

Q & A

Session A:

EAGA Policy and Regulatory Framework

Tax Incentives for Foreign Investment in BIMP-EAGA Region

(Ms. MA Carmela M. Peralta)

What are the working permit requirements for foreign nationals to work in Philippines? What are the conditions applied for spouse and children?

For foreign companies registered under BOI or PEZA board, their employees will be issued a special visa, which takes faster to process and has less tedious procedures compared to a regular employment visas. Employees of foreign companies and their spouses, along with their children of minor age are given Permanent Resident (PR) status with multiple entry.

Referring to slide 17 concerning mass housing, what are the differences between socialized housing and low-cost housing?

Low-cost housing is built to the tune of two million pesos to target people who can afford that particular price range. Meanwhile, socialized housing are housing units that are custom built according to the means of the specific customer.

Improving the Competitiveness of EAGA SMEs in the Global Supply Chain

(Mr Bernardino Moningka Vega, Jr.)

How are the regional banks in the BIMP-EAGA adopting new technologies to support growth in business?

They really haven't adopted new technologies to support the growth of SMEs in BIMP-EAGA business. Banks in the BIMP-EAGA region are very cautious about providing finance to SMEs

in the region. The 1997 Asian economic crisis caused many Asian banks to become extremely prudent in their policies. However, quite a few regional banks are providing small scale training to SMEs in the areas of book-keeping, and providing cheque books and logos to small companies that require them. There needs to be a discourse between SMEs and banks so that the gaps between SMEs and the bank's financial prudence requirements can be met.

BIMP-EAGA emphasizes eco-tourism as one of the engine's of growth. How is the BIMP-EAGA framework able to preserve the environment and yet promote eco-tourism as a viable economic activity?

BIMP-EAGA emphasizes environmental sustainability. However, it is not yet strong enough to override the individual countries national interest. BIMP-EAGA has a role to create awareness through dialogue with each country in the region in the hope that it would influence each member country to develop itself in a sustainable manner.

Currently in BIMP-EAGA, there are two initiatives in sustainability. The palm oil industry has currently complied to EU environment sustainability certification. In the fisheries industry in BIMP-EAGA, all canned tuna exports are going to comply with international environmental standards (eco-labelling) in 2011 so that the products are acceptable in the international market.

Does the BIMP-EAGA have initiatives to increase regional ties and cooperation, with neighboring countries and regions?

BIMP-EAGA is the test bed for ASEAN economic initiatives. However there is no permanent consultation framework between ASEAN and BIMP-EAGA. BIMP-EAGA has economic cooperation initiatives with China, the Northern Territory of Australia, and Japan. BIMP-EAGA should make more effort to work closer with ASEAN, so that BIMP-EAGA can share their experience and expertise with ASEAN.

How can we promote BIMP-EAGA SMEs to the European market?

- Focus on niche areas- BIMP-EAGA cannot be all things to all people. BIMP-EAGA is currently being promoted as a Food Basket to Asia and as a premier ecotourism destination.
- Strengthen BIMP-EAGA SMEs to meet the need regulatory requirements of European markets.
- Join EU trade fairs to expose the European market to BIMP EAGA SME products.
- Encourage BIMP EAGA SMEs to go into smaller niche markets in within Europe. (Go where no one else wants to go)
- Need for a force within BIMP-EAGA, in the form of a formal secretariat to represent BIMP-EAGA SMEs in the European market.