



# *Office Memorandum*

To: Members of the Executive Board

June 4, 2014

From: The Secretary

Subject: **Mr. Shinohara's Report to the Executive Board On His Visit to the Philippines, May 18–24, 2014**

Attached for the **information** of Executive Directors is Mr. Shinohara's report to the Executive Board on his visit to the Philippines, May 18–24, 2014.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

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**Mr. Shinohara's Report to the Executive Board on His Visit to the Philippines**  
**May 18–24, 2014**

During my visit to the Philippines, I participated in the 23<sup>rd</sup> World Economic Forum on East Asia (WEF) in Manila. At this year's event, the theme was *Leveraging Growth for Equitable Progress*. The meetings explored the challenges of achieving equitable progress, advancing models for sustainable growth, and realizing regional connectivity.

I was a panelist on the WEF session on *Rethinking Growth* and commented on GDP as a measure of the economy (not perfect but still an elegant one) and its weaknesses as a statistic of well being—the quality of growth matters too. Here I emphasized the link between greater income inequality and shortened episodes of economic growth and the role of fiscal policy in redistribution that appears to have a benign impact on growth, except in extreme cases. Other panelists included Fu Ju, Executive Dean and Professor, School of Government, Peking University and Yasutoshi Nishimura, Senior Vice-Minister of the Cabinet Office of Japan. I also delivered remarks at the WEF session on *Investing in East Asia*, focusing on how global policy conditions and long-term structural factors in the region will affect investment opportunities in East Asia. Other panelists were BSP Deputy Governor Diwa Guinigundo and Josephine Teo, Senior Minister of State for Finance, Singapore.

I also held bilateral meetings with officials from the Philippines including Governor Amando Tetangco, Jr. of the BSP, and discussed country-specific issues and the economic prospects for the region. I gave a number of interviews to local and regional media representatives.

Ahead of the WEF, I participated in a panel discussion on the ASEAN Economic Community (AEC) 2015 and the Philippines at the *FT – First Metro Philippines Investment Summit*. In my interventions I outlined that a successfully integrated ASEAN can emerge as a major economic powerhouse, attracting FDI and lifting millions of citizens out of poverty. For the Philippines to realize the opportunities of AEC 2015, it needs to address “behind-the-border” barriers to investments and trade, most notably, the inadequate state of infrastructure and lifting restrictions on foreign ownership. Other panelists included Jaime Ayala, Chairman and CEO, Ayala Corporation and Arsenio Balisacan, Secretary of Socio-Economic Planning.

Finally, I also visited the Kaibigan Ermita Outreach Foundation, which provides education assistance to poor children and livelihood training to their parents, and presented a donation on behalf of the IMF's Civic Program.