

PHILIPPINES

GATEWAY TO ASIA

Despite the current worldwide economic crisis, the Philippines continues to develop and thrive in the global marketplace, attracting investments from all corners of the world



LOCATION:

Southeastern Asia, archipelago between the Philippine Sea and the South China Sea, east of Vietnam

POPULATION:

90.46 million (2008 est.)

CAPITAL:

Manila

LABOR FORCE:

36.22 million (2007 est.)

GDP (purchasing power parity):

\$300.1 billion (2007 est.)

GDP - real growth rate:

7.2% (2007)

GDP - composition by sector:

agriculture: 13.8%

industry: 31.7%

services: 54.5% (2007)

INDUSTRIES:

electronics assembly, garments, footwear, pharmaceuticals, chemicals, wood products, food processing, petroleum refining, fishing

NATURAL RESOURCES:

timber, petroleum, nickel, cobalt, silver, gold, salt, copper

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A MESSAGE FROM THE PRESIDENT

The current turmoil in the global economy is challenging countries throughout the world and the Philippines is fortunate that the actions we have been taking over the past seven years to transform our nation have created an economy that is strong, resilient, diverse and, most importantly, sustains growth. We are not immune to the global economic crisis, but we are confident that we are up to the challenge and that we will be able to show the international business community that the Philippines is an increasingly competitive location for their investment and trade.

Last year saw the highest level of growth in our GDP and GNP, at 7.2 percent and 8 percent respectively, in more than 30 years. Foreign investment levels rose to their highest in years, over one million new jobs were created, inflation was low and the stock market was robust. We also invested significantly in the modern infrastructure that is ensuring the competitiveness of the Philippine economy and among the domestic and international businesses that have operations in our country.

The global storm of high food and fuel prices and a collapse in the international financial sector that we now face is something that our economic team is very ably addressing as a result of the strong foundation we have built for the country. We are reining in inflation while also providing a safety net to those who are hit hardest by these global developments. We are increas-

ing investments in agriculture and food production to support our goal of self-sufficiency, and we are continuing to invest in expanded education programs and in new roads, bridges, and alternative energy sources. This includes expanding our geothermal energy sector, which is second in size only to that of the United States. These actions, together with the administrative reforms



Gloria Macapagal-Arroyo
 President

we continue to make, will ensure that in spite of the current global challenges, we are sticking to the roadmap that has been delivering record growth.

Our case to foreign investors is aided by our strategic location in the dynamic region of Southeast Asia and our proximity to the fast-developing economies of China and India, as well as the developed economies of Japan, Taiwan and South Korea. It is also

helped by the productive and competitive Filipino workers who are testament to the strength of our education system and our solid work ethic. It is those workers who are fueling our booming outsourcing industry, an industry that is now second only to India in its global ranking and attracting investments from countries all over the world.

We are well aware that international investors have a wide range of investment options, but our performance during this period of global downturn is a clear signal that the Philippines is a different kind of emerging market, one that is worthy of their attention as they consider their investment options. Our fiscal health is strong and our targets are on track, our banking sector is stable and effectively withstanding external pressures arising from developments in the global financial sector, and our economy is resilient.

We are one of the most competitive locations in Asia for a wide range of industries including electronics, mining, tourism, business process outsourcing, agriculture and other high-growth sectors. Investors clearly agree with this as foreign investment approvals grew 115 percent year-on-year in the first six months of 2008. Continued success in balancing fiscal prudence and sound economic management with investments in our future competitiveness will only make a good location even better.

We will stay the course on our path to further transformation of the Philippine economy and that is a course that offers opportunities for firms from throughout the world to be part of the Philippine economic success story. ■

SUPER REGIONS STRATEGY BOOSTS GROWTH

Agribusiness, industry and services, tourism and information and communication technology super regions create a well-rounded atmosphere for investment and development

In 2006, President Gloria Macapagal-Arroyo launched the Super Regions Program - an ambitious development strategy aimed at making all parts of the country a haven for investment and growth, developing its natural competitive advantages, regardless of political boundaries.

The Super Regions include: the North Luzon Agribusiness Quadrangle (NLAQ);

the Luzon Urban Beltway (LUB), which is envisioned to become a globally competitive logistics hub; the Central Philippines which, because of its natural attractions, will be developed as a tourism destination; Agribusiness Mindanao, which will be developed for agribusiness; and the Cyber Corridor, which will link the other regions through telecom support and technology.

In just two years, the program now takes pride in a number of completed growth-enhancing projects worth billions of pesos, including 12 roll-on/roll-off ports, two airports, two roads, a bridge, two power projects and a cold chain. All of these provide communities with countless jobs and liveli-

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BOOSTING GROWTH THROUGH THE SUPER REGIONS STRATEGY

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hood, help promote stronger linkages between many islands and allow faster, safer, and cheaper transport of goods and people.

The La Trinidad Fruit and Vegetable Minimal Processing and Packaging Plant in Benguet has increased the shelf-life and marketability of upland vegetables and in lessening post-harvest losses. Meanwhile, the P96.83 Dingalan Port Development Project in Aplaya, Aurora recently completed construction of a passenger terminal.

At the LUB, the P6 billion Port Development Project provides cargo-handling equipment, a port security system, passenger boarding bridges, road access and flyover. With these enhancements, the port will be able to accommodate Panamax and post-Panamax size vessels. Its container terminal can now hold approximately 300,000 twenty-equivalent units of cargo annually.

In the Central Philippines, Tubigon Port links Cebu and Bohol. There are 10 passenger and cargo ships servicing the port, resulting in the establishment of new stores, pension houses, inns and restaurants, supporting and providing new jobs and livelihood. A two-lane



The government has invested billions in ports, bridges, roads and IT technology

access road leads to the Bacolod-Silay Airport, while the New Iloilo Airport boasts state-of-the-art facilities.

Three projects have been completed in Mindanao: the 882-meter Diosdado Macapagal Bridge in Butuan City, providing an efficient link across the Agusan River; a 210MW clean coal-fired power plant in Misamis Oriental that supplies 20.6% of Mindanao's total power generation; and a solar power plant in Cagayan de Oro.

To fully develop the Cyber Corridor, which links several regions, the government has started developing 25 next wave cities and has implemented the Community e-Center Program to allow remote communities access to government services, distance education and online marketing. ■

SUPER REGION WILL BOOST AGRICULTURE

The Super Region Growth Strategy is to be achieved by putting government resources into programs and projects that will develop the natural competitive advantages of each region and accelerate growth. Agriculture, which is the backbone of the country's economy, is one of the biggest beneficiaries of this trillion-peso program. The new and rehabilitated roads, bridges, ports and airports, storage and processing plants and modern communication facilities, are expected to speed up transport of goods as well as enhance product quality, reduce losses, facilitate better marketing activities and encourage more investments.

For the past 10 years, the agriculture sector maintained steady positive growth that last year was recorded at almost 4.7% - the highest recorded in recent memory.

The government is optimistic, and is increasing investments in the agriculture and agrarian sector by 56%. This will

include allocation for the Agriculture and Fisheries Modernization Program that has been increased by 66.3%, from P25.5 billion in 2008 to P42.4 billion in 2009.

These investments are in support of the critical areas essential to food production - irrigation, farm-to-market roads, post-harvest facilities, training and capability building, among others - purposely for

FOR THE PAST 10 YEARS, THE AGRICULTURE SECTOR HAS MAINTAINED STEADY POSITIVE GROWTH THAT REACHED NEARLY 4.7% IN 2007

attracting more investments, spurring higher growth, creating jobs, and attaining rice self-sufficiency. With adequate resources, the government believes

that the country can achieve rice self-sufficiency within five years. Sufficiency level for rice, which is the staple food of the Filipinos, has been increasing from 88% in 2005 to 89% in 2007.

The Super Regions strategy is a big boon to investors both here and abroad that will help in paving the way towards the full realization of the President's goal of turning the country into a first world economy within 20 years.

THE GLOBAL OFFICE: BPO IN THE PHILIPPINES

A skilled and eager labor force and reduced tax rates make the Philippines an ideal outsourcing solution

In a global economy where borders are practically non-existent, more and more companies are reorganizing their operations by means of Business Process Outsourcing (BPO) or transferring core and non-core business processes to an offshore source to achieve cost reduction and to increase quality and efficiency of service.

The Philippines has been hailed as one of the top BPO destinations following India, which is currently leading in the Offshoring and Outsourcing (O&O) industry. The National Outsourcing Association of the UK named the Philippines Outsourcing Destination of the Year in 2007. To cater to the needs of these foreign companies, the government has been developing the industry to allow them to easily set up operations in the country.

The common types of BPO operating in the Philippines today are customer contact or call centers, transcription services, programming, business processing, animation and software development.

Established companies such as IBM, Citibank, AIG, eTelecare, Convergys, Accenture and Headstrong Corp. have been operating in the country, most of which are



based in Metro Manila. However, the government is looking into developing the industry to extend outside the capital. Cities such as General Santos and Cebu are fast becoming O&O hubs because of developments in IT infrastructure and their skilled labor force.

As a service industry, one of the main considerations in selecting a location for a BPO is human resources. The Filipino workforce is educated, skilled, highly trainable and can communicate well in English using strong customer service skills. Students are encour-

aged to pursue higher education, thereby contributing to the professional pool with some 350,000 university graduates every year.

Wages here are generally lower compared to the US and other developed countries, yet the quality of service remains competitive in the global sense. Foreign companies have reported business cost savings of as much as 30-40% when doing business in the country thanks to the relatively low cost of communications, electricity, local housing and other basic amenities.

Companies that employ Business Process Outsourcing not only benefit from a skilled labor force, but also enjoy a reduced corporate income tax of 32% and just 5% overall tax rates for those located in Special Economic Zones in the Philippines

As part of President Arroyo's advocacy to boost the Philippine economy and foster significant growth in different sectors, the business environment is more liberalized and business-friendly. With an open economy allowing 100% foreign ownership and a Build-Operate-Transfer (BOT) investment scheme, investors can set up operations with adequate support from the government. Other measures, such as the privatization of some government corporations and the deregulation of the banking, insurance, shipping, telecommunications, and power sectors, support this business-friendly economy.

Companies enjoy a reduced corporate income tax of 32% and only 5% overall tax rates for those located in Special Economic Zones. Tax exemptions and tax- and duty-free importation of specific equipment are also granted to multinationals wanting to set up regional offices in the country.

The President recognizes the need to develop resources to gain market share in the O&O industry and encourages investors to come and set up their global office. ■

PHILIPPINES

RESOURCE PARTNERS: GLOBAL DESIGN PROCESS DELIVERY

Environments Global and its design process delivery vehicle, Resource Partners, provide a complete range of built services around the globe

Environments Global is a business-to-business organization striving to be the ultimate provider of 360-degree service solutions for the ever-changing architecture, engineering and construction (AEC) industries. The organization is experiencing exponential growth and reaching its near-term projections of headcount and seats to serve its markets in North America, Europe, Asia Pacific and the Middle East.

Resource Partners is its organizational channel that provides its trademark Design Process Delivery Services, making it a leader in the AEC industry.

Environments Global and Resource Partners Chair and CEO Antony Zubiri directed his vision and passion to raise standards in the industry through Environments Global, which has been growing steadily since its founding more than a decade ago.

"Our future-thinking mantra is the key to our success," says Zubiri. "Future thinking is both a philosophy and our way of life. It is about being ahead of the wave and being ready now rather than later."

Today, Environments Global oversees four subsidiaries, whose specializations complement each other to offer a 360-degree service. The four subsidiaries are: Resource Partners, a Design Process Delivery organization; The Environments Collaborative, a place-creator that advocates and delivers responsible design; IntAct, a 'client-first', project-management organization that offers worry-free project development and delivery; and CubeLand, a real estate vision builder that syndicates resources to yield best results. Resource Partners uses world-class Filipino design-and-build talent, while Environments Global showcases this talent to global markets.

From very early on, the company needed to develop the most sophisticated, well-respected and forward-thinking design and building companies in the Philippines. To get there, Zubiri needed

a cutting-edge approach to delivering building services.

"We saw our subsidiary, Resource Partners, as a visionary company," Zubiri says. "This means being ready for the needs of the future, identifying the necessary steps to meet these, and taking immediate action to address the needs and the eventualities."

Propelled by its substantive prescience, Environments Global, along with its subsidiaries such as Resource Partners, the premiere Philippine multinational company is ready to tackle all the needs of the built environment, says the CEO. Having the tools and staff under one roof to take on any project earned the organization a reputation of delivering comprehensive services.



Antony D. Zubiri,
Chair & CEO Environments Global
and Resource Partners

Collaboration between companies and clients is a major part of business. For example, Zubiri describes Resource Partner's activities as "organized delivery process structures and strategic implementations collaborating with clients in real time to translate the ideas and sketches of the world's largest AEC firms into highly detailed technical construction blueprints used in documenting and building spectacular landmarks and townships across the globe."

Today, Zubiri attributes his company's success to the people who make up his organization. "Our people are our most important asset. The talented workforce behind Environments Global and our subsidiaries drives company growth and bolsters the Philippines' reputation as a premiere destination for knowledge process services. We envision the Philippines to be the center of excellence in design process delivery." ■

www.resource-partners.com

REVOLUTIONIZING THE WAY FILIPINOS INVEST IN THE STOCK MARKET

#1 online broker offers easy, affordable, often lucrative trading

CitisecOnline (COL) is setting the standard for investing in stocks by empowering Filipinos to secure their financial future. It has been at the forefront of expanding the local retail investor base through online trading. Since 2001, COL has been helping Filipinos with limited market experience learn to make well-informed investment decisions. (Currently, less than 1% invest in the stock market.) The company offers timely research reports, user-friendly online tools and seminars on different trading techniques, while providing free introductory investor education nationwide.

"We believe every Filipino deserves to be rich. We can help them bridge the gap between savings and investing so that they can secure their financial future by successfully investing in stocks," says Chairman and Founder Edward K. Lee.



Edward Lee
Chairman/Founder
CitisecOnline

COL is currently ranked number one in terms of total number of trades and handles approximately 10% of all transactions in the Philippine Stock Exchange. "We attribute our success to our ability to provide relevant investment programs and services, a superior online trading experience, and a wealth of information catered to all types of investors, whether

inexperienced or seasoned. Once our investors gain confidence in online trading, they can eventually expand to invest in global markets on their own," says Lee. CitisecOnline is listed on the Philippine Stock Exchange and is a member of the Hong Kong Exchange with a capitalization of over Php600 million.



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SOCIAL SECURITY SYSTEM MAKES A DRASTIC TURNAROUND

The Philippines' revamped social security system is a superlative example of long-term care for the aged

Technology upgrades have given Filipinos more ways to contribute to a state pension fund and will help increase overall enrolment, Romulo Neri, President of Social Security System (SSS), says.

New computer hardware is keeping watch over the Philippines's existing biometrics-based fingerprinting identification system, adding security and efficiency. The system allows Filipinos to contribute to a state pension fund from anywhere in the world.

Mr. Neri says the August updates were aimed to improve security. "Our ID system is very reliable." These extended services to support overseas and self-employed workers, whose membership is crucial for a changing population pyramid. The state-owned agency wants to integrate cell phone technol-



Romulo Neri
President and CEO
Social Security
System

gy into its system to improve members' access. "We want our members to be able to get their balance through an SMS message." Current enrollment in the pension program is 28 million, around thirty percent of the population, 10 million of whom are actively contributing. Increasing membership worldwide is crucial to improving services and ensuring the system can handle future generations.

Changes in Filipino demographics in coming decades—only 4 percent of the population is over the age of 65—preoccupied Mr. Neri's predecessor, Corazon de La Paz-Bernardo, enough to push for an overhaul of the system.

"She did a very good job," Mr. Neri says. "Members get great resources: a pension fund, death, health and maternity benefits, and emergency loans."

RIVIERA CATERS FOR THE NEW WAVE

A new wave pool and Babylon-inspired hanging garden will help the Grand Riviera Hotel, located in the southern coastal city of Lucena, focus on a younger demographic and boost profits.

According to Amb. Felimon Cuevas, Chairman/President of the Cuevas Group of Companies who own and operate the hotel, the additional amenities will add a touch of class and distinction to the Riviera, broadening its marketability.

"I am really proud of our hotel venture," Amb. Cuevas says. "We conducted a study for the wave pool and the result was 110% positive, especially for the young demographic, high school or college students, and some of the modern, middle-class entrepreneurs—typically, yuppie types who are into water sports."

The wave pool—a traditional swimming pool that uses a large machine installed at one end to rock the surface and produce waves large enough to be ridden, either standing up on a surfboard

or lying down on a bodyboard—will set the hotel apart from others in the area, Amb. Cuevas believes.

Inspiration for the new garden, he says, comes from the Byzantines. "The hanging garden is based on the one built in Babylon by King Nebuchadnezzar II around 600 B.C., one of the Seven Wonders of the World."



Amb. Felimon Cuevas
Chairman/President
Cuevas Group

The 60-room Grand Riviera Hotel has been in operation since 2007 and is viewed by locals as one of the more modern projects in the region.


Amb. Cuevas has a reputation for diversity and innovation in his business ventures. His conglomerate, Cuevas Group of Companies, has amassed over P6 billion (\$127.7 million) in assets through its five major companies, whose businesses include residential subdivisions, community malls, a memorial park, medium-sized hotels, insurance, computerized drivers' licenses, apartment and building management and a daily newspaper.

SSS reaches out to all *Filipinos* around the world

If you're a global Filipino, you can enjoy social security protection wherever you are in the world. The Philippine Social Security System extends to Filipino workers abroad its voluntary social security and provident (Flexi-fund) programs.

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 **SOCIAL SECURITY SYSTEM**

 From the builders of Lucena City's Grand Riviera Hotel

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PHILIPPINE ENTREPRENEURISM SPANS THE GLOBE

Ben C. Tiu is behind two of the country's fastest growing companies, which are expanding their presence abroad

PHILIPPINE-BASED TKC STEEL TARGETS CHINESE MARKET

TKC Steel, one of Ben C. Tiu's expanding empires along with iRemit, Inc., has made moves to capture a niche market in China with its recent acquisition of the 50-hectare Zhangzhou Stronghold Steelworks Limited located near the southern Chinese city of Xiamen. TKC Steel is now constructing a 200,000-ton capacity seamless pipe plant there that should be operational by year's end 2008.

TKC Steel has its own iron mine in the Philippines with sufficient deposits for the next 20 to 30 years, depending on production levels, where it also boasts two integrated mills. Local iron ore will be used there to manufacture billets for the Chinese facility.

Listed on the Philippine Stock Exchange, TKC Steel has the largest billet manufacturing capacity in the country. Thanks to a new blast fur-

nace, operations are now run round the clock at its mills, which are located at special economic zones with access to port facilities. The company has its own 5,000 and 7,000-ton vessels for shipping its products, and also began exporting steel billets to Saudi Arabia this year, delivering an initial shipment of 10,000 metric tons of 5SPPS grade in June that was proof that the global demand for steel, as stated by observers, is not expected to slow anytime soon.

IREMIT BRIDGES THE GAP BETWEEN CONTINENTS FOR FILIPINOS

One would think that remittances are transfers of money by foreign workers to their home countries. Not so, for iRemit, Inc., one of the fastest growing corporations in the Philippines. Established with a vision of providing quality, efficient and affordable remittance services to Overseas Filipino

Workers (OFW) and other nationalities globally, the company sees remittances solutions as more than just a money transfer initiative; they link families and businesses across the continents.

In the Philippines, the initial perception about the motivation of overseas Filipino workers in sending remittance is to pay for the daily expenditure of their families back home. While there is no concrete evidence on how remittances are really spent, by looking closely at the effects of inward remittance in the economic development of the country, one can see clearly its true significance: securing the future not only of individual families but the growth of the national economy as well.

Mr. Tiu, founder and director of iRemit, explains that, "Many Filipino workers and immigrants venture in raising money for investment. And for



Ben C. Tiu
Chairman of
TKC Steel
and Founder
and Director of
iREMIT

this purpose, iRemit aims to be instrumental in securing these dreams of our OFWs by offering them various remittance services that are fast, safe, reliable and affordable."

iRemit, Inc. currently operates in twenty five countries in the Asia Pacific, Europe, North America and the Middle East, offering a range of remittance services. The company revolutionized the use of the debit card in the remittance industry.

Its iRemit Shop N Pay Visa Card is a personalized debit and ATM card-in-one and is one of the fastest money transfer methods, featuring real-time crediting of remittances and worldwide ATM access. The card can also handle mobile and internet banking transactions, and similar to credit cards, it is accepted in more than 24 million Visa-affiliated merchant establishments worldwide. ■

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PHILIPPINES

SWITCHING THE LIGHT ON ENERGY SAVINGS

The government is implementing measures that target 60 percent energy independence by 2010

The Philippines has a wealth of wind, hydro sun and geothermal energy sources. With this array of reserves, Filipino government officials say they are determined to lessen the financial burden on citizens through improvements in traditional energy production—oil, gas and coal—but also by taking advantage of clean-energy assets—thermal warmth, wind, sun and hydro potential.

To reduce costs the government needs to reduce dependence on imports. "Our objective is to reach 60% energy independence by the year 2010," says Angelo T. Reyes, Secretary of Energy. "Now we are at 57%."

Reaching that goal will require mobilization on both macro and micro levels. Since July 2008, local governments have been using an energy-saving campaign, called the Switch Movement, to educate citizens. The plan was launched by the government as a result of the Philippines Energy Summit in January 2008.

"The Switch Movement advocates switching from conventional to renewable sources of energy, such as from incandescent to compact fluorescent light lamps (CFLs), switching from gas and diesel to alternative sources of fuel, and switching from a lifestyle of extravagance and indulgence to conservation and efficiency," explains Sec. Reyes.

Should citizens do their part by changing the type of light bulbs they use, the savings will be substantial, both financially and in terms of energy. For every million energy-saving bulbs used, the government will save 50 MW. A plant capable of producing



Angelo T. Reyes
Secretary of Energy

50MW costs between \$50 and \$75 million. "The money that will be used for the provision of a new plant can be channeled to other services," explains Sec. Reyes.

The government plans to distribute 13 million energy-saving CFLs, to the marginalized sector in exchange for an equal amount of traditional incandescent bulbs. "By 2010, the Philippines will phase out incandescent for energy-saving bulbs," Sec. Reyes says.

On a macro level, the government has begun to do its part by furthering clean-energy programs, such as geothermal heat production. The Philippines ranks second in the world, after the US, on geothermal energy production.

Currently the earth's heat supplies 22% of energy for the entire country. "We gen-



Secretary of Energy Reyes supervises some of the changes being implemented in the energy sector, a plan that includes the switch to compact fluorescent lamps

erate 1,900 MW of electricity from geothermal energy," says Sec. Reyes. However, according to the Department of Energy, 1,200 MW of geothermal power still remains untapped, which if utilized, could bring supply up to 36%.

Improving traditional means of producing energy, such as implementing clean-coal technology, and expanding current programs, forms part of the government's plan as well. "We hope to achieve our goal by becoming more aggressive in our exploration and development efforts in oil, coal and natural gas," Sec. Reyes says.

The recent privatization of various power plants will also have an immediate effect on reducing end-user costs by increasing competition in the sector. The National

Power Corporation (NPC), a 71-year-old governmental energy company, is working with Power Sector Assets and Liabilities Management (PSALM), a government regulatory organization known as EPIRA that ensures market stability and open access to lower power rates, to facilitate the sale of majority stakes in a number of the Philippines's power plants.

In a joint statement, NPC Chairman Margarito Teves and former President Cyril del Callar state: "We turned over P878.55 million (\$18.2 million) in financial benefits to the communities that host power plants, and were able to energize small *barangays*, start livelihood projects, construct health centers and build crucial farm-to-market roads." ■

GOVERNMENT PROGRAM SUPPLIES ALTERNATIVE ENERGIES TO REMOTE VILLAGES

While some of the world's most advanced nations grapple with how to get its citizens access to affordable solar technology, the Philippines is giving it away, and to its most needy—the 3 percent that live without electricity.

The Switch Movement is a social mobilization component of the government that involves various sectors to make profound lifestyle changes and sends clean energy equipment such as solar batteries and panels to power remote villages. These measures will address energy security concerns.

The goal is to give all rural neighborhoods and areas, known as *barangays*, the equipment needed to provide them with light and heat. Geothermal, hydro-, biomass, solar,

wind and ocean-powered energy systems will be set in place.

Spearheaded by President Gloria Macapagal-Arroyo, the program is a major environmental and social initiative, aimed to get the last off-grid areas, primarily boondocks and remote areas with security issues, a lasting, affordable energy source.

Since 2007, villages across the Philippines have seen the arrival of batteries, panels and installation experts. The equipment uses solar batteries—in order to keep costs down—and panels to produce energy-producing stations. Villagers no longer have to worry about their children inhaling toxic kerosene fumes from noisy generators in order to do their homework.

The provision of electricity, President



From CFLs to solar panels, the Philippine government is looking toward clean, efficient and affordable energy

Arroyo stated in her interviews, will open more job opportunities for the provinces. This may be able to reduce poverty and improve social equity.

"Indeed, rural electrification is a major aim of the Arroyo administration," confirms Angelo T. Reyes, Secretary of Energy. "Our objective is to achieve 100% barangay electrifi-

cation by 2009." Providing electricity to every household is included in President Arroyo's 10-point pro-poor agenda.

"As of last month, there are now lights in all but three percent of the country's 42,000 *barangays*. We will wire up the remaining 1,400 villages before 2010," the President said.