

Speech of Vice President Jejomar C. Binay during the Induction of Directors and Officers of the Federation of Philippine Industries, Inc., Diamond Hotel, Manila, August 11, 2010 ,12nn.

(ACKNOWLEDGEMENTS)

THE MANUFACTURING SECTOR FACES AN AWESOME CHALLENGE. AND THIS CAN BE SUMMED UP IN A SIMPLE SENTENCE: ANYTHING ANY COUNTRY CAN MAKE, CHINA CAN MAKE CHEAPER.

SO THE QUESTION IS, WHY COMPETE WITH CHINA?

I AM REMINDED OF AN ANECDOTE FROM THE BOOK MADE IN JAPAN, BY AKIO MORITA, CO-FOUNDER OF SONY. MR. MORITA RELATES AN ILLUSTRATIVE STORY OF HOW TO COMPETE SMART:

TWO BUSINESSMEN ARE WALKING IN A FOREST WHEN THEY HEAR A TIGER GROWLING. IMMEDIATELY, ONE OF THEM OPENS HIS BRIEFCASE, TAKES OUT A PAIR OF RUNNING SHOES AND STARTS PUTTING THEM ON.

“WHAT ARE YOU DOING?” ASKS THE OTHER BUSINESSMAN. “YOU CAN’T OUTFIT A TIGER.”

“I DON’T HAVE TO OUTFIT THE TIGER,” REPLIES THE FIRST BUSINESSMAN, “ALL I HAVE TO DO IS OUTFIT YOU.”

THE LESSON OF THIS STORY IS SIMPLE: WE SHOULD KNOW HOW TO PICK OUR FIGHTS.

BUT FOR ME, THERE IS ANOTHER LESSON, A LESSON WHICH I THINK SHOULD SERVE US BETTER.

FOR ME, THE TIGER IN THIS STORY SYMBOLIZES NOT COMPETITORS BUT COMPETITIVE SITUATIONS. IN OTHER WORDS, THE GLOBAL CONDITIONS IN WHICH OUR ECONOMY MUST COMPETE.

ALTHOUGH IT IS THE WORLD'S STRONGEST ECONOMIES THAT ARE CHANGING GLOBAL CONDITIONS, THEY WILL BE OVERTAKEN BY THE VERY CONDITIONS THEY ARE CREATING. IN OTHER WORDS, THEY CANNOT OUTFRONT THE TIGER THEY ARE ROUSING.

FOR EXAMPLE, ONE GLOBAL CONDITION CREATED BY STRONG ECONOMIES IS AIR POLLUTION. FOR MANY YEARS DEBATES HAD RAGED ABOUT THE EXTENT TO WHICH INDUSTRIES DEGRADE THE ENVIRONMENT, AND THEY WILL RAGE ON FOR MANY MORE YEARS.

THIS HAS TRIGGERED A BACKLASH OF SORTS FROM CONSUMERS, WHO HAVE GROWN MORE CONCERNED ABOUT THE ENVIRONMENT. CONSUMERS ALL OVER THE WORLD HAVE SHOWN A WILLINGNESS TO PAY MORE FOR PRODUCTS MADE BY FACTORIES THAT DO NOT DEGRADE THE ENVIRONMENT.

I SUGGEST THAT WE SHOULD DESIGN OUR INDUSTRIAL STRATEGY WITH THESE CONSUMERS IN MIND.

WHILE THESE CONSUMERS DO NOT YET CONSTITUTE THE SO-

CALLED CRITICAL MASS THAT WILL INDUCE OTHER COUNTRIES TO RUSH INTO BUILDING ENVIRONMENT-FRIENDLY FACTORIES, I BELIEVE THAT WE SHOULD START NOW BEFORE THE OTHERS DO. AS THEY SAY, WHEN YOU SEE THE BANDWAGON, YOU'RE TOO LATE.

IT MIGHT INTEREST YOU TO KNOW THAT SEVERAL PRESTIGIOUS COMPANIES WORLDWIDE ARE SEEKING WHAT MARKETING AUTHORS CALL GREEN CREDENTIALS FOR THEIR RESPECTIVE BRANDS. IN FACT, IF YOU GOOGLE ENVIRONMENT-FRIENDLY FACTORIES, YOU WILL GET MORE THAN 200,000 ENTRIES.

THESE COMPANIES ARE INVESTING IN PILOT PLANTS AND RESEARCH FOR COST EFFECTIVE TECHNOLOGIES TO THE EXTENT THAT THEY CAN RECOVER THEIR INVESTMENT FROM OTHER ASPECTS OF THEIR BUSINESS. AN AMERICAN POTATO CHIP PRODUCER, I AM TOLD, PLANS TO EVENTUALLY TRANSFER ITS FACTORY TO A LOCATION THAT PRODUCES RENEWABLE ENERGY. BY THEIR CALCULATIONS, THE POTENTIAL TO REDUCE ENERGY COST IS LONG TERM; THE COST OF RENEWABLE ENERGY IS STILL HIGHER THAN UTILITIES-GENERATED ELECTRICITY.

BUT THE MARKETING BENEFIT WILL BE IMMEDIATE BECAUSE THE BULK OF THEIR CONSUMERS, SEVERAL HUNDRED MILLION YOUNG PEOPLE ALL OVER THE WORLD, ARE ALREADY FOCUSED ON SUCH ISSUES AS CLIMATE CHANGE AND GLOBAL WARMING. CONSUMERS WOULD FEEL GOOD ABOUT PURCHASING THEIR BRANDS, KNOWING THAT THE PRODUCTS ARE GREEN PRODUCTS.

RIGHT NOW THE CONCEPT OF AN ENVIRONMENT-FRIENDLY FACTORY BOGGLES THE MIND, BUT ONLY IF WE PERSIST IN THINKING BY THE PARADIGMS OF THE PAST.

BUT PARADIGMS ARE SHIFTING ALL AROUND US. ECONOMIES HAVE TO KEEP RUNNING, SO TO SPEAK, JUST TO STAY WHERE THEY ARE. TO GET AHEAD, ONE'S IMAGINATION MUST SOAR.

BY THE OLD PARADIGM, COUNTRIES MUST PRODUCE PRODUCTS CHEAP TO BE COMPETITIVE; THESE PRODUCTS MUST BE MANUFACTURED IN FACTORIES RUNNING ON COAL, THE CHEAPEST FOSSIL FUEL. AND THESE PRODUCTS MUST BE MANUFACTURED IN LARGE VOLUMES TO KEEP THEIR COST PER PIECE THE LOWEST IN THE WORLD.

BY THE NEW PARADIGM, WE NEED NOT COMPETE WITH THESE COUNTRIES. NOT FOR THEIR MARKET, AND NOT BY THEIR RULES.

IF ONLY TEN PERCENT OF THE WORLD'S POPULATION WERE WILLING AND ABLE TO PURCHASE PRODUCTS OF HIGH AND REAL VALUE, THERE WOULD STILL BE 670 MILLION OUT THERE AND COUNTING. SURELY, THAT'S ENOUGH TO INDUCE INVESTMENTS BY COMPANIES WITH THE CAPITAL, THE TECHNOLOGY OR THE ACCESS TO THOSE CONSUMERS, OR BY A CONSORTIUM OF THEM.

THIS IS ONE LESSON FROM THE ENTREPRENEURS OF MAKATI. IN GREENBELT AND ROCKWELL, TO NAME ONLY TWO, THEY OFFER PROPERTIES AND SERVICES OF HIGH AND REAL VALUE, AND THE TENANTS AND CUSTOMERS JUST KEEP COMING IN.

AS THE VOICE SAID IN THE MOVIE 'FIELD OF DREAMS', "IF YOU BUILD IT THEY WILL COME."

STILL, MY POINT HERE IS NOT SO MUCH HOW WE CAN BECOME AN EXPORT ECONOMY AS WHAT WE MUST DO TO BECOME ONE. CONSISTENT WITH PRESIDENT NOYNOY AQUINO'S PROGRAM

OF PUBLIC-PRIVATE PARTNERSHIP, WE CAN PERHAPS DO WHAT SOME OTHER COUNTRIES HAVE DONE. GOVERNMENT AND THE PRIVATE SECTOR SHOULD NOW WORK CLOSELY TOGETHER NOT ONLY TO PROMOTE EXPORTS BUT ABOVE ALL TO DETERMINE WHAT EXPORTS TO DEVELOP AND PROMOTE. THIS WILL ENTAIL USING ALL OUR OFFICIAL ORGANIZATIONS AND PERSONNEL ABROAD TO HELP PENETRATE AND DEVELOP MARKETS WHILE OUR TRADE PERSONNEL AND THEIR PRIVATE COUNTERPARTS AT HOME WORK TOGETHER TO DESIGN THE PRODUCT LINES THAT SHOULD BE PROMOTED ABROAD. IF WE ARE DETERMINED TO SUCCEED, WE COULD SHIFT FROM THE TRADITIONAL BUSINESS OF GETTING INVOLVED IN ALL THE POLITICAL ISSUES OF THE DAY TO A MORE FOCUSED PROMOTION OF OUR PRODUCTS ABROAD AND OF THE COUNTRY AS SUCH AS A PRIMARY DESTINATION OF RELEVANT SCIENTIFIC TECHNOLOGIES AND FOREIGN INVESTMENTS.

THANK YOU AND GOOD AFTERNOON.