

December 14, 1998

MEMORANDUM OF UNDERSTANDING ON THE PHILIPPINES-SINGAPORE ACTION PLAN BETWEEN THE REPUBLIC OF THE PHILIPPINES AND THE REPUBLIC OF SINGAPORE

THE GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES and the GOVERNMENT OF THE REPUBLIC OF SINGAPORE

DESIROUS of expanding and enhancing bilateral relations and effective cooperation in the interest of both countries,

RECALLING the discussion between the then President of the Republic of the Philippines H.E. Mr. Fidel V. Ramos and the Prime Minister of the Republic of Singapore H.E. Mr. Goh Chok Tong during the latter's official visit to the Philippines from 9 to 11 June 1997 on the establishment of the Philippines-Singapore Action Plan,

HAVE AGREED to establish the Philippines-Singapore Action Plan (hereinafter referred to as "PSAP"). The concept and modality of, as well as the areas of cooperation under the PSAP are set out in the Annex attached hereto.

IN WITNESS WHEREOF the undersigned duly authorized by their respective Governments have signed this Memorandum of Understanding

DONE in Hanoi, Vietnam on the 14 day of December 1998.

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES

(Sgd.) **DOMINGO L. SIAZON, JR.**
Secretary of Foreign Affairs

FOR THE GOVERNMENT OF THE
REPUBLIC OF SINGAPORE

(Sgd.) **PROF. S. JAYAKUMAR**
Minister for Foreign Affairs

ANNEX

PHILIPPINES-SINGAPORE ACTION PLAN

1. During the official visit of Prime Minister Goh Chok Tong to the Philippines from 9 to 11 June 1997, Prime Minister Goh and President Fidel V. Ramos agreed to establish the Philippines-Singapore Action Plan (PSAP) to:

(a) Provide a framework for strengthening bilateral cooperation through consolidating and formulating new bilateral cooperation initiatives over the immediate, medium and long-term period, taking advantage of the complementarities and synergies that exist between the Philippines and Singapore and;

(b) Strengthen, through wider bilateral cooperation, the sense of friendship and understanding between the Governments and peoples of the Philippines and Singapore, leading to enhanced peace and prosperity for both countries, and the region.

2. The PSAP shall cover multiple aspects of bilateral cooperation, in particular, economic, information technology, education, cultural, military and people-to-people exchanges, and shall not preclude other areas as may be determined by the two Governments.

3. The Secretary of Trade and Industry of the Philippines and the Minister for Trade and Industry of Singapore shall be responsible for overseeing the implementation of the economic components of the PSAP and shall hold meetings from time to time to review and give advice and directions on these aspects of the PSAP.

4. The Secretary of Foreign Affairs of the Philippines and the Minister for Foreign Affairs of Singapore shall be responsible for overseeing the implementation of the non-economic components of the PSAP and shall hold meetings from time to time to review and give advice and directions on these aspects of the PSAP.

5. To maximize efficiency and flexibility in realizing projects encompassed under the PSAP, counterpart agencies from both sides will utilize existing channels and contacts and report progress of their efforts to the Department of Foreign Affairs of the Philippines or the Ministry of Foreign Affairs of Singapore respectively from time to time.

6. The PSAP shall cover the following areas of bilateral cooperation:

(A) ECONOMIC CO-OPERATION

(i) Industrial Park Development

There is considerable scope for the Philippines and Singapore to exchange experiences and learn the best practices from each other in setting up industrial parks from the feasibility study and planning stage to the construction of infrastructure and the management of such parks. The two sides could also work together to ensure the success of joint Philippines-Singapore industrial parks and the companies located therein.

Action Line:

- Facilitate the success of Carmelray Industrial Park II and the companies located therein; and
- Study the possibility of working together in other parks under the Philippine Economic Zone Authority (PEZA).

(ii) Business Opportunities in Mindanao and Northern Luzon

The regions of Mindanao and Northern Luzon offer significant business opportunities that companies from the Philippines and Singapore could take advantage of. Philippine and Singapore enterprises could:

- (a) conduct feasibility studies on prospects in Mindanao which would enable the Philippines and Singapore to cooperate effectively in the booming economy being brought about by the

formal linkages created by the Brunei, Indonesia, Malaysia, Philippines-East Asia Growth Area (BIMP-EAGA).

(b) consider prospects in Northern Luzon, which is part of the Natural Economic Territories (NET) involving South China, Hong Kong and Taiwan. The influence of overseas Chinese, the complementarity of resources and needs, and especially the increasing demands as living standards improve, should mark this Philippine region of high interest. The Philippines and Singapore would be willing to explore together the investment potential in Northern Luzon, especially Subic Bay.

Action Line:

- The Philippines-Singapore Business Council (PSBC) and the Singapore Trade Development Board (STDB) will be requested to examine the possibilities and identify sectors with potential in Mindanao and Northern Luzon for collaboration between the private sectors from both countries.

(iii) Promotion of Investments

Singapore companies are interested to invest in the Philippines. Through the identification and development of areas of cooperation between the two countries, it is hoped that Singapore and the Philippines can forge a close economic alliance. The PSBC, with the assistance of STDB, will play an important role in this regard.

Action Line:

Within the framework of the PSBC:

- Encourage and facilitate Singapore Investments in the Philippines.
- Encourage and facilitate Philippine companies to examine investment opportunities in Singapore.
- Encourage third country investments in the Philippines or joint Philippines-Singapore projects in third countries, wherever possible.

(iv) Port Infrastructure and Management

The Philippines plans to upgrade its port facilities from the infrastructure base to state-of-the art equipment as well as the training of personnel to manage these facilities. Singapore could contribute to such plans by sharing with the Philippines its experience in port operations and encouraging Singapore investors and port operators to look at opportunities in the Philippines.

Action Line:

- The Port of Singapore Authority ((PSA) Corporation and the Philippine Port Authority (PPA) shall explore the possibility of collaborating in the following projects in the Philippines:

Bacolod City	- Port upgrading
Iloilo City	- Port development and construction
San Carlos City	- Cargo and passenger (fast) ferry Terminal
Cagayan de Oro City -	- Development and construction of a container terminal
Davao City	- Port upgrading
General Santos City	- Development of a container terminal

(v) Franchising

Companies in both Singapore and the Philippines have established reputable brand names that could be marketed regionally and internationally. Singapore and the Philippines shall work together to facilitate the business growth of these franchises in the region and beyond.

Action Line:

- To facilitate cooperation in franchising, STDB and the Singapore International Franchise Association shall help to market Singapore-based franchises in the Philippines and seek opportunities for the business growth of these franchises. In turn, companies representing Filipino franchises could visit Singapore to study the scope for development here.

(vi) Tourism

Expansion of Flight Frequencies for Both Countries. Both countries should encourage the progressive liberalization of the bilateral air services agreement for mutual benefit.

Joint Marketing and Promotion. Both the Singapore Tourism Board (STB) and the Philippines Department of Tourism (PDOT) could explore a joint marketing and promotion programme to promote mutually beneficial flow of tourists to the Philippines and Singapore. Both National Tourism Organizations (NTOs) concerned would jointly fund this programme on an equal cost-share basis. It could be positioned to feature the Philippines' strong historical, culture, arts and geological attractions with the cosmopolitan appeal of Singapore. Activities that could be included would be joint seminars for travel agents, joint travel agents/media familiarization trips in the first phase and wholesaler support scheme for tour operators and airlines and promotional activities with trade in the second phase.