

# AIA remains optimistic on PH market

By **CHINO S. LEYCO**

Parent of Philippine American Life and General Insurance Co. (Philam Life) is optimistic on the country's prospects due to its steady economic growth and strong middle class.

In a briefing, Mark Edward Tucker, AIA Group president and chief executive, said they see strengthening opportunities in Philippines' insurance industry despite uncertainties in the global financial markets.

Tucker explained AIA is optimistic in the Philippines because its insurance penetration rate is still among the lowest, while country remains one of the strongest economies in the region.

"It is also experiencing increasing urbanization, an emerging middle class, changing demographics, improving bal-

ance sheets, strong public borrowings, all are ideal ingredients for the life insurance business," Tucker told reporters.

Among ASEAN like Vietnam (2.1 percent), Thailand (4.7 percent) and Malaysia (4.9 percent), the Philippines has the lowest penetration rate in terms of total premiums at 1.7 percent of gross domestic product (GDP).

Amid optimism, Tucker wanted to see the Philippines to be among the top six markets for AIA, and eventually becoming the top three. "We continued to see strong growth last year which will ensure this. I hope and believe it will be in the top three sooner rather than later," Tucker said.

He added that AIA business in the Philippines will be more profitable due to the country's demographic sweet spot, growing middle class, increasing savings rate along with low insurance penetra-

tion rate.

"I remain very excited about the opportunities here. All these—demographic sweet spot, savings rate, under-penetration are ideal ingredients for life insurance business," Tucker said.

He, however, admitted that there is going to be some volatiles along the way, but he expects it to be short-term and the trend of growing economy of the Philippines will continue in the next decade.

Meanwhile, Tucker disclosed that AIA may participate in the government's public private partnership (PPP) program.

He said AIA holds about \$40 billion to \$50 billion worth of infrastructure projects across Asia.

"Our team continues to look at investment opportunities in infrastructure, we continue to be open to it since its a natural fit for us," Tucker said.