nature’s fury, came to our aid and so much more. To date, Japan has committed to provide at least \$113.1 mil-

lion from public and private sectors and has deployed a massive humanitarian team of Japan Disaster Relief Medical Teams, JICA experts and members of the Japan Self-Defense Forces to aid in the emergency re-

sponse in affected areas.

Yet it was the simple, but moving acts of kindness and generosity of ordinary Japanese citizens — from a pre-schooler sharing his entire yen savings with typhoon victims, to World War II

veterans who experienced a much different kind of destruction in Leyte decades before — that really reminded us of just how close the bonds, or *kin-zuna*, between our two countries are. While a painful chapter in the never-ending cycle of preparation, devastation, and reconstruction, the aftermath of Typhoon Haiyan is a testament to the abiding strength of our cooperation and Strategic Partnership, and my country will be forever grateful.

Japan has been a close partner of the Philippines in the Mindanao Peace Process along with other international partners. In cooperation with the United Nations Development Programme (UNDP), Japan plays a leading role among donor countries by co-chairing the Mindanao Donor’s Group Meeting a forum for discussing development efforts in Mindanao with other donor states. The Japan-Bangsamoro Initiatives for Reconstruction and Development was launched in 2006 under the Grant Assistance for Grass-roots Human Security Projects, and has to date assisted 50 grass-roots projects in conflict-affected areas in Mindanao. These initiatives built trust on the ground and helped create a conducive environment for a Comprehensive Agreement on the Bangsamoro to come into fruition.

I believe that the Japanese public welcomes the progress of peace in Mindanao as it can contribute greatly to the peace in the region. As Mindanao becomes more stable, economic opportunities are expected to open up soon after. The Philippines is now hard at work in crafting the necessary legislation so that the dividends of peace can be realized. ♦



President Benigno S. Aquino III with Japanese Prime Minister Shinzo Abe during Aquino’s one-day working visit to Japan on June 24, 2014

Decade of remarkable growth rewards Filipino mining leader

Delta Earthmoving, a Filipino-owned company incorporated in 2003, has just posted a decade of remarkable growth — landing comfortably in the country’s Top 1,000 Corporations list in the last three years. Its humble beginnings belie its current status as a dominant player in the Philippines’ quarry, metal mine contracting and earthmoving sector.

“We started back then with a small operation, but also a clear directional vision — coupled with an acute awareness of the industry’s potential risks and opportunities and the toughness of our competition,” notes Sam Omengan, Delta Earthmoving’s president and CEO. “However, we didn’t think it would happen this fast and this soon.”

Today, the company is 100 times bigger in terms of revenue, equipment and manpower, and its turnover has doubled every year in the last ten. “We continue to apply the same level of intensity in our expansion efforts, complemented with a cautious approach in evaluating each and every new step forward,” he adds. “Funding is critical in this business, so I am grateful



Delta Earthmoving scoops up more market share every year.

for the strong partnerships we have established with banks and equipment suppliers.”

“With our exposure to multinational operating and safety standards, equipped with the necessary technical competence and financial capability, we are in the best position to take on bigger projects and lead our industry,” Omengan says.

He highlights the contribution of Maxima Machineries, the Komatsu dealer in the

Philippines, as well as Sumitomo Trading, Marubeni and Bank of Tokyo Leasing for playing vital roles in Delta Earthmoving’s success: “In the early stages, it was Sumitomo Trading and Marubeni that helped us by providing a credit facility to cover the purchase of brand-new Japanese-made equipment. Recently, Bank of Tokyo Leasing in the Philippines, backed by its mother company in Japan, has also shown great confidence in Delta and covered a big chunk of our leasing requirements for our biggest metal mine project.”

Omengan expresses his sincere appreciation for Japanese investors who are taking a more active and aggressive role in mining sector activities and other major infrastructure projects in the country, and concludes by calling for more such investment in the Philippines: “The Japanese need to look at the Philippines for mining ahead of other East Asian countries, as the opportunities are huge and the potential growth is massive.” ♦

www.deltaearthmoving.com

“The Japanese need to look at the Philippines for mining ahead of other East Asian countries, as the opportunities are huge and the potential growth is massive.”

— SAM OMENGAN

Delta Earthmoving’s President and CEO



DELTA EARTHMOVING



BDO turns to Japanese market

BDO Unibank Inc. (BDO), the Philippines’ largest bank in terms of total resources, customer loans, deposits and asset-under-management as of the second quarter of 2014, is well positioned to service the growing population of Japanese corporates coming into the country, especially the increasing number of SMEs, which have started looking at the Philippines as an attractive investment destination.

With a “one-stop shop” set-up within the Bank’s Japan Desk, BDO facilitates the various banking needs of its Japanese customers and provides greater banking accessibility through its wide distribution channel of over 850 operating branches strategically located across the country and its electronic banking services. BDO provides bespoke banking products ranging from traditional branch banking, working capital loans and trade services, to the more sophisticated cash management services, treasury instruments and

capital markets solutions. Doing business in the Philippines through BDO is made more convenient with the signing of a memorandum of understanding between the bank and the Japan Bank for International Cooperation in 2013. Through the support of member Japanese regional banks, BDO can provide Japanese SMEs financial and non-financial advisory services, in addition to other banking products that can assist them in their start-up or expansion plans throughout the country.

BDO also established a cooperation agreement with Nomura Holdings, which utilizes the leadership and strength of each institution to be able to identify potential areas of collaboration, and deliver a unique brand of resolution. With its large scale and reach, a healthy balance sheet, and a strong Basel III compliant capital base to rely on, BDO is in the best position to withstand increasing competition and take advantage of growth



opportunities present in the Philippine economy. As the country’s business environment continues to improve,

BDO remains steadfast in its commitment to support its rapidly expanding customer base in order to mu-

tually reap the benefits of a progressive economy in the long run. ♦ www.bdo.com.ph

Generating clean power and building sustainable communities

San Roque Power Corporation (SRPC) is a leading private company involved in hydroelectric power generation in the Philippine energy sector. Owned jointly by Marubeni and Kansai Electric Power, it has been operating in the Philippines since 2003.

As Ryukichi Kawaguchi, the president and CEO explains: “SRPC started its operations in 2003, though construction actually began in 1998 — with a concession period of 25 years. In 2028, as a consequence of its nature as a build-operate-transfer project, all its assets will be returned to the



Ryukichi Kawaguchi, President and CEO of SRPC

Philippine government and managed by San Miguel Corp.”

A clean electricity producer in an energy-hungry country, SRPC’s 100 employees power a business with a wide scope of operations. “We provide irrigation, flood control, power generation, and water quality improvement,” he adds. “We make sure to accurately meet our high standards at all times, using Japanese technology.”

Kawaguchi emphasizes that the company measures its success based on its four core principles: economic distributive impact, environmental stewardship, workforce solidarity and community empowerment.

Over the years since its creation, SRPC has maintained a continuous commitment to the Philippines and its people.

“SRPC is committed to helping the Philippines build sustainable communities, and we have invested heavily in this,” he explains. “Our slogan is to provide ‘the power to energize lives.’ While being profitable, we have prioritized implementing projects and programs in the areas of livelihood and enterprise development — promoting quality education, health care and environmental protection.”

In line with this, SRPC launched its first micro-finance project in August 2009, in the different local communities in which it operates. “We aim for the communities to become independent through generating income from sustainable livelihood projects,” says Kawaguchi. “This program

has already changed the lives of more than 60,000 people through initiatives that include microfinance, capacity-building, community empowerment, support infrastructure (farm-to-market roads, irrigation, multi-purpose buildings, vermicomposting facilities, school buildings and support facilities and water supply systems), improving the proficiency of elementary school students, community health care, environmental information campaigns and

disaster relief support. I’m very proud of it.”

He concludes by highlighting SRPC’s commitment to Philippine rural society. After more than 23 years of working in this country, he has come to feel an integral part of its development and the progress of its people. His aim is for SRPC to maintain its commitment to Filipinos by delivering enough energy to meet its clients’ needs through sustainable means. ♦

www.sanroquepower.ph



A path atop the spillway training wall of the San Roque Reservoir with the surrounding north eastern mountain range of the island of Luzon in the foreground

The Philippines

www.worldeyereports.com

Southeast Asian seaside jewel offers relaxation and adventure

Eskaya Beach Resort and Spa is a luxury beach resort on Panglao Island, on the southernmost tip of Bohol in the Visayas.

"We feel the place speaks for itself," says Richard B. Lim Jr., whose parents, Richard Sr. and Phoebe founded the resort just five years ago. "For example, we probably have the top-ranked scuba diving sites in Asia right here."

The members of the Lim family are Bohol locals, and built Eskaya (whose name comes from that of the island's only indigenous people) partly as homage to their origins. "We chose the name 'Eskaya' because we wanted to reflect our unique heritage," recalls Lim Jr.

Today, Bohol is finding itself increasingly on global tourism's radar. "We're feeling very bullish, and happy that Bohol is finally making noise tourism-wise," Lim Jr. adds. "We're actually planning our expansion this year."

On Panglao Island itself, Japanese overseas development assistance funds will soon be used to build a new international airport, which will feature direct flights to South Korea, Japan and other neighboring countries.

"Bohol is an integrated destination —



Located halfway through Panglao along its coast facing the Bohol Sea, a main focal point is the resort's awe-inspiring infinity swimming pool blending with the deep blue sea.

you can see the world-famous 'Chocolate Hills' and the rare Philippine tarsier a short drive away from our fantastic beaches," Lim Jr. explains.

Eskaya Beach Resort and Spa, one of

the few members of the exclusive group Small Luxury Hotels of the World in the Philippines, covers 16 hectares that include a powder-white sand beach, ravines, caves, lush mountain scenery and a cliff with a commanding view of the sea.

"We are very proud to be from Bohol," says Lim Jr. "Our staff is about 95 percent native Boholanos, and we are very committed to improving the lives of the local population. The most special thing about Eskaya is that this is a homegrown brand with homegrown talent offering exceptional world-class service and facilities."

He considers preserving the unique Eskaya culture as part of the work of the resort. Every Sunday, interested guests get to learn about the Eskayan script and its fascinating language.

Eskaya's luxury spa and restaurant also take pride of place. "Our spa is world-class and we also offer a wide range of delicious Filipino and native Boholano dishes in the main restaurant," concludes Lim Jr. "At Eskaya, guests are sure to have an unforgettable experience." ♦

www.eskayaresort.com



The thatched villas or "balai" in the local dialect, are built using indigenous materials such as bamboo, cogon and wood. The exclusive boutique resort's architecture is decidedly Filipino with luxurious amenities such as private swimming pools.

Developer finds success with unique approach

'We are who we are, because for 83 years we have done things differently,' says Joey Santos, senior vice president and general manager for real estate of Ortigas & Company — one of the Philippines' most successful developers. Privately owned by the Ortigas family, the company's origins date back to when the family's patriarch bought land from the Catholic Church at the end of the Philippines' history as a colony at the beginning of the 20th century.

Today, Ortigas specializes in residential and commercial developments in metro Manila, where it owns one of the busiest and most well-known malls in the country, Greenhills Shopping Center. The iconic mall is now being renovated, expanding to meet growing demand from customers and foreign retailers looking to move into the Philippines ahead of the planned ASEAN integration next year.

"We like the idea of ASEAN integration because it will be beneficial to everybody," says Santos. "Our market will grow, our customer base will grow and of course we will have more options for contractors." One of the company's strong points is its ability to build long-



Greenhills Shopping Center, known to locals and tourists alike for pearls and great value shopping finds. It is undergoing a redevelopment plan with its new luxury residential tower, Viridian in Greenhills.

lasting relationships with all its stakeholders — many of whom are Japanese.

"We have many clients from Japan, as well as suppliers and contractors," he explains. "We enjoy doing business together with the Japanese." Santos views the relationships between the two countries as ones that are growing, and with great potential for even more growth.

Ortigas & Co.'s new projects in the pipeline, "... will benefit our surroundings, while taking into consideration the community and future generations as well," says Santos. The residential projects have been planned with plenty of open space, pet-designated areas and other elements that differentiate them from other developments in the city.

"I think people look at us as a prestigious developer, considering the unique architecture and open spaces that we

We have many clients from Japan, as well as suppliers and contractors. We enjoy doing business together with the Japanese."

— JOEY SANTOS
Senior Vice President and General Manager
for real estate of Ortigas & Company

offer, they have also earned very good value in the past from investing in our properties," he adds.

"Ortigas & Co. is a brand that in all these years has stood for value, class and uniqueness," Santos concludes. "We are doing things our way. We value creativity, and aim to continue developing innovative real estate developments that will keep our customers happy." ♦

www.ortigas.com.ph



Capitol Commons is the latest mixed-use development of Ortigas. Located in Ortigas Center, Pasig City, Philippines, it offers prime residential, office and retail spaces while maintaining 50 percent to open green space. The Royalton is its first residential tower and will be followed by The Imperium.

Asia's one-stop, non-stop shop

CONTINUED FROM PAGE B1

In an unprecedented event in May this year, the World Economic Forum (WEF) on East Asia was held in Manila: a clear indication of the Philippines' growing importance. "We are very happy to host the WEF here, and the major sovereign credit rating agencies have given us investment grade status for the first time in our history," comments de Lima. "It sends a strong positive signal to investors all over the world."

In the three-day event, 700 government officials, senior business executives and media representatives from 30 countries met and discussed the future of Southeast Asia, a region of over 600 million people and a combined GDP of \$2.3 trillion, which is gearing up for economic integration into a single market by 2015. "It's a unique opportunity, not only for the Philippines but for the entire region, to come out, build trust and create new coalitions, as well as look at a wide range of issues and challenges in new and innovative ways," Rao pinpoints. A truly integrated ASEAN (Association of Southeast Asian Nations) would form Asia's third largest economy, just behind economic giants China and Japan.

A perfect match

The Philippines considers Japan a key economic and social ally. "We share the same values, we are economically close and we complement each other, since Japan has the market and the Philippines has the resources and the workforce," explains the Former Japanese Ambassador to the Philippines, Toshinao Urabe. He adds the view that the Philippines' history of colonization by Spain and the U.S. has given it the distinctive characteristic of being able to conduct business equally well with the East and the West.

"At the WEF, the number of participants and senior executives from large Japanese enterprises in the meetings was remarkable," says Rao. Japan is now the number one foreign investor in the Philippines, reflecting a history of development as Japan rose from the ashes of World War II. It is significant that the first foreign language translation of the PSE listings was into Japanese.

This cooperation goes well beyond business. Last year, the Philippines experienced one of the most devastating typhoons in history, through the destruction brought on by Typhoon Haiyan. Japan's response was immediate. "We wanted to help," says Urabe, "and that kind of memory of huge waves blotting out cities was still fresh for our people. Our assistance was hugely scaled — providing medical help, food, debris collection, construction, oil removal and logistics. It was definitely the largest

international relief Japan operation has ever done."

Philippine President Benigno Aquino III made a working visit to Japan in June and met with the Japanese Prime Minister, Shinzo Abe. The meeting focused on thanking Japan for its outpouring of help the year before, as well as strengthening economic ties between the two nations. It also lauded Japan's involvement in the Mindanao Peace Process, which seeks to permanently end a decades-long conflict between Christians and Muslims in the south of the Philippines. The agreement has reinforced the country's image as a stable and safe destination.

Headed in the right direction

"Our economy is expanding further and becoming sustainable, with strong manufacturing and service sectors," says Mamañgun. "Putting this together with good public governance and central bank management, we will be able to attract even more investment from abroad." With increased liquidity and an upgraded investment status, the Philippines is headed in the right direction.

To further this economic growth, the Philippine government continues to provide incentives and investment opportunities for international investors such as those from Japan. There are now more than 300 special economic zones under the authority of PEZA. It is also taking a tough line in battling endemic corruption and promoting transparency. Finally, the decrease in bureaucracy and red tape for visas and company registrations means that the investment process is getting shorter, simpler and more open.

In this effort, PEZA's work has been crucial for attracting and keeping foreign direct investment (FDI) in the country. "Our investors in PEZA are very happy as we provide better incentives than our Asian neighbors," says de Lima. "Our financial incentives are comparable to — if not better than — that of our Asian neighbors. Our service in PEZA is difficult to match anywhere in the world. Because at PEZA, we are a 'One-Stop Shop.' And more than that, we are also a 'Non-Stop Shop,' rendering service to our companies 24/7. In PEZA, there is no red tape, only red carpet treatment for our investors. Most importantly, in PEZA there is no graft or corruption. We treat investor companies as partners and not as clients because they have a stake in our success, and vice versa. Everything is PEZA is positive, and we are more than ready for the ASEAN integration."

This planned integration should greatly increase opportunities, but it will also intensify competition. "It will be definitely be good for us, but we also need to

The Philippines is no longer the sick man of Asia; it's actually the most improved Southeast Asian country."

— SUSHANT PALAKURTHI RAO
Senior Director and Head of Asia for the World Economic Forum



WORLD ECONOMIC FORUM

Filipinos are good people with a good nature, they are hardworking and easy-going."

— TOSHINAO URABE
Former Japanese Ambassador to the Philippines



EMBASSY OF JAPAN

Our investors in PEZA are very happy as we provide better incentives than our Asian neighbors."

— LILIA DE LIMA
Director-General of the Philippine Economic Zone Authority



PEZA

Our economy is expanding further and becoming sustainable, with strong manufacturing and service sectors."

— JOHN BENETTE MAMAÑGUN
Investor Relations Officer of the Philippine Stock Exchange



PSE

find a niche area where we can be ahead of our counterparts, to use our competitive edge wisely," she adds. "And that advantage is our people and our service."

"Filipinos are good people with a good nature," Urabe agrees. "They are hardworking and easy-going." With a median age of just around 23 years, Filipinos are highly educated, with relatively fluent English-speaking ability in comparison with Japanese and other Asians. Per capita income is on the rise, driven by the country's economic performance, which in turn has empowered the young population with greater purchasing power. All these factors make the Philippines very attractive to Japanese exporters, while the Philippines is also a top location for outsourcing operations and manufacturing.

"We are here to recognize the strong economic performance of the Philippines," Rao concludes, as the country looks ahead to the prospect of more economic growth and social advancement on the horizon. ♦



Participants in East Asia Economic Outlook, during the World Economic Forum on East Asia in Metro Manila, the Philippines, May 22, 2014

WORLD ECONOMIC FORUM

The Yuchengco Group: Nurturing long-standing Japanese business relations

As the Philippines takes steps to attract more foreign investors, it continues to maintain a strong and healthy strategic alliance with Japan — still its biggest investor.

Keenly aware of the strategic business alliance between the two countries, the Yuchengco Group of Companies (YGC), one of the Philippines' largest and most diversified conglomerates, continues to nurture the strong long-standing business relationships forged by its member companies with their Japanese counterparts.

YGC's diversified presence is felt in various industries such as banking and finance, insurance and investment, construction and real estate, pharmaceuticals, travel and leisure, energy development, education and information technology.

The Japanese market has been, and continues to be, a key contributor to the growth of YGC. Throughout its decades of growth, the group has formed partnerships with top companies such as Sanwa Bank, Philippine Fuji Xerox Corpora-

tion, Daiei Supermarket, Nippon Life Insurance, Tokio Marine, Honda and Isuzu cars, and Eisai, among others.

The group's founder and chairman, Ambassador Alfonso T. Yuchengco, further deepened his connections with the Japanese business community during his term as the Philippine Ambassador to Japan from 1995 to 1998. During that period, he was able to enhance the national pride of the local Filipino community in Japan and increase business and trade substantially between Japan and the Philippines.

As a testimony to his services, the Japanese government awarded him two decorations: the Order of the Sacred Treasure, Gold and Silver Star, and the Grand Cordon of the Order of the Rising Sun.

The strong business integrity that Ambassador Yuchengco continues to live by is YGC's guiding principle — continuing to open doors to opportunities and alliances with the Japanese business community. ♦

www.ygc.com



Ambassador Alfonso T. Yuchengco was conferred the Order of the Sacred Treasure, Gold and Silver Star and the Grand Cordon of the Order of the Rising Sun by the Emperor of Japan for his outstanding contributions in promoting ties between the Philippines and Japan.

Malayan Insurance, Tokio Marine celebrate 50 years of partnership

Malayan Insurance, the Philippines' number one non-life insurance provider, has a long and storied 84-year history so far, 50 of which have been spent in partnership with Tokio Marine Holdings.

Starting in 1964, the partnership has enabled Malayan Insurance and Tokio Marine to provide for the non-life insurance requirements of Japanese companies operating in the Philippines. For Tokio Marine, this partnership with Malayan was the first alliance it forged globally.

The Philippine Insurance Commission has consistently ranked Malayan Insurance as the number one non-life insurer in the country, while Tokio Marine is a top five Fortune Global 500 company and one of the largest non-life insurers in the world.

The two companies recently celebrated their 50th partnership anniversary with the attendance of top executives of both companies, including the Japanese Ambassador to the Philippines, Toshinao Urabe, the Philippines Insurance Commissioner, Emmanuel F. Dooc, and over 200 guests from the Filipino-Japanese business community in Manila. ♦

www.malayan.com



Yvonne S. Yuchengco, Malayan Insurance President; Helen Y. Dee, Malayan Insurance Chairperson; Emmanuel F. Dooc, Philippine Insurance Commissioner; Ambassador Alfonso T. Yuchengco; Tsuyoshi Nagano, Tokio Marine Holdings President; Toshinao Urabe, Former Japanese Ambassador to the Philippines; Tadaharu Uehara, Tokio Marine Holdings Managing Executive Officer; Arthur Lee, Tokio Marine Asia Chief Executive during the celebration of the 50th anniversary of Malayan Insurance and Tokio Marine's partnership in the Philippines.

Gaining the trust and confidence of the Japanese market

WER sits down with Helen Dee, Chairperson of YGC

In view of the planned ASEAN integration in 2015, what opportunities and areas of diversification do you foresee for the Yuchengco group?

We at YGC are positioning ourselves advantageously to leverage our strengths on many growth areas of our economy. The group will continue to pursue the objective of providing services addressed to meet a person's needs at every stage of his or her life.

We will also be focusing on the environment by investing and lending to clean and renewable energy sources, such as wind, hydro and geothermal. A cleaner environment is one of the most pressing challenges that industries face today, and one that will have a bearing on the quality of life and the future of our descendants.

Growth potentials can be found in our education programs. Our school, the Mapúa Institute of Technology, continues to enhance its accreditation efforts for its programs to give its students better employment opportunities globally. It also constantly establishes partnerships with various corporate and educational institutions around the world for the exchange of knowledge.

In the construction sector, our EEI Corporation continues to be among the country's leading global construction service providers. Assuming all the infrastructure projects being discussed are implemented, then there should be a number of opportunities over the medium term.

How do you plan to minimize the threat of regional players entering the market?

We will constantly introduce new products and other innovative approaches to ensure our companies will continue to play significant roles in the banking and finance, insurance, construction and real estate, information technology and automotive services sectors, among others.

In the past five years we have invested heavily in talent; we have recruited Filipinos with good education — most of them educated and trained overseas. We wanted people with a global mindset.

We also invest heavily in technology. For Rizal Commercial Banking Corporation (RCBC), we have a new core banking platform where we can integrate all customer relations into one channel. Our vision is to gain as many customers as we can and be able to serve them all efficiently.

With the country's improved performance in recent years, what has been the sentiment among the Japanese, especially among your partners, with regard to investing or expanding their businesses here?

The Philippines and Japan have nurtured a healthy business relationship for many de-

cades. This relationship will become even stronger in the coming years, once we address the problems of infrastructure and strengthen our anti-corruption measures and other administrative reforms.

Japanese businessmen rate our country as having the most hospitable environment for business expansion. We have a young English-speaking labor market, and a stable economy that is fueled by strong domestic consumption.

YGC has already gained the trust and confidence of the Japanese market. RCBC is the leading financial institution among the Japanese firms in the Philippine Economic Zone Authority. The ASEAN integration will make our partnership with Japan even more crucial for our mutual growth and competitiveness.

Having strong partnerships with such established brands as Tokio Marine, Sanwa Bank, Eisai, Philippine Fuji Xerox and Resona Bank, how have collaborations elevated your business practices and standards in doing business?

YGC has always striven to establish a global outlook to doing business. My father saw the importance of doing business with foreign partners and establishing international alliances in the 1950s, long before "globalization" became a common business term. As our businesses expand, collaboration is the key to functioning in our global setting.

Given the importance of the Japanese to the Philippine economy, as well as your established partnerships with Japanese companies across different industries, what message do you have for our readers in Japan?

Our Japanese friends seem to be happy living and working in the Philippines. We have the advantages of a high growth consumption market and a highly competitive manufacturing hub. Many Japanese firms are expanding their operations in the Philippines. We welcome their continued confidence in our country. ♦

www.ygc.com



Helen Y. Dee, YGC Chairperson

YUCHENGCO GROUP OF COMPANIES

The Power of Synergy

AY Foundation, Inc.
Rizal Commercial Banking Corporation
RCBC Bankard, Inc.
RCBC Capital Corporation
RCBC Forex Brokers Corporation
RCBC International Finance, Ltd.
RCBC Land, Inc.
RCBC Leasing Corporation
RCBC North America, Inc.
RCBC Realty Corporation
RCBC Savings Bank
RCBC Securities, Inc.
RCBC Telemoney Europe
Malayan Insurance Company, Inc.
Bankers Assurance Corporation
First Nationwide Assurance Corporation
Go! Travel Insurance Agency
Lex Services Inc.
Malayan International Insurance Corporation, Ltd.
Sun Life Grepa Financial, Inc.
House of Investments, Inc.
EEI Corporation
Greyhounds Security & Investigation
Agency Corporation
Hi-Eisai Pharmaceutical, Inc.
Honda Cars Kalookan, Inc.
Honda Cars Quezon City Group
(Quezon City, Fairview, Manila, & Marikina)
iPeople Inc.
Isuzu Manila, Inc.
La Funeraria Paz-Sucat, Inc.
Landev Corporation
Malayan Colleges Laguna
Malayan High School of Science
Manila Memorial Park Cemetery, Inc.
Mapúa Institute of Technology
Mapúa Information Technology Center
Mapúa TechServe
Pan Pacific Computer Center, Inc.
People e-Serve Corporation
Pan Malayan Express, Inc.
Pan Malayan Management & Investment Corporation
Philippine Integrated Advertising Agency, Inc.
YGC Corporate Services, Inc.
Yuchengco Museum

And over 30 other affiliates and subsidiaries

RCBC Plaza

The preferred bank for Japanese investors in Philippine Eco-zones

Japanese companies account for more than 36 percent of investors in the business-friendly Special Economic Zones under the regulation of the Philippine Economic Zone Authority (PEZA).

The strong presence of Rizal Commercial Banking Corporation (RCBC) within the Japanese and eco-zone markets has been instrumental in fostering business relationships between Philippine and Japanese entrepreneurs and companies. In fact, RCBC and the Japanese bank Resona have signed a memorandum of understanding with PEZA to further promote direct investments and help foster business partnerships between Philippine and Japanese entrepreneurs and companies.

RCBC's strong ties with Resona Bank have enabled it to make further service inroads to its Japanese clients. Resona Bank, in turn, has cited RCBC's strong presence in the Japanese and eco-zone markets, along with its rapid and innovative network expansion initiatives, as among the key reasons it entered into partnership with the YGC member company.

Resona Bank's Chairman Naoki Iwata points out that the availability of human resources and the Philippines' developing economy are what draw Japanese investors to do business in the country. He also notes that the alliance with RCBC has exceeded expectations and is benefitting many of their clients who are operating their businesses in the country.

Intensifying Resona-RCBC partnership

Since forging this strategic alliance in 2012, RCBC, one of the largest private universal banks in the country, has experienced an influx of Japanese investors doing business with the bank. RCBC assists Resona clients in their investment decisions and provides for their business and banking requirements through its Japan helpdesk.

Since entering into a partnership with Resona, RCBC has been able to offer its banking services, including loans and trade finance, to Resona's clients doing business in the Philippines — chiefly in the local economic zones.

RCBC has since intensified this partnership through its signing of business co-operation agreements with two more banks under the Resona Holdings group — Saitama Resona Bank and Kinki Osaka Bank — to support the business expansion of Japanese small and medium enterprises (SMEs) in the Philippines.

The Resona Group, which provides financial services, comprises three banks: Resona Bank, the core institution offering a full line of trust and real estate related business; Saitama Resona Bank, which has dominant shares in Saitama Prefecture; and Kinki Osaka Bank, which has 128 manned branches (mainly in the region of Kinki).

Serving Japanese investors

The partnership between RCBC and the Resona Group aims to support Japanese SMEs operating or planning to invest in the Philippines by providing financial services such as loans and accounts. Aside from these, the agreement also provides advisory services in Japanese for investment and business operations in the Philippines.

RCBC's Japanese Business Relationship Office, and Japanese and Ecozone Segment specialize in dealing with the banking requirements of Japanese companies in the Philippines. They are among the longest serving, and have the largest Japanese customer base in the market: offering full branch networks, especially in the Ecozone areas.

The Philippines is seen as the perfect venue for potentially greater investments by Japanese companies, given its stable economy, strong domestic consumption and cost-effective English-speaking labor force, making the RCBC-Resona Group partnership even more beneficial for both banking groups.

RCBC will continue to improve its banking services to provide innovative solutions for Resona's clients. With the implementation of its new core banking system, the bank has since expanded its product range and enhanced its service delivery channels to facilitate a faster and more efficient banking experience. ♦

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