

BUSINESS CONTINUITY FOR A SHARED PROSPERITY

Opening Remarks of Ambassador Albert del Rosario

Chairman, Stratbase ADR Institute

30 June 2021

Good morning. Welcome to our virtual business roundtable.

As we gather here today, the Philippines continues to grapple with the detrimental impacts of the COVID-19 pandemic. With more than a year under recurring levels of community quarantines since March 2020, the Philippine economy remains in recession. According to the Philippine Statistics Authority (PSA), our economy has been shrinking for five consecutive quarters until March this year with a GDP growth rate of -4.2%.

On top of this, the PSA reported that the unemployment rate in April 2021 was recorded at 8.7%—translating to 4.14 million jobless Filipinos—which was higher than the 7.1% rate in the previous month. This is compounded by the already high prices of goods, as the 4.5% inflation rate in May 2021 exceeded the government’s target of 2% to 4%.

Before the reimposition of strict community quarantine measures last March, several bright spots had emerged. Public confidence improved somewhat, adding more hope to a sustained recovery on a national scale.

For one, a survey by the Bangko Sentral ng Pilipinas (BSP) in early 2021 showed interesting patterns of expectations for this year among the business community.

According to this survey, business confidence in the Philippine economy improved for the second consecutive quarter as the overall confidence index for the first quarter of 2021 jumped to 17.4% from 10.6% in the previous quarter. This positive business outlook was attributed to the easing of quarantine restrictions and reopening of businesses, being able to adapt to the new normal, rise in the volume of sales and orders, COVID-19 vaccine rollout, as well as the development of new business and marketing strategies.

2021 may be the much hoped-for turning point for the Philippines.

For one, the mobility restrictions caused by the pandemic accelerated the country's shift to digitalization, as more people used the digital space to get things done. Government agencies and private companies around us have been forced to speed up their migration to digitalization to be able to adapt to a new normal. Even meetings, forums and schools have now gone online. In the process, new business innovations have also emerged, such as online deliveries and mobility as a service, which, in turn, have given new livelihood opportunities.

Many organizations, both public and private, have also included a new work formula in the form of hybrid work arrangements. Work-from-home arrangements or a creative combination with traditional methods have become a new normal to ensure that production and service delivery are not unnecessarily disrupted.

All these have allowed the economy to slowly get back to normal and for businesses to continue their operations.

In our forum today, we have gathered industry thought leaders in a dialogue to share their constructive insights and provide developmental inputs to the formulation of good public policy, legislation, and regulation. As the second virtual roundtable discussion in our quarterly series, our event emphasizes on how amidst the pandemic, the business community can, in a coordinated and calibrated manner, help strengthen the country's competitiveness through trade and investments, and at the same time protect the welfare of their stakeholders with their vaccination programs.

The encouraging sign around us is that amid what we all went through last year, the private sector continues to do well not only in keeping the economy afloat, but also in terms of addressing the needs of their stakeholders—from suppliers all the way to the customers and communities—to achieve shared prosperity and inclusive growth. The private sector has also been pushing for a more sustainable and inclusive economic recovery through their Environmental, Social, and Governance (ESG) initiatives, which seek holistically positive and long-term returns for all sectors in society. In turn, these can help attract the right foreign investments that could accelerate economic revival.

Investments by the private sector create jobs, provide income security, and spur economic growth in the long run. And at the same time, exactly a year after a lockdown was first imposed, the private sector stepped up further by purchasing COVID-19 vaccines not just for their employees, but also for their employees' families. These vaccines are critical in mitigating the risks of the public health crisis and recovering from this deep recession.

Indeed, these prove that the private sector is an ideal partner of the government in economic recovery. Through their investments, expertise, and innovativeness, the private sector plays a significant role as the prime driver for the economic upliftment of millions of Filipinos.

It is time to boost public and investor confidence to keep our economy running and quickly reverse to a growing trajectory that will steadily bring us to a new age of sustainability made more robust by learning from the hard lessons of this global pandemic. With this vision of shared responsibility and inclusive prosperity at work during these uncertain times, hopefully we will turn around our general situation in the days ahead.

END