

[MEMORANDUM ORDER NO. 95, April 14, 2003]

APPROVING THE 2003 INVESTMENT PRIORITIES PLAN

Pursuant to Article 29 of the Omnibus Investments Code of 1987, the attached 2003 Investments Priorities Plan (IPP) is hereby approved.

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 Investments Code of 1987.

DONE in the City of Manila, this 14th day of April in year of our Lord, two thousand and three.

(Sgd.) GLORIA M. ARROYO

By the President:

(Sgd.) ALBERTO G. ROMULO

Executive Secretary

2003 IPP PRIORITY INVESTMENT AREAS

The 2003 IPP shall encourage the following economic activities:

I. National List

A. Exports Activities*

This covers export producers, export traders, service exporters, and activities considered in support of exporters.

B. Mandatory Inclusions:

All areas/activities, whose inclusion in the IPP are required under existing laws.

LAW	ACTIVITY
P.D. 705	Industrial Tree Plantation
R.A. 7103	Iron & Steel Projects*
R.A. 7942	Exploration, Mining, Quarrying, and Processing of Minerals*
R.A. 8047	Publication or Printing of Books or Textbooks*
R.A. 8479	Refining, Storage, Marketing and Distribution of Petroleum products*
R.A. 9003	Ecological Solid Waste Management Act

C. Support To Government Programs

1. Agricultural/ Fishery Production and Processing*

Limited to activities covered under RA 8435 (agricultural and fisheries modernization), RA 7900 (production/processing of high value crops) and RA 8550 (commercial fishing).

2. Energy Sources

Exploration/development of indigenous, new and renewable energy sources and technologies, including natural gas, and establishment of mini-hydro electric power plants.

3. Logistics

Covers land, air and water transport: projects utilizing natural gas and alternative fuels such as conversion shops, terminals/refueling stations, manufacture/assembly of Natural Gas Vehicles (NGVs) and land transportation; air and water transport facilities that may include cargo operations and passenger terminals; container yards and passenger terminals (only new facilities are applicable for passenger terminals); shipbuilding/shipbreaking/shiprepair; integrated logistics; agricultural service pipeline operations; environmental service activities.

4. Drugs and Medicines*

Manufacture of essential drugs (listed in the current Philippine National Drug Formulary of the Department of Health), herbal medicines and supplements, vaccines for animal diseases (listed under the Bureau of Animal Industry -Department of Agriculture Administrative Order No. 12, Series of 1992) and active substances of drugs.

5. Engineered Products*

Manufacture of machinery and equipment including their parts and components, and parts & components of motor vehicles; manufacture of motor vehicles; preparation of designs of machinery and equipment and/or their parts and components

6. Information and Communications Technology*

Information and Communications Technology Services (ICT Services, ICT-enabled Services, ICT Support Activities)

7. Infrastructure

Establishment of physical infrastructure, e.g., roads, bridges, and telecommunication facilities, including those under the BOT Law.

8. Mass Housing Projects including Development and Manufacture of Housing Components**

9. Research and Development Activities, including Bio-technology

10. Social Service*

Establishment of educational training institutions, health service facilities, social welfare institutions, and retirement villages (limited to new facilities only).

11. Tourism-related Projects as Endorsed by the Department of Tourism*

Establishment of tourist accommodation facilities, tourism estates, historico-cultural heritage projects, tourist bus operations, and agri and eco tourism facilities.

12. Motion picture limited to films with historical and socio-cultural significance, and documentary films

13. New projects and bio-technology projects with a minimum project cost of US\$2 Million not commercially undertaken in the Philippines as of 31 December 2001

14. Printing Facilities

II. Regional List

A. Industry Clusters

Industry clusters (ICs) endorsed by the Small and Medium Enterprise Development Council (SMEDC). ICs will be limited to only one (1) cluster per province subject to the approved Terms of Reference (TOR) between BOI and SMEDC on the endorsement of projects.

B. ARMM List

The ARMM List covers priority activities which have been independently identified by the Regional Board of Investments of the ARMM in accordance with E.O. 458. The BOI-ARMM can grant registration and administer incentives to activities listed in the IPP, provided these are located in ARMM and subject to the General and Specific Guidelines.

1. Export Activities

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

2. Agriculture, Food and Forestry-Based Industries

a. Processed Food

- Production and processing of halal meat
- Leguminous and other vegetable-based protein (textured, palletized or liquid)
- Spices processing (e.g. hot pepper, black pepper, ginger, etc.)
Note: May be integrated with plantation
- Vegetable oils (e.g. peanut oil, rice bran oil, sunflower and soybean oil) and production of food crops
Note: Maybe integrated with post-harvest processing and other vegetables (such as tomatoes)
- Integrated coconut processing and plantation
- Seaweeds production and processing

- Cassava processing
Note: Maybe integrated with plantation.
- Fruit processing (e.g. durian, mangosteen, jackfruit, marang, banana, mango, passion guava, calamansi, and guyabano) and plantation
- Aquaculture (Fish Production and Processing) such as, but not limited to:
 - Frozen fish
 - Chilled fish
 - Canned fish
 - Abalone
 - Crab fattening
 - Eel production
 - Squid processing
 - Carp and tilapia production and processing
 - Tropical fish production and processing
 - Shrimps/prawn
 - Lapu-lapu (Grouper) and other marine products
- Corn flour mill (integrated with plantation)
- Young corn production
Note: May include processing/canning
- Mushrooms culture and processing
- Sweet potato plantation and processing
- Crocodile farming and processing

b. Cutflower Production

c. Pearl Culture and Processing

d. Industrial Tree Plantation (include Mangrove, Rattan, Bamboo, etc.) and wood processing (cement wood board and fiberboard) reconstructed veneer.

e. Shipbuilding and Watercraft

f. Abaca Pulp Production and Processing

g. Palm Oil Plantation, Processing, Refining and Germinated Oil Palm Seeds

h. Coffee Processing (maybe integrated with plantation)

i. Particle Board (use of agri-based waste material such as rice straw, wood waste, etc.)

j. Activated Carbon Manufacturing (use of coconut shell, wood based, etc.)

k. Feeds Production (animal feeds and feeds for aquaculture)

l. Tobacco Plantation and Processing

m. Production of Beverage Crops, but not limited to:

- Cacao beans
- Coffee beans (Arabica variety)

n. Production of Plantation Crops and other Medical Herbs/Essential Oil Plants (including flower extracts)

o. Production of Livestock and Poultry (including Dairy products)

- Beef (including cow-calf and feedlot operations)