



TECHNICAL EDUCATION AND SKILLS DEVELOPMENT AUTHORITY

LABOR MARKET INTELLIGENCE REPORT

THE 2011 INVESTMENT PRIORITIES PLAN

"COHERENT, CONSISTENT & CREATIVE"

Office of the Deputy Director General for Sectoral TVET
Planning Office
TESDA Complex, East Service Road, South Superhighway
Taguig City, Metro Manila
Tel. No. (02) 888 5652 ; 817 2675 ; 893 1966
www.tesda.gov.ph

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The 2011 Investment Priorities Plan

Background:

The Board of Investment (BOI), an agency created under the Department of Trade and Industry (DTI), is mandated through the Omnibus Investments Code of 1987 as the leading investment promotion agency. BOI endeavors to attract direct investments into the country to contribute the economic growth and jobs creation. The Code further mandates the BOI to submit annually, for the President's approval, an Investments Priorities Plan (IPP).

"The 2011 IPP was formulated through the concerted efforts of the IPP Inter-Agency Working Group spearheaded by the BOI in coordination with the Regional BOI-Autonomous Region of Muslim Mindanao (RBOI-ARMM), the Office of the President – Presidential Management Staff, NEDA and the Departments of Finance, Agriculture, Energy, Environment and Natural Resources, Public Works and Highways, Social Welfare and Development, Science and Technology, Tourism, and Transportation and Communications." Other participating agencies include Commission on Higher Education (CHED), National Commission on Culture and Arts (NCCA), Maritime Industry Authority (MARINA), Philippine Economic Zone Authority (PEZA), Philippine Retirement Authority (PRA), Technical Education and Skills Development Authority (TESDA) among others.

The IPP is formulated by the BOI, through an inter-agency committee, lists the priority activities for investments. It provides a comprehensive set of incentives for local and foreign enterprises engaged in activities considered by the Philippine government as high priority for national development.



This year's IPP "**A New Day for Investments: Coherent, Consistent and Creative**" was approved by the President through the Memorandum Order No. 20, signed by the President on July 5, 2011. DTI Secretary and BOI Chairperson Gregorio L. Domingo said that the 2011 IPP was specially formulated to support Pres. Aquino's commitment to pursue economic growth while ensuring that the poor and the marginalized will enjoy the benefits of development as contained in the Social Contract with the Filipino People. The inclusion of private-public partnerships (PPP) projects to tap the private sector in the improvement of the infrastructure system is a key feature of this year's IPP.

".....Jobs for our Countrymen"

" In support of the commitments I made and my administration's reform agenda, **the 2011 IPP seeks to generate more investments in the key areas of the economy that are considered as "enablers" and triggers**" thereby creating much needed jobs for our country men."



– President Benigno S. Aquino III

2011 IPP focuses on activities that will create more jobs, enhance the delivery of basic social services, boosts the country's international competitiveness, and address the challenges of climate change. As an assurance that the investments generated will contribute to the country's development goals, entitlement to incentives will be dependent on the project's net value-added, job generation, multiplier effect and measured capacity.

The 2011 IPP contains the following **priority investment areas**:

The **Regular List**, which includes thirteen (13) priority investment areas that were identified to support the current priority programs of the government

The **Mandatory List** covers areas/activities where the inclusion in the IPP and/or the grant of incentives under EO 226 is mandated by law.

The **Export Activities**, which covers manufacture of export products, services and export activities in support of exporters.

The **ARMM List** covers priority investment areas that have been determined by the RBOI-ARMM in accordance with EO 458.

I. PREFERRED ACTIVITIES / REGULAR LIST

1. **Agriculture/Agribusiness and Fishery**

This covers commercial production and commercial processing of agricultural and fishery products (including their by-products and wastes). This also covers agriculture- and fishery-related activities such as irrigation, post harvest, cold storage, blast freezing, and production of fertilizers.

2. **Creative Industries/Knowledge-Based Services**

This covers business process outsourcing (BPO) activities, IT and IT-enabled services, and film and performing arts production.

3. **Shipbuilding**

This covers the construction and repair of ships. This also covers shipbreaking/shiprecycling.

4. **Mass Housing**

This covers the development of low-cost mass housing.

5. **Energy**

This covers the exploration, development, and/or utilization of indigenous energy sources and other energy sources adopting environmentally-friendly technologies.

6. **Infrastructure**

This covers transport, water, logistics, waste management facilities, physical infrastructure (tollways, railways and telecommunication facilities) and pipeline projects for oil and gas.

7. **Research and Development (R&D)**

This covers R&D activities and the establishment of testing laboratories, Centers of Excellence (COE) and technical vocational education and training institutions.

8. **Green Projects**

This covers the manufacture/assembly of goods, the utilization of which would significantly lead to either the efficient use of energy, natural resources or raw materials; minimize/prevent pollution; or reduce greenhouse gas emissions.

9. **Motor Vehicles**

This covers the manufacture/assembly of motor vehicles, including alternative fuel vehicles (AFVs) and electric vehicles (EVs) but excluding 2-stroke motorcycles, and manufacture of motor vehicles parts and components.

10. Tourism

This covers tourism enterprises that are outside the tourism enterprise zones (TEZs) and are engaged in the following:

- a. Tourist transport services whether for land, sea and air transport for tourist use;
- b. Establishment and operation of:
 - Accommodation establishments such as but not limited to hotels, resorts, apartment hotels, tourist inns, motels, pension houses, private homes for homestay, ecolodges, condotels, serviced apartments, and bed and breakfast facilities;
 - Convention and exhibition facilities or “meetings, incentives, conventions and exhibition” (MICE) facilities;
 - Amusement parks;
 - Adventure and ecotourism facilities;
 - Sports facilities and recreational centers;
 - Theme parks;
 - Health and wellness facilities such as but not limited to spas, tertiary hospitals, and ambulatory clinics;
 - Agri-tourism farms and facilities; and
 - Tourism training centers and institutes.
- c. Development of retirement villages.

11. Strategic Projects

This covers projects that exhibit very high social economic returns that will significantly contribute to the country’s economic development. Approval of these projects should be subject to the concurrence of Department of Finance (DoF) and National Economic and Development Authority (NEDA).

12. PPP Projects

This covers projects under the Public-Private Partnership (PPP) Program of the government. Projects have to be concurred by the DOF and NEDA.

13. Disaster Prevention, Mitigation and Recovery Projects

This covers projects that will prevent or mitigate adverse impacts of calamities and disasters (e.g., installation of flood control systems, installation of early warning systems for typhoons, earthquake occurrences, tsunami, volcanic eruptions, dikes, etc.). This also covers projects to rehabilitate areas affected by calamities and disasters (e.g., rebuilding of roads and bridges after earthquakes/floodings, volcanic eruptions, oil spill clean-up, etc.). This further covers training for disaster preparedness, mitigation or recovery/rehabilitation/reconstruction.

II. MANDATORY LIST

This covers activities that require their inclusion in the IPP as provided for under existing laws.

<u>LAW</u>	<u>ACTIVITY</u>
P.D. No. 705	Revised Forestry Code of the Philippines This covers extensive plantation of forest land of tree crops (except fruit trees) for commercial and industrial purposes.
R.A. No. 7942	Philippine Mining Act of 1995 This covers the exploration and development of mineral resources, mining/quarrying and processing of metallic and non-metallic minerals.
R.A. No. 8047	Book Publishing Industry Development Act This covers printing, re-printing, publication and content development of books or textbooks.
R.A. No. 8479	Downstream Oil Industry Deregulation Act of 1998 This covers refining, storage, distribution, and marketing of petroleum products.
R.A. No. 9003	Ecological Solid Waste Management Act of 2001 This covers the establishment of waste recycling facilities.
R.A. No. 9275	Philippine Clean Water Act of 2004 This covers the establishment of wastewater treatment facilities, and sewage collection integrated with treatment facilities and the adoption of water pollution control technology, cleaner production and waste minimization.
R.A. No. 7277	Magna Carta for Persons with Disability This covers the manufacture of technical aids and appliances for the use and/or rehabilitation of persons with disability, and the establishment of special schools, homes, residential communities or retirement villages solely to suit the needs and requirements of persons with disability.
R.A. No. 9513	Renewable Energy Act of 2008 This covers developers of renewable energy facilities, including hybrid systems. This also covers manufacturers, fabricators and suppliers of locally-produced renewable energy (RE) equipment and components.

III. EXPORT ACTIVITIES

This covers the manufacture of export products, services exports and activities in support of exporters.

IV. ARMM LIST

The ARMM List covers priority activities that have been identified by the Regional Board of Investments of the ARMM (RBOI-ARMM) in accordance with E.O. No. 458. The RBOI-ARMM may also register and administer incentives to activities in this IPP for projects locating in the ARMM.

1. Export Activities

- a. Export Trader and Service Exporters
- b. Support Activities for Exporters

2. Agriculture, Agribusiness/Aquaculture & Fishery

This covers the production and processing of agricultural and fishery products (production of “Halal” meat and foods), vegetable oils, food crops, integrated coconut processing and plantation, activated carbon, production of beverage crops and plantation, seaweeds production and processing, fruit processing, aquaculture (fish production and processing), young/sweet corn production, potato and sweet potato plantation/processing, cutflower production/processing, abaca plantation/processing, oil palm plantation/processing/ refining and germinated oil palm seeds, feeds production, jatropha plantation/processing, sugarcane plantation/processing and refineries, quality seed and seedlings of fruit trees and other planting materials propagated asexually or by tissue culture, pearl culture/processing, production of livestock and poultry that includes processing, crocodile farming and processing, sericulture, feeds production and production of plantation crops and other pharmaceuticals, medical herbs/essential oil plants, biomass, rubber, carrageenan, mangosteen and moringa.

3. Basic Industries

This covers the production of pharmaceuticals such as antibiotics and medical devices, textile and textile products, inorganic and organic fertilizers using solid wastes materials, mining exploration and development of mineral resources (mining and quarrying of metallic and non-metallic minerals which includes small scale as defined under P. D. 1899 but to exclude river beds in operations and processing of minerals such as beneficiation and other metallurgical methods) and cement production of at least 1.0 million MTPY capacity (clinker based).

4. Consumer Manufactures

This covers processing of rubber products to be integrated with plantation and leather products.

5. Infrastructure and Services

This covers public utilities with developmental route of the five provinces and one city of ARMM and other adjacent cities and provinces such as common carriers, electric transmission/distribution, water supply facilities/waterways and sewerage systems, buses/cargo trucks, other specialized mass transport systems, power generation like hydro power, geothermal and natural gas, and telecommunications with international gateways.

6. Industrial Service Facilities

This covers testing and quality control laboratories, training and demonstration centers, tool shops and similar facilities, metal casting, metal working, furniture, ceramics and food processing, petrochemical complex and industrial gases.

7. Engineering Industries

This covers engineering products, electronics and telecommunication products, fabrication of construction materials and hydropower plant.

8. Logistics

This covers the transportation of cargoes and/or passengers (air, sea and/or land) and freight/cargo forwarding.

9. BIMP – EAGA Trade and Investment Enterprises

This covers enterprises located or have their base of operation in the BIMP – EAGA, namely, Brunei; Sabah and Sarawak in Malaysia; Maluku, Sulawesi, Kalimantan and Iringaya in Indonesia; and Mindanao and Palawan in the Philippines, who shall invest and engage in economic activity in the ARMM including the age old Traditional Barter Trading System in the BIMP – EAGA.

10. Tourism

This covers the establishment of tourism estate subject to guidelines developed jointly by RBOI-ARMM and the Department of Tourism – ARMM, tourist accommodation facilities, tourist transport facilities and development of retirement villages which shall include health and medical facilities including amenities required by the Philippine Retirement Authority (PRA) and subject to the guidelines to be approved by RBOI-ARMM in consultation with the PRA, the Department of Health (DOH), the Regional Planning and Development Office (RPDO) and other concerned agencies.

11. Health and Education Services and Facilities

This covers the establishment of private hospitals, medical clinics, wellness centers, primary education, secondary education, tertiary education (colleges, universities and vocational – technical schools) and ancillary services including any and all health and education related investment.

