



Country Case Presentation

Mindanao, Philippines

Undersecretary Janet M. Lopez, CESO I
Executive Director, MinDA

Industrial Parks Leadership Training Programme
July 9, 2023

Background



World's **Top 3** Banana Exporter



World's **Top 3** Seaweeds Exporter



World's **Top 4** Pineapple Exporter



World's **Top 7** Rubber Producer



World's **Top 8** Tuna Producer

Population

113.9 Million - Philippines

26.25 Million - Mindanao

Source: PSA Census, 2020

Total Land Area:

30 million has - Phils

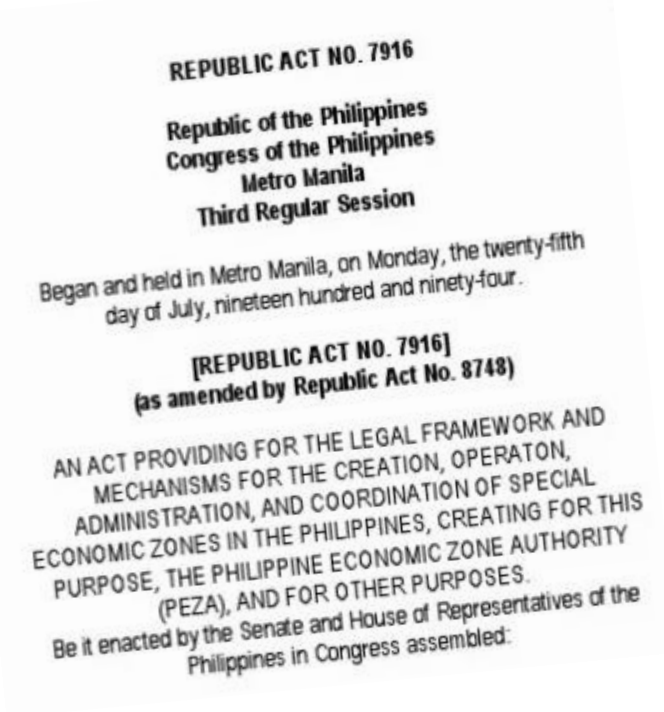
10.2 million has - Mindanao

34% of the country's total land area

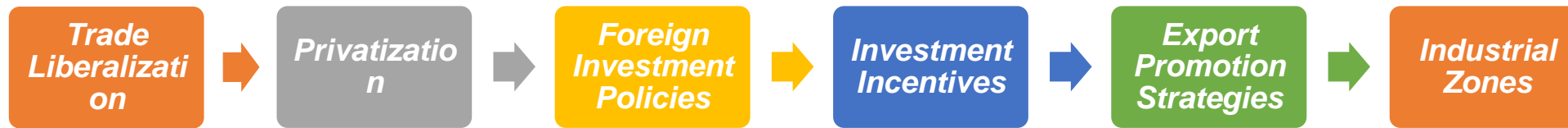
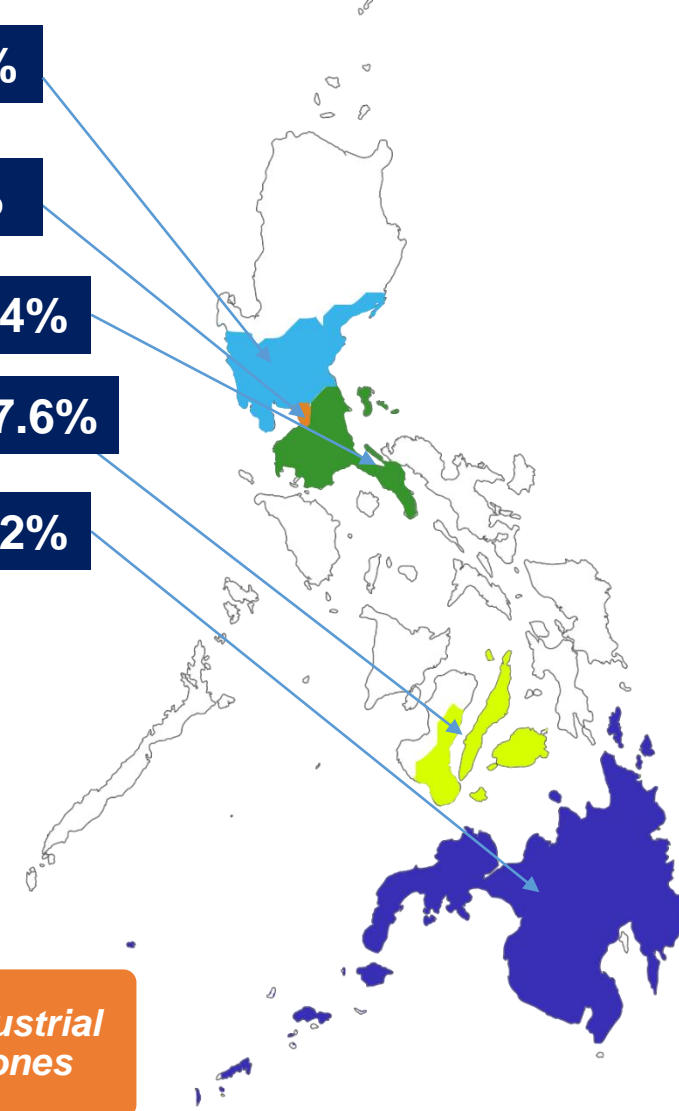
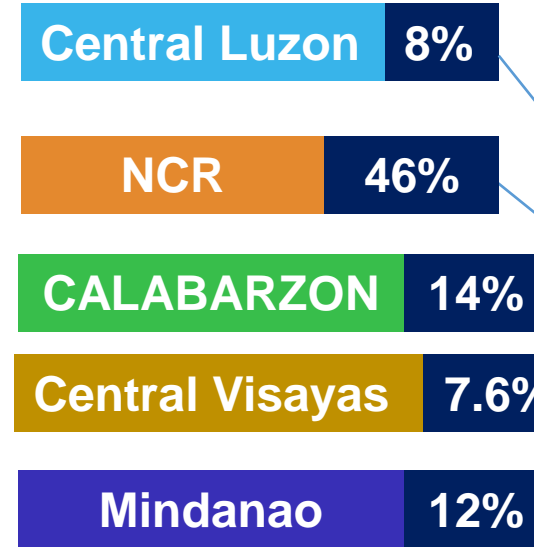


Brief Background

RA 7916: The Special Economic Zone Act was passed in 1994








Revenues and employment were then concentrated in **NCR and Calabarzon**



Infrastructure and Services >>>>


Mindanao Development Corridors *Harnessing Mindanao's Comparative Advantage*

Transport and Logistics

-  arterial roads
-  priority roads
-  Mindanao Railway System
-  ports
-  airports

Industry and Investments

Ecozone

-  special ecozones
-  manufacturing
-  IT
-  Inclusive business partners
-  agro-industry
-  tourism
-  Proclaimed/Ongoing

Policies and Institutions



Transport & Logistics Integration

— EXISTING AND ON-GOING NATIONAL ROADS
 — PROPOSED ROADS

Completion of Mindanao Missing Links
 Jas-Glan Road
 Zamboanga West Coast Road
 Zamboanga del Sur Coastal Road
 Kalamansig-Maitum Road
 Kapalong-Talaingod Road
 Mindanao East-West Lateral Roads
 Roads Connecting ARMM Mainland to other Regions
 Tawi-Tawi Circumferential Roads
 Sulu Circumferential Road
 Basilan Trancentral Roads
 Roads leading to production areas
 Roads leading to tourism sites
 Roads Leading to Ports and Airports

Zamboanga Ecozone
 Cost : PhP 1 Billion
 Status: Proposed International Cargo terminal



Panguil Bay Bridge
 Cost : PhP 5. 087Billion
 Status: Approved by NEDA Board, with initial funding of P100 M for RROW, for detailed Engineering by DPWH



Laguindingan Airport Dev't, O & M
 Cost : PhP 16-24 Billion
 Status: for bidding under PPP scheme



Mindanao Railway System
 Cost : to be determine
 Status: FS for updating



Davao International Airport
 •Cost : The P40.47 billion
 •Status: for Bidding



Davao Sasa port
 •Cost : The P18.99billion
 •Status: for Bidding



Polloc Port Development
 Cost : 1 Million
 Status: to DOT savings:



Davao International Aerotropolis
 Cost : PhP 959 Million
 Status: under the NEP 2015 DOTC budget for implementation



Tawi-tawi Road Network Development
 Cost : PhP 7,017 Billion
 Status: For FS

New Zamboanga International Airport
 Cost : PhP 9,874 Billion
 Status: FS completed, DOTC to review feasibility of the Project



Malassa Port Development, Tawi-Tawi
 Cost : Php 3.06 Billion
 Status: for FS

Sanga-sanga Airport, Tawi-tawi
 Cost : PhP 128.25 Million
 Status: Proposed for 2015, needs funding for over-all development of the airport

Existing Ecozones in Mindanao

- A total of **40 ecozones** and are classified as follows:
 - 2 government-initiated (PHIVIDEC, ZamboEcozone)
 - 38 privately owned

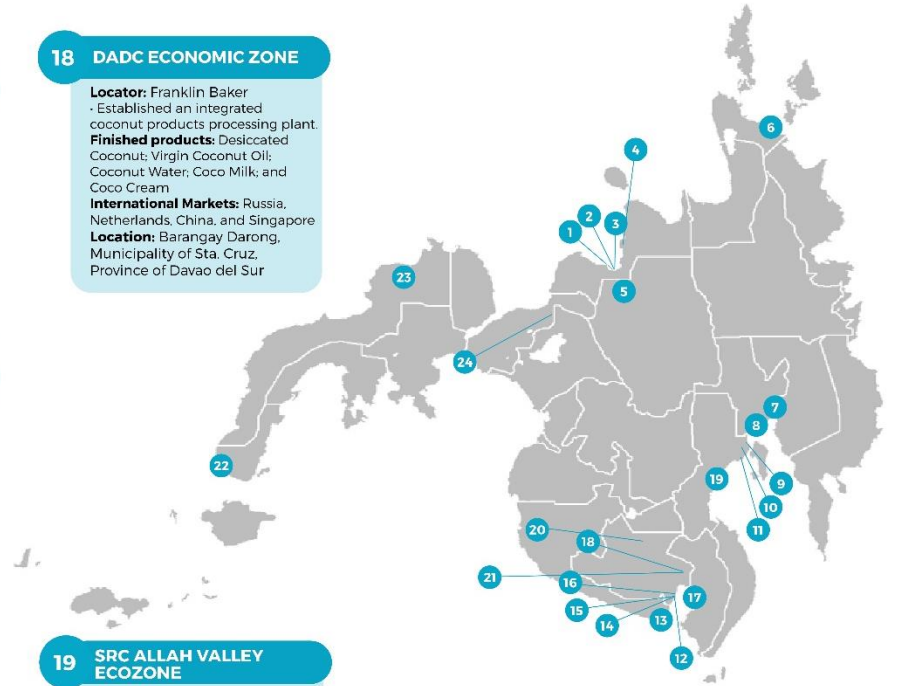
Types of Economic Zones	Total
Agro-Industrial Ecozones	14
IT Parks	6
IT Buildings/Centers	10
Manufacturing Ecozones	10
Total	40

Existing Ecozones in Mindanao

Manufacturing and Agro-Industrial Ecozones



<p>1 CIIF AGRO-INDUSTRIAL PARK - CAGAYAN</p> <p>Locator: ARC-BGC Corporation & Quadoleo Corporation</p> <ul style="list-style-type: none"> · Warehousing and export enterprise, respectively. · Not yet started their Commercial Operation <p>Location: Purok 3, Tablon, Cagayan de Oro City</p>	<p>6 TAGANITO SPECIAL ECONOMIC ZONE</p> <p>Locator: ARC-BGC Corporation & Quadoleo Corporation</p> <ul style="list-style-type: none"> · Warehousing and export enterprise, respectively. · Not yet started their Commercial Operation <p>Location: Purok 3, Tablon, Cagayan de Oro City</p>	<p>13 AGROTUX GENSAN ECONOMIC ZONE</p> <p>Locator: Cargill Oil Mills Philippines</p> <ul style="list-style-type: none"> · Production of Crude Oil (CNO), refined and bleached oil known as cochín, refined, bleached and deodorized oil known as RBD, copra expeller cake (CXP), palm oil, palm kernel oil, and palm olein <p>International Markets: Netherlands, Italy, China, Malaysia, and India</p> <p>Location: Barrio Tambler, General Santos City</p>	<p>18 DADC ECONOMIC ZONE</p> <p>Locator: Franklin Baker</p> <ul style="list-style-type: none"> · Established an integrated coconut products processing plant. <p>Finished products: Desiccated Coconut; Virgin Coconut Oil; Coconut Water; Coco Milk; and Coco Cream</p> <p>International Markets: Russia, Netherlands, China, and Singapore</p> <p>Location: Barangay Darong, Municipality of Sta. Cruz, Province of Davao del Sur</p>
<p>2 PHILIPPINE PACKING AGRICULTURE EXPORT PROCESSING ZONE</p> <p>Locator: Del Monte Philippines</p> <ul style="list-style-type: none"> · Production of processed foods and beverages for export and domestic market <p>Products: Cased Beverages and fruit cocktails</p> <p>International Markets: USA, Middle East, Europe, and Asia</p> <p>Location: Bugo, Cagayan De Oro City</p>	<p>7 HIJO SPECIAL ECONOMIC ZONE</p> <p>Location: Madaum, Tagum City, Davao del Norte</p>	<p>14 MILLENNIUM INDUSTRIAL ECOZONE</p> <p>Locator: Century Pacific Agricultural Ventures Inc.</p> <ul style="list-style-type: none"> · Virgin Coconut Oil, Coconut Water, Coconut Milk, Coconut Flour, and Desiccated Coconut <p>International Markets: Canada, United Kingdom, Malaysia, France, Qatar, Taiwan, China, Mexico, Japan, USA, Singapore, UAE, and Poland</p> <p>Locator: General Tuna Corporation</p> <ul style="list-style-type: none"> · Virgin Coconut Oil, Coconut Water, Coconut Milk, Coconut Flour, and Desiccated Coconut <p>International Markets: Japan, Germany, United Kingdom, Spain, Italy, Slovakia, Czech Republic, Poland, Greece, France, Finland, Netherlands, Denmark, Sweden, Belgium, United States, and Middle East</p> <p>Location: Barangays Calumpang and Tambler, General Santos City, South Cotabato</p>	<p>19 SRC ALLAH VALLEY ECOZONE</p> <p>Locator: Dole Philippines</p> <ul style="list-style-type: none"> · Processing of canned fruit base food, pineapple juice and concentrates and nata de coco. <p>Location: Tubi-Allah, Surallah, South Cotabato</p>
<p>3 PHIVIDEK INDUSTRIAL ESTATE ECOZONE</p> <p>Location: Municipalities of Villanueva and Tagoloan, Misamis Oriental</p>	<p>8 ANFLO INDUSTRIAL ESTATE</p> <p>Location: Barangay San Vicente, Panabo City, Davao del Norte</p>	<p>15 SRC CALUMPANG ECOZONE</p> <p>Locator: Dole Philippines</p> <ul style="list-style-type: none"> · Manufacturing of corrugated boxes (COBOX), Printing of industrial and commercial labels, forms, brochures, and all packaging materials. <p>Location: General Santos City</p>	<p>20 SRC UPPER KLINAN ECOZONE</p> <p>Locator: Dole Philippines</p> <ul style="list-style-type: none"> · Manufacturing of fruit-based products in plastic cups and plastic pouches. Production of fresh pineapple and pineapple juice concentrate. Production of pineapple solids, pineapple juice, mixed fruit products, tropical fruit cocktail and nata de coco. <p>Location: Upper Klinan, Polomolok, South Cotabato</p>
<p>4 JASAAN MISAMIS ORIENTAL ECOZONE</p> <p>Locator: Pilipinas Kao Inc.</p> <ul style="list-style-type: none"> · An oleochemical manufacturing complex producing high purity single cut fatty alcohols, refined glycerin, and tertiary amines. <p>International Markets: USA, China, Japan, India, and South Korea</p> <p>Location: Solana & Luz Banzon, Jasaan, Misamis Oriental</p>	<p>9 ANFLO INDUSTRIAL ESTATE</p> <p>Locator: Sumifru Philippines</p> <ul style="list-style-type: none"> · Processing, cold storage and packing of bananas for export, and in plastic manufacturing and pallet treatment operations for its bananas processing operations <p>International Markets: Japan, China, Korea, Middle East, Singapore, and New Zealand</p> <p>Location: Barangay San Vicente, Panabo City, Davao del Norte</p>	<p>16 SARANGANI AGRO-INDUSTRIAL ZONE</p> <p>Location: Alabel, Sarangani</p>	<p>21 ZAMBOANGA CITY SPECIAL ECOZONE AUTHORITY AND FREEPORT</p> <p>Location: San Ramon, Talisayan, Zamboanga City</p>
<p>5 BUKIDNON AGRO-RESOURCES EXPORT ZONE</p> <p>Locator: Del Monte Philippines</p> <ul style="list-style-type: none"> · Plant and process Pineapples. Their products are fresh pineapple, frozen pineapple, and pineapple juice. <p>International Market: Japan</p> <p>Location: Barangay Agusan Canyon, Manolo Fortich, Bukidnon</p>	<p>10 CIIF AGRO-INDUSTRIAL PARK - DAVAO</p> <p>The land area is still an ecozone but the locators are not registered under PEZA</p>	<p>17 MINDANAO ECONOMIC DEVELOPMENT ZONE</p> <p>Location: Polomolok, South Cotabato</p>	<p>22 IRASAN-ROXAS SPECIAL ECOZONE</p> <p>Locator: Dipolog Coconut Oil Mill Incorporated</p> <ul style="list-style-type: none"> · Oil milling of crude oil and copra cake <p>International Markets: Germany, Netherlands, Singapore, and Switzerland</p> <p>Location: Barangay Irasan, Municipality of Roxas, Zamboanga del Norte</p>
<p>23 BALO-I AGRO-INDUSTRIAL ECONOMIC ZONE</p> <p>Locator: NewTech Pulp Inc.</p> <ul style="list-style-type: none"> · They are buying Abaca fibers from PhilFida licensed producers all over Mindanao. They semi-processed it to pulp and sell it abroad. <p>International Markets: Germany and United Kingdom</p> <p>Location: Barangay Maria Cristina, Balo-i, Lanao del Norte</p>	<p>11 GENERAL SANTOS ECONOMIC ZONE</p> <p>Locator: Brgy. Tambler, General Santos City</p>	<p>23 BALO-I AGRO-INDUSTRIAL ECONOMIC ZONE</p> <p>Locator: NewTech Pulp Inc.</p> <ul style="list-style-type: none"> · They are buying Abaca fibers from PhilFida licensed producers all over Mindanao. They semi-processed it to pulp and sell it abroad. <p>International Markets: Germany and United Kingdom</p> <p>Location: Barangay Maria Cristina, Balo-i, Lanao del Norte</p>	<p>24 CIIF AGRO-INDUSTRIAL PARK</p> <p>Locator: Cranex Manufacturing Corporation</p> <ul style="list-style-type: none"> · Copra processing plant. Their products include crude oil, copra pellets, cochín (refined bleached oil, RBD) and refined bleached and deodorized (RBD) coconut oil. <p>International Markets: Japan, Singapore and USA</p> <p>Location: Barangay Kiwalan, Iligan City, Lanao del Norte</p>



Operating Economic Zones in Mindanao

- Abreeza Corporate Center
- Ayala Business Center
- C55 Realty Corporation
- Centrio Corporate Center
- Damosa IT Park
- Davao Park District
- Felcris Centrale
- Filandia IT Center
- Luisa Avenue Square IT Center
- Mabuhay IT Park
- Matina IT Park
- Pueblo de Oro IT Park
- Robinson's Cybergate Davao
- Robinson's Cyberpark Davao
- SM Lanang Premier IT Center
- The Annex- SM City Davao IT Center

Information Technology Parks and Centers



Proposed Economic Zones in Mindanao



1 TAWI-TAWI ECOZONE

Malasa, Bongao
74 hectares
Commodity: Seaweeds

2 SULU ECOZONE

Jolo, Sulu
15 hectares
Commodities: Abaca, Coffee, Seaweed, Fish, Chicken

3 BASILAN ECOZONE

Lamitan City
25 hectares
Commodities: Rubber, Coconut

4 ZAMBOANGA SIBUGAY ECOZONE

Palomoc-Culasian Titay
25 hectares
Commodities: Rubber, Calamansi, Palm Oil, Coconut, Abaca, Cacao, Seaweed, Bamboo, Mango, Fish, and Fish Products

5 ZAMBOANGA DEL NORTE ECOZONE

Upper Irasan, Pres Manuel Roxas
52 hectares
Commodities: Coconut, Mango, Cacao, Fish and Fish Products, Seaweed, Rubber, Abaca, Banana

6 MISAMIS OCCIDENTAL ECOZONE

MisOcc Oroquieta City Ecozone (MOOCEZ)
77 hectares
Commodities: Rubber, Abaca, Coconut, Bamboo, and Cacao

7 LANA DEL NORTE ECOZONE

Metro Iligan Research Agri-Industrial Center
416 hectares
Commodities: Bio-Energy, Corn, Coffee

8 LANA DEL SUR ECOZONE

Picong and Malabang
25 hectares
Commodities: Coconut, Rice, Corn, Fisheries

9 BUKIDNON ECOZONE

Manolo Fortich Agro-Industrial Zone
47 hectares
Commodities: Fruit bearing trees, Crops, and High-value vegetables

10 AGUSAN DEL NORTE ECOZONE

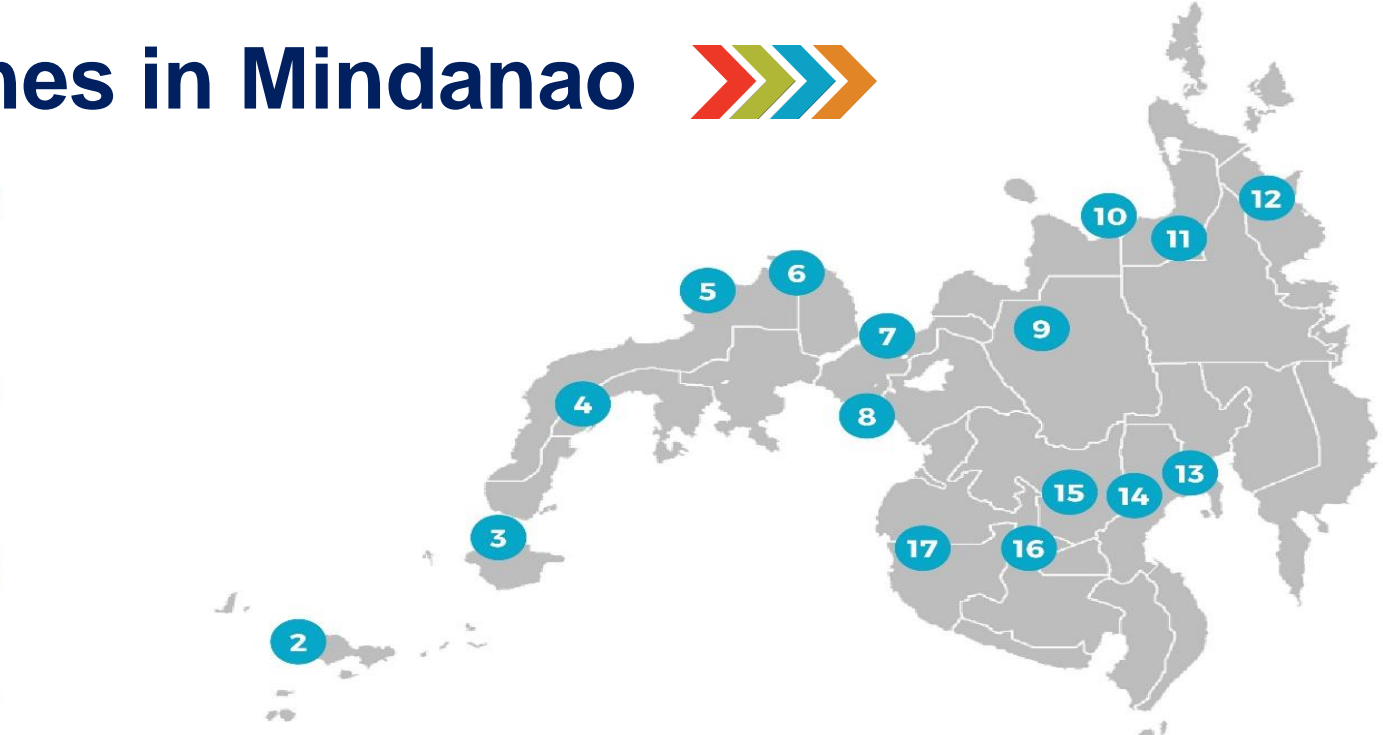
Nasigpit Agusan del Norte Industrial Estate
62 hectares
Commodities: Banana, Palm Oil, Rubber

11 AGUSAN DEL SUR ECOZONE

ARC, Mabuhay, Bayugan City
45 hectares
Commodities: Rubber, Corn, Banana, Falcata, Cacao

12 SURIGAO DEL SUR ECOZONE

Tandag City Industrial Estate
Commodities: Coconut, Cacao, Coffee



13 DAVAO DEL NORTE ECOZONE

Babak, Island Garden City of Samal
Commodities: Coconut, Mango, Coffee, Cassava and Cacao

14 DAVAO CITY ECOZONE

Binugao & Sirawan, Toril
808 hectares
Commodities: Banana, Coconut, Cacao, Livestock, Poultry, Cacao, Rubber, Abaca

15 NORTH COTABATO ECOZONE

Kidapawan City
645 hectares
Commodities: Coconut, Banana, Rubber, Palm Oil, Tropical Fruits

16 MAGUINDANAO ECOZONE

Buluan, Maguindanao
40 has.
Commodities: Agriculture, Fishing, Forestry, Hunting

17 SULTAN KUDARAT ECOZONE

Esperanza, Sultan Kudarat
640 has. (agri-tourism),
240 has. (industrial zone)
Commodities: Oil Palm, Coffee



Fiscal Incentives for Registered Enterprises

By virtue of The Special Economic Zone Act of 1995 (RA 7916) and the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (RA 11534)



Export enterprises may be granted an **Income Tax Holiday (ITH)** of **four to seven years** depending on the location and industry priorities

After ITH, export enterprises can avail a **5% Special Corporate Income Tax or Enhanced Deductions for 10 years**



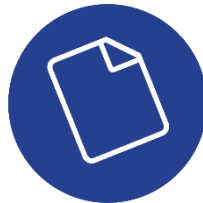
VAT exemption on importation and VAT zero-rating on local purchases for goods and services directly or exclusively used in the registered project or activity of export enterprise for the period of registration of the said project or activity.



Domestics sales allowance of up to 30% of total sales



Tax- and duty-free importation of capital equipment, raw materials, spare parts, or accessories



Exemption from payment of local government taxes and fees for the duration of the period avilment of the 5% SCIT incentive

Non-Fiscal Incentives for Registered Enterprises

by virtue of The Special Economic Zone Act of 1995 (RA 7916) and the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (RA 11534)



Special non-immigrant visa with multiple entry privileges for foreign investors and immediate family members



Employment of foreign nationals
(May be employed by PEZA-registered Economic Zone Enterprises in supervisory, technical, or advisory positions)



Long-term land lease of up to 75 years



Eligible Activities

by virtue of The Special Economic Zone Act of 1995 (RA 7916) and the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act (RA 11534)



Export Manufacturing



IT (Information Technology) Service Export



Tourism



Medical Tourism



Agro-industrial Export Manufacturing



Logistics and Warehousing Services

Agro-industrial Bio-fuel Manufacturing



Economic Zone Development And Operation

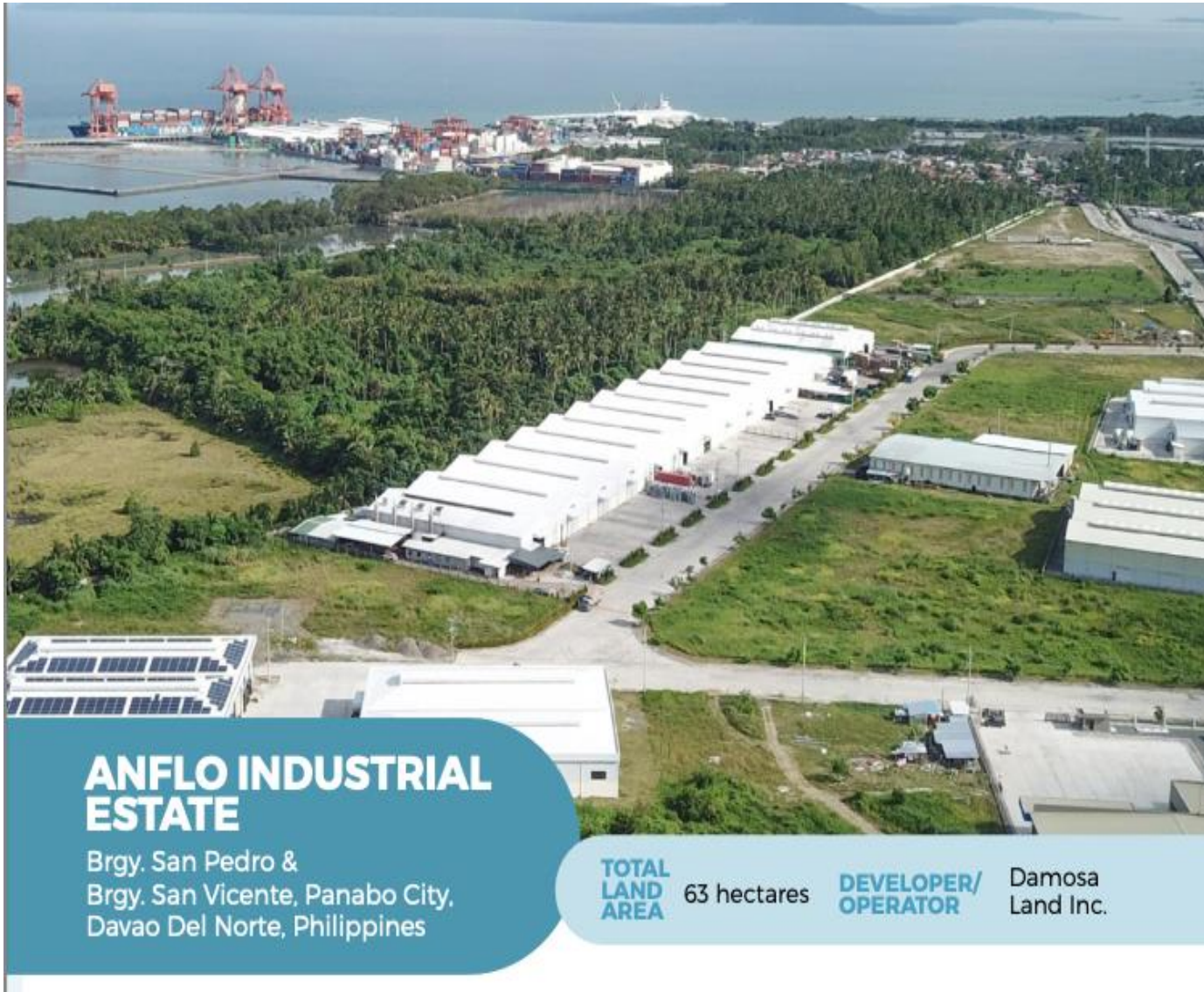
- Manufacturing Economic Zone Development/ Operation
- It Park Development/ Operation
- Tourism Economic Zone Development/Operation
- Medical Tourism Economic Zone Development/Operation
- Agro-Industrial Economic Zone Development/Operation
- Retirement Economic Zone Development / Operation

Facilities Provider

- Facilities For Manufacturing Enterprises
- Facilities For IT Enterprises
- Retirement Facilities

Utilities

Lessons Learned



Speed up pending infrastructure projects that connect ecozones to airports, etc.



Inclusive growth through manufacturing zones which can induce large investments, job creation and agro-industrial manufacturing through processing raw materials into higher value products.



More cooperation between private sector and government (local and international) to dispel misperception of Mindanao and tone down the rhetoric, ***to address the challenge of bringing in FDI***



Lessons Learned



Inclusive growth through manufacturing zones which can induce large investments, job creation and agro-industrial manufacturing through processing raw materials into higher value products.



Moving up the value chain: fresh produce in the region is susceptible to challenges (disease, pest) therefore the need to diversify



More cooperation between private sector and government (local and international) to dispel misperception of Mindanao and tone down the rhetoric, ***to address the challenge of bringing in FDI***



Ways Forward



Infrastructure and logistics integration



***Sustainability measure: SDG mainstreaming;
RE promotion***



***New strategies to adapt to current land
management structure***



Strengthened knowledge production and R&D



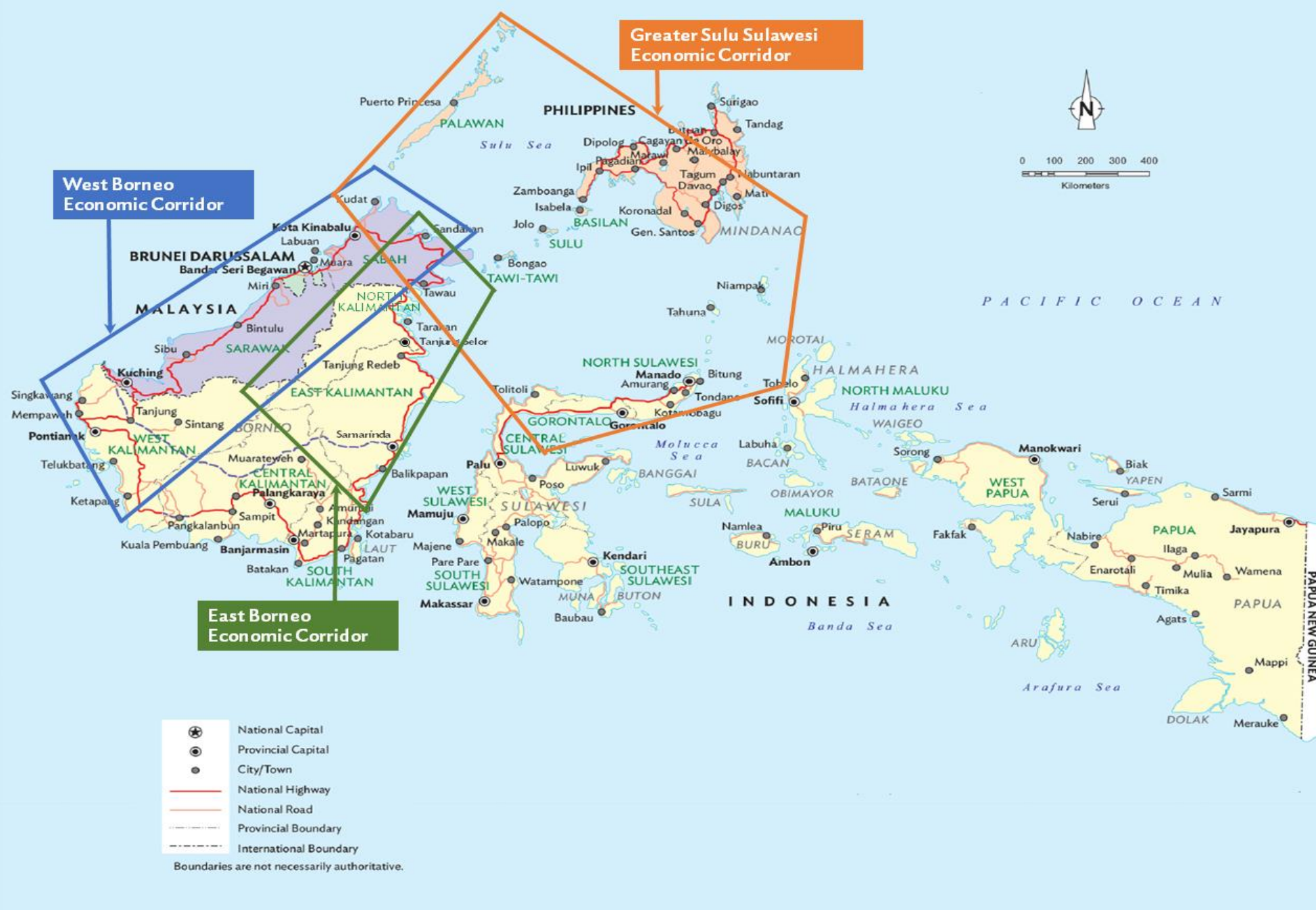
Enabling Environment



Strengthening backward linkages



BIMP-EAGA Economic Corridors



Trade Routes



LEGEND

- SILK ROAD ECONOMIC BELT
- MARITIME SILK ROAD
- CHINA-PAKISTAN ECONOMIC CORRIDOR
- TRADE ROUTES & STRAITS

BIMP EAGA as a single economic zone





Part II



Photo: Laguna Technopark



Philippine Economic
Zone Authority

UNIDO-AFDI :
Industrial Park
Leadership Training
Programme

Mr. Ludwig O. Daza
Manager, Ecozone Development Department


10 July 2023

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PEZA Profile

- PEZA is an investment promotion and incentive granting agency. It is a self-sustaining, revenue-generating government instrumentality created under the virtue of R.A. NO. 7916, otherwise known as the Special Economic Zone Act of 1995.
- Attached to the Department of Trade and Industry (DTI), PEZA is a pioneer in ecozone development in the Philippines and a huge contributor to the country's economy. It supervises economic zones (public or privately-developed) nationwide that are proclaimed under its mandate.

PEZA Mandate:

-  Promote Investments
-  Create Employment
-  Generate Exports
-  Spur Countryside Development

PEZA CONTRIBUTES TO:

-  **16.5%** of the Philippines' GDP
-  **56.8%** of the Philippines' Exports of Commodities and Goods
-  **51%** of service exports

PEZA Performance

From 1995 - 2022:



P 4.177

Trillion Investments



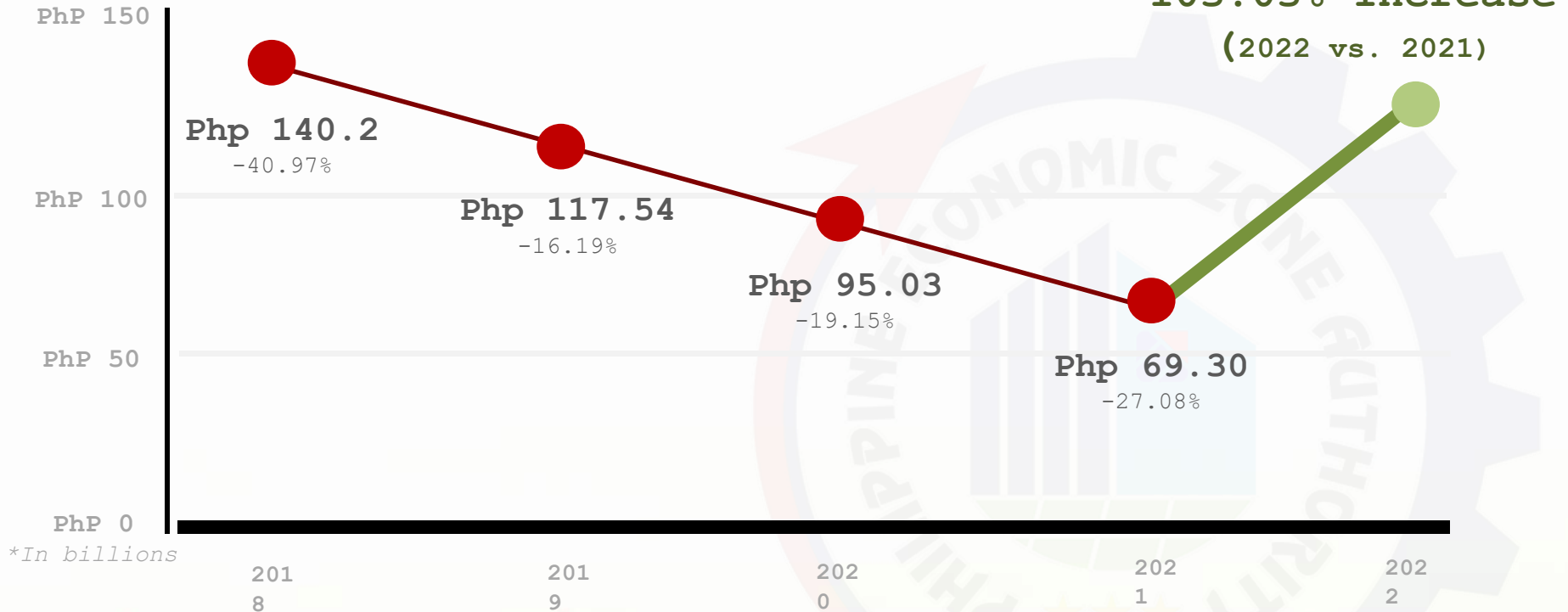
\$998.519

Billion USD Exports



1.8 Million

Direct Jobs Created



January to May 2023 Performance

	2022	2023	% Increase
Investments (in Billion Pesos)	PhP 18.928	PhP 48.027	153.74%
No. of Projects	70	80	14.29%
Actual Direct Employment*	1,774,993	1,809,217	1.93%
Actual Exports*	\$21.756	\$20.745	(4.65%)

LEGEND: *In US\$ Million

2023 GROWTH TARGETS

PHILIPPINE ECONOMIC ZONE AUTHORITY

10%

INVESTMENTS

9%

EXPORTS

8%

JOBS

Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI)

5%

PH GDP

6-7%

IT & Business Process Association of the Philippines (IBPAP)

10%

ECOZONE MANAGEMENT: PEZA EXPERIENCE

MAJOR POLICY THRUST

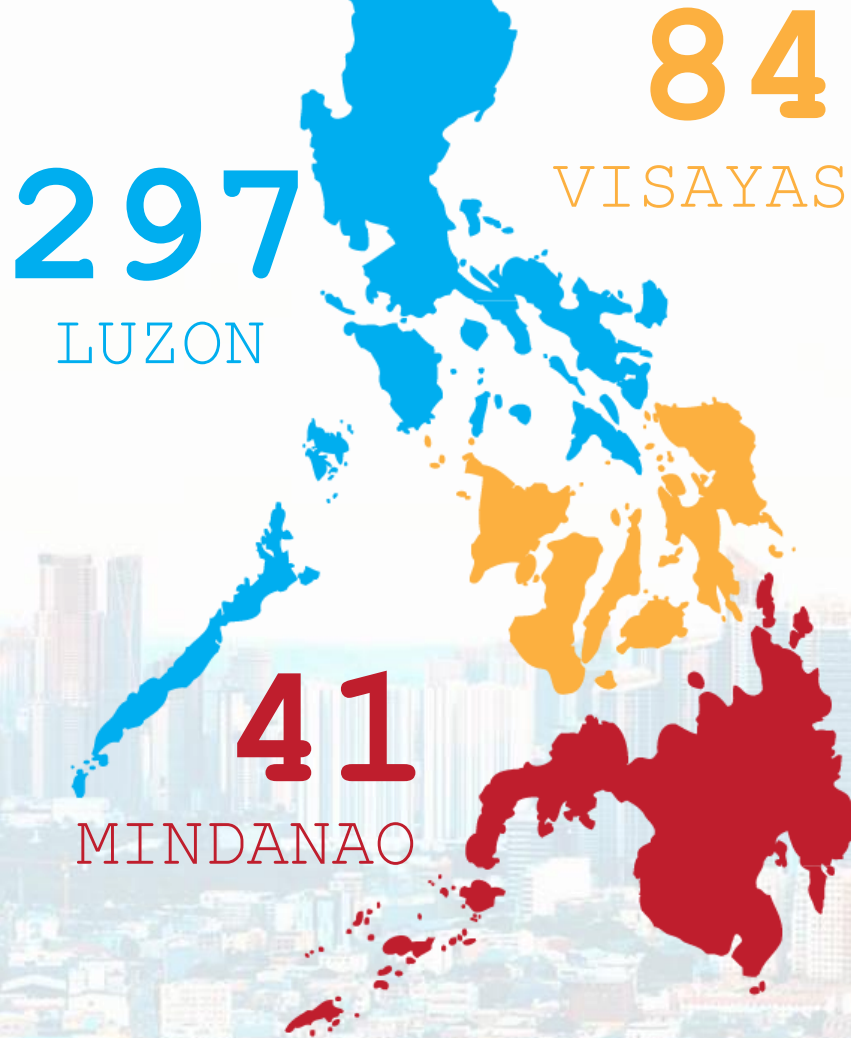
Since 1995, PEZA has ceased developing economic zones.

PEZA instead encouraged the private sector to develop, maintain and operate economic zones at no cost to PEZA or the government.

Philippine Ecozones Map

THE PHILIPPINE ISLAND
in vector by Diwa Fernandez
<http://diwafernandez.com>

■ Luzon
■ Visayas
■ Mindanao



PEZA hosts
422 Ecozones
 and
4,372 Locator Companies
 Nationwide

-  **299** IT Parks and Centers
-  **79** Manufacturing
-  **24** Agro-Industrial Parks

17 Tourism

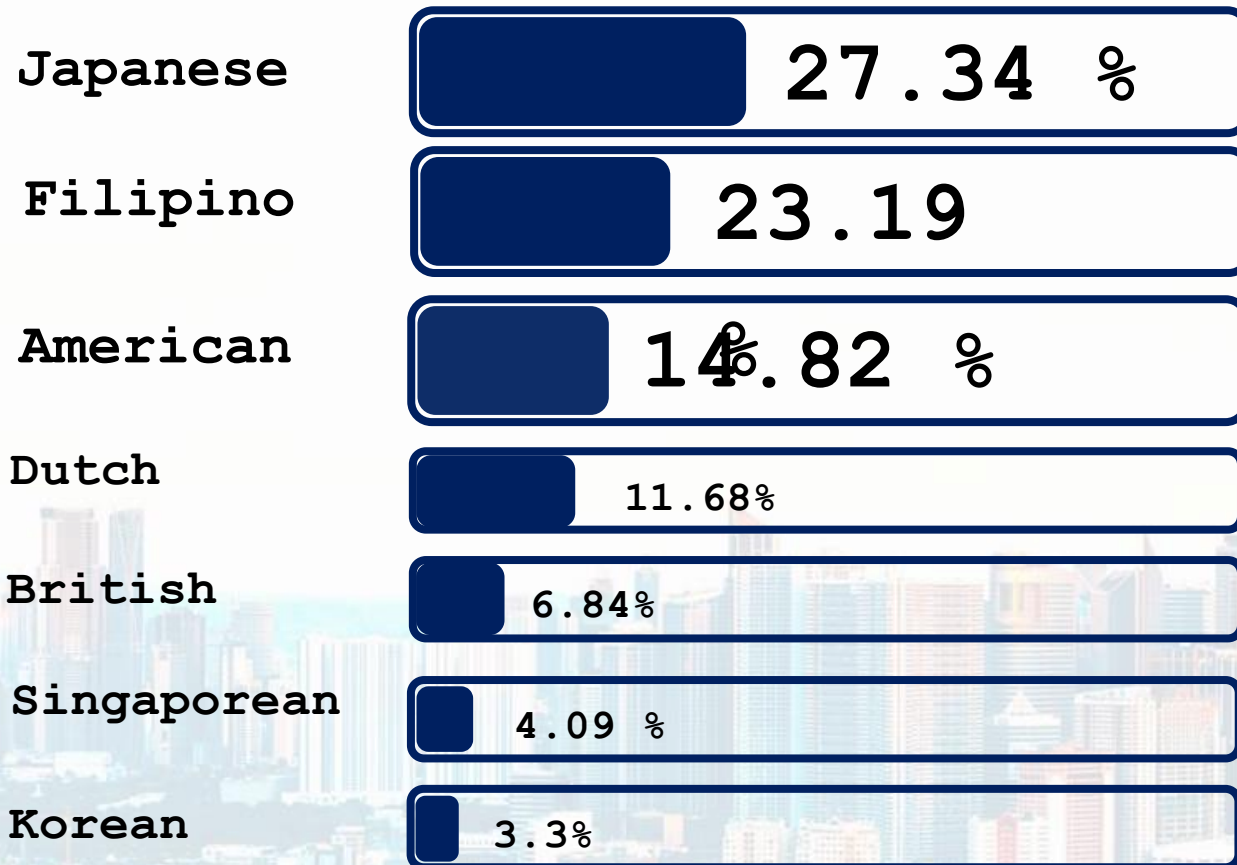
New Frontiers in Ecozone Development

- Aerotropolis
- Agro-Forestry Ecozones
- Aquamarine Parks
- BioTech Centers
- Defense Industrial Complexes
- E-commerce and Fintech Hubs
- Halal and Food Production Hubs
- **3** High Tech Parks
- **3** Medical Tourism
- Jewelry parks
- Knowledge, Innovation, Science and Technology (KIST) Parks
- Mineral Processing Zones
- Pharmaceutical Ecozones
- Renewable Energy Parks



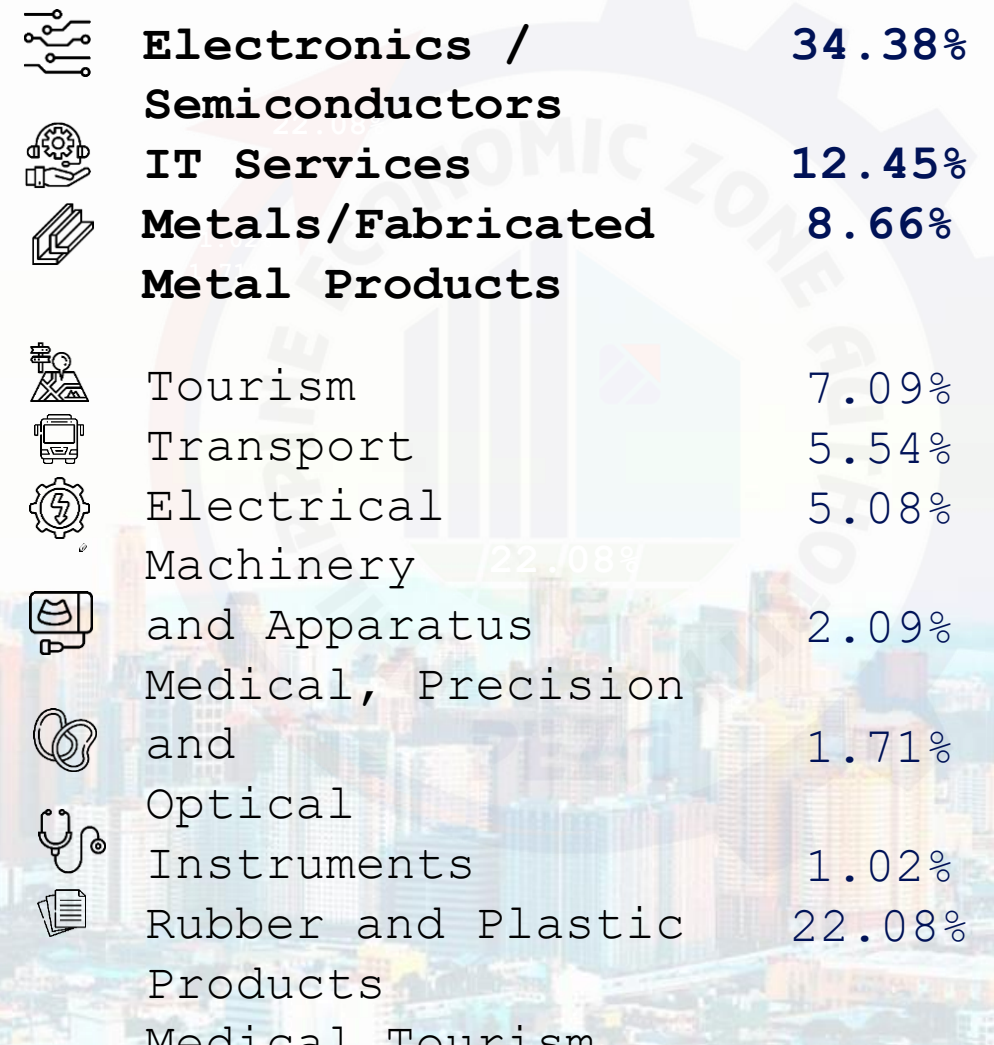
Ecozone Locator Investments by Nationality and Sector

TOP COUNTRIES WITH HIGHEST APPROVED FOREIGN INVESTMENTS



**Other nationalities comprise 8.32% of total investments*

LOCATOR INVESTMENTS BY PRODUCT SECTOR



TOP CHIPMAKER

8 OUT OF THE WORLD'S TOP 20 CHIPMAKERS
ARE OPERATING IN THE PHILIPPINES



TIPI



Philips



Fairchild



Samsung



Analog



Sanyo



On Semi



Rohm