



**“We want to invite the Gulf Region to infuse much needed capital and provide the ready market for our products and services”**

## *Interview*

**His Excellency, Ambassador Benedicto Yujuico  
Director and Vice President for Trade Negotiations,  
Philippines CCI and Executive Vice President, CACCI**

***Following the signing of the MOU between CACCI and the FGCCC, would you tell us your expectations regarding of the MOUs implication for the Philippines?***

The signing of MOU between CACCI and the FGCC is an important step to broaden the scope of trade and investments of CACCI member countries in the Middle East region.

Due to its huge oil revenues, the East countries are increasing their investments in international markets and we want the Philippines to get a large chunk of those investments.

Apart from traditional trading partners, an integral part of the PCCI mandate is to introduce more markets and form strategic alliances with other economies. As the region continues to remain unaffected by the global economic meltdown, we focus our attention to GCC as an important trading bloc of the Philippines to gain more business potentials for us.

***Could you describe the trade and economic relations existing between the Philippines and the GCC Countries?***

According to the data sourced from the Department of Trade and Industry, the unified customs tariff for the GCC region was approved in Riyadh during the 20th Summit of the Arab Gulf Cooperation Council in November 28, 1999.

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The GCC agreed to set a common tariff from 5.5 to 7.5 per cent which was already implemented in 2005.

Tariffs in the GCC region currently vary between 20 per cent in Saudi Arabia and four per cent in the United Arab Emirates. The Philippines could start positioning itself based on this latest development.

The Gulf Cooperation Council (GCC) also envisioned a common market with an annual import of US\$50 billion to be formed within 10 years with a single currency called the gulo.

The Saudi Arabian Government has approved the development of the Kingdom’s re-export trade. In a circular issued by the Saudi Port’s Authority, the government has freely allowed transit trade. The port charges and related cost have gone down and consequently, the Saudi importers can now enter into large transit trade for neighboring countries at competitive rates. Philippine manufacturers and exporters could take advantage of this important development.

The GCC remains a lucrative market for Philippine foods due to the big number of Overseas Filipino Workers (OFWs) and other Asian expatriates in the Kingdom, as well as, the growing acceptance by the nationals.

Garments will continue to have good prospect in Saudi Arabia, Kuwait, UAE and other GCC countries due to their huge garments imports each year.

For Bahrain, prospects for the Philippine export products continue to be high especially for food, furniture and the high-end consumer sectors since oil and gas sectors still dominate its economy.

Manpower, Healthcare and Construction industries have the upper hand in the Qatari market.

### ***The Philippine CCI's role is one of promoting the private sector. Could you describe the state of the Philippines private sector?***

The PCCI has cooperation agreements with its counterpart chambers in the Kingdom of Saudi Arabia, Bahrain, United Arab Emirates, Qatar and Kuwait. We are currently negotiating with the Oman Chamber of Commerce and Industry for the forging of an MoA.

An important provision in each of these agreements is the formation of Joint Business Councils (JBCs). JBCs have been set up to take the lead in the coordination and implementation of joint trade and investment activities in trade, technology transfer, services and other related sectors. The meeting of a JBC provides a forum to discuss important developments and critical issues that affect the flow of trade and investments between the countries concerned.

### ***How do you believe this private sector could be encouraged and helped to develop?***

Through these agreements, the Chamber has been able to establish closer ties with GCC business communities through inbound and outbound missions and participate in seminars, trade fairs, business matching sessions and other related events. These exchanges are important tools to showcase the best products and services that we can offer to potential partners in the GCC region.

We are working closely with the relevant embassies and government agencies i.e., DTI, DOT, DFA in the holding of the said undertakings.

The Chamber is thinking of establishing a major grouping to be composed of business councils for Middle East, similar to the Gulf Cooperation Council, to integrate its business activities in the region.

A swing mission in at least three countries is being planned this year to maximize the opportunities for the PCCI delegation.

### ***Which sectors are you keen to attract GCC investors to? What are the incentives that the Philippines offer to potential investors?***

PCCI is giving special attention to Energy, Tourism/Medical Tourism, Halal Food, Agriculture/ Fishery and Construction/

Real Estate sectors in its efforts to attract foreign investors from the GCC. The chamber and the business councils feel that these industries have the edge to attract potential partners to set up business in the Philippines.

To facilitate entry of investors into the country, PCCI has recently inked a Memorandum of Agreement with the Bureau of Immigration which allows us to endorse foreign businessmen or file request for the issuance of Pro-Investment Visa upon Arrival.

This type of visa allows officers of multinational firms to apply for visas that may be renewed up to three years and entitles them to multiple entry.

As we regularly receive inbound trade missions not only from GCC region also from other counterparts world wide, this program will provide them convenient entry into the country.

Various incentives have been drawn up by the Philippine government to entice prospective investors to take closer look at the country such as income tax holidays, tax credit on raw materials, duty free importation of capital equipment spare parts and supplies, etc.

Under the BOI scheme, foreign firms are allowed to employ foreign nationals, guaranteed repatriation of foreign earnings and earnings and so on.

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Various economic locators have likewise been created which offers attractive incentives to investors.

### ***Moreover, what kind of partnerships are you targeting in GCC?***

The Gulf region is a huge and lucrative market for Philippine business sector. We want to invite them to infuse much needed capital and provide the ready market for our products and services.