



DEPARTMENT OF
TRADE & INDUSTRY
PHILIPPINES

A graphic element consisting of a bar chart with seven vertical bars of increasing height from left to right. A red arrow points upwards and to the right, starting from the top of the first bar and ending above the top of the seventh bar.

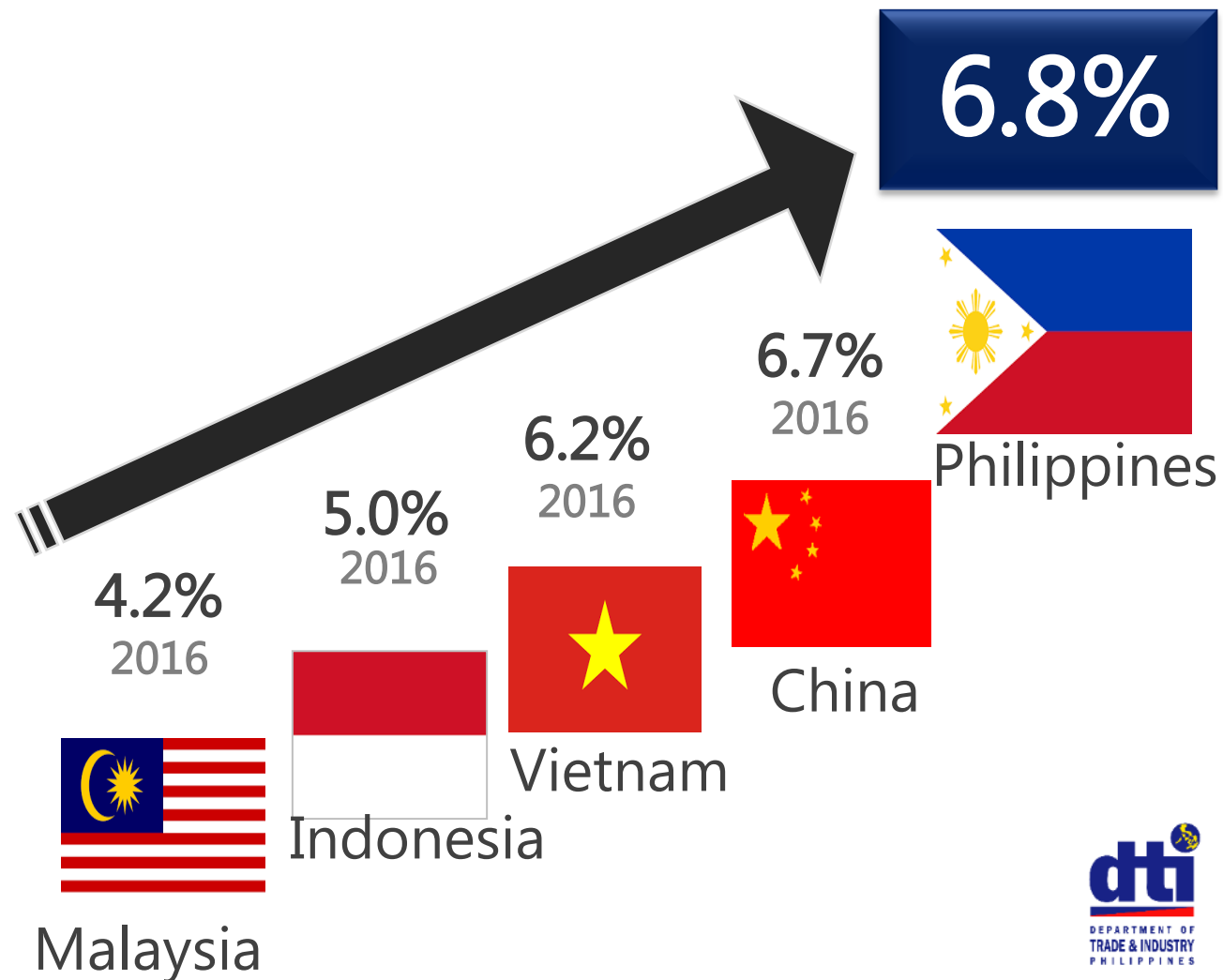
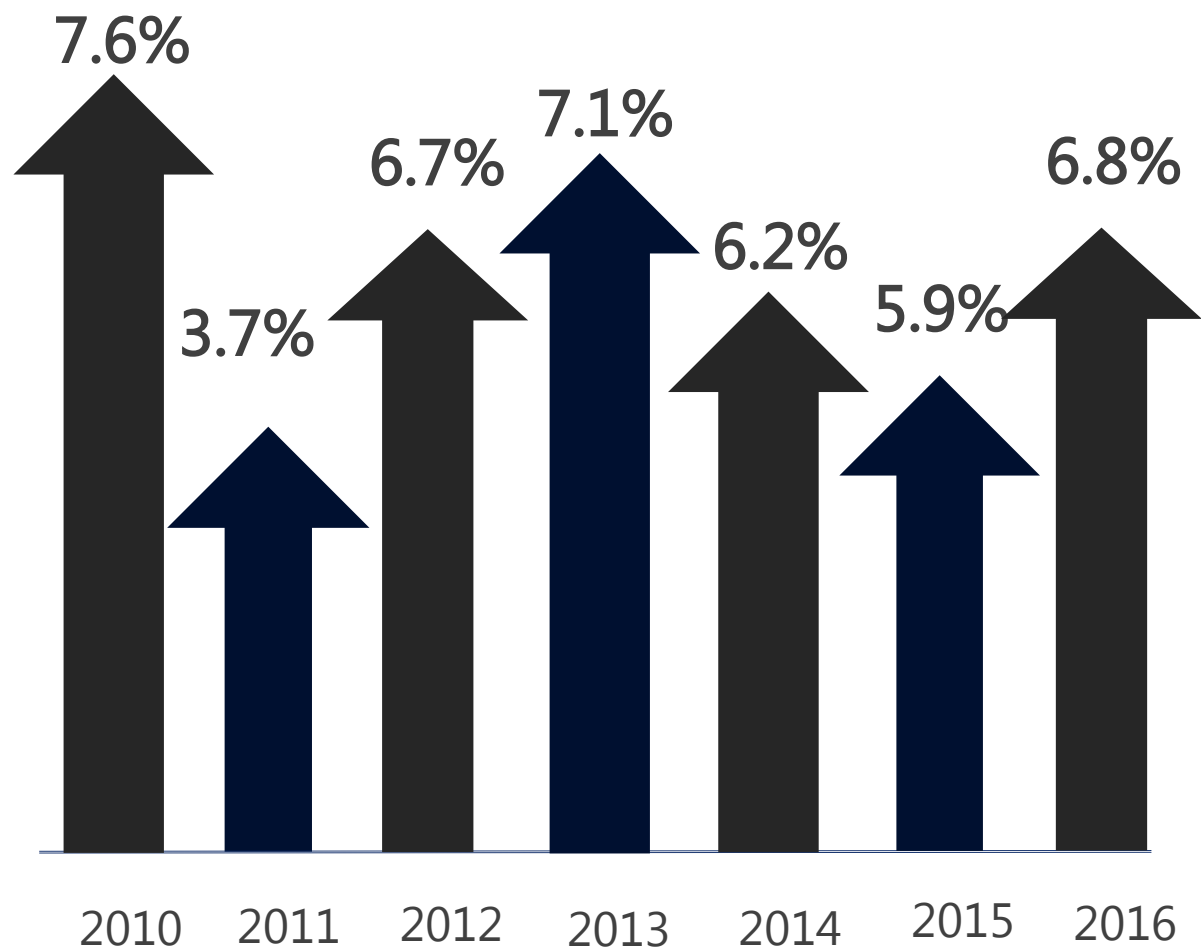
DUTERTE NOMICS

Atty. RUTH B. CASTELO
Undersecretary

Construction, Competitiveness and Ease of Doing Business

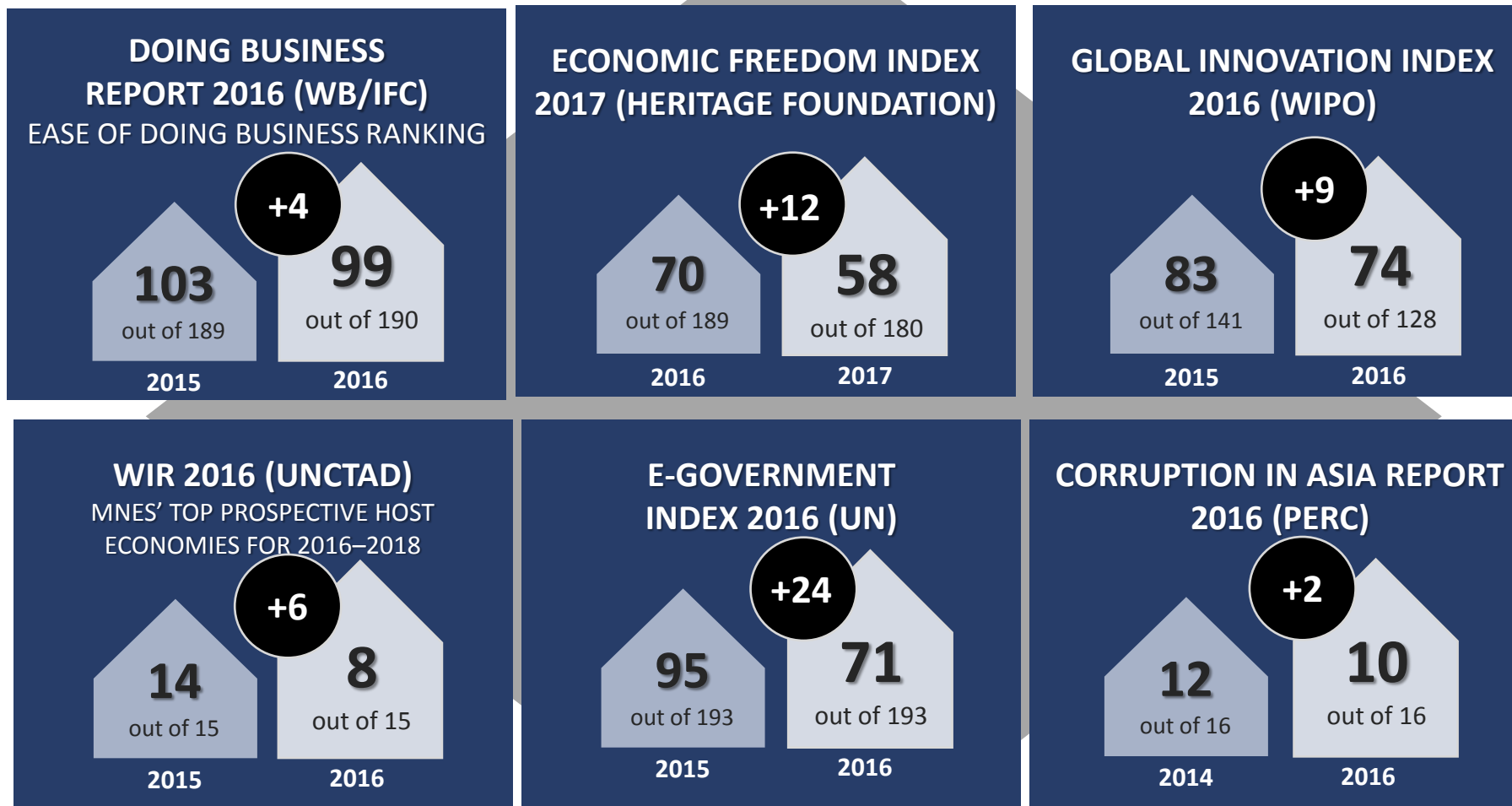
The Philippines: Bright Spot in Asia

Fastest Growing Economy Among Select Asian Economies



The Philippines: Bright Spot in Asia

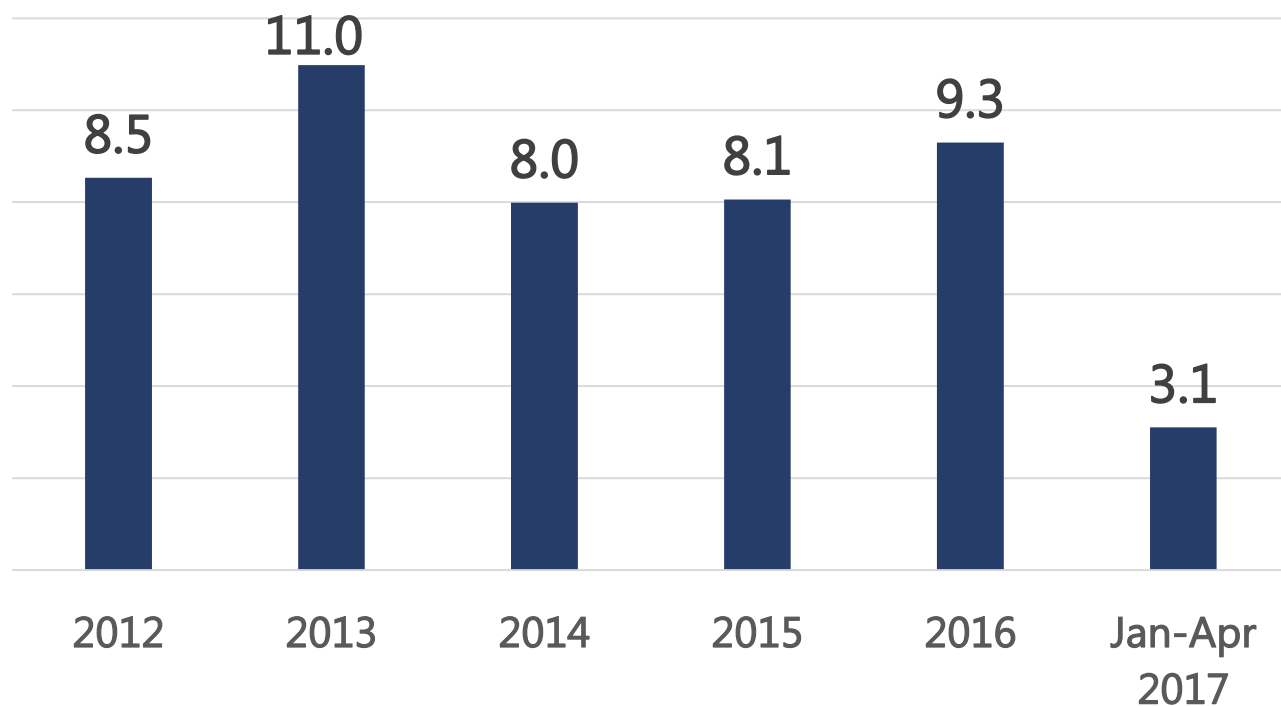
Improving Global Competitiveness Ranking



The Philippines: Bright Spot in Asia

US\$9.3 B approved projects in 2016, up by 21%

BOI-Approved Investments, 2012 – 2017 (Jan – Apr)



Value in US\$ Billion

2016 TOP SECTORS



**Electricity, Gas, Steam & Air
Conditioning Supply**



Real Estate Activities



Construction



Manufacturing

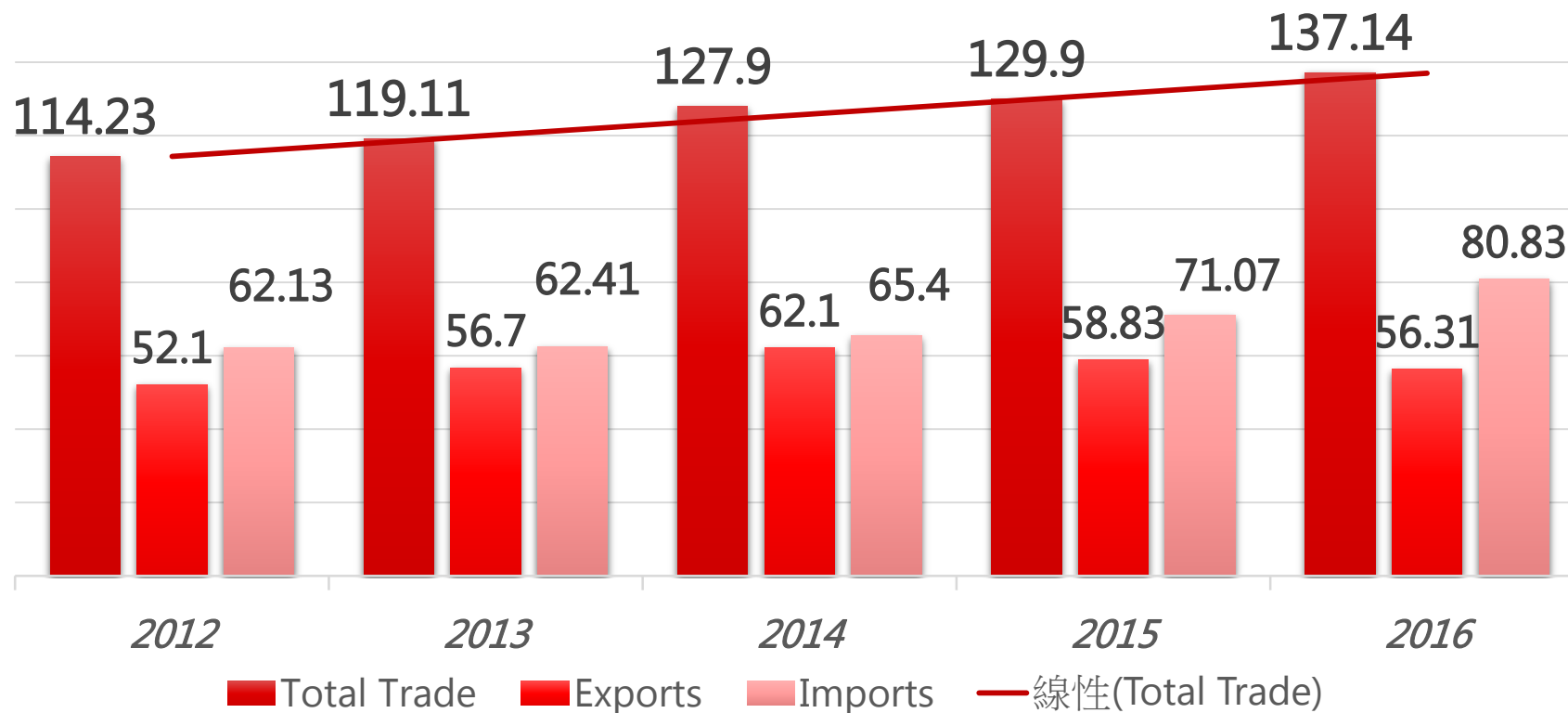


Transportation & Storage

The Philippines: Bright Spot in Asia

Merchandise Trade Export

5-YEAR GROWTH RATE



Value in US\$ Billion

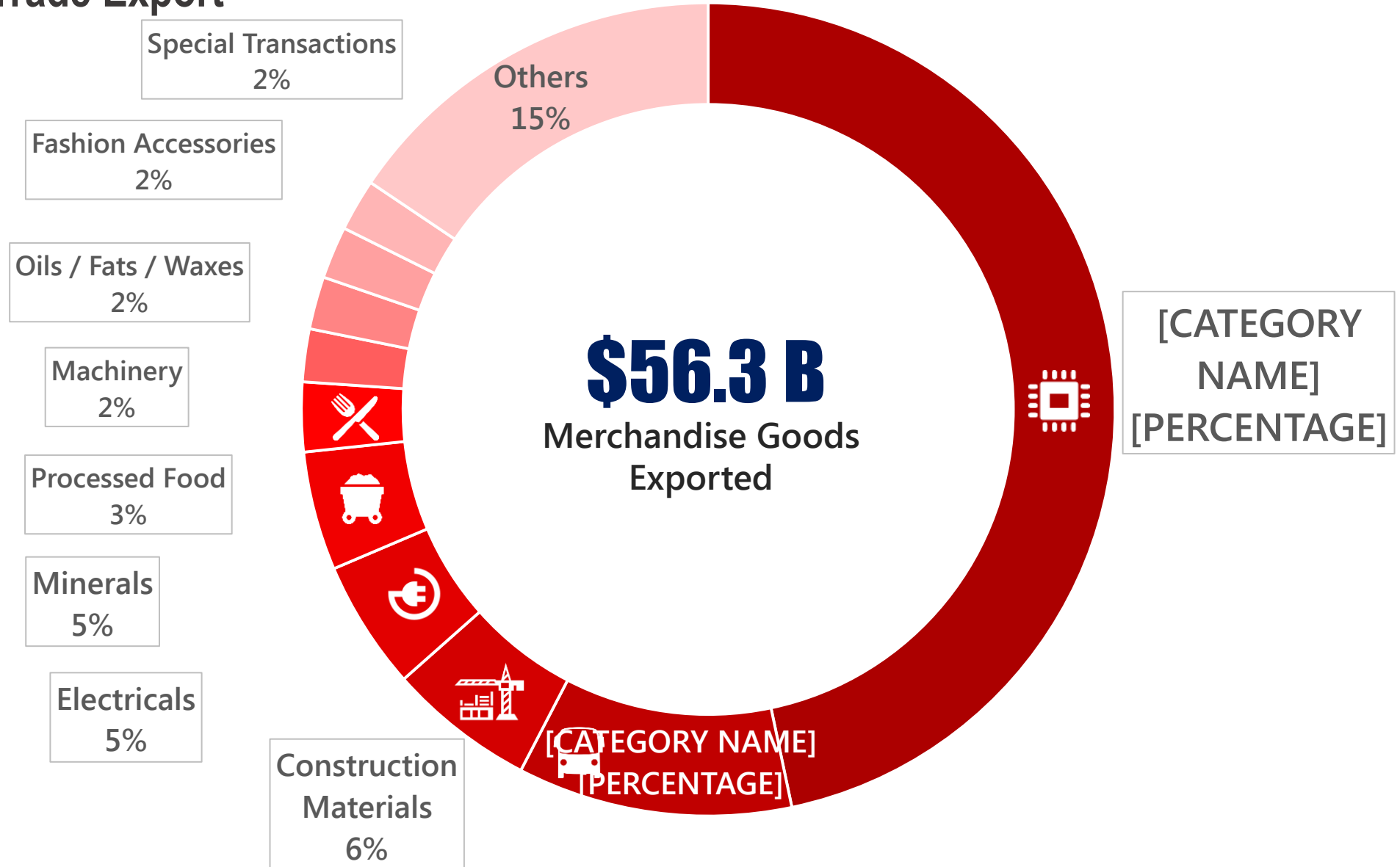
4.68%
TOTAL TRADE

1.96%
EXPORTS

6.80%
IMPORTS

The Philippines: Bright Spot in Asia

Merchandise Trade Export



Thrust for Massive Flow of Domestic and Foreign Investments



- Modernize incentive regime
- Synchronize of investment promotion efforts of all IPAs
- Advocate partnerships in value creation



- Menu of incentives competitive with those of other ASEAN markets
- Continuous improvement in the ease of doing business



- Establish domestic ecozones in the regions to grow
- Develop globally competitive MSME manufacturing
- Big push for innovation-led inclusive growth

Opportunities for Investors and Business

Infrastructure Development



**366 Economic Zones
and Investment
Promotion Agencies**



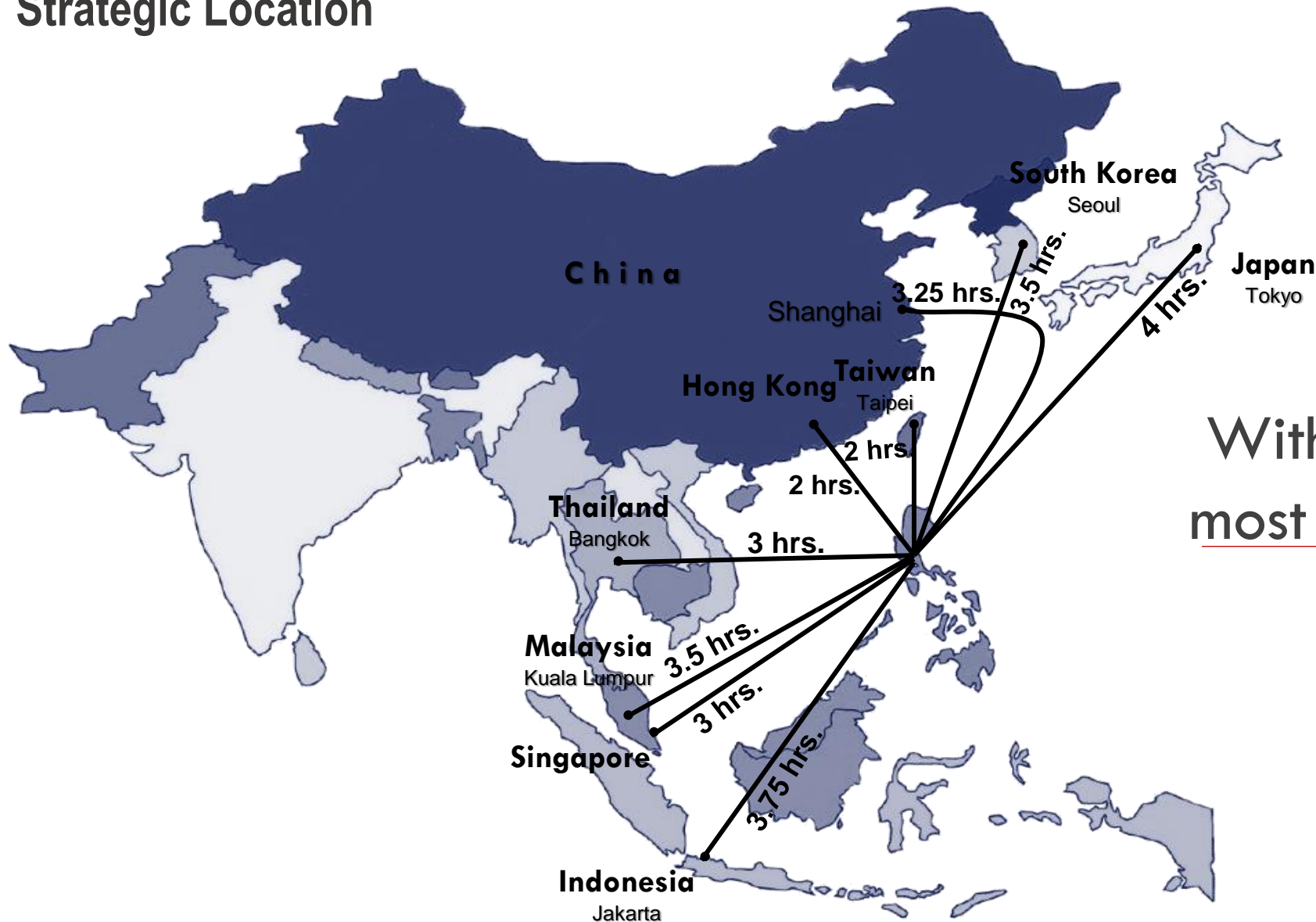
**Public Private Partnerships
In Infrastructure
Development
(in the Pipeline)**



**Ongoing Infrastructure
Projects
(under implementation)**

Opportunities for Investors and Business

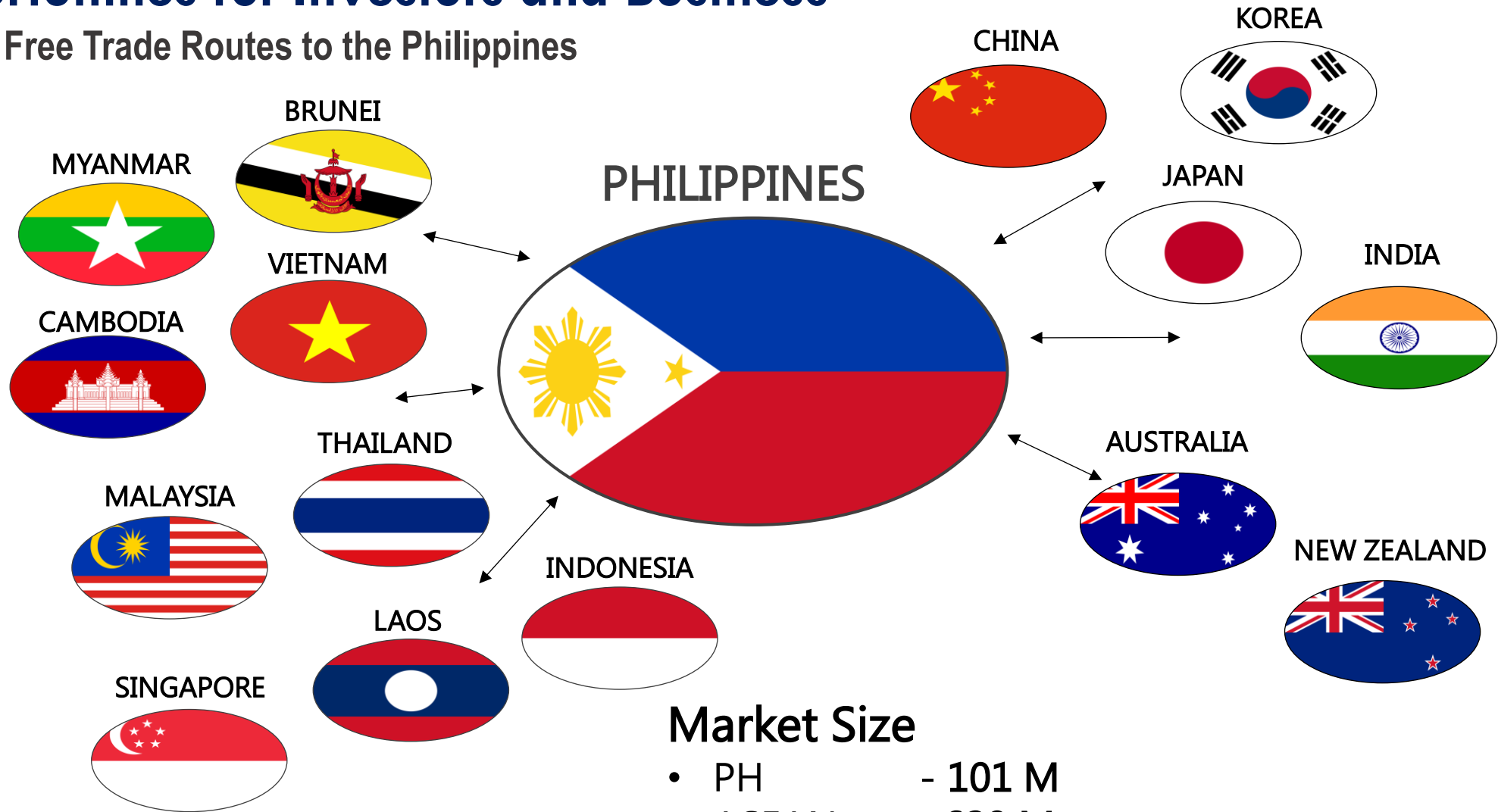
Strategic Location



Within 4 hours from
most key Asian cities

Opportunities for Investors and Business

Current Free Trade Routes to the Philippines

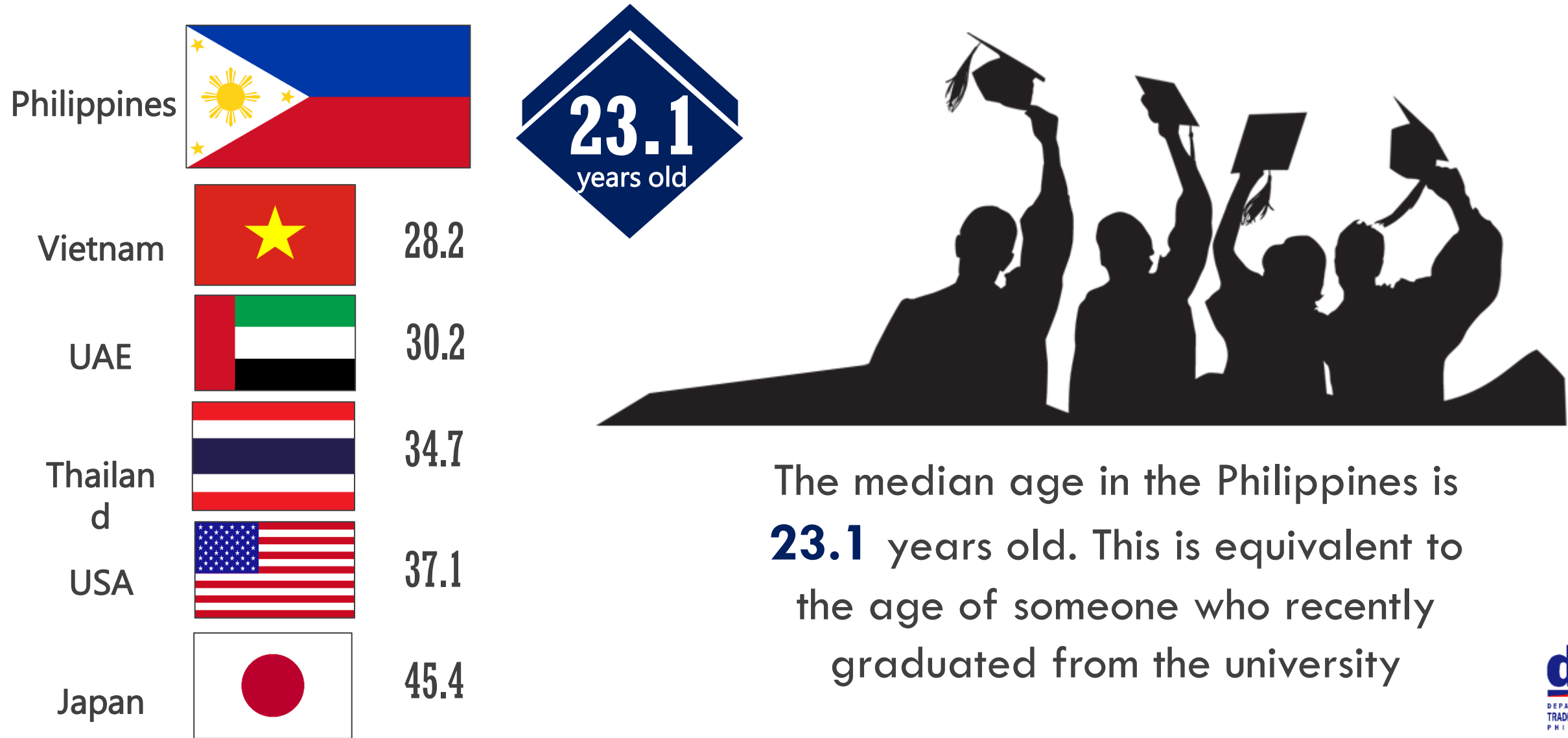


Market Size

- PH - 101 M
- ASEAN - 629 M
- ASEAN+6 - 3.5 B (1/2 of World Population)
- \$22.4 T (1/3 of World Economy)

Opportunities for Investors and Business

PH in Demographic Sweet Spot



The median age in the Philippines is **23.1** years old. This is equivalent to the age of someone who recently graduated from the university

Opportunities for Investors and Business

Human Capital Advantage



English Speaking



Positive Work
Ethics



Creative & Connected

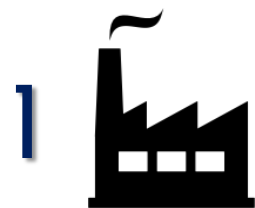


Rich Talent Pool

Opportunities for Investors and Business

2017 Investment Priorities Plan

Preferred Activities



Manufacturing



Agriculture, Fishery
and Forestry



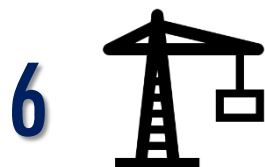
Strategic Services



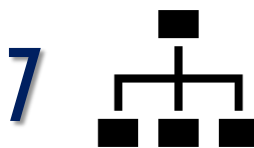
Healthcare Services



Mass Housing



Infrastructure
& Logistics



Inclusive Business
Models



Environment or
Climate-Change
Related Projects



Energy

BOI & PEZA Competitive Investment Incentives



ECONOMIC & HOUSING



ENERGY



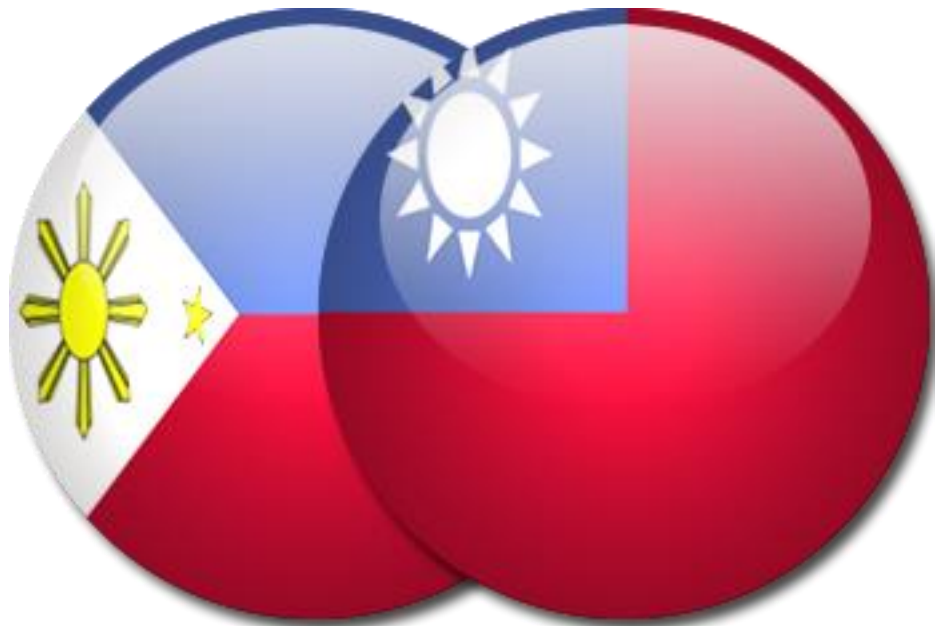
MANUFACTURING



**INFRASTRUCTURE
PROJECTS**

INCENTIVES	Board of Investments (Executive Order No. 226, as amended)	Philippine Economic Zone Authority (Republic Act No. 7916, as amended)
Income Tax Holiday (ITH)	4 – 6 years (max of 8 years)	
ITH Bonus	3 years provided the firm meets certain conditions	
Special Tax Rate of 5% on Gross Income	None	Special Tax Rate of 5% on Gross Income
Importation of Capital Equipment, Spare Parts, Supplies	0% Duty	Tax and Duty-Free
Importation of Raw Materials & Supplies used in Export	Tax Credit	Tax & Duty-Free
Value Added Tax	Zero Rating for Exports	0%
Payment of any and all Local Government Imposts, Fees, Licenses or Taxes	None	Exempted
Employment of Foreign Nationals	Special Non-Immigrant Working Visa within 5 years from project's registration (Includes spouse and unmarried children under 21 years old)	

PHILIPPINES – TAIWAN TRADE RELATIONS



8th

TRADING
PARTNER

US\$7.12 B

9th

EXPORT
MARKET

US\$ 2.06 B

7th

IMPORT
SOURCE

US\$ 5.07 B

Note: Details may not add up to totals due to rounding

KEY OPPORTUNITIES FOR CONSIDERATION



SEAFOOD PRODUCTS



FRESH & PROCESSED FOODS



PERSONAL CARE & BEAUTY PRODUCTS



AMBISYON NATIN 2040

Accelerate Strategic Infrastructure Development



Ensure peace and security



Accelerate strategic infrastructure development



Ensure safety and build resilience



Ensure ecological integrity, clean and healthy environment

PRESIDENT DUTERTE ADMINISTRATION

10-POINT SOCIOECONOMIC AGENDA

PH Investment Climate

Rural & Value Chain Development



MACROECONOMIC POLICIES



TAX REFORM



COMPETITIVENESS AND EASE OF DOING BUSINESS



INFRASTRUCTURE SPENDING



RURAL DEVELOPMENT

Rural & Value Chain Development



LAND ADMINISTRATION & MANAGEMENT

Innovation & Creative Capacity



HUMAN CAPITAL DEVELOPMENT



SCIENCE, TECHNOLOGY & ARTS

Population Growth



SOCIAL PROTECTION PROGRAMS



RESPONSIBLE PARENTHOOD AND RH LAW



Reforms that Transform PH SOCIO-ECONOMIC AGENDA #4:

Accelerate annual infrastructure spending to account for 5% of GDP, with Public-Private Partnerships playing a key role.

The Duterte Administration's Infrastructure Plan



The infographic features the word "BUWILD" written three times in a stylized font. Each letter is composed of a different colored line (blue, yellow, red, or white) that forms a shape resembling a road, bridge, or railway track. The lines are interconnected, creating a network of infrastructure elements.

- More Railways, Urban Mass Transport, Airports & Seaports
- More Bridges & Roads
- New & Better Cities

BCDA*

“Efficient infrastructure is a facilitator of trade helping to provide access to markets and minimize cost of trade.”

- Ismail and Mahyideen (2015)



Investment Priorities Plan (IPP) 2017:

- Aimed at fostering a sound business environment across the regions
- **Infrastructure, social mass housing, and public-private partnerships** are included as priority investment areas

boi BOARD OF INVESTMENTS
PHILIPPINES

2017 INVESTMENT PRIORITIES PLAN

*SCALING UP
and DISPERSING
OPPORTUNITIES*



Opportunities in the “Golden Age of Infrastructure”

Big Ticket Infrastructure Projects

- Bonifacio Global City-Ortigas Center Link Road Project
- UP-Miriam-Ateneo Viaduct along C-5/ Katipunan
- Metro Manila Priority Bridges Seismic Improvement Project
- NLEX-SLEX Connector Road
- Metro Manila Interchange
- Construction Project VI
- Davao City By-Pass Construction Project (South Section (Road) and Center Section (Tunnel))
- Panguil Bay Bridge
- Phase 1 of the Metro Manila Flood Management Project
- Integrated Transport System Project

Opportunities in the “Golden Age of Infrastructure”

Some PPP projects:

- Regional Prisons Facilities
- LRT Line 6
- NAIA PPP Project
- LRT Line 2 Project
- New Nayong Pilipino at Entertainment City Project
- North-South Railway Project
- Integrated Transport System-North Terminal
- San Ramon New Port Project
- Cebu Bus Rapid Transit Project
- One DTI Complex Building Project
- Clark International Airport and Maintenance
- Naval Base Mactan Project
- Judiciary Infrastructure Development

Economic Zones and IPAs

- 18 IPAs
- 73 Manufacturing EcoZones
- 243 IT Parks and Centers
- 21 Agro-Industrial EcoZones
- 19 Tourism EcoZones
- 2 Medical Tourism Zones

PPP and other Infrastructure Projects (in the pipeline)

- LRT Line 1 Cavite Extension
- Daang Hari-SLEX Link Road
- Southwest Integrated Transport System
- Cavite-Laguna Expressway

Other Infrastructure Projects under implementation

- Mactan-Cebu International Airport
- Bulacan Bulk Water Supply
- LRT Line 1

Three-Year Rolling Infrastructure Program (TRIP) F.Y. 2018-2020



- Promotes the optimal use of public resources for infrastructure development by assuring fund allocation for well-developed and readily-implementable projects for three (3) years
- Government will be able to address gaps in the infrastructure sector including pending projects from previous years.

NATIONAL LOGISTICS MASTERPLAN 2017-2022

“The Master Plan envisions to **advance Philippine competitiveness through the establishment of an efficient transport and logistics sector** that will contribute towards a robust and resilient Philippine economy..”



1 Enhanced Trade
and Investment



Goal # 1:

- Transport and Logistics sectors facilitate the efficient and timely movement of raw materials for production inputs.
- Enhance people and commodity mobility across the country.
- Inter-island shipment, inbound/outbound trade and foreign direct investments (FDI) are main drivers.
- A competitive transport and logistics sector is imperative to achieve the objectives of:
 - Comprehensive National Industrial Strategy (CNIS)
 - Manufacturing Resurgence Program (MRP)
 - Manufacturing Industry Roadmaps (MIR)
 - Global Value Chains (GVCs)
 - Micro, Small and Medium Enterprise (MSME) Development

2 Enhanced
Connectivity



Goal # 2

- Transport, storage, and communication sectors contributes 6% to total GDP (2016 H1).
- The Duterte Administration is embarking on the Golden Age of Infrastructure Development.
- ICT infrastructure contributes to speed and efficiency of movement of goods.



• Goal # 3

- Access to roads and sanitation lowers poverty incidence, gives greater access to market and economic opportunities, and improves health care and education performances across all levels.



• Goal # 4

- Ensure the building of resilient transport and logistics infrastructure that is adequately prepared when calamity and disaster strikes

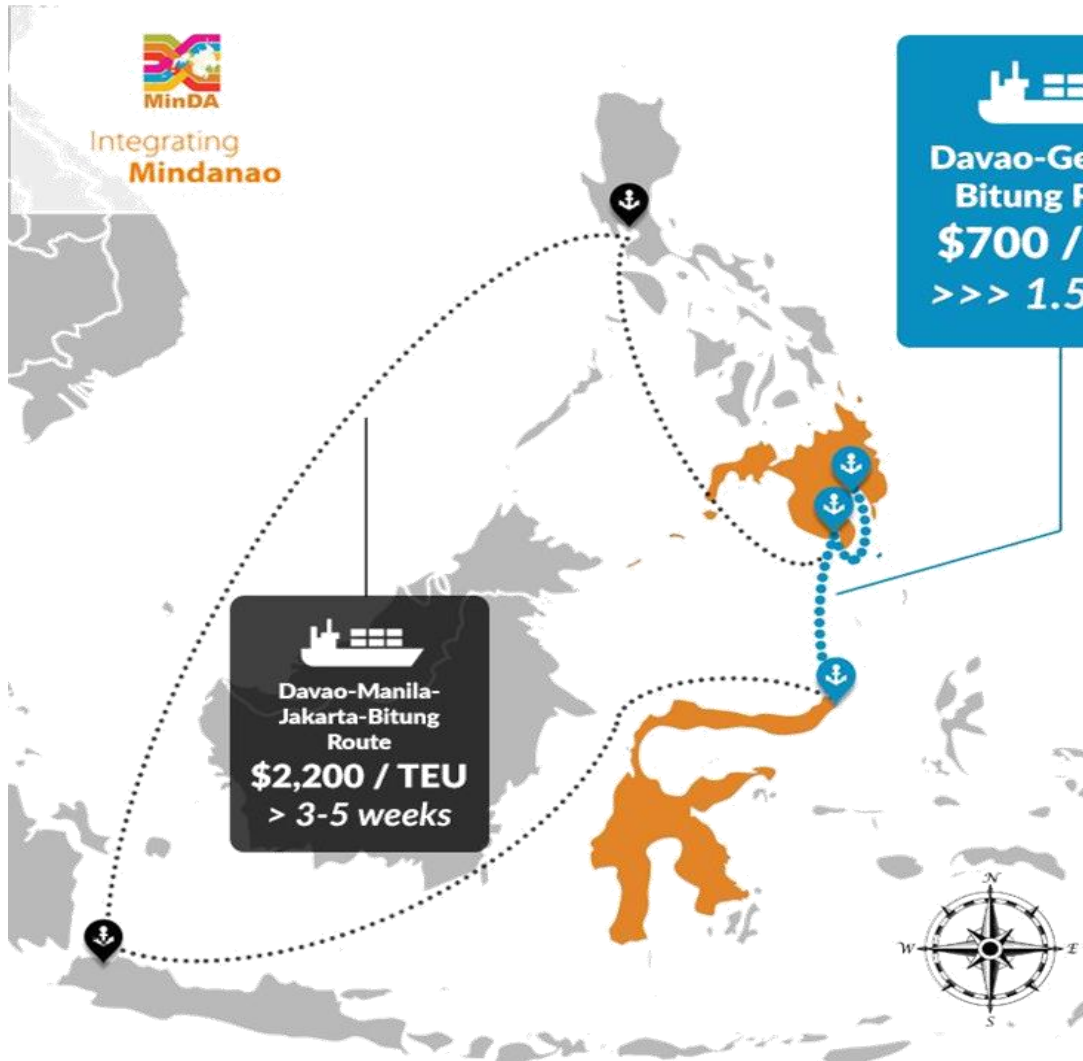
NLMP Achievement: ASEAN Roll On-Roll Off (RO-RO)



“The RORO shipping serves as an effective connector between the Philippines and Indonesia, cutting shipment time from 4-5 weeks to 1.5-2 days”

Davao-General Santos-Bitung Shipping Route

New shipping route within the East ASEAN Growth Area to spur trading between **Indonesia** and the **Philippines**



Name of vessel: M/V Super Shuttle RORO 14
 Type of vessel: Cargo & Roll-on/Roll-off car carrier
 Owner/operator: Asian Marine Transport Corporation
 Gross tonnage: 6,974 tons
 Capacity: 100 TEUs
 Top speed: 13.5 knots

Initial Trade Goods



Animal feeds
 Construction materials
 Fertilizers
 Food & beverages
 Fresh fruits
 Ice cream products
 Poultry (Halal)
 Synthetics

Aqua products
 Charcoal
 Coffee beans
 Copra
 Cordage
 Corn
 Feed ingredients
 High value crops

Lumber
 Matured coconut
 Meat
 Peanuts
 Soya
 Sugar
 Vegetables

ROLL-IT (Roads Leveraging Linkages for Industry and Trade) Program



- Aims to promote growth of investments and other economic activities in the country through more road projects leading to manufacturing and industrial zones.
- Highlights the value of infrastructure in any economy for the consequent growth of trade and industry.

Boosting the agricultural and manufacturing sectors by having efficient road routes to reach local and export markets.



PRIORITY INDUSTRIES UNDER ROLL IT

- **ELECTRONICS
MANUFACTURING**
- **AUTOMOTIVE PARTS**
- **AEROSPACE PARTS**
- **CHEMICALS**
- **SHIPBUILDING**
- **FURNITURE AND
GARMENTS**



- **TOOL & DYE**
- **AGRI BUSINESS,
FOOD SERVICES**
- **IT-BPM**
- **TRANSPORT AND
LOGISTICS**
- **TOURISM**
- **CONSTRUCTION**





Reforms that Transform PH SOCIO-ECONOMIC AGENDA #3:

Increase **competitiveness and the ease of doing business**. This effort will draw upon successful models used to attract business to local cities and pursue the relaxation of the Constitutional restrictions on foreign ownership, except as regards land ownership, in order to attract foreign direct investment.

The Philippine Performance vis-a-vis ASEAN On Ease of Doing Business Indices

Economy	2017 (190)	2016 (189)	2015 (189)	2014 (189)	2013 (185)	2012 (183)	2011 (183)	Change 2016- 2017	Change 2011- 2017
Singapore	2	1	1	1	1	1	1	-1	-1
Malaysia	23	18	18	6	12	18	21	-5	-2
Thailand	46	49	26	18	18	17	19	3	-27
Brunei Darussalam	72	84	101	59	79	83	112	12	40
Vietnam	82	90	78	99	99	98	78	8	-4
Indonesia	91	109	114	120	128	129	121	18	30
Philippines	99	103	95	108	138	136	148	4	49
Cambodia	131	127	135	137	133	138	147	-4	16
Lao PDR	139	134	148	159	163	165	171	-5	32
Myanmar	170	167	177	182	NDA	NDA	NDA	-3	12

Source: Published Doing Business Report

Construction Industry Authority of the Philippines (CIAP)

- By virtue of PD No. 1746 dated November 1980, CIAP was mandated to promote, accelerate, and regulate growth and development of the construction industry in conformity with the national goals.
- CIAP is the central authority in the Philippine construction industry in the forefront of construction policy and program formulation, development and implementation.

CIAP Plans and Programs

- Shortened Licensing Period (Faster PCAB Licensing)
- Speedy construction contract dispute resolution
- Access of CIAP services in regions (DTI Regional Offices)
- Partnership with constructors associations, government infra agencies
- Enhanced capacity building for Human Resources in the construction industry
- Promotion and development of Filipino contractor capabilities in the international market
- Monitoring and ensuring quality services from contractors through CPES

GOING GLOBAL:

Promotion of Filipino Contracting & Consulting Capabilities



Royal Regalia (Sultan's Museum)

Brunei Darussalam



Sea Palace
Abu Dhabi, UAE



Goro Nickel Project
New Caledonia



Wine Refinery
USA

Phnom Penh Water Supply Transmission Pipelines Cambodia



Mekong River Dam
Vietnam



The Philippines is one of the fastest growing economies in Asia.

Through accelerated infrastructure and logistics development, we pave the way for a more efficient trade and investment of goods and services in the global market.

We make this effort for the progress of our country and as our contribution to ASEAN – to bring inclusive growth and prosperity for all.



DEPARTMENT OF
TRADE & INDUSTRY
PHILIPPINES

THANK YOU.