

Broadly, the DTI pursues 6 strategic actions, namely:



Embrace Industry 4.0



Develop Innovative MSMEs & Startups



Integrate Industry Development, Trade, and Investments



Promote Regional Development by Strengthening Regional Innovation and Entrepreneurship Ecosystems



Integrate Industry Development, Trade, and Investments Upskill and Reskill the Workforce



Create an Enabling Economic Environment

The DTI implements the Science, Technology, and Innovation-based Industrial Strategy to position the Philippines as a regional hub for globally competitive, innovation and sustainability-driven industries.

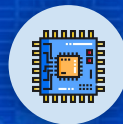
PRIORITY SECTORS CONSIDERED INCLUDE:



Electric vehicles (EVs)



Smart/high technology light manufacturing



Semiconductors and electronics



Green metals (mineral processing)



High tech agriculture



Renewable energy (RE) including energy storage system



Data centers/telco infrastructure including cybersecurity

Implementation of the 2022 Strategic Investment Priority Plan

Under the **Strategic Investment Priority Plan**, depending on the tier, location, and market orientation, eligible activities may avail of:

- ✓ **4-7 Years of Income Tax Holiday (ITH)**
- ✓ **Enhanced Deductions or 5-10 Years of Special Corporate Income Tax** (for export-oriented enterprises) based on Gross Income Earned, in lieu of all national and local taxes
- ✓ **Duty exemption** on importation of Capital Equipment, raw materials, spare parts, or accessories
- ✓ **VAT exemption** on importation and **VAT Zero-rating** on local purchases

Long-Term National Development Goals

Job Creation

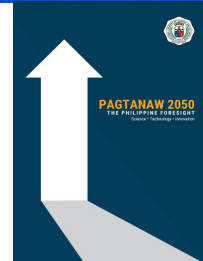
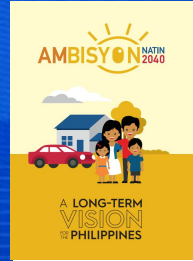
Provision of Basic Needs

Infrastructure Development

Technological Advancement

Climate Change

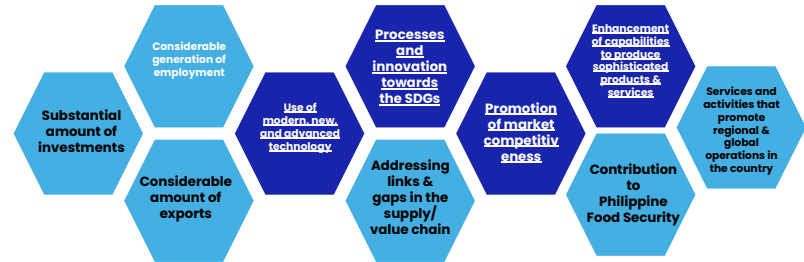
National Policies and Strategies



Science, Technology, Innovation-based Industrial Policy



Strategic Investment Priority Plan



PRIORITY INDUSTRIES



As of date the RCEP agreement is fully implemented with all 15 economies officially a party following the Philippines' accession last June 2, 2023. Efforts are now focused on establishing the RCEP Support Unit (RSU) to meet the target operationalization by June 2024.

- RCEP is considered modern and comprehensive as it covers both traditional and modern areas of trade such as **Goods, Services, Investments, Intellectual Property, E-Commerce, Micro-Small and Medium Sized Enterprises (MSMEs)**.

In this way, RCEP provides stable rules and discipline to ease doing of business and enable the region to adopt emerging issues.



51%

The Philippines' total merchandise trade of the RCEP region accounts in 2023.

- **In terms of investment, the RCEP region contributes significantly to the country's foreign direct investment inflows.**



USD 1.29 billion



The net FDIs recorded, measured by net equity other than reinvestment of earnings, in 2023. **86% of which came from RCEP countries amounting to USD 1.12 billion.**

- To cite some concrete gains, the **Philippines gained enhanced tariff concessions from ASEAN FTA Partners specifically China, Korea and Japan.**
- To further illustrate **RCEP's better tariff concessions specifically to China**, below is a sample matrix of tariff rates for select agricultural products and their respective product specific rules. While these products will only be tariff free in Year 20, it's **important to note that RCEP offers more flexible requirements for exporters to avail of the preferential rate.**
- Another key advantage of RCEP vis-à-vis existing ASEAN Plus One FTAs is its **wider cumulation which allows manufacturers to source inputs globally and still avail of the preferential rate provided that it meets the requirements.**
- **Philippines also gained improved rates from Korea and Japan on garments.** For Korea in particular, 14 product lines for garments are now imposed zero tariffs under RCEP as opposed to AKFTA's 5%.