

**Malacanang Memorandum Order**  
**No. 97-424**  
**April 01, 1997**

**SUBJECT : Approving the 1997 Investment Priorities Plan**

Pursuant to Article 29 of the Omnibus Investment Code of 1987 (EO 226), the attached 1997 Investment Priorities Plan (IPP) is hereby approved.

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

Done in the City of Manila, this 1<sup>st</sup> day of April, in the year of Our Lord, nineteen hundred and ninety-seven.

**(Sgd.) FIDEL V. RAMOS**  
President

By the President:

**(Sgd.) RUBEN D. TORRES**  
Executive Secretary

# 1997 INVESTMENT PRIORITIES PLAN

## FOREWORD

“Pole-vaulting to Global Competitiveness” is the theme of this year’s Investment Priorities Plan (IPP). Philippine economy at a stage where initial economic reforms have begun to make its impact positively felt through the country’s main economic indicators. Although reforms are still continuing and more investment enhancing measures are still being pursued, there are indications that the country can fast tract priority economic activities to pole-vault the economy’s development. The 1997 IPP is crafted in such a way that it seeks to reinforce past and current measures that are aimed at expanding productivities and improving on capabilities for Philippine global competition.

The 1997 IPP, in this regard, reflects the current year’s overall plan for investments eligible for investment incentives that are provided under the Omnibus Investments Code of 1987, as amended.

The 1977 IPP continually supports the objectives of the Medium-Term Philippine Development Plan (MTPDP) (1993-1998) of the government. The MTPDP has set three objectives in attaining a sustainable agri-industrial development.

1. Industrial restructuring for worldwide competitiveness and expansion of capacities for the production of goods and services for the domestic and export markets, including tourism;
2. Strong productive and ecological-sound links between agriculture and industry; and
3. Higher income and productivity, and better access to resources among small entrepreneurs, farmers and fishermen.

Together with support to the MTPDP is support to the social programs of Government by the 1997 IPP. Firstly, there is the Special Zone of Peace and Development (SZOPAD) primarily for the Filipinos in the south which seeks to ensure the new-found peace, cooperation and development in that part of the country. Then, there is the continuing Social Reform Agenda of the Government to which the 1997 IPP addresses in its goals and in the less developed areas it is presently covering. Finally, the 1997 IPP seeks to push for economic activities it deems shall deliver the Philippine economy to a higher place of economic state as the country prepares to celebrate the Philippine Centennial or the 100<sup>th</sup> year of Philippine Centennial or the 100<sup>th</sup> year of Philippine political independence. This social programs substantially impact on the economy and ultimately the Filipino.

The goals for the 1997 IPP are the same as those laid down in earlier IPPs, to wit:

1. To further enhance global competitiveness of Philippine industrial products;
2. To increase exports;
3. To support small and medium enterprises (SMEs);
4. To increase agricultural productivity;
5. To set-up and upgrade infrastructure and support facilities;
6. To ensure efficient environmental management;
7. To disperse industry in the countryside; and
8. To alleviate poverty.

As these goals are of the medium –term, basis the major categories under the 1997 IPP are carried from the 1996 IPP as follows:

1. Export-oriented Industries
2. Catalytic Industries
3. Industries Undergoing Adjustment
4. Support Activities

## 5. Mandatory Inclusions

The major difference though is that the 1997 IPP focuses and qualifies further the following activities: a) Reinforced support to the agricultural sector as its activities link up with the manufacturing sector; b) Modernization programs-19 critical economic activities in the current IPP are identified to warrant a modernization program for these industries to compete globally through technology upgrade of existing capacities or via complete adoption of state-of-the-art technology. As modernization of industries is not an overnight activity, but a continuing one until breakthroughs are attained, the program is envisioned to run until the year 2000. Industries availing of the program shall, however, complete the modernization in either 2 or 3 years from date of registration of the individual project and c) Environment activities are made more focused by more specific listings of environmental projects.

Thirty-two (32) economic activities are listed in this year's plan as compared to the 35 areas listed in 1996.

In addition to the national listing of the 1997 IPP is a special listing of economic activities determined for promotion and eligible for investment incentives by the Autonomous Region for Muslim Mindanao (ARMM). The ARMM IPP is the list of priority areas which have been independently determined by the Regional Board of Investment (RBOI) of the ARMM in accordance with E.O. 458. Economic activities in this special listing shall be pursued in the ARMM only. However, economic activities listed in the national IPP may have its location also inside ARMM.

The 1997 IPP was completed in consultation with the Inter-agency Working Group on the IPP (members of which are Presidential Management Staff (PMS), the National Economic and Development Academy (NEDA), the Department of Agriculture (DA), Environment and Natural Resources (DENR), Labor and Employment (DOLE), Finance (DOF), Science and Technology (DOST), Tourism (DOT), Trade and Industry (DTI) Board of Investment (BOI) in December 1996. Public hearings in consultation with multisectoral groups in Manila and the

provinces o Cebu, North Cotabato, Albay, Leyte and Zamboanga were also held in February 1997. Consultation with the Special Joint Cabinet Clusters A and B was held in March 1997.

**( Sgd.) C.B. BAUTISTA**

Chairman, Board of Investments

And Secretary, Dept. of Trade and Industry