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MALACAÑANG INSIDER HOSTED BY PRESIDENTIAL COMMUNICATIONS OFFICE
ASSISTANT SECRETARY JOEY VILLARAMA WITH PRESIDENTIAL ADVISER ON
INVESTMENT AND ECONOMIC AFFAIRS SECRETARY FREDERICK GO
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PCO ASEC. VILLARAMA: Current developments, presidential directives, accurate and reliable updates straight from the Palace. Sitting-in for Daphne Oseña-Paez, I'm Assistant Secretary Joey Villarama for Malacañang Insider.

The Marcos administration aims to elevate the Philippines as a viable investment destination by fostering a robust economic environment through strategies and plans that are aligned with national goals and priorities, this administration wants to ensure that every investment opportunity is maximized and every investment commitment is secured.

Let's get an update on the policies and programs that drive economic growth and attracting investments into the country. We are joined today by Special Assistant to the President for Investment and Economic Affairs Secretary Frederick Go. Magandang araw, Secretary, and welcome to the program.

SEC. GO: Magandang araw sa inyo, Joey.

PCO ASEC. VILLARAMA: Sir, before siguro we can begin to talk about your office and its function, siguro let's talk about you first. So, you came from the private sector, you have a good track record, so tell us what encouraged you to join government? And ano po iyong differences na nakita ninyo between the private sector and government?

SEC. GO: In one word, the answer is PBBM. I think it is a privilege and an honor to be able to serve your country. And I also believe that such an opportunity comes perhaps once in many lifetimes to be given the trust and confidence of the President to serve in such capacity, so I feel very privileged.

PCO ASEC. VILLARAMA: Siguro you answered it na, but I will still ask it. Did you have any second thoughts or qualms or apprehensions to join government?

SEC. GO: Well, of course. I think coming from the private sector and having no experience in the public sector is enough reason for someone to be concerned or have second thoughts. But at the end of the day I go back to what I said earlier, that it is indeed a very rare privilege and honor to be able to serve the country.

PCO ASEC. VILLARAMA: In terms of procedures, how people work, how stuff works in general, what do you think are the main difference between working for the private sector and for government?

SEC. GO: Well, in private sector, obviously your main stakeholder is yourself, or your employer would be your main stakeholder. In public sector, your main stakeholder would have to be the community, the country. So, there is really a world of difference between the two responsibilities, so it's really very, very different.

PCO ASEC. VILLARAMA: Sec., yours is a government portfolio. So how is it like leading and managing the entire economic team of the government?

SEC. GO: Yes, my office is new. It's a newly created. And I get to be so fortunate to be working with such a wonderful economic team. I think everybody is an expert in their field, and is very knowledgeable about what they do. So, it's a pleasure to be working with such an ideal group of individuals.

And if I may even say, it's so great to be working with a, shall we say, a secretary of finance who used to be a lawmaker who specialized on laws on taxation and the economy, you know, to get all that institutional knowledge and the background, the history of our taxation laws. It's really such ... it makes working for the economic team so much easier.

PCO ASEC. VILLARAMA: Have you encountered any challenges when you work with these economic stalwarts? You mentioned the secretary of finance. He's been there for the longest time; you've been here for a short time. So, any challenges you've encountered in terms of how the government's economic team is being managed?

SEC. GO: I think working with all the Cabinet secretaries have been a wonderful experience; they're all a pleasure to work with. The challenges usually are with the bureaucracies or the institutions. Sometimes there are ways of doing things that have been practiced for years or even decades that are a little more challenging to reshape.

PCO ASEC. VILLARAMA: Help us understand, Secretary Go, ano po ba iyong mandate ng office ninyo? Walk us through it.

SEC. GO: So, the mandate of the office is in the name of the office. So, it's the Office of the Special Assistant to the President for Investment and Economic Affairs. So for investment, it's clear, our mandate is to bring in investments practically foreign direct investments, ideally, from the various trips that we have made overseas to entice global investors to come into the Philippines.

But let's not forget that when we talk about investments, there are two sides to this. There's the foreign direct investments and the domestic investments. And I would dare say that for a large part of our history, the domestic investments play a very, very significant role and have been more significant than the foreign direct investments.

And on the second part, the "and economic affairs", the role of the office is to sit on several boards or committees, interagency committees of the government such as the NEDA Board, the various authorities and agencies that there is representation from the Office of the President. And if it relates to investments or economic affairs, normally the Office of the President nominates me or my team to sit on those boards or interagency committees.

And then for the first part of the name, "special assistant to the president", as stated, I do anything and everything that the President may assign to me as a special task or special assignment. And, of course, we serve at the pleasure of the President. So as a special assistant, it's really to do whatever he may assign to me.

PCO ASEC. VILLARAMA: You mentioned foreign direct investments, the DTI also keeps track obviously of FDI. So wala po bang overlap sa functions, let's say, with DTI or other economic or financial government institutions?

SEC. GO: The government institutions have been there for decades. They probably have a thousand, two thousand people. I have less than 20 people on my team. So, I'm pretty sure there is no overlap. My office's role is to support them whenever they need it, whenever—for example, in the example you stated 'no, that would actually be the Board of Investments.

So, we're here to help the Board of Investments in anyway we can. If a large foreign direct investor will come to town, for example, and would like to meet senior officials in the administration, you know, to get reassurance and confidence that the country will welcome their investment, we're there. We're there to help the Board of Investments. We're there to help the Department of Trade and Industry in any way that we can.

PCO ASEC. VILLARAMA: You took your oath in January, obviously you have lessons and learnings so far in the course of those several months. So ano po ba iyong greatest learnings so far about government and the people working within the government?

SEC. GO: Well, I must say that the career officials in government are very knowledgeable about what they do. They're experts in the field. They have all the institutional knowledge of how things have been done and how things are being done. And I think that's extremely valuable in our regulatory setting, you know, where you need the government to be able to be very knowledgeable to institute the rules and regulations to govern particular sector or a particular industry for example.

PCO ASEC. VILLARAMA: So, you have to take care of economic affairs, there's also governance but how does public service figure into your kind of work, into your portfolio?

SEC. GO: The role that we have since it includes any task that may be assigned by the President, some of them definitely go into the field of public service. For example, the President ask me to look into the National ID. As we know, maybe half the citizenry has received their physical National ID and half have not.

So, the task given was to find a way to digitalize the National ID and to roll it out. And I'm very happy to say that we were able to put together DICT on one hand and PSA on the other hand to work on the digitalization of the National ID. And I'm so happy to tell you that about three months ago we launched the digital National ID and today we have about four private banks that are accepting the digital National ID as a source of verification and identification and a mobile wallet to also use with digital National ID KYC.

So, while our role may seem to be sometimes a bit on the investment and large investor categories, we also have public service roles to play.

PCO ASEC. VILLARAMA: Up next, tatalakayin natin ang mga hakbang na gagawin para maisakatuparan ang economic agenda ng Pangulo. Stay tuned, we'll be right back.

[COMMERCIAL BREAK]

PCO ASEC. VILLARAMA: And we're back, you're still watching Malacañang Insider with Secretary Frederick Go.

Sec., as we mentioned, you've been in office for less than a year but what do you consider the top 3 contributions of your office?

SEC. GO: I'd say number one would be the passing of the Public-Private Partnership Law in December last year. The last law that we were using was the Build Operate Transfer Law which was passed 29 years ago. So, can you imagine that this PPP Law was really needed by the economy. And this PPP Law is so important because of the fiscal space of the government. We need partnerships with the private sector to be able to rollout our 190 infrastructure flagship projects. And the implementing rules and regulations of the PPP Code have been drafted in such a way that it encourages the participation of the private sector and there's probably no greater proof of the success of the new PPP process than the privatization and awarding of the concession agreement of the Manila International Airport. Everybody has been waiting for this for a long time and I think that a lot of the success of our infrastructure project program or the Build Better More programs is hinged on this new PPP Law.

Second, I would say is our contributions to the various reforms that have been implemented 'no and if I were to name one, I would cite the Bureau of Customs where we helped process an executive order for the implementation of the pre-border technical inspection of goods that come into our country and the use of digital invoicing at the Bureau of Customs. The beauty of this is that now we will have the actual source document at the port of origin to verify the goods and the value of the goods. And because of the use of digital invoicing, the manual interventions at the local port will be reduced dramatically.

As a third contribution, maybe I just go back to the digitalization of the National ID. I think that's a game changer. It's fundamental to economic growth; it's fundamental to financial inclusion; it's fundamental to the distribution of medical services; it's fundamental to the distribution of ayuda; it's fundamental for all the financial institutions, for example for the banks, et cetera, et cetera.

PCO ASEC. VILLARAMA: I don't know if this is anecdotal or this is proof of what you said about the Customs, parang bumilis nga iyong processes and procedures, Sec., because of that intervention. Looking ahead into this administration's future, what three things (three things again) do you most look forward to? Ano po iyong future plans natin in terms of your offices' priorities?

SEC. GO: The first thing I'd so look forward to is the passage of CREATE MORE Bill into law. CREATE MORE is so important because all the foreign direct investors that we have met on various trips are all raising concerns that they have with the CREATE Bill. The CREATE Bill was passed about three years ago and I think a lot of unintended consequences have occurred since then.

So, passing the CREATE MORE Bill which aims to resolve all these issues raised is so critical to us signaling to the world that we are listening and that we are responding to the issues and difficulties that they have raised and brought to our attention.

And the Senate, very thankfully, is hoping to pass CREATE MORE anytime now. So, we certainly look forward to that.

Second, would be the Luzon Economic Corridor Project. This is in collaboration with the G7 Global Infrastructure partners. We have a flagship project identified and this is the Subic-Clark-Manila-Batangas Cargo Rail. This is extremely important to reduce the cost of doing business within this corridor because these four ports represent about 80 percent of the volume of traffic in the

Philippines. And you can just imagine the number of industries that would benefit from this, that can be put in place around this corridor.

We're talking about renewable energy, data centers, food production, digital connectivity and the like. So, the Luzon Economic Corridor is the only project of its kind for the G7 here in Asia so we're really hoping that this gains a lot of traction and that other countries – in fact, one other country has already written us signifying interest to be part of the Luzon Economic Corridor.

Third would be better macroeconomic numbers, we're seeing better macroeconomic numbers now across the board for the country. GDP growth for the 2nd Quarter was 6.3% and I can tell you that our GDP growth last year... this year is either the best or among the best in the region, the Southeast Asian Region. So, we're doing very well as far as economic growth is concerned, our unemployment numbers are down to 3.1% which is one of the best numbers in the last two decades. Our poverty rate is likewise dropping.

And, I have another piece of good news for you. The Japan rating agency, R&I, just upgraded us a few weeks ago from BBB+ to A-. As you know, we have about five global credit rating agencies that rate the countries all over the world. So, now, we have two Japanese rating agencies that have upgraded us to A-.

So, if you're asking me what I'm looking forward to, I'm looking forward to better economic growth numbers, better inflation numbers and more upgrades I hope, you know, within this administration. If we are able to bring the Philippines from, what they call a B-level credit rating to an A-level credit rating, wow, that would be super for this country.

PCO ASEC. VILLARAMA: You mentioned improving economic indicators. So, does the Philippines really have what it takes to be the preferred investment destination in Asia?

SEC. FREDERICK GO: I think, we certainly do. But, of course, it will take a lot of work and I think a lot of transformation of the way we do things to reach that level of being the number one investment destination in Asia. The facts are, I think for the last few decades, we have really been regressing. Our neighbors in Southeast Asia have been cornering the lion's share of global investments which is actually why I joined government – I'd like to make a difference. I'd like to reverse this trend and try to bring back our place in as an investment destination in Asia.

PCO ASEC. VILLARAMA: Maybe this is a question that it's too early to ask. But since your office is still in its infancy, but what do you hope to achieve and leave as a legacy under the Marcos Jr. administration?

SEC. FREDERICK GO: For one, we definitely want to bring in more investments into the country – both domestic investments and foreign direct investments. We want to bring up the level of investments in our country.

Second, I'd really want to do concrete things that help ease doing business and institute reforms that will help reduce the cost of doing business. Those are my battle cries, improving the ease of doing business and reducing the cost of doing business. So, if I can do, you know, 10-20-30 things for each of them, I'll be happy.

PCO ASEC. VILLARAMA: Siguro, Sec., as a parting shot 'no. Kasi when we talk about the economy, when we talk about finance, people find it hard to digest and to understand. So, siguro

sa ordinaryong mamamayan, what do you wish to tell them in terms of where this administration is heading in terms of economic development?

SEC. FREDERICK GO: Our economic growth story has always been consumption-led. Meaning, gumagastos tayo kaya lumalakas ang ating ekonomiya. But we're basically dependent on that for the last few decades. What I'd love to see happen is that our economic growth is investment-led. I think this will be more sustainable if we are able to bring in the large-scale investments that make the Philippine economy globally competitive, then that would be sustainable on a longer term.

I think the more large-scale investments we bring into the country means more jobs; more job means more income for the people; more income for the people means more spending power for the people. So, this is like an economic cycle. The reason why consumption is sustainable is because the income is sustainable and that's sustained by jobs and jobs are sustained by investment. So, we need this whole cycle to keep turning and growing.

And it feeds on itself eh because the larger the consumption then the more investments are generated, the more jobs, the more income so we need to feed this cycle on a long-term basis.

And then, on the macroeconomic numbers, what does this mean for the people? It's very clear – habang bumababa ang numero ng unemployed and bumababa ang numero ng underemployed, ibig sabihin po noon ay ang mga tao ay nakakahanap ng trabaho at they can, you know, feed their families, take themselves out of poverty. So, it's critical we get the economic model right.

And when I talk about, for example, credit ratings – what does this mean for the people? What this means kasi is when our country gets a better credit rating, that means that the country can borrow from the world and from domestic lenders at lower interest rates. This means, if the country can borrow at lower interest rates, that means the banks and the financing institutions can charge lower interest rates to businesses and to consumers.

Ibig sabihin po nito, when the ordinary person manghihiram ng pera sa bangko para bumili ng bahay, para bumili ng kotse, para bumili ng motorsiklo, para mangutang para sa... kung anumang bagay iyon, mas mura ang interest rate na babayaran niya. So, that's what it means for the people, right. When the credit rating of the country improves, the trickledown effect is there. So, that's why these are important things for the economic team to focus on.

PCO ASEC. VILLARAMA: Thank you very much, Secretary Go. We hope that whatever we discussed now, much of what we discussed in terms of our priorities and our vision for the economic growth of the country will come to fruition.

Maraming salamat, Secretary.

SEC. FREDERICK GO: Maraming salamat, Joey.

PCO ASEC. VILLARAMA: Through innovative policies, the Marcos administration is paving the way for a new economic era of dynamism where opportunities abound, businesses thrive and every Filipino can contribute to and benefit from the nation's progress.

We bring you in-depth views of the latest issues and regular Palace updates. Sitting-in for Daphne Oseña-Paez, I am Assistant Secretary Joey Villarama for Malacañang Insider. Have a good day.

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