

Keynote Speech of Senator Franklin M. Drilon
Iloilo Investment Forum
09 December 2020

Thank you for inviting me to this forum today. Indeed, your theme Re-imagining Iloilo's Next Economy is timely and appropriate.

I have spoken before a number of investment forums on Iloilo but this forum today is completely in a different setting. And the most challenging.

For today we see a contraction of the Philippine economy in numbers we have never seen before. It is the worst since World War 2. In the second quarter, our gross domestic product had a negative growth rate of 16.9%. For the 3rd quarter, it shrank by 11.5%. By the end of this year, it is predicted that our economy would have contracted by at least 8%, compared to 2019. According to the World Bank, this pandemic will make 2.7 million more Filipinos poor this year, earning less than 160 pesos per day per capita. 10% or over 4 million Filipinos will be unemployed. 5 million Filipino families, according to the SWS survey, experienced involuntary hunger during the second quarter.

It is in this context that we are holding this investment forum today. I must congratulate the organizers. Clearly, the holding of an investment forum today exhibits the resiliency of the Filipinos, particularly the Ilonggos, in facing the difficulties and the challenges that we experience today.

That you have focused on agriculture is in my view a step in the right direction. Against the grim economic outlook, agriculture is a silver-lining. The agriculture sector expanded by 1.6% in the second quarter of this year, and continued with a 1.2% growth in the third quarter. Almost all sectors of our economy shrank this year, particularly the industry sector, which suffered a negative growth of 17.2%, and services, to which the tourism sector belongs, contracted by 10.6%.

Looking therefore at the Philippine Economic Map, there is no question that agriculture, and tourism, are the backbones of the economic strategy and growth for Iloilo and Region 6.

As we look to the future, our development strategy is simple, in my view. We should pursue the twin goals of reducing poverty and at the same time achieve high and sustained economic growth. We must create an environment conducive for investment. More investments mean more jobs. More jobs mean less poverty.

I have no doubt that today, Iloilo is in a position to recover once this pandemic is over. Why? Because we are prepared. We have embarked on a massive public infrastructure development for the last 10 years, especially from 2010 to 2016. First, we constructed the Iloilo International Airport after facilitating a JICA-ODA loan. Today, this serves as a

major gateway for our province. Second, we constructed a world-class 10 lane Senator Benigno Aquino Avenue, stretching for 15 kilometers from the airport. Third, we opened up hundreds of hectares of land for development by building a 14 kilometer President Corazon Aquino circumferential road around the city, at a cost of 1.7 billion. We are now constructing 4 fly-overs along Sen. Benigno Aquino Avenue and President Corazon Aquino circumferential road, at a total cost of 1.2 billion to ease the traffic on these thoroughfares. Next, we put up the Iloilo Convention Center with a 3500 seating capacity, to position Iloilo as a convention destination. We also funded the construction of the Esplanade, an 8-kilometer recreational park on the banks of the Iloilo River that has become a model of urban development in the country.

For next year, we have proposed a budget of 800 million to construct the North Iloilo River Avenue. When completed, this will be a 4-lane, 5.5 kilometer highway, complete with an esplanade and a bike lane. Once completed, this road will link to Megaworld Blvd and open better access for the development of Oton as part of Metro Iloilo.

But the game changer for the economic development of Iloilo, anchored on agriculture, is the 11.2 billion Jalaur Multipurpose Project. We initiated this project with the encouragement of the chairman of the Iloilo Economic Development Foundation, Alfonso Uy, in 2008. The project is now almost halfway in its completion and we expect to inaugurate the dam in 2 years time. This dam will provide a year-round irrigation facility to 32,000 hectares of farmlands in 25 municipalities in Iloilo. It will benefit at least 750,000 farmers as the rice production will double from the present 142,000 metric tons to almost 300,000 annually. It will also create 800,000 hectares of water reservoir, a magnet for tourism investment, and 86,000 cubic meters of potable water per day.

As you will see, agriculture is the pandemic bright spot as we look forward to the completion of the Jalaur Dam.

Unfortunately, the view that agriculture is the saving grace of the Philippine economy is not shared by our economic managers. Despite the fact that agriculture was the lone driver of our economic growth this year, it still gets a meager budget. The Department of Agriculture asked for 280 billion pesos for next year. The agriculture sector may end up with only 119 billion in the 2021 budget which we will ratify this week.

Apart from the meager support of the administration on our agricultural sector, there are 2 gaps in the Iloilo economy which we will address in the coming years. The first is the poor port facilities we see today. No doubt, an adequate port facility is the gold standard for the development of Iloilo. In an investment forum for Iloilo in 2014, I invited the private sector to invest in a privatized Iloilo Port. Fortunately, ICTSI has responded positively to our invitation and has committed to invest 8 billion pesos in the development of Iloilo and Dumangas ports once its privatization proposal is approved. ICTSI has been awarded the original proponent status by the Philippine Port Authority and we expect NEDA to confirm and approve the privatization of the Iloilo and Dumangas ports in the

first quarter of next year. Without doubt, we need superior port facilities for the agricultural sector to move and contribute to our economic development.

The other issue that we must address is the lack of connectivity to transport our agricultural products between Panay, Guimaras, and Negros. Thus, there is an urgent need to fund and commence the construction of the Panay-Guimaras-Negros or PGN bridge project. Unfortunately, while it was included as among the “Build Build Build” projects of this administration, after four years, it is still in the drawing board. Last we heard, the Chinese government withdrew from funding the project for what reason, I am not informed. Our government is now talking to the Korean government as the source of funding. The project is still on the feasibility-study stage, and we are not optimistic that construction can start during this administration. However, we will continue to work on this and emphasize on our policy makers the importance of this bridge.

Ladies and gentlemen, the development of Iloilo is a work in progress. Let us not allow the pandemic to stop us from pursuing our dreams and our development goals. This investment forum is a good reminder to all of us that the work has not been done and that the work has not been completed. Thank you very much.