



[TRANSCRIBED SPEECH]

KEYNOTE SPEECH OF DIRECTOR GENERAL TERESO PANGA FOR THE PHILIPPINES: THE DIGITAL BRIDGEWAY TO ASEAN AND THE WORLD EVENT

27 April 2023, 09:00 AM – 04:00 PM | PEZA Auditorium

Her Excellency Hjayceelyn Quintana, the Permanent Representative of RP to the ASEAN (whom we had the opportunity to collaborate with in an investment mission some years back when she was the PH Amba to the UAE)

And if I may greet also the VIPs joining us later,
His Excellency Ilan Fluss, the Israel Ambassador to the Philippines
Mate Kiss, Head of Commercial Section of the Embassy of Hungary in the Philippines
Nino Duque, Principal Business Consultant of the Embassy of Malaysia
Ana Florentino, Business and Trade Advisor of the Royal Norwegian Embassy in Manila
Amor Maclang, the convenor of Digital *Pilipinas*, our investment promotion partner in bringing in frontier technologies in the Philippines. Thank you for giving us insights already into the future so that we can innovate in the present through fintech and other frontier technologies,

Our colleagues in government,
Esteemed speakers and guests,
And most especially, our *valued locators*,

A pleasant Thursday morning to everyone.

On behalf of my fellow MANCOM, we welcome you to PEZA. And thank you for joining us today as we unravel the many investment and business opportunities in the Philippines as a viable Digital Bridgeway to ASEAN and the World under the administration of President Ferdinand 'Bongbong' Marcos Jr.

Technological advancements in recent years have accelerated with break neck speed, and the so called Fourth Industrial Revolution or digital economy has become the buzzword for every nation that aspires for a smart and innovative society.

I just came from an investment mission in Chicago where we attended a global conference on HIMS — Healthcare Information Management System or digital health, where we had the opportunity to visit the Chicago Connector, an IoT innovation hub. We were simply amazed how Chicago, in so short span of time, was able to build a multibillion-dollar innovation ecosystem start-up in the US and became a global innovator accelerator in the fields of digital health and other IoT applications in Industry 4.0, mobility, smart city, and connected construction.



From within our domain and sphere of influence in PEZA, we want to put up our own industry excellence centers so we can put up and provide incubation facilities for start-ups to boost our competitiveness in the manufacturing and IT-BPO sectors.

With our *Ambisyon Natin 2040*, we Filipinos aim to live in a high-trust society, where no one is poor and the workforce are smart and innovative.

The Philippines, with 76 million plus internet users and digital savvy young workers, is positioned to benefit from the growth of Fintech industry. With a total population of 111.8 million as of January 2022, and internet penetration of 68 percent of the population and growing, and not to mention, our unique distinction as Text Capital of the World, the country can attain a digital economy ahead of some of ASEAN neighbors. And this is doable.

If you look at our performance in 2022, with the GDP growth rate of 7.6%, we were one of the best performing economies in the region and it reflects also in our investment approvals in PEZA.

From 2018 to 2021, it was a declining investment approval in PEZA until we were able to achieve a growth in 2022 with a 103% increase surpassing the 2021 level of investments. This only tells us that the Philippines has passed recovery stage and we are now anticipating an upturn in the economy.

On the digital space, wide array of financial services like cross border payments, paying bills, e-banking, e-wallet, topping up metro rail cards, and purchasing cryptocurrencies, etc. are allowing fintech companies to encourage people to engage in economic activities because of the convenience such services provide – enabling millions of online and mobile transactions in the process. And at the core of these services are blockchain technology and a multitude of AI-based solutions.

Our PEZA locator companies, having international affinity, are no doubt early adopters of these financial products and have already engaged fintech companies to facilitate online cross border transactions and embed such into their global value chain participation.

For example, Sitel, a leading BPO company and registered with PEZA and employing 43 thousand personnel, has partnered with a Filipino fintech company to allow its employees to access a portion of their salaries in just a few seconds. They can immediately see online what they can borrow, and when they need it, such is sent immediately to their bank account and e-wallet.

For a more sophisticated or complex fintech and blockchain applications, we have recently registered a Japanese company into fintech cards, which can be used not just for financial transactions but also for smart door access control including biometric personal data. This is the same Japanese company that has introduced the first ATM for cryptocurrencies in Japan.



Another Australian investor introduced us to peer-to-peer trading of solar energy in our Cavite Economic Zone which allows our ecozone locator off-takers to readily contract out their power supply requirement with their preferred generation company. We were the first to have ventured into this type of fintech and blockchain technology and while we were ready to roll it out, only to be told that the DOE has no enabling mechanism yet to allow us to do peer-to-peer trading.

Certainly, many PEZA locators have already engaged Filipino fintech companies to take advantage of our world-class tech talents and for the needed sustainability and global competitiveness.

However, there are also locators, especially MSMEs, needing capacity building on financial technology. And there is marching order from the President to ramp up digital economy to further contribute to overall growth.

Hence, we have partnered with Astrolabe and Digital Pilipinas for the continuous improvement and stakeholders' capacity building initiative on financial economic services that would eventually be integrated in the Philippine financial systems and platforms. Likewise, we are collaborating with the DICT in promoting digitalization to enhance office efficiencies, customer satisfaction and the delivery of services for a much-improved ease of doing business. In other words, we want to be a trailblazer in this field.

Some years back, when we implemented our electronic import and export permitting system, we were ahead of our BOC and for which we were cited by the IFC World Bank for best in regulatory reform based on a survey conducted on 77 ecozones worldwide.

At the height of the pandemic in 2020, we rolled out our e-payment system to ensure contactless pathways for the protection of our transacting public. This time, we were cited by the US Department of State for ease of doing business and other resilience measures under the COVID pandemic

We will launch our e-Letters of Authority or e-LOAs to replace our manual process for approving and monitoring movement of ecozone shipments in response to the government's call for ARTA which is ease of doing business and where the President has also issued recently EO 18, providing for green lanes for investors. We are probably among the very first few agencies in government to have adopted cashless and paperless system for business transactions.

Moreover, PEZA's leads in the setting up of Knowledge, Innovation, Science and Technology (KIST) Parks where we want to promote synergies between academe and the industries to engender scientific studies, innovations and where High-Tech ecozones can promote R&D and commercialization of patents, and the various industry upskilling/reskilling measures to prepare the Filipino workforce and local supply/global value chains for advanced



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manufacturing and Industry 4.0—all these will complement the various initiatives of our government in strengthening the ecosystem to accelerate entry of frontier technologies into the country.

In closing, may I assure you that PEZA shall continue to get the best practices from international communities and address the pain points that are barriers to entry of investments in the country so that we in PEZA, like you, can be as agile as our locators and our global business industry leaders.

As we look to the future, let us continue to collaborate and bring down these barriers to achieve our goal of a more inclusive and sustainable economy. Together, let's make it happen in the Philippines.

Thank you very much and mabuhay po tayong lahat!

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