

MESSAGE FOR THE 117<sup>TH</sup> PHILIPPINE INDEPENDENCE DAY  
PHILIPPINE AMBASSADOR'S RESIDENCE  
12 JUNE 2015, PRETORIA

His Excellency Thembalani Thulas Nxesi, Minister of Public Works,

Her Excellency Deborah Balatseng, Director for Southeast Asia of the Department of International Relations and Cooperation,

The Honorable Joshua Ngonyama, Member of the Mayoral Committee for Housing and Human Settlements, representing the Mayor of Tshwane,

His Excellency Beniamino Salacakau, Dean of the Asian Group,

Excellencies and colleagues in the Pretoria diplomatic corps, officials of the South African government, distinguished guests, friends, ladies and gentlemen.

It is with great pleasure and honor that my wife Cecilia and I welcome you all to the Philippine Residence on this 117th Celebration of the Proclamation of Philippine Independence. This celebration is especially meaningful for my wife and I, because it is the first Philippine National Day that we celebrate in South Africa.

It has been 117 years since the Filipino people decided that they could stand side-by-side with the rest of the peoples of the world as one unique, proud, independent and sovereign nation.

The journey of the Philippine nation has not been one without its difficulties. It is one that continues to rise from the challenges of modern day development, and one that continues to overcome global economic risks, natural calamities, climate change and geopolitical concerns. But it is also a story of resilience, success and optimism, as the Philippines emerges as one of the fastest growing economies in Asia and the world. Allow me to provide you with a brief snapshot of what great things are happening in the Philippines, and the great light that it shines in that part of our world.

Let me begin with the stellar performance of the Philippine economy in recent years. The country's solid economic performance has been registering positive quarterly growth rates for 64 consecutive quarters from the first quarter of 1999 up to the fourth quarter of last year. This has led the Philippines to outpace regional neighbors and become one of the fastest growing emerging markets in Asia, with average GDP growth steadily increasing, registering at 7.2% in 2013. Priority sectors contributing to this strong growth include shipbuilding, business process outsourcing, tourism, infrastructure development, and agriculture.

The Philippines' high rate of growth is also very much attributable to structural reforms that promote sound macroeconomic fundamentals, such as low and stable inflation rates of 3-5% for the past 5 years; a robust external account bolstered by ample foreign exchange reserves, which has led the Philippines to become a net creditor of the IMF; and a healthy government fiscal position characterized by consecutive years of primary surplus and an annual revenue growth of upwards of 11% since 2011. Much of the country's current account surplus is due largely to robust remittances from Filipinos working abroad, substantial business process outsourcing revenues, and increasing tourism receipts.

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To support sound macroeconomic fundamentals, the Philippine government has put in place various administrative and legislative reforms that have helped open up closed- or highly-regulated sectors to foreign investments. More recent anti-corruption and good governance measures have also helped to sustain the positive transformation of the Philippine economy.

As a result of the mantra that: "Good Governance is Good Economics", the Philippines now enjoys investment-grade status from Fitch, Standard and Poor, and Moody's. Last year, J.P. Morgan commended the Philippines for being the most upgraded sovereign credit in the region in recent years, following an S&P BBB upgrade in May 2014.

The Philippines has also seen itself, since 2010, rise in various indices as a result of good governance, such as a 40-notch jump in Transparency International's Corruption Perception Index; a 36-notch jump in the International Finance Corporation's Doing Business survey; and a 33-notch jump in the World Economic Forum's Competitiveness Index.

An increase in the country's fiscal resources has also allowed the Philippine Government to focus more spending in vital social services, including facilitating investments in education and health that build long-term human capabilities.

Guided by President Benigno Aquino's "Social Contract with the Filipino People", as well as the pursuit of the Millennium Development Goals, poverty incidence has fallen steadily in recent years. At the same time, sustained economic growth has enabled the acceleration in growth of average incomes of households. According to latest World Bank estimates, the average income of Filipinos can double within 10 years and grow 11-fold in 30 years at the current pace of economic growth.

The Philippines is expected to enter the so-called "demographic sweet spot" in 2015, whereby 62.3% of the population is between 15 and 64 years of age. This means that the Philippines is expected to have 500,000 university graduates yearly, with 1/5 of the population expected to rise from low-income class to middle class this year alone, resulting in a more confident consumer class.

The benefits of a confident Philippine economy has also much to do with efforts to achieve peace in the country, particularly in the south – in Mindanao. After seventeen years of negotiations, the Philippine Government and the Moro Islamic Liberation Front signed a peace agreement in March last year to establish the Bangsamoro autonomous political entity by 2016. A comprehensive package of socio-economic initiatives have been prepared to uplift communities of the Bangsamoro, including livelihood and infrastructure projects, Cash-for-Work programs for rebel returnees, and enrolment into the state's health insurance program.

As the Philippines looks to a brighter future in Asia, it does so as well in Africa through a partnership with South Africa. When diplomatic relations between the Philippines and South Africa were established in November 1, 1993, South Africa was undergoing a historic time. The first democratic elections on April 27, 1994 that saw the election of President Nelson Mandela, provided the historic backdrop for the establishment of diplomatic ties.

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The Philippines, however, had been a staunch supporter of the South African people even before the crucial period of transition to democracy, the strongest expression of which was the signing by the Philippines in 1974 of the International Convention on the Suppression and Punishment of the Crime of Apartheid.

We, Filipinos, vividly recall that when President Nelson Mandela undertook a state visit to the Philippines in March 1997, Madiba told his hosts then, who were President Fidel Ramos and former-President Corazon Aquino, that he held the Philippines close to his heart for its consistent opposition to apartheid in South Africa. Nelson Mandela said that the Philippines "... is one of the countries that had been very successful in overcoming the legacy of colonialism, of poverty, of ignorance, and we stand to gain a great deal by associating with it."

In this respect, I am proud to share with everyone that since 2013, the Philippines and South Africa have engaged in a yearly consultation mechanism, spearheaded by our respective foreign ministries for the discussion and implementation of cooperative endeavors in areas such as trade, merchant shipping, agriculture, tourism, and cooperation in multilateral fora. This annual consultation mechanism, the latest of which the Philippines and South Africa undertook in Pretoria last April, has, among others, resulted in greater people-to-people exchanges between our two countries, and also seen great strides in leading both countries into greater economic cooperation. Next year, the Philippines looks forward to reciprocating South Africa's warm hospitality by hosting the 4th Bilateral Consultative Forum in Manila.

This annual consultation mechanism has yielded concrete and substantial results. For instance, in August last year, a Philippine negotiating panel signed with South African aeronautical authorities a memorandum for the further implementation of the bilateral air services agreement between the two countries. Likewise, as recently as 3 weeks ago, a South African delegation of businessmen visited the Philippines in search of business opportunities and partners in such areas as mining, food and beverage, and cosmetics, as well as in key Philippine strengths of infrastructure, agro-processing, and business process outsourcing.

As the Philippines celebrates 117 years of nationhood, we share with you – the members of the international community – the gains of our efforts.

Hence, at this juncture, on behalf of my wife Cecilia, I invite everyone to raise their glasses, as I propose a toast – to the Filipino people and Philippine Independence; to you, the international family of nations whose support has been a source of strength for the Philippines; and to President Jacob Zuma and the people of South Africa, for the friendship that binds us together.

Cheers.