



109<sup>TH</sup> ANNIVERSARY

# Philippine Independence Day



TUESDAY, JUNE 12, 2007

## Message from H.E. President Gloria Macapagal-Arroyo



Warmest greetings to everyone!

As we commemorate our 109th Independence Day, let us remember the sacrifices of our heroes who gallantly gave their lives that we may have freedom and democracy.

We are now waging another war, a campaign against poverty and corruption in our country. Although

you may be far from home, I know that you join our government and those you have left behind in these twin battles. And in our victory, our heroes will not have died in vain.

Our country is now at the threshold of an economic miracle. Our economy has grown by 6.9 per cent in the first quarter of 2007, the highest rate in 17 years. Our focus now is to bring the benefits of a strong economy to every Filipino even as we put in place the infrastructures needed to attract more investments, create more jobs and beat poverty. And with your support, we will achieve a 7- to 8-per cent growth rate in the next three years.

*Mabuhay ang Pilipinas!*

## Message from Ambassador Antonio V. Rodriguez



I am very pleased and honoured to commemorate the 109th anniversary of the declaration of Philippine Independence with my fellow Filipinos in Thailand. The bravery, strength and idealism of our forefathers continue to remind us Filipinos as we struggle to forge a strong, united, and prosperous nation. The sacrifices our ancestors made to secure our country's independence inspire us to work together to protect the legacy of freedom left by our national heroes.

Indeed, our efforts have started to bear fruit as, within the past few years, we have firmly placed ourselves on a path of peace and political stability, as well as sustained economic growth and development.

Our economy performed very well last year, boosted by robust exports and a strong Philippine peso. It is expected to perform as well, if not better, this year, as our GDP grew by 6.9% in the first quarter of 2007. International investors and creditors have noted the country's strong economic performance and sus-

tained fiscal gains as positive signals of a solid and stable macroeconomic environment. Of course, such a strong economic performance is in no small part due to the contributions made by our overseas Filipino workers, our modern-day national heroes, who have made their own sacrifices and taken personal risks in order to provide for themselves and their families in the Philippines.

As the Philippines moves along the path of economic development, we realise that we cannot go forward by isolating ourselves from what is becoming a truly global and integrated world. We therefore place great importance on cultivating further our many bilateral relationships, among the most important of which is our nearly six decades of very warm and cordial ties with the Kingdom of Thailand.

I am confident that the Thai and Filipino peoples will continue to benefit from the deepening and expansion of cooperative ties between our two countries.

*Mabuhay ang Pilipinas at Thailand!*

## Philippines-Thailand Relations: Six decades of partnership, harmony and dynamism

### Regional and political ties

The Philippines and Thailand enjoy very warm and cordial relations and cooperation that has been wide ranging. Various bilateral agreements have been concluded and are being implemented. These include agreements on trade and investment, defence cooperation, and tourism cooperation. With formal diplomatic ties spanning nearly six decades (diplomatic relations were established on 14 June 1949 with the signing of the Treaty of Friendship in Washington DC), Thailand was the first ASEAN country with which the Philippines has established relations. Such a relationship is rightly considered as one of the most fruitful, productive and mutually-beneficial for the Filipino and Thai peoples.

Bilateral relations between Philippines and Thailand have always been characterised by harmony and dynamism. The Philippines and Thailand have formed a close partnership as two of the five founding members of ASEAN when it was created in August 1967. Both countries are likewise considered key movers in other regional fora such as the ASEAN Regional Forum (ARF), Asia-Pacific Economic Cooperation (APEC) forum, the Asia-Europe Meeting (ASEM), and the Forum for East Asia-Latin America Cooperation (FEALAC). The Philippines was also among the pioneering countries in the Asia Cooperation Dialogue (ACD), an initiative of Thailand. In the multilateral arena, the two countries share similar views on issues such as human rights, civil empowerment, combating transnational crime, and sustainable development.

Over the past few years, the climate of mutual confidence that has



H.E. President Gloria Macapagal-Arroyo and H.E. Prime Minister Surayud Chulanont raise a toast during the state dinner at Malacanang Palace in October 2006.

existed between the two countries was highlighted by exchanges of high-level visits, close collaboration in the regional and international fields, and expansion of cooperative endeavours through mechanisms like the Philippines-Thailand Joint Commission for Bilateral Cooperation (JCBC), the fourth meeting of which was successfully held here in Bangkok on 26 March 2007.

H.E. President Gloria Macapagal-Arroyo and H.E. Prime Minister Surayud Chulanont have had two summit meetings since 2006; the first occasion was when PM Surayud undertook an official visit to the Philippines in October 2006, while the second was on the sidelines of the 12<sup>th</sup> ASEAN Summit in Cebu on 12-15 January 2007. Their discussions have focused on alternative energy sources, enhancing eco-



Philippine and Thai delegates discuss bilateral issues during the 4th Meeting of the RP-Thailand Joint Commission for Bilateral Cooperation (JCBC) on 26 March 2007.

conomic cooperation, inter-faith dialogue, counterterrorism and defense cooperation.

During the 4<sup>th</sup> JCBC Meeting, which was co-chaired by H.E. Foreign Affairs Secretary Alberto G. Romulo and H.E. Foreign Minister Nitya Pibulsonggram in March 2007, the two countries agreed to intensify cooperation in various areas, including trade and investment, agriculture, science and technology and the environment, education and cultural exchanges, tourism development and cooperation, labor, manpower and legal cooperation, and military and security cooperation, particularly bilateral and regional efforts to counter terrorism. The JCBC meeting also provided an opportunity for Secretary Romulo to personally convey to Their Majesties King Bhumibol Adulyadej and Queen Sirikit felicitations from President Gloria Macapagal-Arroyo on the occasion of His Majesty's 80<sup>th</sup> birthday.

The hosting by Thailand of the JCBC meeting, coupled with regular bilateral exchanges between the two countries' top officials, reflect the two countries' sincere efforts to further enhance their already strong partnership.



H.E. Foreign Affairs Secretary Alberto Romulo (flanked on the left by H.E. Foreign Minister Nitya Pibulsonggram) exchanges views with H.M. King Bhumibol Adulyadej at Dusit Palace on 26 March 2007.

### Trade and investment

Bilateral trade between the two countries remains vibrant. From over US\$2 billion in 2000, our bilateral trade figures have been expanding at an annual average rate of 10%. Last year's total bilateral trade of US\$3.4 billion and its growth rate in excess of 50% were both records. It is no wonder we are both in each other's list of top 15 trading partners.

Top Philippine exports to Thailand in 2006 were transport equipment, semiconductors, and electronic data-processing accounting for 61.35% of total exports, valued at approximately US\$812.6 million. Philippine imports from Thailand are more diversified, with the top three imports accounting for only about 51.49% of the total, with a value of US\$1.075 billion.

In terms of investment, Philippine and Thai companies continue to show interest in and take advantage of investment opportunities in each other's territories. The Philippines has already welcomed Thai business giants PTT Public Company Limited, Siam Cement Group, and Charoen Pokphand Group, just as Thailand has opened its doors to major Filipino companies such as San Miguel Corporation, Universal Robina Corporation and Liwayway Food Industries. Siam Cement Group will soon be expanding its packaging materials facility in the Philippines, while Tiger Motors is expected to set up a motorcycle assembly plant in the country.

## Why Invest in the Philippines

Business and investment opportunities abound in the Philippines. These opportunities are reinforced by important business elements that include:

### Quality manpower resources

The country is ranked no. 1 in the availability of knowledge-based jobs and workers worldwide. Based on a survey conducted by the US-based Meta Group, the Philippines ranked 4th among Asian nations in labour quality.

The Filipino workforce is one of the most compelling advantages the country has over any other Asian country. With higher education a priority, the literacy rate in the country is 94.6% - among the highest in the world. English is widely spoken in the Philippines, which is the world's 3rd largest English-speaking country next to the U.S. and U.K. More than 90% of its roughly 82 million people speak and understand the language well. It is used as a business language as well as the medium of instruction in schools and universities.

### Strategic business location

The country is strategically located right in the heart of Asia, within 4-hour flying time from the major capitals in the region. Located at the crossroads of the eastern and western business markets, it is a critical entry point to over 500 million people in the ASEAN market and a gateway of international shipping and air lanes suited for European and American businesses.

Moreover, as Asian economies integrate within the vast framework of the ASEAN Free Trade Agreement, the Philippines is the natural and most strategic location for firms that want access to the large ASEAN market and its vast trade opportunities. The Philippines has enhanced and primed various areas for investors and offers a dynamic consumer market accustomed to an array of product choices created by a competitive domestic economy.



Bustling metropolis: An overview from across Manila Bay of Manila's eastern business district.

### Liberalised and business-friendly economy

The country allows 100% foreign ownership in almost all sectors of the economy and supports a Build-Operate-Transfer (BOT) investment scheme that other Asian countries emulate. Government corporations are being privatised and the banking, insurance, shipping, telecommunications and power industries have been deregulated. Multinational companies looking for regional headquarters are entitled to incentives such as tax exemptions as well as tax and duty-free importation of specific equipment and materials.

### Abundant resources

The Philippines offers diverse natural resources, from land to marine to mineral resources. It is the biggest copper producer in Southeast Asia and is among the top ten producers of gold in the world. It is also home to 2,145 species of fish, four times more than those found in the Bahamas. The more than 7,100 islands boast beautiful beaches and breathtaking scenery that offer soothing leisure and relaxation spots for vacationers and tourists.

### Low cost of doing business

Wages are typically less than a fifth of those in the U.S. Local communication, electricity and housing costs are also 50% lower compared to U.S. rates. Foreign companies that are now outsourcing programming and business processes to the Philippines

estimate cost savings of 30% to 40%, 15% to 30% for call centre services and application systems, and 35% to 50% for software development.

### Developing infrastructure for global growth

A well-developed communication, transportation, business and economic infrastructure links the three major islands and distinguishes the Philippine economy. Highly accessible by air, water and cyberspace, liberalisation of inter-island shipping and domestic aviation further sparked improved facilities and services. The container terminals are suited to handle cargo traffic at the highest levels of efficiency.

Communication provides international connectivity 24/7 with fiber optic cable as the primary backbone network and satellite as backup. Economic reforms emphasise regional growth, converting remote areas into business centres. The BOT legislation allows private investors to build and operate infrastructure, and then turn it over to the Philippine government after a set period of time.

### First-class lifestyle

Discover the best of sun, sea, sand, and style in a tropical setting teeming with the best of Western amenities. The Philippines is a second home to expatriates who enjoy the company of the warmest people in the region, the country's openness to various cultures and a decidedly global outlook. Expatriates enjoy accessible and affordable luxuries - business centres, housing, schools, hospitals, shopping malls, hotels and restaurants, beach resorts, and recreation centres.

The Philippines offers state-of-the-art telecommunications facilities as well as adequate and uninterrupted power supply. There are ready-to-occupy offices and production facilities, computer security and building monitoring systems as well as complete office services in specialised IT zones. With the government's focus on building up an IT-enabled economy, the Philippines is on its way to becoming the E-services Hub of Asia.

## Adventure Destinations

### More than the usual sun, sea and sand

Long, white sand beaches, an immense variety of marine life, rare and exotic sea flora and fauna, even the tropical party lifestyle, are all in abundance in the Philippines. Evidently, with its 7,107 islands and a coastline twice the length of that of the U.S., the Philippines can very well be Asia's beach capital. It is also home to Boracay, whose 4-km white beach has been hailed as the "finest beach in the world."



Boracay Beach

### More than the usual fauna and flora

The country is a sanctuary to an amazing variety of flora and fauna that are found nowhere else in the world. View the biggest eagle in the world (the Philippine Eagle), see the world's smallest mammal in existence (the Philippine Tarsier), swim and interact with whale sharks, bow-ride with dolphins, and get acquainted with endangered Philippine and African animals in the uninhabited 3,700-hectare Caluit Island.



Philippine Tarsier

### More than the usual wet and wild

A paradise blessed with gorgeous waterscapes, the Philippines is never lacking in today's liveliest water encounters. It has been described as the most exciting surfing destination in the world, with great waves like Cloud 9, Tuason Point, Majestic, and Cemento, all ranking among the

world's best. Action Asia Magazine says, "The Philippines is to scuba divers what Switzerland is to skiers, Hawaii to surfers, and Nepal to mountaineers." And for white-water action, there are attractions aplenty - lakes, waterfalls, and rivers that create excellent kayaking and white water runs.



Water Rafting

### More than the usual river wild

The world's longest underground river system accessible to man is located in the capital of Palawan. The Puerto Princesa Subterranean River National Park, which has been inscribed in UNESCO's World Heritage List, is Palawan's most popular attraction and covers 5,349 hectares of lush forest, dark mountains, caves, and white beaches.



Philippine Corals

### More than the usual high and low rise

Wander over the World Heritage Site of Banaue Rice Terraces, the Eighth Wonder of the World, carved from the high Cordilleras over 2,000 years ago. Behold the 500-year old mummies in Kabayan. View Taal Volcano, the world's smallest volcano. Head for the 1,268 Chocolate Hills of Bohol. Top off your experience with an exhilarating ride on a canoe down an 8-km underground river in Sabang, Puerto Princesa City, Palawan.



Chocolate Hills

## Trivia

• Diving paradise Anilao, in the province of Batangas, is the theme of a picture book that bagged the International Prize for Underwater Images at the 27th World Festival of Underwater Images in France in November 2000.

• The world's shortest and lightest freshwater fish is the dwarf pygmy goby, a colourless and nearly transparent species found in the streams and lakes of Luzon. Males have an average length of 8.7 mm. and weigh 4-5 mg.

• Of the 500 known coral species in the world, 488 are found in the Philippines.

• Of the eight known species of giant clams in the world, seven are found in the Philippines.

• The Philippines' Basilica of San Sebastian is the only steel church in Asia and was the second building to be made out of steel, next to the Eiffel Tower in Paris.

• The Philippines has one of the richest orchid floras in the world with some 800 to 1,000 species.

• The world's largest pearl was discovered in the Philippines in 1934. Known as the "Pearl of Lao-Tzu", the gem weighs 14 pounds. In May 1984, it was valued at US\$42 million. It is believed to be 600 years old.

• The world's second deepest spot underwater (about 10,497 metres below sea level), is the Philippine Deep or the Mindanao Trench.

## Fascinating Philippines



Banaue Rice Terraces Miag-ao Church Dinagyang Festival Subterranean River Mayon Volcano

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