

President Update



Millie Telan - President

On 30 June 2010, Australia's Parliamentary Secretary for Trade, Hon Andrew Byrnes, MP, and New Zealand's Minister for Trade, Tim Grosser, briefed a group of business men and women at a Trans Tasman Business Circle function.

The briefing focused on the joint activities of Australia and New Zealand aimed at expanding both countries' strategic interest internationally, accelerating progress towards a single economic market, and reducing costs for business in both countries. Part of this process is the exploration of "how we can expand joint promotion activities to increase global market shares for the trans-Tasman economy as a whole", "looking at joint approaches to third markets and the potential benefits of projecting our combined commercial capabilities", and "working on joint efforts to resolve certain market access and behind-the-border issues in third markets".

As expected, Mr Byrnes highlighted the joint efforts of both countries to "leverage the benefits of our jointly negotiated ASEAN-Australia-New Zealand Free Trade Agreement" (AANZFTA).

Mr Byrnes gave some statistics on the extent of trade between Australia and New Zealand and described the unique relationship between Australian and New Zealand. He said that there is a lot going in trade and investment between our two countries. Of course, the AANZFTA marks a new era of co-operation between the two countries on the one hand and the ASEAN region on the other. This new FTA "links the economies of Australia, New Zealand with those of the ten countries of ASEAN", which he described as "the most dynamic economic regions in the world". He said that "ASEAN is not only a massive market but a very important one for Australia and New Zealand". The AANZFTA opens the doors for exporters and investors in Australia and New Zealand into one of the world's fastest growing economic regions.

The challenge is to ensure a successful implementation of the AANZFTA. This requires an ongoing engagement of business and the active and continuing co-operation between the two countries through their respective trade and investment agencies.

Members of the council should seek to obtain a thorough understanding of the operation of the AANZFTA to get the benefits available under it. You can access the FTA

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on <http://www.dfat.gov.au/trade/fta/asean/aanzfta/index.html>.

Special APBC Event

Supported by the NSW Department of Industry and Investments and Screen NSW and inspired by the success of the movie Avatar and Bollywood movies, the Council is hosting an entertaining networking function in Sydney on 26 August 2010. You will have a chance to speak with Global Entertainment Media's Stuart Scowcroft, Director and Film Producer. GEM is currently producing a movie entitled "Getting to Australia". If you have not received your invitation to this function, please call Harriet on 02 9868 2123 or email her on clive.troy@bigpond.com for a copy of the invitation.

BPO Update



Richard Mann - Vice President NSW

Don't Hesitate to Hire a Call Centre

Today, most of the companies are hiring a call centre to outsource their customer services. With the growth of technology, the companies are on a never-ending hunt for better services from their outsourced firms.

But how does a firm check whether its BPO partner is delivering the goods?

The customers are very demanding, moreover the companies expect their BPO partners to provide quality, quick and courteous service to all its customers.

With the facilities of email and internet available to nearly all customers, the job of a call center has become quite a challenge.

It has not only made inbound calls important, but the significance of outbound call centers has also multiplied because of the prevalent fierce competition amongst the existing firms.

As the agents are the key components of a call centre, their performance is always under the radar. In order to ensure their quality and efficiency, the BPO must provide them with necessary training in the fields of order-taking, processing, responding to enquiries and troubleshooting.

Some BPO firms are also conducting market researches, surveying polls and making sales calls to enhance the efficiency of the call centre services.

These are useful in providing the right evaluation of the targeted market segment.

A successful call centre will also look to open up more avenues to interact with the customers; this not only broadens the options available to the customers but also diversifies a call center's service.

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The acute need for good and fast service makes it very difficult for a call center to sustain the pressure of quality customer care. This was the primary reason for a company to outsource its call center services.

The directly opposite view was that outsourcing would hamper the chances of personal touch. However, the need to cut the costs was an overwhelming cause for the companies to avail business process outsourcing.

A modern call center provides high-quality service to its clients because it trains its agents after hiring.

Those companies which hesitated at some point of time to outsource its business are now finding it difficult to upgrade and maintain a full-fledged customer care wing. Thus, outsourcing customer services to a call center means no expenditure on hardware, software or training of the customer care professionals, thereby letting a company focus on its area of competency.

Hence, we can see that hiring a call center means a company has one lesser area to worry about. It enables them to access and serve its customers in a better and faster way. Thus hiring a call centre is fast becoming a norm for the company to succeed in the industry.

<http://ezinearticles.com/?Dont-Hesitate-to-Hire-a-Call-Center&id=3485396>

Mining Update - Beware of 'Friendly Fire'



Gavan Collery - Vice President Vic.

With so much at stake, will clear heads prevail?

Last month, our theme from a minerals industry perspective in the Philippines was sovereign risk.

The issue at hand was a localized proposal to ban open pit mining in the province of South Cotabato (Mindanao), and while this issue was of immediate and serious concern, its wider implications for the industry were profound – even show-stopping.

Within last month's column, I said: "let's all hope cooler heads . . . prevail."

This month, I am pleased and relieved to report that one person has stood tall in the 'cooler heads' department, and shown true leadership. That person is newly-elected President, Benigno Aquino III. He has spoken strongly on the need to attract foreign investment as he called for a 'meeting of minds' on the provincial proposal that was threatening the largest single investment in Philippine history, the world-class Tampakan Copper-Gold Project.

He went onto say: "I will work toward getting them (South Cotabato provincial officials and Tampakan project management) to meet on common ground that will allay the fears and also afford us the benefit of

this investment.”

Interestingly, and while the DENR has been ordered by the President to take a leadership role in resolving this issue, the immediate focus is on newly-elected South Cotabato Governor Arthur Pinggoy, who faces the challenge of matching the Statesman-type leadership shown by the Philippine President. Indications are that Governor Pinggoy has the intellect and commitment to support well-researched and proven environmental management, balanced by the type of economic and human development that can and will be generated by a world-class mining opportunity like Tampakan.

Already, it has been revealed that the people of the Philippines would benefit from taxes and royalties to the tune of US\$7 billion over the first 20 years of mine life.

On other fronts, Mindoro Resources, which has a strong Australian link, reports through its Goldfields of South Africa partner that it has begun drilling in a new gold zone at its Labo project in Batangas.

Political Articles

Robredo finally gets DILG position

President Aquino has appointed Mr Jesse Robredo, a former head of the national association of city mayors, as head of the Interior and Local Government Department, Executive Secretary Paquito Ochoa Jr said. The President held the post in a concurrent capacity from June 30 until he tapped Mr Robredo, a former Naga City mayor and who led the League of Cities of the Philippines in 1995. Mr Aquino has also appointed retired Philippine National Police director Magtanggol Galdula as head of the National Bureau of Investigation and Mr Angelito Banayo, a former political adviser to then President Joseph Estrada and Senator Panfilo Lacson, as administrator of the National Food Authority. Mr Robredo became the youngest city mayor in 1988. He then became known for transforming Naga into a progressive city, which in 1999 earned the local government a citation from Asiaweek magazine for being one of the “Most Improved Cities in Asia.” Mr Robredo was also the first and only Filipino mayor to receive the Ramon Magsaysay Award for Government Service in 2000.

Palace bares more appointments

Mr Aquino has appointed two retired generals as his top security officials. Brig Gen Cesar Garcia will become the new National Security Adviser and Maj Gen Trifonio Salazar will head the National Intelligence Coordinating Agency (NICA). The Chief Executive also appointed Assistant Transport Secretary Virgie Torres as head of the Land Transportation Office, and Mr Eric Gosiengfiao as NICA deputy director-general. Former Akbayan Rep. Loretta Ann Rosales was tapped to head the Commission on Human Rights. Ms Erlinda Basilio and Mr Esteban Conejos Jr were reappointed to their previous posts as foreign affairs undersecretary for Policy and Migrant Workers’ Affairs, respectively, while Mr Rafael Sequis is now undersecretary for Administration. Other appointees include Mr Jose Amor Amorado, senior

deputy executive secretary, Mr Ericson Alcovendaz, assistant executive secretary for finance and administration, Mr Ronald Geron, assistant executive secretary for legal affairs, Mr Teofilo Pilando Jr, assistant executive secretary for government administration, Mr Michael Frederick Musngi, undersecretary at the Office of the Executive Secretary Ms Maria Lourdes Ong, undersecretary at the Office of the Special Assistant to the President, and Ms Susan Reyes, assistant executive secretary of the Social Secretary's Office.

Source: ANZCHAM

Economy

IMF raises RP growth forecast to 6%

The International Monetary Fund (IMF) upgraded the Philippines' economic outlook for this year after the stronger-than-expected gross domestic product (GDP) growth in the first quarter of the year. The IMF projected the Philippines will grow by 6% this year, up from the revised forecast of 3.6% last April.

It originally expected the country's GDP to expand by 3.2% this year. The new GDP forecast is the higher end of the revised GDP growth target of 5% to 6% recently adopted by the Cabinet-level Development Budget Coordination Committee (DBCC).

3Q retail Treasury bond offering

The government is looking at selling P20-30 billion worth of retail Treasury bonds (RTBs) in the third quarter to refinance maturing debts.

Deputy National Treasurer Eduardo S. Mendiola said that arranging proposals were being requested from banks, adding that the bonds were likely to have tenors of 5 and 7 years. The issue could be in August or September and the size of the planned RTB offer could be increased depending on market demand.

Gov't to tighten belt with 60% of budget used up

Malacañang will not ask Congress for a supplemental budget, even after finding out that more than 60% of the outlay for this year had been used up by the previous Administration, in a bid to keep the government's shortfall in check. President Aquino said a supplemental budget could weigh on the fiscal gap and the country's credit rating.

The bureaus of Internal Revenue and of Customs, which account for about four-fifths of the total P1.289-trillion revenue target this year, have been tasked to collect P830.4 billion and P280 billion, respectively, in a bid to keep the budget deficit to a maximum of P300 billion.

The government's "economic team" has found out that "more than 60%" of

the P1.54-trillion budget has been used up as of the first half, the President said.

Exports recovery to continue this year

Philippine exports are seen to recover faster than expected this year as the electronics industry lived up to its projections it will stage a rapid recovery. Semiconductor and Electronics Industry of the Philippines Inc. (SEIPI) chairman Arthur Young said in an interview with Philexport News and Features that the industry has scaled up its export projection for the whole year to a range between 25 and 30%. The new projection was given after the industry staged a 29.5% growth last April over the same month last year. The new target is calculated to move electronics exports to close, if not equal, the total sales in 2008 but may still be short of the 2007 record. The year 2007 was the Industry's peak year before the global recession sent it on a downward spin. Other industries that were lagging behind in the recovery in the first quarter of the year like Furniture and garments joined the recovery bandwagon in the month of April.

Bank sees tightening in Q3

The Central Bank could start hiking its policy rates this quarter, Standard Chartered in its monthly research note said, noting rising inflation. The bank's research note, "Global Focus," was released on July 6, when the National Statistics Office reported that inflation or the rise in local consumer prices, decelerated to 3.9% in June from 4.3% in May.

Thereafter, the Bangko Sentral ng Pilipinas (BSP) said there was no urgency in hiking its interest rates, which have remained unchanged since July 2009, with inflation "manageable." Standard Chartered wrote, "We expect the Philippines to begin hiking in Q3." It noted: "The risk of inflation, driven by both domestic demand and capital inflows, should underpin the hawkish tone of the [ASEAN] region's central banks." It said inflation would gradually rise in the second half due to rising domestic demand, as well rising incomes.

Source: ANZCHAM

Business

Stellar Global

Australian-based outsourcer Stellar Global has announced that Asia Pacific CEO John Hollingsworth has been appointed Stellar Global CEO, effective 1 July 2010.

Hollingsworth's appointment follows the retirement of Stellar Global CEO and chairman Steve Morphett. "Mr Hollingsworth has been a key contributor to Stellar's success not only in the Asia Pacific, but also through his active contribution in all aspects of Stellar's global strategy." said Jeff Jensen, representing the majority shareholder of Stellar Global. "He is well equipped

to steer the global business through the next phases of expansion."

Current Stellar Asia Pacific COO Melissa Hamilton will replace Hollingsworth as regional CEO. Morphett will remain chairman of the company boards, but is looking to pursue other interests and spend more time with his family. The Stellar Global business will now be headquartered in Melbourne. "The Asia Pacific region remains an important priority for the Stellar business," said Hollingsworth "And we have a clear objective to achieve greater growth in the European and North American markets."

Vertex

Global outsourcer Vertex has acquired local rival PCI with operations in Melbourne and in the Philippines.

PCI will be rebranded as Vertex to reflect its prominence within the wider global Vertex group. The new business will build on PCI's track record of delivering inbound and outbound customer contact services linked to multilingual support in nine languages. "This acquisition will allow us to enter markets where we can make a real difference to the way organisations interact with, and manage, their customers' experiences. It also gives us direct access to a growing regional market that is an important element of our global growth ambitions," said Vertex CEO Paul Sweeney.

Vertex Australia says it also plans to open a new site in Ballarat, regional Victoria. The Ballarat location will reportedly employ 600 people over the next two years. A further site in Australia and additional investment in the Philippines are also planned

RP more restrictive than most

The Philippines restricts foreign direct investments (FDI) from entering into more sectors than most of the 86 other economies covered by a World Bank report. And when foreign firms are allowed in, they will have to face among the most tedious registration processes in the region and in the world, said the report, titled: "Investing Across Borders 2010." These findings were based on a 2009 survey of an average of 27 "local experts" like lawyers, consultants, investment promotion bodies and chambers of commerce -- not primarily investors -- in each economy covered in order to determine the attractiveness of investment policies.

Hence, the study is not a survey of investor perceptions, but provides indicators "based on legal facts and expert responses...by a small number of FDI specialists in each measured economy." The World Bank said its teams "had interviewed investors in several countries during the initial pilot tests and found that they were often not familiar with the specifics of the countries' legal and regulatory frameworks, and that their survey responses were limited to unique sector-specific experiences at one point in time." The report clarified that policies for special economic zones were not included in the study.

More investments in petrochem sector seen

More investments are expected to be poured into the petrochemical

industry amid rosier economic outlook. As the economy grows, plastic consumption grows with it. More items are being sold to consumers so you need plastic packaging and containers. If you are growing 5%, you should expect the sector to grow by 10%, said Mario Sereno, executive director of the Association of Petrochemical Manufacturers of the Philippines. Major investments in midstream and upstream activities already reached \$935 million.

This include the \$300 million of Petron Corp. which is branching out into petrochemicals from petroleum refinery and the \$350-million upstream project being undertaken by the J.G. Summit Petrochemicals.

Petrochemicals refer to petroleum or natural gas by-products used for the production of various products like plastics, solvents, synthetic fibers and other essential commodities. As a basic industry, it provides needed raw materials for virtually all other industries.

Investment approvals surge 192%

Combined investment approvals of the Philippine Economic Zone Authority (PEZA) and the Board of Investments (BOI) surged 192% to P231.3 billion during the first half of the year from P79.24 billion in the same period last year. PEZA-approved investments for the first half went up by 59% to P61.3 billion. Earlier, the Board of Investments (BOI) said its approvals jumped by 318% to P170 billion. In a report to Trade Secretary Gregory L. Domingo, PEZA Director General Lilia B. De Lima said that the investments for January to June came from 246 projects, which are expected to push up exports by 92% to \$2.84 billion during the first half of the year. Employment generated by firms operating in PEZA zones slightly went up to 44,127 from 41,977.

Source: ANZCHAM

Infrastructure

IFC eyes \$300Mn investments in renewable energy projects

The International Finance Corp. (IFC), the World Bank's private sector investment arm, is eyeing to invest more than \$300 million in the Philippine power sector mainly for projects in renewable energy (RE).

IFC resident representative to the Philippines Jesse Ang said that for the past 3 years, the institution had poured in about \$900 million in the Philippines, of which up to \$700 million went to power. "If you talk about power in the last 3 years, we probably put anywhere from \$600 million to \$700 million in the power sector.

I mentioned earlier projects like Masinloc, Ambuklao-Binga, Magat and EDC, for instance. The key is to have the opportunity," he said. For the fiscal year ending June 2009, IFC's new portfolio investments totaled \$14.5 billion, most of which were channeled to developing countries during the

financial crisis. Ang said they are particularly looking at RE projects like biomass, wind and mini-hydroelectric power plants.

EPIRA update focuses on privatization gains

Privatization of state power assets under Republic Act No. 9136, or the Electric Power Industry Reform Act of 2001 (EPIRA), remains on track to meeting the conditions for an "open access" regime, said the 16th EPIRA Status Report, covering November 2009- April 2010. "The period November 2009 to April 2010 underscores significant accomplishments in the government's privatization efforts both in the generating capacities and the transfer of the management and control of energy outputs under contract with Napocor (National Power Corp.)

The sale of Angat Hydroelectric power plant marked 91.8% privatization level of Napocor generation assets in the Luzon and Visayas grids. Also, with the success of the Ilijan Independent Power Producer Administrator (IPPA) bidding, the government was able to turn over the management and control of nearly two-thirds of energy outputs under contract with Napocor," the report said. Proceeds from the privatization of generation plants and IPPAs have totaled \$10.6 billion, while those from the sale of sub transmission assets have amounted.

Source: ANZCHAM

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