



# PHILIPPINE - BRITISH BUSINESS COUNCIL



PBBC NEWSLETTER

FIRST QUARTER 2013

## Message of the Chairman of the Philippines-British Business Council



**Jesus P. Tambunting**

As East Asia emerges as the world's most dynamic region and key contributor to global growth, the Philippines—with its strategic location and improved investment climate—is certainly on the rise.

The Philippine-British Business Council has made significant contributions to the country's string of economic achievements. Expanded British trade and investment in the Philippines has been instrumental in promoting greater productivity and improving the lives of Filipinos.

With a government committed to transparency and reforms, indicators point to a better future in this part of Asia. With large areas still untapped if not underserved, the potential for further expansion of joint Philippine-British investment and bilateral trade is great indeed.

As we enter 2013 with much optimism, we look forward to another year of strong performance and a closer partnership between our nations.

A quarterly publication of the Philippine-British Business Council, the **PH-UKBC Newsletter** provides the latest socio-economic updates, as well as news on developments in trade and investments between the two countries.

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## BOI begins 2013 Investments Plan consultations

Spearheaded by the Board of Investments (BOI), consultations with government and the private sector are now underway for the formulation of the 2013 Investment Promotions Plan (IPP). Targeted for submission to the President on April this year, industry stakeholders and concerned government agencies were given until February 25 to submit their respective position papers to the BOI.

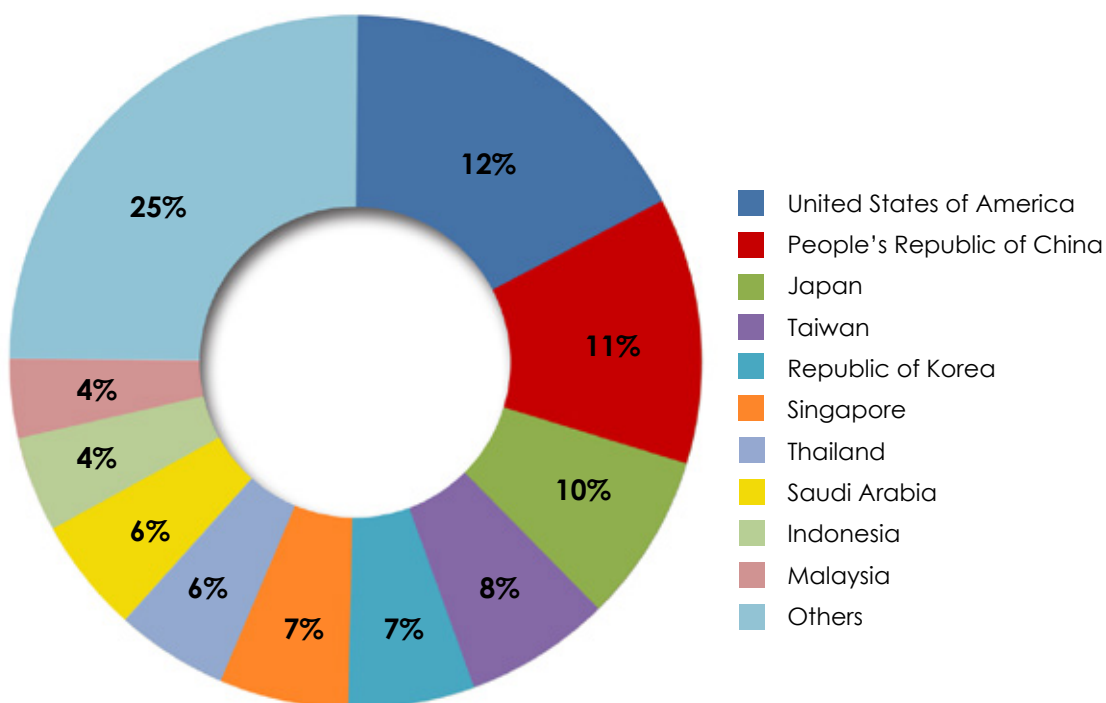
The IPP is an annual listing of the country's priority sectors for investment. Industries and sectors identified in the IPP will qualify for and enjoy fiscal and non-fiscal incentives, which include, but are not limited to, income tax holidays and duty-free importation of capital equipment, among others.

Preferred sectors identified in last year's IPP were agriculture/agribusiness and fishery, creative industries/knowledge-based

services, shipbuilding, mass housing, iron and steel, energy, infrastructure, public-private partnership (PPP) projects, research and development, green projects, hospital and medical services projects, motor vehicles, strategic projects, and disaster prevention and recovery projects.

The Philippine Development Plan serves as the overall framework for the IPP in identifying sectoral opportunities and promoting forward and backward linkages in priority areas and high-growth potential sectors to attract investments and generate employment. Also to be included in the IPP are over 50 industry roadmaps submitted by private sector stakeholders to the BOI last year, which will be integrated into a comprehensive manufacturing industry roadmap. ■

## 2012 Philippine Imports Share (Top Ten Countries)

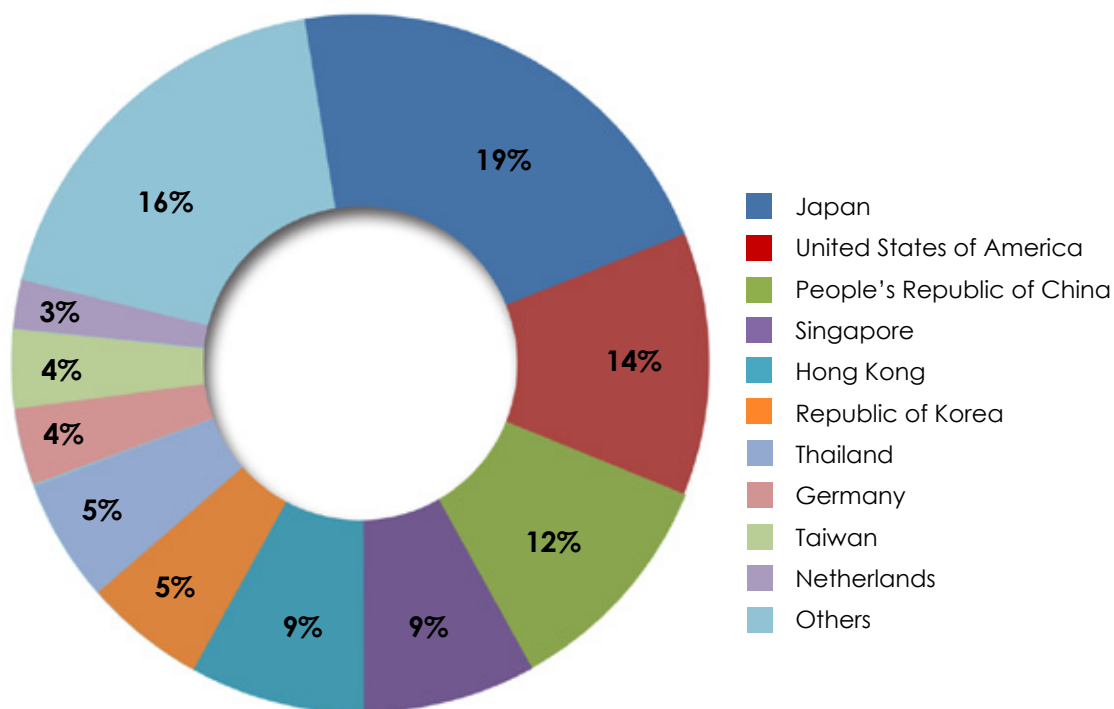


### TOP 10 PHILIPPINE IMPORT MARKETS AS OF 2012

Rank	Country	Value of Imports (in million US\$)	% share
1	United States of America	7,118	11.53%
2	People's Republic of China	6,663	10.80%
3	Japan	6,446	10.44%
4	Taiwan	4,833	7.83%
5	Republic of Korea	4,504	7.30%
6	Singapore	4,403	7.13%
7	Thailand	3,447	5.58%
8	Saudi Arabia	3,432	5.56%
9	Indonesia	2,732	4.43%
10	Malaysia	2,494	4.04%
	Others	15,642	25.35%
<b>27</b>	<b>United Kingdom</b>	<b>271</b>	<b>0.44%</b>
	<b>Total</b>	<b>61,714</b>	<b>100.00%</b>

Source: National Statistics Office  
Note: Values are rounded off

## 2012 Philippine Exports Share (Top Ten Countries)



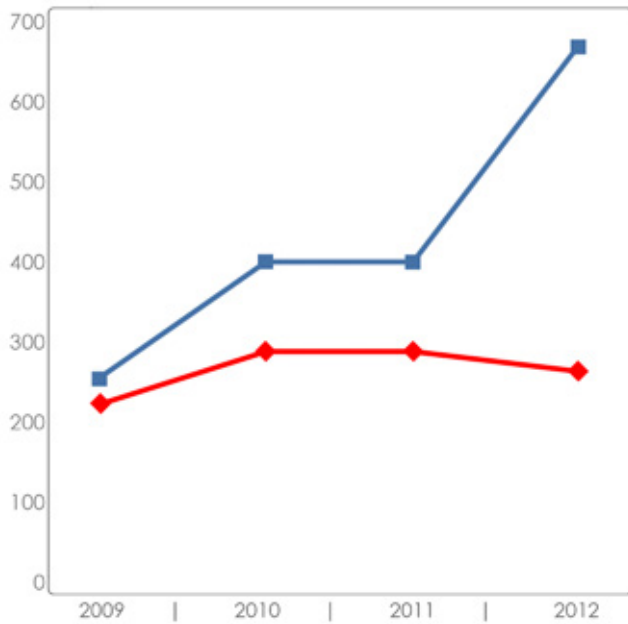
### TOP 10 PHILIPPINE EXPORT MARKETS AS OF 2012

Rank	Country	Value of Exports (in million US\$)	% share
1	Japan	9,881	19.00%
2	United States of America	7,396	14.22%
3	People's Republic of China	6,159	11.85%
4	Singapore	4,864	9.35%
5	Hong Kong	4,776	9.19%
6	Republic of Korea	2,862	5.50%
7	Thailand	2,446	4.70%
8	Germany	1,957	3.76%
9	Taiwan	1,915	3.68%
10	Netherlands	1,551	2.98%
	Others	8,189	15.77%
<b>13</b>	<b>United Kingdom</b>	<b>657</b>	<b>1.26%</b>
	<b>Total</b>	<b>51,995</b>	<b>100.00%</b>

Source: National Statistics Office

Note: Values are rounded off

## Philippine Trade with United Kingdom

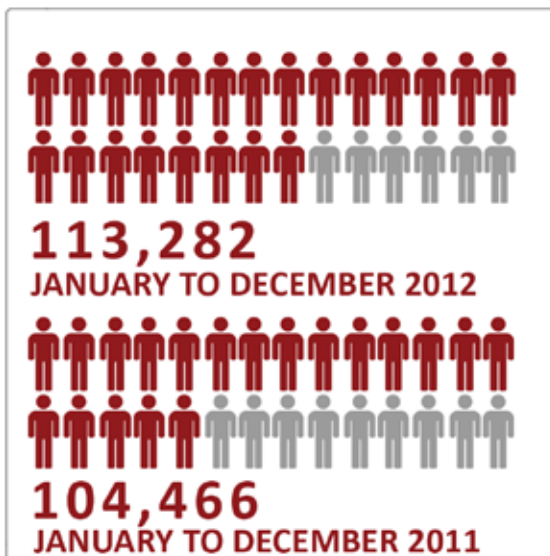


PHILIPPINE TRADE		
in million US\$	EXPORTS	IMPORTS
2009	267	233
2010	395	285
2011	401	287
2012	657	271

*Source: National Statistics Office*

- Export
- ◆ Import

## Visitor Arrivals from United Kingdom



NO. OF VISITOR ARRIVALS FROM UNITED KINGDOM	
January to December 2012	113,282
January to December 2011	104,466

*Source: Department of Tourism*

increase of 8.44%

## Lifting of mining moratorium raises expectations on investments

The Philippine government revised its target and expectations on mining investments, from \$718 million to \$1 billion, following the lifting of Memorandum Order No. 2011-01, a moratorium on the acceptance of all types of mining applications.

With the lifting of the moratorium, local and foreign mining companies are expected to start applying for exploration permits. Since 2011, the Mines and Geosciences Bureau (MGB) has reviewed a total of 2,100 mining applications, with 500 passing MGB standards, and 400 under appeal.

The moratorium, issued two years ago, imposed a suspension on mining applications such as, but not limited to, exploration permits, mineral product sharing agreements, financial or technical assistance agreements, and industrial sand and gravel licenses. Around 1,200 mining areas where mining permit applications were previously cancelled for two years have now been opened to accommodate new mining applications.



Image courtesy of Benguet Corp.

The Philippine government also expects an increase in revenues due to the issuance of Administrative Order No. 2013-10 in February. The Order increases application fees for permits and agreements from P60 to P300 per hectare. ■

## Join the Philippine-British Business Council!

The PBBC was established in 1995 to promote trade and investments between the Philippines and the United Kingdom. The council is composed of top business executives who seek to explore business opportunities between the two countries and to promote the exchange of views on policies of mutual concern. The Makati Business Club serves as the secretariat of the PBBC

For membership inquiries, contact Ms. Maria Victoria Sibal, PBBC Coordinator at (+63 2) 751-1143 or send an email to [v.sibal@mbc.com.ph](mailto:v.sibal@mbc.com.ph) or [mbc.businesscouncils@gmail.com](mailto:mbc.businesscouncils@gmail.com)