



Zhao Jianhua (third left), Chinese Ambassador to the Philippines, expresses his appreciation for the China-Philippines Dialogue 2017, a China Daily Asia Leadership Roundtable forum held in Manila on Oct 26, during his meeting with **Zhou Li** (second left), editorial board member of China Daily Group and publisher and editor-in-chief of China Daily Asia Pacific. PROVIDED TO CHINA DAILY ASIA WEEKLY

Reviving the Philippines

Amid warming relations, trade, tourism and investment from China help drive Southeast Asian nation's infrastructure development push

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China may prove to have a big role in the "golden age of infrastructure" anticipated for the Philippines under President Rodrigo Duterte's six-year, 8.4-trillion-peso (\$163 billion) Build Build Build infrastructure plan.

In the 1960s, the Philippines was one of Asia's leading economies. And the country is now trying to rejuvenate itself through ambitious infrastructure spending.

"In the 1980s, the GDP per capita income on purchasing power parity of the Philippines was \$1,886, while that of China was \$310; we were six times richer than China. As of today, in 2017, the per capita income of China is \$14,600, more than double that of the Philippines' \$7,700," Jose Luis U Yulo Jr, president of the Chamber of Commerce of the Philippine Islands, told the China-Philippines Dialogue 2017 forum, a China Daily Asia Leadership Roundtable held on Oct 26 in Manila.

Yulo sees plenty of room for tourism growth from Chinese visitors. Figures from the Philippine Department of Tourism showed that from January to July this year, the number of Chinese nationals who visited the Philippines totaled 454,962, up 33 percent from the same period last year. But Yulo noted the numbers were still small in the context of China's overall population.



Jose Luis U Yulo Jr, president of the Chamber of Commerce of the Philippine Islands.

Much as the Philippines wants to see continued growth in Chinese tourist arrivals, Yulo conveyed the concern that the country's airports and other infrastructure are not yet ready for a massive increase.

China was the Philippines' top trading partner during the first half of 2017, with trade worth \$11.35 billion, or 15 percent of the country's total foreign trade, according to the Philippine Statistics Authority.

Exports of Philippine bananas to China have surged this year. Around the time of Duterte's landmark visit to China in October 2016, Beijing lifted a ban on agricultural imports from the Philippines, strengthening trade ties.

Amid the improved relationship, approved investments from China to the Philippines surged to 1.4 billion pesos in the first six months of this year, from 377 million pesos a year earlier, Ernesto Pernia, secretary of the Philippines' National Economic and Development Authority, told Hong Kong media recently.

To attract more foreign investment, the Philippines has been easing restrictions in sectors including telecommunications, construction and contracting, and public utilities.

Citing the recent 19th National Congress of the Communist Party of China, the country's most important political meeting, held every five years, Yulo said the five priorities rolled out by Chinese President Xi Jinping could have global application.

These include industrial restructuring, an innovative economy, environmental protection, healthcare and retirement systems, and reducing inequality that exists between regions and between urban and rural communities.

Reducing inequality can be applied not only within individual countries but between countries, Yulo said, calling on members of the Association of Southeast Asian Nations — which is chaired by the Philippines in 2017 — to make joint efforts to address poverty across borders and to achieve sustainable regional growth.

Innovation opens doors

China's push for high-level industries creates opportunities for Philippine technology talent

By **DENG YANZI** in Manila
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As China is transformed into an innovation and technology powered economy, there will be many new opportunities for Philippine companies, according to Philippine scholar Federico M Macaranas.

At the same time, Macaranas, former chairman of the department of economics at the Asian Institute of Management in Manila, believes the rise of the digital economy will act as a crucial growth engine for the Philippines and other fast-growing countries in Southeast Asia.

"Southeast Asia and Northeast Asia are the most dynamic parts of the electronic and information and communications technology (ICT) world, and we need to travel across the South China Sea in a peaceful manner because if that is closed to world trade, the whole global system will collapse," said Macaranas.

Hence, in the long term, China's investment in infrastructure projects in the region, in addition to a stable political situation, will prove imperative to the exchange of information and goods under a booming e-commerce and technology scene, he said.

Philippine President Rodrigo Duterte plans to spend over 8.4 trillion pesos (\$163 billion) on infrastructure projects under his Build Build Build initiative — a six-year strategy spanning 2017 to 2022. China, during Duterte's state visit in October last year, pledged \$15 billion of investment into sectors including infrastructure and telecommunications.

"China has a long-term thinking that is not true of the Western businessmen," Macaranas told *China Daily Asia Weekly*, stressing that investment in infrastructure will change the foundation of trade and many other industries in a new economic situation in the Philippines.

As China upgrades its manufacturing capacity and relocates some industries to countries in the Association of Southeast Asian Nations, he noted that the Philippines' strong talent pool will play a bigger role in China's innovation-led economy.

China will become more focused on high-level industries, and Philippine engineers, technicians and scientists will help in that transformation, Macaranas said.



Federico M Macaranas, Philippine scholar.

"The Philippines is at the verge of a technical revolution as young people are getting more into science and technology," he said.

He noted that while the Philippines is a major supplier of electronic components to big global companies, the country is also upgrading its contribution to the new economy by focusing on science and technology education.

For instance, in October, the nation's Department of Science and Technology set up new scholarship programs to encourage research and innovation in data science.

Universities are also offering entrepreneurship courses to young people, Macaranas said, and industries including agriculture are benefiting from a wave of entrepreneurs using innovative technology to solve problems.

He believes that when the Philippines can nurture and retain its talent within the country, the economy will go through a "game-changing" transformation to a more modern one.

With the Philippines and China sharing a similar vision for an innovative economy, Macaranas sees huge room for innovation and technology collaboration between the two countries, especially in solving problems that are common to both.

He urged closer communication and exchange opportunities among young people of China and the Philippines, to work together in creative thinking, and toward finding solutions.

"It's clear that humanity has a lot of problems in food, physical security, production, climate change, traffic congestion — whether in the Philippines or in China," he said.