

Seeking a more prominent role

INTERVIEW WITH HE GLORIA MACAPAGAL-ARROYO

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How are Philippine relations with Europe developing? How important is Europe to the Philippines as a diplomatic and trading partner?

The foundations of our country's relationship with Europe as a whole are strong and robust, whether it be in the political or economic and commercial aspect. Europe, particularly the EU, has been an important partner for the Philippines.

Politically, the EU has always been a strong supporter of the peace process in southern Philippines, and in recent years has allocated some Euro 250 million to help eradicate poverty in Mindanao. It is also actively involved in advancing our efforts toward good governance. At the regional and international fora, the EU has supported our initiatives in ASEAN and has worked with us in addressing issues such as climate change, renewable energy and trafficking in women and children.

In the economic sphere, our relations with the EU also run deep and wide, both in trade and investment flows. The EU currently stands as our 5th largest trading partner, with our trade hitting over Euro 10 billion. The region is also now the third largest source of remittances into the Philippines, after the US and the Middle East.

The EU as a whole is the second largest donor for the Philippines, with a wide range of cooperation programmes in such fields as health, rural development, and economic reform, in addition to those I have already mentioned. The EU has also been our staunch partner towards achieving our MDG goals.

Despite the strong fundamentals, however, there is still much to be desired as regards the future of our relations with the EU. The Philippines, for one, has yet to successfully place itself within the radar screen of most European countries, compared to some of its Asian neighbours. So, this remains one of the challenges that we face. We have yet to take full advantage of the huge market of 488 million that the EU offers, as well as a bigger chunk of the FDI outflows from the EU, where the Philippines still lags behind some of its ASEAN neighbours. But this we intend to rectify. My administration has already undertaken a number of measures to strengthen our overall macro-economic and fiscal position and liberalise our investment regime to attract foreign investors. We are also intensifying our efforts to promote the Philippines as an ideal investment

destination among EU investors, particularly in four priority sectors – mining, oil and gas, tourism infrastructure and business process outsourcing.

As the world's biggest trading partner, accounting for nearly 20 per cent of global exports and imports, there is certainly great scope and potential for enhancing our relations with the EU. Negotiations on an ASEAN-EU FTA are about to be launched in parallel with negotiations on Partnership and Cooperation Agreements (PCAs) with the Philippines. All these developments will invariably provide a robust framework for EU-Philippine relations.

What role will the Philippines play in ensuring Asia's continuing prosperity and stability? How are relations with your neighbours developing?

I believe that the economic prosperity of the region is anchored on a political stability that ensures a safe environment for trade and investment. And political stability is only possible if genuine democracy exists, not only in political terms but also in a manner where all citizens can enjoy the fruits of progress.

To achieve a prosperous society, it is important to create an environment of peace and stability in the region and to strengthen mutual trust through continuing dialogue and cooperation.

Our active participation in regional and multilateral fora, such as ASEAN, ARF, ASEM, APEC, and the still nascent East Asia Summit, reflects our unmistakable desire to help ensure the continuing prosperity and stability in the Asia-Pacific region. We are also advocating a people-centred regional community and have embarked on a wide range of initiatives to strengthen the region's capacity to address issues of common concern, such as combating terrorism, energy security, climate change, pandemic diseases, and formulating a more effective response to natural disasters.

During our chairmanship of ASEAN in 2006, we gave priority to cooperation in energy, being one of the critical issues not only in the region's sustained economic growth but the world as a whole. We also elevated socio-cultural issues in our agenda, consistent with our advocacy of a people-centred development.

At the East Asia Summit, we spearheaded discussions on identified priority areas such as energy, finance, education, avian influenza, and natural disaster mitigation.

Outside of ASEAN, we continue to strengthen our

