# Joint Foreign Chambers of the Philippines

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Canadian Chamber of Commerce of the Phils., Inc. ● European Chamber of Commerce of the Phils.,Inc.
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## STATEMENT SUBMITTED ON FEBRUARY 12, 2024 TO THE SENATE SUBCOMMITTEE ON RESOLUTION OF BOTH HOUSES NO. 6

Mr Chairman, Honorable Senators

We thank the Senate Sub-Committee for inviting us to comment on Senate Resolution of Both Houses No. 6. We are honored to respond to the Subcommittee's invitation.

The Joint Foreign Chambers of Commerce of the Philippines (JFC) is a business advocacy coalition. It supports and promotes open international trade, increased foreign investment, and improved conditions for business to benefit both the Philippines and the business interests in the countries the JFC members represent.

JFC supports the easing of restrictions of foreign direct investment (FDI) wherever this is possible. We are of the opinion that the removal of economic restrictions would facilitate increased foreign direct investment in sectors where such investment is now restricted.

We recognize the government's mandate to protect vital national interests through some restrictions on FDI. In this respect we note that in most national economies this is interest is protected using legislation or executive regulations. The advantage of using legislation or executive regulation is that that with these forms of regulation both the Legislature and/or the Executive can quickly adjust the regulatory environment for FDI to respond to changes in technology, requirements of international treaties, or new opportunities to benefit in the global economy. In recent years the Congress has indeed done just that its amendments to the PSA, FIA, and RTLA. Our neighbor, Indonesia, opened more than 200 sectors to foreign investment through its 2020 Omnibus Jobs Creation Law.

We have noted various past proposals to remove constitutional restrictions to foreign investment including removing these altogether and an alternative to insert the phrase "..unless otherwise provided by law," as proposed by RBH 6 for the sectors of advertising, basic education, and public utilities. This second alternative provides the Congress the power to adjust restrictions as it deems necessary. While the second alternative may not send as strong of a signal to foreign investors, it makes possible, if the Congress so decides, to further ease restrictions that would facilitate increased FDI.

The Philippine economy is now more integrated with the global economy than it was over three decades ago. The country has joined the WTO, the ASEAN Economic Community, and RCEP. It has free trade agreements with Japan, Korea, and the European Free Trade Association, and will need to negotiate further FTAs such as with the CPTPP to remain competitive and exploit these FTAs to the Philippines' advantage. Many of these developments emphasize the need for free movement of capital across borders and a level playing field between foreign and domestic investors without undue restrictions.

Once again, we thank the Subcommittee for inviting our views.