

THE PHILIPPINES

Asia's roaring investment hub

The US-Philippine relationship that encompasses close cultural, security and economic ties has become substantially stronger in the last two years

The US's multifaceted alliance with the Philippines is its oldest in the Indo-Pacific region and the close relationship has been gaining in strength under Ferdinand Marcos Jr.'s administration. Since he was elected president in 2022, there has been "a steady drumbeat of very high-level engagements between our countries that are covering the full range of issues and opportunities that bring us together," noted Secretary Antony J. Blinken while on a trip to Manila in July 2024.

The US controlled the country from 1898 until it became independent in 1946. As a result of that history, its population of 119 million speaks English and the nations share deep cultural and personal ties. Nearly 700,000 US citizens live in the archipelago, while over 4 million Filipino Americans are in the US, with Philippine citizens working there transferring \$15.2 billion back to their home nation in 2023.

Defense is another longstanding and increasing area of collaboration, as the Philippines is a crucial partner for the US in maintaining the region's stability and ensuring freedom of navigation in the South China Sea, one of the world's busiest maritime routes.

Immense potential for investments

In addition, the US is working to boost trade and investment links with a country boasting a thriving economy that expanded by 5.6% in 2023. "We are one of the fastest-growing economies in the world, we are committed to fostering and continuing this momentum ... Investment pledges have also soared, reflecting a healthy pipeline of inward foreign direct investment," revealed Marcos in May 2024 at the Indo-Pacific Business Forum (IPBF), the US government's annual commercial event for the region, which was held in Manila this year.

The two countries shared an estimated \$34.9 billion in goods and services trade in 2023, with two notable Philippine export sectors being business process outsourcing and electronics. For example, the nation is responsible for 20% of global assembly, testing and packaging of semiconductors. Exporters benefit from free trade agreements, such as the US's Generalized System of Preferences and membership of the Association of Southeast Asian Nations. "The Philippines occupies a strategic position in the Indo-Pacific," Marcos said at IPBF. "With this region accounting for over one-third of global economic activity, this presents immense opportunities."

US businesses also make up one of the largest foreign investor bases in the Philippines. Hundreds of American companies are operating in the country and the number keeps rising; during a trade delegation led by Commerce Secretary



President Joe Biden and President Ferdinand Marcos Jr. at the White House in May 2023



Ferdinand Marcos Jr.
President of The Philippines

Gina Raimondo in March 2024, over \$1 billion in investment commitments were recorded.

Marcos' goal is for the country to be a hub for smart and sustainable manufacturing and services with a strong position in global value chains. The US government is a robust supporter of that. For instance, in April 2024, President Biden, President Marcos and Japan's Prime Minister Kishida

met in Washington for a US-Japan-Philippines trilateral summit. Among the main agenda items were expanding economic ties with the Philippines in the semiconductor supply chain, telecommunications and green energy.

Biden also announced the development of a major economic corridor on the island of Luzon as part of the G7's Partnership for Global Infrastructure and Investment. "It means more investment in sectors critical to our future: clean energy, ports, railroads, agriculture and much more," he said. Most of the Philippines' export, manufacturing and high-tech industries are based on the archipelago's biggest island and the corridor's upgraded infrastructure will make the country a regional center for agribusiness and logistics.

The Marcos government's wider \$160-billion Build Better More infrastructure program encompasses 185 flagship initiatives across the whole country, many connected to transport, digital and energy infrastructure. "We invite foreign investors to participate in this endeavor through public-private partnerships, engineering, procurement and construction contracts, and for feasibility studies," he said.

To encourage investments into these and other opportunities the government has established a sovereign wealth fund; a new public-private partnership code; legislation that makes it eas-

ier to do business, streamlines investments and enhances incentives; and it has opened up sectors like renewables to foreign ownership. "Our renewable energy potential, with over 491,821 megawatts from sources like geothermal, hydro-power, solar and wind, is ready to be harnessed," Marcos affirmed. The US has also made it simpler for its companies to invest in the country, with both the International Development Finance Corporation and the US Trade and Development Agency setting up offices in Manila.

Ferdinand Marcos Jr.
President

"We are one of the fastest-growing economies in the world, we are committed to fostering and continuing this momentum."

"We are continuing to formulate transformative reforms to ensure a conducive business environment, cultivate a skilled and competitive workforce, and drive industrial transformation," Marcos told potential investors at IPBF. "We extend our hand in partnership and stand ready to provide any assistance that you may require."

An immersive tropical paradise for tourists

Beyond being the world's top beach and diving destination, the Philippines offers diverse natural, cultural and historic experiences

The Philippines is a premier tourist destination for its multi-awarded beaches, diving spots, and a rich blend of natural, cultural and historical experiences. Manila, the nation's capital, was recently honored as Asia's leading city for tourism, while the country received distinctions as the world's best beach and dive destination at the World Travel Awards and Asia's best cruise destination at the World Cruise Awards.

In 2023, the country welcomed 5.45 million visitors, contributing \$8.6 billion to the economy, with tourism accounting for 8.6% of the country's gross domestic product. By August 2024, 4.08 million tourists had visited, generating \$6.5 billion. US travelers, who made up 16.57% of visitors last year, are particularly drawn to the Philippines due to cultural ties and the nation's strong English proficiency. Department of Tourism (DOT) Secretary Christina Garcia Frasco sees the country on the path to becoming a tourism powerhouse in Asia. "The Philippines offers more than just scenic vacations. Visitors get to savor our local flavors, engage with our vibrant communities and witness cultural performances that have been passed down through generations. As a country, we are determined to offer every visitor an experience that reflects the soul of the Philippines — genuine, captivating and undeniably world-class," she says.

As one of only 18 mega-biodiverse nations in the world, the Philippines' sprawling topography of 7,641 islands is home to 500 species of hard corals, 10 families of soft corals and 2,300 fish species. Apart from its thriving marine ecosystem and globally recognized dive sites — there are 526 in the Philippines, where 229 are reef dives, 195 are ocean dives and 102 are wall dives — the country showcases endless wonders through its



Christina Garcia Frasco
Tourism Secretary

mountains, rainforests, beaches, surf breaks and historical sites.

In Luzon, travelers can explore historical gems such as the centuries-old Binondo Chinatown and the Spanish-era Intramuros district, home to landmarks like Fort Santiago, San Agustin Church and Casa Manila. Ilocos draws visitors to the Baroque Paoay Church, the Malacañang of the North, and the Bangui windmills, while the UNESCO World Heritage City of Vigan is a glimpse into the 16th century with its cobblestone streets and well-preserved colonial architecture. To the southwest, Palawan is famous for its UNESCO-listed Puerto Princesa Underground River, Coron Reefs and the ancient Tabon Caves, which hosted evidence of life from 24,000 years ago.

In the Visayas, Boracay is famed for its pow-



The Intramuros district in Manila is home to Spanish-era landmarks

dery white sand, turquoise waters and vibrant nightlife. Recognized as the World's Best Island by Condé Nast Traveler in 2018 and Asia's Leading Luxury Island Destination in 2024, Boracay is a staple in global "Best Beach" lists, attracting millions of visitors each year. Beyond its beaches, guests can enjoy the island's vibrant culinary scene, from local food markets featuring Filipino street food to upscale beachfront dining that blends Filipino and international flavors.

Cebu, known as the "Queen City of the South," offers a rich mix of history, culture and coastal beauty. Tourists can explore Sumilon Island's beaches, dive with thresher sharks in Malapascua, relax in the serene sunsets of Bantayan Island, and visit historical landmarks such as Magellan's Cross and the Basilica Minore del Santo Niño. Nearby, Bohol adds to the Visayan experience with the UNESCO-listed Chocolate Hills, the Tarsier Sanctuary and centuries-old churches like Baclayon Church. A peaceful cruise along the Loboc River enhances the region's charm.

In Mindanao, travelers are drawn to a mix of adventure and cultural experiences. Siargao is famous for its surf breaks at Cloud 9, along with its stunning lagoons, mangroves and island-hopping excursions. In Zamboanga, the pink sands of Great Santa Cruz Island is a unique beach destination to celebrate life milestones, while Camiguin Island features hot springs, waterfalls and

the stunning White Island sandbar. Nearby, Samar Island is known for its beaches and the Monfort Bat Sanctuary, home to the world's largest fruit bat colony. Adventure seekers can also ride Southeast Asia's longest zipline in Lake Sebu and engage with its indigenous T'boli community. Travelers looking for a challenge can hike Mount Apo, the country's highest peak, or visit Tinuy-an Falls and the mystical Hinatuan Enchanted River.

Christina Garcia Frasco
Tourism Secretary

"As a country, we are determined to offer every visitor an experience that reflects the soul of the Philippines."

With its stunning landscapes, vibrant culture and unmatched hospitality, the Philippines beckons travelers from around the world to experience the magic of its 7,641 islands. Whether you are chasing adventure, seeking serenity, or yearning for a profound connection with history and tradition, Luzon, Visayas and Mindanao offer life-changing moments that linger long after your journey ends.

Come and love the Philippines.

THE PHILIPPINES' TOURISM SECTOR IN NUMBERS

7,641 unique and diverse tropical islands to explore within the archipelago

One of only **18** mega-biodiverse nations worldwide

526 dive sites, **500** hard coral species, **10** soft coral families and **2,300** fish species

5.45 million international tourists in 2023, with nearly a million coming from the US

FDIs of **\$8.9** billion from public and private sector stakeholders in 2023

Extensive incentives for investors

The Philippines offers many advantages that make it a profitable destination for investments

Foreign direct investment flows into the Philippine economy are thriving, with net FDIs of over \$4.4 billion being recorded in the first half of 2024, 7.9% up on the same period in 2023. The central bank forecasts a total of \$9.5 billion for the year as a whole and \$10.5 billion in 2025.

There are a number of reasons why the country is an increasing target for investors, according to former Trade and Industry Secretary Alfredo Pascual. "Our robust economic growth is an attraction. We have a growing middle class and a low unemployment rate, so there's spending power for driving consumption," he says. Substantial government investment in infrastructure is enticing international developers, as well as supporting investors looking to produce goods and services for the domestic market and exports.

"Philippine exports hit a record high \$103.6 billion in 2023, a 4.8% increase from 2022. We're in a strategic location. The Philippines can serve as a gateway to over 600 million people in the

ALFREDO PASCUAL
FORMER TRADE AND INDUSTRY SECRETARY
"The Philippines can serve as a gateway to over 600 million people in the Association of Southeast Asian Nations."

Association of Southeast Asian Nations region, and we're at the crossroads of international shipping routes," Pascual states. "An additional factor is the presence of a skilled, tech-savvy and English-speaking workforce." Indeed, the Philippines has the youngest population in its region with a median age of around 26 and it produces about 900,000 new graduates every year.

"Another critical aspect is the government's commitment to create an enabling environment. It made several policy reforms in the past few years. For example, it liberalized many important sectors that are now open to 100% foreign ownership, including telecommunications, railways, toll roads, shipping, airports and renewable energy," he discloses. "It also introduced many reform measures to improve the ease of doing business."

Cefirino Rodolfo is Trade and Industry Undersecretary and managing head of the Board of Investments (BOI), the country's main investment promotion and development agency. He explains: "Investment incentives include an



A new international container terminal is being constructed at the port of Cebu



Alfredo Pascual
Former Trade and Industry Secretary



Cefirino Rodolfo
Trade and Industry Undersecretary and Managing Head, Board of Investments

income tax holiday that runs from four to seven years and 10 years of special corporate income tax of just 5% if you are export-oriented." Investors can also be offered up to 50% enhanced deductions on costs related to power, labor and domestic inputs, and 100% for training, research and development expenses. "If a project breaches \$1 billion or employs more than 10,000 workers, the government has been authorized to negotiate up to 40 years of incentive availability period," he adds.

On top of this, in February 2023 the government launched a "green lane" program to fast-track investments in vital sectors, a crucial element of which is a new One-Stop Action Center

for Strategic Investments. By July 2024, that center had facilitated 83 domestic and international investor projects worth around \$43 billion.

Sectors with potential for investors include tourism and information technology and business process management. "Manufacturing also presents an opportunity for companies that want to diversify their production supply chains. We've seen a large increase in FDI going into our manufacturing sector, particularly from Japan and the US," Rodolfo reveals.

Most manufacturing is based on Luzon island south of Manila, an area that could soon run out of space. To encourage more investors, the government is developing a new Luzon economic

corridor north of Manila, an initiative supported by its US and Japanese counterparts. This will interconnect Subic and Batangas seaports, Clark International Airport and an extended railway with new industrial parks and the capital.

Pascual says: "We're creating a major agri-business hub along that corridor and expect numerous manufacturers to set up there, including in semiconductors and electronics, which contribute around half of our exports today. We currently carry out integrated circuit design, assembly, packaging and testing of chips, but we don't produce chips and would welcome the establishment of a production plant."

CEFERINO RODOLFO
TRADE AND INDUSTRY UNDERSECRETARY AND MANAGING HEAD, BOARD OF INVESTMENTS

"We've seen a large increase in foreign direct investment going into our manufacturing sector, particularly from Japan and the US."

Another opportunity is manufacturing batteries. Rodolfo says: "Some countries think the battery supply chain is too focused on China and they would like to diversify. A good starting point would be where the nickel for the batteries is coming from and it's coming from us. Since Indonesia banned the export of nickel ore, we're the number one source globally."

Fostering sustainability and innovation

As he points out: "Overall, our ambition is to transform the economy into the regional hub for smart and sustainability-driven manufacturing and services, leveraging our strengths to attract high-value investments that foster economic growth and innovation." The country appears to be on route to achieving that. In the first nine months of 2024, BOI approved investment projects valued at \$23.7 billion, surpassing its record \$22.2 total for 2023. "The investments are in sectors that are transforming the Philippine economy, most significantly in renewable energy, telecommunications towers and data centers."

Renewable energy accounted for almost 80% of BOI's total investment approvals in 2023, with the country's current focus being offshore wind and floating solar. Meanwhile, the opening up of telecommunications to 100% foreign ownership has encouraged major investments from, among others, US players such as SBA Communications, SpaceX and Google. "In addition, hyperscaler data centers are now expanding to the Philippines. We offer them the ability to be powered by renewable energy," Rodolfo states.

Pascual's message to any potential investor is: "The Philippines is ready and eager to be your partner in success. Whether you're looking to expand your business, tap into new markets or invest in promising opportunities, the Philippines offers a wealth of potential and a supportive environment to help you achieve your goals."

423 economic zones in prime locations

PEZA has created ideal bases for companies looking to gain a strong foothold in the Asia-Pacific region or to de-risk supply chains

Among the country's biggest advantages for investors are the facilities and services offered by the Philippine Economic Zone Authority (PEZA), a corporation attached to the Department of Trade and Industry that oversees 423 diverse economic zones in prime locations across the nation.

"We're a microcosm of the Philippine economy. We support service, industrial and agricultural sectors with agro-processing zones, manufacturing zones and information technology parks that provide ideal ecosystems for investors," says Tereso Panga, PEZA's director general.

PEZA currently hosts over 4,000 companies that account for 17% of the country's gross domestic product and more than 50% of its exports. The number is constantly growing. Between January and September 2024, the authority attracted 179 investment projects, 24% up on the figure for the same period in 2023. Valued at \$2 billion, the projects will create nearly 36,000 jobs.

The US is PEZA's second-largest international investor, with 355 US businesses operating in its zones today, including Texas Instruments, Collins Aerospace, Analog Devices, Concentrix, MOOG, Teradyne, and JP Morgan Chase Bank. More are expected to join them soon. In 2024, PEZA received three US delegations led by Secretary of State Antony Blinken, Secretary of Commerce Gina Raimondo and Matt Murray, the Asia-Pacific Economic Cooperation's senior official. During his visit, Blinken discussed plans to invest \$1 billion in the Philippine tech and semiconductor sectors. As Panga explains, "Electronics and IT are two of our strongest sectors and the Philippines has been identified as one of the key beneficiaries of the US Chips and Science Act, which seeks to reduce US reliance on Taiwan for chip manufacturing."

Through PEZA, US investors can access many other sectors with potential. "We're focusing on attracting high-value products and research and development — our new innovation, science and technology parks foster collaboration between industries and academia. Integrated steel manufacturing is one bright prospect, as are the processing of green ores, electric vehicle battery production and car assembly," he reveals.

"We're also looking into biopolymers to replace fossil-based plastics, regenerative agriculture and agro-based products, such as developing coconut husks into aviation fuel, biomass, particle boards and activated carbon. Additionally, we welcome power generation, renewable energy, waste-to-energy and district cooling companies that will find ready off-takers for



Tereso Panga
Director General, PEZA

their technology." Following the World Bank's eco-industrial park model, PEZA promotes smart and green technologies, while its zones are energy-efficient, low-carbon and embrace circularity through industrial symbiosis.

Another compelling reason for investors to partner with PEZA is the quality of its one-stop services, with the US Department of State having highlighted its regulatory transparency and ease of doing business. "Companies only deal with PEZA for all permits, bypassing other national and local government agencies. Our approach streamlines processes and ensures comprehensive support," Panga says. "Our motto has always been 'no red tape, only red carpet,' a sentiment echoed by the Philippines' current president."



The country wants renewables to contribute 50% of its power mix by 2040

The Philippines unleashes its plan to build better more

The private sector is considered a vital and valued partner in infrastructure projects

As part of President Ferdinand Marcos Jr.'s Build Better More program, the Philippine government has approved plans for 185 infrastructure flagship projects with a value of around \$166 billion.

Public-private partnerships are considered a key financing avenue for the majority of these. Transportation Secretary Jaime Bautista states: "We've enacted a new PPP framework to encourage more investments. It prioritizes investor protection through incentives and fair regulations." Furthermore, the government has embraced privatization and opened up sectors like transportation and renewable energy to 100% foreign ownership. "Opportunities abound for US investors, contractors and consultants," Bautista asserts.

The Department of Transportation is overseeing 65 of the flagship projects and many other opportunities. A major focus for the department is air transport. "Aviation is crucial for our archipelagic country of 7,600 islands, so we're prioritizing airport infrastructure development. We have 45 airports serving commercial airlines and we're upgrading all of them," he discloses.

A significant step in this process came in September, when the country's main air gateway, Ninoy Aquino International Airport, was privatized. The deal will see San Miguel Corporation invest in doubling the airport's capacity to 62 million. "We're going to privatize operations at 15 more airports, with a few already open for bids," Bautista says. Airports are being built from scratch too, including the \$13-billion New Manila International Airport. "We're also relocating four airports from congested urban areas to new sites to improve efficiency and accommodate increased traffic," he adds.

Many of the country's 700-plus seaports require improvements as well. "Our focus is on enhancing cargo handling efficiency to reduce logistics costs and working closely with the pri-

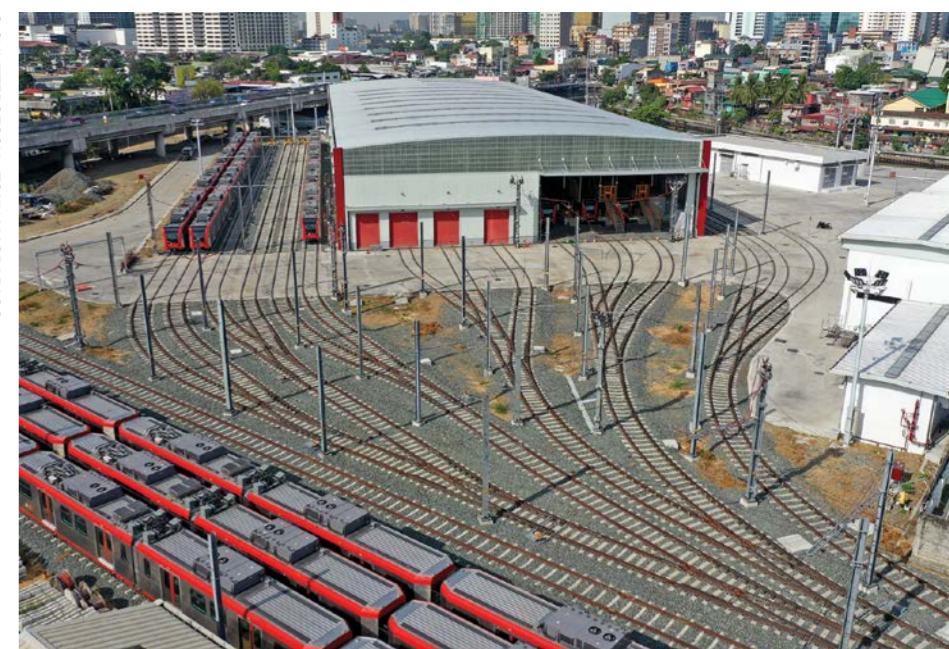
mate sector to operate more ports. While some ports are already privatized, many remain untapped," Bautista reveals. "For example, we're finalizing the construction of Cebu International Container Port Terminal, which will be capable of accommodating two 2,000 twenty-foot equivalent unit vessels."

In rail, "We're moving toward privatizing operations and maintenance across all lines," he says. The oldest of the country's three Metro Manila light metro rail transit (MRT) lines has been privatized and is undergoing modernization and expansion. "We're currently finalizing the business case for MRT3 with the Asian Development Bank before inviting bids. We're also collaborating with ADB on plans for an MRT4 network," he comments. "Additionally, construction is underway on the \$15.6-billion North-South Com-

RAHAEL LOTILLA
ENERGY SECRETARY
"Supporting the country's economic growth targets requires a 5.2% annual increase in power supply."

muter Railway project, a 91-mile elevated system that will reduce travel time from Clark International Airport to Laguna and Manila's airport. Construction of the Philippines' first subway, an \$8.5-billion project, is also progressing."

On top of this, his department is preparing a feasibility study for a new 155-mile Subic-Clark-Manila-Batangas freight rail line, an initiative backed by the US, among others. This is intended to act as a logistics corridor linking airports, seaports and manufacturing zones in central Luzon. Major road infrastructure projects are the responsibility of the Department of Public



The government's infrastructure program includes major rail projects



Raphael Lotilla
Energy Secretary



Jaime Bautista
Transportation Secretary

Works and Highways, which has a multi-billion-dollar project pipeline that includes improving, extending and constructing highways, expressways and bridges.

Stimulating investment in energy

Energy is another priority for a nation consuming around 36 million tons of oil equivalent energy a year, a figure that is rapidly rising. According to Energy Secretary Raphael Lotilla, "Supporting the country's economic growth targets requires a 5.2% annual increase in power supply."

In 2022, the Marcos administration inherited electricity and energy systems that were struggling to meet demands. "Our priorities included freeing up unused generation capacity that was hindered by transmission constraints. On Mindanao, for example, we had up to 800 megawatts of excess power. We completed interconnection projects to transfer that to islands where it is needed," says Lotilla. "We're focusing on the availability of transmission lines to accommodate new conventional and renewable power sources as well. At the Association of Southeast Asian Nations level, we're working on interconnecting the region's power grids."

The government has also introduced reforms to stimulate investment in the electricity sector, which is privately owned and market-driven, and power generation. To boost national energy security, "We're incentivizing natural gas exploration, seeing it as a vital transition to clean energy. This complements our new liquefied natural gas import and regasification facilities," he states. However, the government's main goal regarding energy sources is to harness the nation's extensive solar, wind, geothermal, hydropower, ocean energy and biomass resources. In 2023, 22.3% of the Philippines' power generation mix came from renewables, 35% is the target for 2030 and 50% for 2040.

"Our Renewable Energy Act and related investment laws provide liberal incentives for investors in generation, spurring considerable interest in offshore wind and floating solar in particular," Lotilla reveals. Investors are flocking into the sector: in the first nine months of 2024, renewable energy investments valued at \$22.5 billion were approved, with some of the most eye-catching being a \$3.2-billion solar and battery storage project, a \$5.2-billion hydroelectric scheme and a \$2-billion offshore wind package.

JAIME BAUTISTA
TRANSPORTATION SECRETARY
"We're going to privatize operations at 15 more airports, with a few already open for bids."

Among geothermal projects, "US companies are collaborating with local firms to maximize geothermal use by exploring abandoned steam wells and utilizing secondary heat from power generation," he says. "In addition, we've signed an agreement with the US facilitating US nuclear technology exports to the Philippines. The agreement focuses on providing scholarships and training for personnel involved in nuclear projects, and conducting policy studies on cleaner technologies, including small modular nuclear options to ensure informed decision-making, especially within the private sector."

More US involvement in the country's infrastructure development areas would be welcomed. Bautista says: "This government values the essential role of private sector players in our program's execution and we're confident their investments will yield favorable returns. It's a win-win opportunity."



The Yuchengco Group of Companies is a key figure in the Philippine economy

Building new benchmarks

The Yuchengco Group of Companies is thriving due to innovation and collaboration

Featuring an impressive reach that spans a diverse range of industries and activities, the Yuchengco Group of Companies enjoys a powerful presence in many sectors, with the innovative group a major employer as well as a crucial component of the growing Philippine economy for nearly a century.

With an increasing focus on finance and renewable energies, the household name — which employs around 60,000 Filipinos and sees its companies donate 3% of their net income to a charitable foundation — operates in various fields and its robust portfolio of business enterprises and investments features four flagship companies.

"Rizal Commercial Bank (RCBC) is 64 years old and Malaysian Insurance, the oldest in our group, turns 96 this year," explains Yuchengco Group of Companies Chairperson Helen Yuchengco-Dee. "Our life insurance company, Sun Life Grepa, is 60. The House of Investments, the oldest private equity fund in the Philippines, is over 50."

With the assistance and experience of international partners, the group has enjoyed steady growth across its various sectors, with RCBC, in particular, developing successful partnerships with overseas players in the banking sector. This enviable track record stands the company in good stead when it comes to exploring opportunities for American firms seeking to expand their businesses into the Philippines.

"We're focusing on renewable energy with funding from Japanese equity partners, primarily expanding in solar and wind," Yuchengco-Dee continues. "The Philippines has ample resources for renewable energy, but rising land prices could make projects uneconomical. Land must be bought or leased near transmission lines to connect to the grid. While we haven't gone offshore due

YUCHENGGCO GROUP OF COMPANIES
www.ygc.com



Clark International Airport can handle 8 million passengers a year

The logistics capital

Clark International Airport will be a key node in the US-backed Luzon economic corridor

Sixty miles southeast of the capital by Manila Bay lies the Clark International Airport complex. Previously one of the US's largest foreign airbases, today it contains a thriving commercial airport, civil aviation ecosystem, freepoint and special economic zone, and it hosts more than 1,000 companies operating in services and manufacturing, including Texas Instruments, FedEx, UPS, Hilton and Marriott.

Covering over 9 square miles, the site "offers significant potential," says Arrey Perez, former president and CEO of Clark International Airport Corporation (CIAC), the public sector body responsible for managing and developing the complex. At the heart of the site is a modern airport. "Clark is well-connected from north to south of Luzon, thanks to expressways and a new railway project funded by the US government. We inherited a runway designed for the space shuttle and the terminal building was expanded in 2022 to support 8 million passengers a year, part of a longer-term master plan aiming for 80 million passengers annually," he states. "We adopted a hybrid public-private partnership model, with the government funding construction and privatizing airport operations."

The site has ample free space for diverse developments. "Currently, 123,000 people are em-

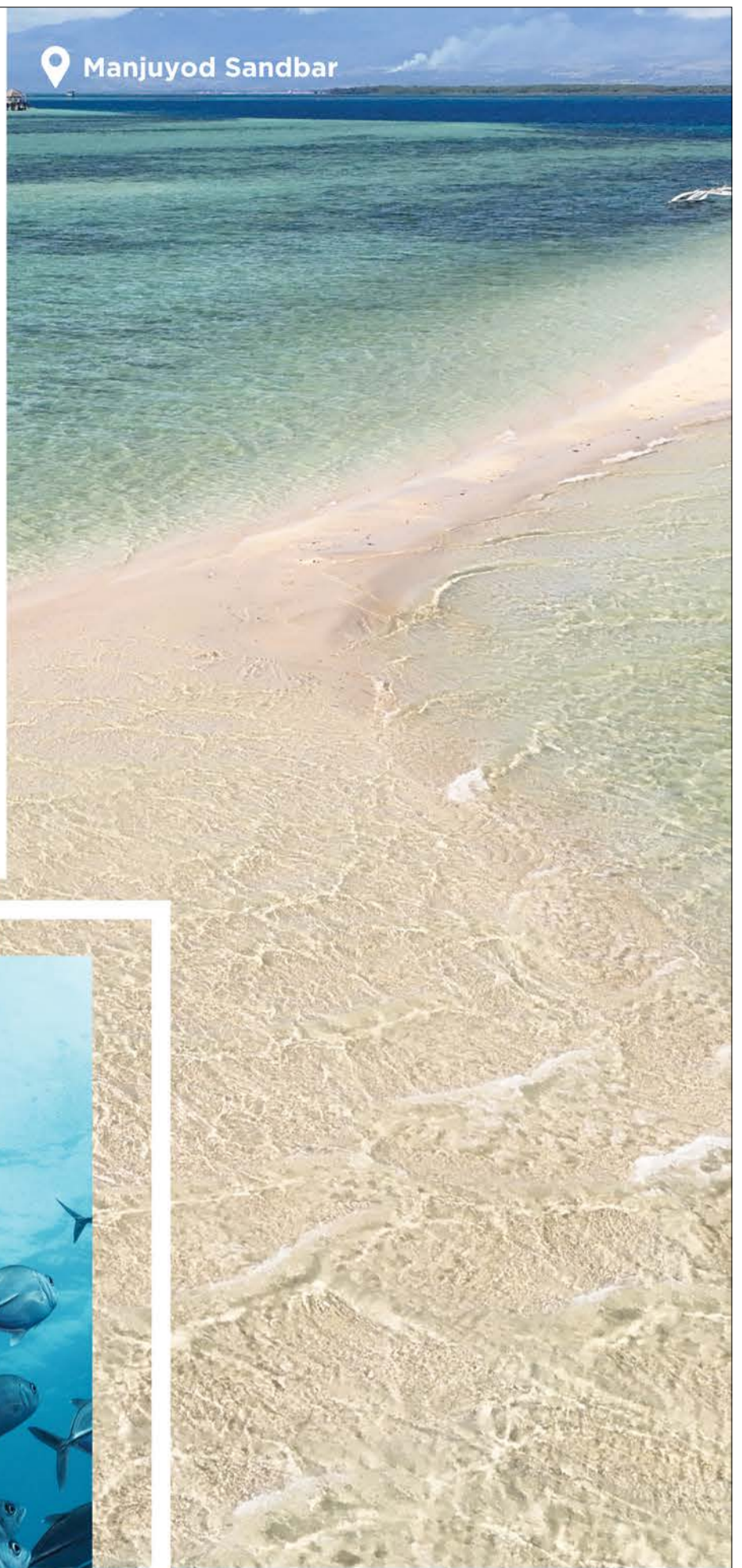
ployed in Clark and the master plan aims to multiply this by four or five with upcoming projects," Perez reveals. Those projects include a vast new innovation park and a data center co-location plant, plus large events and entertainment facilities. The core of CIAC's vision, however, is to cement the complex's position as the country's capital for civil aviation, logistics, freight and cargo.

"CIAC is attracting maintenance, repair and overhaul companies to support our aerospace industry, which is in high demand, and it plans to establish an aviation training campus," he notes. CIAC is also developing a \$148-million National Food Hub that will generate substantial cargo traffic. "Central Luzon is a prime location for this, being the Philippines' food basket. The hub will aggregate farmers into cooperatives, supported by the government to ensure high yields and standards. By centralizing trading in Clark, we're reducing the costs of supplying North America and Asia," he says.

Perez observes that the US is a big backer of the complex's ongoing transformation: "CIAC is supported by USAID for logistics feasibility studies and is working with the United States Trade and Development Agency on Clark International Airport's expansion, including a new terminal and runway."



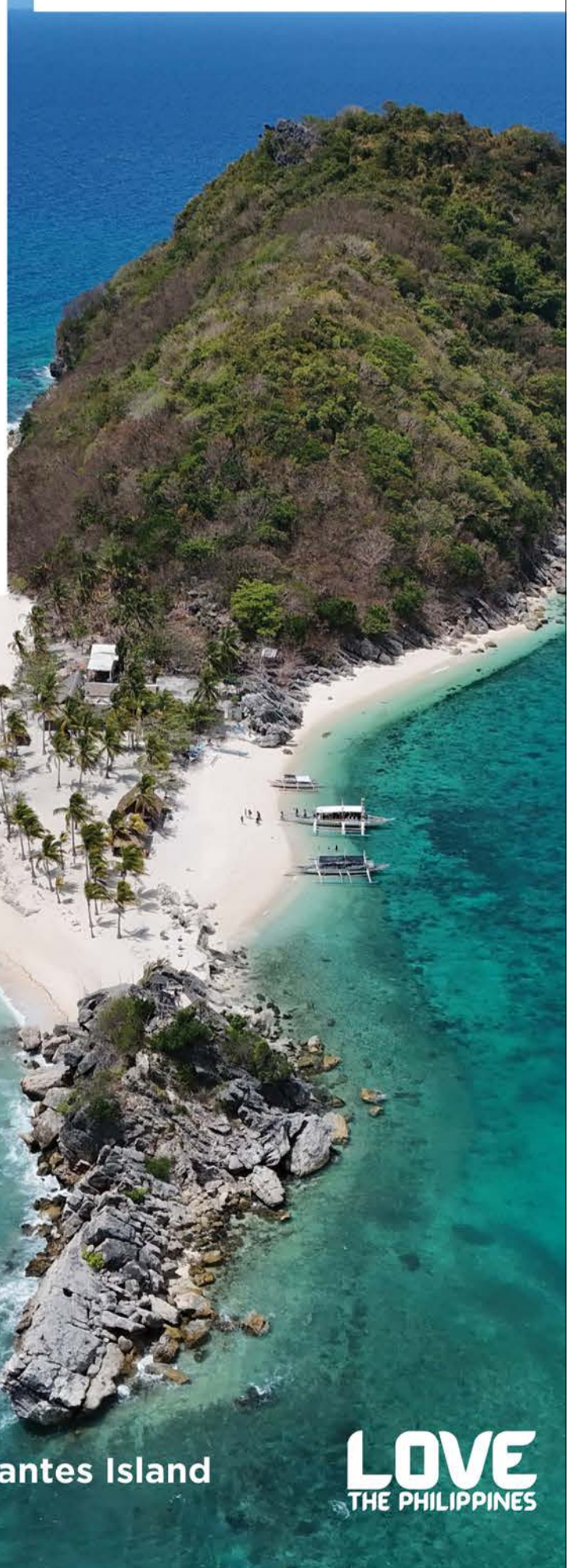
 Boracay




 Manjuyod Sandbar



 Mantigue Island



 Gigantes Island

LOVE
THE PHILIPPINES



 Seven Commandos Beach