

WELCOME REMARKS OF GCG CHAIRMAN CESAR L. VILLANUEVA

During the Ceremonial Turnover of GOCC Dividends on 03 June 2013,
at the Rizal Hall, Malacañang

His Excellency, President Benigno S. Aquino III, Secretary Cesar V. Purisima, Secretary Buth Abad, Secretary Jun Abaya, Senator Frank M. Drilon, National Treasurer Rosalia De Leon, members of the Cabinet, to the various Chairpersons, CEO's and members of the Governing Boards of GOCCs joining us this morning, distinguished guests, ladies and gentlemen, good morning, and welcome to GOCC Dividends and Recognition Day — the third year that this event has been held.

This morning we formally recognize thirty-eight (38) GOCCs who are considered to be the exemplars of financial viability and fiscal discipline in the government corporate sector — at least for 2012.

By the end of our short ceremony this morning, the contributing GOCCs would have collectively contributed close to ₱28 Billion pesos in dividends and other forms of remittances to the national coffers out of their operations for the past year. With these funds, the National Government is able to augment the funds from which it will finance its programs and projects to achieve economic growth that is inclusive.

Even as we honor the dedicated men and women who have accomplished outstanding results for their respective corporations, we do not lose sight of the fact that under the Constitution, GOCCs are established subject to the test of economic viability—which means that we must take into consideration all benefits, measured not only by financial criteria, but also economic returns or benefits that are not always monetarily quantifiable. We thus take this opportunity to recognize as well the efforts of GOCCs which, by their respective charters, are precluded from remitting dividends to the National Government.

These GOCCs include the GSIS, SSS, PCSO, Home Development Mutual Fund (PAG-IBIG), and PhilHealth — for while they cannot remit dividends to the National Government, it is the public at large that in a way reaps the benefits through the vital public service that they render.

- The GSIS, for example, paid out ₱930 Million pesos in dividends to its members in 2012 — 14% higher than in 2011 — after posting surplus earnings from its Social Insurance Funds.
- SSS, on the other hand, implemented a Penalty Condonation Program for Individual Members in 2012.
- PCSO released more than ₱8.11 Billion pesos from its PCSO Charity Fund in 2012, with some ₱4.1 Billion pesos funding individual and institutional assistance programs, as well as special programs, while ₱4 Billion went to mandatory contributions required by various laws.
- In the case of PAG-IBIG, the Fund has financed 124,287 housing units worth ₱87.3 Billion pesos by the end of 2012. In addition, ₱102.5 Billion pesos worth of short-term loans were made available to 5.1 million member-borrowers for the same period.

- Finally, PHILHEALTH, has achieved “universal” coverage OVER 86% of the population [as early as 2010].

It is worthwhile also to note that of the sales proceeds from the disposition of the FTI Complex of ₱24 Billion, about ₱11.7 Billion has been remitted to the National Treasury.

Indeed, through the GOCC Governance Act of 2011, the State expressly recognizes the potential of GOCCs as significant tools for economic development. To further realize this potential, the GCG has recently adopted the Performance Evaluation System for the GOCC Sector – a process by which we shall appraise the accomplishments of GOCCs in a given fiscal year based on set performance criteria, targets, and weights.

Also, already underway is the development of the Compensation and Position Classification System of the government corporate sector, or the CPCS. To ensure that stakeholders have a buy-in, the development of the CPCS is done in consultation not only with the Management of GOCCs, but with members of GOCC unions as well. With this, we hope to curb the abuses of the past by certain GOCCs with respect to the compensation, benefits, and allowances not only of their Governing Boards, but their officers and employees as well. As mandated by the GOCC Governance Act, the CPCS shall generally be comparable with basic compensation in the private sector, taking into account the performance of the GOCCs and their overall contribution to the national economy. The CPCS Project entails seven (7) phases, and we are already nearing the end of Phase IV, which is Job Leveling and Position Classification. We intend to have the CPCS on the desk of the President by September of this year.

Though this week marks only the 2nd year of the passage into law of the GOCC Governance Act (R.A. No. 10149 – 06 June 2011), the Philippine government corporate sector has already taken great strides since its enactment. In this morning’s ceremony, we recognize not only the accomplishments of our GOCCs, but also the resolve of the Aquino Administration in pursuing the much-needed reform of the government corporate sector.

Congratulations, and a pleasant morning to you all.