

A positive force for progress

Chinese Filipino community has long played a major role in Philippine commerce and economic growth

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The ancient Maritime Silk Route, which flourished from the 2nd century BC to the 15th century, brought more than Chinese silk, ceramics and tea to Southeast Asia.

It was also this historic route that would later create a community of overseas Chinese widely known for their strong business acumen and contributions to their adopted countries.

In the case of the Chinese Filipino community, Ellen Palanca, director of the Confucius Institute at the Ateneo de Manila University (CI-ADMU), said they have helped boost the country's business and economy.

Palanca, an economist who has researched and published papers on Chinese Filipino businesses, said what impressed her most was the rapid growth of Chinese-Filipino-owned businesses.

Most Chinese Filipino businesspeople are "tenacious, very focused, and they make sure that there's continuity" in their mostly family-owned enterprises, Palanca told *China Daily Asia Weekly*.

Alvin Ang, director of the Manila-based Ateneo Center for Economic Research and Development said most of these companies owned by Chinese Filipinos are leaders in their respective fields.

One of these Chinese Filipino businessmen is Henry Sy, Sr. Born in the eastern Chinese province of Fujian, Sy owns one of the country's biggest and most diversified conglomerates.

Sy's SM Investments Corp controls the country's biggest mall operator, one of the Philippines' biggest property developers, and one of Southeast Asia's biggest banks.

SM employs more than 300,000 people and has generated over 600 billion pesos (\$11.3 billion) for the Philippine economy, according to the company's website.

In the context of the Philippines' \$300 billion GDP, SM alone accounts for around 4 percent of the national economy.

Sy's iconic SM malls branched out from the Philippines, setting up outlets in Chinese provinces including Sichuan in Southwest China, and Fujian.

Other prominent Chinese Filipino businessmen have likewise forayed overseas, raising the profile of Philippine brands in the international market.

Tony Tan Caktiong is the founder and chairman of Jollibee Food Corp, one of Asia's biggest and fastest-growing fast food chains. Its flagship brand Jollibee has branches in the Middle East, Europe and the United States.



The entrance to Binondo, Manila's Chinatown. Chinese immigrants first settled here before going on to play an important part in the development of the Philippines. MARVIN A TORT / FOR CHINA DAILY ASIA WEEKLY



Ellen Palanca, director, Confucius Institute at the Ateneo de Manila University.

Food and beverage manufacturer Universal Robina Corp, founded by John Gokongwei Jr., has outposts in Vietnam, Thailand and Myanmar.

It is difficult to ascertain the exact number of companies owned by Chinese Filipinos, or the total population of Chinese Filipinos in the Philippines. This is because the country's statistics office does not conduct surveys of ethnicity.

But according to a statement issued by the late Philippine senator Edgardo Angara in 2013, ethnic Chinese comprise about 1.35 million of the estimated total 100 million population.

It was Angara who authored the bill that declared Chinese New Year



Henry Lim, executive vice-president, Federation of Filipino-Chinese Chambers of Commerce and Industry Inc.

a public holiday, in recognition of the Chinese Filipinos' contribution to the country's economy and the historic relations between China and the Philippines.

"Our relations with China go far back in history before the first Spanish fleet even reached our shores," Angara said.

The present-day Chinese Filipino community was in fact born out of the centuries-old trading ties between the Philippines and China.

Chinese traders have been crossing the South China Sea since the 10th century, bringing ceramics, silk and beads in exchange for Philippine pearls, tortoise shells and hemp fabric.

The mercantile trading continued even during the Spanish colonial period. During the late 16th century, the Spaniards put up a settlement for Chinese immigrants in Manila. That area is Binondo, better known as Manila's Chinatown, and it served as a key business center during the colonial era.

These immigrants brought their trade to Binondo, married local women, and eventually created a Chinese Filipino community that to this day plays a major part in Philippine commerce.

That success has led to the stereotype that Chinese Filipinos are inherently good businesspeople. But as Palanca noted, the early Chinese immigrants became entrepreneurs out of necessity.

"They had no choice. They were not educated, they were banned from engaging in agriculture and they couldn't own land. They were not citizens so they could only trade," she said.

During most of the 300-year Spanish colonial rule and the 50-year American occupation, most of the Chinese immigrants acted as wholesalers and retailers of imported and local goods. Some also went into money lending and farm trading.

Even after the Philippines became an independent nation in 1946, there were some regulations that made it difficult for the Chinese Filipinos to seek other means of livelihood. Naturalization was costly and difficult, and being non-citizens prevented

them from practicing any profession.

The passage of some laws during the early years of the new republic hurt the interests of ethnic Chinese businesspeople. The Retail Nationalization Act of 1954, for example, restricted ownership in retail trade to Filipinos.

"But this proved to be a blessing in disguise," said CI-ADMU's Palanca. She said some of these traders eventually ended up becoming small-scale manufacturers and succeeded in it.

The restrictive laws likewise encouraged Chinese Filipinos to establish, in 1954, the Federation of Filipino-Chinese Chambers of Commerce and Industry Inc, according to Henry Lim, executive vice-president of the FFCCCII.

"The organization's mandate was to help Chinese Filipino businessmen. During that time, there were a lot of enacted laws that were not very friendly to Chinese Filipinos," Lim told *China Daily Asia Weekly*.

The FFCCCII, which has over 100 chambers of commerce and trade associations in its fold, is now the largest organization of Chinese Filipino businesses.

Lim said that while the FFCCCII no longer has to contend with discriminatory laws, it continues to uplift the Chinese Filipino business community.

He said the FFCCCII helps new Chinese immigrants who want to do business in the Philippines. It also sends its members to study tours in China so that they can learn more from their counterparts.

Lim noted that Chinese heritage and a knowledge of Mandarin have helped Chinese Filipino entrepreneurs to establish outposts in China.

Lim was alluding to businessmen Sy and Tan Caktiong, who ventured into the growing China market. Likewise, Carlos Chan has a thriving snack food manufacturing business in Shanghai. And property developer Edgar Sia II partnered with Jinjiang Inn to open several hotels in the Philippines that cater to the growing number of Chinese tourists.

More important, Lim said the FFCCCII and the rest of the Chinese Filipino community help in strengthening relations between the Philippines and China.

He said that it is the Chinese Filipinos who serve as catalyst in the relations between the two countries. "As Filipinos with Chinese heritage, we were able to foster a closer relationship between China and the Philippines," he said.

Lim said the Chinese Filipino business community is in fact "excited" that Chinese President Xi Jinping will visit Manila this week.

"We view China as the Philippines' partner in progress," he said.