

**STATE OF THE NATION ADDRESS**  
**President of the Republic of the Philippines**  
**Her Excellency**  
**PRESIDENT GLORIA MACAPAGAL-ARROYO**  
**JULY 23, 2007**

Thank you. Thank you very much Speaker De Venecia, Senate President Villar, other newly elected leaders of both Houses, congratulations to you, Senators and Congressmen and Congresswomen. Vice President De Castro, former President Ramos, Chief Justice Puno, our host Mayor, Mayor Sonny Belmonte, other government officials, members of the Diplomatic Corps, ladies and gentlemen.

We meet here today to inaugurate a new Congress after a fresh election. I congratulate every elected official, from municipal to provincial to Congress on hard fought and successful campaigns.

Tapos na ang halalan at pamumulitika; panahon na para maglingkod nang walang damot, mamuno nang walang pangamba maliban sa kagalingan ng bayan, and to govern with wisdom, compassion, vision and patriotism.

Hangarin kong mapabilang ang Pilipinas sa mayayamang bansa sa loob ng dalawampung taon. By then poverty shall have been marginalized; and the marginalized raised to a robust middle class.

We will have achieved the hallmarks of a modern society, where institutions are strong.

By 2010, the Philippines should be well on its way to achieving that vision.

With the tax reforms of the last Congress, and I thanked the last Congress, we have turned around our macroeconomic condition through fiscal discipline, toward a balanced budget. Binabayaran ang utang, pababa ang interes, at paakyat ang pondo para sa progreso ng sambayanang Pilipino!!! Maraming salamat ulit sa nakaraang Congress.

We have been investing hundreds of billions in human and physical infrastructure. The next three years will see record levels of well thought out and generous funding for the following priorities:

First, investments in physical, intellectual, legal and security infrastructure to increase business confidence. Imprastraktura para sa negosyo at trabaho. Isang

milyong trabaho taon-taon.

Second, investments in a stronger and wider social safety net - murang gamot, abot-kayang pabahay, eskwelang primera klase, mga gurong mas magaling at mas malaki ang kita, mga librong de-kalidad, more scholarships for gifted students, and language instruction to maintain our lead in English proficiency. Dunong at kalusugan ang susi sa kasaganaan.

Third, investments in bringing peace to Mindanao; in crushing terrorism wherever it threatens regardless of ideology; and in putting a stop to human rights abuses whatever the excuse.

We pay tribute to the fearless fourteen who were savagely massacred at Tipo-Tipo trying to pursue a peaceful and progressive Philippines. We will not disappoint their hopes. We will not waste their sacrifice. We will not be swayed from the course we have set in this conflict for peace with justice throughout our land.

We have created a Philippine model for reconciliation built on inter-faith dialogue, expanded public works and more responsive social services. These investments show both sides in the Mindanao conflict that they have more at stake in common; and a greater reason to be together than hang apart, including being together isolating the terrorists.

Imprastruktura ang haliging nagtitindig hindi lamang ng kapayapaan kundi ng ating buong makabagong ekonomiya: mga kalsada, tulay, paliparan, public parks and power plants.

Last year I unveiled the Super Regions - Mindanao, Central Philippines, North Luzon Agribusiness Quadrangle, Luzon Urban Beltway and the Cyber Corridor - to spread development away from an inequitable concentration in Metro Manila. Hindi lamang Maynila ang Pilipinas.

The Super Regions was not a gimmick for the occasion but the blueprint for building a future.

In Mindanao, our food basket, I said we would prioritize agribusiness investments. And I am happy to see that the latest survey in June shows the hunger rate has sharply gone down nationwide. We have done that.

The Departments of Agriculture, Agrarian Reform, and Environment and Natural Resources will devote 30 percent of their program budgets to Mindanao. DAR will move to Davao.

Dapat maging daan sa tagumpay sa agribusiness ang reporma sa lupa. Done right, reform will democratize success, as Ramon Magsaysay and Diosdado Macapagal envisioned.

We must reform agrarian reform so it can transform beneficiaries into agribusinessmen and other agribusiness women.

Sa gayon, dadami pa ang mga tampok na magsasaka gaya ng mga nagwagi ng Gawad Saka, sina Ananias Cuado ng Comval at Demetrio Tabelon ng Butuan; at Nelson Taladhay ng Sultan Kudarat, pangunahing agrarian reform beneficiary ng 2007. We also have outstanding farmers from the other superregions, like Joseph Fernando and Heherson Pagulayan, Nestor Bautista, Joseph Lomibao, Arturo Marcaida, Peter Uy, Arturo Pasacas and Glenn Saludar.

Sa anim na taon nagtayo tayo at nag-ayos ng patubig para sa isang milyong ektarya sa buong bansa - pinakamalaki sa matagal na panahon.

Magtatayo tayo ng mariculture o palaisdaan sa dagat. Isa rito ay ilalagay natin sa Sibutu. Hiling ito ni Nur Jaafar.

Para sa buong bansa naglaan tayo ng P3 billion para sa tatlong libong kilometro ng farm to market roads. Sanlibong kilometro sa Mindanao. Gawa na ang tatlong daan. 🚧

The road and RORO network has cut the cost of bringing agribusiness products from Mindanao to Luzon. A 10-wheeler used to pay P32 thousand from Dapitan to Batangas. Now it pays P11 thousand. Fresh fish that cost P20 thousand a ton to move, now travels at P14 thousand.

Construction is criss-crossing Mindanao: Dapitan-Dakak to bring Cely Carreon's paradise closer to civilization; Sibuco-Siraway-Siocon-Baliguian; Dinagat Island Network, a baptismal gift for Glenda Ecleo's new province; the 66-kilometer Manay-Mati section of Davao-Surigao; and Maguindanao-Lebak, Sim Datumanong's brainchild when he headed DPWH.

We want better airports, new bridges and ample energy for Mindanao's rising economy.

The Dipolog and Pagadian airports will be improved by year's end. Also the Cotabato airport. No doubt eagerly awaited by Au Cerilles, Rolando Yebes, Digs Dilangalen, Ros Labadlabad and Victor Yu, and Mayors Evelyn Uy and Sammy Co.

Last July 10 we inaugurated the P1.7 billion, 900 meter bridge in Butuan, built on the initiative of Mayor Boy Daku Plaza, near the P4 billion second-generation

flood control project that we also built. The first was built by my father after the great Butuan flood of the 1960's. Kailangan ipagtanggol ang kapaligiran at mamamayan sa sakuna.

In Agusan del Norte, I hope Edel Amante will be happy with our plans to pilot micro agribusiness in Jabonga.

On July 8, Ozamis Airport opened, bankrolled partly by Leo Ocampos, Aldo Parojinog and Hermie Ramiro's congressional fund. Now, that's the kind of pork that has good cholesterol.

At that occasion the MOU was signed for the Pangil Bay Bridge that will connect Ozamis to Lanao del Norte and Iligan. As urged by Bobby Dimaporo, I declared Mt. Inayawan Range a protected nature park. On Mayor Lawrence Cruz's recommendation, I instruct DPWH to build the Iligan Circumferential Road.

In 2001, we opened a solar plant in Cagayan de Oro. Still, Mindanao faced a 100-megawatt gap by 2009 out now a 210-megawatt clean coal plant in Phividec will fill that gap. We count on Oca Moreno and Tinex Jaraula to continue providing a good investment climate.

We thank Miriam Defensor-Santiago and Migz Zubiri for sponsoring the Biofuels Law in the last Congress. We now have 160 thousand hectares of jatropha nurseries in Bukidnon and 30,000 in General Santos. Jatropha is a 100% substitute for diesel, with only 5% of its emission.

Mindanao's energy challenge lies not in generating power but in power lines. Terrorists target transmission towers. We must resolutely apply the Human Security Act. This act was first filed by Johnny Enrile in 1996, 3 years after the first World Trade Center bombing, 4 years before the Rizal Day bombing and 5 years before 9/11. He ably crafted the final Senate version with Senate President Manny Villar and Nene Pimentel.

Let's now go to Central Philippines, our tourism super region:

- \* We protect its natural wonders and provide the means to travel to those wonders.
- \* For Boracay, the leading overall destination, the Kalibo Airport is now international with an instrument landing system as we said last year. Next is an P80 million terminal on request of Joben Miraflores.
- \* The Aklan-Libertad-Pandan Road, waiting for Japan to approve the contractors, will connect Boracay to the nature park we declared in Northwest Panay

Peninsula. We are improving other Panay roads and building the road from the Iloilo Airport which we inaugurated in Santa Barbara to Iloilo and the Metro Radial Road that Mayor Jerry Treñas asked for when we inaugurated the airport, Art Defensor conceived the airport when he was governor, Governor Niel Tupaz midwifed its delivery when we inaugurated the airport, I said ...

\* Iloilo connects to Guimaras via Jordan Wharf. We thank Congress for the P900 million oil spill calamity fund to save the environment of Guimaras. I thank once again the previous Congress. It is back on its feet. The other side of the island will connect to Bacolod soon because we started building the Sibunag RORO Port last May on recommendation of Governor, now Congressman, Rahman Nava.

\* Bacolod-Silay Airport, near the nature park we declared in Northern Negros, is completed and just awaiting the access road requested by Monico Puentevella.

\* We awarded the contract for upgrading the Dumaguete airport as I reported to George Arnaiz last week.

\* Boracay investors are expanding in Palawan, whose Tubbataha Reefs we declared a nature park. After the Puerto Princesa-Roxas Road last year, we opened Taytay-El Nido in March. The P1 billion Taytay-Roxas section is ongoing. San Vicente airstrip and Busuanga Airport are under construction. And Mayor Hagedorn is reminding us to work on the Puerto Princesa terminal.

\* Under construction are airport aprons of the surfing edens: Governor Ben Evardone's pet project in Guiuan and Lalo Matugas's home town in Siargao.

\* A 100-megawatt energy gap looms in the Visayas in 2009. The Korea Electric plant in Cebu will plug in 200 megawatts only in 2010 so there's a one year gap. Meantime three power barges will supply 100 megawatts and the Panay diesel power plant will increase its run from 70 megawatts to 100.

\* In Central Cebu, we proclaimed a nature park. From Cebu, the top destination for foreign tourists, they can easily radiate to other destinations. Optimism is infectious, and opportunity irresistible. Progress follows progress. Someone, even government, just has to get it started.

\* Going south, Cebu connects to Tubigon and on to Ubay, Jagna and Panglao through the Bohol Circumferential Road that we inaugurated last May 9. The local government has acquired 85 percent of the land for the international airport on Panglao Island, now a tourism destination of its own.

\* Ubay links to Maasin RORO Port which was completed last October. Now I hope there will be more divers for Mian Mercado.

- \* Jagna RORO Port opened last May 9. It will connect to Loloy Romualdo's Mambajao in November, and on to Guinsiliban, the gateway to Mindanao.
- \* Going north from Cebu City, we take the North Coastal Road to Daanbantayan which was recommended to us by Gwen Garcia. Heavy traffic will ease when the P1.2 billion Mandaue-Consolacion Bridge opens. This will be good not only for Malapascua tourism but also for Nitoy Durano's industrial city of Danao.
- \* Daanbantayan, Benhur Salimbangon's home port, connects to Naval, Maripipi, or Esperanza, which started construction last May. We aim to finish all three RORO Ports next year.
- \* Esperanza will link by road to Aroroy in 2009. I'll be there with Lina Seachon and Tony Kho for the inauguration. Please invite me.
- \* Last May, I switched on the lights of Masbate in a Palace ceremony. But the long-term solution will come next year when a new power plant will serve half a million customers on the beautiful but isolated island of Masbate.
- \* From Aroroy we can go to Claveria, whose RORO ramp is under construction. On to Pasacao where RORO operations started in 2002. That's Bong Bravo of Claveria. This brings us to Bicol, including Mt Isarog Park.
- \* Mt. Isarog feeds the Bicol River. For the next three years we are funding the Bicol River Basin and Watershed with the World Bank at \$15 million for irrigation, flood control and water conservation. For Bicol, we have given P7 billion for the Bicol Calamity and Rehabilitation Effort, that is the biggest one-time calamity fund release in our history. At last, Bicol is getting its rightful share.

And, so is the North Luzon Agribusiness Quadrangle:

- \* We are building 1,000 kilometers of farm-to-market roads; 200 are done. Ngayong tapos na ang election ban, pinapaspan ang trabaho para sa nalalabing target.
- \* Halsema Highway from Mount Data to Bontoc and the Tabuk-Tinglayan Road are being built. If you look the chart, there is something incomplete in between.
- \* So that the Cordillera LGUs can build more of their much-needed roads, I ask Congress to require companies to pay directly to the LGUs their share of the natural wealth. I hope, Governor Dalog hears that.
- \* Nagtatayo tayo ng mga paliparan para sa mga produkto ng agribusiness.

\* Noong 2005 nagka-airport sa Baler. Sunod ang airport sa Casiguran. At kalsada sa pagitan.

\* There were no takers in the bidding for to upgrade the Batanes runways so ATO will get it done before the end of the year with the support of DPWH and Governor Telesforo Castillejos.

\* Joe de Venecia and Mayor Nani Braganza are asking for an airport in Alaminos. Will do.

\* The Cagayan Economic Zone Authority and the private sector expanded the San Vicente naval airstrip, so we don't have need to build Lallo.

\* Sa Lallo naman mayroon tayong inaprobahan na agribusiness ecozone. Ang mga agribusiness ecozone ay payo ni Pangulong Ramos. Chief Justice Puno, I am happy to see you here. It is the first time that a Chief Justice attended.

\* The Tarlac-La Union Toll Road will be advertised for private sector BOT bidding this August.

\* Poro Point's international terminal started construction early this year. The Bagabag airport is being lengthened. We are spreading the cheer across the political spectrum from Vic Ortega to Caloy Padilla. Inuuna ang bansa, at itinatabi ang politika.

\* Some towns in Nueva Vizcaya, Quirino, and Isabela are included in the geo-hazard mapping we have done for 700 cities and towns all over the country to protect the environment.

\* The Bangui Bay Wind Power Project which was put up when Bongbong Marcos was governor, is now expanding. Sa paggamit ng hangin, nababawasan ang kailangang langis sa enerhiya.

And now the Luzon Urban Beltway, our top magnet for industry and investment:

\* This quarter we start the P5 billion Mt. Pinatubo Hazard Urgent Mitigation Project that will protect San Fernando City, Sasmuan, Guagua and my home town Lubao from flooding.

\* The Subic-Clark-Tarlac Express Road is in its final stages. This first-world road will cut travel time between Clark and Subic from two hours to 30 minutes. Gagawa tayo ng interchange sa Porac, bayan ni Lito Lapid.

\* Last Thursday with Dick Gordon we inaugurated the container port that will make Subic together with Clark one of the best international service and logistics centers in the region.

\* Clark airport got its approach control radar in April. It now has 50 international flights and 50 cargo flights a week, the second busiest after NAIA. We want more airline service centers there. Now, speaking of NAIA, I'm sure everyone wants to know about NAIA Terminal 3. The ceiling that fell wasn't the only thing in danger of falling. There are more serious dangers from construction and structural defects. We cannot risk the grim consequences of a major earthquake. But NAIA is accelerating the remediation, completion and opening of the terminal. Public safety comes first.

\* Since public safety comes first, I ask Congress to create the Civil Aviation Authority of the Philippines.

\* Last year, I said we would connect North and South Expressways through C-5. Ginagawa na ang C-5 bandang Katipunan. Kausap na ang UP para sa bagong daan patungong Commonwealth, na kasulukuyang pinapalapad at North Avenue. Sa kabilang dulo ng Mindanao Avenue, binibili na ang lupa para sa bagong daan mula Barangay Talipapa hanggang Malinta at tuloy sa NLEX. Sana bumawas ang trapik pa-North Manila.

\* We just broke ground to continue the Skyway up to Alabang. In a year the fast train from Caloocan to Alabang will be serving thousands daily. From Alabang to Santo Tomas the South Luzon Expressway is currently being widened. And by March, Vicky Reyes SLEX will reach Batangas Port.

\* The Coastal Road to Bong Revilla's province is finally under construction.

\* Our investment in vital infrastructure is already bearing fruit, such as the \$1-billion Hanjin shipbuilding facility, said to be the largest in the world, and the \$1-billion Texas Instruments microchip plant in Clark. Maging ex-OFW at ex-tambay kapwang nakahanap ng trabaho sa mga malalaking puhunan na ito.

\* As we build industry, we must ensure people have clean air to breathe. We have closed 88 firms for polluting the environment. Gaya ng sabi ko, una ang kaligtasan ng publiko.

\* We proclaimed a critical habitat within the coastal lagoon of Las Pinas and Paranaque.

\* Maynilad's new owners have invested P7 billion to bring clean and, at last, running water to Paranaque, Parola and elsewhere. Manila Water did a similar P2

billion project for Antipolo.

\* Gumagawa tayo ng septage tank sa Antipolo sa halagang P600 million na maglilinis ng sewage bago ito dumaloy sa mga estero, gaya ng tinayo ng Manila Water sa Taguig at sa San Mateo.

\* Matapos ang maraming taong usapan, ang ating administrasyon ang nakapagsimula ng Flood Control Project sa Kalookan, Malabon, Navotas at Valenzuela (CAMANAVA).

\* On energy, Luzon needs 150 megawatts more by 2010. This is covered by the 350-megawatt, \$350 million expansion of the Pagbilao plant by Marubeni and Tokyo Electric, part of their \$4 billion that constitutes the biggest Japanese investment in Philippine history.

\* We count on the Governor Raffy Nantes and the people of Quezon to somehow to reduce the cost of electricity. I ask Congress to amend the Electric Power Industry Reform Act for open access and more competition.

The Cyber Corridor encompasses centers of technology and learning running the length of all the super regions, from Baguio to Clark to Metro Manila to Cebu to Davao and neighboring areas.

The Philippines ranks among top off-shoring hubs in the world because of cost competitiveness and more importantly our highly trainable, English proficient, IT-enabled management and manpower.

IT ability won for Warren Ambat of Baguio City High the most innovative teacher and leadership award in Cambodia last February, topping contestants from 70 countries, congratulations to our contestants, women.

Information technology will help the BIR bring in more taxes in the coming months. Its Revenue Watch Dashboard will monitor revenue collections in real time from the national level down to the examiners. The LGU Revenue Assurance shares information between the BIR and the LGUs to uncover fraud and non-payment, before heads would roll per Danny Suarez's Attrition Law.

While our strength in contact centers is well-established, we are now focused on growing the higher value-added services, including accounting, legal, human resources and administrative services.

And, so that no Taiwan tremor can cut off our cyber services from their global clients, PLDT and Globe are investing P47 billion in new international broadband links through other regional hubs for redundancy in our cyber space.

The business services sector has become the fastest growing in the economy providing 400,000 jobs compared to 8,000 in 2000. By 2010 the forecast is one million jobs earning \$12 billion, the same amount remitted by our overseas Filipinos today.

#### On Safety Net and Education

Last year I said that in today's global economy, knowledge is the greatest creator of wealth. Mahusay na edukasyon ang pinakamabuting pamana natin sa ating mga anak. Yun din ang tanging pamana na ayon sa batas kailangang ibigay sa bawat mamamayan.

This year, we are investing more for education: P150 billion, P29 billion more than last year.

And, last year government and private sector built 15,000 classrooms instead of the usual 6,000.

Noon, isang libro bawat limang mag-aaral. Ngayon, tig-isang aklat na bawat grade schooler.

One third of our public high schools now have Internet access, with private sector support.

We have a scarcity of public high schools but a surplus of private high schools. So instead of building more high schools, we give more high school scholarships - 600,000 scholars this year.

For college, we launched a P4 billion fund for college loans, to increase beneficiaries from 40,000 to 200,000.

And for teachers, we have created more than 50,000 teaching positions. But we have to improve their training.

Benefits, too. Salamat, dating Senador Tessie Oreta at dating Congressman Dodong Gullas, na di na kailangan ng mga guro maghabol sa Maynila ng sweldo at pension. Pinoproseso na sa rehiyon sa regionalization ng payroll.

Teachers and all other national government employees get a raise effective end of this month.

Sa TESDA, bukod sa mga sariling kurso nagbibigay ito ng mga scholarship sa vocational schools: P600 million noong isang taon, P1 billion ngayon. May P1

bilyon pa ang DOLE.

We are investing P3 billion in science and engineering research and development technology, including scholarships for masters and doctoral degrees programs in engineering in seven universities. Upgrade know-how and learning, and Filipino talent is unbeatable.

Proof is biochemist Baldomero Olivera of the University of Utah who was named Scientist of the Year by the Harvard Foundation.

In the International Math and Science Olympiad 2006 in Jakarta, Robert Buendia of Cavite Central School and Wilson Alba of San Beda Alabang won the gold. Congratulations, guys.

Six Filipinos bagged the awards at the Intel Young Scientists Competition in New Mexico last May: Ivy Ventura, Mara Villaverde, Hester Mana Umayam and Janine Santiago of Philippine Science High; Melvin Barroa of Capiz National High, congratulations, Melvin; and Luigi John Suarez of Benedicto National High.

Congratulations naman. Last week Filipino students topbilled by Amiel Sy of the Philippine Science High dominated the Mathematics World Contest in Hong Kong. Congratulations, Amiel. Congratulations Philippine Science High School. Earlier this month Diona Aquino of the Presidential Management Staff won with her team from UP the Youth Innovation Competition on Global Governance in Shanghai.

Ito ay malaking kunsuwelo sa atin. We have spent more on human capital formation than ever in the past. Why? Because if government of the people and by the people is not for them as well, it is a mockery of democracy.

May malaking pag-angat ang kalagayan ng maralita, gaya ng trabaho, pag-aaral at pagamot. Look at the chart on new poor fare.

Sa unang pagkakataon, gumastos ang Philhealth ng higit P3 bilyon sa paospital ng maralita.

Noong 2001 sinabi kong hahatiin natin ang presyo ng gamot na madalas bilhin ng madla. Ngayon sampung libong Botika ng Barangay ang nagtitinda ng murang gamot. Ang paracetamol na tatlong piso sa labas ay piso lamang sa Botika ng Barangay. Ang antibiotic na binibenta ng mga pangunahing parmasya sa P20 ay P2 lamang.

Kaya sa isang survey, halos kalahati ang nagsabing abot-kaya ang gamot, kumpara sa 11% noong 1999.

So we can spread this even more, I ask Congress to pass the Cheaper Medicines Bill that was almost enacted in June. Almost is not good enough. Let's help Mar Roxas, Ferge Biron and Teddy Boy Locsin give our people meaningful, affordable choices, from abroad and here in the Philippines.

I also ask Congress to pass legislation that brings improved long term care for our senior citizens. Asahan natin si Ed Angara.

Si Noli de Castro na isa pang kampeon ng senior citizens ay namumuno ng ating programa sa pabahay. Congratulations, Noli. The low interest rates for housing are unprecedented. Naglaan ang Pag-IBIG ng P25 billion na pautang, six times the amount when we started it in 2001. P50 billion pa ang ilalaan hanggang 2010.

On Terrorism and Human Rights

We fight terrorism. It threatens our sovereign, democratic, compassionate and decent way of life.

Therefore, in the fight against lawless violence, we must uphold these values. It is never right and always wrong to fight terror with terror.

I ask Congress...I urge you to enact laws to transform state response to political violence: First, laws to protect witnesses from lawbreakers and law enforcers. Second, laws to guarantee swift justice from more empowered special courts. Third, laws to impose harsher penalties for political killings. Fourth, laws reserving the harshest penalties for the rogue elements in the uniformed services who betray public trust and bring shame to the greater number of their colleagues who are patriotic.

We must wipe this stain from our democratic record.

Ngunit pangunahin pakikibaka pa rin para sa karapatan ang pagpapalaya ng masa sa gutom at kahirapan.

Together with economic prosperity is the need to strengthen our institutions of government. Let's start with election reform. We have long provided funds for computerization. We look forward to the modernization of voting, counting and canvassing.

We can disagree on political goals but never on the conduct of democratic elections. I ask Congress to fund poll watchdogs. And to enact a stronger law against election-related violence.

We must weed out corruption and build a strong system of justice that the people can trust. We have provided unprecedented billions for anti-graft efforts. Thus the Ombudsman's conviction rate hit 77% this year, from 6% in 2002. We implemented lifestyle checks, dormant for half a century. Taun-taon dose-dosenang opisyal ang nasususpinde, napapatalsik o kinakasuhan dahil labis-labis sa suweldo ang gastos at ari-arian nila.

Firms who were asked for bribes in taxes, permits and licenses dropped from one-third to one-half. Contract bribes are also down. Graft won't be eliminated overnight but we are making progress.

In Conclusion:

What I have outlined today is just a sampler of our P1.7 trillion Medium Term Public Investment Program. How will we fund all these? P1 trillion from state revenues, with tax reforms and firm orders to BIR and Customs to hit their targets. P300 billion from state corporations. The balance from government financial institutions, private sector investments, local government equity and our bilateral and multilateral partners.

Our new confidence and momentum for progress have imbued our foreign relations, with the ASEAN Summit last year and the coming ASEAN Regional Forum, with increased assistance from our allies and with continued support for our peace and security efforts in Mindanao.

We were able to strengthen our economy because of the fiscal reforms that we adopted at such great cost to me in public disapproval. But I would rather be right than popular.

Our fundamentals are paying off in huge leaps in investment. Anim na milyong trabaho ang nalikha sa anim na taon, most in sustainable enterprises. Sa lakas ng piso, bumagal ang pagtaas ng bilingin.

It is my ardent wish that most of the vision I have outlined will be fully achieved when I step down. It is my unshakeable resolve that the fundamentals of this vision will by then be permanently rooted, its progress well advanced and its direction firmly fixed with our reforms already bearing fruit. All that will remain for my successor is to gather the harvest. He or she will have an easier time of it than I did.

They say the campaign for the next election started on May 15, the day after the last. Fine.

I stand in the way of no one's ambition. I only ask that no one stand in the way of the people's well being and the nation's progress.

The time for facing off is over. The time is here for facing forward to a better future our people so desperately want and richly deserve.

Uulitin ko: Hindi ako sagabal sa ambisyon ninuman.

But make no mistake. I will not stand idly when anyone gets in the way of the national interest and tries to block the national vision. From where I sit, I can tell you, a President is always as strong as she wants to be.

Pagpalain tayo ng Diyos at ang dakilang gawaing hinaharap natin. The state of the nation is strong. Inyong lingkod, Gloria Macapagal Arroyo, Pangulo ng Republika ng Pilipinas.