

Press Communiqué

Merchants' Chamber of Commerce & Industry organized an Interactive Session with **H.E. Ms Maria Teresita C. Daza, Ambassador, Embassy of the Philippines in India** on the theme "**Doing Business with Philippines**" at the Chamber today. Mr. Arvin R. de Leon, Consul General and Mr. Charles Lawrence Ching, Vice Consul attended the Session. **Mr. Deepak Kumar Khemka**, Hony. Consul General of Philippines in Kolkata was present and addressed the Session.

Mr. Khemka briefly mentioned that Philippines is one of our oldest trading partners since the 16th century and trade ties have been rejuvenated by the recent visits of PM Mr. Modi and President Mr. Duterte. Philippines is experiencing rapid growth as a producer of electronic goods and it has a huge requirement for pharma products which India can export.

H. E. Ms Daza said that The Philippines' Gross Domestic Product (GDP) grew by 6.9% in 2016 and 6.7% in 2017. The Philippines is expected to be the fastest growing economy in Southeast Asia and second fastest in the world over the next two years. The sectors driving growth of the economy are BPO, financial services, trade, construction, private consumption and manufacturing. The Philippines' FDI inflows hit a new all-time high of USD 10.05 billion in 2017, up by 21.4 p.c. compared to 2016 levels.

The following factors make the Philippines a choice investment destination: sound macroeconomic fundamentals, including the favorable combination of sustained strong growth and manageable inflation, healthy external payments position with ample foreign exchange reserve, sound fiscal position, manageable government liabilities and stable banking system. Lending strong support to the economy's growth performance is its young and educated workforce, with the average age estimated at around 24 years old.

The Philippine government has embarked on major reform programs to significantly enhance the ease of doing business, such as: *TradeNet Platform* - an online portal that will have 66 government agencies onboard over the next two to three years. *Philippine Business Data Bank (PBDB)* – which will allow online processing of business permits. *Modernization initiative* for much easier processes in paying taxes and duties.

Philippine investments in India are in telecommunications, IT, real estate, reprocessing of waste and human resource development (management education). Some of the companies operating in India are V.Merida (processing of waste), Ayala (Construction and ITES); Philippine Wireless (Paging service), SPI Technologies (ITES); Del Monte and Oishi (Food processing), among others.

During the 2018 ASEAN-India Commemorative Summit on 25 January 2018, Presidential Spokesperson Harry Roque announced that investment pledges and agreements from Indian firms reached a total of USD 1.25 billion. Several Indian IT companies have set up BPO operations in the Philippines and these include WIPRO, Tata Consultancy Services, L&T Infotech, Genpact, Infosys, Intelenet, Aegis, HIMT (Hindujas), and Tech Mahindra.

Mr. Arvin R De Leon said that top Philippine exports to India include machinery, copper and pearls & gemstones. Top Philippine imports from India include mineral fuels, vehicles and pharmaceutical products.

Earlier **Mr. Ramesh Agarwal, President, MCCI** in his welcome address said that the year 2017, in particular, was marked by unprecedented high level exchanges to the Philippines culminating in the visit of Prime Minister Mr. Narendra Modi to the Philippines to attend the 31st ASEAN and EAS Summits in Manila from November 12-14, 2017. The two countries signed four agreements to boost bilateral cooperation in defence and logistics, agriculture, small and medium enterprises, among others. This was followed by a back to back visit by President Mr. Duterte who visited India from January 24-26, 2018 to attend the India-ASEAN Commemorative Summit and India's Republic Day celebrations.

Total bilateral trade between India and Philippines presently stands at USD 2.46 bln in 2017-18 from USD 1.98 bln in 2016-17 registering an increase of 24.85 p.c. which is significant. While India's exports stood at USD 1,692.8 million in 2017-18 registering an increase of 14.2 p.c. over 2016-17, India's imports from Philippines jumped 54.5 p.c. in 2017-18 to USD 764.4 million over 2016-17.

Philippines is beginning to emerge as a destination for many Indian students. There are more than 10,000 Indian students pursuing medical courses in various universities in the Philippines. Currently nearly, 50 p.c. of the students at the prestigious Asian Institute of Management in Manila are from India.
