

Duterte's relentless anti-drug campaign paying off



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PROMISE OF RICH REWARDS

DUTERTE'S RELENTLESS ANTI-DRUG CAMPAIGN PAYING OFF

The Philippine leader's single-mindedness may be starting to see economic dividends

PRESIDENT Rodrigo Duterte of the Philippines continues to make headline news with his relentless and even ruthless campaign to rid his country of the drug scourge.

Not surprisingly, Malaysians — like many ordinary Filipinos — applaud and approve of Duterte's "tough love" drive to bring a greater semblance of peace and order that is so essential for the country to advance further economically.

The Philippine leader's single-mindedness may be starting to pay economic dividends. Not only are the Asian powerhouses of China and Japan outdoing themselves in lavishing economic largesse on the country, but Malaysian businesses are also waking up to the country's untapped economic potential.

Our corporations and individual investors, unlike far savvier Singaporean ones, have overlooked the Philippines for too long, clouded in perceptions as we tend to be by often misleading and dramatic headlines about the country.

Those who have dared venture onto Philippine shores are often richly rewarded. Gaming giant Resorts World was a pioneer when the industry was first opening up to international players and now reaps handsome first-mover advantages.

The same may be said of AlloyMtd Group, a Malaysian infrastructure play, which recently hit local headlines with an eye-catching bid of more than US\$5.5 billion (RM24.4 billion) to convert the area around the former American Clark airbase into the Philippines' version of Putrajaya.

As with our own administrative capital, the Clark Administrative City will do much to relieve the heavy congestion of Metro Manila, if combined with plans to convert Clark airfield into the new

international airport to replace the seriously overcrowded one serving the Philippine capital.

AlloyMtd is also bidding to extend Manila's Mass Rail Transit network. In the words of the group's chief executive officer, Tan Sri Dr Azmil Khalid: "...the Philippines is among the fastest growing economies in Asean and we hope to fully capitalise on this almost 100 million population market."

The Duterte administration's emphasis on rolling out several key infrastructure projects — particularly in its capital region surrounding Manila — will serve the likes of AlloyMtd Group well, given its proven track record in delivering on such projects in the Philippines.

Philippine ambassador to Malaysia, Jose Eduardo Malaya told this writer: "The resurgence of the Philippine economy which, with 6.8 per cent gross domestic product growth, is now the region's highest, has caught the attention of the international business community. Unknown to many is that the country has benefited from relatively robust economic expansion since 2001."

Malaya also revealed that the embassy had seen a marked increase in interest among Malaysian companies, with numerous inquiries received about possibilities in agribusiness, particularly oil palm plantation, infrastructure development, IT and industrial manufacturing.

The Philippines also chalked a 12-notch jump in the United States Heritage Foundation's annual ranking of global economic freedom in 2017, rising from the 70th spot in 2016 to 58th this year.

Indeed, the country is perhaps best placed under Duterte to finally resolve its long-festering twin insurgencies by Moro and communist rebels, both largely centred in the president's home



The Philippine's Drug Enforcement Agency officers arresting a suspected drug pusher during an anti-drug operation at a cemetery in Quezon City, Metro Manila, yesterday. President Rodrigo Duterte's "tough love" drive to bring peace and order could help the country advance economically. REUTERS PIC

island of Mindanao.

Long accustomed to political stability at home, Malaysians tend to view the Philippines through the prism of its admittedly manifold challenges and to see the glass as half empty at best, despite the strides the country has achieved in recent years.

The country shows a rather amazing agility in juggling many balls simultaneously. The generally sunny disposition of its people in the face of often adverse circumstances is easily one of its great assets.

The Philippines' rather rambunctious democracy may appear alien and somewhat intimidating to more sedate Malaysians and it also means the country will not necessarily get from point A to B in a neat and straight line. Frustrating as this may be at times, it is an inescapable fact that businesses and investors must grapple with all the time.

Negotiating the country's still formidable bureaucratic thicket

— while it has improved — remains a key challenge, especially for those new to the local business scene, and therefore, requires much patience and tenacity.

Investments everywhere involve calculated risks. The greater the risks, naturally the greater the rewards. Patient and due diligence will mitigate against much of the known risks.

Malaysia has invested heavily over the past two decades to forge political peace in Mindanao. Again, progress has admittedly been slower than we have hoped for thus far. Appetite for greater risk among Malaysian investors in the Philippines will help speed up progress all round.

Our Philippine peace and economic efforts must go hand in hand so they reinforce each other.

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