

## Meneleo J. Carlos Jr. speech during the 1st Philippine Manufacturers & Producers Summit



Thank you all for your appreciation, interest and support of our Basic and Manufacturing Sectors and what they can do for our society, our economy, and our environment. We especially want to thank

- Our friends in DTI, BOI, BPS and other attached agencies for their support and even greater support in the months ahead based on our initial meetings,
- Our friends in the other agencies of government whom we will partner with to grow Philippine industry,
- Our sponsors who helped to make this event possible
- Our media friends whom we hope will have gained a better understanding of what industry can do for our people and help us to get connected,
- And finally our members and associates who have steadfastly moved the ball forward to make us globally competitive.

During the past few hours we have come to appreciate what makes industry operate well in other countries as well as here.

First of all we have come to understand and appreciate how industry can contribute more to our society, our economy, and our environment – all the way from the basic sectors up to manufacturing.

- We know that industries are a series of value-adding stages that make up the supply chains. We know that in all chains, we are only as strong as the weakest link. This was recently highlighted by the failure of major supply chains caused by the Tsunami in Japan and the floods in Thailand which have disrupted the electronic and automotive industries. We must therefore help each other to strengthen our own supply chain's weakest link.
- We know that industry can accommodate a lot of labor, and even temporary labor that come from the seasonality of agriculture, in some basic construction works like building roads and bridges. It also is a training ground to continually add knowledge and skills so that our country-side workers can become skilled workers and find more regular employment here and abroad. Manufacturing absorbs our surplus of farm workers.

- We also know that industry depends much on infrastructures for transportation, telecommunications and power, to connect it well with its supply chain here and abroad. Unlike, services which can be provided virtually, the manufacturing industry needs to handle and process materials and goods to work effectively. So we are only as strong as the infrastructures will allow us.

Second, we believe that we have proven the socio-economic rationale for the all-inclusive growth that we have long sought. We have shown how the link between the basic sectors and manufacturing have produced the inclusive growth that has characterized the economies of Thailand, Malaysia, Indonesia, and Vietnam.

- It is good to remind ourselves of what our Constitution calls for in Article XII Section 1 which reads, “The State shall promote industrialization and full employment based on sound agricultural development and agrarian reform, through industries that make full and efficient use of human and natural resources, and which are competitive in both domestic and foreign markets. However, the State shall protect Filipino enterprises against unfair foreign competition and trade practices”.
- In Thailand, much of the automotive industry is supported by the demand for pickup trucks by the Thai farmers who operate profitably with the help of industry.
- The high-end industries that the Japanese and other developed countries have invested in Thailand have trained workers who graduated from the earlier successes of their agro-industrial revolution – and who originally came from the farms.
- In other words, manufacturing has also provided a market for high-school, vocational school, and college graduates through what are now popularly called teaching companies.

Third and finally, we are pleased to note that the DTI has organized and structured itself to fully support industry from the basic sectors rooted in our land and seas, up to the consumer goods that the global markets demand.

- We understand that DTI is structuring itself to address the challenges of the Basic Sector, the Manufacturing sector, and the Infrastructure & Services Sector. This is an essential first step in order to be able to address the diverse issues affecting each of these critical sectors. While we will add as much value to the products of the basic sector, we will need the infrastructures to enable us to physically accomplish this. We can only be as competitive globally as these infrastructures and services will allow.
- We also understand that the DTI wants industry to organize itself along the different supply chains so that the weak links can be identified and addressed along the formal approaches to industrial development, by analyzing the strengths, weaknesses, opportunities and threats of each chain link.
- These will provide the basis for effective dialogue and action programs to be undertaken. We expect these action programs to become effective because they are specific in a coherent supply chain and not clouded by irrelevant issues.
- At the same time, we hope that the other branches of government as well as the DTI will strengthen their negotiating skills as we maneuver through the maze of bilateral and multilateral trade and investment agreements to buy time for our people and our industry.

For we need to give our basic sectors all the chance to rise from their poverty levels by providing them the elbow room to develop with the help of industry – towards our principal objective of providing INCLUSIVE GROWTH or GROWTH FOR ALL.

Nov 24, 2011

Mr. Meneleo Carlos Jr. is Chairman Emeritus of the Federation of Philippine Industries, Inc.