

Rafael Buenaventura: Exports performance in the Philippines

Welcome remarks by Mr Rafael Buenaventura, Governor of Bangko Sentral ng Pilipinas (Central Bank of the Philippines), at the Exporters' Forum, Manila, 25 October 2004.

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Ladies and gentlemen, good morning:

Once again, I welcome you to this gathering of exporters and policymakers, which we have been doing since 2002 to discuss issues and concerns of common interest. I am glad to see familiar faces around. I also extend a special welcome to the new attendees for finding the time to join us today.

Let me also congratulate you for working hard to keep exports performance one of the few bright spots in our macroeconomy. I hope that we can go beyond the 13.7 percent growth we had in August for the rest of the year. I am sure that this is possible given that the outsourcing of manufacturing of electronics and motor vehicle parts from other regions continues to benefit the Asia Pacific Region, including the Philippines. Garments, which posted a double-digit growth in August, the first time since March of 2003, hopefully, will continue to pick up ahead of the holiday season. Meanwhile, the improving world price of agro-based products bodes well particularly for the coconut oil industry. These are signs of good times ahead.

Overall, we expect a full year growth of 10 percent in 2004 and 2005. Mr. Guinigundo will discuss the details later and we will take this opportunity to validate with you our forecasts. Being with the industry, your expertise in reading where the market is leading to is a major input to our projections.

While export growth for next year looks promising, we all believe that there is more to be done to catch up with our Asian neighbors who are making major inroads into the world market. We have been discussing the problems besetting the export sector - high power cost, poor infrastructure, security concerns, labor unrest - and I know the growing impatience in some of you on the seemingly slow progress in addressing them. However, you must also recognize that the government has been doing its best given its limited resources. This is the reason why we invited officials from other departments - Department of Energy, Department of Labor, Department of Finance, Department of Trade and Industry, the Board of Investments, the Philippine Economic Zone Authority and the Philippine National Police, among others - to hear your concerns as well as share with you the various reforms currently being undertaken to promote a more favorable business and investment climate.

Let me end by saying that overcoming the challenges we face can be made easier if we maintain an open line between private enterprises and the government sector and recognize the important role each one has to play. This is the reason why the BSP is taking the initiative of bringing us together regularly in this Exporters' Forum. Previous discussions had been quite fruitful and in fact yielded positive results for some. I hope this forum will be productive and will serve to open more avenues for mutual linkages within the export industry.

Thank you very much and I look forward to hearing your views.