

[MEMORANDUM ORDER NO. 40, June 13, 2012]

APPROVING THE 2012 INVESTMENT PRIORITIES PLAN

Pursuant to Article 29 of the Omnibus Investment Code of 1987, as amended, the attached 2012 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 newspaper of general circulation as required under Article 31 of the Omnibus Investment Code of 1987.

DONE, in the City of Manila , this 13th of June, in the year of our Lord, Two Thousand and Twelve.

(SGD.) BENIGNO S. AQUINO
President of the Philippines

By the President:

(SGD.) PAQUITO N. OCHOA
Executive Secretary

INVESTMENT PRIORITIES PLAN 2012

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 extent of entitlement to incentives shall be based on the project's net value added, job generation, multiplier effect and measured capacity^[1].

I. PREFERRED ACTIVITIES

1. Agriculture/Agribusiness and Fishery

This covers commercial production and commercial processing of agricultural, herbal 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 the production

of fertilizers and pesticides.

2. Creative Industries/Knowledge-Based Services

This covers business process outsourcing (BPO) activities, and IT and IT-enabled services that involve original content.

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. This also covers the manufacture of modular housing components preferably using indigenous materials.

5. Iron and Steel

This covers basic iron and steel products, long steel products (billets and reinforcing steel bars), and flat hot-/cold-rolled products.

6. Energy

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

7. Infrastructure

This covers transport, water, logistics, waste management facilities, physical infrastructure (tollways, railways and telecommunications facilities), and PPP projects.

8. Research and Development

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

9. Green Projects

This covers the manufacture assembly of goods and the establishment of energy efficiency-related facilities (such as district cooling systems), where either utilization of which would significantly lead to either the efficient use of energy, or natural resources or raw materials; or minimize/prevent pollution; or reduce greenhouse gas emissions.

10. 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.

11. Strategic Projects^[2]

This covers projects that exhibit very high social economic returns that will significantly contribute to the country's economic development.

12. Hospital/Medical Services

This covers the establishment and operation of primary and secondary hospitals.

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.

1. Industrial Tree Plantation^[3]

This covers extensive plantation of forest land of tree crops (except fruit trees) for commercial and industrial purposes.

2. Exploration, Mining, Quarrying and Processing of Minerals^[4]

This covers the exploration and development of mineral resources, mining/quarrying and processing of metallic and non-metallic minerals.

3. Publication or Printing of Books/ Textbooks^[5]

This covers printing, re-printing, publication and content development of books or textbooks.

4. Refining, Storage; Marketing and Distribution of Petroleum Products^[6]

This covers refining, storage, distribution, and marketing of petroleum

products.

5. Ecological Solid Waste Management^[7]

This covers the establishment of waste recycling facilities.

6. Clean Water Projects^[8]

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.

7. Rehabilitation, Self-Development and Self-Reliance of Persons with Disability^[9]

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.

8. Renewable Energy^[10]

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.

9. Tourism^[11]

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

1. Tourist transport services whether for land, sea and air transport for tourist use;
2. 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;