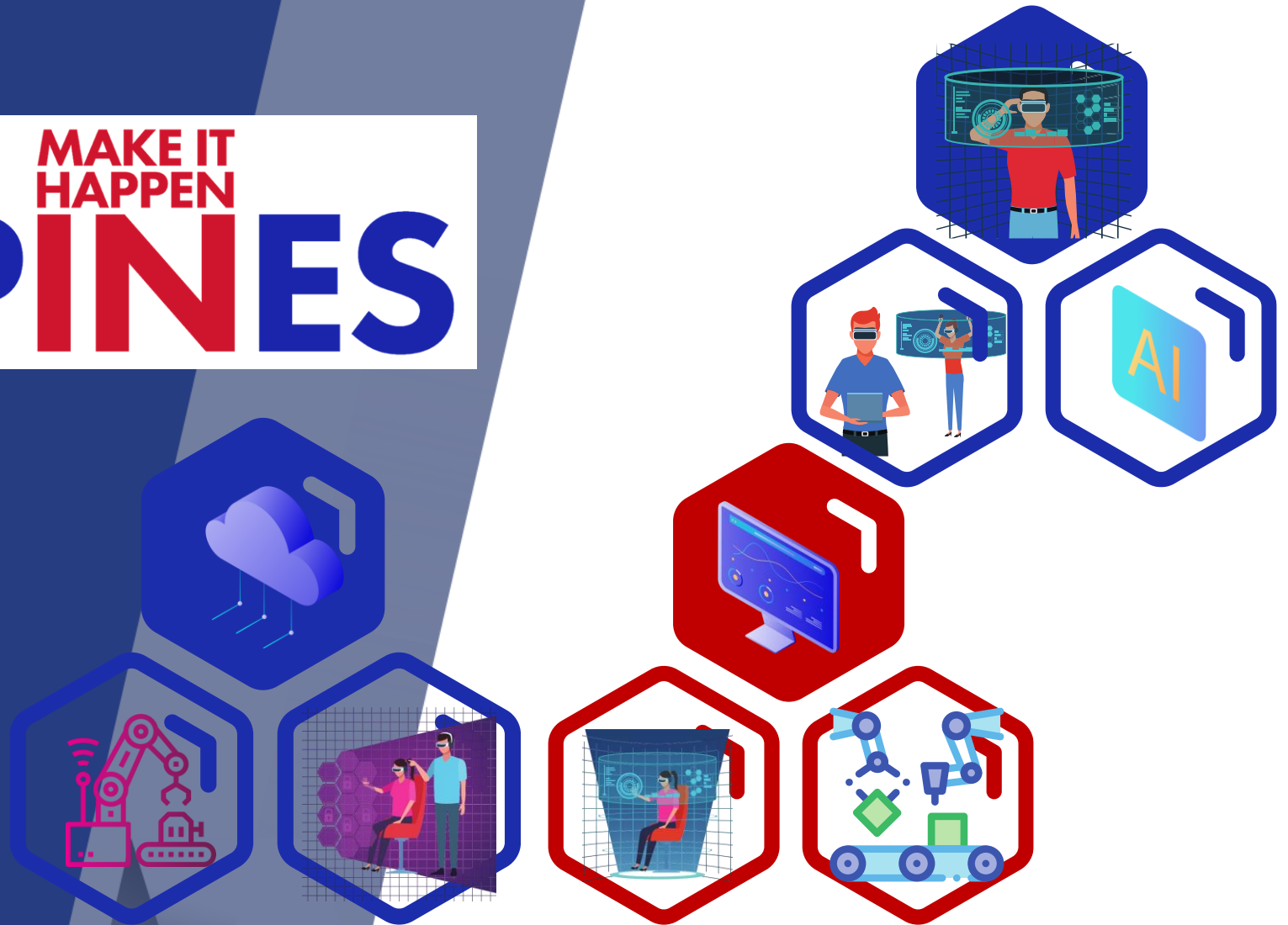


# THE PHILIPPINES **MAKE IT HAPPEN**

## Panel 2: Infrastructure and Industry

**ALFREDO E. PASCUAL**  
Secretary  
Department of Trade and Industry

7 September 2022  
Philippine Economic Briefing, Singapore



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# PH-SG TRADE RELATIONS

## Top 5 Export Destinations (Value in USD B)

Country	2021
China (PRC) incl. Hong Kong SAR	21.49
United States of America	11.85
Japan	10.73
Singapore	4.20
Thailand	3.45

## Top 6 Import Sources (Value in USD B)

Country	2021
China (PRC) incl. Hong Kong SAR	30.07
Japan	11.11
South Korea	9.35
Indonesia	8.45
United States of America	7.75
Singapore / Thailand	6.95

Source: Bangko Sentral ng Pilipinas



# TOP INDUSTRIES



<b>Top Exports by Commodity Groups</b>	<b>2021 Value (USD)</b>
<b>Electronic Products</b>	<b>42.5 B</b>
<b>Other Manufactured Goods</b>	<b>4.5 B</b>
<b>Other Mineral Products</b>	<b>2.5 B</b>
<b>Machinery and Transport Equipment</b>	<b>2.4 B</b>
<b>Ignition Wiring Set and Other Wiring Sets Used in Vehicles, Aircrafts and Ships</b>	<b>2.3 B</b>

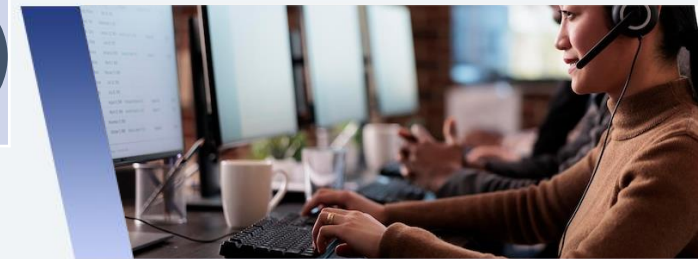
*Source: Bangko Sentral ng Pilipinas*

## ANNUAL FDI for 2019 - 2021 and Jan-May 2022

YEAR	2019	2020	2021	Jan-May 2022	Growth rate 2021 vs 2020
Net FDI <i>(in USD)</i>	8.7 B	6.8 B	10.5 B	4.2 B	54.2%

## Top 5 Net Equity Placements in 2021

Top Country Sources	Value (USD)
Singapore	761.0 M
Japan	581.2 M
United States of America	150.0 M
Hong Kong SAR	66.3 M
Germany	32.8 M



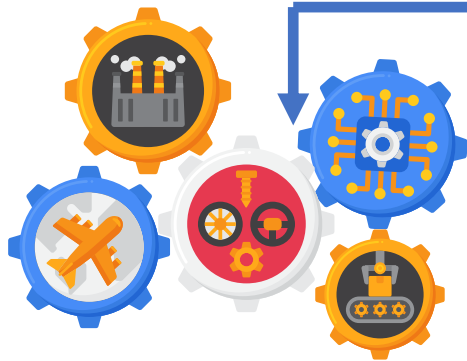
# SIPP Tiers: Avail of the highest tier of incentives

	Broad Criteria	Specific Activities
TIER 1	Job and Value creation, Market failures, Value Chain Upgrading, Support to sectors critical to industrial development, Comparative advantage	<b>Modern agri &amp; food processing</b> , Coffee, Cacao, Coconut, Rubber, Fruits, Vegetables using modern technologies like agritech, precision agriculture, <b>Design focused</b> : furniture, games & toys, jewelry, garments, textile articles, <b>Energy efficiency</b> & environment friendly activities, <b>Health &amp; medical products</b> , <b>Ecozones, industrial parks, Ports, airports, seaports</b>
TIER 2	Critical to industrial development & import-substituting activities	<b>Green Ecosystems</b> : Nickel and Copper for “green” products, solar panels, manufacture of EV systems, <b>Health related activities</b> : manufacture of Vaccines, drugs, medicines, and active pharmaceutical ingredients, <b>Defense related activities</b> : manufacture of arms and ammunition as well as shipbuilding or production of vessels. <b>For Industrial Value-chain Gaps</b> , steel, textiles, chemicals; green metals processing (e.g. copper, cobalt, nickel); crude oil refining; and lab-scale wafer fabrication. <b>Food Security</b> : integrated food production and processing activities (e.g., dairy); production and/or adoption of hybrid seeds, manufacture of animal vaccine, pesticides and fertilizers; and agricultural and fisheries machinery and equipment, and parts
TIER 3	R&D, Breakthroughs in Science & Health, High Paying Jobs, Generation of new knowledge & IP, Commercialization, Highly technical manufacturing	<b>R&amp;D</b> and <b>activities adopting advanced digital production technologies</b> of Industry 4.0 such as but not limited to robotics; AI; additive manufacturing; data analytics, cloud computing services, hyperscalers, data centers, and digital infrastructure); nanotechnology (includes nanoelectronics); biotechnology; <b>Highly technical manufacturing</b> ; commercialization of intellectual property (IP); <b>Establishment of innovation support facilities</b> such but not limited to R&D hubs; Centers of Excellence; science & technology parks etc.

Higher Incentives →

# Priority Industry Clusters : 2022-2028

## Global Reconfiguration



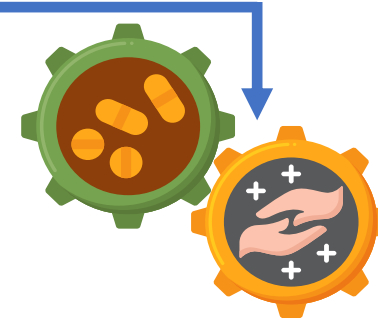
### Industrial, Manufacturing and Transport (IMT)

- Aerospace manufacturing and maintenance, repair and overhaul (MRO)
- **Automotive and Electric Vehicles & Parts Manufacturing**
- Semiconductor manufacturing services and Electronic manufacturing services
- Green metals (Nickel, Cobalt, Copper) processing
- Advanced manufacturing technologies



### Technology, Media, And Telecommunications (TMT)

- IT-BPM, Hyperscale data centers
- Creative economy and digital economy
- Products/services using AI, robotics, Augmented/Virtual/Mixed Reality, 5G, and Internet of Things
- Smart home and building technology
- Disaster and Resilient technology
- Audio, video, education technology,
- **Vehicle technology**
- E-Gaming
- Metaverse



### Health and Life Sciences (HLS)

- Life sciences and biotechnology sector
- Pharmaceuticals
- Medical devices
- Healthcare services
- Digital health products and services such as personal health wellness technology products, smart watches, lighter health wearables, more precise sensors, therapeutic systems addressing chronic diseases, telemedicine solutions and AI assisted diagnoses



### Modern Basic Needs, Resilient Economy

- Food security, agriculture and agro-industrial, fishing
- Infrastructure, education, shelter, sanitation
- Integrated steel
- Textile
- Chemicals and Plastics
- Renewable Energy
- Energy efficiency
- Green ecosystems

# “Build Better More”



## 112 Flagship projects in

- Transport and logistics
- Energy
- Water resources
- Information and communications technology
- Social, and agri-fisheries modernization
- Food logistics infrastructures



# NREP 2020 – 2040: Aspirational Targets

## Goals and Objectives

National Renewable Energy Program (NREP) sets a target of at least **35% RE Share** in the power generation mix (MWh) by 2030

NREP works to drive **RE share to greater than 50% by 2040**, dominating the mix



### Energy Security

Accelerate exploration and development of RE resources to achieve energy self-reliance and reduce dependence on fossil fuels



### Sustainable Development

- Contribute to the SDG Goals
- Balance economic growth with protection of health and environment



### Climate Change Mitigation

Reduce Greenhouse Gas and other harmful emissions



### Capability Building

Institutionalize the development of capabilities in the use of RE systems



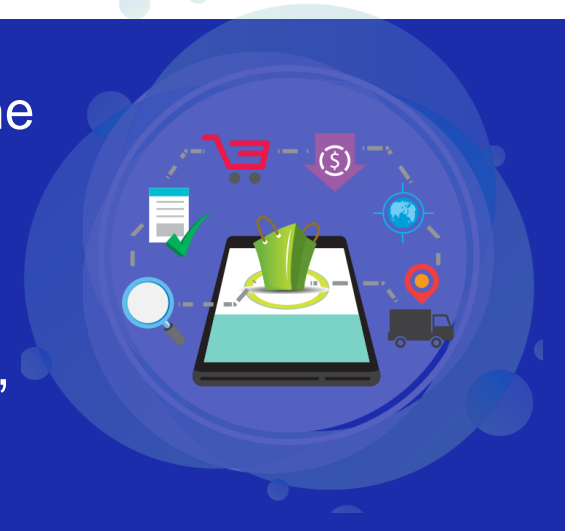
### Inclusive Growth

Catalyze solutions to cross-cutting social issues including poverty, gender, and access to basic needs

# DTI-DICT Digital Platform Supporting MSMEs' Business Needs

An **integrated, accessible, and fully digital market platform** to serve the needs of MSMEs

- free e-commerce website development platform
- To initiate and onboard MSMEs into the digital economy
- Link MSMEs with providers of finance, inputs/raw materials, marketing, and other business services



## EMPOWER PH

A collaborative online platform that connects various stakeholders and manufacturers to **facilitate and accelerate the production and distribution of personal protective equipment (PPE)** in the country.



## Trabaho and Negosyo Skills Pathway

Composed of **tracks on entrepreneurial skills for online enterprises** and digital skills pathway for MSMEs

**CTRL + BIZ: Reboot Now!**  
Series of free webinars that are targeted to MSMEs who need to **transform their business digitally**



## ASEAN SME Academy

A **one-stop multi-platform online learning and information resource** which aims to provide training and mentorship to **enhance ASEAN SMEs' capabilities to grow and compete** regionally and internationally



## Tech Tools for MSMEs during COVID19

A Google site developed by DTI to **provide information to MSMEs on the different technology tools, applications, platforms and resources** available in coping with the challenges of the community quarantine.



**Online Natl. Food Fair**  
Initiative to keep the National Food Fair ongoing while maintaining safety during the pandemic

**ReSTART**  
Aims to help re-start the micro-retail sector through **Access to Resources and Trade Program**

# The Center for AI Research (CAIR)

AI will contribute \$92B to GDP by 2030 / 12% of PH GDP

A **public-private partnership** hub for data scientists & researchers to

- Perform **collaborative AI R&D and technology application** among government agencies, universities, research institutes, startups, SMEs, domestic large enterprises and MNCs
- Offer **consultancy services and AI tech products**
- Conduct data literacy programs and develop learning modules to **upskill and reskill the workforce**
- Attract leading global firms to **set up R&D activities** in the country



**Focus Areas:** Manufacturing | Services | Precision Agriculture | Construction | Finance/banking | Healthcare | Resilience Technology | Smart Cities

**50+ tech startups in the Philippines are already using AI as a core technology in their business model**

*Fintech / E-Commerce / Digital Health / Sensors / Digital Services*



## INDUSTRY 4.0 & DIGITAL TRANSFORMATION INITIATIVES



# INDUSTRY 4.0 PILOT FACTORY

DTI is building an Industry 4.0 Pilot Factory to host demonstrations and case applications of Industry 4.0 technologies that local large enterprises, SMEs, & academe can access

- A cyber-physical PoC/didactic line is a modular set to conduct PoCs, and conduct practice exercises for Industry 4.0 courses



- **Pilot, demonstration and learning laboratories** with innovative products, modern technologies and digital processes
- **Technology platform** for various stakeholders from industry, academe, & government
- Serve as a **training and research hub** where industries can have insights and hands on experience on various Industry 4.0 applications
- The pilot factory will facilitate industry **access to advanced manufacturing technologies** like robotics, intelligent manufacturing systems, cyber-physical systems

# Growing the Philippine Startup Ecosystem



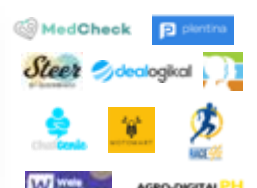
## MANILA'S ECOSYSTEM

- 700+ Startups
- 200+ Co-working Spaces
- 50+ Investors
- 40+ Venture Capitalists
- Valued at USD2B
- Top 25 Asian ecosystem in funding
- Top 20 global ecosystem in affordable talent
- Among Asian ecosystems, top 30 for Bang for Buck

E-Commerce



## Incubation and Acceleration programs for startups:



Assisted 20 early-stage startups

Assisted 6 startups with minimum viable product

Assisted 10 startups ready for global expansion



**Startup Venture Fund**, with P500M, invests in Seed to Series B startups for them to scale up, and expand.

**Internationalization.** Since 2017, the DTI has promoted 121 PH Startups in 26 International Events in 10 Countries.



November 14-18, 2022; Facebook: Philippine Startup Week



Annual gathering of startup ecosystem stakeholders

# Regional Inclusive Innovation Centers (RIICs)

## Supporting MSME Development through Science, Technology, and Innovation

Networks of creative communities & innovative and entrepreneurial Filipinos, driven by their desire to do things better, provide solutions, make better products, and address market demands, supported by Strong Government-Industry-Academe Collaboration

**SHINE Cagayan Valley:** Sustaining Harvest through Innovation & Nurturing Enterprises

**THRIVE Central Luzon:** Technological Hive of Regional Innovation through a Vibrant Ecosystem

**LINC Calabarzon:** Linking Innovation Networks for Competitiveness in Calabarzon

**BRIDGE Bicol:** Building Resilience and Innovation to Drive Growth of Enterprises in Bicol

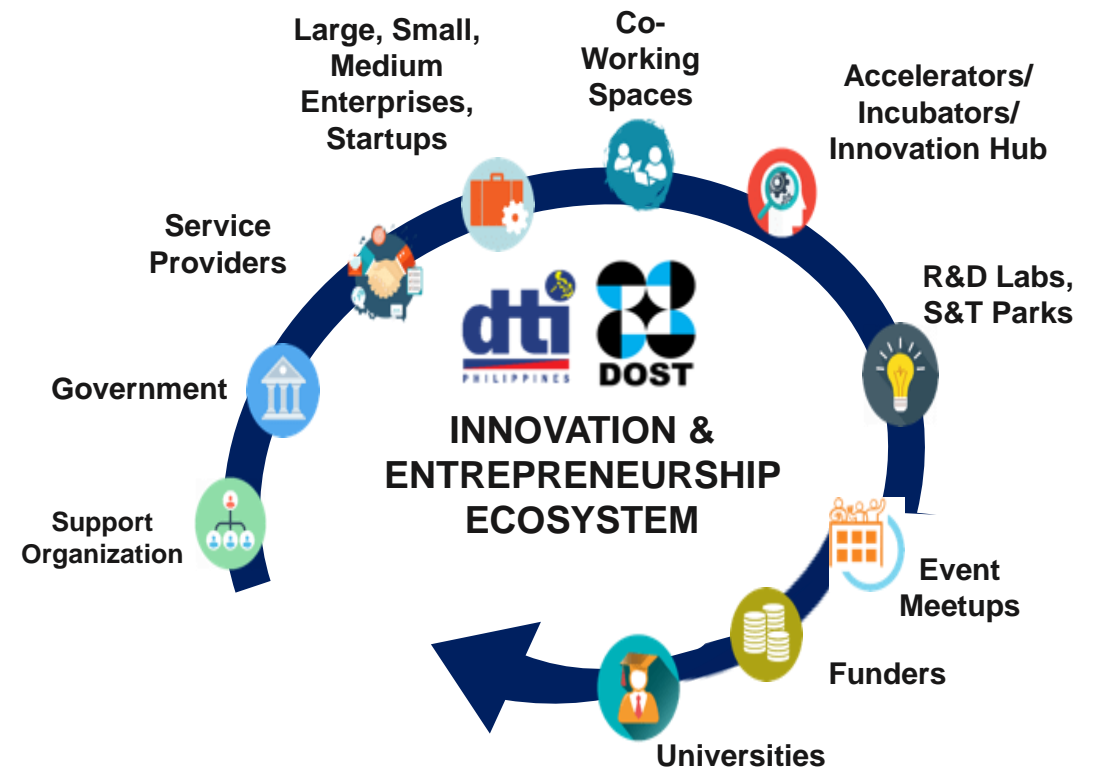
**Startup Island: Cebu**

**Zampen Innohive:** Region 9 Zamboanga

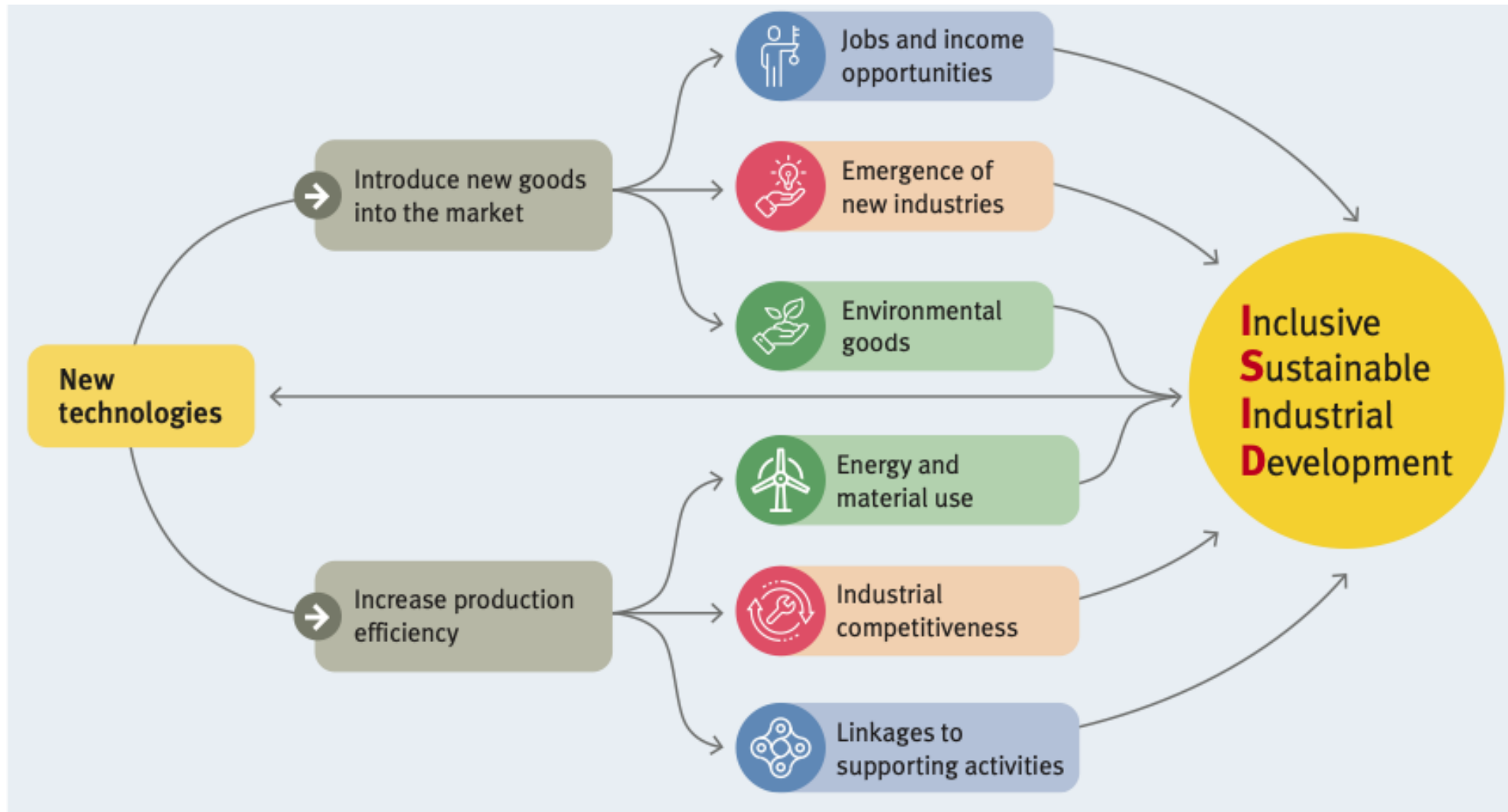
**iSTRIKE Davao:** Davao Regional Inclusive Innovation Center

**ILIGANICE:** Innovation through Leveraging Industry, Government, Academe Networks and Inclusive Community Engagements in Region 10-Iligan

**OROBEST:** Optimizing Regional Opportunities for Business Excellence through STI in Cagayan de Oro



# Science, technology, and innovation to drive inclusive and sustainable industrial transformation and development for the Philippines



Competition, Innovation, Productivity, Dynamic Industry Ecosystem:  
Foundation to generate quality jobs, investments, new products & services, shared prosperity

# THANK YOU!



Secretary Alfredo E. Pascual  
Department of Trade and Industry  
7 September 2022