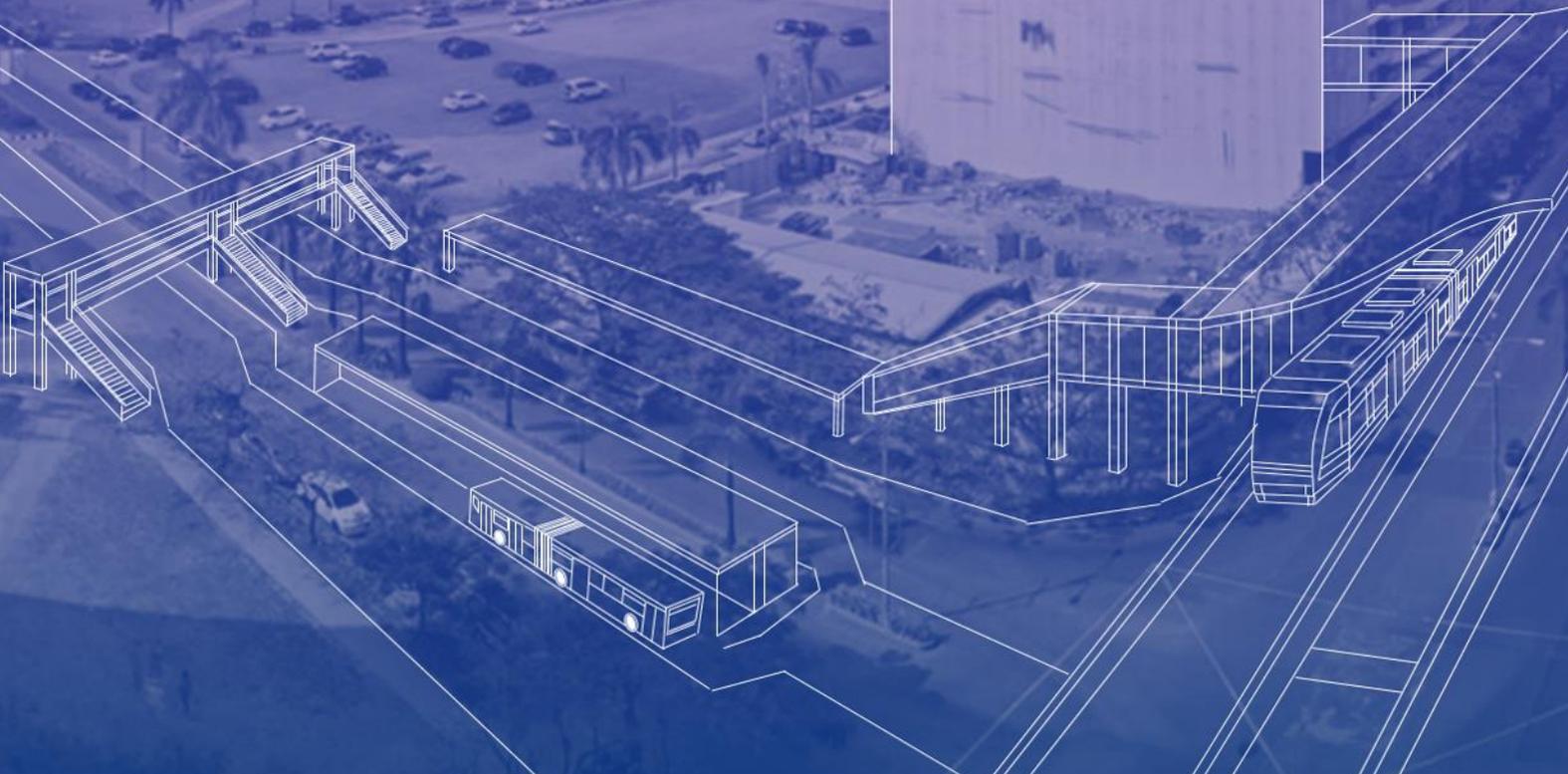




# Business Economics Forum

## Conference Primer



When we talk of inclusive growth, we think of the 25 percent of the population who are going to bed hungry every day, those who are below the poverty line. Seventy-five percent of the 25 million referred to are coconut farmers, fisher folks and landless farmers and they are poor because we have neglected them in terms of infrastructure. The first way to attain inclusive growth is for the government to finally provide them the infrastructure we denied them.

BERNARDO MALVAR VILLEGAS  
ECONOMIST



# ORGANIZERS

## ABOUT UA&P SCHOOL OF ECONOMICS

The UA&P School of Economics traces its roots to the very early days of the Center for Research and Communication (CRC), the university's forerunner. UA&P SEC was conceived when CRC began offering courses in Industrial Economics and Applied Business Economics. For more than forty years now, the School has produced professional economists, corporate planners, and business analysts occupying key positions in private firms and government institutions. Recognized as leading economics school and as a catalyst of economic progress in the Philippines and in Asia, UA&P SEC has earned a reputation for highly relevant economic research. The major areas of its research activities include the fields of economic forecasting, financial markets, wage determination, and macroeconomics.

UA&P SEC offers the following degrees:

- Bachelor of Arts in Economics
- Master of Science in Industrial Economics
- Master in Applied Business Economics



## ABOUT BUSINESS ECONOMICS ASSOCIATION

The Business Economics Association (BEA) is a duly recognized academic organization in the University of Asia and the Pacific (UA&P) composed of Industrial Economics and Economics majors. As the flagship organization of the Industrial Economics Program (IEP), BEA trains its members to be competitive in both social and business endeavors. Its activities include economic briefings, conferences on current trends, corporate immersions, leadership and team building seminars, and yearly outreach activities. With the experience of seasoned economic consultants and the skills of a competent student body and council, BEA brings out the best in each IEP student.



# THE EVENT

With the organization's mission of spreading economic literacy juxtaposed with the task of staying relevant, the Business Economics Association pioneered and spearheaded a project known as Kapeleksyon, which originated from combining the two words - "kape", meaning coffee, and "leksyon", meaning lecture. From its name, this event aims to tackle current issues in the country through uniting professionals and students alike in a roundtable discussion forum.

Now on its 3rd year, the Kapeleksyon is rebranded to a bigger and bolder Business Economics Forum (BEF). BEF is an event where students and professionals from various universities and companies respectively would come together to listen and engage in discussions with industry experts. BEF aims to upscale the simple coffee-lecture session into a forum while maintaining the intimate roundtable discussion. BEF is a whole-day event which will tackle important issues concerning the country today through lectures from economic professors of the university and industry experts. This year, the forum will be revolving around the theme "*Build, Build, Build: Paving the Roads Toward Development*", ensuring a higher degree of learning and understanding on what is in store for our country in the future.



The newly-widened Calbayog Diversion Road  
(DPWH Photo)



Ongoing preparation for the Mandaluyong flood-control project  
(DPWH Photo)



Adventure Tourism Road in Zambales  
(DPWH Photo)

# RATIONALE

Various studies, both technical and anecdotal in nature, have already proved that investment in infrastructure raises human and physical capital.<sup>1</sup> Economists have argued that better quantity and quality of infrastructure helps by reducing production cost and improving transition efficiency, thereby increasing returns on investment.<sup>2</sup> Despite this well-known fact, however, the Philippines has performed poorly in terms of infrastructure investment. Citing the gridlocked roads and inadequate port facilities of the Philippines and Indonesia, Capital Economics states in their report that the poor quality of infrastructure acts as a major drag on growth across large parts of South and Southeast Asia.<sup>3</sup> Out of the ASEAN-5 members, the Philippines has the lowest spending on infrastructure with the country's overall infrastructure rank declining from 94th in 2009 to 112th in 2017.<sup>4</sup> Government spending on infrastructure as percentage of the gross domestic product (GDP) from 2010 to 2016 has also only averaged to 2.9 percent, well below the suggested 5.5 percent-of-GDP target set by the World Bank.<sup>5</sup>

Aiming to usher in a “Golden Age of Infrastructure Development” and promote economic growth and development, President Rodrigo Duterte launched his Build, Build, Build (BBB) Infrastructure Program. The ambitious project aims to implement 75 flagship infrastructure projects, half of which are expected to be finished within the president's term.<sup>6</sup> BBB also includes plans to spend a total of PHP9 trillion on hard and modern infrastructure until 2022.<sup>7</sup> Through this program, the Philippines is expected to be the only Southeast Asian country to meet this 5.5 percent-of-GDP target over the coming years with infrastructure spending expected to rise to 6 percent of GDP by 2020.<sup>8</sup>



Newly built by-pass road in Alaminos, Pangasinan  
(DPWH Photo)

<sup>1</sup> Antonio Estache and Grégoire Garsous, *The Impact Of Infrastructure On Growth In Developing Countries*, ebook (International Finance Corporation, 2012), accessed December 12, 2017, <http://www.ifc.org/wps/wcm/connect/054be8804db753a6843aa4ab7d7326c0/INR+Note+1+-+The+Impact+of+Infrastructure+on+Growth.pdf?MOD=AJPERES>.

<sup>2</sup> Normaz Wana Ismail and Jamilah Mohd Mahyideen, *The Impact Of Infrastructure On Trade And Economic Growth In Selected Economies In Asia*, ebook (Tokyo: Asian Development Bank, 2015), accessed December 12, 2017, <https://www.adb.org/sites/default/files/publication/177093/adbi-wp553.pdf>.

<sup>3</sup> Capital Economics, "Poor Infrastructure To Remain A Drag On Growth - Capital Economics", *Capital Economics*, last modified 2017, accessed December 12, 2017, <https://www.capitaleconomics.com/publications/emerging-asia-economics/emerging-asia-economics-weekly/poor-infrastructure-to-remain-a-drag-on-growth/>.

<sup>4</sup> Benjamin Diokno, "The Philippines: Catching Up With Other ASEAN-5 Countries I", *Dbm.Gov.Ph*, last modified 2017, accessed December 12, 2017, [http://www.dbm.gov.ph/?page\\_id=20364](http://www.dbm.gov.ph/?page_id=20364).

<sup>5</sup> Capital Economics, "Poor Infrastructure To Remain A Drag On Growth - Capital Economics", *Capital Economics*, last modified 2017, accessed December 12, 2017, <https://www.capitaleconomics.com/publications/emerging-asia-economics/emerging-asia-economics-weekly/poor-infrastructure-to-remain-a-drag-on-growth/>.

<sup>6</sup> Ben De Vera, "Group Sees Duterte'S 'Build' Program Meeting WB Standard", *Business.Inquirer.Net*, last modified 2017, accessed December 12, 2017, <https://business.inquirer.net/242332/breaking-business-capital-economics-build-build-build-program-infrastructure-bangko-sentral-ng-pilipinas-bsp-gdp-world-bank>.

<sup>7</sup> Ibid.

<sup>8</sup> Ibid.

However, with this infrastructure program, a significant change in the revenue generation of the government must compensate for all the foreseen spending. Until the tax system is improved (through TRAIN), government infrastructure projects together with spending for education, health, and social protection will be financed by foreign loans. In fact, as a response to the infrastructure campaign, there was a surge of imported capital goods (which are mostly infrastructure-related) amounting to \$12.1

billion.<sup>9</sup> The surge adds to the weakening of the Philippine external balance due to the deficit of balance in trade of goods which amounted to \$2.75 billion last May 2017.<sup>10</sup> According to Karen Lema of Reuters, this campaign has also already led to the depreciation of the Philippine peso and an expected account deficit of \$600 million.<sup>11</sup>

Seeing that the BBB program can have promising positive effects and adverse negative effects, one might question its aptness and expected effectivity. And, given this essential role of infrastructure investment, Duterte's program has sparked discussions among the academe, economists, entrepreneurs, and established businessmen and investors among other professions. Is this truly an economically and politically wise plan to support economic growth and development? Is this a timely investment by the

government? How will this program position our economy vis-à-vis our Southeast Asian neighbors? Will this ambitious program make the economy better-off? Which industries will benefit, and which ones will lose?

The Business Economics Forum with the theme *"Build, Build, Build: Paving the Roads Toward Development,"* aims to answer these same questions through plenary talks and breakout sessions by established speakers. BEF's plenary talks shall provide a general view of the BBB through political, economic, and social perspectives while breakout sessions shall dive deeper into the analyses through different standpoints such as in UA&P Research and in specific industries such as Tourism, Construction and Real Estate, Banking and Finance, Local Investments, and Agri-Business.



Perspective of the soon-to-open Southwest Integrated Terminal (PPP Center Photo)



The recently-opened NAIA Expressway (Autoindustriya Photo)



The new Araneta-Magsaysay Flyover in Bacolod City (Autoindustriya Photo)

<sup>9</sup> Bersales, L. (2017). *Highlights of the Philippine Export and Import Statistics: May 2017*. [online] Philippine Statistics Authority. Available at: <https://psa.gov.ph/content/highlights-philippine-export-and-import-statistics-may-2017> [Accessed 6 Aug. 2017].

<sup>10</sup> Ibid.

<sup>11</sup> Lema, K. (2017). *Duterte's 'Build, Build, Build' plans hit Philippine peso*. [online] Reuters. Available at: <https://www.reuters.com/article/us-philippines-economy-infrastructure-idUSKBN1AM01R> [Accessed 6 Aug. 2017].

We are targeting to increase Government spending on infrastructure from 5 percent of GDP in 2017 to 7 percent of GDP by 2022, amounting to a total of 8 to 9 trillion pesos or 160 [applause] to 180 billion dollars in infrastructure projects. We will make the next few years the —Golden Age of Infrastructure in the Philippines to enhance our mobility and connectivity, and thereby spur equitable growth and development in the country. In other words, we are going to Build, Build and Build.

PRESIDENT RODRIGO ROA DUTERTE  
EXCERPT FROM HIS STATE OF THE NATION ADDRESS, 2017



# TOPICS

The Business Economics Forum is composed of two plenary sessions and numerous breakout sessions that revolves around the BBB infrastructure program and what is in store for the Philippine economy. The first plenary discussion shall provide an overview on the BBB program which the Duterte administration is currently pursuing. The first plenary discussion is followed by a series of breakout sessions that will delve on how the BBB program will help the Tourism, Construction and Real Estate, Local Investments, Trade, Research in the University, and Agri-Business Industry achieve a more inclusive and robust growth. The program will end in a concluding plenary session that will talk about how the outlook on the Philippine economy given all the developments brought about by the said infrastructure program.

**Tourism** - Through road and airport developments being promoted by the BBB Program, traveling within and to the Philippines is expected to be more accessible, fast, and cheap. The boost will be reflected in tourism and other related industries. Thus, the first breakout topic seeks to discuss the development plans on Transport and Tourism Infrastructures which are expected to improve the capability and capacity of the Tourism industry in the country.

**Construction and Real Estate** - Among the main targets of the BBB Program of the current administration are the Construction and Real Estate Industries. These two industries fuel both urban growth and regional development and are therefore vital to nation-wide economic activities and to BBB's vision to build "new and better cities." With this, the second breakout session shall delve into the plans, and the significance of such, of ramping up the country's Construction Industry through the BBB.



The newly inaugurated access road to Masbate's seaport (DPWH Photo)



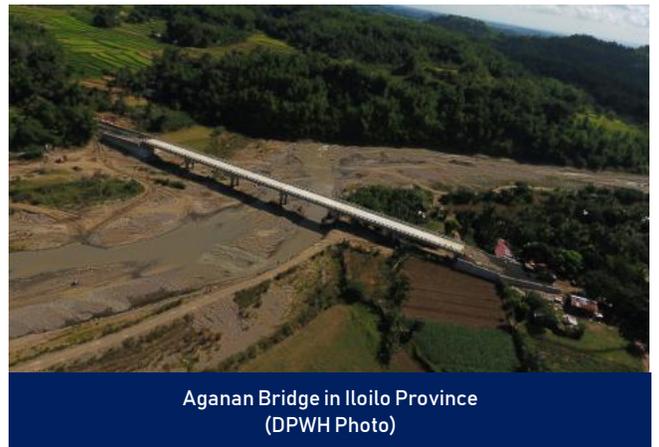
The recently completed access road to Albay's Misibis Bay (DPWH Photo)

Local Investments - The BBB Program is not only expected to boost infrastructure development but also indirectly boost local investments and create local investment opportunities. The third breakout session will focus on creating a conducive environment for local investments as the infrastructure program is projected to generate more businesses and increase productivity. Thus, making the local investment scene attractive.



Banking and Finance - The government will need all the help it can get in financing the ambitious BBB program; public funding would not be sufficient and is expected to be supplemented by the financial sector through different capital channels and involving different financial structures and instruments. The fourth breakout session will focus on infrastructure financing and other related financial sector policies.

University Research - Academic studies backed up with historical and empirical economic data plays a major role in identifying the BBB program's prerequisites and priorities that are matters of national importance. Formerly known as the economic think tank CRC, the School of Economics provides insights on the prospects of the BBB program. The fifth breakout session shall discuss the role of research and development efforts in the current administration's infrastructure development program.



Agri-Business - The Philippines is widely known to be an agricultural country however, agricultural outputs in the country have been declining in the past few decades. The BBB program aspires to build bridges, farm-to-market roads, railways, and seaports which will ultimately boost the agribusiness industry's productivity. Thus, this session will cater on how improving the infrastructure in the country will help the Agribusiness industry grow and both be locally and globally competitive.



# SPEAKERS

KEYNOTE SPEAKER  
**SEC. CARLOS DOMINGUEZ**  
SECRETARY, DEPARTMENT OF FINANCE  
(TBC)



## PLENARY SESSION

PUBLIC SECTOR  
**MR. VIVENCIO DIZON**  
PRESIDENT & CEO,  
BASES CONVERSION & DEVELOPMENT  
AUTHORITY (BCDA)



ACADEME SECTOR  
**DR. BERNARDO VILLEGAS**  
FOUNDER, CENTER FOR RESEARCH  
AND COMMUNICATION (CRC)

## BREAKOUT SESSION



TOURISM SESSION  
**SEC. WANDA TULFO-TEO**  
SECRETARY, DEPARTMENT OF TOURISM



INVESTMENTS SESSION  
**MR. REX MENDOZA**  
CEO, RAMPVER FINANCIALS



CONSTRUCTION SESSION  
**DR. AEKAPOL CHONGVILAIVAN**  
COUNTRY ECONOMIST TO THE PH, ASIAN DEVELOPMENT BANK



UA&P RESEARCH SESSION  
**DR. PETER LEE U**  
VICE DEAN, UA&P SCHOOL OF ECONOMICS



BANKING SESSION  
**MR. RUBEN CARLO ASUNCION**  
CHIEF ECONOMIST, UNIONBANK



# PROGRAM FLOW

8:30-9:00	<b>Registration</b>
9:30-9:50	<b>Opening Ceremony</b>
9:50-11:30	<b>First Plenary Session</b> 9:50-10:15      Perspective from the Academe 10:15-10:40     Perspective from the Public Sector 10:40-11:05     Perspective from the Private Sector 11:05-11:30     Q&A
11:30-1:00	<b>Networking Lunch</b>
1:00-2:15	<b>First Breakout Session</b> <b>Local Investment – Mr. Rex Mendoza</b> The Golden Age of Infrastructure: Creating a Conducive Environment for Investments <b>Tourism – Sec. Wanda Teo</b> Improving the Capability and Capacity of the Philippine Tourism Industry through Transport and Tourism Infrastructures
2:15-2:30	<b>Break</b>
2:30-3:45	<b>Second Breakout Session</b> <b>Banking and Finance – Mr. Ruben Carlo Asuncion</b> Creating the Appropriate Financing Structure for BBB <b>Construction – Dr. Aekapol Chongvilaivan</b> Ramping up the Construction Industry through BBB <b>UA&amp;P Research – Dr. Peter U</b> The Role of Research and Development in Infrastructure Improvement
3:45-4:15	<b>Break</b>
4:15-5:30	<b>Plenary and Closing Session</b>

# GUIDELINES

1. The Business Economics Forum is open to all business economics-driven college students and private and government professionals
2. The registration commences on February 15 and ends on March 30, through [www.uapbef.com/registration](http://www.uapbef.com/registration).
3. The following are the registration rates:
  - College students: P800
  - ABEP/SBEP/SEC Alumni: P2,200
  - Professionals: P2,800
4. The following are the registration rates for walk-in registrants:
  - College students: P900
  - ABEP/SBEP/SEC Alumni/BEC Members: P2,500
  - Professionals: P3,000
5. Kindly deposit your payment to  
Bank of the Philippine Islands (Ortigas-San Miguel Branch)  
Savings Account no. 3993038775  
Account Name: BUSINESS ECONOMICS ASSOCIATION  
Only after we have received your payment will you be considered an official participant of the forum. Failure to pay the registration fee after 14 days will forfeit your slot. You will then receive an acceptance email from the organizers confirming your slot.
6. We will only limit the number of participants to a maximum of 300 to keep the event regulated and ensure that participants are well accommodated. The organizers reserve the right to decline your application.
7. All participants are required to come in business formal attire.

## UA&P Dress Code

- Sleeveless shirts, shorts, and skirts above the knee will NOT be allowed.
- Clothes should fit well. Tight clothing that may show tension or underwear line is not allowed.
- Clothes must cover the torso and undergarments at all times.
- Sleeveless outfits and low-cut necklines are not appropriate.
- Sleeves must fully cover at least one-third of the upper arm.
- Shoulders, back, and knees should be fully covered at all times.
- Designs on clothes must not contain, explicitly or implicitly, foul language, suggestive texts, and texts with double meanings, suggestive and vulgar graphics.
- Ripped, torn, and tattered clothes are not allowed.
- For men: only full-length pants are allowed.
- For women, skirts and pants should cover the knees at all times. What is important is that, when seated, the hem of the skirt of pants should fall on top of the kneed. Slits should not go higher than 3 inches above the back and side of the knees.
- Slippers and slip-ons (bare-heeled and at, open or close-toed) are not allowed. Flat footwear, open or close-toed, with back and ankle straps, as well as closed shoes, is allowed. Footwear (open or close-toed) without the back and ankle straps is allowed provided they have at least one-inch heels.





**Business  
Economics  
Forum**



UNIVERSITY OF ASIA AND THE PACIFIC  
SCHOOL OF ECONOMICS

