

# FILIPINO DIASPORA REMITTANCES & INVESTMENTS

*The Role of the Philippine Embassy in  
Mobilizing Remittances for Development*

**Presentation for  
The Conference on Diaspora and Development**

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The World Bank  
Washington, D.C.  
14 July 2009

## ***OVERVIEW OF THE FILIPINO DIASPORA***

- **9 million overseas Filipinos (OF) in over 140 countries**
- **4<sup>th</sup> in migrant remittances**
- **800,000 leave annually or 2,500 daily**
- **3-4 million in the U.S. (1.1 m in CA)**
- **1.4 million deployed abroad in 2008**

# Remittance Flows, 2003-2008

*Table 1. Remittance Flows to the Philippines, in US\$ billions*

<b>Year</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Total</b>	7.6	8.5	10.7	12.8	14.4	16.4
<b>U.S.</b>	4.3	4.9	6.4	6.5	7.6	7.8

- January-April 2009 period: 2.58% (\$5.5 B) increase from \$5.4 billion in 2008
- Remittance transfers from the US to the Philippines declined by 10 percent, from \$2.5 billion in 2008 to \$2.3 billion in 2009

# **2<sup>nd</sup> Meeting on the GFMD**

**Manila, 28-30 October 2008**

## **Contributions of Migrants & Diaspora**

- 1. Remittances and investment**
- 2. Knowledge and technology transfers**
- 3. Creation and expansion of networks**
- 4. Establishment of business partnerships**

# The Role of the Philippine Embassy in Mobilizing Remittances for Development

- **MEMORANDUM OF INTENT ON REMITTANCES (20 May 2003)**
  - > 2004 ADB Study on “Enhancing the Efficiency of Philippine Overseas Workers Remittances”
  - > USAID-funded project with World Council of Credit Unions (WOCCU), 2004-2009
  - > Financial Literacy Programs sponsored by the US FDIC and offered to Filipino-American communities
- **‘TULONG SA PAMILYA, TULONG SA BAYAN’ (Help for the Family, Help for the Country) REMITTANCE CAMPAIGN, 2004-2006**

Top MSBs /RSPs	Percentage Increase, 2004-2005
Western Union	68%
Forex	27%
Philippine National Bank	15%
JECI Cash Transfer	15%
Capricorn Express	15%

# The Role of the Philippine Embassy in Mobilizing Remittances for Development

- **AMBASSADORS' & CONSULS' GENERAL GOODWILL TOUR (ACGT), 2005-present**
- **'BAYAN KO, BAHAY KO' (My Country, My Home) PROGRAM, 2007-2008**
- **US POSTAL SERVICE (USPS) – PHILIPPINE POSTAL CORPORATION (PhilPost) IMTS AGREEMENT, 21 July 2008**

# The Philippine Citizenship Retention and Reacquisition Act of 2003 (R.A. 9225)

- Grants natural-born Filipinos who have lost their Filipino citizenship through naturalization in a foreign country, the opportunity to retain or reacquire their Filipino citizenship.
- Provides, among others, incentives to invest more in the Philippines (the right to own real property and engage in business or commerce as a Filipino)
- “No monitoring system has been designed to measure how effective this law has been in attracting expatriate capital, and there is also no extensive evidence showing that large numbers of migrants have taken advantage of these incentives.” (World Bank, 2005)

# Diaspora Investments: The Philippine 'Brand'

## LOCAL GOVERNMENT UNIT (LGU) BONDS

- **Pozorrubio, Pangasinan (Luzon)** – mobilized collective remittances from migrants based in California, Chicago, Hawaii, New York, Washington, and Hong Kong
- **Bohol Provincial Government (Visayas)** – established an investment center and enacted a local investment code (matching diaspora funds with local partners)

## CORPORATE-LED DIASPORA GIVING

- **Ayala Foundation, Inc. (AFI)** – 14 years of solid experience in implementing projects involving Filipino migrants and diaspora

# Mobilizing Remittances for Development

## *Opportunities (Initiatives)*

- Financial Literacy Campaigns
- PPP Consortium on DDIs
- Databank of Projects
- Business Forum

## *Challenges*

- Budget constraints
- 'Country Team Approach'
- Creating buy-in
- Capacity building

# Lessons Learned

- Leadership
- Strategic engagements with key U.S. Officials
- Improvements in RP financial infrastructure



## ***CONCLUSION***

**Diaspora remittances and investments will continue to be advocacy issues of development, bases for more policy dialogues, and serve as opportunities for innovative, collaborative and multi-stakeholder partnerships.**

*Salamat po!*  
Thank You!



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