Motives: philippines

Finance, Investment

The Philippines is currently one of the best performing economies in the ASEAN region with a GDP of 6. 9% in 2007 (The Economist, 2008). This may be attributed to the presidency's approach towards economic and fiscal reforms such as the implementation of higher Value Added Taxes (The Economist, 2008). However, peace and order may still be on the process of getting a resolution due to slow progress of arrangements with the MILF together with the problems about terrorist group Abu Sayyaf. Still, the Philippine economy holds as one of the best investment climates in the region in light of the government's cutting of interest rates. Primarily, the country is very strong in consumer and services sector followed by manufacturing (The Economist, 2008).

In terms of the economic conditions of the neighboring countries, Thailand still experiences a strong economic stability in terms of foreign investment measures. The inflation rate is still manageable but the country is faced with problems on political uncertainties (The Economist, 2008). The country however is very strong in sectors like tourism and manufacturing.

Singapore also has a very good investment climate because of stabilized government policies just like before. Foreign investors are still keen on entering the market which is especially strong in manufacturing, IT and domestic consuming (The Economist, 2008).

Comparatively, the three countries do not actually compete with each other since they all belong in the ASEAN economic block. Although each nation has its own economic strengths, all of them follow the agreed procedures of sharing investment structures as part of the ASEAN's organization policy.

In investing in the Philippines, an investor's main possible issue is with regards to the current strengthening of the Peso. Primarily, this reflects a weakened US dollar which can make it hard for a foreign investor to maximize the investment values. Add to that the increasing dollar remittances from the country's overseas workers which devaluates the US dollar more. In terms of business management, there are no actual foreseen problems since the government does not interfere in privately segmented investments (The Economist, 2008)

References

The Economist. 2008. Country Briefings: Profiles, Forecasts, Statistics. Retrieved January 27, 2008 from http://www. economist. com/countries/.