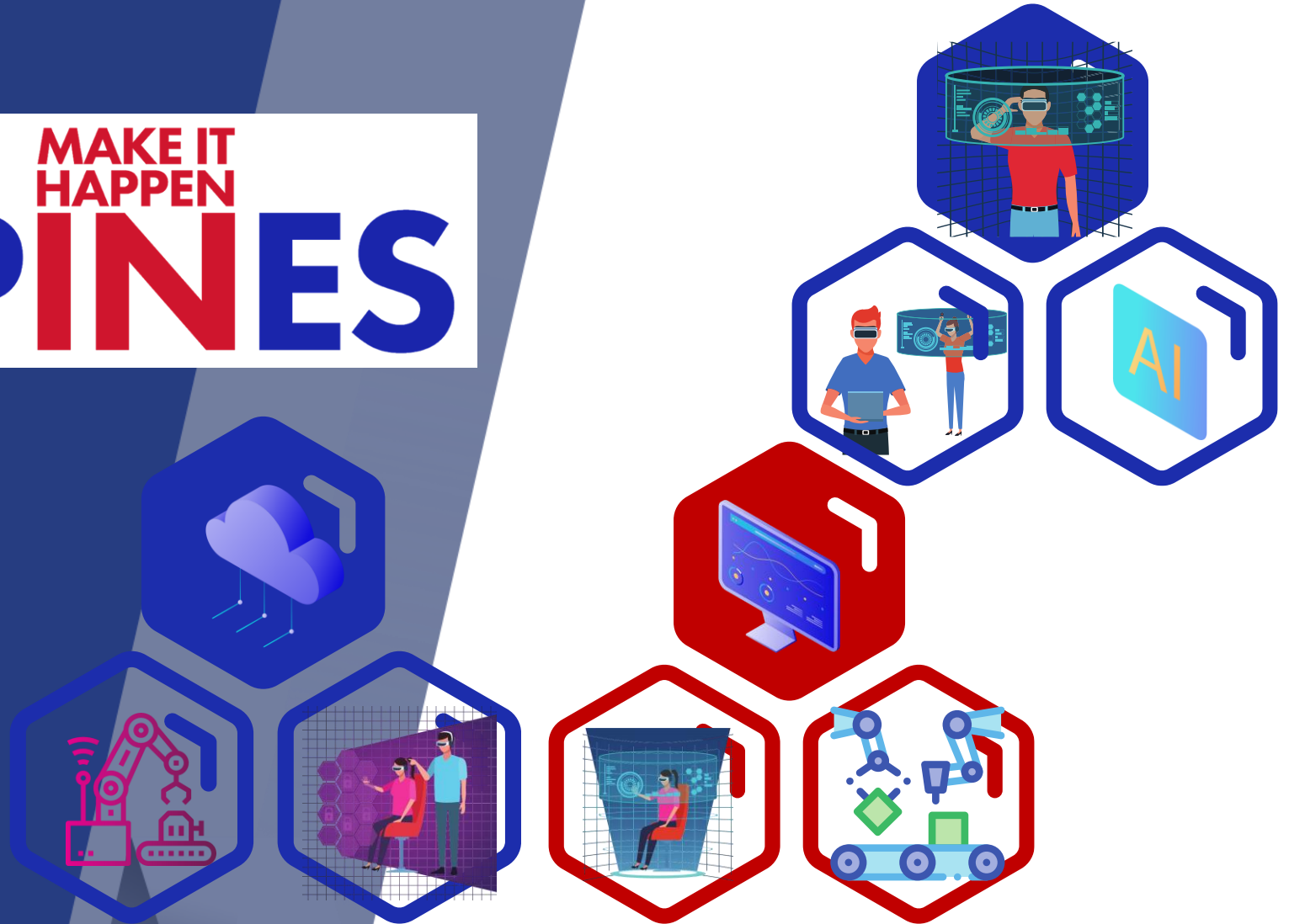


THE PHILIPPINES **MAKE IT HAPPEN**

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

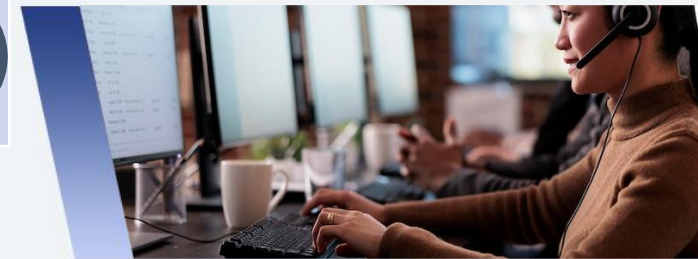
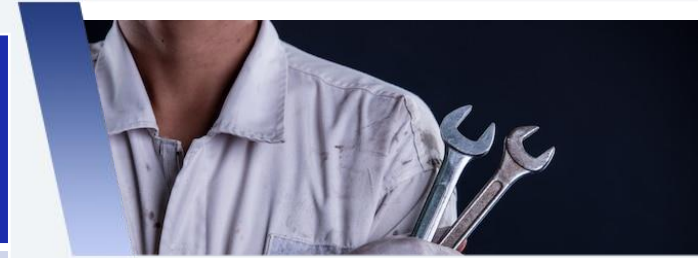


Top Exports by Commodity Groups	2021 Value (USD)
Electronic Products	42.5 B
Other Manufactured Goods	4.5 B
Other Mineral Products	2.5 B
Machinery and Transport Equipment	2.4 B
Ignition Wiring Set and Other Wiring Sets Used in Vehicles, Aircrafts and Ships	2.3 B

Source: Bangko Sentral ng Pilipinas

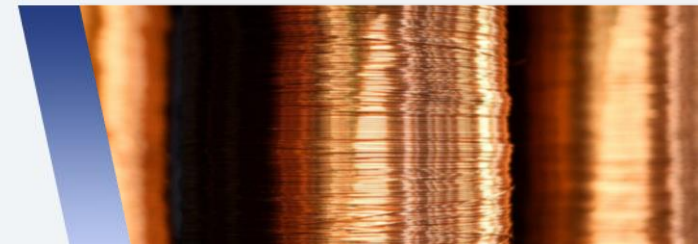
ANNUAL FDI for 2019 - 2021 and Jan-May 2022

YEAR	2019	2020	2021	Jan-May 2022	Growth rate 2021 vs 2020
Net FDI (in USD)	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	Modern agri & food processing , Coffee, Cacao, Coconut, Rubber, Fruits, Vegetables using modern technologies like agritech, precision agriculture, Design focused : furniture, games & toys, jewelry, garments, textile articles, Energy efficiency & environment friendly activities, Health & medical products , Ecozones, industrial parks, Ports, airports, seaports	Higher Incentives →
TIER 2	Critical to industrial development & import-substituting activities	Green Ecosystems : Nickel and Copper for “green” products, solar panels, manufacture of EV systems, Health related activities : manufacture of Vaccines, drugs, medicines, and active pharmaceutical ingredients, Defense related activities : manufacture of arms and ammunition as well as shipbuilding or production of vessels. For Industrial Value-chain Gaps , steel, textiles, chemicals; green metals processing (e.g. copper, cobalt, nickel); crude oil refining; and lab-scale wafer fabrication. Food Security : 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	R&D and activities adopting advanced digital production technologies 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; Highly technical manufacturing ; commercialization of intellectual property (IP); Establishment of innovation support facilities such but not limited to R&D hubs; Centers of Excellence; science & technology parks etc.	

Priority Industry Clusters : 2022-2028

Global Reconfiguration



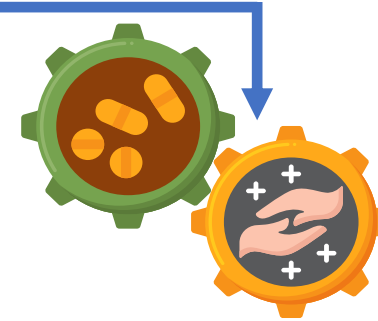
Industrial, Manufacturing and Transport (IMT)

- 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)

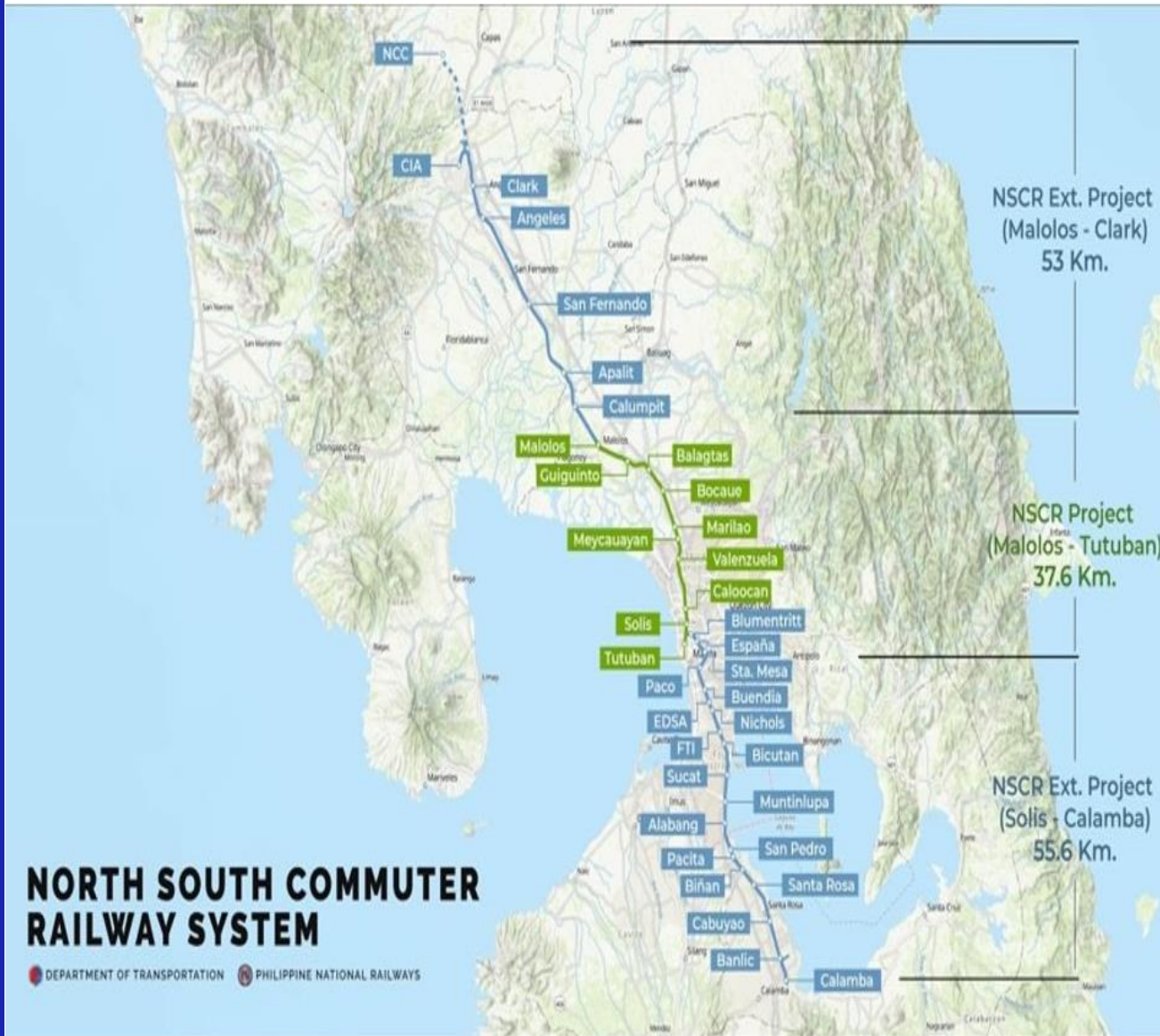
- Life sciences and biotechnology sector
- Pharmaceuticals
- Medical devices
- Healthcare services
- Digital health products and services such as personal health wellness technology products, smart watches, lighter health wearables, more precise sensors, therapeutic systems addressing chronic diseases,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

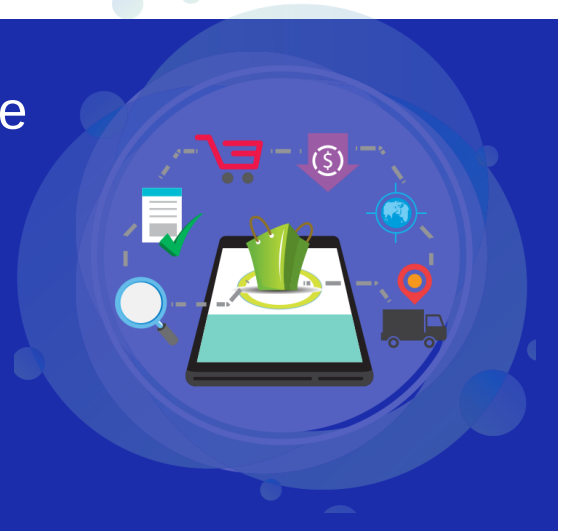
NREP works to drive **RE share to greater than 50% by 2040**, dominating the mix



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



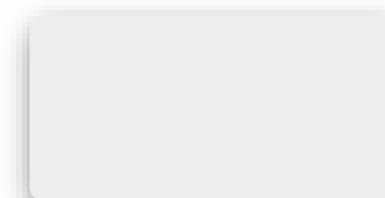
Incubation and Acceleration programs for startups:



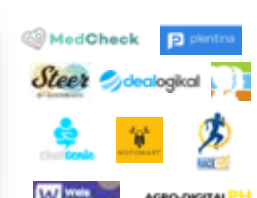
Assisted 20 early-stage startups



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



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

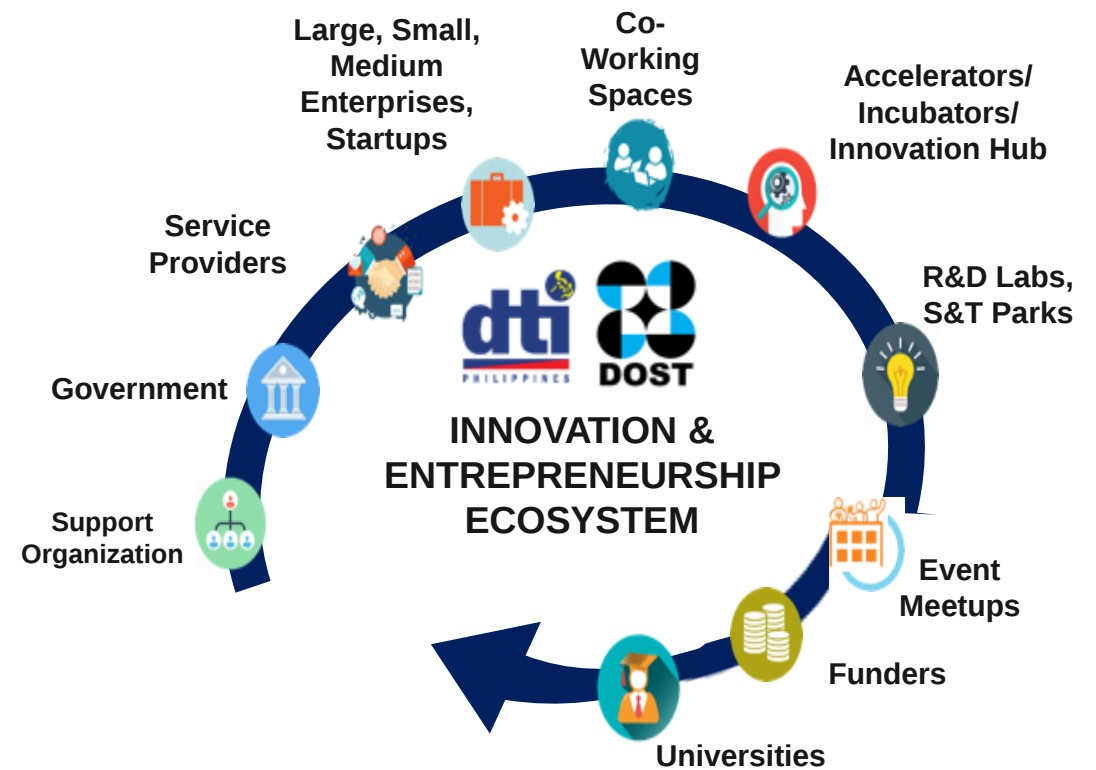
Startup Island: Cebu

Zampen Innohive: Region 9 Zamboanga

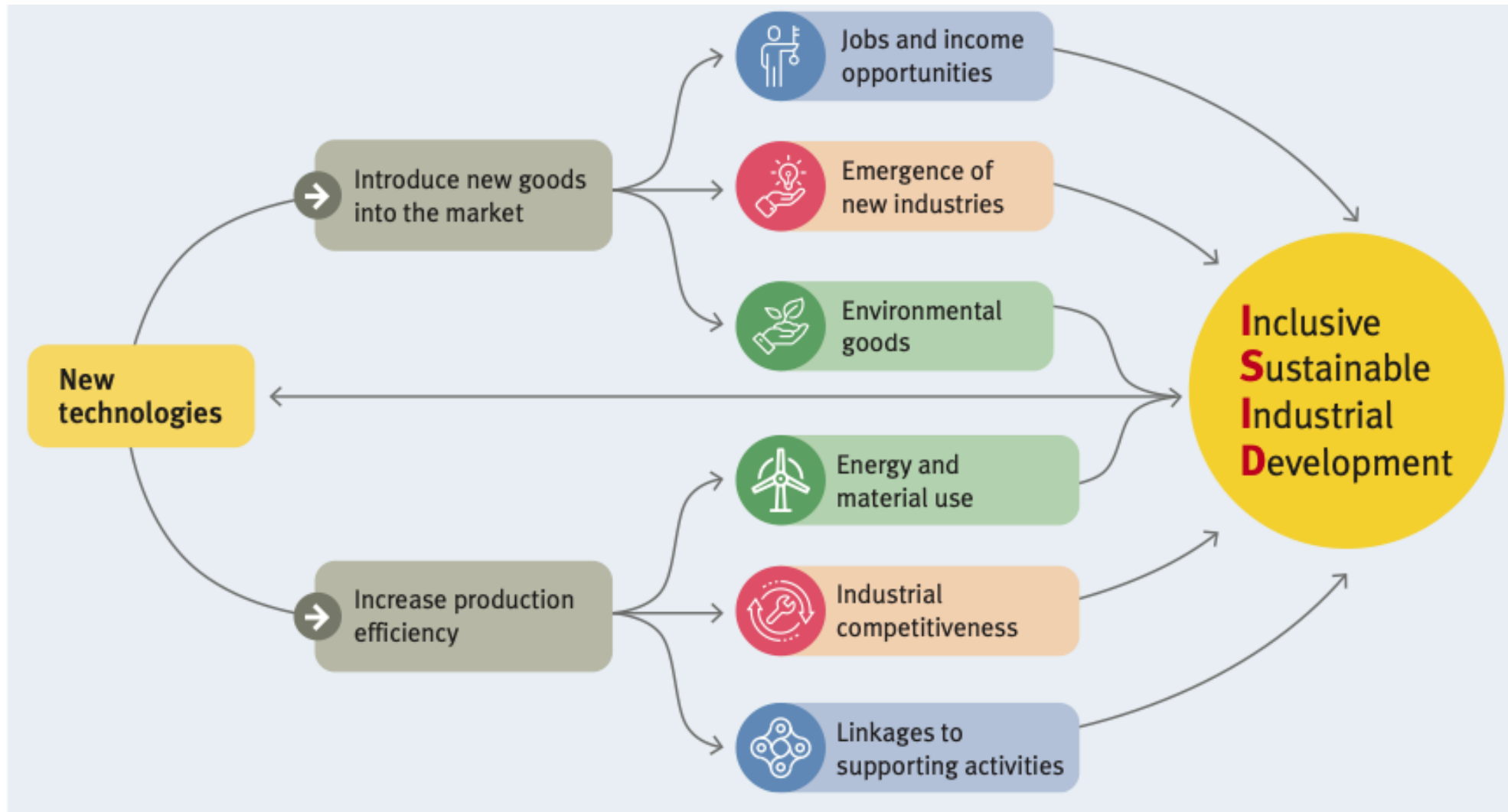
iSTRIKE Davao: Davao Regional Inclusive Innovation Center

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