

**[ MEMORANDUM ORDER NO. 299, March 30, 2009 ]**

**APPROVING THE 2009 INVESTMENT PRIORITIES PLAN**

Pursuant to Article 29 of the Omnibus Investments Code of 1987, the attached 2009 Investment Priorities Plan (IPP) is hereby **APPROVED**. Further to the provision of said Article, upon the effectivity of the IPP, all government agencies and entities are enjoined not to adopt any policy or take any course of action contrary to or inconsistent with the IPP.

This Memorandum Order shall take effect fifteen (15) days after its publication in a national newspaper of general circulation as required under Article 31 of the Omnibus investments Code of 1987.

**DONE** in the City of Manila, this 30<sup>th</sup> day of March in the year of Our Lord, Two Thousand and Nine.

**(Sgd.) GLORIA M. ARROYO**

By the President:

**(Sgd.) EDUARDO R. ERMITA**

*Executive Secretary*

**MESSAGE**

The Philippine economy has to contend with a more challenging environment as a result of the turbulence in the global financial markets that to date continues to impact on global economies.

Despite all these, the Philippine economy has remained resilient and stable, a testament to the country's strong macroeconomic fundamentals instituted by my Administration towards the achievement of my 10-point agenda, mindful of my promise that this would be my legacy to the Filipino nation.

Notwithstanding the country's estimable economic performance and with no room for complacency, my Administration has the critical task to preserve the momentum for sustained growth and to ensure that the employment possibilities for the Filipino people are optimized by assisting our industries withstand the crisis.

Meeting these extraordinary challenges head-on, the Board of Investments, in coordination with other government agencies and the private sector, has prepared the 2009 Investment Priorities Plan (IPP) as a tool to save and create jobs and achieve decent investment performance. The 2009 IPP opens opportunities for the country to attract more quality investments into industries and services that would

maintain and improve the country's competitiveness and ensure employment for the Filipino people.

With unity, cooperation and risk-sharing among all sectors, we can attain the realization of my Administration's development agenda and ensure the successful implementation of the 2009 IPP.

I am optimistic and confident that with the continued strong and committed public and private partnership, we shall be **Transcending Global Economic Challenges** towards a stronger and more resilient Philippine economy!

*Mabuhay tayong lahat!*

**(Sgd.) GLORIA MACAPAGAL-ARROYO**

MANILA  
March 2009

## **Part I**

### **PRIORITY INVESTMENT AREAS**

The coverage, description and entitlement to incentives of the following listed activities shall be defined and clarified in the General Policies and Specific Guidelines to be issued by the Board of Investments (BOI).

The grant of incentives under the 2009 IPP is subject to Article 7, paragraph 3 of EO 226, to wit:

*"ART. 7 Powers and Duties of the Board. xxx*

*(3) Process and approve applications for registration with the Board, imposing such terms and conditions as it may deem necessary to promote the objectives of this Code, including refund of incentives when appropriate, restricting availment of certain incentives not needed by the project in the determination of the Board x x x"*

## **I. PREFERRED ACTIVITIES**

### **A. Contingency List**

#### **Job Saving/Creation Projects**

This covers existing projects and/or activities affected by the current global economic crisis that will either:

- a. Retain investments and maintain current number of workers;
- b. Retain investments and increase current number of workers;
- c. Increase investments and maintain current number of workers; or
- d. Increase investments and increase current number of workers.

This also covers new projects of micro, small and medium enterprises as defined under R.A. 9501.

Enterprises registered under this list may be entitled to ITH.

The projects enumerated in Annex "A" are not qualified under this listing.

NOTE: The Contingency List is a **temporary** inclusion in the IPP to mitigate the effects of the global crisis and will be delisted upon an official pronouncement by the National Economic Development Authority (NEDA) that the crisis no longer exists; *Provided* however, that the Board based on certain indicators may continue to qualify under this list industries/sectors that are still affected by the crisis.

## **B. Regular List**

### **1. Agriculture/Agribusiness and Fishery**

This covers production and processing of agricultural and fishery products (including their by-products and wastes), biofuels, feeds and organic fertilizers.

This also covers biotechnological products and services.

### **2. Infrastructure**

This covers transport (air, water and mass rail transport), water (water supply and/or distribution), logistics, energy (power generation projects using renewable<sup>1</sup> and other energy sources adopting environmentally-friendly technologies, power generating plants located in missionary areas, and privatized plants), mass housing, physical infrastructure, pipeline projects for oil and gas, and projects under the Build-Operate-Transfer (BOT) Law.

### **3. Engineered Products**

This covers shipbuilding, manufacture of machinery and equipment, including their parts and components, manufacture of other transport equipment (air, water and land) including their parts and components, and manufacture of basic iron and steel products.

### **4. Tourism**

This covers the establishment of tourist accommodation facilities, resorts, and retirement villages, medical tourism and healthcare and wellness products and services.

### **5. Business Process Outsourcing (BPO)**

This covers voice and non-voice IT-enabled services.

### **6. Creative industries**

This covers non-BPO IT-enabled services and film, TV and theater arts production.

### **7. Strategic Activities <sup>2</sup>**

This covers activities with a minimum project investment cost of the peso equivalent of US\$300 million and complies with either of the following:

- a. Employment generation of at least 1,000; or
- b. Use of internationally accepted high level of technology.

This also covers major projects of global companies intended to be located only in one country as a regional hub where the Philippines is one of the short-listed countries for investment location.

## **8. Research and Development**

This covers commercial and in-house R & D activities, establishment of Centers of Excellence (COE), innovation and skills development training institutions.

## **II. MANDATORY LIST**

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

<b><u>LAW</u></b>	<b><u>ACTIVITY</u></b>
<b>P.D. 705</b>	<b>Revised Forestry Code of the Philippines<sup>3</sup></b>  This covers extensive plantation of forest land of tree crops (except fruit trees) for commercial and industrial purposes.
<b>R.A. 7942</b>	<b>Philippine Mining Act of 1995<sup>3</sup></b>  This covers the exploration and development of mineral resources, mining, quarrying and processing of metallic and non-metallic minerals.
<b>R.A. 3047</b>	<b>Printing, Publication and Content Development of Books or Textbooks</b>  This covers printing, re-printing, publication and content development of books or textbooks.
<b>R.A. 8470</b>	<b>Downstream Oil Industry Deregulation Act of 1998<sup>3,4</sup></b>  This covers refining, storage, distribution, and marketing of petroleum products located in government identified logistics hubs.
<b>R.A. 9003</b>	<b>Ecological Solid Waste</b>

**Management Act of 2000**

This covers the establishment of waste recycling facilities. <sup>3</sup>

**R.A. 9275****Philippine Clean Water Act of 2004**<sup>3</sup>

This covers the establishment of industrial 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. 7277****Magna Carta for Disabled Persons**

This covers the manufacture of technical aids and appliances for the use and/or rehabilitation of disabled persons, 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. 9513****Renewable Energy Act of 2008**

Subject to the Implementing Rules and Regulations of R.A. 9513.

**III. EXPORT ACTIVITIES**

This covers the following:

- A. Manufacture of Export Products
- B. Export Services
- C. Activities in Support of Exporters

**IV. ARMM LIST****A. EXPORT ACTIVITIES**

- 1. Export Trader and Service Exporters
- 2. Support Activities for exporters

**B. AGRICULTURE, FOOD AND FORESTRY-BASED INDUSTRY**

- 1. Processed Food

- a. Production and processing of Halal meat and foods, leguminous and other vegetable - based protein (textured, pelletized or liquid), spices processing (e.g., hot pepper, black pepper, ginger, etc.)

Note: May be integrated with plantation