



World Eye Reports

# The Philippines

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## Story of growth: Lustrous year for Asia’s economic pearl

The Philippines’ moniker — “Pearl of the Orient” — has been proving well deserved in the last few years. Its economy grew by a lustrous 6.1 percent in 2014, making it one of the fastest growing in the region after China. In fact, its 2015 economic growth is projected to rank fourth highest in the world by the end of the year.

Backed by the current administration’s good governance agenda, sound macroeconomic fundamentals, a demographic sweet spot and geographic compatibility, the Philippines’ latest

story is one of growth: driven by domestic consumption and anchored by high local demand. Increasing global trade be-

**The Philippines itself is a magnet for business and political leaders in 2015, as the country hosts the Asia-Pacific Economic Cooperation (APEC) meetings that will culminate with the APEC Economic Leaders’ Meeting to be held from Nov. 18 to 19, in Manila.**

tween the Philippines and the rest of the world is resulting in closer connections — even to Africa, as Ethiopian Airlines recently

of trade, investment and tourism ties between the booming African continent and Asia as Manila becomes a strategic point of ac-

cess to neighboring countries. The Philippines itself is a magnet for business and political leaders in 2015, as the

ers’ Meeting to be held from Nov. 18 to 19, in Manila. “The APEC 2015 theme of inclusive growth allows us to see economic growth within the human and environmental dimensions,” says Undersecretary Laura Q. Del Rosario, the Chair of the APEC 2015 Senior Officials’ Meeting. “Our goal is inclusive and sustained regional economic integration, such that all member economies and their peoples can fully participate in and enjoy the benefits of a holistic economic growth.”

Philippines-Japan relations were highlighted this year by President Benigno S. Aquino III’s state visit to Japan in June, when he met with Prime Minister Shinzo Abe and both leaders pledged to boost their strategic partnership.

“We look forward to further deepening and expanding our strategic partnership through greater collaborative and joint endeavors in three important pillars: strengthening political and security cooperation; enhancing economic ties; and promoting cultural and people-to-people exchanges,” noted Kazuhide Ishikawa, the Japanese Ambassador to the Philippines ♦

“Our goal is inclusive and sustained regional economic integration, such that all member economies and their peoples can fully participate in and enjoy the benefits of a holistic economic growth.”

— LAURA Q. DEL ROSARIO  
Undersecretary for International Economic Relations



“We look forward to further deepening and expanding our strategic partnership through greater collaborative and joint endeavors ...”

— KAZUHIDE ISHIKAWA  
Japanese Ambassador to the Philippines



## Pioneer firm provides personalized services to Japanese companies

Founded 93 years ago, Isla Lipana & Co. is considered a respected pioneer among professional services firms in the Philippines. Today, it is the Philippine member firm of the PricewaterhouseCoopers global network, offering accounting, auditing and business advisory services to its clients.

Isla Lipana has been recognized for the quality of its services by the Integrity Initiative, which was formed by the European Chamber of Commerce and the Makati Business Club in the Philippines. “Isla Lipana has been founded on and has always maintained integrity as its core value,” said Alex Cabrera, the firm’s chairman and senior partner. He has been with Isla Lipana for over 20 years.

“That is an important feature here in the Philippines, because it encourages companies to sign up for the integrity pledge. It means they commit to ethical business practices and good corporate governance,” he explained. “It’s crucial for a country that is trying to solve an endemic corruption problem.”

The firm has also become involved in helping Philippine social enterprises. One of its most recent CSR projects — Philippine Gems — aims to showcase the country’s top 10 tourist destinations. “We aim for these places to gain local and international attention, and in due course, greater economic activity

“As business relations between the Philippines and Japan keep growing, we invite more Japanese companies to work with us.”

— ALEX CABRERA  
Chairman and Senior Partner of Isla Lipana



that will benefit its people,” he said. Isla Lipana has a Japan Business Desk, created over two decades ago — proof of the importance of Japanese clients for the firm. “We tailor our services to the needs of our Japanese clients,” Cabrera noted.

Staffed by Japanese CPAs, Isla Lipana’s Japan Business Desk makes communication smoother with Japanese companies in the Philippines, and provides specialized audit, risk assurance and tax assessment services.

“As business relations between the Philippines and Japan keep growing, we invite more Japanese companies to work with us,” said Cabrera. “We have extensive experience providing them with the services they require, always under our core values of integrity and the agility necessary to adapt to the times. In this way, we can deliver services that are customized and especially responsive to what our Japanese clients need.” ♦ [www.pwc.com/ph](http://www.pwc.com/ph)

## A message from the President of the Philippines



My warmest greetings to The Japan Times and the World Eye Reports as you publish the 2015 Edition of Special Business Report on the Philippines.

It is encouraging to know that the Philippines is generating a great amount of attention among your many readers as, for several years now, our country has been featured numerous times in your special investment reports. Indeed, this interest is aptly founded. Successive years of unprecedented high growth, averaging 6.3 percent, have made our economy among the fastest in the region and the whole world. This is particularly evident in the manufacturing sector, which posted an impressive 7.1 percent rise from 2011 to the first quarter of 2015. As a result, Standard & Poor’s, Fitch Ratings, Moody’s Investors Service and your very own Japan Credit Rating Agency now consider the Philippines as investment-grade.

While the Philippines is a far cry from what it was just a mere five years ago, much remains to be done. We need to find ways to improve and sustain the pace of our growth, which is why my administration has allocated at least 5 percent of our GDP in the construction and enhancement of new and existing infrastructure, and placed more than one-third of our budget in education. These measures are designed to maximize our present demographic sweet spot, ensuring that the potential for growth remains high. We are resolved to do everything we can to foster a positive business environment to ensure that our economy and your enterprises will thrive and flourish at this exciting juncture in our history.

I invite all of you to come and invest, as your compatriots already have, in a strong, robust and resurgent Philippines. We have already seen the enormous dividends of continuing our strengthening partnership, so let us deepen our engagement so that, together, we may reap the fruits of our present revitalization, and lead the region towards a more stable and prosperous future.

BENIGNO S. AQUINO III

OFFICIAL GAZETTE

## Staying ahead of business shifts, ready for disruption

Eric Alberto on PLDT’s larger digital perspective

In surveying today’s business landscape, which is being transformed by digital technologies, the team at PLDT had to first demystify “digital.” They identified the essential components an enterprise must rely on to compete in the digital arena, namely — social, mobile, analytics and cloud services — while ensuring all-important security.

“This is difficult because of the complexities involved and the mental inertia of large corporations that need to make that digital pivot,” said Eric Alberto, PLDT/Smart executive vice president and ePLDT president & CEO. “But it must be done. Experts predict that a sizeable portion of today’s Fortune 500 companies will cease to exist in 25 years if they don’t do so.”

“The PLDT Group has always been a fixture in Philippine households, and a historic partner to Philippine enterprise,” he continued. “We have made our own digital pivot through a range of new



Eric Alberto, PLDT/Smart Executive Vice President and ePLDT President & CEO

strategic digital investments.”

PLDT’s cloud offerings are continually being enhanced with upgraded manpower skills for managed support and infrastructure for more market-demanded features.

Moreover, the company continues to strategically partner with global ICT pacesetters such as IBM, Microsoft, Google, SAP, Salesforce.com, Oracle and VMware, among others.

The company is also a pioneer of big data (data sets so large or complex that traditional data processing applications are inadequate) in the region, being the first ASEAN Telco member of the Open Data Platform, a worldwide consortium of big data leaders. Likewise, PLDT offers a unique big data service that includes end-to-end enablement from strategic consulting, managed platforms and breakthrough insights.

In the machine-to-machine (M2M) sector, PLDT’s wireless subsidiary, SMART, has been a leader with a suite of M2M solutions that serve many industry verticals. It counts government agencies, consumer goods companies, banks and utilities among its customers. SMART is also a founding member of the Philippine Internet of Everything Consortium, which aims to spur the development of M2M in the country.

At the same time, PLDT is at the forefront of business

continuity planning advocacy, critical in a country such as the Philippines, which is in the Pacific’s “Ring of Fire.” The Group has the largest network of data centers in the country, with six world-class facilities, which will grow to eight by 2016, with a capacity for 8,000 full racks.

This year, PLDT celebrates 20 years of partnership with NTT. “Both organizations are accelerating our adoption to change,” said Alberto. “This includes the shift from traditional data services into ICT and cloud. Our annual synergy meetings enhance our partnership, particularly in developing new collaborations in the digital space. This way, both PLDT and NTT will ensure our customers are enabled to compete globally. We’ve always known that disruption comes with the territory, and we embrace it. In fact, we encourage it because it pushes us to be better.” ♦ [www.pldtalpha.com](http://www.pldtalpha.com)

## PH-based Vitarich gears up for growing international demand for quality Chicken

Vitarich eyes ASEAN and Japan as immediate markets

Celebrating its 65th anniversary in 2015, Vitarich commemorates a long tradition of innovation as the first commercial feed company in the Philippines. Through the years, it has introduced the most advanced feed mill technology and livestock production techniques to support Filipino farmers.

Today, it is a fully integrated food company that specializes in animal feed, as well as poultry production, processing and distribution. The company has major offices on the archipelago’s main islands of Luzon, Visayas and Mindanao, and strives to deliver superior products through continuous improvements in production processes and technology. These include cutting-edge formulation systems from Europe, climate-controlled grow houses and strict safety certifications.

In recent years, Vitarich has further expanded the chicken business to harness opportunities and support the Philippines’ goal of food sustainability. With a growing population and expanding middle class,



Ricardo M. Sarmiento, Executive Vice President and COO of Vitarich

the country needs its food industry to continue producing more in a holistic manner.

The company has had 30 percent growth in the Visayas and Mindanao chicken sector year-on-year for the past four years, and is expecting 16 percent growth for its overall chicken business in 2015 — a major contributor to its excellent performance this year, with expected revenue of \$83

million by year-end. “This is a turnaround year for the company,” said Ricardo M. Sarmiento, executive vice-president and COO of Vitarich. “We are more streamlined and are performing better. We can serve more partners more effectively, relaunch product lines and expand production.”

Today, Vitarich is open to exploring the chicken and fish export market through partnerships with Japanese and international companies. “I’m very interested in partnering with a Japanese company,” he said. “Japanese perfectionism and attention to quality is admirable. I’d like to invite Japanese firms to look into our company as a platform both for trading grains as feed and for exporting chicken to Japan. They could be valuable technology partners for

modernization.”

Sarmiento sees the future of farming and food security in the hands of the next generation of Filipinos. “I want to get young people excited about farming again,” he declared. “With new techniques, green movements and biotechnology, things have really changed. It’s important to capture their interest.” ♦ [www.vitarich.com](http://www.vitarich.com)



# The Philippines

www.worldeyereports.com

## Philippines-grown conglomerate mirrors bullish growth of economy

The Philippines’ economic resilience and strong domestic growth has helped propel the Filipino-owned Transnational Diversified Group’s (TDG) success in key industries. “Things have never looked as bright as they do now for the Philippines,” said Rashid H. Delgado, president of Transnational Diversified Corp., the holding company of TDG, which will mark its 40th anniversary in 2016.

The country’s strong macro-economic fundamentals, bolstered by reforms over the past five years, have made it one of the fastest growing economies in the Southeast Asian region. Among emerging markets, the Philippines is often cited as the most resilient to potential external shocks.

“We are very fortunate to be in businesses and industries that directly benefit from the growth of the Philippine economy,” said Delgado, whose family grew TDG from a single shipping agency in 1976 to over 30 companies today involved in complementary industries such as logistics, ship management, maritime education and training, travel and tourism and information communication technology-business process outsourcing (ICT-BPO). “Our shipping, BPO, travel and



Rashid Delgado, President of TDG, is at the helm of one of the country’s most successful diversified conglomerates; with businesses in cargo logistics, ship management, travel and tourism, information communication technology and various investments.

tourism businesses serve as barometers on how the Philippine economy is doing,” said Delgado, a grandson of the late Philippine Ambassador to the Vatican Antonio C. Delgado. “For example, the performance of our shipping sector shows that trade is flowing and we are benefitting from the growth of the consumer mar-

ket in the country. In BPO, on the other hand, we can see how this ‘sunshine industry’ spurs local employment and drives domestic consumption.”

TDG attributes its steady growth over the years to its pioneering partnership with Japanese shipping giant NYK Line. “We have had a very strong and close relationship with NYK all these years,” he continued. “We have been able to grow that relationship — that began with training and recruiting Filipino seafarers — to include joint ventures in different lines of business within the NYK group today.”

Learning and growing from the success of this partnership, TDG has expanded its global alliances to include other Japanese companies, as well as European and American partners such as

**TDG takes pride in being a Philippine-grown, service-oriented company that is committed to harnessing the country’s world-class talent and skills.**

Uyeno Transtech, Yusen Logistics, Miyazaki Sangyo, Vroom, Disney Cruise Line, American Express Travel and ePerformax Contact Centers.

“We feel this is a model that has allowed us to grow and diversify by bringing together our strengths as a Philippines-based company and the strengths of our partners,” explained Delgado.

TDG takes pride in being a Philippine-grown, service-oriented company that is committed to harnessing the country’s world-class talent and skills. One example is ensuring that Filipinos continue to be esteemed and valued workers in the highly global and competitive shipping and mari-

time industry.

Although Filipino seafarers’ excellent English proficiency and work ethic have helped uphold this image, TDG channels these strengths even further through training and education in other



TDG’s close partnership with NYK is highlighted by the NYK-TDG Maritime Academy (NTMA) and NYK-TDG Training Center (NTTC), both in Canlubang, Laguna. Together with a highly capable team of Japanese and Filipino leaders, instructors and mentors, TDG and NYK continue to work together to maintain a strong level of competency and top of the line service that Filipino seafarers are known for.



TDG has been at the forefront of the information communication technology industry, offering services such as business process outsourcing, software development, contact centers and consulting and business solutions for its various clients and partners.

fields, such as at its Transnational Institute of Learning and its Global Communications and Management Academy for call center agents.

All TDG seafarers are trained

to be the best in their field through the high standards set at the jointly founded NYK-TDG Maritime Academy (NTMA) in Canlubang, south of Manila.

“Our goal is to see an increase in world-class Filipino officers,

performance.”

“Being home-grown and trained in TDG and NYK standards, they have excelled on board NYK vessels and have more than exceeded our expectations,” he continued. “They will be at the forefront of bringing Filipino seafarers to greater heights.”

The academy welcomed its first students in 2007. Since then, its mission has been to recruit qualified, though underprivileged, students from remote areas all over the country.

NTMA offers a “Study now, pay later” option that allows students to pay for their education once they start gainful employment. This is designed to funnel back funds for the next batch of graduates, creating a sustainable cycle of paying forward.

Currently, TDG employs over 12,000 Filipino seafarers and officers who serve on board merchant marine and cruise ships all over the world.

In its logistics division, TDG continues to grow and partner with like-minded businesses. In 2014, TDG entered into a joint venture with International Container Terminal Services through its subsidiary IW Cargo Handlers, and with Nippon Container Terminals to form the Laguna Gateway Inland Container Terminal.

“Our existing joint ventures are doing well, and we continue to look for new opportunities as Japan and the Philippines become even stronger partners,” Delgado said.

Other new business investments were born out of a renewed commitment to going “Global, Great and Green,” TDG’s new slogan. This has resulted in the development of renewable energy sources through its subsidiary Transnational Uyeno Solar, which installs solar rooftop systems, mega wind and other solar projects in the northern Philippines, as well as organic, sustainable farming initiatives in the local community. ♦

www.tdgworld.com



Among its many businesses, TDG continues to lead the market in the travel and tourism industry through its use of technology as a strategic business tool that has allowed it to enhance its presence in various markets while retaining its status in the industry.



TDG believes in developing long-term, win-win partnerships to develop strategic businesses. In its almost 40-year history, TDG has evolved to become a top-partner and employer of choice in the Philippines, with leading companies in logistics, ship management, travel and tourism, and ICT.



Since its early days in 1976, logistics has been a core TDG business that has expanded over nearly four decades. Through its vast international and domestic distribution network, TDG has earned the respect and recognition of being a reliable and trusted service provider.

## Philippines–Japan Relations: Stronger Than Ever

A message from the Philippine Ambassador to Japan, Manuel M. Lopez

The year 2015 has been a banner year as far as Philippines-Japan relations are concerned. In June, the President of the Philippines — Benigno S. Aquino III — made his first ever state visit to Japan, his sixth official visit overall.

Over the course of four days, the president delivered his message to the Japanese people: that the Philippines highly values our strategic partnership with Japan — in a relationship based on shared values and mutual respect, fortified by robust economic exchanges and mutual prosperity and at the threshold of reaching even greater heights.

The state visit was a culmination of robust bilateral exchanges over the years. This was reflected in the “Japan-Philippines Joint Declaration: A Strengthened Strategic Partnership for Advancing the Shared Principles and Goals of Peace, Security, and Growth in the Region and Beyond,” signed by President Aquino and Japan’s Prime Minister Shinzo Abe during their summit meeting on 4 June 2015.

The Philippines has come into its own as a major player in the Asian regional economy, emerging as one of its fastest-growing economies. Its average growth rate of 6.2 percent per year from 2010 to 2014 is the highest in nearly four decades.

Japan is certainly close to the center of our economic resurgence. It was the Philippines’ top trading partner for 2014, and two-way trade between our two countries has continued its strong upward trend since President Aquino took office in 2010.

Japan continues to be our biggest export market, with Philippine exports valued at \$13.9 billion in 2014. Every year, Japan has also been consistently at or near the top of the list of the Philippines’ main sources of foreign direct investment.

Japan is likewise the third largest source of tourist arrivals into the Philippines. Coming up are more weekly flights to and from Japan in just four hours travel time, and an increasing number of new routes from which to choose. This could move Japan up to number two as a source of tourists.

Since the launch of its official development assistance program in 1954, Japan has also consistently aided the Philippines in nation-building, improving the welfare of Filipinos and overcoming developmental challenges.

For 2015, Japan is a key strategic partner in helping the Philippines on two issues of transcendental national importance — infrastructure development and the Bangsamoro.



Manuel M. Lopez, Philippine Ambassador to Japan

Japan continues to help the Philippines meet rising infrastructure demands of our fast-growing economy. While the Aquino government is exerting all-out efforts to accelerate infrastructure spending to four percent of GDP in 2015, Japan (through JICA and JBIC) has become an indispensable partner in modernizing urban mass transit and critical transport infrastructure.

Secondly, Japan has been instrumental in building peace and supporting economic renewal in Mindanao. In addition to solid support for the peace process between the government and the Moro Islamic Liberation Front (MILF), Japan has continuously extended financial and technical assistance for community-building and reconstruction in Muslim Mindanao.

The Philippines is “on a roll.” After experiencing perhaps our best year in 2014 as far as the economy is concerned, the Philippines continues to exceed expectations in 2015. Next year, 2016, will be a milestone year as we mark the 60th anniversary of diplomatic relations, and we look forward to another year of strengthening relations between the Philippines and Japan.

Now in his last full year as the leader of our nation, President Benigno S. Aquino III is focused on completing his legacy of good governance and inclusive growth. And with Japan as our strategic partner in Asia, we are certain that the Philippines can move ever closer to achieving true prosperity and development. The best is yet to come. ♦

## Filipino professionals for a global economy

Talent has long been a valuable resource for sustainable growth, and — since its beginnings in 1946 — SGV & Co. has championed this principle in the Philippines as the country’s largest professional services firm. Today, as it approaches its 70th anniversary, the firm is further showcasing Filipino talent to the world with the establishment of an Ernst & Young (EY) Global Talent Hub (GTH) in Manila.

“The greatest contribution of SGV to the Philippines has been its nurturing of world-class professionals,” said Cirilo P. Noel, chairman and managing partner of SGV. “Through EY, we have a global platform for our professionals to reach clients in over 80 countries around the world.”

The talent hub in Manila operates as a knowledge process outsourcing company, in which 920 of SGV’s roughly 5,000 professionals provide complex, high-value services to multinational clients as members of integrated EY teams. This gives clients access to world-class

talent at competitive costs, while SGV professionals enjoy enhanced training, international exposure, personal development, and broadened horizons.

“Exposing SGV professionals to international clients enhances their expertise and mobility,” Noel added. “Besides English proficiency, trainability and skill sets, our ebullience and warmth are what set us Filipinos apart.”

SGV’s ongoing expansion of GTH Manila will involve the team in more complex services, including IT sys-

tems reviews within the scope of auditing financial statements, preparation of U.S. tax returns, accounting for complex financial instruments and providing high-end advisory services such as process improvements and risk assessments.

“With the globalization of economies, we continue to be a game changer and differentiator as we strengthen the firm to be competitive for the long haul.”

— CIRILO P. NOEL  
Chairman and Managing Partner of SGV

With the globalization of economies, we continue to be a game changer and differentiator as we strengthen the firm to be competitive for the long haul.



tems reviews within the scope of auditing financial statements, preparation of U.S. tax returns, accounting for complex financial instruments and providing high-end advisory services such as process improvements and risk assessments.

“With the globalization of economies, we continue to be a game changer and differentiator as we strengthen the firm to be competitive for the long haul,” said Noel. ♦  
www.sgv.ph

## Dedicated team rich in public and private experience offers investors solid footing

The Philippines is bustling with unprecedented growth, and companies are taking advantage of strong domestic demand and investment incentives. One of the country’s leading law firms, Cruz Marcelo & Tenebrancia (CMT), is particularly optimistic about the future of the Philippine economy.

CMT’s heritage goes back over 34 years in the Philippines. The firm is composed of 15 partners, 55 associates and almost 100 non-legal staff. Its leadership team is rich in public and private sector experience, encompassing service in the Philippine president’s cabinet and ombudsman’s office, as well as in international organizations such as the World Bank and the Asian Development Bank.

Today, CMT is a full service law firm with expertise in litigation, corporate, intellectual property, labor, taxation and infrastructure law. It has a strong base of multinational companies and an informal Japan desk for its long-term Japanese clients.

“Navigating different regulations across numerous government agencies can be a challenge, especially in big projects,” said Joe Nathan P. Tenebrancia, CMT’s managing partner. “Our firm’s strong corporate department and background in government gives us



Cruz Marcelo & Tenebrancia’s lawyers are bound by a commitment to deliver the highest quality of service to help clients attain success and contribute to nation building.

a diverse perspective and way of doing things which puts clients a step further on the way to their goals.”

CMT is currently growing its corporate department to keep up with the demand for high-quality service in this sector. “We’re focused on building an enduring legal institution, a professional practice that is based on competence,” noted Tenebrancia.

Notable recent transactions include advising one of the country’s leading banks in concluding a \$500 million syndicated term loan facility agreement with international banks (considered the largest syndicated loan transaction by a

Philippine financial institution as of August 2015); performing due diligence and assisting in the share purchase of Lafarge’s interests in Philippine companies as part of its global merger with Holcim; drafting and negotiating the joint venture agreement between Daum Kakao and ABS-CBN to introduce Kakao Talk in the Philippines; preparing feasibility studies for public-private partnership projects of the Philippine government, including the North-South Commuter Railway; and structuring the agreement for the Philippine government’s proposed light rail system in Cavite. ♦  
www.cruzmarcelo.com



E.G. Balois, General Partner; C.P. Manalaysay, General Partner and Managing Partner; R.G. Villonco, Chairman and General Partner; M.V. Andres, General Partner; with the portrait of L. Siguion Reyna, former Chairman of SRMO.

## Century-old firm makes business smoother in new era of growth

An investment-focused law firm since its inception more than 100 years ago, Siguion Reyna Montecillo and Ongsiako (SRMO) continues to guide international investors in the Philippines through the current era of opportunity and growth.

One of the oldest law firms in the country, with years of vast exposure in foreign investment, it has expertise in aviation, banking and finance, mining and natural resources, litigation and arbitration, business formation, labor and employment, corporate and commercial, intellectual property, manufacturing, real estate, tax, infrastructure, immigration and power.

All this is immediately available to foreign investors, thus easing their doing business in the Philippines. SRMO’s track record in business formation has been recognized annually by foreign publications.

“Beyond giving assistance in statutory and regulatory compliance, we guide foreign investors in handling critical labor and employment issues, complicated tax problems and bridging the cultural divide”

said Rolando Mario G. Villonco, chairman of SRMO.

“We strive to achieve high satisfaction ratings from our clients through excellent, world-class, timely and efficient services, and also by assuring them that we are on call 24/7,” said Cesar P. Manalaysay, managing partner at the firm.

SRMO has significant experience in working with Japanese companies. Recently, it assisted a leading Japanese firm successfully resolve complex issues with its local partner. Mario V. Andres, head of litigation, believes that communication is the core of quality service, so, “we encourage our lawyers to keep communication lines open between them and the client.”

SRMO is an affiliate of TAGLaw, a worldwide alliance of more than 145 law firms. Edgardo G. Balois, head of corporate and commercial at SRMO, sits as a member (2012-15) of the TAGLaw Advisory Board. “We have the global reach to support our local and international clients,” he said. ♦  
www.srmo-law.com





Tokio Marine Asia (TM Asia) recently held its third Top Management Conference at the RCBC Plaza, the headquarters of the Yuchengco Group of Companies. Top management from different TM group companies in the region discussed their direction and plans for the mid-term period for 2015-2017. TM Asia is the leader in Japan's nonlife insurance market and one of Japan's oldest general insurers. It first entered the Philippine market in 1964 through a joint venture company with the Malayan Group of Insurance Companies. Since then, it has become the premier insurance company for Japanese businesses and multinationals operating in the country. In 2014, Malayan Insurance, the country's no. 1 nonlife insurer, and TM Asia celebrated the 50th anniversary of their long-standing partnership. The conference was attended by top executives and officers of both companies, including (first row, L-R) Tadahiro Matsubara, Yen Saw, Ian Brimecome, Malayan Insurance President/CEO Yvonne S. Yuchengco, Ichiro Ishii, Arthur Lee, Malayan Insurance Chief Operating Officer Paolo Y. Abaya, Trevor Matthews and Shinkichi Miki.

# Solid ties with Japanese counterparts mark Yuchengco Group's strategic alliance strategy

The Yuchengco Group of Companies (YGC) has been defining the term "globalization" since the 1950s. Since then, the conglomerate, which includes reputable brands such as Rizal Commercial Banking Corporation (RCBC), Malayan Insurance, EEI Corporation and the Mapua Institute of Technology, has fostered strategic alliances with its neighbors, establishing its current position as an

economic driving force in the region. The most prominent of these collaborations are with Japanese ventures. For example, RCBC, one of the Philippines' largest universal banks, has served as a trusted partner of such big names in the Japanese financial industry as Resona Bank and Okasan Securities for assistance in client investment decisions and banking requirements.

"It is truly humbling to be able to build and grow mutually productive relationships with our Japanese neighbors," said Ambassador Alfonso T. Yuchengco, founder and honorary chairman of the board of directors of YGC. "To have our products and services be patronized in the international corporate landscape is rewarding and inspires us to work harder in pushing the limits in doing business."

The list of partnerships of companies under the YGC brand with Japanese ventures also includes Malayan Insurance with Tokio Marine Holdings, the leader in Japan's nonlife insurance market; and RCBC Bankard Services Corporation, the credit card issuing subsidiary of RCBC, with JCB International Co. Ltd., the only international card brand of Japan. ♦ [www.ygc.com](http://www.ygc.com)



## YUCHENGCO GROUP OF COMPANIES

The Power of Synergy

**AY Foundation, Inc.**  
**Rizal Commercial Banking Corporation**  
RCBC Bankard Services Corporation  
RCBC Capital Corporation  
RCBC Forex Brokers Corporation  
RCBC International Finance, Ltd.  
RCBC Telemoney Europe  
RCBC Leasing and Finance Corporation  
**RCBC Realty Corporation**  
**RCBC Savings Bank**  
RCBC Securities, Inc.

**Malayan Insurance Company, Inc.**  
**Bankers Assurance Corporation**  
First Nationwide Assurance Corporation  
Lex Services Inc.  
Malayan International Insurance Corporation, Ltd.  
MICO Equities, Inc.

**Sun Life Grepa Financial, Inc.**  
**House of Investments, Inc.**  
**EEI Corporation**  
GPL Holdings, Inc.  
Greyhounds Security & Investigation  
Agency Corporation  
**HI-Eisai Pharmaceutical, Inc.**  
Honda Cars Kalookan, Inc.  
Honda Cars Quezon City Group  
iPeople Inc.  
Isuzu Manila Group  
La Funeraria Paz-Sucat, Inc.  
Landev Corporation  
Malayan Colleges Laguna  
Malayan High School of Science  
**Manila Memorial Park Cemetery, Inc.**  
**Mapua Institute of Technology**  
Mapua Information Technology Center, Inc.  
Mapua Techserv, Inc.  
Pan Pacific Computer Center, Inc.  
Pan Malayan Express, Inc.  
**Pan Malayan Management & Investment Corporation**  
Philippine Integrated Advertising Agency, Inc.  
Petroenergy Resources Corporation  
YGC Corporate Services, Inc.  
Yuchengco Museum  
Zamboanga Industrial Finance Corporation

And over 20 other affiliates and subsidiaries

RCBC Plaza

# The Philippines

## RCBC is top choice of Japanese investors in the Philippines

The Philippines' stable growth, attractive investment atmosphere and strong credit ratings have made an increasing number of Japanese companies and entrepreneurs eye the country as the economic playing field of choice in the region. Rizal Commercial Banking Corporation (RCBC), one of the country's largest universal banks, is at the helm of these developments, having successfully forged and fostered strategic alliances with numerous Japanese ventures in the banking industry since 1975. The most recent of these collaborations are with Japan's Resona Bank and Okasan Securities, in which RCBC assists the Philippine-based clientele of these institutions on investment decisions and banking requirements through its Japan helpdesk. These partnerships have brought a wave of Japanese investment to the country, making RCBC Japanese companies' most trusted ally in the Philippines. Resona Bank's chairman, Naoki Iwata, attributes this positive image to the availability of human resources in the Philippines and to its rapid economic development, as well as to RCBC's continuing commitment to developing innovative banking services. Being the preferred financial partner of Japanese investors in the Philippines, RCBC, under its President and CEO, Lorenzo V. Tan, is determined, more than ever, to offer efficient banking solutions to its growing foreign clientele. ♦ [www.rcbc.com](http://www.rcbc.com)



Lorenzo V. Tan, RCBC President and CEO

## Leading provider of services to Japanese investment in the Philippines

Excerpts from an interview with Helen Dee, chairperson of YGC

In light of President Benigno Aquino's state visit to Japan this year, strengthening the strategic partnership between the Philippines and Japan, what further cooperation do you see in mutual business and investment? How can Yuchengco Group participate in strategic partnerships through its links with Japanese companies?

The collaboration of the Philippines and Japan manifests a continuing success, and evidence can be observed in the investments these partnerships have generated. The upcoming ASEAN integration move presents even more opportunities crucial to mutual growth. We at YGC are building innovation to boost Japan's confidence in us and engage ourselves mainly in the growth areas of the economy. We look forward to the further expansion of Japanese firms in the country.

The Philippines is poised to be one of the strongest performing Southeast Asian economies in 2015. What opportunities do you foresee for the Yuchengco group in the current ASEAN integration strategy? YGC notes improved investor interest in the country, given our healthy investment grade and progressive credit rating. As long as this competitiveness is sustained, we can expect constant arrivals of prospective investment in the Philippines. Currently, growth potentials are evident in our education sector. Our school, the Mapua Institute of Technology, is making a continued effort to further enhance its

accreditation to provide students with better employment opportunities. We are also promoting a higher level of competency among our students, as we maintain rewarding partnerships with corporate and educational institutions across the globe. We are also witnessing substantial growth in our construction sector, as EEI Corporation, one of the leading global construction services providers in the Philippines, expects several opportunities, assuming the future implementation of all planned infrastructure projects. How would you describe the synergy between Filipinos and Japanese, and how ideal the Philippines is as a business destination for Japan? The Philippines as a developing economy attracts investors from foreign countries, particularly from Japan. The two countries have maintained a healthy business relationship over the years. Japanese businesspeople and investors note our country as a hospitable environment for business expansion. Aside from this, there is the advantage of our highly accessible human resources and competitive manufacturing hubs. YGC invests profoundly in talent, recruiting Filipinos with outstanding credentials. The progressive alliance between RCBC and Resona Group has a significant effect in this business expansion as well, as it is highly beneficial to other clients operating in the country in terms of banking services. Please tell us about recent ini-



Helen Dee, Chairperson of YGC

tiatives and partnerships among your group companies and Japanese counterparts. What are the keys to success for prosperous collaborations? The collaboration between YGC and our Japanese partners continues to result in a remarkable increase in investments. RCBC has positioned itself as the leading provider of banking services to Japanese businesses in the Philippines. Since the introduction of its Japan Desk, millions of dollars' worth of deposits have been generated. In addition, figures in our loan portfolio have heightened. This venture has improved the

efficiency of Japanese industry in the Philippines. This year, we expect the equivalent of more than \$100 million worth of new investment in the Philippines, with at least 10 Japanese firms entering the country. On the other hand, our nonlife insurance provider — Malayan Insurance — recently celebrated 50 years of partnership with Tokio Marine Asia, Japan's leading nonlife insurer. Partnerships like this provide genuine and lasting value and show the way forward for stronger links between YGC and Japanese companies. ♦ [www.ygc.com](http://www.ygc.com)

## RCBC Bankard and JCB team up for innovative credit card product



RCBC Bankard Services Corporation, the credit card issuing subsidiary of the Rizal Commercial Banking Corporation (RCBC), has partnered with JCB International Co. Ltd., the only international card bank of Japan, for its myDream credit card. The myDream card caters to young professionals enjoying their financial independence. It is

customized with features tailored for today's tech-savvy shopping enthusiast — a generation used to frequent travel — and has a low annual fee in the Philippines of the equivalent of \$16.50, compared to credit cards' usual \$40 charge. Its monthly interest rate is similarly set at a relatively low 2.9 percent, compared to the average 3.5 percent rate of competing card products.

"With the myDream card, RCBC Bankard and JCB International wish to offer the young professional market in the Philippines the best life experiences at the most affordable cost possible," said Angela Mirasol, first vice president and marketing head at RCBC Bankard. "We want our clients to have the freedom and capacity to spend and manage their finances

effectively." Cardholders of myDream also enjoy payment flexibility with its "Unli 0% installment." They have the option to charge in various currencies abroad and pay in Philippine pesos over three months with 0 percent installment back home. To top off the attractive offers, first-year membership fees are waived. ♦ [www.rcbc.com](http://www.rcbc.com)