



PHILIPPINE ECONOMIC ZONE AUTHORITY

# Eco-Zoning the Philippines Towards Inclusive and Sustainable Development: Investment Opportunities for Taiwanese Investors

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# OVERVIEW

- An investment promotion and incentive-granting agency
- Attached to the Department of Trade and Industry (DTI)
- Pioneer in ecozone development supervising economic zones nationwide

## MANDATE



**Promote Investments**



**Create Employment**



**Generate Exports**



**Spur Countryside Development**

## CONTRIBUTIONS



**14.62 %** of the Philippines' GDP



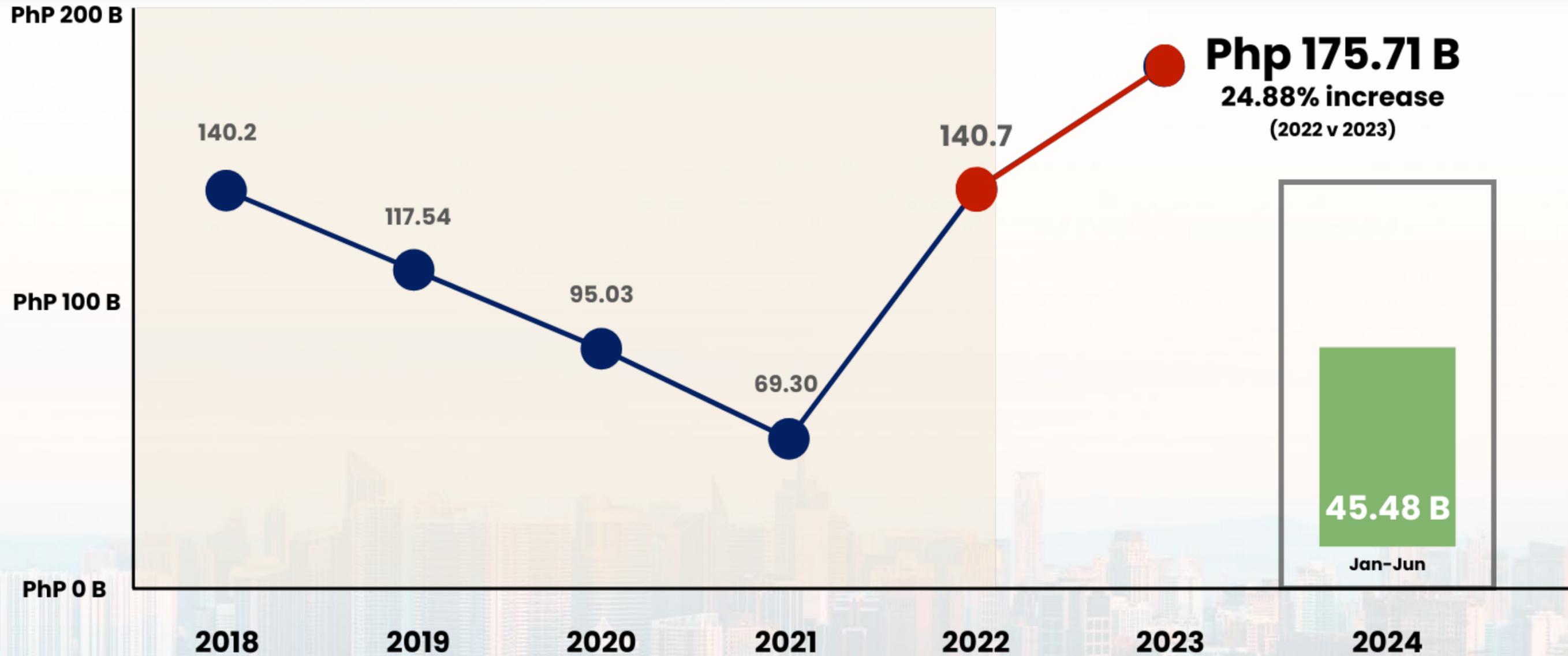
**56.91 %** of the Philippines' Exports of Commodities and Goods



**45.29 %** of service exports

*\*Data as of 2023 based on PSA and BSP*

# CURRENT PERFORMANCE OF PEZA: UPWARD TRAJECTORY



**US\$ 63.71 B**  
Actual Exports (2023)



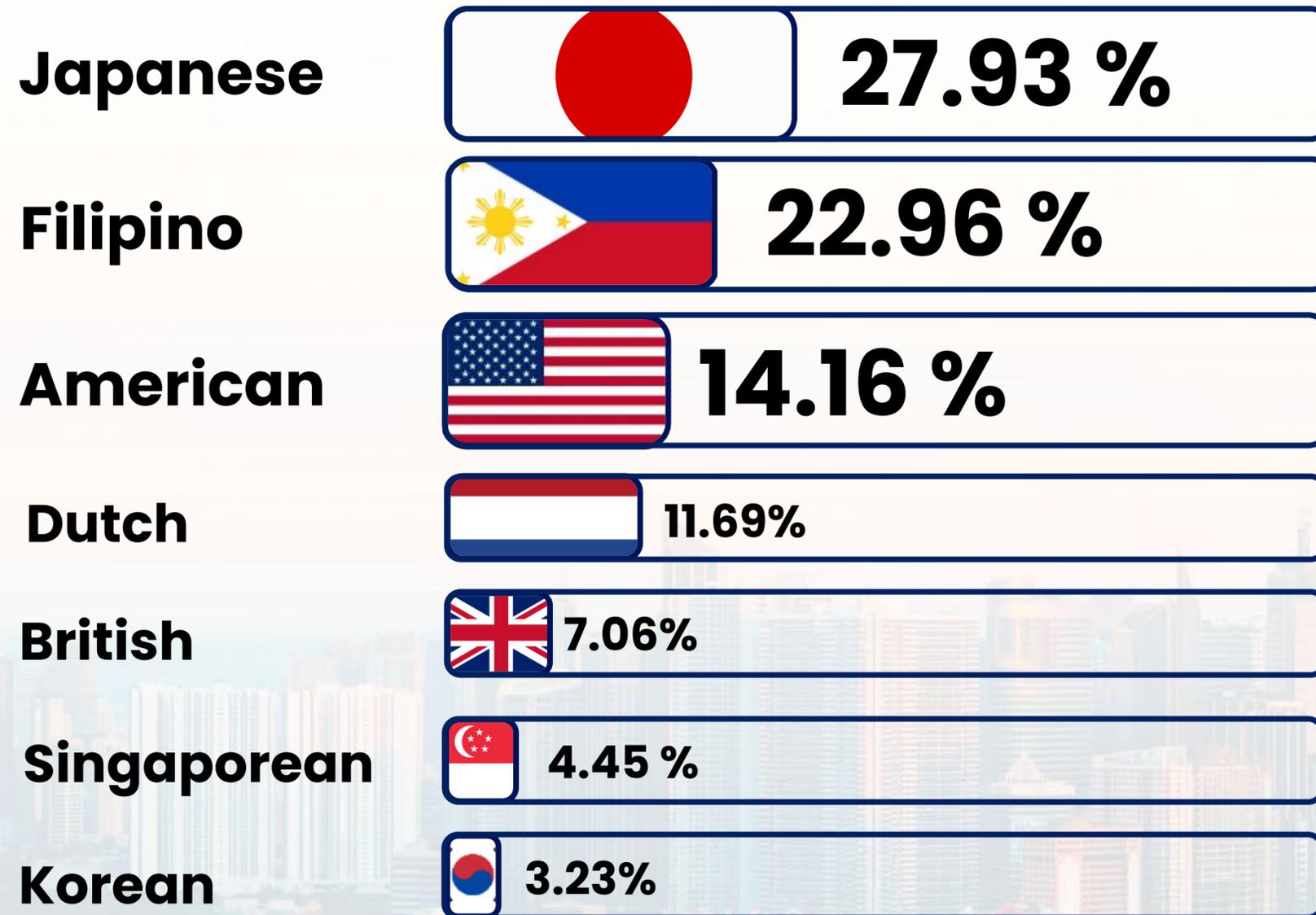
**1,811,297**  
Actual Direct Employment  
(as of December 2023)



**24 big-ticket projects worth  
Php 146.92 B investments**  
of the 233 total approved projects in 2023

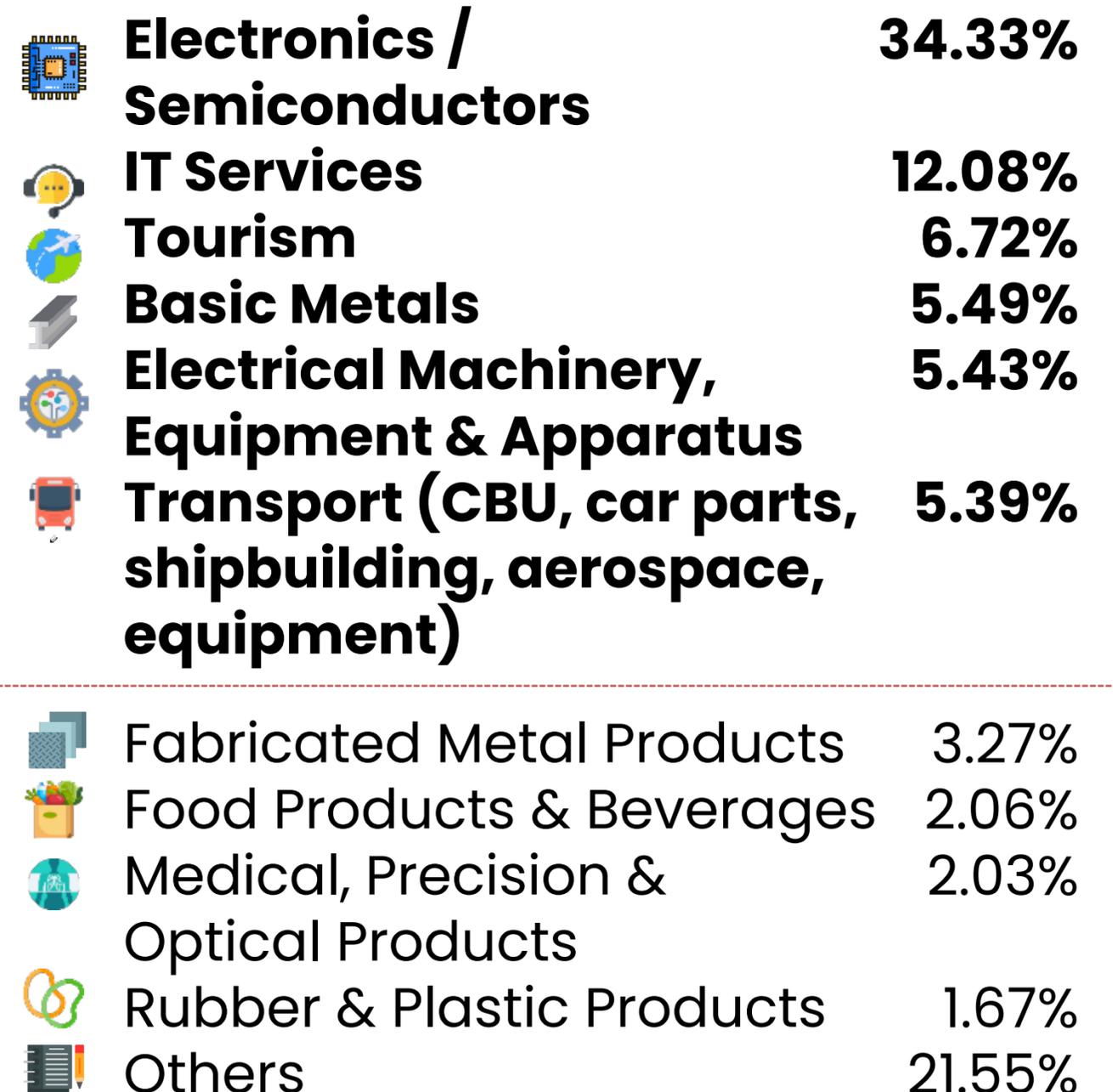
# TOP ECOZONE LOCATOR INVESTMENTS (1995–2023)

## BY NATIONALITY



*\*Other nationalities comprise 8.53% of total investments*

## BY PRODUCT SECTOR



# TAIWANESE INVESTMENTS IN PEZA



No. of Companies  
**83**



Investments  
**PHP 21.685 B**



Exports  
**\$1.075 B**  
*\*CY 2023*



Employment  
**27,396**  
*\*as of Dec 2023*

Ranked **9th** among PEZA's top investors by nationality (1.17%)

## ELECTRONICS & IT



**SUNON®** **SERCOM**



**ADAPTER**  
TECHNOLOGY

**LEI** **LEADER ELECTRONICS**  
(PHILIPPINE BRANCH) INCORPORATED



**TELEXPRESS**

## FABRICATED METAL



TAIHAN PRECISION TECHNOLOGY (PHILS) CO., INC.



**VINOX**



**EMC** Everbrilliant Manufacturing Company Inc  
Manufacturer of wipes for cleanroom, critical and controlled environments

## RUBBER, PLASTIC AND PAPER PRODUCTS



**YHC**  
煜盛



# LONG-TERM FDI: GLOBAL INDUSTRY LEADERS

## EMS/SMS

## IT-BPM

## AGRO-PROCESSING

## PHARMA & MEDICAL DEVICES



## STEEL / METALS / FABRICATED METALS

## AUTOMOTIVE, MARINE & AEROSPACE

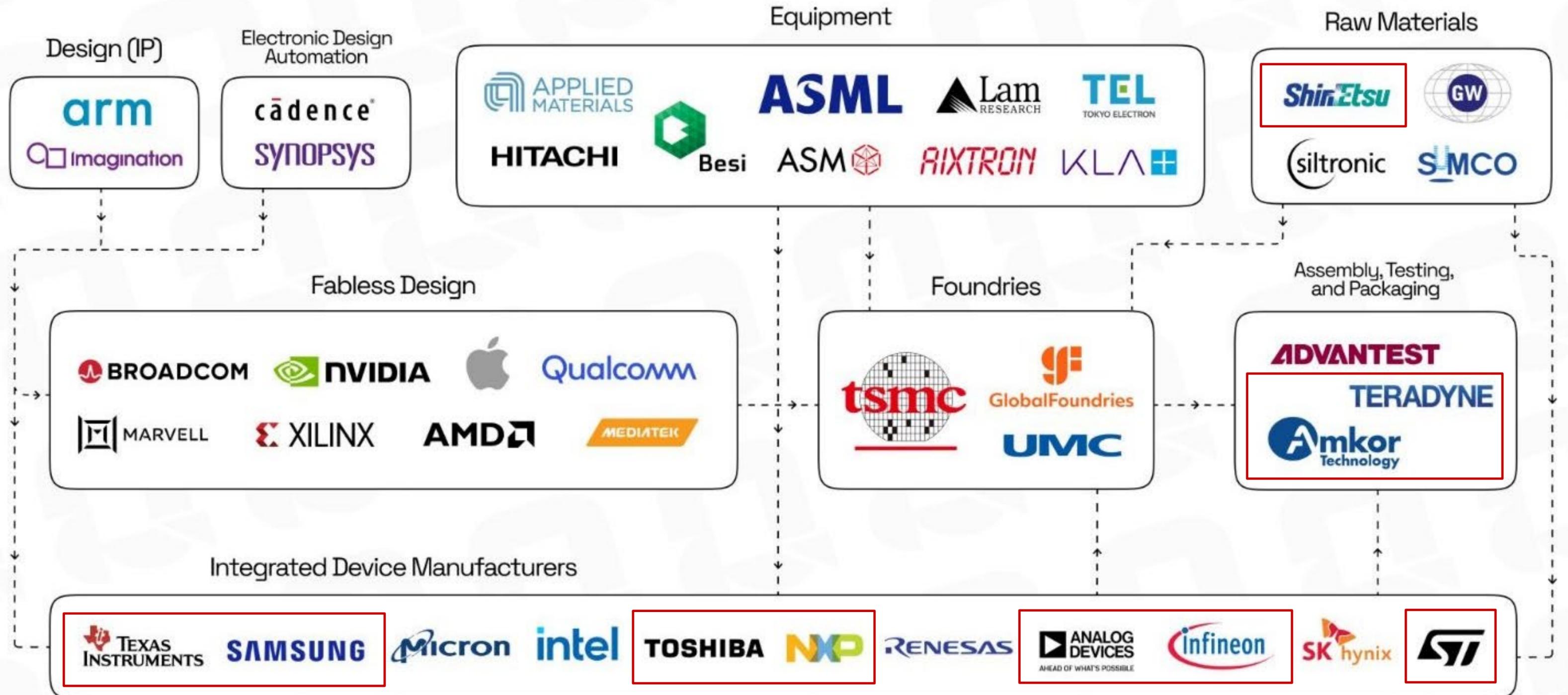
## RUBBER AND PLASTIC PRODUCTS

## TOURISM / MEDICAL TOURISM / CREATIVE INDUSTRIES



# The Semiconductor Value Chain

Created by  Quartr



# SPURRING COUNTRYSIDE DEVELOPMENT THROUGH THE ECOZONES



PEZA hosts **423 Ecozones**  
and **4,380 Locator Companies/projects** nationwide



**241** IT Parks



**60** IT Centers



**78** Manufacturing



**24** Agro-Industrial Parks



**17** Tourism



**3** Medical Tourism



*Compliant to Eco-industrial, Sustainable Development Goals, and Circular Economy Frameworks; Providing the Best Ecosystem for Investors*

# BRAND OF SERVICE

## PEZA is a **One-Stop Shop**

- Issuance of PEZA-Visa (PV)
- Building and Occupancy Permits
- Environment Clearance Certificate
- Exemption from Local Government Permits and Fees
- Provision for training facility for workers (Mold Technology Support Center in Cavite Economic Zone)

## and a **Non-Stop Shop**

- 24/7 continuous service
- Adheres to the Anti-Red Tape mandate
- **QMS ISO 9001:2015 certification** for the last 15 years
- Digitalization: Cashless & paperless transaction systems and processes, electronic import permits & export declaration system

### Core Values and Culture

- Z**ero corruption
- O**ne-stop shop
- N**on-stop shop
- E**xcellent service
- Integrity
- No Red Tape, Only Red-Carpet Treatment
- Innovation
- Sustainability

### Non-Negotiables

- ✓ Protection of the environment
- ✓ Rights of the Filipino workers

# INTERNATIONAL RECOGNITIONS



INTERNATIONAL  
**TRADE**  
ADMINISTRATION

## US International Trade Administration

*Investment Climate Statement  
dated 24 January 2024*

"The business environment has been notably better in special economic zones, particularly those available for export businesses operated by the Philippine Economic Zone Authority (PEZA). **PEZA has received positive feedback for its regulatory transparency, no red-tape policy, and one-stop shop services for investors.**"

## Bloomberg AiQ

*FDI Outlook: Challenges and  
Opportunities in 2023  
(October 2022 – October 2023)*

**The Philippine Economic Zone Authority was the only agency mentioned as a unique factor for the Philippines in terms of FDI attraction** based on the Brand Buzz study on live data across 150,000+ news sources around the world.



## Colliers Philippines

*Research on the Ease of doing business,  
FDIs, and the outsourcing industry  
(October 2023)*

**PEZA remains the preferred choice of BPOs as the location of their operations.** PEZA has a one-stop-shop (OSS) facility for ease of doing business.



## US Department of State

*2020 Investment Climate Statements*

"**The business environment is notably better within the special economic zones, particularly those available for export businesses operated by the Philippine Economic Zone Authority (PEZA)**, known for its regulatory transparency, no red-tape policy, and one-stop shop services for investors. Noteworthy advantages of the Philippine investment landscape include free trade zones, including economic zones, and a large, educated, English-speaking Filipino workforce."



## ASEAN-UNCTAD

*ASEAN Investment Report 2022*

**PEZA was cited as a major investment facilitation institution in the country**, which has been at the forefront of the Philippines' investment promotion and investment facilitation efforts since its inception in 1995, particularly through the economic zone program.



**IFC** | International  
Finance Corporation  
WORLD BANK GROUP

*Study of Gokhan Akinci on Special  
Economic Zones, Foreign Investment  
Advisory Service (2006)*

# WHY INVEST IN THE PHILIPPINES?

## HIGH LABOR PRODUCTIVITY



Median age of Filipino workers:  
**25 years old**

## ABUNDANT NATURAL RESOURCES

**1<sup>st</sup>** Largest producer of canned pineapples

**2<sup>nd</sup>** Biggest global supplier of nickel

**5<sup>th</sup>** Most mineralized country in the world

## BILATERAL TRADE AGREEMENTS

Regional Comprehensive Economic Partnership Agreement (RCEP)

ASEAN-Australia-New Zealand, EU and South Korea Free Trade Agreements

Indo-Pacific Economic Framework (IPEF)

The only E.U. GSP+ beneficiary country among ASEAN

## STABLE ECONOMIC OUTLOOK

**BBB+ / A-2 Rating**

long-term and short-term credit rating for the Philippines

MOODY'S FitchRatings S&P Global Ratings

R&I Rating and Investment Information, Inc. JCR Japan Credit Rating Agency, Ltd.

## QUALITY FACILITIES FOR INVESTORS & THEIR FAMILY



## GROWING DOMESTIC MARKET



**115 Million PH Population**  
(as projected by the Commission on Population and Development, Dec 2023)

## POLITICAL STABILITY AND INDUSTRIAL PEACE



## STRATEGIC LOCATION IN SOUTHEAST ASIA





# Philippines Is 'The Smart Investment Choice'

— President Marcos

"It is our belief that the Philippines is the smart investment choice, and the best time to do business with us is **NOW**."

## PH UPSIDE



**Accession to RCEP and incoming new FTAs such as South Korea, EU, and Indo-Pacific Economic Framework**



**Ranks 2<sup>nd</sup> in Top Emerging Markets by FDI Momentum in 2024**  
*(FDI Intelligence Report)*



**Ranks 3<sup>rd</sup> among ASEAN markets by foreign firms to expand into over the next two (2) years**  
*(HSBC September 2023 Survey)*



**6th out of 67 countries in the Climate Change Performance (CCPI) 2024** *(Germanwatch, the NewClimate Institute, and the Climate Action Network Report)*



**Ranks 8th among the top promising countries for Japan to do business within the next three (3) years** *(JBIC 2023 Survey)*



**12th out of 78 countries as the most attractive countries for offshore services in 2023 Global Services Location Index (GSLI)**



**AMRO sees the Philippines as fastest growing economy in the region for 2024-2025 - forecasted a 6.3 – 6.5% growth**

# FISCAL AND NON-FISCAL INCENTIVES OFFERED BY PEZA

## EXPORT/DOMESTIC ENTERPRISES

**INCOME TAX HOLIDAY**

**4-7 years**



## EXPORT ENTERPRISES

**10 years**

Special Corporate  
Income Tax (SCIT) or  
Enhanced Deduction (ED)

## DOMESTIC MARKET ENTERPRISES

**5 years**

Enhanced Deduction (ED)

## LARGE ENTERPRISES

**25%**

Regular Corporate  
Income Tax

## SMALL AND MEDIUM ENTERPRISES

**20%**

Regular Corporate  
Income Tax



**Customs Duty  
Exemption on  
Importation of Capital  
Equipment, Raw  
Materials, Spare Parts,  
or accessories**



**Value-added tax (VAT)  
exemption on  
importation and VAT-  
zero rating on local  
purchases of goods  
and services**



**Domestic sales  
allowance of up to 30%  
of total sales for  
export-oriented  
companies**



**Exemption from  
payment of national  
and local government  
taxes and fees**



**Employment of foreign  
nationals**



**Long-term land lease  
of up to 75 years**



**PEZA 2-year special  
non-immigrant visa**

## PRIORITY INDUSTRIES



### Advanced Manufacturing

(EMS/SMS, Automotive/EVs, Pharma and Medical Devices, Aerospace, Shipbuilding, biopolymers)



### Green Ores Processing

(nickel, copper, mineral ores for integrated steel processing)



### Agriculture and Blue Industries

(regenerative agriculture, aqua/marine-culture, marine energy, pharmacology)



### IT Services & Frontier Technologies

(digital health, fintech, blockchain, AI, BPM, KPO, cybersecurity, etc.)



### Eco-Industrial Park Development

(Mega ecozone development, renewable and alternative energy, clean water and wastewater treatment, circular economy, SDGs, green buildings, smart systems integration, waste recycling)



### Science, Technology, and Innovation

(R&D, emerging technologies)



### Integration of SMEs into the ecozone value chain

## NEW FRONTIERS IN ECOZONE DEVELOPMENT

- **Aerotropolis Parks**
- **Agro-Forestry Ecozones**
- **Aquamarine Parks**
- **Biotech Centers**
- **Defense Industrial Complexes**
- **E-commerce and Fintech Hubs**
- **Halal and Food Production Hubs**
- **Mega Zones and Townships**
- **Knowledge, Innovation, Science and Technology (KIST) Parks**
- **Mineral Processing Zones**
- **Pharmaceutical Ecozones**
- **Renewable Energy Parks**
- **Start-up Ecozones**



# PHILIPPINES' EXISTING FREE TRADE AGREEMENTS

## ❑ **Regional Comprehensive Economic Partnership (RCEP)**

*Removes tariffs on at least 90 percent of commodities traded among member countries*

## ❑ **ASEAN Trade in Goods Agreement (ATIGA)**

*Eliminates intra-ASEAN import duties on 99.65 percent of their tariff lines*

## ❑ **Philippines – Japan Economic Partnership Agreement (PJEPA)**

*Provides market access through tariff elimination or reduction on top major export products – agricultural and industrial*

## ❑ **Philippines – European Free Trade Association Free Trade Agreement (EFTA)**

*Provides the Philippines duty-free market access for ALL industrial and fisheries tariff lines upon entry into force of the FTA*

### **BENEFITS OF TARIFF-FREE TRADE IN THE PHILIPPINES**



Market Access



Cost Savings



Long-term Trade Relations



Increased Competitiveness



Stimulating Economic Growth



Facilitation of Trade in Services



Diversification of Export Markets



Encouragement of Foreign Investment



Photo source: Wikipedia

# EUROPEAN GENERALIZED SYSTEM OF PREFERENCE PLUS (EU GSP+)

Under the Generalized Scheme of Preferences Plus program of the European Union, the Philippines could enjoy zero duties on its exports to the European Union of products falling under more than 6,000 tariff lines.

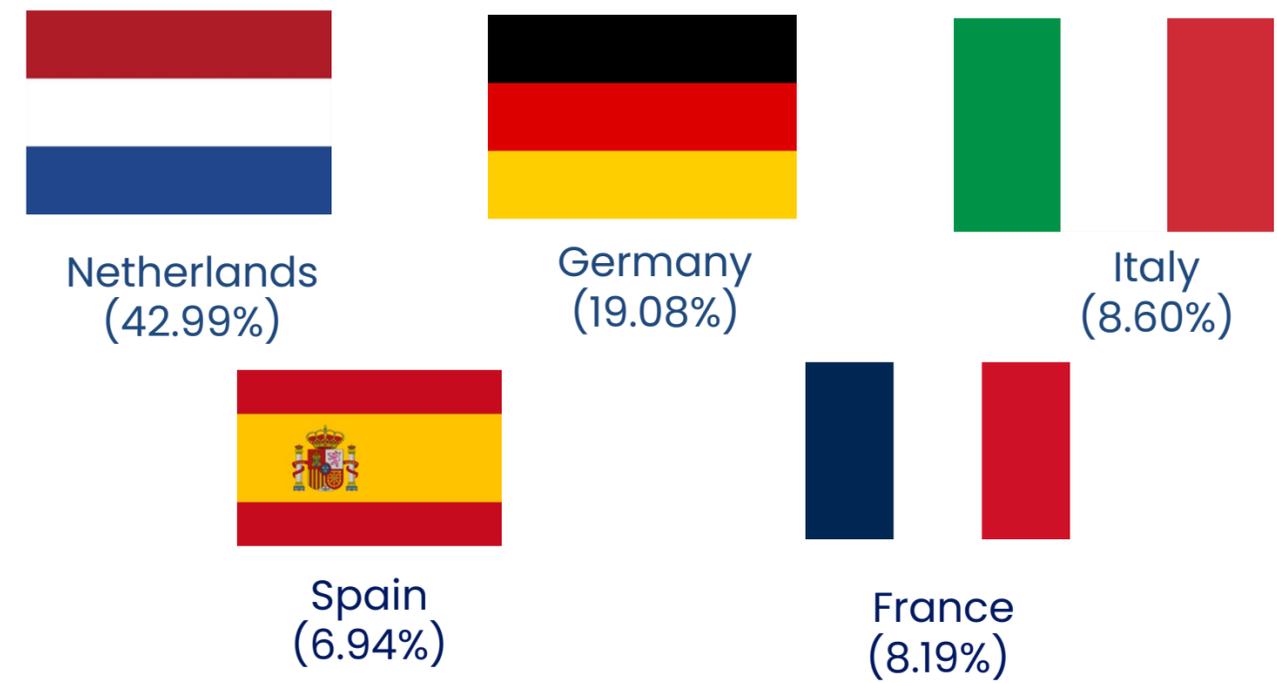
## The top GSP+ exports of the Philippines include:

- crude coconut oil
- vacuum cleaners
- prepared or preserved tunas
- electro-thermic hair dressing apparatus
- spectacle lenses
- new pneumatic tires
- prepared or preserved pineapples
- fatty alcohols (industrial)

 **EUR€ 7.56 B**  
Total Exports (2023)

 **67.99%** of the  
Philippines' Total Exports

## The top EU member state destinations of PH GSP exports



# POSITIVE DEVELOPMENTS & OPPORTUNITIES

## US CHIPS & SCIENCE ACT

- **The Philippines stands ready to absorb and support the additional corresponding capacity for assembly, packaging, and test that will be required** as US increases its front-end wafer capacity for advanced technologies and products under CHIPS ACT.
- PEZA also seeks to go beyond and higher in the value chain, such as in chip design and is earnest in increasing its activity in this space.
- **The Philippines, under the CHIPS Act, is set to benefit from the \$500-million ITSI Fund for five years, or \$100 million for each year. The CHIPS Act supports the diversification of the supply chain of US companies with rich natural resources and is a strong ally of the US government.**



Blinken says CHIPS Act to bolster PH-US ties in semiconductor

**US to aid Philippines in development of semicon industry**



## US-JAPAN-PH TRILATERAL AGREEMENT



- The Philippines, the US and Japan will partner on prioritized areas and sectors including the security and defense in the Indo-Pacific region, and where **the Philippines remain confident to secure \$100-B investment deals.**

## AREAS FOR COOPERATION

- Economic peace and security (amid the ongoing West Philippine Sea row vs China)
- Ensuring supply chain resilience particularly in the semiconductor industry (in line with the US CHIPS Act)
- Critical infrastructure development (under the Build, Better, More program)
- Digital transformation to enhance the ease of doing business
- Investing in clean energy and other sustainable development initiatives

# POSITIVE DEVELOPMENTS & OPPORTUNITIES

## LUZON ECONOMIC CORRIDOR

- **The Luzon Economic Corridor (LEC) is seen to support connectivity among Subic Bay, Clark, Manila, and Batangas.**
- **The LEC will facilitate and anchor strategic investments within each hub in high-impact infrastructure projects.**
- **The LEC aims to channel US\$100 billion into the Philippine economy over ten years through direct investments in infrastructure and strategic sectors.**



## TAIWAN'S NEW SOUTHBOUND POLICY

- **The Philippines aims to grow more investments and deepen friendship and economic endeavors with Taiwan in line with the New Southbound Policy, which aims to leverage Taiwan's cultural, educational, technological, agricultural, and economic assets to enhance Taiwan's regional integration and promote the broader development of the Indo-Pacific region.**

## CHINA+1 STRATEGY

- **As an FDI attraction strategy, the Philippines can leverage on the C+1 policy to entice the more than 4,000 Taiwanese companies and other MNCs with manufacturing facilities in China that are looking for redundant sites in ASEAN and as part of their de-risking global value chains.**

# ENGAGEMENTS WITH TAIWANESE INVESTORS, PARTNERS, & SMES



18TH INDUCTION CEREMONY AND 36TH ANNIVERSARY OF THE TAIWAN CHAMBER OF COMMERCE & INDUSTRY IN THE PHILIPPINES, INC. (TCCI)



RA SIGNING OF AROMATE PHILIPPINES CO. INC.



2023 PHILIPPINES-TAIWAN INDUSTRIAL COLLABORATION SUMMIT



TAIWAN OUTBOUND MISSIONS



PHL EV & ELECTRIC BICYCLE INDUSTRY OVERVIEW AND BUSINESS OPPORTUNITIES AND INVESTMENT ENVIRONMENT



TAIWAN INBOUND DELEGATIONS



SERCOMM FACILITY GRAND INAUGURATION

# COME & EXPERIENCE YOUR ENVIABLE DESTINATION IN ASIA!



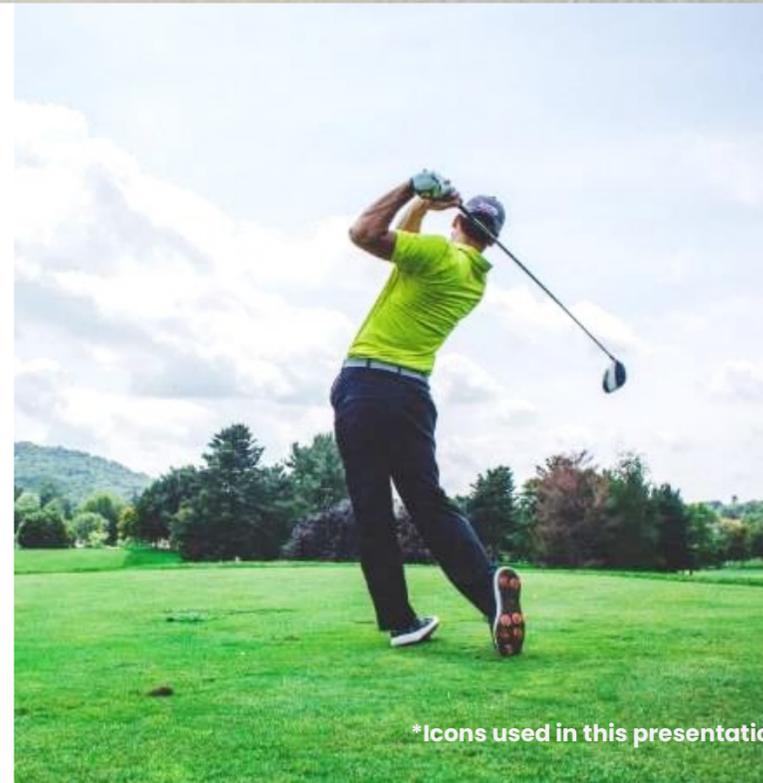
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