



**Philippine Economic
Zone Authority**

“OPPORTUNITIES FOR TAIWANESE INVESTORS IN PHILIPPINE ECONOMIC ZONES”

A Presentation for:

**2016 INVESTMENT AND
COOPERATION MISSION,
DEPARTMENT OF INVESTMENT
SERVICES, MINISTRY OF ECONOMIC
AFFAIRS**

**Board Room, PEZA at BGC
4:30 PM, September 20, 2016**

Philippine Economic Zone Authority

An investment promotion
and **incentive granting**
agency.

Philippine Economic Zone Authority

PEZA grants incentives to Exporters:

- 1. Exporters of Manufactured or processed products;**
- 2. Exporters of I.T. enabled services**

Philippine Economic Zone Authority

PEZA also grants incentives to:

Developers of Economic Zones outside of Metro Manila

344 Economic Zones Nationwide

71 Industrial and Export Processing Zones

231 IT Parks and Centers

19 Tourism Ecozones

2 Medical Tourism Parks

21 Agro-Industrial Parks

As of June 2016

INCENTIVES TO EXPORTERS

Incentives

- 1. Income Tax Holiday (ITH)**
 - **6 to 8 years for pioneer project**
 - **4 to 6 years for non-pioneer project**
- 2. After the ITH - Special 5% tax on gross income less allowable deductions in lieu of all national and local taxes**

Incentives

3. Tax and duty free importation of capital equipment, spare parts, supplies and raw materials
4. Domestic sales allowance of up to 30% of total sales *(Note: Sale by Ecozone Manufacturers of solar panels and LED lighting system to other PEZA enterprises are considered indirect export and not local sale.)*

Incentives

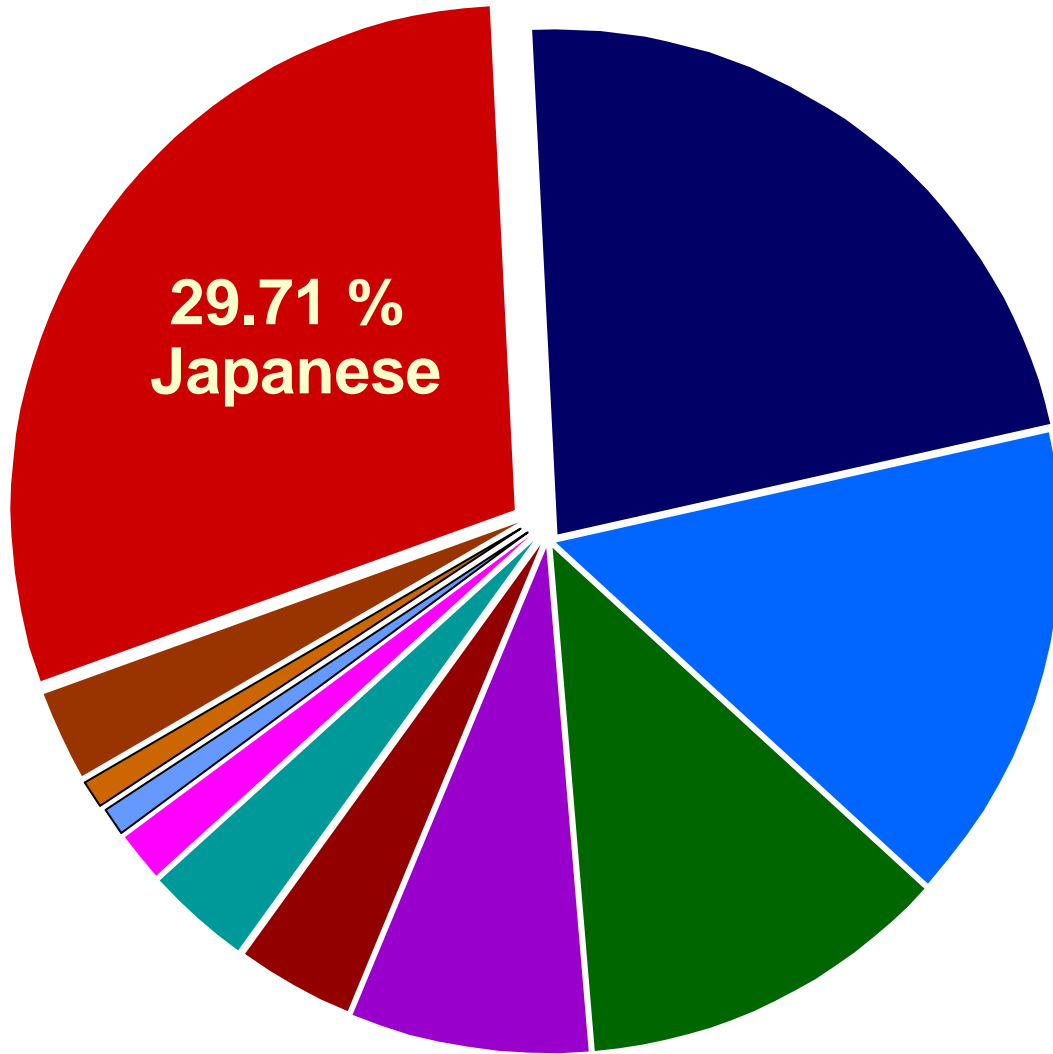
- 5. Zero Value Added Tax (VAT) Rate on all local purchases to include telecommunications, power and water bills**
- 6. Exemption from payment of local government taxes and fees**

Incentives

- 7. Employment of foreign nationals**
- 8. Special visa for foreign investors and immediate family members**

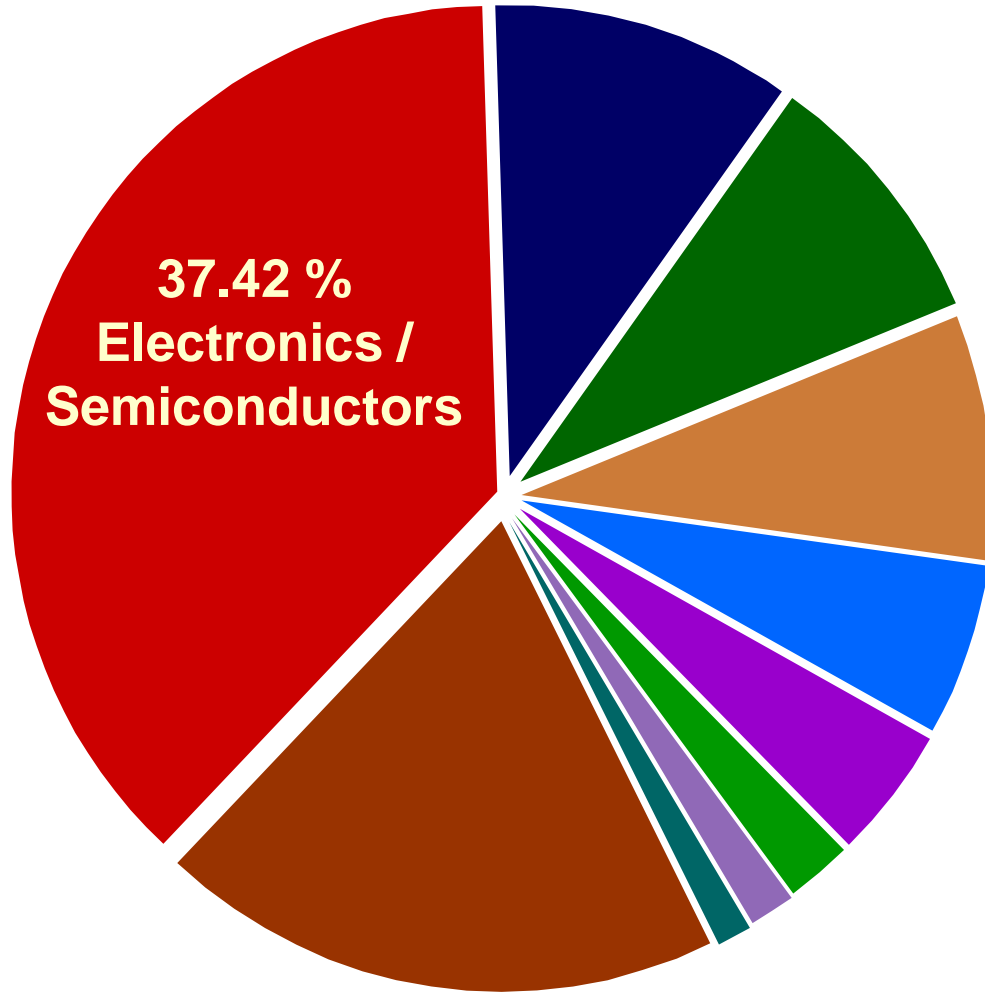
LOCATOR INVESTMENTS BY NATIONALITY

(1995 – 2015)



22.31 % Filipino
15.34 % American
11.85 % Dutch
7.59 % British
3.72 % Korean
3.29 % Singaporean
1.57 % German
0.89 % Taiwanese
0.88 % Swiss
2.88 % Others

LOCATOR INVESTMENTS BY PRODUCT SECTOR (1995 – 2015)



- 10.31 % Information Technology Services
- 8.98 % Metals/Fabricated Metal Products
- 8.43 % Tourism
- 5.92 % Transport (Shipbuilding, Aerospace, Car Parts, Equipment)
- 4.51 % Electrical Machinery and Apparatus
- 2.25 % Medical, Precision and Optical Instruments
- 1.58 % Rubber and Plastic Products
- 1.20 % Medical Tourism
- 19.40 % Other Manufactures

LOCATOR COMPANIES

3,807

LOCATOR COMPANIES AND COUNTING

As of June 2016

Top Economic Zone Investors

TI Philippines	Electronics	American/Dutch
Taganito HPAL Nickel	Basic Metals	Japanese
Toshiba Information	Electronics	Japanese
Tiger Resort	Tourism	American/Japan
Sunpower Philippines	Solar Cells	American/Cayman
Travellers International	Tourism	Filipino
Sureste Properties	Tourism	Filipino
Ibiden Philippines	Electronics	Japanese
Coral Bay Nickel	Basic Metals	Japanese
Amkor Technology	Electronics	Singapore/American

Top Economic Zone Investors

NXP Semiconductors	Electronics	Dutch
Canon Business	Electronics	Japanese
MCE Leisure	Tourism	British Virgin
Epson Precision	Electronics	Japanese
HGST Philippines	Electronics	Dutch/Japanese
PASAR	Basic Metals	Filipino
Rohm Electronics	Electronics	Singapore/Japan
Samsung	Electronics	Korean
Toyota Autoparts	Automotive	Japanese

Top Economic Zone Investors

St. Luke's	Medical Tourism	Filipino
Tsuneishi	Shipbuilding	Japanese
STMicroelectronics, Inc.	Electronics	Swiss
Integrated MicroElectronics	Electronics	British
Convergys Philippines	Info Technology	Dutch/American
Panasonic Precision	Electronics	Dutch/Japanese
American Power	Electrical Machinery	Dutch/American
TDK Philippines	Electronics	Japanese
Taiyo Yuden	Electronics	Japanese
Lufthansa Technik	Air Transport	German

Top Economic Zone Investors

Pilipinas Kao	Chemical Products	Japanese
Terumo Philippines	Medical Instruments	Japanese
Nidec Philippines	Electronics	Japanese
Accenture, Inc.	Info Technology	Dutch
Continental Temic	Electronics	German
AG & P	Fabricated Metals	Filipino
Teletech	Info Technology	American
On Semiconductor	Electronics	American
Analog Devices	Electronics	Dutch
Green Future	Agro-Industrial	Japanese

Top Economic Zone Investors

Brother Industries	Electronics	Japanese
JPMorgan	Info Technology	American
Xerox Business	Info Technology	Dutch
Schweitzer-Mauduit	Agro-Industrial	American
Convergys Philippines	Info Technology	Dutch/American
House Technology	Rubber/Plastic	Singapore/Japan
Funai Electric	Electronics	Japanese
First Sumiden	Electronics	Japanese
Smart Electronics	Electronics	Korean
MJC Investments	Tourism	Filipino

Top Economic Zone Investors

PV Tech	Electrical Machinery	Singaporean
Ionics EMS	Electronics	Filipino
Cypress Manufacturing	Electronics	American
Moog Controls	Air Transport	American
Cavite Biofuel	Agro-Industrial	Filipino
First Philec	Electronics	Filipino
Nidec Precision	Electrical Machinery	Japanese
Concentrix Daksh	Info Technology	Dutch
Tong Hsing	Electronics	Taiwanese
Boracay Shangri-La	Tourism	British

74

Taiwanese Companies

in

PEZA Economic Zones

Number of PEZA-Registered Enterprises with Taiwanese Equity by Sector

INDUSTRY SECTOR	NO. OF ENTERPRISES
MANUFACTURING	64
Electronics / Semiconductor	17
Electrical Machinery and Apparatus, N.E.C.	3
Medical, Precision and Optical Instruments, Watches and Clocks	3
Radio, Television and Communication Equipment and Apparatus	11
Tobacco and Tobacco Products	0
Garments and Textiles	17
Wood, Wood Products & Cork	1
Chemicals and Chemical Products	2
Rubber and Plastic Products	4
Basic Metals	0
Fabricated Metal Products	9
Machinery and Equipment, N.E.C.	9
Furniture	1
Recycling	1
Manufacturing, N.E.C.	3
INFORMATION TECHNOLOGY SERVICES	1
Call Centers	0
Software Development	0
Data Encoding, Transcribing and Related Services	0
Business Process Outsourcing	1
Other IT-enabled Services	0
REAL ESTATE, RENTING AND BUSINESS ACTIVITIES	6
HOTELS AND RESTAURANTS	0
TRANSPORT, STORAGE AND COMMUNICATIONS	3
TOTAL	74

ELECTRONICS AND SEMICON COMPANIES

Tong Hsing Electronics (Philippines), Inc.
Dyna Image Corporation Philippines
Acbel Polytech Philippines, Inc.
KINPO ELECTRONICS (PHILIPPINES), INC.
Orient Semiconductor Electronics Philippines, Inc.
Leader Electronics (Philippine Branch), Inc.
MEC Electronics Philippines Corporation
Tong Fang International, Inc.
Lakepower Converter, Inc.
High Well Electronics Mfg. Corporation
Ultra-Pak Philippines Corporation
Linksphere Technologies, Corp.

FABRICATED METAL PRODUCTS COMPANIES

Hor Sin Metal Corp.
Vinox Corporation
ASAM INDUSTRIES INC.
Rosario Fasteners Corporation
Philake Metal Corporation
Zhan Jung Metal Finishing Corporation
SK10 Corporation

WEARING APPAREL, GARMENTS, TEXTILE COMPANIES

Feeder Apparel Corporation

Mactan Apparels, Inc.

Global Wear Manufacturing, Inc.

Metro Wear Inc.

Pan-Phil Sportswear, Inc.

Palmphil Garments Philippine Corporation

Formosagarment Printing, Inc.

Chi Hsing Hats & Caps, Inc.

Good Enterprise Corporation

Excellent Texscreeners, Inc.

Philippine Unionlite Industrial Corporation

Better Phils. Apparel, Inc.

Mactan Diamond Embroidery, Inc.

Classic Computer Embroidery, Inc.

LEATHER, LUGGAGE, HANDBAGS, FOOTWEAR COMPANIES

Probag Cebu Exports, Inc.

St. Jane International, Inc.

Sports Royal, Inc.

Headway Caps International Co., Inc.

Bagtrends International Corporation

MEDICAL, PRECISION AND OPTICAL INSTRUMENTS COMPANIES

Bioteque Medical Phil., Inc.

Tong Fang International, Inc.

Asia Scopro Optics Co., Inc.

RUBBER, PLASTIC, AND PAPER PRODUCTS COMPANIES

Taihan Precision Technology (Philippines) Co., Inc.

Shing Hung Plastics Company, Inc.

Kou Fu Packaging Corporation

Fong Shann Printing Philippines Inc.

Tsuchiya Kogyo (Phils.), Inc.

Foxcolor Tech. Inc.

Yiking Plastic Production Inc.

Polaris Mold Fabrication Corporation

Faith Achieve Plastics Corporation

Philbook Consumer Products Inc.

Paul Deco Industrial Corporation

FURNITURE AND WOOD PRODUCTS COMPANIES

Apollo Sun Corporation

Greenwood Home Décor, Inc.

Paul Yu Philippines Corporation

LOGISTICS, FACILITIES, UTILITIES, RECYCLING COMPANIES

Greenstone Creative Property Holding Corporation

Pofucon Realty Corporation

Tansunco Properties, Inc.

Globalwear Manufacturing Inc.

Formosawide Industries, Inc.

OTKM Services Phils., Inc.

TMC Metal Philippines, Inc.

V-Tech Trading Logistics And Services Corp.

Alicia Ann International, Inc.

Elom International Foods, Inc

ELECTRICAL MACHINERY, CHEMICAL PRODUCTS COMPANIES

CSB Battery Co., Ltd. (Philippine Branch)

East Stacker Philippines Corporation

VAST LIGHTING CORP.

Bary's Industrial Corporation

I.T. COMPANY

Xuenn Incorporated



**AWAITING
YOUR
INVESTMENTS !**



Thank you

Philippine Economic Zone Authority (PEZA)

- **Attached to the Department of Trade and Industry**
- **Promotes Investments**
- **Creates Employment**
- **Generates Exports**

WHY PHILIPPINES

PHILIPPINE STRENGTHS

The Philippines is Fastest Growing Among the ASEAN-6 countries:

- Fastest Growing Economy
- 100 Million Population
- Youngest Population

	GDP Growth (2012-2015)	Population	Median Age
Philippines	6.63%	100,000,000	23.5
Singapore	3.57%	5,469,700	33.8
Thailand	3.67%	67,725,979	36.2
Malaysia	5.40%	29,901,997	27.7
Indonesia	5.53%	254,454,77	29.2
Vietnam	5.53%	90,730,000	29.2
ASEAN-6	5.06%	91,236,857	29.93

Source : World Bank and CIA World Fact Book

PHILIPPINE STRENGTHS

- ✓ **GSP + granted to Philippines by E.U. Parliament on Dec. 19, 2014**

Philippines is the only E.U. GSP+ beneficiary country among ASEAN

Zero Tariff on 6,274 products destined for Europe with 40% local content

PHILIPPINE STRENGTHS

- ✓ **U.S.A. listed the Philippines as GSP-Eligible Beneficiary on October 2015**

Zero Tariff on 3,500 products lines destined for the USA except textiles and apparel, watches, footwear, work gloves, and leather apparel.

PHILIPPINE STRENGTHS

Investment Grade Credit Rating



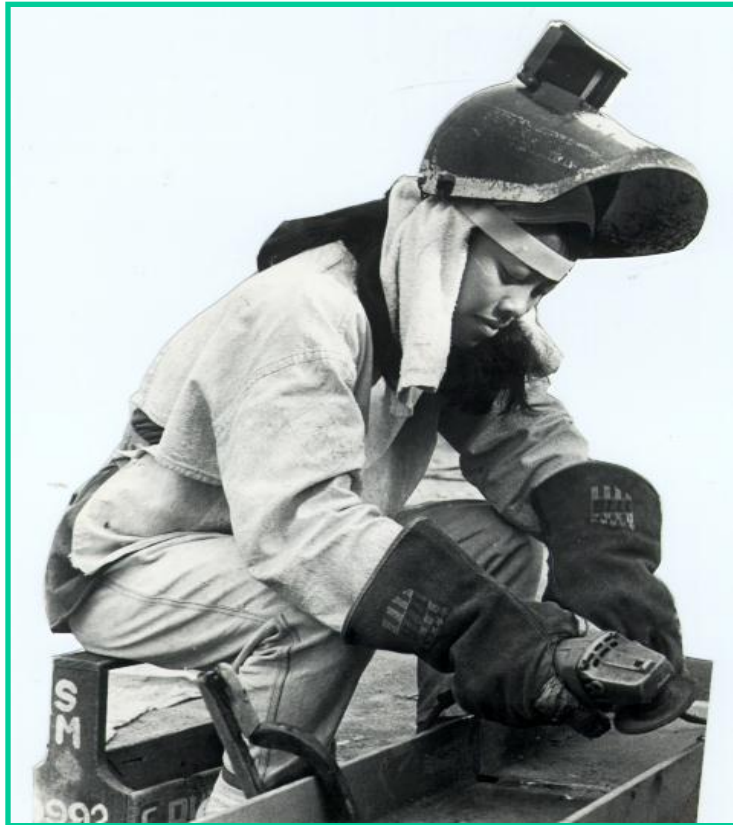
The Filipino Work Force

- High literacy rate of 94.6%
- English-speaking



The Filipino Work Force

- Easy to train



- Hardworking

The Filipino Work Force

- Very friendly



In the I.T. Sector



Filipino Workers are considered Global Knowledge Workers because they are intelligent and able to compete at the highest levels among the best in the world.

The Filipino Work Force

**1 million Filipinos reach working age every year,
and half of them are college graduates.**



Foreign Investor-Friendly Policies

- Basic rights of Investors are guaranteed:
 - Right to remit profits
 - Right to pay foreign obligations
 - Right to repatriate investments
- 100% Foreign ownership of companies

STRATEGIC LOCATION



HOSPITABLE and COMFORTABLE SECOND HOME

Very friendly attitude of Filipinos



(Result of a survey conducted on expatriates in Asia)

Housing at very reasonable rates



(Result of a survey conducted on expatriates in Asia)

International schools for expatriates' children



(Result of a survey conducted on expatriates in Asia)

Best sporting and recreational facilities



(Result of a survey conducted on expatriates in Asia)

World class health services



(Result of a survey conducted on expatriates in Asia)



THE PEZA BRAND OF SERVICE

1. PEZA is a One-Stop Shop

- **Building and Occupancy Permits**
- **Import and Export Permits**
- **Online Import and Export Procedures and E-Payment System**

- **Special multiple-entry non-immigrant Visa**
- **Environment Clearance Certificate**
- **Exemption from Local Government Permits and Fees**
- **Simplified registration process**
 - **electronic application available from website; forms downloadable**

2. PEZA is a Non-Stop Shop

- **Provides 24 hours a day, 7 days a week of continuous service**
- **The Director General and other top officials are on call 24 hours a day, 7 days a week**

3. In PEZA, there is

NO RED TAPE

3. In PEZA, there is



**ONLY RED CARPET
TREATMENT**

4. In PEZA, there is

NO GRAFT

NO CORRUPTION



PEZA is ISO 9001:2008 Certified

Attestation

This is to attest that

Philippine Economic Zone Authority

PEZA Head Office: Penang City, Metro Manila; Baguio City Economic Zone (BCEZ), Baguio City; Marikina Economic Zone I (MEZ I, Marikina, Cebu; Cebu Economic Zone (CEZ), Cebu; Other Special Economic Zones (SEZs), IT Parks & Centers Supervising Offices; Laguna International Industrial Park (LIIP-SEZ), Biliran, Laguna; Laguna Technopark (LT-SEZ), Biliran and Sto. Rosa, Laguna; Light Industry and Science Park I (LISP I-SEZ), Cebuano, Laguna; Light Industry and Science Park II (LISP II-SEZ), Calamba City, Laguna; Carmelina Industrial Park I (CIP I-SEZ), Calamba City, Laguna; First Philippine Industrial Park (FPPIP-SEZ), Sto. Tomas & Tanauan, Batangas; Gateway Business Park (GBP-SEZ), Gen. Trias, Cavite; First Cavite Industrial Estate (FCIE-SEZ), Dasmariñas, Cavite; Lucena Industrial Park (LIP-SEZ), San Miguel, Tarlac; Sulu Shipyard (SS-SEZ), Sulu, Zamboanga; TECO-SEZ, Malabac, Pangasinan; Angeles Industrial Park (AIP-SEZ), Bacolor, Pampanga; Victoria Water (VW-SEZ), Calapan City, Metro Manila; Hermosa Economic Industrial Park (HEIP-SEZ), Hermosa, Bataan; Food Terminal, Inc. (FTI-SEZ), Taguig City, Metro Manila; Andar Technology (AT-SEZ), Marikina City, Metro Manila; PEZA Customs Documentation Units (PCDU), People's Technology Complex (PTC-SEZ), Carmona, Cavite; Golden Mile Business Park (GMBP-SEZ), Carmona, Cavite; EMI-SEZ, Imus, Cavite; Carmelina Industrial Park II (CIP II-SEZ), Calamba, Laguna; Calamba Premier International Park (CPPIP-SEZ), Calamba, Laguna; Linao Technology Center (LTC-SEZ), Linao, Batangas; Goodwin Agro-Industrial Park (GAIP-SEZ), Bausan, Batangas; Rio Tinto (RT-SEZ), Bataan, Pinaric; PEZA Head Office

Had successfully undergone re-certification audit last December 1, 2, 5 and 6, 2011 conducted by AJA REGISTRARS INC. and subsequently satisfactorily submitted its rectification plans in the prescribed corrective action request procedure

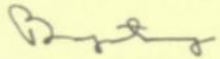
In accordance with the requirements of

ISO 9001:2008

and have now been recommended for continued certification.

The scope of certification is

ALL PEZA PROCESSES IN ALL PEZA SPECIAL ECONOMIC ZONES (SEZs) & INFORMATION TECHNOLOGY (IT) PARKS/CENTERS NATIONWIDE
(Business Registration Permits, Zone Enterprise Operations, Incentives Administration, Zone Estate Administration, and Administrative Services)



Paul B. Bagatsing
Vice President / General Manager
AJA REGISTRARS INC.

05 January 2012
Date

For all processes,
at all levels,
in all offices,
nationwide.

IFC – World Bank cited only PEZA for Best Practice among Economic Zones worldwide

“Under PEZA, the Philippines has shown dramatic improvements in Investment Climate.

End Result – PEZA is a shining example of successful regulatory reform improving overall investment climate in the country.”

 **IFC**
private sector | development
regional training

Gokhan Akinci, FIAS

FIAS: Leaders in
Investment Climate
Solutions

IFC-World Bank

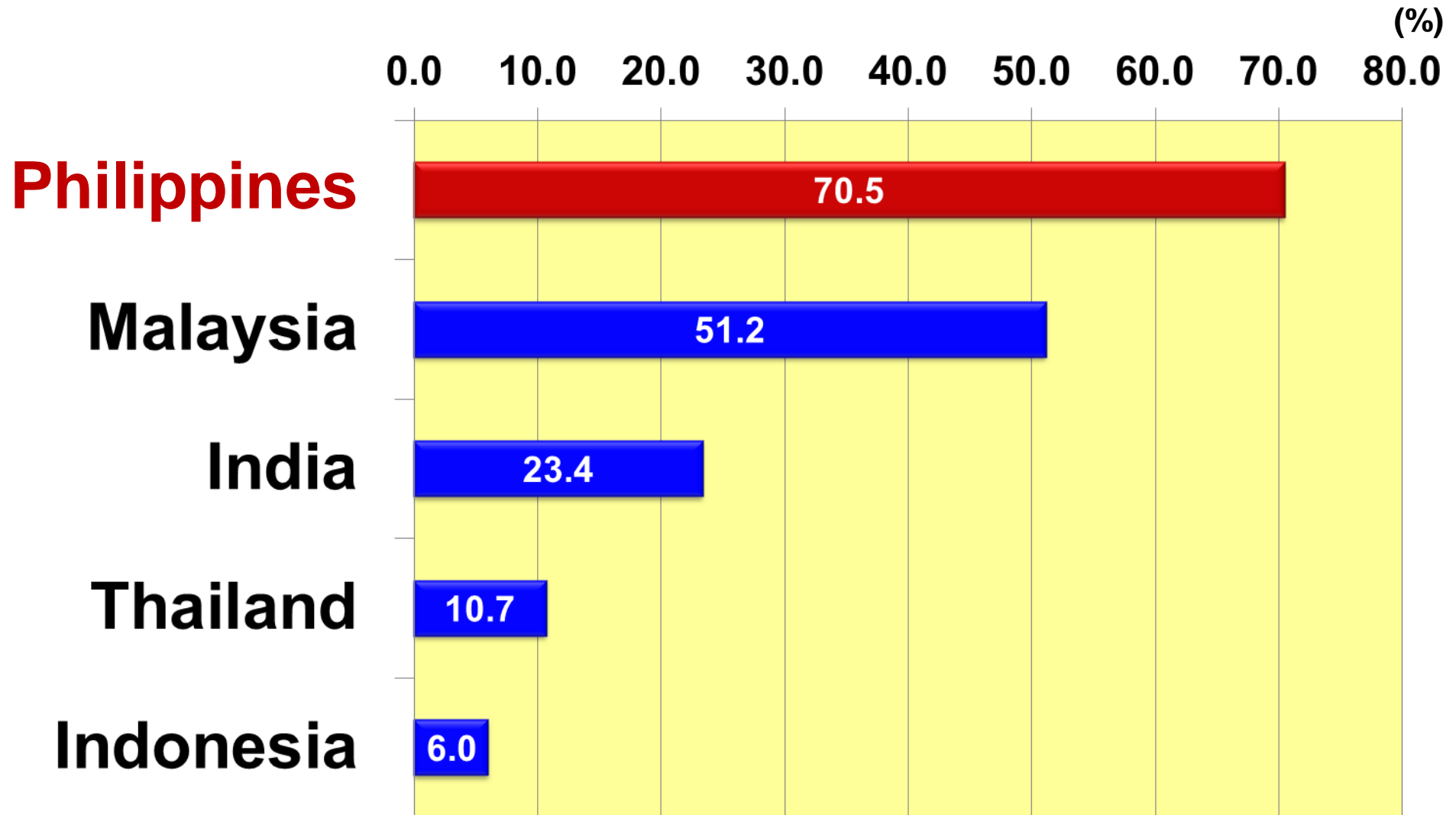


Appreciation of Investment Environments

December 2014

**JETRO 2014 Survey of Japanese-Affiliated Firms
in Asia and Oceania**

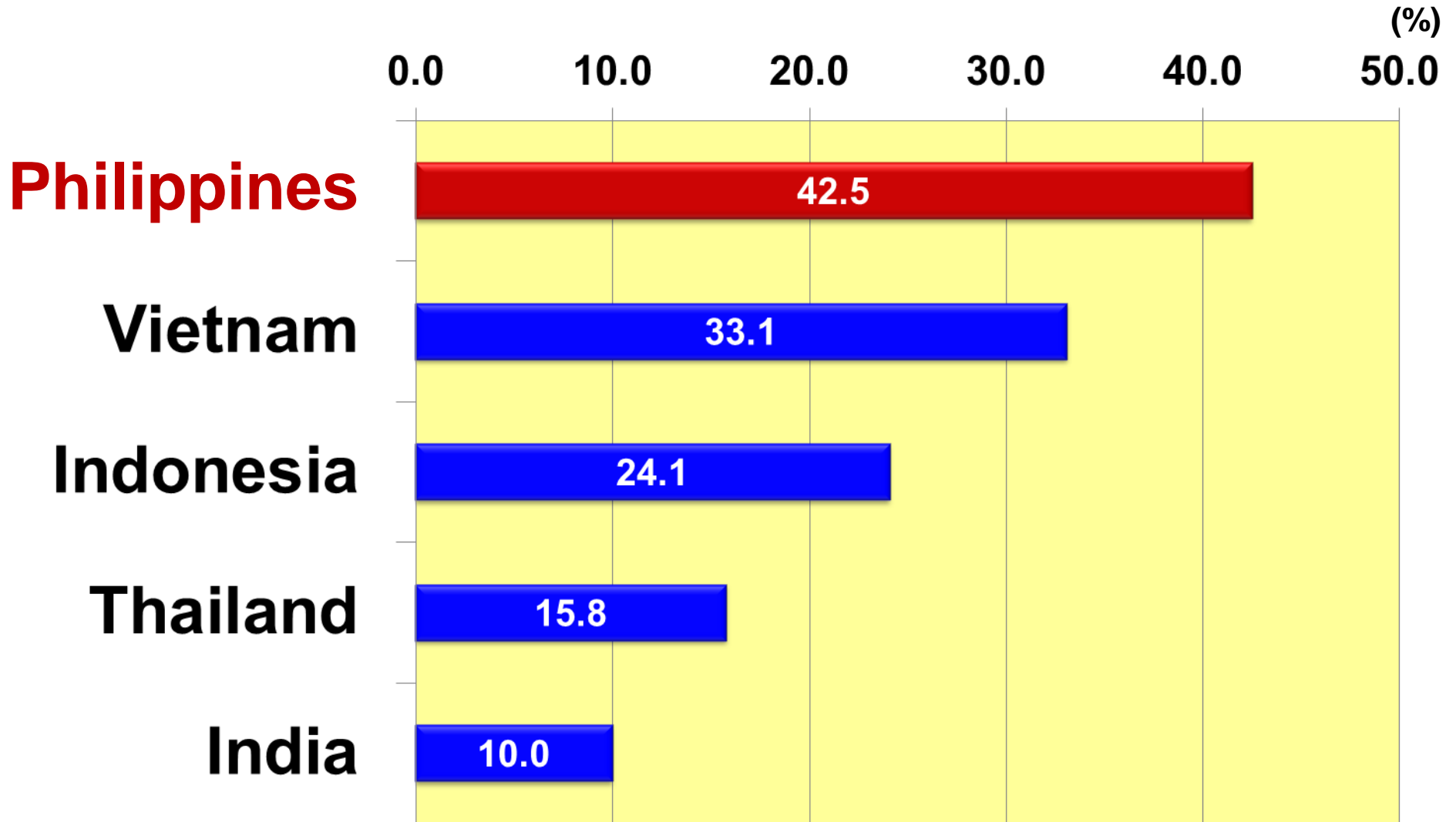
Less Linguistic/Communication Problems



Source:

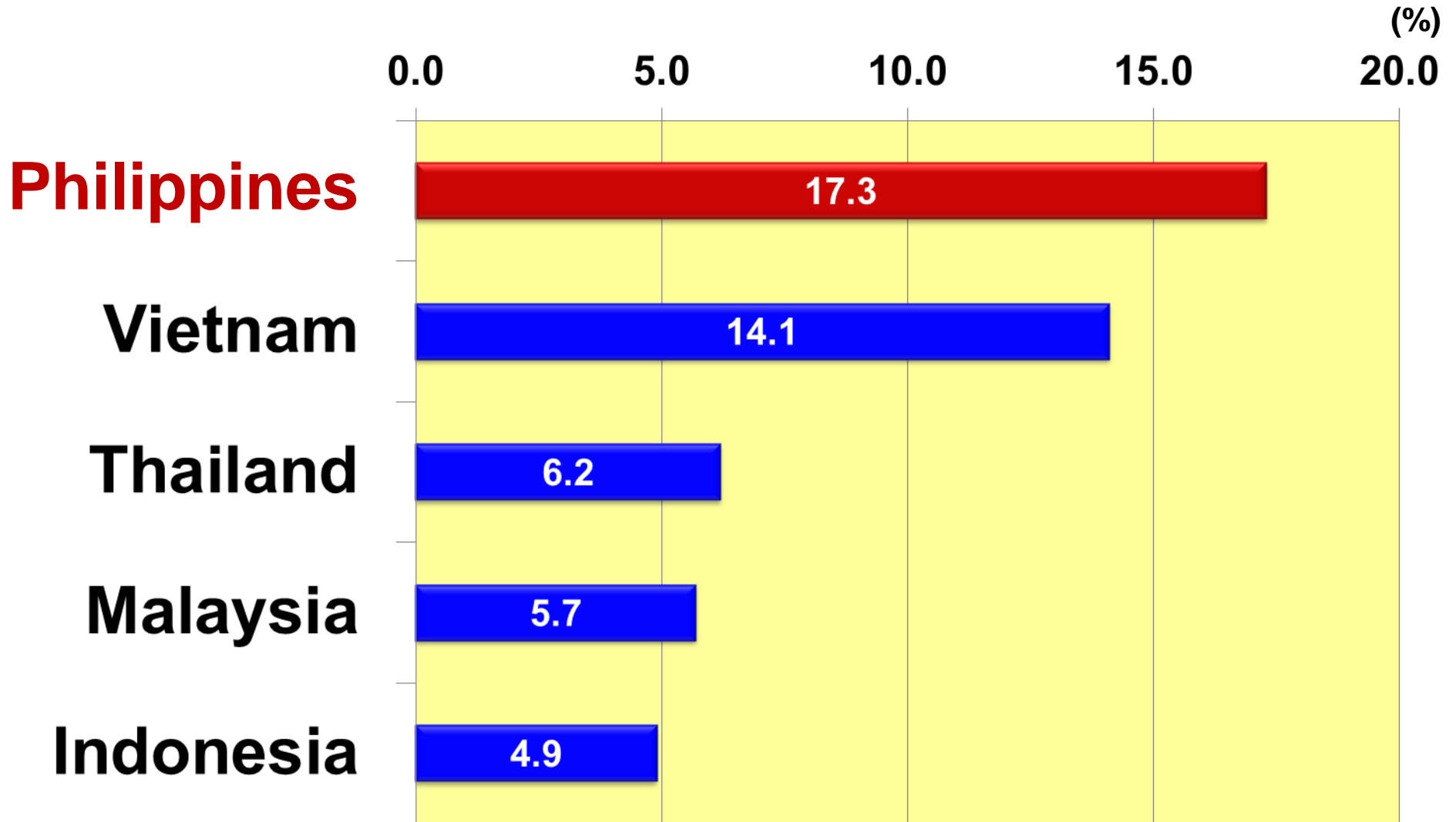
2014 Survey of Japanese-Affiliated Firms in Asia and Oceania, JETRO

Easy To Hire Local Staff (General Worker/Staff/Clerk)



Source:
2014 Survey of Japanese-Affiliated Firms in Asia and Oceania, JETRO

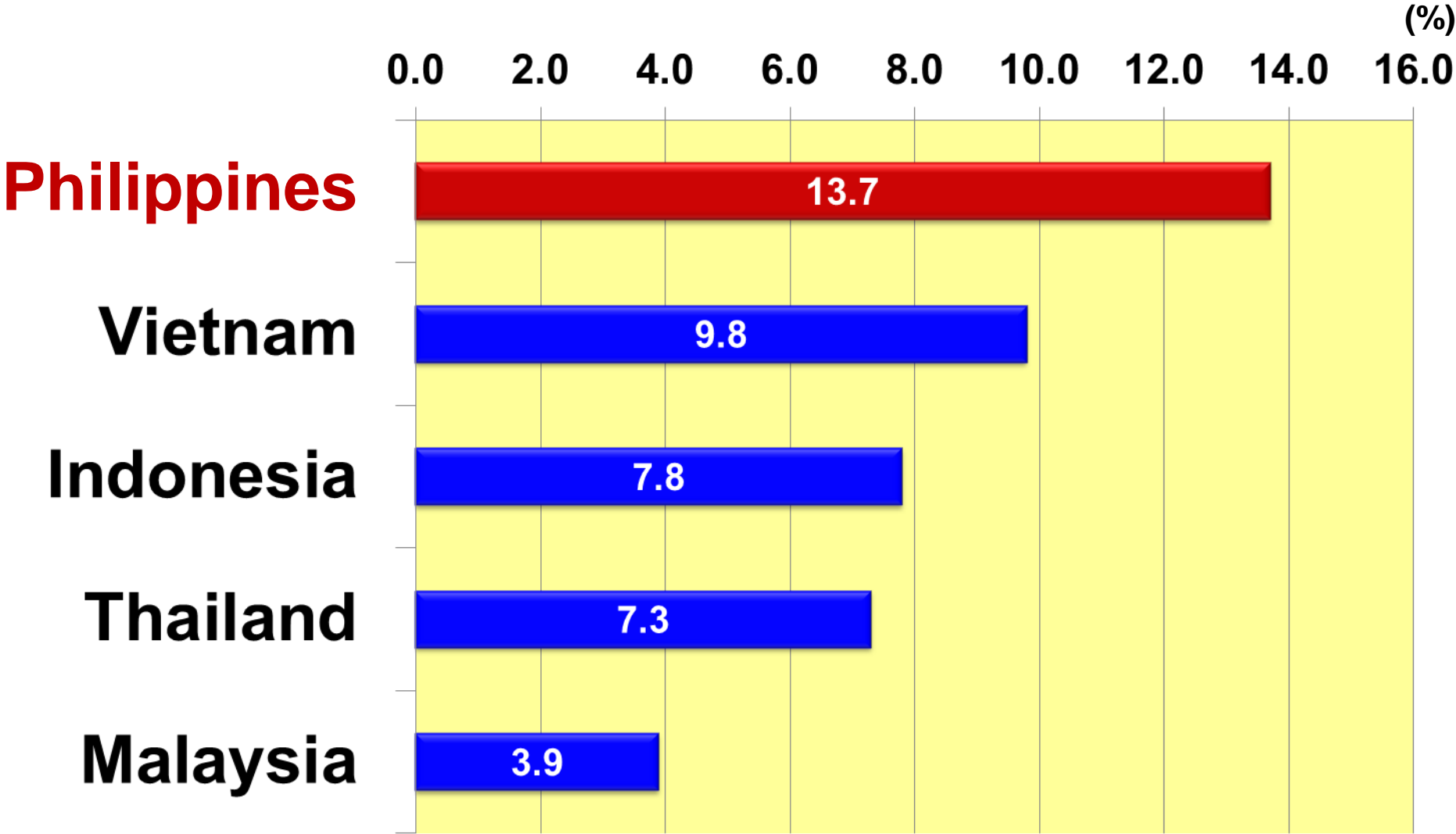
High Quality of Employees (General Worker)



Source:

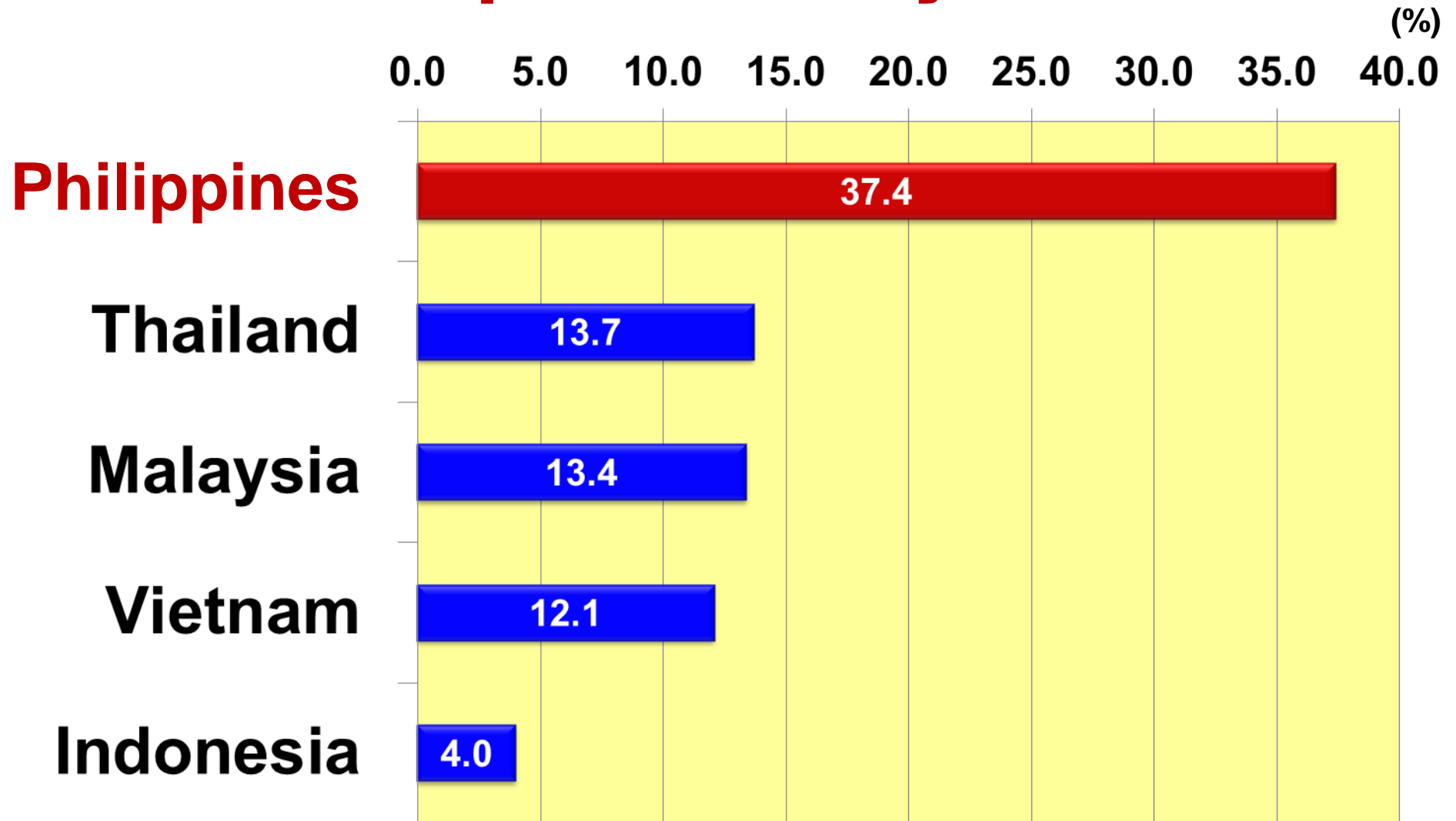
2014 Survey of Japanese-Affiliated Firms in Asia and Oceania, JETRO

High Employee Retention Rates



Source:
2014 Survey of Japanese-Affiliated Firms in Asia and Oceania, JETRO

Tax Incentives (Corporate Tax Holidays etc.)



Source:

2014 Survey of Japanese-Affiliated Firms in Asia and Oceania, JETRO

Number of Strikes/Lockouts

(Unit: Number)

Country	2010	2011	2012	2013	2014
China	90	185	382	656	1,379
Indonesia	192	196	51	239	233
Philippines	8	2	2	1	2
Thailand	3	14	12	11	8
Vietnam	423	981	468	327	--

Sources:

China: China Labour Bulletin

Indonesia: Ministry of Manpower and Transmigration

Philippines: National Conciliation and Mediation Board

Thailand: Department of Labour Protection and Welfare

Vietnam: Vietnam General Confederation of Labor

5 OF THE WORLD'S TOP 20 SEMICON and ELECTRONICS SALES LEADERS ARE OPERATING IN THE PHILIPPINES



Source: IC Insights 2014 / SEIPI

MAJOR SMS and EMS PLAYERS IN THE COUNTRY



Notes:

SMS – Semiconductor Manufacturing Services

EMS – Electronics Manufacturing Services

Major Players Per Sectors:

- Semiconductor (Components / Devices)
- Computer Related Products / EDPs
- Office Equipment
- Consumer Electronics
- Telecommunications
- Communication/Radar

- Control & Instrumentation
- Medical / Industrial Instrumentation
- Automotive Electronics
- Aerospace
- Solar / PV

Source: SEIPI