

Republic of the Philippines
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
CENTRAL OFFICE
Bonifacio Drive, Port Area, Manila

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DEPARTMENT MEMORANDUM)
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CIRCULAR NO. 97)
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FOR / TO : **Undersecretaries**
Assistant Secretaries
Bureau Directors
Service Directors
Regional Directors
Heads of UPMOs
District Engineers
This Department

For information and guidance, attached is a certified copy of Memorandum Order No. 50 dated November 18, 2020, entitled: **"APPROVING THE 2020 INVESTMENT PRIORITIES PLAN"**.

A copy of the said Memorandum Order may also be downloaded from the DPWH website: <http://dpwhweb>. If an office cannot access the DPWH website, a hard copy may be obtained from the Records Management Division, HRAS, upon request.


MARICHU A. PALAFOX, CESO III
Assistant Secretary for Support Services

Encl: Memorandum Order No. 50 dated November 18, 2020.

cc: Office of the Secretary

10.1.4 JVL/VGV/MSV



MALACAÑAN PALACE
MANILA

MEMORANDUM ORDER NO. 50

APPROVING THE 2020 INVESTMENT PRIORITIES PLAN

Pursuant to Article 29 of Executive Order (EO) No. 226 (s. 1987) or the "Omnibus Investments Code of 1987," as amended, the attached 2020 Investment Priorities Plan (IPP) is hereby **APPROVED**, subject to relevant laws, rules and regulations.

Upon effectivity of the IPP, all government agencies and entities are enjoined to issue the necessary regulations to ensure its implementation in a synchronized and integrated manner. No government body shall adopt any policy or take any course of action contrary to, or inconsistent with, the IPP and relevant laws.

In the grant of incentives, it is understood that the Board of Investments shall ensure the attainment of and consistency with the State policies under EO No. 226 and the national goals under Republic Act (RA) No. 11469 or the "*Bayanihan* to Heal as One Act," and RA No. 11494 or the "*Bayanihan* to Recover as One Act."

The Chairman of the Board of Investments shall render an annual report to the President on the accomplishments and implementation of the IPP.

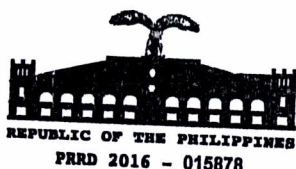
This Order shall take effect fifteen (15) days after its publication in a newspaper of general circulation as required under Article 31 of the Omnibus Investments Code of 1987.

DONE in the City of Manila, this 18th day of November, in the year of our Lord, Two Thousand and Twenty.

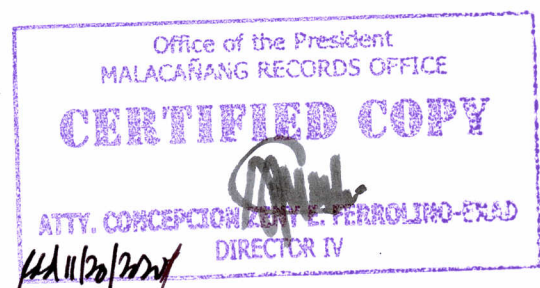
By the President:



SALVADOR C. MEDIALDEA
Executive Secretary



THE PRESIDENT OF THE PHILIPPINES



The 2020 Investment Priorities Plan

I. PREFERRED ACTIVITIES FOR INVESTMENT

A. Preferred Activities

1. All Qualified Activities Relating to the Fight against the COVID - 19 Pandemic

a. Essential Goods

This covers the production or manufacture of medicines, medical equipment and devices, personal protective equipment (PPE), surgical equipment and supplies, laboratory equipment and its reagents, medical supplies, tools, and consumables such as but not limited to sanitizers and cleaning materials, sodium hypochlorite, povidone iodine, including the production or manufacture of raw materials, semi-finished/intermediate goods, and machinery and equipment for use in the production or manufacture of the aforementioned products.

This include repurposing of manufacturing activities to produce the abovementioned products.

b. Essential Services

This covers the provision of services such as but not limited to crematoriums, health waste treatment and disposal, laboratories, test facilities, hospitals, and quarantine facilities.

The above notwithstanding, subject to the determination by the Board, this also covers such other products and services relating to the fight against COVID-19 or to mitigate its impact such as but not limited to those included in the programs by the National Government or by any of its agencies or departments, or by local government units.

2. Investments in activities, subject to the determination by the Board, supportive of Programs to generate employment opportunities outside of congested urban areas such as but not limited to the proposed Balik Probinsya Program or any similar Program that may be implemented by Government.

Pursuant to Article 41 of EO 226, the Board may provide up to 6 years of Income Tax Holiday to qualified activities under listing 1 and 2 upon determination that it is highly essential to the attainment of the national goal under RA 11469 to mitigate or avoid serious threat to the lives, health, safety and security of the Filipinos and address the long-term adverse effects on their livelihood and the severe disruption of economic activities in the country.

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3. All Qualified Manufacturing Activities including Agro-Processing¹

This covers the manufacture of industrial goods and processing of agricultural and fishery products, including Halal and Kosher food, into (a) semi-finished/intermediate goods for use as inputs in the production of other goods, or (b) finished products or consumer goods for final consumption.

This also covers the manufacture of modular housing components and machinery and equipment including parts and components.

For Metro Manila, only modernization projects may qualify for registration.

4. Agriculture, Fishery and Forestry

This covers commercial production of agricultural, fishery and forestry products.

This also covers nurseries, hatcheries, postharvest facilities, and other support services and infrastructures.

For Metro Manila, only agricultural infrastructure and support services and urban agriculture projects may qualify for registration as new, expansion, or modernization.

5. Strategic Services¹

a. IC Design

This covers all logic and circuit design techniques required to design integrated circuits (ICs).

b. Creative Industries/Knowledge-Based Services

This covers IT-BPM services for the domestic market (e.g., contact centers, data analytics), and those that involve original content such as animation, software development, game development, healthcare information management systems, and engineering design.

This also covers digital or technological start-ups/activities.

c. Maintenance, Repair, and Overhaul (MRO) of aircraft

This covers the MRO of all types of aircraft.

¹Subject to the criteria on the qualification for registration of projects to be defined and clarified by the Board in the implementing guidelines.

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d. Charging/Refueling Stations for Alternative Energy Vehicles

This covers the establishment of charging/refueling stations for alternative energy vehicles except LPG-run vehicles.

e. Industrial Waste Treatment

This covers the establishment of treatment facilities for toxic and hazardous wastes (THW) from an industrial operation.

f. Telecommunications

This covers the establishment of connectivity facilities for fixed and mobile broadband services.

Only new players may qualify for registration.

g. State-of-the-art Engineering, Procurement, and Construction

This covers engineering design, procurement, and construction for industrial plants and infrastructure.

6. Healthcare and Disaster Risk Reduction Management Services²

This covers the establishment and operation of general and specialty hospitals, and other medical/healthcare facilities including drug rehabilitation, quarantine and evacuation centers.

7. Mass Housing

This covers the development of mass housing units based on a price ceiling of Php2.0 Million.

This also covers in-city low-cost dwelling projects for lease/rent.

For Metro Manila, only in-city low-cost dwelling for lease/rent may qualify for registration.

8. Infrastructure and Logistics including LGU-PPPs

This covers the establishment and operation of physical infrastructures vital to the country's economic development and prosperity such as, but not limited to: airports, seaports, (air, land and water) transport, LNG storage and regasification facilities, pipeline projects for oil and gas, bulk water treatment

²Subject to positive list of location as endorsed by the DOH.

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and supply, training facilities, testing laboratories, and domestic industrial zones.

This also covers PPP projects including those initiated and/or implemented by Local Government Units (LGUs).

9. Innovation Drivers

This covers research and development (R&D) activities, conduct of clinical trials (including drug trials), establishment of Centers of Excellence, innovation centers, business incubation hubs, smart cities and fabrication laboratories (fablabs)/co-working spaces, and development of mobility solutions and digital trade.

This also covers commercialization of new and emerging technologies, uncommercialized patents on products and services, and products of locally-undertaken R&D, such as, but not limited to:

- Agricultural biotechnology tools
- Disaster mitigation/prevention hardware or software
- Hardware or software for increasing agricultural productivity
- Mechanized means for natural resources conservation
- Portable technologies – innovation on existing bulky or heavy device to make it portable, or a new device or service that can be brought virtually anywhere
- Hardware or software for the prevention of disease outbreaks
- Remote monitoring devices or systems
- Professional services for remote sensing
- Hardware or software for the upgrading of local industries
- Photonics and Nanotechnology
- Natural health products

This includes startup and startup enablers under Republic Act 11337 or the Innovative Startup Act.

10. Inclusive Business (IB) Models

This covers business activities of medium and large enterprises (MLEs) in the agribusiness and tourism sectors that provide business opportunities to micro and small enterprises (MSEs) as part of their value chains.

IB projects may qualify for Pioneer status.

11. Environment or Climate Change-Related Projects

This covers manufacture/assembly of goods and the establishment of energy efficiency-related facilities, except those covered under Republic Act (RA)

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No. 11285 or Energy Efficiency and Conservation Act, where either utilization of which would significantly lead to either the efficient use of energy, natural resources or raw materials, minimize/prevent pollution, or reduce greenhouse gas emissions.

This also covers green ship recycling based on international standards, and the establishment of privately-owned materials recovery facility.

12. Energy

This covers power generation projects utilizing conventional fuels (i.e., coal, diesel, bunker, and natural gas), waste heat and other wastes, and the establishment of battery energy storage systems.

B. Export Activities

1. Production and manufacture of export products
2. Services Exports³
3. Activities in support of exporters

C. Special Laws

This covers activities where inclusion in the IPP is mandated for purposes of incentives, as follows:

1. Industrial Tree Plantation (P.D. 705);
2. Mining (R.A. 7942) (limited to capital equipment incentive);
3. Publication or Printing of Books/Textbooks (R.A. 8047);
4. Refining, Storage, Marketing and Distribution of Petroleum Products (R.A. 8479);
5. Rehabilitation, Self-Development and Self-Reliance of Persons with Disability (R.A. 7277);
6. Renewable Energy (R.A. 9513);
7. Tourism (R.A. 9593); and
8. Energy Efficiency and Conservation (R.A. 11285).

³Contact centers and non-voice business processing activities that will be located in Metro Manila may no longer qualify for incentives availment with the Board of Investments under Executive Order No. 226, otherwise known as the Omnibus Investments Code of 1987, as amended, starting year 2023, unless an earlier period is provided pursuant to the transition provisions under the 2nd tax reform package on the rationalization of incentives, which Congress may subsequently enact.

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II. BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO (BARMM) LIST

The 2020-2022 BARMM Proposed Lists contain the following priority investment areas:

A. EXPORT ACTIVITIES

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

B. AGRICULTURE, AGRIBUSINESS, AQUACULTURE and FISHERY

1. Agriculture and Agribusiness

This covers all types of agricultural production, farming, plantation, processing or manufacturing, as long as, the land of the agricultural production, plantation, processing or manufacturing is based in BARMM region. It includes value-chain, value-adding, logistical and supply chain agribusiness activities based in or involving BARMM agricultural products or the farmers of the region, such as silo-storage and drying facilities.

2. Aquaculture and Fishery

This covers the aquamarine industry, inland water resources, seaweeds, fishing; fishpond including other marine, inland and brackish water farming, such as abalone farms, shrimp farming or crab fattening; the establishment of hatcheries or breeding of fingerlings and processing of such marine and inland water resources.

C. BASIC INDUSTRIES

This covers the production of pharmaceuticals such as antibiotics; traditional or herbal medicines and related activities such as bio-prospecting; textile or garments; water supply and treatment; ice plant of refrigeration; traditional craft like boat building; production of organic and inorganic fertilizers; all types of heavy breaking, ship repair and servicing; dredging for industrial purposes and landfill; cement production and concrete aggregates.

D. INFRASTRUCTURE AND SERVICES

This covers strategic infrastructure projects such as railways, bridges, toll ways, flood control and support industries like sand and gravel, batching plant and pre-mixing of cements; air, land and water transportation; telecommunications to include the construction and creation of international gateway facilities both satellite-linked or linked by terrestrial and submarine cables for internet connectivity, so long as these are based in BARMM and are holding BARMM

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franchise, or servicing BARMM areas including to and from BARMM in order to increase inter-connectivity and support regional integration.

E. INDUSTRIAL SERVICE FACILITIES

This covers industrial centers or industrial estates to include testing and quality control laboratories; manpower training and demonstration centers; vocational and technical skills services and facilities; call centers and Information Technology related enterprises such as business process outsourcing; tool and dye shops and similar facilities; metal casting and metal working; furniture and fixtures; ceramics and tile-making; petrochemical complex and industrial gases.

F. ENGINEERING INDUSTRIES

This covers engineering products, electronics and telecommunication products; and fabrication of construction materials including pre-fabricated construction materials using new technologies (e.g. 3D printing) or indigenously sourced materials.

G. LOGISTICS

This covers the logistics, supply chain and logistics network industry; shipping, hauling and trucking; cargo shippers and forwarders; bulk carrier; warehousing and depots; storage; and other logistics facilities principally based in BARMM including transshipment hubs and services using BARMM ports, airports or located near its special economic zones. This also contemplates the ports industry and allied industry in the BARMM and ancillary services, such as arrastre and stevedoring because the BARMM needs to attract more port industry players.

H. BIMP – EAGA RELATED INVESTMENT ENTERPRISES

This covers enterprises using the BIMP-EAGA framework on trade and investments and who are located or have their base of operations in the BIMP-EAGA namely, Brunei; Sabah and Sarawak in Malaysia; Maluku, Sulawesi, Kalimantan and Irian Jaya in Indonesia; and Mindanao and Palawan in the Philippines, who shall invest and engage in economic activity in the BARMM including traditional cross-border trade and the age-old barter trading to encourage the formalization of peripheral shadow economies.

I. TOURISM

This covers the establishment of tourism-related facilities and attractions; tourism-related services; hotel and restaurants catering to BARMM tourists; Halal-based tourism; tourist accommodation facilities; tourist transport facilities and development of retirement villages, which shall include health or medical facilities and other amenities.

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J. HEALTH AND EDUCATION SERVICES AND FACILITIES

The BARMM has some of the lowest indicators in the country regarding health and education as reflected in the Human Development Index. For this purpose, there is a need for incentives to be given to investors in the health and educational sectors such as putting-up of private hospitals, medical clinics, wellness centers, primary education, secondary education, tertiary education (colleges, universities and vocational-technical schools) and ancillary or support services such as teacher training center.

K. HALAL INDUSTRY

The 2020-2022 Bangsamoro Regional Development Plan (BRDP) envisioned industry development in Bangsamoro will imbed in its process and system the halal criteria. Halal principles will be integrated starting at the production level to value-adding process. BARMM being the only Muslim region in the country has a comparative advantage in the Halal industry since majority of Halal consumers are in the region. Any Halal related business enterprise that obtain the necessary Halal certification or is operating under the Islamic (Shariah) law principles shall be covered. Halal refers to the permissible products and services under Islamic Law.

L. INVESTMENT OPERATIONS UNDER REPUBLIC ACT NO. 11439 (An Act Providing for the Regulation and Organization of Islamic Banks)

Investment operations carried out by Islamic Bank through Shari'ah-compliant arrangements, contracts and structures [e.g., mudarabah partnership, construction and manufacture (istisna'a) arrangements] in the priority areas listed under the BARMM IPP, pursuant to Republic Act No. 11439.

M. ENERGY

More energy investments are needed in the BARMM considering that the country household electrification rate in the BARMM is the most dismal in the country with only 34% as compared with the national rate of 74%. This covers energy investments in upstream and downstream industries such as power generation, transmission and distribution. Off-grid and Small Power Utility Groups (SPUG) areas shall be prioritized for investments and giving of incentives considering that these are stranded markets for electricity. It covers not only energy but also ancillary services and in the context of BARMM, this means the construction of sub-stations and transmission and distribution towers considering that there are also frequent power outages due to disruption of such facilities from man-made and natural disaster causes.

---oOo---NOTHING FOLLOWS---oOo---