

**Her Excellency President Gloria Macapagal-Arroyo's State of the Nation Address
for the 3rd Regular Session of the 14th Congress**

27 July 2009

Thank you, Ladies and gentlemen, good afternoon. Before I begin my report to the nation, please join me first in a moment of prayer for President Cory Aquino, Senate President Enrile, Speaker Nograles, Senators, Representatives, Vice President de Castro, former President Ramos, Chief Justice Puno, Ambassadors friends:

The past twelve months have been a year for the history books. Financial meltdown in the West spread throughout the world.

Tens of millions lost their jobs; billions across the globe have been hurt—the poor always harder than the rich. No one was spared.

It has affected us already. But the story of the Philippines in 2008 is that the country weathered a succession of global crises in fuel, in food, then in finance and finally, economy in a global recession, never losing focus and with economic fundamentals intact.

A few days ago, Moody's upgraded our credit rating, citing the resilience of our economy. The state of our nation is a strong economy. Good news for our people, bad news for our critics.

I did not become President to be popular. To work, to lead, to protect and preserve our country, our people, that is why I became President. When my father left the Presidency, we were second to Japan. I want our Republic to be ready for the first world in 20 years.

Towards that vision, we made key reforms. Our economic plan centers on putting people first. Higit sa lahat, ang layunin ng ating patakaran ay tulungan ang masisipag na karaniwang Pilipino. New tax revenues were put in place to help pay for better healthcare, more roads, and a strong education system. Housing policies were designed to lift up our poorer citizens so they can live and raise a family with dignity. Ang ating mga puhunan sa agrikultura ay naglalayong kilalanin ang ating mga magsasaka bilang backbone ng ating bansa, at bigyan sila ng mga modernong kagamitan to feed our nation and feed their own family.

Had we listened to the critics of those policies, had we not braced ourselves for the crisis that came, had we taken the easy road much preferred by politicians eyeing elections, this country would be flat on its back. It would take twice the effort just to get it back again on its feet—to where we are now because we took the responsibility and paid the political price of doing the right thing. For standing with me and doing the right thing, thank you, Congress.

The strong, bitter and unpopular revenue measures of the past few years have spared our

country the worst of the global financial shocks. They gave us the resources to stimulate the economy. Nabigyan nila ang pinakamalaking pagtaas ng IRA ng mga LGU na P40 billion itong taon, imparting strength throughout the country at every level of government.

Compared to the past we have built more and better infrastructure, including those started by others but left unfinished. The Subic-Clark-Tarlac Expressway is a prime example of building better roads. It creates wealth as the flagship of the Subic-Clark corridor.

We have built airports of international standard, upgraded domestic airports, built seaports and the roll on/roll off transport system. I ask Congress for a Philippine Transport Security Authority Law.

Some say that after this SONA, it will be all politics. Sorry, but there's more work.

Sa telecommunications naman, inatasan ko ang Telecommunications Commission na kumilos na tungkol sa mga sumbong na dropped calls at mga nawawalang load sa cellphone. We need to amend the Commonwealth-era Public Service Law. And we need to do it now.

Kung noong nakaraan, lumakas ang electronics, today we are creating wealth by developing the BPO and tourism sectors as additional engines of growth. Electronics and other manufactured exports rise and fall in accordance with the state of the world economy. But BPO remains resilient. With earnings of \$6 billion and employment of 600,000, the BPO phenomenon speaks eloquently of our competitiveness and productivity. Let us have a Department of ICT.

In the last four years tourism almost doubled. It is now a \$5 billion industry.

Our reforms gave us the resources to protect our people, our financial system and our economy from the worst of shocks that the best in the west failed to anticipate.

They gave us the resources to extend welfare support and enhance spending power.

For helping me raise government salaries through Joint Resolution 4, thank you, Congress.

Cash handouts give the most immediate relief and produce the widest stimulating effect. Nakikinabang ang 700,000 na pinakamahihirap na pamilya sa programang Pantawid Pamilya.

We prioritize projects with the same stimulus effects plus long-term contributions to progress.

Sa pagpapamahagi ng milyun-milyong ektaryang lupa, 700,000 na katutubo at mahigit isang milyong benepisyaryo ng CARP ay taas-noong may-ari na ng sariling lupa.

Hinihiling ko sa Kongreso na ipasa agad ang pagpapalawig ng CARP, at dapat macondone ang P42 billion na land reform liabilities dahil 18% lamang ang nabayaran mula 1972. Napapanahon, it's timely because it will unfreeze the rural property market. Ang mahal kong ama ang nag-emancipate ng mga magsasaka. Ii-mancipate naman natin ngayon ang titulo.

Nakinabang ang pitong milyong entrepreneurs sa P165 billion na microfinance loans.

Nakinabang ang sandaan libo sa emergency employment ng ating economic resiliency plan. Kasama natin ngayon ang isa sa kanila, si Gigi Gabiola. Dating household service worker sa Dubai, ngayon siya ay nagtatrabaho sa DOLE. Good luck, Gigi.

Nakinabang ang isang milyong pamilya sa programang pabahay at palupa, mula Pag-Ibig, NHA, community mortgage program, certificates of lot award, at saka iyong loan condonation.

Our average inflation is the lowest since 1966. Last June, it dropped to 1.5%. Paano?

Proper policies lowered interest rates, which lowered costs to business and consumers.

Dahil sa ating mga reporma, nakaya nating ibenta ang bigas NFA sa P18.25 per kilo kahit tumaas ang presyo sa labas mula P17.50 hanggang P30 dahil sa kakulangan ng supply sa mundo. Habang, sa unang pagkakataon, nagawa nating itaas ang pamimili ng palay sa mga magsasaka, P17 mula sa P11.

Dahil sa ating mga reporma, nakaya nating mamuhunan sa pagkain—anticipating an unexpected global food crisis. Nakagawa tayo ng libu-libong kilometro ng farm-to-market roads at, kasama ng pribadong sector, natubigan ang dalawang milyong ektarya. Mga Badjao gaya ni Tarnati Dannawi ay tinuruan ng modernong mariculture. Umabot na sa P 180,000 ang kinita niya mula noong nakaraang taon. Congratulations, Tarnati. We will help more fisherfolk shift to fish farming with a budget of P1 billion.

Dahil dumarami na naman daw ang pamilyang nagugutom, mamumuhunan tayo ng panibago sa ating hunger mitigation program na sa nakaraan ay napatunayang mabisa. Tulungan ninyo ako dito, Kongreso.

Mula pa noong 2001, nanawagan na tayo ng mas murang gamot. Nagbebenta tayo ng gamot na kalahating presyo sa libu-libong Botika ng Bayan at Botika ng Barangay sa maraming dako ng bansa. Our efforts prodded the pharmaceutical companies to come up with low-cost generics and brands like RiteMed. I supported the tough version of the House of the Cheaper Medicine law. I supported it over the weak version of my critics. The result: the drug companies volunteered to bring down drug prices, slashing by half the prices of 16 drugs. Thank you, Congressmen Cua, Alvarez, Biron, Locsin.

Pursuant to law, we are placing other drugs under a maximum retail price. To those who want to be President, this advice: If you really want something done, just do it. Do it

hard, do it well. Don't pussyfoot. Don't pander. And don't say bad words in public.

Sa health insurance, sakop na ang 86% ang ating populasyon.

Sa Rent Control Law ng 2005 hanggang 2008, di pwedeng lumampas ng 10% ang pagtaas ng upa taun-taon. Ayon sa kakapirma nating batas may isang taong moratorium, tapos hanggang 7% lamang ang maaaring pagtaas. Salamat, Kongreso.

Noong isang taon, nabiyayaan ng tig-P500 ang mahigit pitong milyong tahanan bilang Pantawid Koryente sa mga small electricity users.

Yung presyo ng koryente, ang EPIRA natin ang pangmatagalang sagot. EPIRA dismantled monopoly. Ngunit minana natin ang power purchase agreements, kaya hindi pa natin makamtan yung buong intended effect. Pero happy na rin tayo, dahil isang taon na lamang iyan. The next generation will benefit from low prices from our EPIRA.

Samantala, umabot na sa halos lahat ng barangay ang elektrisidad. We increased indigenous energy from 48% to 58%. Nakatipid tayo sa dollars tapos na-reduce pa iyong oil consumption. The huge reduction in fossil fuel is the biggest proof of energy independence and environmental responsibility. Further reduction will come with the implementation of the Renewable Energy Act, and the Biofuels Act.

The next generation will also benefit from our lower public debt to GDP ratio. It declined from 78% in 2000 to 55% in 2008. We cut in half the debt of government corporations from 15% to 7%. Likewise foreign debt from 73% to 32%. Kung meron man tayong malaking kaaway na tinalo, walang iba kundi ang utang, iyong foreign debt. Those in the past administrations conjured the demon of foreign debt. We exorcised it.

The market grows economies. A free market, not a free-for-all.

To that end, we improved our banking system to complement its inherent conservatism. The Bangko Sentral has been prudent. Thank you, Governor Tetangco, for being so effective. The BSP will be even more effective if Congress will amend its Charter.

We worked on the Special Purpose Vehicle Act, reducing non-performing loans from 18% to 4% and improving loan-deposit ratios.

Our new Securitization Law did not encourage the recklessness that brought down giant banks and insurance companies elsewhere and laid their economies to waste. In fact, it monitors and regulates the new-fangled financial schemes. Thank you, Congress.

We will work to increase tax effort through improved collections and new sin taxes to further our capacity to reduce poverty and pursue growth. Revenue enhancement must come from the Department of Finance plugging leaks and catching tax and customs cheats. I call on tax paying citizens and tax paying businesses, help the BIR and stop those tax cheats.

Taxes should come from alcohol and tobacco and not from books. Tax hazards to lungs and livers, do not tax minds. Ang kita mula sa buwis sa alak at sigarilyo ay dapat gamitin sa kalusugan at edukasyon. Pondo ang Philhealth premiums ng pinakamahihirap. Pondo ang mas maraming classroom at computers.

Pardon my partiality for the teaching profession. I was a teacher.

Kaya namuhunan tayo ng malaki sa edukasyon at skills training.

Ang magandang edukasyon ay susi sa mas magandang buhay, the great equalizer that allows every young Filipino a chance to realize their dreams.

Nagtayo tayo ng 95,000 na silid-aralan, nagdagdag ng 60,000 na guro, naglaan ng P1.5 billion para sa teacher training, especially for 100,000 English teachers.

Isa sa pinakamahihirap sa Millennium Development Goals ay iyong Edukasyon para sa Lahat pagdating ng 2015. Ibig sabihin, lahat ng nasa tamang edad ay dapat nasa primary school. Halos walang bansang makakatupad nito. Ngunit nagsisikap pa rin tayo. Nagtayo tayo ng mga paaralan sa higit sanlibong barangay na dati walang eskwelahan upang makatipid ng gastos sa pasahe ang mga bata. Tinanggal natin ang miscellaneous fees para sa primary school. Hindi na kailangan mag-uniporme ang mga estudyante sa public school.

In private high schools, we finance half of the students.

We have provided college and post-graduate education for over 600,000 scholars. One of them, Mylene Amerol-Macumbal, finished Accounting at MSU-IIT, then she went to law school, and placed second in the last bar exams - the first Muslim woman bar topnotcher. Congratulations!

In technical education and skills training, we have invested three times that of three previous administrations combined. Narito si Jennifer Silbor, isa sa sampung milyong trainee. Natuto siya ng medical transcription. Now, as an independent contractor and lecturer for transcriptions in Davao, kumikita siya ng P18,000 bawat buwan. Good job, Jennifer.

The Presidential Task Force on Education headed by Jesuit educator Father Bienvenido Nebres has come out with the Main Education Highway towards a Knowledge-Based Economy. It envisions seamless education from basic to vocational school or college.

It seeks to mainstream early childhood development in basic education. Our children are our most cherished possession. In their early years we must make sure they get a healthy start in life. They must receive the right food for a healthy body, the right education for a bright and inquiring mind—and the equal opportunity for a meaningful job.

For college admission, the Task Force recommends mandatory Scholastic Aptitude Tests. It also recommends that higher private education institutions should be harmonized with state universities and colleges, and that CHED should oversee local universities and colleges. For professions seeking international recognition—engineering, architecture, accountancy, pharmacy and physical therapy—it recommends radical reform: 10 years of basic education, two years of pre-university, before three years of university.

Our educational system should make the Filipino fit not just for whatever jobs happen to be on offer today, but also for whatever economic challenge life will throw in their way.

Sa hirap at ginhawa, pinapatatag ang ating bansa ng ating overseas Filipinos. Iyong padala nilang \$16 billion noong isang taon ay record. Itong taon, mas mataas pa.

I know that this is not a sacrifice joyfully borne. This is work where it can be found—in faraway places, among strangers with different cultures. It is lonely work, it is hard work.

Kaya nagsisikap tayong lumikha dito sa atin ng mga trabahong maganda ang sahod, so that overseas work will just be a career choice, not the only option for a hard-working Filipino.

Meanwhile, we should make their sacrifices worthwhile. Dapat gumawa tayo ng mas epektibong proteksyon at pagpapalawak ng halaga ng kanilang pinagsikapang suweldo. That means stronger consumer protection for Overseas Filipino Workers investing in property and products back home. Para sa kanila, pinapakilos natin ang Investors Protection Task Force.

Hindi ako nag-aatubiling bisitahin ang ating taong bayan at kanilang mga host sa buong mundo – mula Hapon...hanggang Brazil, mula Europa at Middle East hanggang sa American Midwest, nakikinig sa kanilang mga problema at pangangailangan, inaalam kung paano sila matutulungan ng ating pamahalaan—by working out better policies on migrant labor, or by saving lives and restoring liberty.

Pagpunta ko sa Saudi, pinatawad ni Haring Abdullah ang pitong daang OFW na nasa preso. Pinuno nila ang isang buong eroplano at umuwi kasama ko.

Mula sa ating State Visit sa Espanya, it has become our biggest European donor. At si Haring Juan Carlos ay nakikipag-usap sa ibang mga bansa para sa ating mga namomoblemanang OFW. Ganoon din si Sheikh Khalifa, ang Prime Minister ng Bahrain.

Pagpunta ko sa Kuwait, Emir Al-Sabah commuted death sentences. We thank all our leaders, our world leaders, for showing compassion to our overseas foreign workers. Salamat.

Our vigorous international engagement has helped bring in foreign investment. Net foreign direct investments multiplied 15 times during our administration. Kasama ng ating mga Together with our OFWs, they more than doubled our foreign exchange

reserves. Pinalakas ang ating piso at naiwasan ang lubhang pagtaas ng presyo. They upgraded our credit because while the reserves of our peers have shrunk this past year, ours reserves grew by \$3 billion.

Our international engagement has also corrected historical injustice. The day we visited Washington, Senator Daniel Inouye successfully sponsored benefits for our veterans as part of America's stimulus package.

I have accepted the invitation of President Obama to be the first Southeast Asian leader to meet him at the White House, later this week.

That he sought us out testifies to our strong and deep ties.

High on our agenda will be peace and security issues. Terrorism: how to meet it, how to end it, how to address its roots in injustice or prejudice—and first and always how to protect lives.

We will discuss nuclear non-proliferation. The Philippines will chair the review of the nuclear weapons non-proliferation Treaty in New York in May 2010. The success of the talks will be a major diplomatic achievement for us.

There is a range of other issues we will discuss, including the global challenge of climate change, especially the threat to countries with long coastlines. And there is the global recession, its worse impact on poor people, and the options that can spare them from the worst.

In 2008 up to the first quarter of 2009 we stood among only a few economies in Asia-Pacific that did not shrink. Compare this to 2001, when some of my current critics were driven out by people power. Asia was surging but our country was on the brink of bankruptcy.

Since then, our economy posted uninterrupted growth for 33 quarters; more than doubled its size from \$76 billion to \$186 billion. The average GDP growth from 2001 to the first quarter of 2009 is the highest in 43 years.

Bumaba ang bilang ng mga nagsasabing mahirap sila sa 47% mula 59%. Maski lumaki ang ating populasyon, nabawasan ng dalawang milyon ang bilang ng mahihirap. GNP per capita rose from a Third World \$967 to \$2,000. Lumikha tayo ng walong milyong trabaho, an average of a million a year, much, much more than at any other time.

In sum: 1. We have a strong economy and a strong fiscal position to withstand global shocks.

2. We built new modern infrastructure and completed unfinished ones.

3. The economy is more fair to the poor than ever before.

4. We are building a sound base for the next generation.

5. International authorities have taken notice that we are safer from environmental degradation and man-made disasters.

As a country in the path of typhoons and in the Pacific Rim of Fire, we must be prepared as the latest technology permits to anticipate natural calamities when that is possible; to extend immediate and effective relief when it is not. The mapping of flood- and landslide-prone areas is almost complete. Early warning, forecasting and monitoring systems have been improved, with weather tracking facilities in Subic, Tagaytay, Mactan, Mindanao, Pampanga.

We have worked on flood control infrastructure like those for Pinatubo, Agno, Laoag, and Abucay, which will pump the run off waters from Quezon City and Tondo flooding Sampaloc. This will help relieve hundreds of hectares in this old city of its age old woe.

Patuloy naman iyong sa Camanava, dagdag sa Pinatubo, Iloilo, Pasig-Marikina, Bicol River Basin, at mga river basin ng Mindanao.

The victims of typhoon Frank in Panay should receive their long-overdue assistance package. I ask Congress to pass the SNITS Law.

Namana natin ang pinakamatagal na rebelyon ng Komunista sa buong mundo.

Si Leah de la Cruz isa sa labindalawang libong rebel returnee. Sixteen pa lang siya nang sumali sa NPA. Naging kasapi sa regional White Area Committee, napromote sa Leyte Party Committee Secretary. Nahuli noong 2006. She is now involved in an LGU-supported handicraft livelihood training of former rebels. We love you, Leah!

There is now a good prospect for peace talks with both the Communist Party of the Philippines and the MILF, with whom we are now on ceasefire.

We inherited an age-old conflict in Mindanao, exacerbated by a politically popular but near-sighted policy of massive retaliation. This only provoked the other side to continue the war.

In these two internal conflicts, ang tanong ay hindi, “Sino ang mananalo?” kundi, bakit pa ba kailangang mag-laban ang kapwa Pilipino tungkol sa mga isyu na alam naman nating lahat na di malulutas sa dahas, at mareresolba lang sa paraang demokratiko?

There is nothing more that I would wish for than peace in Mindanao. It will be a blessing for all its people, Muslim, Christian and lumads. It will show other religiously divided communities that there can be common ground on which to live together in peace, harmony and cooperation that respects each other’s religious beliefs.

At sa lahat ng dako ng bansa, kailangan nating protektahan ang ating mga mamamayan kontra sa krimen' -- in their homes, in their neighborhoods, in their communities. How shall crime be fought? With the five pillars of justice, including crime fighters. We call on Congress to fund more policemen on the streets.

Real government is about looking beyond the vested to the national interest, setting up the necessary conditions to enable the next, more enabled and more empowered generation to achieve a country as prosperous, a people as content, as ours deserve to be.

The noisiest critics of constitutional reform tirelessly and shamelessly attempted Cha-Cha when they thought they could take advantage of a shift in the form of government. Now that they feel they cannot benefit from it, they oppose it.

As the seeds of fundamental political reform are planted, let us address the highest exercise of democracy, voting!

In 2001, I said we would finance fully automated elections. We got it, thanks to Congress.

At the end of this speech I shall step down from this stage, but not from the Presidency. My term does not end until next year. Until then, I will fight for the ordinary Filipino. The nation comes first. There is much to do as head of state—to the very last day.

A year is a long time. Patuloy ang pamumuhunan sa tinatawag na three E's ng ekonomiya, environment at edukasyon. There are many perils that we must still guard against.

A man-made calamity is already upon us, global in scale. As I said earlier, so far we have been spared its worst effects but we cannot be complacent. We only know that we have generated more resources on which to draw, and thereby created options we could take. Thank God we did not let our critics stop us.

As the campaign unfolds and the candidates take to the airwaves, I ask them to talk more about how they will build up the nation rather than tear down their opponents. Give the electorate real choices and not just sweet talk.

Meanwhile, I will keep a steady hand on the tiller, keeping the ship of state away from the shallows some prefer, and steering it straight on the course we set in 2001.

Ang ating taong bayan ay masipag at maka-Diyos. These qualities are epitomized in someone like Manny Pacquiao....Manny trained tirelessly, by the book, with iron discipline, with the certain knowledge that he had to fight himself, his weaknesses first, before he could beat his opponent. That was the way to clinch his victories and his ultimate title: ang pinakadakilang boksingero sa kasaysayan. Mabuhay ka, Manny!

However much a President wishes it, a national problem cannot be knocked out with a

single punch. She must work with the problem as much as against it, turn it into a solution if she can.

There isn't a day I do not work at my job or a waking moment when I do not think through a work-related problem. Even my critics cannot begrudge the long hours I put in. Our people deserve-a-government that works just as hard as they do.

A President must be on the job 24/7, ready for any contingency, any crisis, anywhere, anytime.

Everything right can be undone by even a single wrong. Every step forward must be taken in the teeth of political pressures and economic constraints that could push you two steps back-if-you flinch and falter. I have not flinched, I have not faltered. Hindi ako umaatras sa hamon.

And I have never done any of the things that have scared my worst critics so much. They are frightened by their own shadows.

In the face of attempted coups, I issued emergency proclamations just in case. But I was able to resolve these military crises with the ordinary powers of my office. My critics call it dictatorship. I call it determination. We know it as strong government.

But I never declared martial law, though they are running scared as if I did. In truth, what they are really afraid of is their weakness in the face of this self-imagined threat.

I say to them: do not tell us what we all know, that democracy can be threatened. Tell us what you will do when it is attacked.

I know what to do:

As I have shown, I will defend democracy with arms when it is threatened by violence; with firmness when it is weakened by division; with law and order when it is subverted by anarchy; and always, I will try to sustain it by wise policies of economic progress, so that a democracy means not just an empty liberty but a full life for all.

I never expressed the desire to extend myself beyond my term. Many of those who accuse me of it tried to cling like nails to their posts.

I am accused of misgovernance. Many of those who accuse me of it left me the problem of their misgovernance to solve. And we did it.

I am falsely accused, without proof, of using my position for personal profit. Many who accuse me have lifestyles and spending habits that make them walking proofs of that crime.

We can read their frustrations. They had the chance to serve this good country and they

blew it by serving themselves.

Those who live in glass houses should cast no stones. Those who should be in jail should not threaten it, especially if they have been there.

Our administration, with the highest average rate of growth, recording multiple increases in investments, with the largest job creation in history, and which gets a credit upgrade at the height of a world recession, must be doing something right, even if some of those cocooned in corporate privilege refuse to recognize it.

Governance, however, is not about looking back and getting even. It is about looking forward and giving more—to the people who gave us the greatest, hardest gift of all: the care of a country.

From Bonifacio at Balintawak to Cory Aquino at EDSA and up to today, we have struggled to bring power to the people, and this country to the eminence it deserves.

Today the Philippines is weathering well the storm that is raging around the world. It is growing stronger with the challenge. When the weather clears, as it will, there is no telling how much farther forward it can go. Believe in it. I believe.

We can and we must march forward with hope, optimism and determination.

We must come together, work together and walk together toward the future.

Bagamat malaking hamon ang nasa ating harapan, nasa kamay natin ang malaking kakayahan. Halina't pagtulongan nating tiyakin ang karapat-dapat na kinabukasan ng ating Inang Bayan.

And to the people of our good country, for allowing me to serve as your President, maraming salamat. Mabuhay ang Pilipinas.