

Column for Business Mirror
MANNY VILLAR
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The Entrepreneur

Disaster brigades for the economy

The tragic flooding in Mindanao highlighted the importance of having quick-response teams or disaster brigades to save people and property during emergencies. Time is of the essence for these teams—the faster they respond to disasters, the bigger the chances of saving lives and property.

As I ponder the tragedy that befell our fellow Filipinos in Mindanao, just days before Christmas, and admire the heroic efforts of the disaster brigades, something came to mind: we also need quick-response teams or disaster brigades to rescue our economy.

The slow growth of the economy, brought about by domestic and foreign challenges, is also a disaster, albeit a silent one, with none of the immediate shocks of natural disasters like floods cause.

Yet a slow economy is no less tragic. It takes away livelihoods, robs the children of opportunities and throws whole families into the poverty pit.

Administrations prepare medium-term plans, long-term plans, or even short-term plans to develop the economy in an orderly and sustainable manner, with the ultimate goal of improving the lives of Filipinos. These plans are road maps, which also provide incentive packages to attract investments in preferred industries.

That's fine, but recent developments have convinced me that we also need an opportunistic strategy that would allow us to take advantage of unexpected developments around us. Take, for example, the massive flooding in Thailand, which started in July and which still keeps many areas under water to this day. The floods shut down many factories, including manufacturers of electronic parts in that country, which is the world's second-largest producer of hard-disk drives, accounting for a fourth of global production.

The floods also affected Thailand's tourism industry. The Tourism Authority of Thailand has been cited in reports in November 2011 that as many as 300,000 visitors were expected to cancel their trip to the country as a result of the floods.

At the height of the floods in Thailand, I noticed an increase in tourism advertising from other countries. Media audiences were bombarded with television commercials inviting them to visit "Incredible India," "Malaysia Truly Asia," or "Remarkable Indonesia."

Other countries and territories like Singapore, Korea, Taiwan and Hong Kong were not far behind, but the Philippines is nowhere in the battlefield. We are still trying to come up with a new tourism slogan after the "Kay Ganda Pilipinas" fiasco.

We have to admit we're at the rear in the economic race, so we should be more aggressive, more imaginative and more creative if we are to catch up with other countries and join the lead pack.

Let us remember, we're not just a slow economy, whose growth remains consumption—rather than investment-driven, but we're also low grade compared with our peers, especially Indonesia, which recently regained investment grade.

We have to look at our neighbors as competitors in terms of foreign direct investments and tourism. We have to think about our strategies compared to theirs.

Competing for investments and tourists is similar to business. If you and your rivals are both selling soft drinks, you have to come up with a better strategy to be able to sell more than your competitors.

We also need a quick-response strategy, which will help us identify opportunities even amid crises and move quickly to exploit such opportunities.

At this time, I think we have lost the opportunities that the disaster in Thailand opened for us. The lesson is that we should be able to spot new opportunities coming our way. In 2012 the global economy will continue to face challenges—the crisis in Europe is not over yet, the United States is still struggling to get up, Japan is still recovering and conflicts still rock the Middle East and North Africa.

The Philippines, on the other hand, remains resilient and enjoys strong fundamentals like remittances from overseas Filipino workers, a strong and profitable banking system, a booming real-estate industry, a growing business-process outsourcing sector, a large pool of skilled workers and a big domestic market (actually, the 12th biggest in the world).

Our strong fundamentals, coupled with the government's high confidence rating, plus imaginative and creative strategies—including quick-response teams—should pull us to the front of the pack.

So let's start recruiting the members of our economic-disaster brigades, which will keep us safe and growing amid economic calamities.

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