

**PIDS Public Webinar on “Understanding the Role of the Asia-Pacific Economic Cooperation (APEC) in Philippine Trade and Investment”
November 26, 2020**

Below are questions not covered during the open forum due to lack of time. The answers were provided by Ms. Marie Sherylyn D. Aquia, Chief of the Multilateral Relations Division of the Bureau of International Trade Relations, Department of Trade and Industry, who served as a discussant at the webinar.

What is our "balance of payment status" with China? What shall the Philippines do to improve its balance of payment status"?

According to the PSA in the first semester of 2019, export receipts from China stood at 4.62 billion U.S. dollars, while payment for imports was valued at 11.80 billion U.S. dollars, resulting in a 7.18 billion U.S. dollars trade deficit. We need to improve trade and investment relations. Philippine products and services that can find a good market in China are:

- Food Products (Fresh/live marine products; Fresh and frozen fruits)
- Coconut (fresh and processed, peat, coir geotextile nets)
- Luxury items (Wines, alcohol and liquors; Hand rolled/made cigars)
- Maternal and infant products
- Automotive Parts (including e-vehicles)
- Services (Tourism, Education Services, Creative Services)

With China's Belt & Road Initiative (BRI), how shall the Philippines connect and advance her economic interest with BRI?

China’s BRI is aligned with our domestic goal of ushering a “golden age of infrastructure” under President Rodrigo Duterte’s administration. The President has attended the previous Belt and Road Forums in early 2017 and 2019 and entered in a number of agreements with China on infrastructure projects. BRI poses impressive prospects for the Philippines and both sides are working to ensure the smooth implementation of ongoing and future infrastructure projects between China and the Philippines.

If Pres. Elect- Biden will be proclaimed, do you foresee that US will reverse Trump's "Trade War" with China? If so, what will be its implications to the Philippines?

We don’t expect an immediate change in US’ trade policy with China. Notwithstanding, the Philippines should continue to improve its business and investment environment to attract American companies to locate in the Philippines.

Can ASEAN promote the exports of Philagricultural products to develop our rural economy? If so how?

ASEAN aims to expand economic growth and harness trade potential by working towards an ASEAN Economic Community (AEC) that will bring prosperity for the whole region. Towards this goal, the ASEAN Leaders set up a 2025 vision of a highly integrated, cohesive, competitive, innovative and dynamic ASEAN, specifically geared at ‘enhanced connectivity and sectoral cooperation, and a more resilient, inclusive, and people-centered community that is integrated with the global economy’.

One of the main strategies to achieve a highly integrated region is removing trade barriers such as tariffs. To this end majority of agricultural goods enjoy duty-free treatment in ASEAN under the ASEAN Trade in Goods Agreement, the only exceptions being rice, sugar, and some vegetables like potatoes and corn.

Another strategy for successfully growing economies in ASEAN is empowering agricultural cooperatives to deal with their challenges and enhance their roles in the agricultural global value chains (GVCs). To this end, ASEAN created the “ASEAN Roadmap for Agricultural Cooperatives Development in the context of Agricultural Global Value Chain”. It includes, among others, initiatives aimed at assisting resource-constrained small producers to improve productivity, technology and product quality, to meet global market standards and increase competitiveness.

Under ASEAN there are also opportunities for technical assistance and capacity building with non-ASEAN countries such as Japan, Korea, and the EU on agricultural issues such as sustainable development which may be tapped by the Philippines in support of rural development.

How can APEC help the Philippines attract FDIs?

Instability on Philippine policies governing foreign investments here is a nagging problem experienced by them. What has APEC done to put this in check?

Majority of the Philippines’ total approved foreign investments come from APEC economies (66.8% as of June 2020). Through APEC, we can learn about investment best practices of other APEC economies which serve as benchmarks to further enhance our investments policies. By focusing on ways to improve our domestic investment climate, we can attract more investments into the country.

On the technical side, are our partners in highly developed countries willing to share without difficulty, their 4th Industrial Revolution technologies like AI, 5G, IOT, 3D printing, hi-Fishing tech, etc. ?

We cannot answer for other APEC businesses but, generally, private companies do not readily share new technologies.

What are the criteria to measure the globalization of SMES? What are the quantitative targets for 2021?

The APEC Policy Support Unit described the broad variety of internationalization activities which can be used as a description of global MSMEs. Such activities can be classified into the following six categories:

- 1) direct exporting;
- 2) direct importing;
- 3) investment abroad;
- 4) being subcontractors to foreign enterprises;
- 5) having foreign subcontractors; and
- 6) cooperation with foreign enterprises under joint ventures, non-equity alliances, licensing, and franchising

The Boracay Action Agenda nor APEC does not have a quantitative target for 2021.

Please discuss in brief the APEC 2040 vision?

This one-page document sets out APEC economies' collective vision for an open, dynamic, resilient and peaceful Asia-Pacific community by 2040, for the prosperity of people and future generations. The text can be accessed here:

https://www.apec.org/Meeting-Papers/Leaders-Declarations/2020/2020_aelm/Annex-A