

EVENT: Remarks at Annual General Meeting of the
Canadian Chamber of Commerce in the Philippines

DATE: April 24, 2014, 6pm

VENUE: Dusit Thani, Manila

Canada-Philippines Relations in a time of Economic Growth and Opportunity

Introduction

Magandang gabi sa inyong lahat.

I am honoured to be here this evening. I would like to thank Mr. Julian Payne, President of the Chamber, for inviting me to speak here today. His valuable leadership has been instrumental in growing the Chamber's membership and voice in the local business community.

Since my wife Irene and I arrived in the Philippines five months ago, we have been overwhelmed by the warm welcome we received wherever we go. We have travelled to the Visayas, to Panay Island and Tacloban in the aftermath of Yolanda, and most recently, to Davao and General Santos. We feel truly blessed to be in a country with such warm and generous people.

Canada and the Philippines share strong and friendly bilateral relations - diplomatic relations between our two countries began 64 years ago. Today, the Embassy of Canada in Manila has over 160 staff – our 8th biggest Embassy in the world. We also have an Honorary Consul based in Cebu.

We have seen an unprecedented level of engagement between our countries over the past few years characterized by a series of high-level visits at the federal and provincial levels. The high point was the visit of Prime Minister Stephen Harper in November 2012 – the first visit of a Canadian leader to the Philippines in 15 years. Prime Minister Harper was also the first G8 Leader to visit the new administration of President Aquino. We're very much looking forward to an expected reciprocal visit to Canada by President Aquino this year.

As friends, we lend one another a hand in times of need. I arrived shortly after the earthquakes that caused so much destruction in Bohol and Cebu and mere days before the landfall of Typhoon Yolanda. I was, and remain, deeply saddened by the scale of the devastation and the level of human suffering seen in the Visayas in the aftermath of these tragedies - my heartfelt condolences to any of you who may have been affected.

Canada's humanitarian response was rapid and significant – our first, immediate contribution was \$5 million to provide urgent humanitarian assistance. Shortly after Yolanda, Canada established a mechanism through which every eligible dollar donated by individual Canadians to registered Canadian charities would be matched by the Government of Canada in the Typhoon Haiyan Relief Fund.

Earlier this month, Prime Minister Stephen Harper announced that individual Canadians contributed over \$85 million in eligible donations that our Government will match.

Of the over \$85 million to be matched by the Government, \$15 million was initially disbursed to Canada's humanitarian partners already on the ground for emergency relief activities in November 2013.

\$50 million is being allocated to Canadian and international partners experienced in recovery and reconstruction. This assistance will go towards durable shelter solutions and opportunities for people in the farming, fishing and services sectors to earn a living. It will also provide assistance for food and nutrition, health care, education, safe

drinking water, sanitation and hygiene facilities, as well as protection for vulnerable groups, including women and children, and internally displaced people.

The remaining \$20.6 million from the Typhoon Haiyan Relief Fund will be used for longer-term reconstruction and disaster risk reduction activities. Along with the Government of the Philippines and the international community, the Government of Canada is currently assessing the evolving needs in typhoon-affected areas.

With this new announcement, Canada is now the top bilateral donor to the United Nations Typhoon Haiyan Strategic Response Plan, following private and individual donations.

I am proud to recall that over 360 members of Canada's Disaster Assistance Response Team (DART), comprised of members of the Canadian Forces and personnel from the Department of Foreign Affairs, Trade and Development, provided badly-needed humanitarian relief, i.e. clean water, medical assistance and logistical support, on the island of Panay for over a month at the height of the crisis.

Canada's response to Yolanda is the latest step in a long track record of providing development assistance in the Philippines, which will continue alongside Canada's response to the typhoon.

Canada's development program has a strong reputation in the Philippines notably in donor coordination and harmonization, its long-standing support to decentralization and local governance, private sector development, as well as in promoting gender equality.

Canada's current development program fully aligns with the 2011-2016 Philippine Development Plan and promotes sustainable economic growth by improving the investment climate and advancing economic opportunities for the poor.

In Fiscal Year 2012-2013, Canada provided over \$16 million in official development assistance to the Philippines.

Our development program works with a variety of Filipino, Canadian and international partners.

In terms of results achieved, since 2009, Canada has helped the government streamline its business registration procedures, and improve the capacity of government to develop bankable infrastructure projects for public-private partnerships. Canada has also helped more than 14,000 micro-entrepreneurs and farmers improve their productivity, and their access to finance and markets.

Besides development assistance, Canada is also actively engaged with the Government of the Philippines in the promotion of democratic governance, human rights, media freedom, and peace and security. All the engagement and assistance will inevitably help creating a better business environment for local and international businesses to grow in this country.

For example, in supporting the work of the Government of Philippines and the Moro Islamic Liberation Front (MILF), Canada provided the chair of the Independent Commission on Policing in Mindanao. The Commission has just presented its recommendations on creating a new civilian police force responsible for maintaining law and order in Bangasamoro: decommissioning the military wing of the MILF, and replacing the Philippine military with a new independent police unit. The realisation of these recommendations will help making Mindanao as a place to do business for both local and foreign companies.

When talking about our bilateral relations, it is impossible not to mention our increased people to people linkages.

The Philippines has been the largest source of immigrants to Canada during the past three years. There are many prominent Filipino communities in Canada, and today we have over 800,000 Canadians of Filipino origin. Tagalog is now the fastest growing language group in Canada. Remittances from Canada in 2013 were over \$2 billion making Canada among the top ten largest source countries of OFW remittances.

Canada is also welcoming a growing number of students from the Philippines for university and post-graduate studies.

Tourism is also important. Canada is one of the top ten sources of tourists to the Philippines, and that our arrivals are now in excess of 100,000 annually.

The Tourism Promotion Board in the Philippines projects that tourism from Canada could grow more than 10% annually over the next five years.

This increasing demographic exchange will definitely have a positive impact further expanding Canada's commercial relations with the Philippines and the ASEAN region – bringing me to a theme I am sure is close to the hearts of many in this room, commercial relations between Canada and the Philippines.

Our commercial relationship is growing significantly. While this is in large part fueled by the continued, strong economic growth of the Philippines, the results being delivered by the Aquino Administration's agenda of reforms are also playing an important role.

The Philippines is a market truly coming into its own and companies from all over the world, Canada included, are taking notice. Bilateral merchandise trade between Canada and the Philippines increased by 15% last year, reaching more than \$1.7 billion. Canadian agri-food exports increased by 40% alone, reinforcing the Philippines' position as our second largest agrifood market in ASEAN.

At the Embassy, we are seeing unprecedented levels of interest from Canadian companies interested in establishing a foothold of some kind in the Philippine market.

Our commercial relationship is maturing but we need to explore ways of expanding beyond trade links to investment and innovation partnerships. The Joint Commission for Bilateral Cooperation (JCBC) between Canada and the Philippines, established in early 2013, will meet this summer in Ottawa. Trade and investment are an important component of this bilateral discussion, looking at ways that we as governments can work together to grow this important commercial relationship. However, at the end of the day it is companies - like those represented in this room tonight – who make business happen.

As a call to action, I would challenge each and every one of you, to explore what you can do to increase the flow of Canada-Philippine business – whether it be via your own organization's activities or by encouraging business associates to get engaged in business between our two countries. There is no better marketing technique than word of mouth advertising so let's not keep to ourselves the good news of the potential for great things to happen commercially between the Philippines and Canada.

We also have major Canadian investments in the Philippines, including in the insurance sector, where we have a longstanding presence, and we are a major employer in the BPO Sector in both Manila and Cebu.

As one of the most mineralized countries in the world, the Philippines presents a great potential for mining companies. Canadian mining companies have expertise in all stages of mineral extraction. More important, our expertise extends to Corporate Social Responsibility (or CSR), where our companies work closely with local stakeholders and indigenous peoples.

Again, there are opportunities for us to do more in terms of bringing Canadian strengths in CSR to the Philippines and establishing international standards of excellence in CSR in a country where it is needed most. This is especially relevant now that the government has lifted the moratorium on the issuance of mining permits.

With all of these business successes and opportunities, maintaining an open and transparent business environment that is conducive to free trade and investment is all the more important. It's an objective towards which we can work together for the long term benefit of both Canadian and Filipino companies.

Despite the positive outlook for investment in the Philippines there remain a number of foreign investment restrictions and challenges on-the-ground that prevent the Philippines from achieving the benefits of a full spectrum of international engagement in this market, including but not limited to foreign investment.

The Embassy of Canada is proud to work closely with all business communities to ensure that trade and investment between our two countries continues to grow, and local market impediments are addressed quickly, taking full advantages of the continued economic growth in Asia.

The Chamber is an invaluable partner for the Embassy in this work. Your wide-reaching, and growing, network and strong voice on key advocacy issues impacting the business community is critical to helping advance shared Canadian and Philippine business interests. I would like to congratulate you particularly on your work to increase your reach both with partner Chambers throughout the Philippines as well as with bilateral Chambers in Canada.

Closing

As you can see, Canada's role and interests in the Philippines and in Asia Pacific are both deep and wide-ranging.

I hope these short remarks have given you a better sense of the great importance that Canada - as a Pacific nation- places on growing all nature of ties with our Asian neighbors, including the Philippines.

I look forward to working with all of you to expand the already strong relationship between our two great countries. Together we can take this relationship to the next level, and in doing so bring greater prosperity to both our countries.

Thank you. Maraming Salamat Po.