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*JOINT STATEMENT*

*March 26, 2019*

## **Business groups support measures to resolve water interruption as ordered by PRRD**

We welcome and fully support the directive of President Duterte to solve the water service disruption in the east zone concession within 150 days.

We are heartened by the fact that measures have been developed in consultation with and cooperation of all stakeholders, including government water agencies, regulators and the two private concessionaires.

Accordingly, we are encouraged and confident that these interim measures will adequately resolve the water shortage and bring relief to consumers in the shortest possible time.

For the longer term, the resoluteness manifested by the Duterte administration in undertaking solutions to ensure sustainable supply of raw water is most encouraging. In this regard, the private water concessionaires, being accountable for rendering water service to the public, should be allowed the option to provide raw water supply for their respective zones.

We fully realize this service disruption had greatly affected and inconvenienced millions of consumers in the affected concession zone in many ways and we wholeheartedly sympathize with them.

The contrite behavior of MWSS Administrator Reynaldo Velasco and the apology extended by Manila Water CEO Ferdinand dela Cruz are helpful steps in the right direction and we laud them for it. Beyond these, the concession framework and existing regulatory provisions provide accountability measures for both the concerned public and private parties.

While disappointment and anger are understandable reactions, we should recognize that the water service interruption is not a total failure of the system. It must be noted that water service in Metro Manila has vastly improved in almost two decades since the service was privatized. The volume of water saved from leakage is said to be equivalent to the output of a dam such that the great expense for constructing one in the past to cover that same volume was rendered unnecessary. Happily, gone are the waterless days of old. In fact, this privatization is being regarded as a good model before the international community for others to emulate.

Looking to the future, we also need to secure a secondary water source to address the growing needs of Metro Manila and its surrounding areas.

Many lessons can be learned from this unfortunate episode and, hopefully, they will be employed to further improve the service and avoid a recurrence in the future.

**AMERICAN CHAMBER OF COMMERCE OF THE PHILIPPINES (AMCHAM) • ASIA PACIFIC REAL ESTATE ASSOCIATION (APREA) • FINANCIAL EXECUTIVES INSTITUTE OF THE PHILIPPINES (FINEX) • FOUNDATION FOR ECONOMIC FREEDOM (FEF) • INSTITUTE OF CORPORATE DIRECTORS (ICD) • INVESTMENT HOUSE ASSOCIATION OF THE PHILIPPINES (IHAP) • MANAGEMENT ASSOCIATION OF THE PHILIPPINES (MAP) • PHILIPPINE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (PICPA) • SUBDIVISION AND HOUSING DEVELOPERS ASSOCIATION (SHDA) • UP SCHOOL OF ECONOMICS ALUMNI ASSOCIATION**