



# PHILIPPINE PRESIDENTIABLES 2016

***“Si Binay o si Roxas o si Poe?”***

**by Rose Fres Fausto**

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## FOREWORD

The results and the conduct of the coming elections will be crucial in Philippine history. As we enter the *demographic sweet spot*, the period wherein we expect high and sustained economic growth due to the rising proportion of young, productive population of the country, we have to make sure that we get our acts together.

Election seasons are usually characterized by high emotions. Mudslinging here and there, pressure to raise funds for the candidates, raging emotions even among supporters expressing their respective opinions on the candidates and even killings in hotly contested areas.

Whether we admit it or not, we usually end up voting based on emotions. “*Ay hindi ko sya feel, I won’t vote for him.*” “Even if they say he’s corrupt, *okay na rin* at least *kilala ko sya, mabait naman sya, kaysa sa iba, baka ganon din!*” “*Okay sya, pero sino ba ang nakapaligid sa kanya?*” Oftentimes, we hear, “*Pare-pareho lang silang lahat, magaling lang mangampanya, pero pag nakaupo na, wala ring gagawing matino. Hindi na lang ako boboto!*”

All these frustrations may make the citizens feel hopeless and not bother to participate in the exercise. And when the election dusts have settled, some would go through the same routine of complaining about the incumbent again. I always say, “You don’t have the right to complain about our elected officials if you yourself didn’t even exercise your right to suffrage.”

Today, I wish to add this, “You don’t have the right to complain about our elected officials if you didn’t even take time to study the candidates you voted for.” Honestly, it’s not easy. What we usually get are just the sound bites from the candidates, what we see on tv, online, or in their campaign sorties if you have the inclination to attend them.

This is the reason why when I attended the **db Access Philippines Conference 2015** on October 7-8, 2015 where the three main presidentiables were the keynote speakers, I really made sure that I’d carefully listen to their speeches, observe them on stage, how they deliver their platforms before the audience,

how they answer the questions, how they react and interact with people. In order to keenly observe all these and the nuances of their actions, I went to the venue early and sat near the tables reserved for the keynote speakers. Of course, I also did a bit of research on all three of them in order to appreciate their individual circumstances.

It was a privilege to observe Vice-President Jejomar Binay, Secretary Mar Roxas and Senator Grace Poe up close and personal. When I realized it was such a privilege, I decided to share it with my readers. I wrote about each of them in my weekly column in PhilStar.com and FQMom.com. Because of the warm reception to these long articles, and because I wish that each and every voter would really take this elections seriously, I decided to publish these articles in an ebook that can be easily passed on from one interested voter to another.

**How to use this ebook?** I suggest you first come up with your vision of your *Dream Philippines*. What kind of country are you wishing for? (I hope not one with four seasons because the presidential candidate who wants to legalize winter, spring, summer and fall is not included in this ebook. ☺) What kind of president can bring the Philippines forward and improve the lives of as many Filipinos as possible? What are the qualities of a leader who could really make all these promises of the *demographic dividends* come true? Exemplary Character? Honesty? Expertise? Hardworking? Charismatic? Good listener? Disciplinarian? Calm? Enthusiastic?

Bear in mind these characteristics that you're looking for as you read the chapters of this book. Get yourself a scorecard and try to give each one a score as you read on. Go beyond this ebook. Continue using your scorecard as you do your additional research, as you watch them debate (hopefully, about issues). This way, you are able to give your decision making process more chance of coming up with a rational conclusion. You will not only feel good about yourself, but it will also be better for our country.

**Let's add humor:** One of our biggest assets as a people is our ability to put humor in everything. This is not to make fun of a serious endeavor, but just something to spice up the situation and make it more fun and sustainable as we

face the coming months of heated campaign. This song has been playing in my mind as I wrote about the three main presidential candidates. It's LSS (Last Song Syndrome) brought about by the long hours I devoted to the three. The song was written by Louie Ocampo/Alan Ayque and sung by Marco Sison. I wish to share with you this short minus one clip we prepared to add a little fun to your decision making process. Sing along with it.

<https://youtu.be/83kk6kz1buM>

So did you enjoy singing? I hope you did. ☺ Now let's go to the more serious stuff.

*Mabuhay ang Pilipinas!*

# INTRODUCTION

From October 12 – 16, 2015, our presidential wannabes and the rest who are running for election next year trooped to the Comelec to file their respective Certificates of Candidacy.

In the Philippines, elections aren't just a political exercise. It's a long season where each Juan has something to say. Our electoral system allows us to directly vote for our president and vice-president, not as a ticket but separately. And so even if campaigns are done together with party-mates and/or with the dizzying coalitions in Philippine politics, wooing the voters is essentially "*kanya-kanya*" (something like "every man for himself"). And this somehow excites the marginalized members of our society. It is during elections that they feel somewhat as powerful as the rest of society. A poor man's vote counts the same as a rich man's vote. It is also the season when every nook and cranny of our 7,107 islands are visited by these "important people" in society who are more than willing to shake their hands, sing and dance, and take selfies in campaign sorties, just to get their votes. It's fiesta time!

On May 9, 2016 we will again choose our president, vice-president and other local and national elected leaders. For the next leader of the land, we have three main contenders, Vice-President Jejomar Binay, Secretary Mar Roxas and Senator Grace Poe. Thanks to Deutsche Regis Partners, Inc., the number one stock brokerage in the country today, I was happy to attend the **dbAccess Philippines Conference 2015** last week and listen closely to the three presidentiables, who were the keynote speakers of the event.





*Quote from their Invite to their Oct. 7-9, 2015 Event, “The country faces a very consequential year with crucial national elections not just to elect the successor of President Aquino but also to fill nearly every single elective office. Against this backdrop, and what has been acknowledged to be lofty equity valuations, one cannot help but ask: Will the good times continue?”*

For Day 1, it was *Lunch With VP Jejomar Binay*. Day 2 was *Breakfast with Secretary Mar Roxas* and *Merienda with Senator Grace*. I must congratulate DB for pulling this off. The timing of their event was impeccable, the week before the filing of their COCs and they all showed up on time. No less than Ayala top honcho Jaime Zobel de Ayala, who did a presentation on Day 1, was impressed when he said to Deutsche Regis Chairman Noel Bautista, “Congratulations, you did an impressive job here gathering all three of them in your event!”

The short and lively presentation of the Ayala group was likewise impressive. I particularly liked how JAZA had a short anecdote for each of his CEO/CFO when he introduced them to present one by one. In fact, at the end of their presentation I couldn’t help but say, “Sir, you were a rock star in your presentation!” He laughed and tried to deflect the attention to one of his CEOs when he said, “No it’s Ernest (referring to Globe CEO Ernest Cu) who’s the rock star, he’s the Pink Floyd!” (Pink Floyd was a popular English rock band.) This may be worth a separate article, but for the meantime let’s go back to the 2016 Presidentiables.



I wish to share with you their respective speeches, answers to the questions of the investors during the Q&A, and also to my “burning questions.” I found it more prudent to just approach each of them right after their respective sessions, for fear of not being invited by Noel to their future events anymore. 😊 To give you a sneak peak, **these were the questions I asked them:**

1. **For VP Binay:** If you don’t win, what is the **Plan B of Binay**? (*Of course, I’m trying to be witty with the play of the letter B here, and may not be in accordance with the serious finance people type of questioning.*)
2. **For Secretary Mar Roxas:** If you win, what will be the role of Korina Sanchez in your administration? (*I know that some people are not very comfortable with the newscaster as First Lady. I personally witnessed her being booed at the concert of Tears for Fears when her face was flashed on the screen. Honestly, naawa ako.*)
3. **For Senator Grace:** If you win, what will be the role of Chiz Escudero in your administration? (*Okay, you just have to go to Facebook and other social media channels to see for yourself how people, particularly the netizens, feel about the recently re-married senator.*)

**Candidate Number 1:  
JEJOMAR BINAY**



# INTRODUCTION

Prior to coming to the event, I brushed up a bit on VP Binay and found out that he's turning 73 years old next month, born in Paco, Manila, the younger of two children of a librarian from Batangas and a school teacher from Isabela. Unfortunately, the older Binay child died even before Jejomar was born. He was orphaned at age nine and he was adopted by an uncle. In his own speeches and interviews, he would share that he grew up poor and did odd jobs including preparing *kanin baboy* (pig feed). Admirably, he finished Law at the University of the Philippines, passed the bar exams and obtained his masters from the University of Santo Tomas and other postgraduate degrees from other institutions. He became a human rights lawyer and his public service break came from former President Cory Aquino. Interestingly, he even got the nickname *Rambotito* (little Rambo) because he played an active role in defending Pres. Cory from the mutinies staged by no less than his VP candidate now Gingo Honasan. (I told you, Philippine elections are fiesta time!)



*Left: Jejomar Binay known as Rambotito during the coup days of Pres. Cory; Right: VP Binay with coup instigator Gingo Honasan filing their COCs as President and Vice-President last Monday*

VP Binay first became mayor of Makati on February 27, 1986 when he was appointed by Pres. Cory to fill in the seat of Mayor Yabut who died (I wonder who the vice mayor was?) and that post has since been occupied by a Binay, until his son Junjun Binay was suspended middle of this year. Had there been no suspension, it would have been the Binay's Pearl Anniversary (30<sup>th</sup>) in February 2016.

Years ago I would hear comments that the Binays knew how to make their constituents happy with free birthday cakes, free movies for senior citizens (they were the first to enforce this), free hospitalization and other basic services efficiently delivered to the underprivileged. Then again, all these were coupled with numerous allegations of corruption in massive scale. What started years ago as just buzz stories of this and that property, came to life when his former Vice Mayor Mercado spilled the beans. It's all over the net, you can see for yourself.

When I went to the venue, I still tried to have an open mind and open heart in order to listen and understand what he had to say. I was there early so I even chose to sit next to the table where he will be seated. I was ready to listen to the candidate who's probably the most prepared for his presidential bid.

He arrived with a rather big bunch of companions, including his daughter Congresswoman Abigail Binay. He came in offering to shake people's hands on his way to his table with a smile flashed on his face. There was a bit of chitchat with the DB hosts and the others at their reserved table. Then Noel Bautista introduced him.

### **Binay's Speech**



*Candidate Number 1: Vice President Jejomar Binay delivering his keynote speech at the dbAccess on October 7, 2015.*

VP Jejomar Binay delivered his speech straight out of a report probably prepared for him by his Economic Adviser, Margarito “Gary” Teves, who was also with him during the event.

He mentioned that he was not out to do a “class war” and went on to somehow compare his compassion to the poor with that of Pope Francis, who no one is accusing of being leftist.

It was not easy to appreciate the points he enumerated because he was just reading and lacked engagement with his audience. There were times, he could not even read properly what were supposed to be punch lines – e.g. 1.) When he was supposed to take a hit on the slow delivery of PPP such that it has taken the new meaning of being just *Power Point Presentations* instead of Public-Private Partnership Programs; 2.) When he was stating that he will reduce the processing time of business registrations, it was painful to listen to him read and re-read those lines in his speech over and over again; 3.) When he said “analysis of paralysis” instead of “paralysis of analysis.” This reminded me of his recent open forum at UPLB when he said, “*Remember, tayo ang population natin ngayon is more than 100 million pesos.*” Here’s the link: [https://www.youtube.com/watch?v=pBUdTISk2\\_E](https://www.youtube.com/watch?v=pBUdTISk2_E)

It was a good thing that I decided to record his speech in my phone so I was able to listen to it again and here are some of the points he mentioned.

1. Inclusive growth is possible in his administration because he is sensitive to the needs of the poor and he believes that he has done well as the mayor of Makati for 20 years.
2. He said that the 6.5% economic growth of the country is respectable enough but it could have been more meaningful if it induced the creation of more stable jobs and economic opportunities, given the fact that the unemployment rate remains very high averaging close to 9% from 1994 to 2015.
3. Then he went on to ask the question, “Can our Makati experience be replicated in the entire country?” followed by an answer, “That my friends

is the very reason why I'm aspiring for the presidency of our country. Yes I strongly believe so. I have a complete program of development and this can never be denied, notwithstanding the character assassination they've waged against me, my family and my friends for more than a year now, which I call 'Demolition by Perception.'"

**He said, if elected, he will support the following:**

1. Fiscal Incentives Rationalization Bill.
2. Build Operate Transfer Law Amendment – which calls for the immunity of PPP projects from the vagaries of local ordinances like local taxation and complicated business registration process. I hope I can remove the bad image of what PPP means. *(Note: This is where he missed delivering the punch line as he ended up saying, "Now what is prevalent is, PPP means Power um, um, Power Generation Presentation." He meant to say Power Point Presentation.)*  
Fast tract the construction of major infrastructure projects to boost tourism and address the favorite these days, traffic congestion.
3. Creation of the Department of Information & Communication or ICT to help streamline the bureaucracy, promote and regulate the use of ICT and improve the country's IT infrastructure.
4. Address the high level of corporate income tax rate to attract more investments resulting in more jobs.

He then went on to say the things that investors, both local and foreign in the audience, would like to hear. *(Again, the delivery was unable to put the proper emphasis and so I myself just caught most of the things he said when I transcribed my recording.)*

Here's what he said/read:

Security Regulations should not curtail but should allow the healthy interplay of market participants and investors along clearly defined policies, and rules. The reason why capital, whether portfolio or foreign direct investment, is directed to destinations other than the Philippines is because of our unstable,



oftentimes inconsistent policies, inadequate infrastructure, high power cost, among others and very high corporate and income taxes, to mention a few. Believe it or not, we are the only country that taxes the proceeds of Initial Public Offering or IPOs. Our overriding objective should be to attract capital rather than to simply protect current tax collection. It is about time that laws are re-calibrated. Our existing political framework for doing business needs to be revisited and this includes the corporation code, national internal revenue code, investment company act and the securities regulation code and other relevant regulations.

The integrity of our capital market must be assured in order to protect your investment and make our country the capital destination of choice. In this regard I reiterate my position on amending the economic provisions of the constitution that restrict the entry of foreign investments into the country. A regulatory financing and tax framework that encourages small medium enterprises to tap capital markets will also create more success stories that will ripple on the overall economy. Small and medium enterprises account for 99.6% of the total number of businesses in the Philippines. This can have a higher multiplier effect than big businesses when it comes to employment. And to enable our small and medium entrepreneurs to succeed, we will extend to them the assistance they badly need, particularly in terms of financing and access to research and development materials. We will promise SME development and encourage our countrymen to be entrepreneurial to achieve financial independence. The level of risk that investors take is based on the country's business environment, investors demand on accountability, transparency, predictability and reliability, and in this regard we are committed to the following:

1. The honor and sanctity of contracts. Contracts once signed should not be rescinded or amended. We had a few of these incidents recently.
2. Our thrust is towards long term policies and programs that will strengthen the partnership between business and government. We are going to be decisive but will not change policies midway.
3. There shall be a sense of urgency in all government processes required in business registration and we will work to drastically reduce these processes

to further improve the country's competitiveness. (*Note: He was slurring a bit in this part when he tried to explain cutting bureaucracy.*) Here's what he said,"For example specifically, at this point we will have to reduce what you are now experiencing *a, er*, where there are *a* 16 steps over 34, *a, um*, that has 16 steps over 34 *a, a, um* these 16 steps... which will have to be reduced to 6 over 6, 6 steps over a period of 8 days from 16 steps over a period of 34 days. (I only understood this part when I transcribed my recording verbatim.)

### **He ended with:**

Our choice of cabinet officials will be the best and brightest in the area of specialization with vast experience in professional management and guided mainly by competence, integrity, and decisiveness. No more learning curve, six years is too short.

All these, my friends, can only be possible through effective governance and political will. We need a strong and visionary leader who is committed to implement plans for development and common good. As a management guru said, "A plan without action is a dream. But actions without a plan is a waste of time." My friends, we need an experienced, strong, competent and decisive leader, someone who has the executive ability to transform genuine change in deeply rooted problems. We need a leader who always has a compassionate heart for the poor and who has the ground running and gets things done. *Maraming maraming salamat po.* Thank you and God bless you.

### **The Q&A**

I noticed that the foreign fund managers didn't ask questions, or if there was, maybe just one. I wonder whether they didn't understand his speech completely? They didn't have the benefit of my transcribed recording.

Some of the local fund managers asked questions derived from his speech. One question was regarding foreign ownership of corporations and if a constitutional amendment was doable. His answer was, "I must admit I haven't gone that far in studying what is compatible with our constitution." even if in my transcribed notes he said, "I reiterate my position on amending the economic provisions of the constitution that restrict the entry of foreign investments into the country."

(See underlined part above.) Later on, I asked this fund manager for his feedback and he said, “He has a thorough speech prepared by Teves; unfortunately, he could not relate it during the Q&A. He seemed unprepared to address the issues.”

There were other questions asked – on China policy, to which he answered, “It should be bilateral;” on the disputed water contract, he said, “The government now is reactionary and not anticipatory;” on the sin tax he said, “Local government should be given a fair share in the sin tax.” To answer other questions, he ended up reading again. And when another question on tax reform was raised, he said that Teves will be his economic adviser. (Gary Teves is a 72-year old banker, economist, lawmaker. He was appointed as Finance Secretary by Pres. Gloria Macapagal-Arroyo when the *Hyatt 10* (a group of 7 cabinet secretaries and 3 government agency heads that included then Finance Secretary Cesar Purisima) resigned en masse as a vote of no confidence in the president facing graft and corruption allegations, including rigging of election results.

### **My Burning Question:**

After the Q&A I stood wondering how I should approach VP Binay to ask my question. I saw a lot of people surrounding him so I approached his daughter Cong. Abigail Binay (who’s the only lawyer child, as he pointed out when he acknowledged her presence) instead, and this was our conversation:

Rose: Hi Abigail, since you’re father seems to be busy, maybe you know the answer to my question. In the event that VP Binay does not win as the president, What is **Plan B** for VP Binay?

Abigail: There’s None!

Depending on the perspective one wants to take, you can either view that as “said with confidence” or “said with a little bit of arrogance.” But for sure there was no smile on her face.

Noel Bautista saw me and said, “Rose you can ask him.” So I teased Noel, “Are you releasing me from your ‘gag order’ to ask my question?” 😊 He said, “Go ahead.” And so I did and here’s how it went:

Rose: I have a quick question sir.

VP Binay: OK, I will give you a quick answer. *(with a smile)* Were you the girl who asked a question a while ago and who sounded like my daughter?

Rose: No sir. My question is in the event that you don't win the presidency, what is the **Plan B** for VP **Binay** *(I was beginning to feel that I was the only one who found the wit and humor in my phrasing of my question – Plan B for B-nay!)*

VP Binay: None. There's no Plan B. I cannot imagine!

Rose: *(Not content even if he promised that he'll give me a short answer, I still stood there and asked)* Really sir? But what if it doesn't happen?

VP Binay: *(Then he softened his stand)* Well, by the way I'm a lawyer. *(said with humility)*

Rose: Yes sir, I know.

VP Binay: I can go back to my practice. I can also do something that I love, my passion.

Rose: What is that sir?

VP Binay: Farming.

*(Then I thought, okay, let it go. Then I heard him say something with a smile.)* "Thank you Rose."

Now, I don't even remember exactly how I introduced myself, and yet he remembered to mention my name. As they say, the sweetest word to someone is the sound of his/her name. And I guess it worked on me. That made me ask to have a selfie with him, which he seemed to have waited for, as he asked someone in his group to take it for us.



*VP Binay with the author after he answered her question*

### **Comments from other attendees:**

I asked the other attendees, mostly foreign, for their comments, and here they are:

1. I don't foresee any drastic change happening in his administration if he wins. So I'm still looking at sustained economic growth.
2. I heard that among the three candidates, he was the one with left leanings, but from what I heard, he's more "left of center" so I'm comfortable with that. I don't think there would be any extreme changes in policies, which is good. I hope that whoever succeeds Pres. Aquino won't mess things up.
3. At least you don't need a Modi like in India. (*Narendra Modi is the Prime Minister of India since May 2014. He is perceived by some as a divisive leader, loved and loathed in equal measure – BBC News Sept 26, 2014 Profile.*)

4. He was reading! He wasn't able to answer the questions.

**Impressions:**

When I saw him enter the room with a big smile on his face, with less wrinkles than what I expected from a 73 year old politician always out there in the provinces campaigning, I said to myself, "Well, not bad for a 73 year old!" but I also remembered what a make-up artist once told me, "*Ma'am na-make-up-an ko na si VP Binay, at sya rin nagpa-Botox na!*" I saw glimpses of a tired old man, slowing down a bit, slurring sometimes, having difficulty reading his speech and was a bit lost in the Q&A, resorting to reading back his speech to answer some of the questions.

But it's also possible that the forum was not his crowd. I gave him a bit of leeway that maybe he felt the questions thrown at him were finance gobbledygook that made him uncomfortable. But I heard that he stayed at the hotel lobby for a couple of hours talking to people who followed him.

I've often heard from people who know him or had an encounter with him that he's *mabait* (kind). I could not argue with that if I base it solely on my own personal encounter. In that short moment, he was able to express humility and warmth, despite my question. It was a very different reaction from what I got from his daughter, even with the same question.

And this is what we should all remember, unless the electorate tries to study what each candidate stands for, his history, the people surrounding him, and what we really need in our leaders, chances are we will vote for the one we encountered who left us with a warm, cozy feeling.



**Candidate Number 2:  
MAR ROXAS**



# INTRODUCTION

This is the second installment of our Presidentiables series. If you wish to read the previous one please click *Candidate No. 1: Jejomar Binay*.

Six years ago, Mar Roxas gave up his presidential ambition to give way to Noynoy Aquino. The death of the latter's mother and former President Cory Aquino on August 1, 2009 changed the tide of times and Noynoy was somehow thrust into the limelight to run for the presidency with Mar as his vice, reminiscent of Doy Laurel giving way to Cory back in 1986. Unlike the '80s tandem of Cory & Doy who ended up splitting during their term, the PNoy & Mar tandem is as strong as ever, as Mar is the administration's candidate for 2016.

Mar Roxas is the first of three children of the late senator Gerardo Roxas (from Capiz, who was the son of the fifth Philippine president Manuel Roxas) and Judy Araneta (from Negros Occidental, although most of us probably say she's from Cubao, the *bahay na puti*). Mar attended the Ateneo de Manila University for grade school and high school, and the Wharton School of Economics at the University of Pennsylvania where he obtained a degree in Economics. He worked as an investment banker in New York and became an Assistant Vice-President at Allen & Company. He came home to help in the campaign of Cory Aquino; afterwhich, he helped set up investment round-table discussions in the country with the American business community. Among the investment banking deals he got involved in were the Initial Public Offering (IPO) of Jollibee in the Philippines, financing for Discover Channel and Tri-Star Pictures.

It was his younger brother Dinggoy who was really the *politiko* in their family but he died of colon cancer at a very young age of 32 in 1993. In the same year Mar entered politics as Congressman. He was appointed Secretary of Trade and Industry in 2000 and it was during his term that the BPO industry started. He was elected Senator in 2004, served in the Department of Transportation and Communications in 2011, and the Department of Interior and Local Government a year after.



*The young Mar Roxas, as student at the Ateneo, Wharton, and with younger brother Dinggoy.*

## **Breakfast with Mar**

The schedule was 7:30 am in Makati and the organizers were a bit concerned if people would arrive on time, but they did. And so did he.

Among the three contenders, Mar is definitely the one most comfortable to address the crowd of investors. He was in his comfort zone, and it showed in the way he delivered his speech. He spoke extemporaneously, enumerating his data without looking at his notes. He was engaging the audience and I saw some nodding while he spoke.

## Mar's Speech



*Candidate Number 2: Secretary Mar Roxas delivering his keynote speech at the dbAccess on October 8, 2015 at 7:30 am.*

Welcome to all the foreigners who have come to this conference, I hope my country is showing you its unique brand of hospitality, which used to be just a lot of singing and dancing but in the recent five years, has included profits as well. I also want to thank you all as I see that it's quite a full room for 7:30 in the morning. You know Noel & Noli were telling me about the sumptuous dinner and entertainment that they had prepared for you last night so thank you all for being here this morning.

I wish to give you a broad brushstroke or a helicopter view of what we've seen over the last five years, and where we intend to take the country in the coming six years. I think the fact that you're here means that you've been following the country. You've seen all the nominal and headline statistics and would be more interested in figuring out "Are these for real? Are these going to stay? What are the drivers that make them happen? Are we going to see a refinement? A fortification? Or a reversal, depending on who comes in next year? Then I'll leave a lot of room for Q&A for any issues you might have."

*(He went on to narrate our story.)*

## The Philippine Story

The story of the Philippines is that it's the greatest turn around story in recent memory as far as countries go. From what was commonly known as the *sick man of Asia* (the country who couldn't get it right, the country who never missed an opportunity to miss an opportunity), we are now known as the bright spot in Asia. And beyond the work of the Investor Relations Office of the country, beyond the work of the publicist, there is real meat to this.

The real economy is healthy and robust. There are some areas that we need to focus on, but in general you could say that there is a rising tide and this tide has affected every aspect of life in the country and you who are in the financial markets, which is a good barometer of where the country is headed, have already experienced this. What's the turnaround story? Basically, the people, the shareholders if you will, came up in arms and changed management. The country was put under new management with a clear direction and not just an aspirational goal, but one where the direction was included, the means of how to get there. Over the last five years you've seen good disciplined execution of that direction. The basic premise was *Kung walang corrupt, walang mahirap* (If there's no corruption, then there would be no poverty), which remains the bedrock principle of everything that we do in the Aquino government.

We inherited a government and a system where the debate was not whether there was corruption or not, but the debate was how do we moderate the corruption. That was how bad it got, it became accepted as a conventional wisdom that there would be corruption so it was just how little of it would survive as you went through all the processes. Nobody's saying that it's all perfect now, but certainly there's a lot that has been eliminated, and has been eliminated in the most important part of any organization, which is *at the top*. Because if there is corruption at the top, it is very hard to impose an anti-corruption discipline all the way down to the bottom. For example, until recently, I was in charge of the Philippine National Police, that's a 150,000 person force all across the country. If I was receiving something from illegal gambling for instance, how can I go to any police station and say, "Look, stop corruption!" So the corruption was stopped by a good and honest management team and that stoppage of corruption at the top has really cascaded all the way

down. Our methodology was straightforward. There's transparency, a rules-based government rather than "who brought the project to our attention." And to have a very very strict discipline as regards stability of policies so that we would not be jumping from one policy approach to another. It has been premised on a recognition that all growth will be private sector led. The government is very good at doing certain things but not good in doing many other things; therefore, the private sector should be allowed to do these things.

All of these have led to what you now know, that **the Philippines has reached investment grade**. Net foreign direct investments have reached historical highs. The investment grade was quite an accomplishment, nobody thought that it was attainable at the beginning of the term but clearly a *virtuous cycle* came about, where from one positive change led to another and another, so the ratings agencies recognized this. This led to lower borrowing cost to the country, then greater availability of credit has allowed us to lengthen our maturities, which allowed us to reduce our debt to GDP ratio from  $\frac{3}{4}$  of the economy to half (from 75% to 50%), which in turn, allowed us to reduce interest payments as a percentage to total budget.

All of these data that I'm telling you are readily available. Just go to your local Deutsche Regis website. I don't want to go to the micro statistics, you're all following the country so you already know. I think what is important is to know what we did.

### **What did we do?**

In essence, we did what every good turnaround situation demands:

1. ***First, we fixed our Balance Sheet.*** We borrowed wisely. We took advantage of both foreign exchange and market movements so we could come into the market at cheaper rates. When Pres. Aquino took office in 2010 only 6% of the non-fixed payments was available to him for essentially half the year. In those days, every peso was really very very important. The previous administration had already spent 44% of the second half's budget. So we borrowed money wisely and we did the first concrete steps in fixing our Balance Sheet.



2. *We then used that Balance Sheet to improve our P&L (Profit & Loss or Income Statement).* We collected taxes much better and much more efficiently. And our tax effort, although our target was at 16% of GDP, we're now hitting about 14% from the lows of 12% of GDP. We did this without imposing any new tax other than the adjustments in the pricing for the sin taxes – on alcohol, tobacco and beer. Nonetheless, we've been able to triple our capital expenditure. Total infrastructure budget for 2009 was roughly P170 billion. This year 2015 we're going to spend around P570 billion for infrastructure, times 3. As a percent of GDP we haven't borrowed more nominally. What is important is that we have maintained the deficit at below the magic 2% of GDP threshold. In fact, because of underspending (and I'm gonna get to this later), we are actually below 1% of GDP.

Aside from improving our revenue stream, we became very very strict in spending. We scrapped vanity projects, projects that are useless and designed primarily for *pakitang tao* (just for show), or projects that are designed just so one could skim off the top. A good case in point that made a lot of headlines was PNoy's cancellation of the Laguna Lake dredging project, which essentially would have just made people play with the mud – moving the siltation from one part of Laguna Lake to another part of the lake. It was P15 billion project signed by the previous administration.

So just to go back to the story, we fixed our Balance Sheet, we improved our revenue stream, we became very strict with the spending, and then you guys came in. When you recognized it, you came into our equity markets, our financial markets with optimism in the business climate. Ratings agencies saw this, and one success led to another.

*Was it chamba? (Mar went on.)*

These did not happen by chance or *pa-chamba*, which means pure luck. There was a philosophy behind this, which was good governance. It was in effect applying Net Present Value or Internal Rate of Return disciplines in every decision that we made. There were big decisions that we made.

### ***Invest in People***

Our country's single biggest advantage is really the Filipino people. These are the very same people, we now have a million of them. Noel mentioned it, in the IT BPO center industry that are servicing the rest of the world. They're educated, English-literate, appreciative of Western culture, and are particularly prized for voice interaction. And we are also moving up the value chain, and the only way to move up is by investing in our people. How did we invest in our people? Education budget over the last 5 years and into next year, we would have built 180,000 classrooms, more classrooms than all the presidents since 1986 built combined. It can be done, it just took political will to say we're not spending for other things but we're going to spend and close the student-to-classroom gap, and we did. By the way, each of the classroom has a teacher, desks and chairs, books and so on. It was a humungous task because not only were we filling up the student-classroom gap but we also decided to extend education by two years. The average Filipino student up to two years ago only received 10 years of basic education before going to college. The rest of the world was already at 12. (6 years of elementary and 4 years of high school). So now, our kids are better educated, learning their lessons inside a classroom instead of under a mango tree, which was the perennial image of the Philippine education.

We invested not only in the hard infrastructure of education but also in the soft infra, which is the family's ability to send their kids to school. The *4 Ps Conditional Cash Transfer Program* now has 4.5 million families and we're spending about P65 B a year to ensure that these kids who ought to be in school are actually going to school. The only conditions are that the attendance of the kids in school, proof that they receive inoculations and proper nutrition. If parents meet these conditions, they get their monthly cash transfer, which in turn help kids stay in school.

In March of this year, which is graduation season in our country, 330,000 kids graduated from High School and are the product of this program. Who's to say whether they would have graduated without the program? But we do know that the drop-off rates in education was moderated and in fact kids are graduating. Of those 330,000 graduates 13,000 were recipients of honors and awards –

valedictorians, honors class, highest ranking students, so that's the pay off that we're getting from this CCT program.

### ***Health Care***

In addition we also invested in health care. One of the biggest curses that can befall a family in the Philippines is having a member stricken with some serious illness. There's a Filipino saying *Bawal magkasakit!* (It's forbidden to get sick!) because the cost of health care is just astronomical that some have to sell their livestock, land, and in some instances they sell their kidney to raise money. The proceeds of the amended sin taxes were used for health care. Last year we spent P75 billion in PhilHealth reimbursements, an amount that would have come out of the pockets of the poorest of the poor.

Underpinning all of these investments was the mantra of Good Governance, seeing us go in the world economic competitiveness rankings from the mid 80s to the mid 50s. The point is, this is a substantial change. This is not a *chamba* but a product of deliberate consistent application of good governance.

### ***End (but wait...)***

Let me end by simply stating another statistic. After five years of his term with less than 8 months to go, Pres. PNoy enjoys 65% trust and approval rating from our people. I think this shows that people see the programs not as a one-off but more as an institutionalization and regularization of government services, not just *pakitang tao*. The people appreciate the reliability and predictability no matter how nebulous or uncertain their lives are. They feel that there is some sort of certainty, an increase in certainty relative to where they were five years ago, and that has led to the high approval and trust rating of the president. I doubt if there's any leader in a democratic country who enjoys this well into the end of his term, after five years of saying yes and no, where for every yes there is a disappointed party and for every no there are more disappointed parties. Because of transparency, people know decisions are made based on their welfare and not because somebody wants to pocket something. So this is encapsulating the *Daang Matuwid* that we've had over the last five years. The straight path, it's not rocket science. It's the very same discipline that each one of you look for in the companies that you invest in. Do they have a plan? Do they have a management team that will capably, competently and honestly

implement that plan? And is that plan realistic? I submit that the Philippines does in fact have that plan. It does have the people at present to execute it and over the last five years we have kept true to the mantra of no corruption.

To the investors who have come in, thank you for your tourism dollars, your increased exposure to the Philippines. Oh by the way, I think the Philippines will be able to weather and do much better than our neighbors given the uncertainties enveloping across the globe. I think it's not unknown to you that markets are down, soft, confused. The Baltic Dry Index (an index that assesses the price of moving goods by sea) is at a 30 year low, commodity prices are coming down, foretelling an uncertain period in the world economy. But here's why the Philippines has its life preserver. My side note is becoming much longer than I thought.

Let's take a look at **the 3 areas of concern that historically have been the pitfalls of the Philippine economy.**

1. **Foreign exchange crisis** – when I was DTI Secretary in 2000, it was a good month if we had US\$3 Billion GIR (Gross International Reserves) at the BSP. Today, the problem of not having enough dollars to pay for oil, aluminum, etc. is not longer there. In fact, the peso has been strengthening, thanks to Say Tetangco. Reason for that – \$24-25 Billion annual OFW remittances plus \$20B earnings from our IT BPO industry, that's consistent, not a one-off and as we move up the value chain, that becomes more stable.
2. **Fiscal Crisis** – runaway budget deficits, commitments of government for entitlements in the past. For example, there was a period when a former leader who was a trained economist guaranteed that electricity prices would be pegged at certain rates and that government will pick up the difference, clearly a political decision not having any sound foundation in the Balance Sheet and P&L of the country. This led to humungous deficits and humungous cashflow restrictions. Now it has been below 2% of GDP for our deficit, in fact below 1%, which has led to a *virtuous cycle* where lower debt led to lower borrowing cost, led to greater savings. It goes from strength to strength.

**3. Philippines was always known in the investment banking world to be “event rich.”** Volcanoes erupting, earthquakes, strongest typhoon (Yolanda or Hyan as you know it), or even coup. I remember fund managers in HK calling and asking, “Is there going to be a coup this weekend?” Or a corruption scandal, huge uncertain political movements, but now it’s been relatively boring if you look at the newspapers – no huge corruption scandals, no threat of impeachment, no threat of political upheaval, no changes in the political firmament. It’s been a stable period. That stability has allowed the country not only to fix the many problems of the past but has allowed us to make good concrete progress, now poised to withstand the global disturbances, and so we can spring from here into a higher growth trajectory.

So I thank you all for your interest in my country. And I hope you continue to invest in her. Thank you very much and good morning.

His speech was warmly applauded. Then he went on to make a side comment, “Noel, I understand that you also invited my competitors?” to which Noel answered, “It’s the road to elections.” Then Mar quipped, “I see, I also hope that you took note of how many times I looked at my notes and read.” To that the crowd cheered and applauded even more! Then he said, “Thank you for that, a good wake-uper!”

### **The Q&A**

The foreign fund managers definitely understood his story as a handful of them asked their questions. They always started by thanking him for his talk and/or service to the country. Here are some of the questions from both the foreign and local guests.

**1. Thank you for sharing your views and your good governance has really gotten a lot of admiration. In the light of this, would you explain this government’s breaking its own contractual obligations in the water tariff situation?**

**Answer:** I’m not very up to date on this particular issue, and so it’s difficult for me to comment. I would comment on a similar criticism that was made on

another bidding. There was a bidding some time last year for a road project where the winner came in at about P11 Billion and one of the bidders who was disallowed to bid because of a technicality opened their bid and showed that his bid would have been P19 Billion. It was a very serious matter that the government took. On the one hand, it's the principle that the rules are the rules and we should not change rules if somebody was disqualified. In the end, the president made a political decision premised on the welfare of the people, and that decision was to have a re-bidding, which is completely legal under our bidding system. The re-bidding resulted to P27 Billion for the government, for the Filipino people. The point that I'm making here is that rules are there, they are instituted for the welfare of the people, of society. In this instance, the welfare of the people demanded a re-bid. A blind un-thinking adherence to the rules in any given situation may not entirely be the best for the people. In this case, welfare was improved from P11 to P27B. Now to relate to this particular issue, I think it's an MVP company Maynilad where there were some promised increases in the tariff, I'm not very familiar. I think the other side was also saying that there are other things that were not delivered so there's now back and forth between the concessionaire and the regulator. I think what is important is that this be decided in a transparent manner so that you know what the dynamics are going to the decision as opposed to *kakampi ba natin?*

## **2. How would you fast track the PPP programs and what would be the priority projects in infrastructure?**

**Answer:** Here's the thing, in concept there's nothing wrong with the PPP project. In fact, it's a desired mechanism to get investment dollars into the country. The problem was the government's ability to undertake these projects. In a PPP project the government says here's what we want, here are the specs and here's what it ought to be, this is what you ought to pay us. This would require very very sophisticated modeling – financial, engineering, etc. so that the government can peg what is a good value for that investment, The delay came in because the government's capacity was not as strong as it ought to be, and if the bidding went on, the government would have been at a disadvantage. Let me go back to CALAX project I discussed earlier. The government thought it would have to pay P4 billion for the project. It turns out the private sector was willing to pay P27 billion. If that was an investment banker leaving that much



money on the table, he'd be hung, right? That shows you the disparity in the capacity to understand the values of a 20 30 year horizon. If there's an incapacity to value these projects, then we would be at a disadvantage. We have to consider the economic value. What do we do to solve this? We need to hire talents such as the talents in this room so we can price our projects much better. In my case, I would be willing to have third party opinions, outsourcing the valuation competence because that's not inherent in the government. So if you compare that with a team like yours, then it would be asymmetric. How many vehicles would be passing, etc. so you can value. That was an involved explanation, but essentially that's what it was. My answer would be in having government able to value its products.

We increased capital expenditure from P170 billion to P570 billion but we haven't hired any more engineers. We haven't spent any more money on CAD cams and other basic equipment so we could draw, cost and design these infra projects. In fact, one of the most important investments that we could do today is in back office type of investments. I'll give you very specific example. Earthquake in Bohol in April. We released P2.3 billion in cash to the Bohol local government unit for the rehabilitation and repair of infrastructure. August September last year, but because there's no ability to bid, of P2.3 billion only P0.3 billion committed to projects. So is there a delay? Yes but who are you going to blame? There are no engineers, bankers, how do you put a bid document together? Imagine the capacity of a town named Valencia in Bohol to hire the team that's necessary to put those bids together. It's a problem but it's a problem that can be solved as opposed to problems that are different in nature. So that's where it is now. DPWH does not want to take in more projects because they're up to here now and they're using antiquated CAD cams. We need to invest in back office so we can support all these projects. And I'm not only talking about DPWH but DOTC, all the government offices. Thank you.

### **3. Thank you very much for your years of service to your country. What are the PPP projects that you prioritize?**

**Answer:** Interconnectivity. Unlike the Asian mainland, we are 7,100 islands. Physical interconnectivity is very important – ports, seaports, airports. Ask any Filipinos in this room, I doubt if anyone could have imagined that in 2015 we

would have 50 million domestic passengers. There was no model that could have predicted that, 90% of which is local. There's been a transformation. Huge companies, wealthy families – Gothong, Chiongbian who were in shipping are now replaced by Cebu Pacific, and other airlines. We just inaugurated CDO airport and it's now up to capacity. So even going back to the government planners, we have to calibrate how we imagine so that we can have enough. Now there are 16 flights a day to CDO and the throughput is dependent on the apron space. And that's the same with Iloilo and Bacolod. These are growing pains. Imagine a company that you've invested in and its sales have gone through the roof but its productive capacity hasn't kept up. So it's management's fault? Yes maybe, but what's happening is we're building a new factory line, and eventually the curves will cross. The experience is a lot like a real estate company. The moment that you think that you've already built it, you have to keep investing because the demand will always grow. When I was DTI secretary It was a good year when the car manufacturers sold 60,000 cars in a year. Last year we sold 230,000, this year we're looking at 300,000 units. What's good is that out of that 300,000 units 200,000 are commercial vehicles, an indicator that money is going to commercial vans for delivery and other commercial undertaking. It's growing pains making sure that we keep investing. There are parts of the country that remain unconnected so therefore cost of goods coming and going are higher. There are 2 NLEX SLEX connector projects ongoing now. By San Miguel parallel to EDSA. Another one by the Pangilian consortium nearer to Roxas Blvd. all the way to the ports and NLEX. It's possible that by the time they're built we may say, we should have made them bigger. Because the country is going through this resurgent dynamics. We have 100 Million people that with good government will be feeding, clothing, providing shelter, investing, growing, etc. into the future. Just the thought bubble that came to my mind now, "Oh boy, invest in cement companies."

**4. Just a follow up to the earlier questions, the common criticism is analysis paralysis. It's great that we're doing all the right things, but as you've pointed out, some of these projects may be coming in too late. By the time it's done, it's already at capacity. How would you address that? Investing ahead of the curve?**

**Answer:** It's a change in mindset. You have to remember that the bureaucrats who are making the decisions have a mindset different from yours. If you cannot imagine 50 million passengers then you would design something different. Even JICA said that's all we needed. It's a learning curve. We're going to need 20% to 35% more capacity. I'll give you an example. NAIA. There's no way that NAIA can be a principal airport. Think of it as Haneda, Kai Tak. NAIA is 470 hectares, an airport with two runways intersecting so essentially you only have one. No matter how much money we put in, it would just be band-aid solution. We really need to make a big decision. My view is Clark. It's 2,000 hectares, there's a runway there. There's a reason why the Americans chose it – weather patterns, etc. We need to make a decision as a people. If you make a survey, Makati Business Club including yourselves here, you might say, "Clark ha? So far, keep it in Manila." The business sector leaders didn't want to move it out of NAIA but then Clark will not be a viable possibility until we have a high speed rail. By the way, you have your calculators, multiply 470 hectares by 30,000/m<sup>2</sup> or whatever the commercial value of NAIA is and it can pay for the exercise plus more. It's not rocket science. Even Bangkok has done it. Even after that decision, the next is how do we bid out that rail system? What's the value of that? It has to be 100 km to Clark about 25 minutes. The radius of the curve has to be this and that, there's no capacity in the Philippines that can do that. You don't know where to begin. This is the kind of knots and bolts and we need to wrap up our capacity to build projects. So do we recognize the problems? Yes. Are we doing something about it? Yes but it's not as simple as going to the supermarket and buying a box of milk and it's solved. But if you have honest people and competent people, you know that you're going to see it through.

**5. We understand you in this room, but once you get out, what's your message going to be? What will be your message to your future bosses out there that can back you up? It's a tight race, I just want two key messages that you're going to go out there with.**

**Answer:** I think the voter today is very different from the voter of the past. They see the diaspora. Our OFWs out there see how things are done in their host countries so they ask why isn't it done here? The standard is always increasing. If you take a look at the polls that you alluded to, the recent polls

are different substantially than where they were months ago. I'm hoping that it will even be more favorable in the coming months. The message is very very clear: "Performance, actual performance" vs. "I promise." I mean the words, the slogans are there and they will be unveiled as the campaign flows out. But it's very simple, this is what happened. Government services are delivered regardless of party affiliations. These are the things we changed over the last five years. We've been able to do it, it's Politician-agnostic so to speak. We believe that that works. And the recent polls validate that so we continue with that.

Towards the end of the Q&A, Secretary Mar jokingly said, "After this question, my talent fee goes up. This is the last freebee ha, Noel." Then Noel answered, "Compliance disallows payment sir." When they handed their gift to the secretary, he gave his comeback, "Compliance dictates we cannot accept this gift." to which Noel said, "It's within the compliance budget." So there, the secretary also delivers jokes.

### **My Burning Question:**

Just like what I did with Candidate No. 1 the previous day, I approached Sec. Mar to ask my question. Here goes:

Rose: Hi Secretary, that was quite a speech, you knew everything by heart. May I ask a question?

Sec. Mar: Thank you. Sure, what's your question?

Rose: If you win as president, what will be the role of Korina Sanchez in your administration?

*(I noticed his face become serious with a glimpse of surprise.)*

Sec. Mar: What do you mean? She's my wife.

Rose: Will she be playing any special role? Have you talked to her about it?

Sec. Mar: Well, she has her foundation for children. That's what she's gonna do. She's not going to hold any position in government if that's what you're asking.



*The author asking her question to Sec. Mar Roxas.*

**Comments from other attendees:** I asked other attendees for their feedback. Here they are:

1. His speech was very good, extemporaneous and he knew what he was talking about.
2. Unlike the first one, which was boring, Sec. Mar was engaging.
3. He was in his comfort zone, speaking to an audience who understands his language, but he could have done better during the Q&A. His answers were weak.
4. He was good in delivering his speech and the audience was agreeing with him; however, he failed to nail it, to communicate what he will exactly do in his term. He still sounded like he was campaigning for PNoy. It would have been good to hear him say that he already knows what works and what

the pending problems are and he will waste no time in solving them in his term. But I guess, even a status-quo in his administration will not be so bad, as long as there's stability.

### **Impressions:**

Sec. Mar arrived with a leaner staff compared to VP Binay. He was smiling as he came in but he wasn't offering a handshake as he walked to his table. There were a few whom he already knew who gave him a handshake or even a *beso*. When he took the podium, I saw a confident man talking about his team's achievements in a narrative that was easy to understand. Okay, let me qualify that, easy to understand with someone who understands investment banking jargon.

I actually liked it when he simplified how we achieved Investment Grade status – 1.) By fixing our Balance Sheet; 2.) By improving our Profit & Loss Statement (both sides – increase income and decrease expenses) and doing all these and the other government undertakings guided by good governance. Isn't this how we all ought to live our lives whether we're a family or a corporation or a country for that matter? I really related to these *Basic Guidelines* because I like simplifying things (Remember my 3 basic laws?) and relating everything to what one values so we always have a compass.

In his speech, I felt his sincerity. Even when he hinted a bit of displeasure when I asked my question, I thought that was sincere and unrehearsed. And maybe because I imagined that I would also like my husband to be protective of me when put in a similar situation. However, during the Q&A, I agree with the common sentiment that he failed to nail it. I don't know if he didn't come prepared on how to answer the mega delays in the PPPs. He did try to answer by explaining that it's not that simple and that honestly, our government is lacking in capability to successfully carry out bids. It made me recall my investment banking days when we would prepare the prospectus for Initial Public Offerings. (IPO). Each sentence that we put in the prospectus should be verifiable and quantifiable. We cannot put a claim if it's not, and that's why most of them sound so dry and unexciting. Was Sec. Mar acting like he was preparing a prospectus such that he refused to say, "Hey guys, I know what works and what doesn't and given the five years in the administration, I am the

one most capable among us three, no need for learning curve. I will do this and do that?”

It's possible. As he mentioned we can choose between “I promise” and “Actual Performance.” But you see, people need leaders. You are a president because you can lead us the way, and leading the way includes being decisive and a cheerleader. You have to be the most optimistic in the group, in the hope that your optimism will rub on us and we will believe that it can be done and we end up doing our share in making it happen with enthusiasm.

The challenge of Sec. Mar is really in communicating his capability to lead. The challenge becomes bigger when, as pointed out by one fund manager, he goes out of the room. How can a regular *Juan* understand his Balance Sheet and P&L. He struggles with this. When they try to make him *pang-masa* it looks awkward like this *Ako na ang papadyak!* ad in the past.

One may argue, “But PNoy didn't have to do any of those clown stunts to get elected?” Oh, but we should remember, his mother, an icon of freedom just died then and we were fighting corruption once again. And we should also remember that the second highest votes went to no other than Erap, the champion of charisma.

We're in a different situation now. People adapt, and what we didn't have before that we have now, we can easily take for granted. And it's important for the candidates to address the current concerns. Today it's primarily traffic and lack of infrastructure as we saw in the Q&A.

### **Machiavelli**

I admit I was a bit kinder and less dismayed than the rest of the participants when I didn't hear very decisive answers from Sec. Mar. Want to know why? The lessons from Niccolo Machiavelli are still fresh in my mind. Niccolo Machiavelli was an Italian historian, politician, diplomat, philosopher, humanist, and writer, who is recognized as the founder of modern political science and political ethics born in the 1400s. The adjective “Machiavellian” has taken a negative connotation because it talks of duplicity, manipulation, etc. In fact, his book *The Prince* was banned by the Church for 200 years. But I



think it's a good read for all voters and candidates. I know it may be too much to ask, especially the young voters to read Machiavelli and learn (not blindly subscribe to the principles, ok?) from it, so I'm sharing a really nifty video that talks about some of the principles in the book. It runs for only 10 minutes and it's so *current* in its language, you'll even find Kim Kardashian in the discussion. So voters and candidates, please watch it. This may make the difference in your candidacy and your vote. The principles also apply in the many aspects of your life, and what I like is that as early as the 1400s one guy was already hinting on Behavioral Economics! Here's the link: <https://www.youtube.com/watch?v=9SSV6mwPfTI>

**Candidate Number 3**  
**GRACE POE**



# INTRODUCTION

For the last installment of this series we will talk about the person on top of the SWS June 2015 survey both for President and Vice-President, Grace Poe Llamanzares. The story behind the birth and adoption of Senator Grace is one for the movies, the kingdom lorded over by her parents *The King* Fernando Poe, Jr. and *Queen of Philippine Movies* Susan Roces. Although she had bit roles as a child, she herself said “Even if I aspired to be in showbiz, I felt physically inadequate being compared to my parents.” and so she decided to take another path.



*Left: The young Grace with parents Fernando Poe, Jr. and Susan Roces; Right: Grace graduating from Boston College.*

She was a debater at Assumption College while she was in high school. In fact, one of the fund managers at the **dbAccess Philippines 2015 Conference** (the international conference where I listened to the three presidentiables) said, “She was the debate team captain of Assumption when they beat us in Ateneo back then.” After a couple of years at UP Manila in college, she transferred to Boston College where she earned her Bachelor of Arts degree major in Political

Science. She married her high school sweetheart soon after graduation at age 22. She resided in the US with her family. She worked as a preschool teacher for three years, a procurement liaison at the United States Geological Survey, and as a product manager at CSC Scientific, a company specializing in scientific equipment.

She came back to the Philippines when her father died in 2004, the same year he tried to become president. Grace became involved in politics when allegations arose that her father lost due to electoral fraud. She was later appointed head of the Movie and Television Review and Classification Board (MTRCB) in 2010 by Pres. Aquino. And in 2013, she successfully ran for the Senate as guest candidate of the administration, garnering the most number of votes among all Senatorial candidates. Today she remains on top of surveys, even amidst hanging issues on her Filipino citizenship.

### **Grace's Speech**

Senator Grace Poe read her speech, one crafted to have a relevant opening line that aimed to deliver a punch to elicit some reaction from the audience. I like the quality of her voice. It has a soothing effect. There were a few times she got lost in her reading, but they were quite minor. Let's hear it from the senator.



*Senator Grace Poe delivering his keynote speech at the dbAccess on October 8, 2015.*

Thank you for taking time off your Bloomberg screens and your minds off the market for just a few moments to hear me out. I am glad for this opportunity to talk about a worthy cause. I call it worthy because I believe the Philippines is a great long-term investment. They say that political platforms are like Debt Notes. They should be, but not always, redeemable at the promised time. I for one have no problem of defaulting on mine should you choose to subscribe to my offer.

Since I declared my candidacy a few weeks ago, not a few have asked, “We’ve heard your 20-point platform, but what is your economic vision? And more importantly, how do you intend to realize it?”

Let me first share with you what I envision. I dream for the country. I see the Philippines one day as a developed country, one of the major economies of Asia, perhaps not in six years but definitely in our lifetime. I see more foreign companies setting up shop within our shores bringing with them long-term capital, technology and well-paying jobs in exchange for a decent return on their investment. I see graduates being able to find jobs in their chosen field, not abroad, but right here alongside their friends and families. I see the emergence of a bright and vibrant middle class where families can afford to buy their own homes, send their children to school and to not worry about how the hospital bills will be paid when they come in. Lofty you say, I say necessarily so. For this is what the taxpayer deserves, this is what our youth deserve, this is what the worker deserves, this is what the investor expects of a country of 100 million people in the most economically dynamic region in the world.

So having laid out my vision, let us now assess where we are and what we need to get there.

### **How to get there:**

Over the last 5 years, our country has enjoyed an unprecedented period of sustained high economic growth and price stability. Growth has averaged over 6% a year, among the highest in the world, and inflation is well below 1%. According to Bloomberg, our stock market was the best performing in the entire world during the period 2009 to 2014, allowing our companies to raise equity capital and expand their businesses more cheaply than anywhere else in the

world. At the same time however, many Filipinos were left out from our economic rebirth and cannot simply be left waiting another 6 years for the benefits of growth to trickle down. A fifth of our population earns under a \$1.25 a day, representing the highest poverty incidence in South East Asia outside of Laos. Unemployment, underemployment and income inequality remain the highest among peer countries in the emerging market space. My economic mission, if I'm elected, is to take us onwards to the next level of the journey, upon which we embark under the Aquino government from growth, just growth to inclusive growth.

Now, how do we do this? The process I believe is simply one of identifying the bottlenecks to more inclusive growth and dismantling them one by one, and then letting the bigger and ingenuity of private enterprise take over. This does not sound rocket science to us. Other countries have achieved this before us and we need merely learn from their experiences and apply the lessons to our own. So what exactly are these bottlenecks? The first and perhaps the most observable is the quality of our infrastructure. I was told of a recent study by the IMF, which cited our country as scoring lowest in terms of quality of infrastructure among major ASEAN countries. I asked for the study, but really, do we need to know it from the IMF and World Bank? We don't. We experience this everyday. Everyday you and I, who do not own helicopters (perhaps there's more of you here who own helicopters than anywhere else I'd go), would be commuting to and from work due to lack of an inefficient road system and mass public transportation system. Our international airport was quoted, just a few years ago by travelers, as the world's worst. These infrastructure bottlenecks not only curtail worker productivity and quality of life, they also prevent the development of a vibrant tourism industry – a potential third leg in support of growth and job creation after the OFW remittances and the BPO sector.

Another bottleneck is our constitutional restrictions. Crafted during a time when nationalism was equated to favoring local ownership and over promoting competition (*did she mean protectionism?*), these restrictions have kept many industries captive to a few dominant players. By restricting competition, this has saddled our economy with a high cost structure – a hollow manufacturing base, and fewer job opportunities than what otherwise would have been the case. Progressive governments, even those in wealthy countries like the UK and

Singapore, aggressively court foreign investment. Why do we need jobs and more consumer choice take pains to limit it to the point of writing restrictions into our constitution? *(I listened and re-listened to this part, but I can't really understand her last sentence. I'm guessing a line was missed?)*

Yet another bottleneck is the high corporate income tax. At 30%, it is the highest among ASEAN countries. The comparable rates are 25% in Indonesia, 20% in Malaysia and Vietnam, and 17% in Thailand and Singapore. *(She got a little confused in stating these percentages.)* With the quality of our infrastructure, how do we expect any one to shortlist our country as a production base in the region? And the figures, bear this out: last year we attracted 6 billion in foreign direct investments vs. the other 10 billion that Thailand and Malaysia attracted, and Indonesia's 20 billion dollars. And this has already progressed because prior to 2010, we used to attract an average of less than 2 billion in foreign direct investments every year.

Yet another bottleneck is what one might call the evenness of our playing field. The goal posts seem to move with every change of administration, an unresponsive...um... as do the rules of the game and the incentive structures. An unresponsive bureaucracy and slow justice system have also favored the well-connected and those adept at bending the rules to the discrimination of outsiders – small and medium enterprises and those who abide by the rule of law.

Indeed these are but a few of the bottlenecks we have engineered into our economy that discourage investments and job creation. But a comprehensive listing is outside the scope of this discussion. In the interest of time, let me move on to some of the ways I intend to break down the barriers to faster and more inclusive growth.

First and foremost, if elected, I pledge to continue President Aquino's fight against corruption. This government has shown that good governance equals good economics. But let this not be said for only the incumbent political party enjoys a monopoly over such a platform. Last I checked the “*Daang Matuwid*” or the Straight Path is not really registered under anyone in the patent's office. My government will continue to promote honesty in all levels



of government and lead by example to vigorously prosecute corrupt officials whatever their party affiliation. This I can promise you. This I will promise to our businessmen who choose to invest and create jobs in our country.

Second, I will support Congress' initiative to deliberate and ease constitutional restrictions on foreign ownership. The most economically progressive countries do not restrict foreign ownership in their economies. We want more jobs created here and more taxes paid to our treasury. Better for consumers, better for laborers, better for the national coffers, if necessary. My government will require that foreign companies list their shares in the stock exchange so that local citizens may own a piece of them and should give comfort to the nationals.

Third I propose to lower corporate income tax rates to at most 25%, if possible, even lower. I believe that in an era of competition, tax rates should be determined not by choice, but by necessity. If you want businesses to locate here, we cannot be uncompetitive on price. One may ask how we intend to make up for the shortfall. For starters, the national budget can still be streamlined. The passage of the Freedom of Information Bill will likely resolve the shrinking of lump-sum items. The underspending, for your information, of our government amounted to 623 billion from 2011 to 2014 and 303 billion in 2014 alone. This is money that the government was not able to spend but was collected from our taxpayers and other revenues. But common sense as well as with other experiences in other countries dictate that there may be no shortfall in the long run. Like with a business that has been overcharging its customers for years wakes up and lowers its prices to what everyone else in the neighborhood is charging. In the long run, business should improve.

Fourth, I will strive to create a level-playing field for all current and prospective investors. There will be no shifting of goal posts or changing of the rules midstream. In line with the continued pursuit of good governance, my government shall continue to reform the justice system and promote a business-friendly attitude in the bureaucracy and among local governments. Rule of law will and should prevail under my government and proximity to Malacanang and the powers that be will not be a factor to make a decent return in the Philippines.

I've spoken enough for now though but by no means do I claim that this has given you an exhaustive to-do list. You should at the very least have gotten a flavor of the investment climate and how it would be like in our administration.

To summarize, government will be an enabler, not a substitute for private investment. We will be there to create the playing field that enables the competitive and law-abiding investor to earn an attractive return on his investment. We have the wherewithal to be the perfect enablers. We enjoy the macro stability and fiscal space created by low budget deficit, moderate levels of government debt and an investment grade rating. We enjoy a healthy current account surplus, and benefit from low commodity prices. Structurally, we offer the investor a population of 100 million that is perhaps the youngest in Asia with over 60% of working age and conversant in English. Our median age is at 23 years old and will remain so until 2050. With these pluses and an economy that is already growing at a trajectory of 6% amidst a sluggish world environment, there's no reason why we cannot turn the next 6 years into the golden age of the Philippine economy. I invite you to join me in this quest to forever erase all memories of our time of being the sick man of Asia. Indeed, let us cement our status as a shining star of the region. But we should not lose sight of the end goal, and that is for the country to achieve genuine and sustainable development and for all Filipinos to have a better quality of life. I think it is in our hands. Many of you are here today, and us in government to make the quality of life for many better here in our country today, and to provide the investment atmosphere that will be enticing for many to come in and invest in our country.

But to put things in perspective, I would like to liberally paraphrase Robert Kennedy. He said, *"Too much and too long, we seem to have surrendered community excellence and community values in the mere accumulation of material wealth. Our gross national product, which is what we usually discuss, does not necessarily allow for the health of our children, their quality of education, or the joy of their play. It does not include the beauty of our poetry or the strength of our marriages, the intelligence of our public debate, or the integrity of our officials. It measures neither our wit nor our courage, neither our wisdom nor our learning, neither our compassion nor our devotion to our country. It cannot measure everything which makes life worthwhile."* So I think

that with all the gains the country has had in the past how many years, I think it's time for us to really put the start to inclusive growth – to really look at social protection means to help the general public, but this can only be done, I know, if the government will also provide a climate for our investors to come in. Again, thank you for this opportunity and good afternoon.

*Her speech was applauded. And I was personally pleased that she later on agreed to a Q&A, which I earlier heard was not going to happen. She was a pleasant surprise during the Q&A. I told you I like her soothing voice and maybe it's safe to say that "She's GRACE under pressure." I thought her answers were okay. But as I transcribed the Q&A part, I started to shave off some points I initially gave her.*

## **The Q&A**

### **1. How would you address the concern about the perceived lack of experience on your part relative to the other candidates?**

**Answer:** Well, there's nothing I can do about that. Really my experience in government is just five years. Now let us look at past experiences. First of all, I think this was the same issue that they had with Pres. Noynoy Aquino. But I think the example that he has set has shown us that the important thing is really the integrity, and what your goals are for the country and how you can really inspire and serve as a role model and serve as an example to the public. I think his fight against corruption is really the one that echoes with most to us. And this is leadership by example. Now even if I've had only 5 years in government and maybe the others running against me have more experience, I guess I should report to you what I've done in that short period of time. So for our foreign guests here today, in the Philippines we have the Movie & Television Review Classification Board. In the US it's called the MPAA. What I did for this department – we had some policy and political changes as well as it was a chance for me also to improve on how it is to be an administrator in an executive position. The MTRCB has a very small budget. The administration before me had to work with P60 million a year. But when I came in because of the austerity measures of the Aquino administration, we cut our budget to P23 million. But in spite of that, not only did I reach my target goals, we were able to remit even higher than our target, I think at that time it was P40 million that we brought in.

We cut the rates by 70% of the ones who were involved in indie filming. Now it might be a small feat but another thing that we also did at that time was that instead of concentrating on censorship, what we did was self-regulation. We encouraged the stakeholders to come in and to police themselves according to the ratings that we've set for children.

OK now fast forward, in the Senate. I won in 2013 and I was given two committees – one, Public Information & Mass Media, the other one Public Order and Dangerous Drugs, which is usually a committee headed by a man. In both committees, the challenge was, the first one Public Information, I had to pass a very contentious bill in the Senate, The Freedom of Information. But we did this in a record seven months. It was difficult because we had to deal with National Security questions, and staunch supporters of hiding things from the public, but we did pass it in 7 months. That was the first major bill passed in the Senate, other than the smaller bills such as suspending the SK elections. And then in Public Order & Dangerous Drugs, of course we were tasked with investigating the Mamasapano incident. It was a hearing that was very challenging because you were investigating the top leaders of the country and including institutions like the PNP, the AFP, actually foreign governments and their diplomatic relations in the Philippines, as well as rebel groups like the MILF. So it was very difficult to balance all the arguments of everybody and they were very impassioned in their involvement during the hearing. But they said, “How were you able to maintain order in the Senate in spite of it being chaotic?” I said, “I used to be a preschool teacher so I know how to deal with children!” For those people who are saying I don't have the lengthy experience others have had, that is true, but nobody has ever really “become” president. I mean unless you're overstaying in that position or you won because of some revolutionary government so you go beyond your reelection, so I think we are all coming in also from the same vantage point, except that they've been with the government long enough. But I think your length of service is not a guaranty, it's more the quality of your service that should matter.

**2. One of the frustrations with this government is the infrastructure roll out. How do you square that circle considering that you will also lower income taxes?**

**Answer:** Well, as I mentioned earlier, there are a lot of leaks that we should plug. As I mentioned from 2012 – 2014, we have an unspent budget amount close to P700 billion. Plus we have P312 billion from 2014 that the government was not able to spend, not to mention I think in the last budget hearing in the lower house, they were saying that the BIR was not able to collect about P400 million and the BOC was not able to collect about P200 million, so about 3-2% of the GDP. So these are the things we can take a look at. Why are we penalizing the general public for our inefficiencies? Clearly, the government's role is to be able to run an efficient government. And see where else we can source funding to provide basic provisions without burdening the public. So I think at the very least, any administration owes a healthy discussion about tax reform. And I feel that with the Asian Economic Integration, it will be certainly a disadvantage for us to have the highest tax rates in the region.

*During the pause before the next question, bumati si Senator Grace (she greeted).* 😊

“I’d like to say hello to some of my friends who are present here today. I don’t know if you’d like to be identified, but you know who you are.”

**3. There was also news that your VP running mate Chiz Escudero is pushing to increase minimum wage. Is that something you’d be pushing for as well?**

**Answer:** You know I’ve heard about that. I’m not sure how he was quoted on that. But after that, I think he had a subsequent position, which was more in tune with what I’m thinking. First of all, I really believe that what we should aim for is a strong economy. And that should be the basis for us to increase wages. Where there’s more competition, more choices for our workers to find a job. I am quite uncomfortable using legislation to peg the minimum wage. We have local wage boards that conduct discussions of those but of course, if it becomes unjust, the government steps in when there’s an unreasonable inflation rate, but at this point, where there is low inflation rate, we should have a healthy discussion with those wage boards, and that I think the market forces can be taken, but that is not to say that we do not support a higher take home pay for our employees. That’s why we want to institute tax reforms. That’s why we

would like to increase the services through Philhealth, and through controlling inflation if possible by having healthy policies on products and farm inputs, etc.

**4. I think having invested here and looking at anti-corruption campaigns, can you just give us an idea how far through that process are... and is it likely in the short term or next couple of years if you are successful... to slowly ... we've seen this in China, India, Indonesia where they have some strong anti-graft campaign has sort of slowed down in growth as people are unprepared to make decisions.**

*(Okay, this was a foreigner asking and even I was not very clear on his question, and I liked that Senator Grace clarified his question first before she answered, although she started with... 🙄)*

**Answer:** I understand what you mean. So what you're saying, let me just clarify what you're saying. So you're saying anti-corruption reforms might actually slow down the economy. Well, we've seen that happen with the DAP controversy. The government having difficulty spending the money because of the absorptive capacity of some institutions but what I feel also a... these are the foundations we need to build. Any anti-corruption campaign should be taken seriously because they say good governance is good economics. So in this case, we are slowly adjusting to this new system of accountability and we need to push it. Now, I don't think that it's so much the anti-corruption campaign that has slowed down the spending ability of the government. Let me give you an example. Problems of infrastructure alone, the problems that have come up – acquiring the right of way to be able to build roads, contracts being challenged in courts, the changing of the terms of reference midstream. These are the things that actually slowed down the implementation of certain projects. So I think that we can support this by bringing transparency in the government, by bringing more people in the deliberation process. I think every administration should convene, what I mean, the LEDAC or the Legislative Executive Council that will decide on projects, together with the executive. And I think that this should also be done with the judiciary, so that we can suggest which legislation we should push for to be able to create an environment that's conducive to investors. As I was saying, we're not competing with congress for power. Let's say the executive should not think of it as that. They should think of Congress as a partner in development.

**5. It might be too early, but if it's not, could you share your information on your support team on the economy? Who will be advising you on the economy?**

**Answer:** (Sighs with a faint laughter) Ok, um... I'm being candid with you all. I know that that's the worry of some groups. Who's surrounding Senator Poe? Some of you may not necessarily agree with some people you think are with me. Ah... you know you can never really please anyone (*maybe she meant everyone*). If I have to pick someone who's running for public office the important thing is I'm confident ... um... I'm confident with the foundations that I have. That's one thing. I pride myself in being able to make judgments in the past year, which I think are fair. I may not be perfect. I may make some mistakes but I own up to them. But here's the thing, who are the people in my team? And you should know this yourself, the culture that we have in business. A lot are helping, I mean very respectable individuals from the business community. Are they willing to come out now? I'm not sure, maybe you guys are very secretive also, I don't know why, but what I feel is this: A lot of the movers and players of business industries, I seek their inputs and advice on matters that clearly affect their industry. Nobody has a monopoly of what's right. It doesn't mean that just because we were elected by the people and we're in government we will know how to run business well. Obviously, you have to have the inputs of stakeholders. So I have consulted some members, not the official club itself, but some members of the Makati Business Club, in their individual capacity. I've sought them out for their advice, on their brief presentation such as agriculture, ease of doing business, competitiveness, a... but other candidates are also free to consult with them. Hopefully, in the coming months these individuals will have the strength, the courage to say, "Yes, I'm the one helping Senator Poe." They're probably thinking let's see if she can defend our policies well, because she might screw... (laughter from her and the audience) and then it will be on us. No, but I respect these individuals and I think when the time comes and they come out, you will probably heave a sigh of relief.

**6. I think one of the issues that are facing the investors here is really the size and the depth of the capital market, the stock and bond market. Investors don't have enough room to invest. And there's talk about what**



**we can do in tax reforms, to help broaden the capital markets. I just want to know if, at this stage, you have suggestions on how we can broaden the capital markets?**

**Answer:** So you're talking about the capital markets in the Philippines? Um... well one thing is we should really deliberate on our foreign ownership in our constitution, how we should allow more foreign investments to come in. We cannot be too restrictive. We have to be just, but we also have to be practical about certain things. Not giving up on our sovereignty and that when you have more investments coming in, you have more competition, you have more places to determine where you want to invest. What type of restriction... You know there's a proposal and I'm not saying that I'll subscribe to it now, this is just one of the proposals and I think it is worthy of discussion in the lower house. The proposal of Speaker Belmonte is, we can put this line, "as may be provided by law" for the economic provisions, so we can tackle each particular economic provision individually. You know, because there's no question on land ownership, and there are suggestions, of course these have not yet been deliberated upon by the Senate, like should we allow this if it will be used for manufacturing or for tourism? Certainly, I think this is a priority. I think in my first few months I will have in office, these are the things I will be sending to Congress for deliberation. The deliberation on economic policies, Freedom of Information, the modernizing of the Customs and Tariffs, and a few of the other things that we need to focus on.

**7. I found an article where you were quoted as saying you want to reduce electricity bills or tariffs which would be good for the manufacturing sector, could you elaborate how you plan to achieve this?**

**Answer:** When you look at our Meralco bill, there are many different items there. We have transmission charge, systems loss, and whatever. Now when you talk to those that produce power, they will tell you that they're already at very competitive level. There are also legacy debt (*I'm not sure about this.*) that are tucked on to the bill. Another thing also is transmission cost. There are some proposals, that's why I said it in my 20-point program, to exhaust ways to be able to lower the bill. There are certain proposals that indigenous sources of energy should be taxed less, or removed from that total bill

um...um...for...for... to tuck in the VAT or whatever, but of course this is really something that we need to discuss. I really think that the bidding process in selling um... the spot market or whatever... should be transparent...um... so that there's no collusion and it's up to bidding to those who are producing the power. And when you have the healthy bidding and transparent process, chances are really, you can maintain, a level, a decent level of electricity cost. But you know in other countries, for example Vietnam. Yes their electricity is low but it's truly subsidized by the government. The EPIRA law, some are saying doesn't really work. Some are saying that it's good. But I think there are stages in the EPIRA like for example, if only they will allow the building of power plants at a faster way with less a..a... permits or friction costs or whatever... um... we would have the supply that we needed and it won't take three years just to get the permits, or a year and half just to build the power plant. I talked to some of them, I think by next year our power needs in Mindanao will be sufficient. This is what they're saying.

**8. Irrespective of the presidents, the engine of growth has always been OFW remittances and BPOs. In your term, will we see another revenue stream?**

**Answer:** With technology and apps, sometimes with the BPO, we will have to be able to diversify to raise the level to analytics. So you're not just having people answering robotic, very predictable questions but can provide high level of analysis and that's the kind of labor we are providing. But aside from that, the low hanging fruit is really tourism. It has a multiplier effect just because it's like 100% spent in the country. Compared to those with export cost, the return would be much higher. But this will not succeed if we don't fix our infrastructure. We can promote our country all we want and everybody knows our country is beautiful, but if you live in the United States and you only have two weeks vacation every year, you would say, "Do I want to go to a country that would take me three days to go to an island? Or a country where it's relatively easy and hassle free to travel?" So one of the things is improving our air transport capacity and transports. Do you know that small fixes can be done? Like for example in provinces, we don't have landing lights in our runways that's why at 5 pm they cannot accept landing. Meaning the bottleneck is NAIA because of that simple landing lights problems. So really just small things that

the government can concentrate on. There's a proposal to have a third runway in NAIA, the reclamation is somewhere in Sangley Point, then Clark. But we should always think of the short term as well as the long term. Sometimes we're so short sighted that we only take a look at 6 years. In fact, the Philippine Development Plan will end in 2016 and we need another plan for the next 10 years.

**9. You handled the Senate inquiry on the railways. Please give us your insights on the bottlenecks of the railways and what you intend to do assuming that PPP and infrastructure as part of your priority program?**

**Answer:** I know a part of this, and I think the bottleneck is really the inefficiency and the shortcomings of the government. I think that from the get-go there are certain terms of the agreement that would probably, some would say, one-sided. On the other hand, you may say that the government had entered into that contract. That's why you may feel that in some discussions about the government not having the right engineers, or the lawyers to scrutinize contracts, to see if it's actually viable, well then the government can hire a consulting company that can provide those people to review those contracts. What bottlenecks do I see? Well first of all, the transparency factors should really be there. Let's just look at the MRT system. In 2010 Pres. Aquino took office. And then Ping de Jesus, the Transportation secretary, resigned and he was replaced and during that time, the person there did not want to continue the maintenance provided by the Sumitomo. And after that, Sec. Abaya took over. He just signed what was approved by the last one. Meaning, giving the contract to a company that's not capitalized, a company that's not been proven in maintenance providing or something like that. So they did an emergency bid but people weren't able to scrutinize the merits of that contract. Another thing is for the MRT, sourcing, staying on with their deliverables. I think anybody that you get for the government, of course it's always easy to say, "We'll get the best and the brightest to be there." They should be the right person for the job. They should have integrity and capability. But also they should have deliverables. If they don't meet their deliverables, I think you should just give them one or two chances then they should leave. I think we held on too much to so many in government right now in the top posts that did not perform or underperform. There's MRT 7 that should have been constructed from Plaridel, Bulacan all the way to Quezon City. And there's still that question about the

right of way at the common station? And some right of way issues for by-pass roads? And the sad thing about this is, it is the role of the government to make sure that those right of way issues are cleared up. And sometimes the ones who own the land are not private individuals, they're actually owned by the government, and the government can't even negotiate with themselves. So you really have to have a strong political will to implement these projects. Of course, this is something I was thinking out, in your first 100 days in office, we should have a war room in Malacanang, that just clearly monitors infrastructure, where we have all our infrastructure projects and where are we now? Because this is really something that the president can press on with the local government. We need this at this time. Otherwise, if we just allow the old bureaucratic process to take place, six years is not really going to be enough.

*That was the last question and the host, Noel Bautista, thanked the senator.*

These were her last words, "Can I just thank you again for your warm welcome. This is my first business forum format, and I said I don't really attend this very much. Thank you for being kind."

### **My Burning Question:**

I approached her to ask my question.

Rose: Hi Senator Grace. May I ask you a question?

Sen. Grace: Yes, what is it?

Rose: If you win as president, what will be the role of Chiz Escudero in your administration?

Sen. Grace: He will be my "Hudsy."

Rose: Your what?

Sen. Grace: He will be my "Hudsy." That will be his role.

*(She said it with a friendly smile. Honestly, I didn't understand what that meant but I thought maybe I could google that. Before I could ask what's that, she said...)*

Sen. Grace: Don't worry, I will be watching him!

*(She said this with the sweetest comforting smile as she touched my arm. Then of course, the mandatory selfie followed. 😊 )*

*Later on when I googled, I realized that she probably meant HUDCC – Housing Development Coordinating Council.*



*Sen. Grace Poe with the author*

### **Impressions:**

Senator Grace was disarming. She's petite but she has an aura of confidence, yet not intimidating. She could be your friend, your co-parent, your sister you'd love to have long lunches with. For the younger voters, she could be their *tita* they could confide in who would give them sensible advice. For the elderly, she could be their devoted daughter they could count on. Packaging-wise, I think she's a winner!

Honestly, right after the Q&A I thought she was great and was the best in that category among the three. It was only when I transcribed the Q&A portion that I saw that there's a huge room for learning. There were times that she would contradict herself, like when she was discussing how to expedite things then she says they bring in should more people in the deliberation process! When she was discussing how to lower our power cost, she cited Vietnam as an example of a country with low power cost but later on said, "but that's subsidized" and I don't think she was proposing subsidy. Then she would mention this and that proposal or info she got from here and there, sounding like she found the easy solution, but has yet to fully understand and really digest all these data and figure out how to use them. But I didn't notice all these while I was listening to her.

You cannot really underestimate the effect of packaging and that *blink* factor. "She got me at hello." 😊 But I do like her. She seems smart and kind, and maybe her debating skills worked on me because I thought her answers were a lot better when I heard them compared to when I read them.

Let me share with you the other **comments I gathered from the attendees:**

1. She had a clear 4-point speech and answered what she will do with the issues. She was surprisingly strong in the Q&A with sincere, honest and logical responses.
2. I heard motherhood statements from a mother.
3. She's very Americanized, hahaha! She quoted Kennedy and would refer to the US in her talk and answers.
4. I would vote for her if I were a Filipino. Although I didn't hear Sec. Mar so I could not compare.
5. It's funny to hear her always say, "whatever" when she didn't know what to say next.
6. I wonder who the people behind her are? I hope that, as she said, we would really heave a sigh of relief when we finally know who they are.

## **Let's Take The Coming Elections Seriously**

I'm also heaving a sigh of relief as I end this article. I've spent long hours, three days straight transcribing and writing this 3-part series. It's a labor of love. 😊 I know that not all of us will have the chance to really listen to them beyond their sound bites on tv and their campaign sorties. I hope that in my own little way, I was able to give you a peak into how the three candidates go through their thought process, how they react, how they interact, so that you will have a clearer insight into the person you will put into office to lead us for the next six years.

## **P.S. On Senator Miriam Santiago**

The senator announced her intention to run for the highest office this week, and I received some requests to also write about her. Unfortunately, she was not in the conference. *Sayang!* I think we can all agree that she comes up with the best sound bites and would have been an interesting article. But to those who are seriously considering to vote for her, I suggest you go beyond her witty sound bites and funny *pa-laban* antics. Make the necessary research to find out, or remind yourself of what she stands for, her thought process, her history, how she has been in our political firmament. And I think you can easily google these – how she performed in the impeachment proceedings which were shown live on tv, etc., because that's my wish: For every voter to come up with a well-thought out decision on who to put in office. Let's all vote wisely.

*Mabuhay and Pilipinas!*



## **ATTRIBUTIONS:**

Thank you to Deutsche Regis for inviting the three main contenders of the Philippine presidential elections scheduled on May 9, 2016 as keynote speakers to the **dbAccess Philippines Conference 2015**.

Photos used in the ebook were taken by the author during the dbAccess Philippines Conference 2015, Peck Imson and images from [mrcheapjusticefiles.wordpress.com](http://mrcheapjusticefiles.wordpress.com), [philstar.com](http://philstar.com), [thefilam.net](http://thefilam.net), [e.lected.blogspot.com](http://e.lected.blogspot.com), [csmiravite.blogs.hubpages](http://csmiravite.blogs.hubpages), [en.wikipilipinas.org](http://en.wikipilipinas.org), [philembassy.no](http://philembassy.no), [fotosearch.com](http://fotosearch.com), [tropasociety.altervista.org](http://tropasociety.altervista.org), [dreamstime.com](http://dreamstime.com). Music from Youtube - ClassicKaraoke , Original song Si Aida, Si Lorna, Si Fe composed by Louie Ocampo, lyrics by Alan Ayque sung by Marco Sison.

# PHILIPPINE PRESIDENTIABLES 2016

***“Si Binay o si Roxas o si Poe?”***

**by Rose Fres Fausto**

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