

OPENING REMARKS

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Trustee – Associate Sector

General Membership Meeting and Elections Jan. 15, 2008 * Sofitel Hotel

On behalf of the PHILEXPORT board, management and staff, I formally call this meeting to order as I also welcome you all to this first general membership meeting and elections, with our best wishes for this new year.

The year of the Rat was welcomed in ancient times as a protector and bringer of material prosperity. It is an animal associated with aggression, wealth, charm and order. Yet it is also associated with death, war, the occult, pestilence, and atrocities.

Before people start asking me questions on their horoscope, let me explain the relevance of bringing up this matter of the year of the rat. If we have to associate with the Chinese animal symbol for the year, then we can be reminded about the challenges that can continue to distract or prevent us in our efforts to sustain our operations. This situation can possibly relate with the negative signals in this animal's traits.

At the same time, our presence here tonight is one solid proof of hope that pervades amidst these challenges. It is tougher we agree, with America's financial crisis on the spotlight; oil price breaching the \$100 per barrel level; peso continuously strengthening; company closures and bankruptcies; increased unemployment; and so on. But it is indeed inspiring to see all of us who will never say die. Thus this membership meeting and elections is again a time to take stock on the directions that we should take considering the pitfalls down the road.

Part of this process for PHILEXPORT involves choosing again the members of the Board of Trustees in the elections that will be conducted later, the last of which was held in January 2006. These leaders will have to guide our organization in a yet another challenging period in our history. We are in a period when things are happening and changing so fast not only in the homefront but also in the global community.

As such, it is imperative then that those who will lead us in the next two years share the vision and the reason for being of PHILEXPORT and have the dedication to pursue our collective goals. They should also have a full grasp of their sector's concerns so that they can be effective instruments in facilitating their solutions. We have seen how pro-active leadership has resulted to project grants, increased association income and value-added services to members. We want to see our trustees and associations figuring more prominently in these and similar activities.

After all, PHILEXPORT, your mother organization, is mainly mandated to develop and strengthen export sectoral associations and regional and provincial chapters that are in turn expected to develop meaningful projects and directly deliver services to each of their members. Such services include the very important functions of trade facilitation and information collection and dissemination.

Inspiring people to remain in the competitive and optimistic mode can however be a tough job. For one, Philippine export revenues was lower by 2% up to November 2007 compared with the same months in 2006. The National Statistics Office reported late last week (considering that this will be delivered on Jan. 15; newspaper source date is Jan. 11) that exports in November reached \$3.95 billion, pulled down partly by weaker electronic demand

globally. The performance dashed hopes of achieving the \$58.2 billion export target for goods and services last year. Despite weaker exports, total shipments for the period rose to \$45.8 billion, still stronger by 4.76 percent against revenues during the same months in 2006. Sales of electronics was still the biggest, as it accounted for 61.3 percent of the 11-month performance. This was followed by articles of apparel.

The decline in export performance is projected to continue, as the reality of the adverse effects of the strong peso hits the industry and the country. Informal reports received by PHILEXPORT until last week show that many exporters are experiencing closures and retrenchments, particularly in the indigenous-based sectors of furniture, holiday decors and housewares. We are reporting some of these to Senator Mar Roxas, who has taken on our advocacy involving the strong peso, for possible policy reforms.

Even as we are saddled with various concerns that were also raised during the recent EDC visioning workshop for the next Philippine Export Development Plan, we are here primarily for some relevant organizational agenda that impact on the PHILEXPORT work program to address these issues. On this note, I would like to shift topic and thank and congratulate our COMELEC members and PHILEXPORT management and staff who worked hard in the previous days to make this GMM and elections a success. Let me also express the Board's appreciation for the support that the membership has extended in the last two years. May the fruits of these efforts linger and be sustained for the benefit of not just the majority but all.

Good evening and again, a prosperous and peaceful new year to all of us!