

# GROWTH AND INVESTMENT CLIMATE

**Undersecretary ELMER C. HERNANDEZ**  
Board of Investments  
Department of Trade & Industry

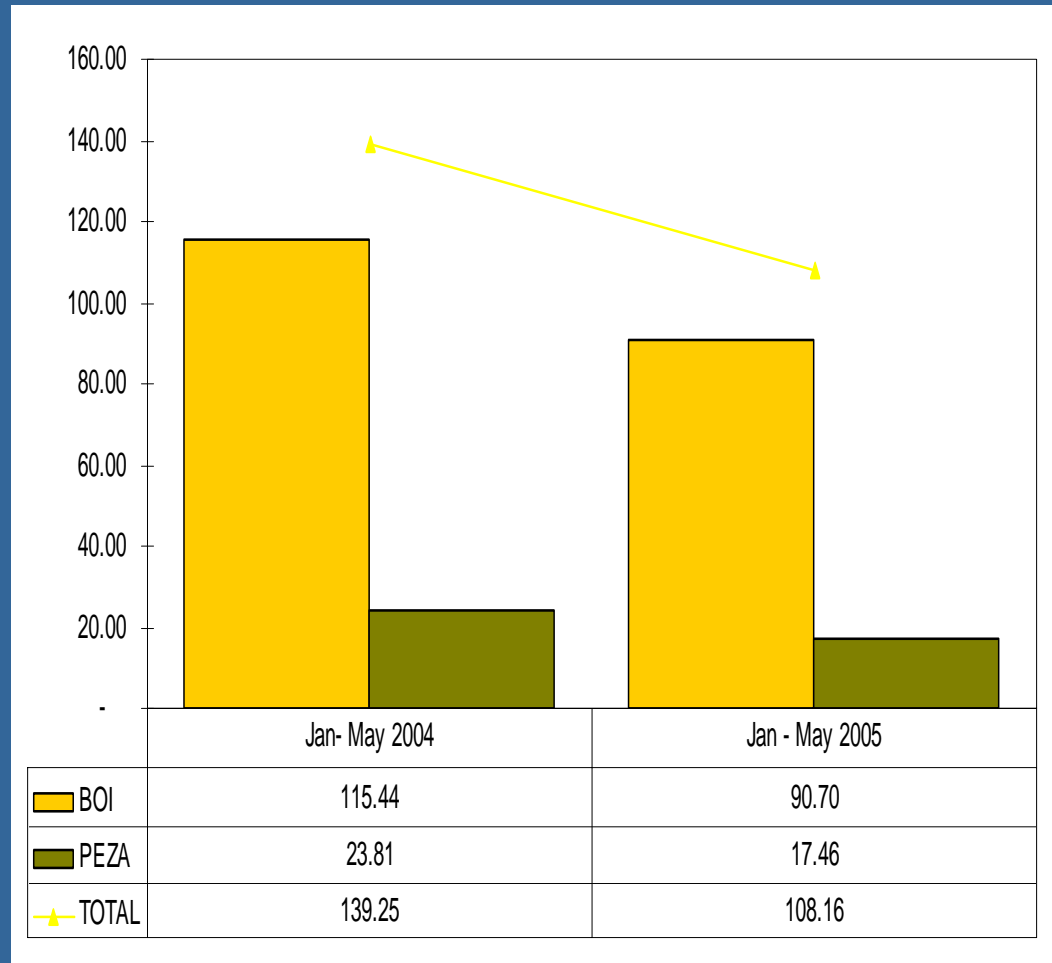


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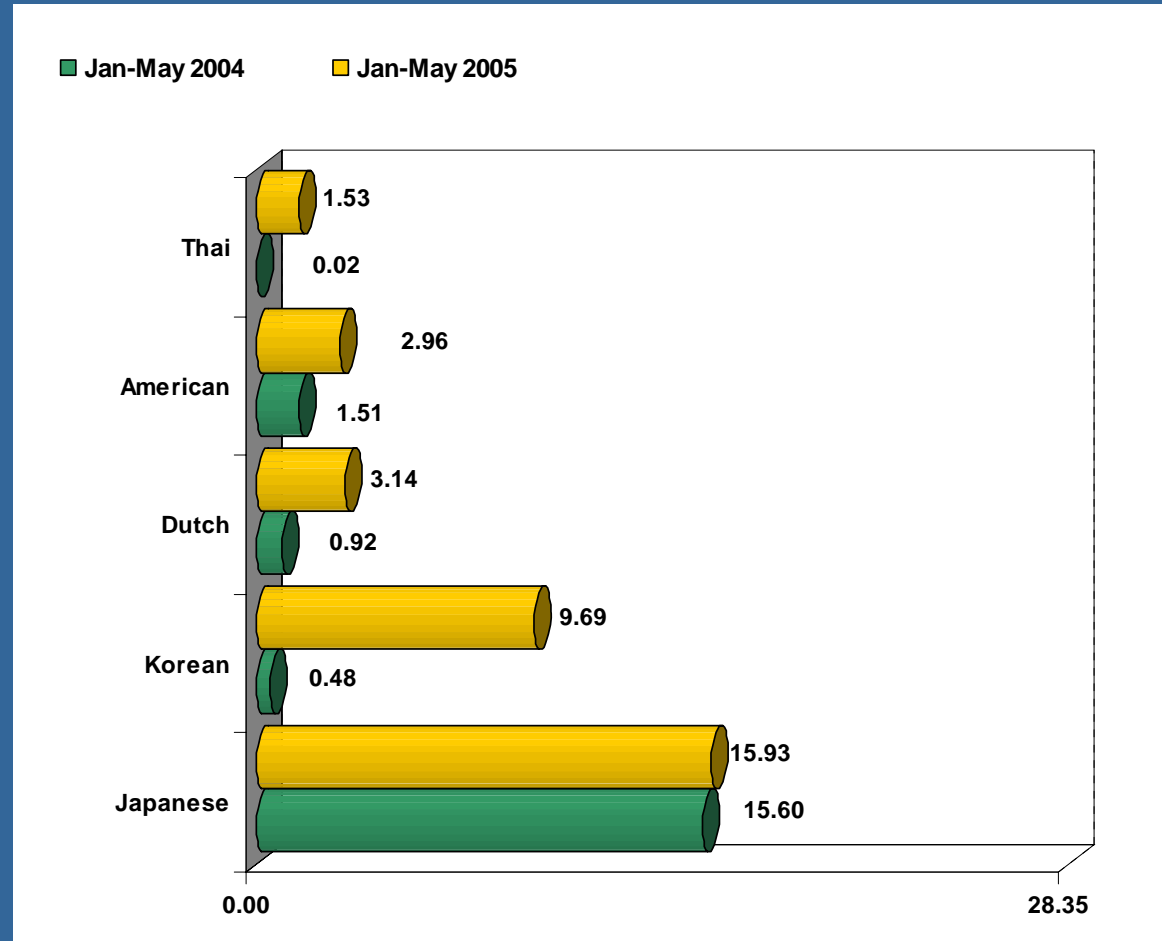
# APPROVED INVESTMENTS (BOI/PEZA)

- Total approved investments for the 1<sup>st</sup> five months of 2005 is 22% lower than the figure of the same period of 2004.



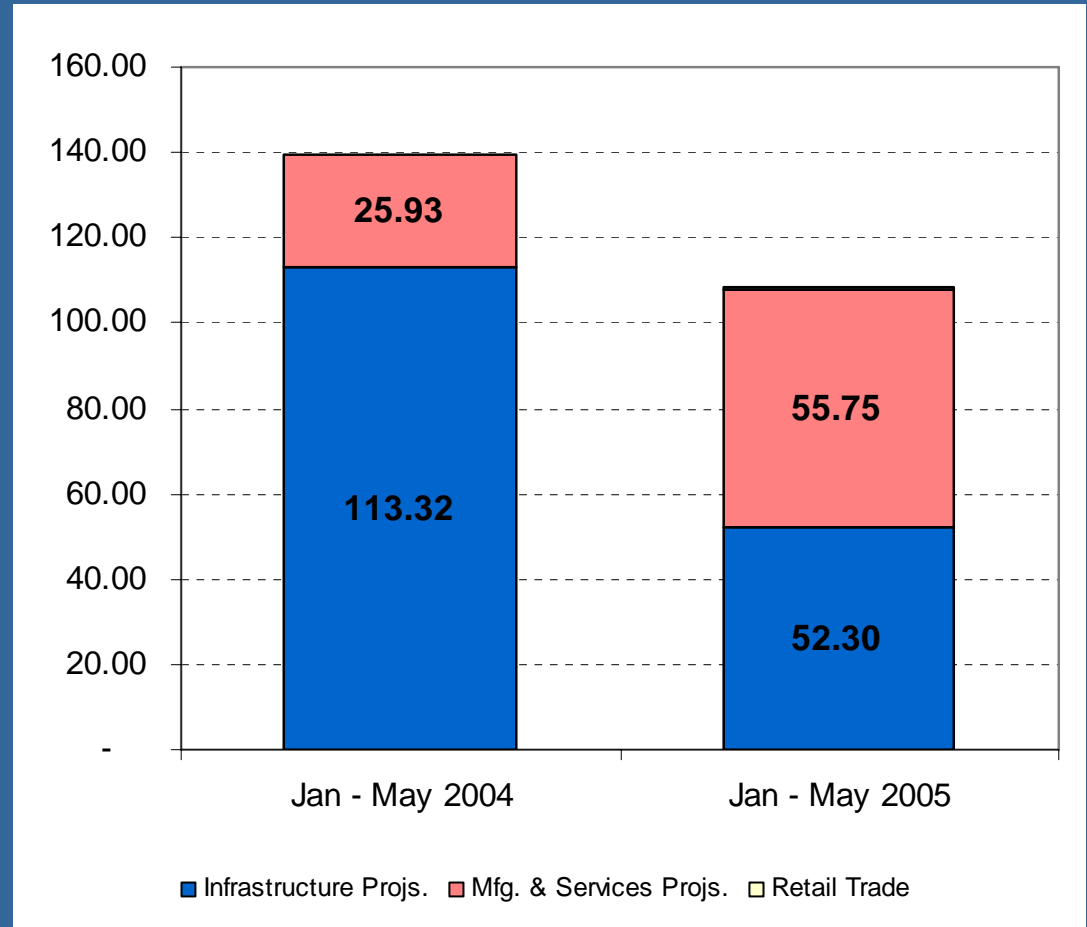
# APPROVED INVESTMENTS BY COUNTRY

- Main foreign investors are Japanese and Korean with a total investments of 15.93 and 9.69 Billion Php respectively, from Jan – May 2005.



# APPROVED INVESTMENTS BY SECTOR

- Infrastructure projects decreased by 53.84% for the 1<sup>st</sup> five months of 2005 vs. same period of 2004
- Manufacturing projects increased by 115% for the 1<sup>st</sup> five months of 2005 vs. same period of 2004



# 2005 INVESTMENT PRIORITIES PLAN\*

## List of Priority Areas of Investments

- ICT Services
- Processed Foods & Beverages
- Homestyle & Living
- Organic, Herbal & natural Products
- Fashion
- Construction Materials, Engineering Consulting & Contracting Services
- Electronics
- Marine Products
- Motor Vehicle
- Logistics Services
- Health & Services
- Mining
- Shipbuilding/Shipping

\*Approved by the President on April 26, 2005



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# UPDATES ON INFRASTRUCTURE PROJECTS

- The Philippine Infrastructure Corporation (PIC) is making progress in syndicating private-public financing packages in identified infrastructure projects that include
  1. Alabang viaduct
  2. Calamba-Sto.Tomas
  3. C6-Calabarzon Expressway
- A groundbreaking ceremony took place last April for the Subic-Clark-Tarlac Expressway Project, which is being funded by JBIC. JBIC likewise supports the Subic Bay Development Project & Batangas Port Development Project



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# UPDATES ON INFRASTRUCTURE PROJECTS (cont.)

PNCC has concluded shareholders agreement with MTD Capital Sdn Bhd, a Malaysian Holding Company which commits to finance the whole SLEX project:

1. Rehabilitation of the Alabang viaduct
2. Widening & expansion of Alabang to Calamba toll road
3. Expansion of toll road from Calamba to Sto. Tomas



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# UPDATES ON AGRICULTURE SECTOR

- Rationalization and review of investment incentives is an area where GIC feels that the government should proceed with care and caution given the need to compete with other countries.
- Extension of AFMA, zero-duty on imports by 2015



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# UPDATES ON EXPORTS

- Total trade in 2004 was 79,898.00 (F.O.B. value in million US dollars). Semiconductors was the top export commodity followed by other electronic products and food/agro/resource-based products. Total exports amounted to 39,598 while total imports amounted to 40,300.00 both in FOB value in million dollars.
- For the first quarter period, January to March 2005, total trade was 18,917 (F.O.B. value in million US dollars) with semiconductor and electronic products as leading export commodity.



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# UPDATES ON MINING SECTOR

- The country participated in international Mining Roadshows such as:
  1. China January 17 - 19, 2005
  2. Canada March 6 - 9, 2005
  3. Korea June 1 - 3, 2005
  4. Japan June 8, 2005
- Mining Roadshow in Melbourne and Sydney, Australia on August 10-12, 2005
- Spearheaded by ASEAN Federation of Mining Associations, the Philippines will be the host of the mining conference in October 2005.



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# RE-ENGINEERING OF BOI

Directly supports the core/frontline services and the 10-Point Agenda of the Administration with the following:

1. Merging of the BEMB functions with BOI
2. Strengthening the industry services and development by merging the functions of the Project Assessment and Industry Development Groups thereby creating the following departments to focus on the critical sectors.
  - Electronic Industry Department
  - ICT Department
  - Health Care, Retirement & Tourism Services Dept.
  - Motor Vehicles Industry Department
  - Logistics & Infrastructure Department
  - Food & Agri-Fisheries Department
  - Mining & Metallurgical Industries Department
  - Other Industries & Services Department



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# RATIONALIZATION OF FISCAL INCENTIVES

- The rationalization of fiscal incentives is part of the eight revenue measures drawn up by the President's economic team aimed at reducing the budget deficit. Harmonizes and rationalizes the fiscal incentives among Investment Promotion Agencies.
- House Bill No. 03295 has been approved by the House of Representative on January 18, 2005.
- Now in Senate Committee Hearing on July 5, 2005 after being abruptly suspended 2 weeks ago.



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# THANK YOU



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