

Narrow Industrial Base

Issues raised

- How do you operationalize recommendations?
 - Which agency/ies to implement: main problem is how to deal with strong lobby from powerful vested industries
 - What is our view of existing policies e.g. incentives (too many sectors/industries being given fiscal incentives)

Issues raised

- What is the role of gov't in industrial policy?
 - China: local executives like CEOs
 - In choosing industries to give incentives
 - Ongoing study about effectiveness of tax incentives
 - National-local coordination e.g. road networks in agglomeration economies

Issues raised

- Need for vision and strategy to cover:
 - Skills requirements (training program should be demand-oriented as in TESDA's enterprise-based training program)
 - Need to look at credit and financing needs

Issues raised

- Role of science and technology
 - Need to strengthen link between industries and universities
 - Promoting R&D so that it is industry-oriented

Criticism of 'laundry list approach'

- Industrial policy as implemented
 - Laundry list approach; (every industry wants own incentives); how do you prioritize?
 - Too much lobbying from the private sector
 - Lack of coherence and strategic thinking

Suggested approach

- Growth areas: solving coordination failures
 - Connectivity across cities, between mega and secondary cities, industrial areas, islands, etc
 - Agglomeration economies
 - Local govts should have greater capacity to develop new industries with support from the NG
 - Need to look at financing needs