



Initiatives, Innovations and Investments on Shipbuilding and Ship Repair Development

“Nationally Integrated and Globally Competitive Maritime Industry “

The Philippine Board of Investments

The BOI is the industry development and investment promotions arm of the Department of Trade and Industry.

Industry Development

- Craft policies and programs to promote and develop industries

Due Diligence Assistance

- Visit program development and briefing
- Business matching and information support

Business Registration Facilitation

- Fast tracking with registration procedures
- Assistance with investment promotion units (IPUs), government agencies, and local government units on pre-operational business requirements

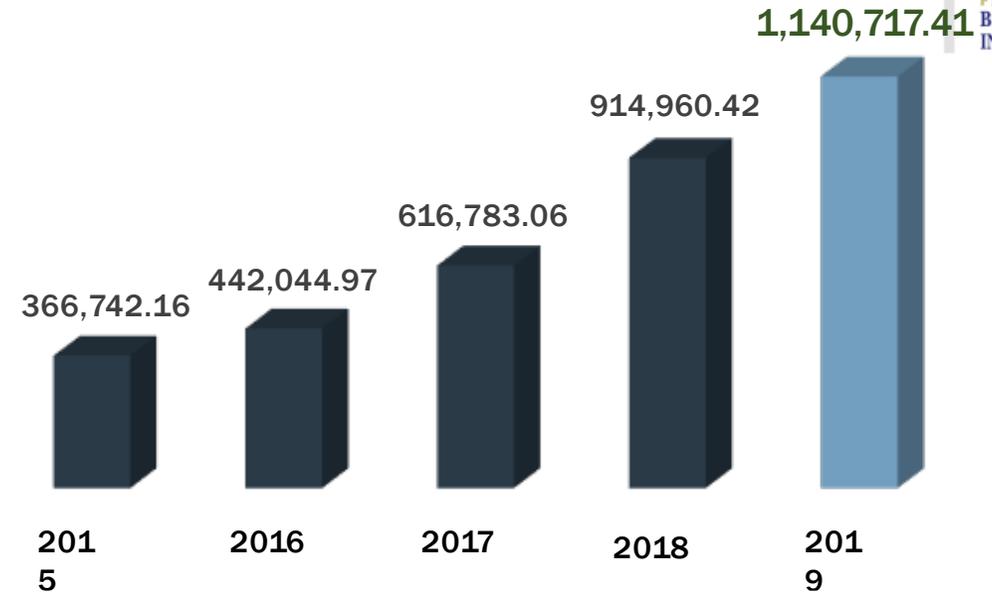
Aftercare Service

- Regular supervision and monitoring
- Government network to quickly respond to concerns



BOI-APPROVED INVESTMENTS

Highest investment approval in the agency's 52-year history



	2015	2016	2017	2018	2019
Foreign (PhpM)	59,507.04	89,395.89	21,736.51	103,97.23	335,740.98
Filipino (PhpM)	307,235.12	352,649.09	595,046.55	810,993.22	804,976.42
TOTAL	366,742.16	442,044.98	616,783.06	914,960.45	1,140,717.40
Growth Rates(%)	3.38	20.53	39.53	48.34	24.67
Employment	58,252	67,634	76,651	68,891	61,622
No. of Projects	358	378	435	371	376

BOI-APPROVED INVESTMENTS



APPROVED INVESTMENTS

Php 304.43B

January - June 2019



Php 645.28B

January - June 2020

112%
increase



EMPLOYMENT

17,214

January - June 2019



27,082

January - June 2020

57%
increase

BOI Registered Shipbuilding and Ship Repair Projects(2000-2020)

Companies registered Shipbuilding and Ship Repair projects with BOI with Incentives:

1. Hanjin
2. Herma Shipyard
3. Colorado Shipyard
4. Gensan Shipyard Corporation
5. SAS Shipyard Inc.
6. Etc.



Business Opportunities: 2017 Investment Priorities Plan

2017 INVESTMENT PRIORITIES PLAN

SCALING UP
and DISPERSING
OPPORTUNITIES



A. Preferred Activities

1. ALL QUALIFIED MANUFACTURING ACTIVITIES

2. AGRICULTURE, FISHERY AND FORESTRY

3. STRATEGIC SERVICES

a. IC Design

b. Creative Industries/
Knowledge-Based Services

a. Maintenance, Repair, and Overhaul
(MRO) of Aircraft

b. Charging/Refueling Stations for
Alternative Energy Vehicles

c. Industrial Waste Treatment

d. Telecommunications

e. State-of-the-art Engineering,
Procurement & Construction

4. HEALTHCARE SERVICES INCLUDING
5. DRUG

REHABILITATION CENTERS

5. MASS HOUSING

6. INFRASTRUCTURE & LOGISTICS
INCLUDING LGU-PPPs

7. INNOVATION DRIVERS

8. INCLUSIVE BUSINESS MODELS

9. ENVIRONMENT OR CLIMATE CHANGE-
RELATED
PROJECTS

10. ENERGY

Incentives under E.O. 226



Income Tax Holiday



Duty exemption on imported CE,
Spare parts and accessories
under E.O 57



Exemption from wharfage dues and
any export tax, duty, impost and fees



Tax exemption on breeding stocks
and genetic materials



Tax credit on Imported raw materials

Tax and duty free importation
of consigned equipment



Additional deduction for labor
expense



Employment of foreign
nationals



Simplification of customs
procedures



Access to bonded manufacturing
warehouse



Snapshot of the Philippine Shipbuilding Industry



5TH Largest Shipbuilding Nation in terms of World Completions

SOURCE: Shipbuilders Association of Japan

118 SHIPYARDS

In 2019, Philippines exported a total of US\$ 557 Million worth of SBSR goods.

Shipbuilding Output:
98% of the country's ship building output are less than 60,000 GT vessels exported by a handful of foreign shipyards, only 2% for domestic market.

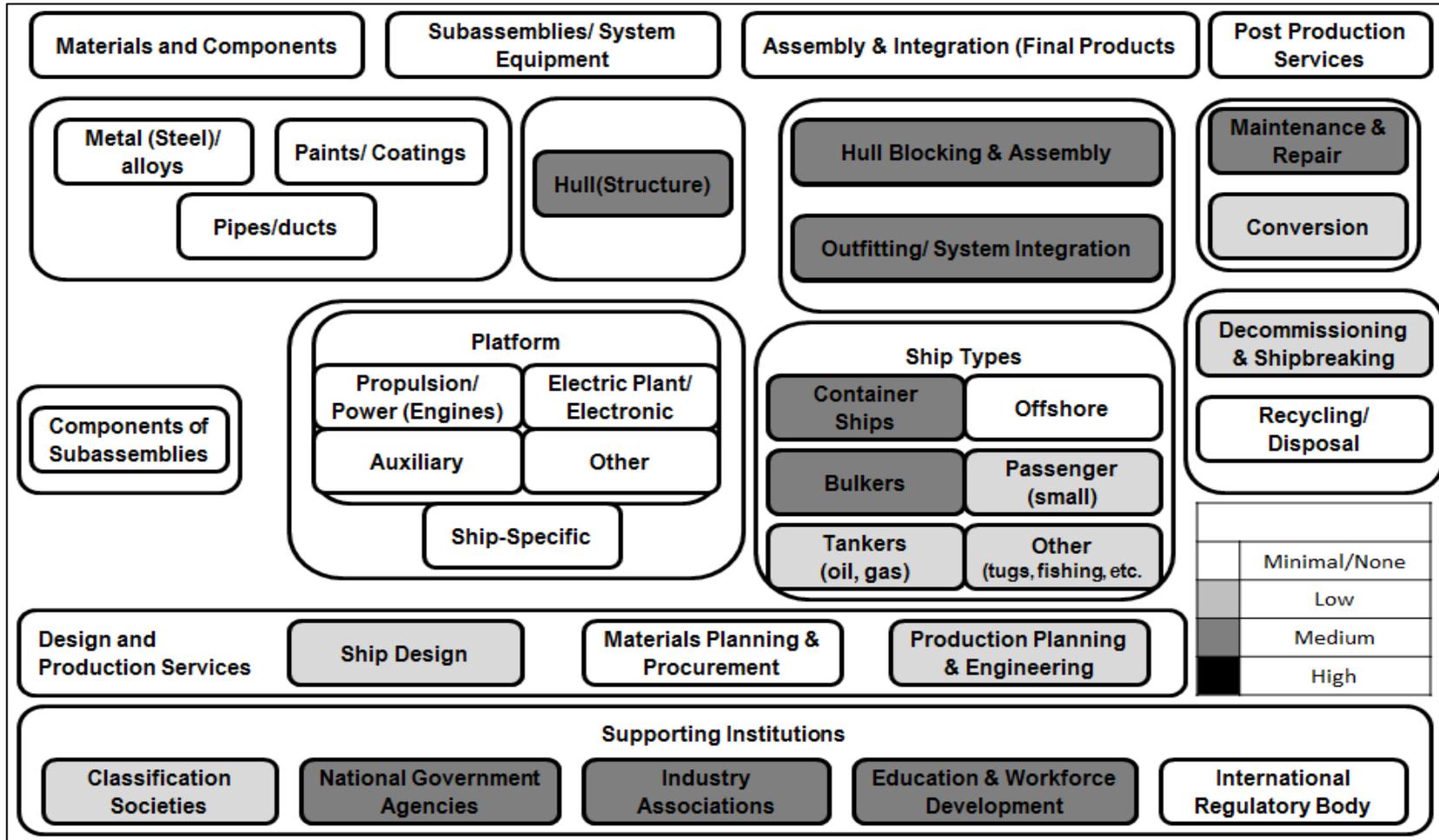


The country topped in terms of shipbuilding orders in February 2020. (Source: statista.com)

“The Philippines lies along key Southeast Asian trade routes – a natural destination for ship repairs.”



The Philippines in the Global Shipbuilding Value Chain



Limited integration in the Shipbuilding GVC

- The Philippine shipbuilding industry mainly revolves around production of bulk carriers and containerships, and ship repair.
- Bulk carriers and containerships, produced by foreign-owned shipbuilders, are mainly exported.
- Domestic shipyards primarily engage in ship repair.

Opportunities in the Philippine Shipbuilding Industry

Maritime Industry Development Plan

(2019-2028)



To accelerate achievement of nationally-integrated and globally competitive maritime industry



**AFP MODERNIZATION PROGRAM
Second Horizon
(2018 - 2022)
(USD 1.44 billion – Philippine Navy)**

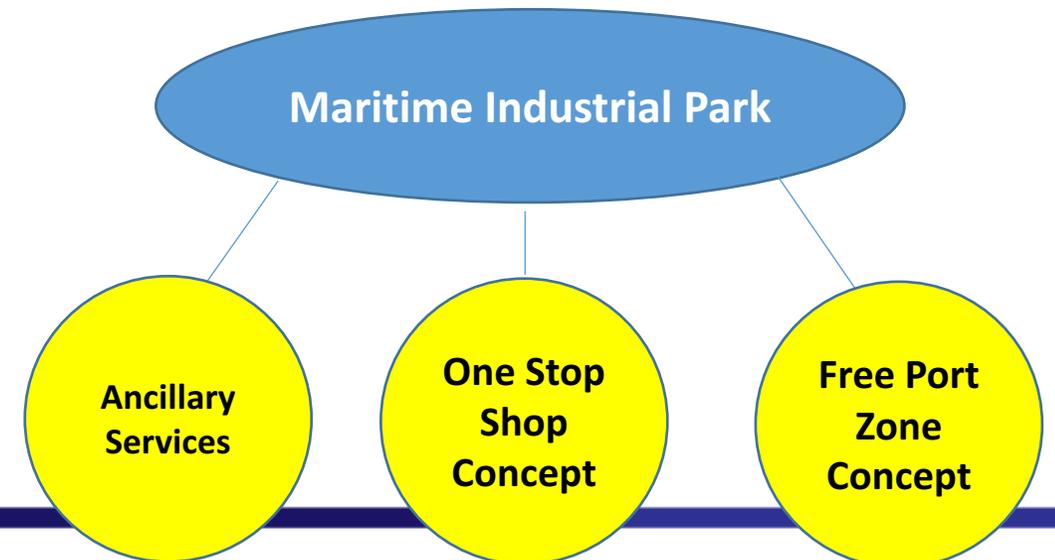
(Future acquisitions of frigates, corvettes, OPVs, submarines)

Maritime Industrial Park (MIP)

The enabling environment for SBSR Industry



- **RoRo Modernization Program (RMP)**
- **Replacement of old vessels**





Industry Promotion and Policy Formulation Initiatives



Identification of possible shipyard location



Identification of Leads and Investments Mission/s



Participation in Maritime Related Events



STANDARDS



Policy Recommendation on Retirement of Old Vessels and Improvement of Flagship Registry



Industry Development Initiatives



shutterstock.com • 1020873712

1) Policy to Exempt Ship Repair Industry from the Brand New Equipment Policy of the BOI



2) Participation in the ongoing development of National Standards for Shipbuilding

Innovation Initiatives

The BOI provides incentives to shipbuilders as a form of government support to projects that foster innovation and welcome the building of electric vessels in compliance with MARPOL Treaty and other relevant Conventions.

1) The Philippines' first Hybrid Trimaran



Cost:	₱76 million
Capacity:	100 passengers, 4 vans, and 15 motorcycles

Source: [DOST-MIRDC](#)

2) Electric Vessels



Way Forward

(BOI Proposed Future Projects for Shipbuilding Industry Development)



MOU/MOA between DTI-BOI, MARINA, DBP and LBP on special rates for ship financing scheme

- This aims to provide opportunities for the Philippine Shipbuilding and Shipping Industry of a low financing scheme in order to spur shipbuilding activities and replacement of old ships amidst the impact of COVID 19 .



Aluminum welding training program for shipbuilding workers

- Skill development training in cooperation with MARINA, DOST-MIRDC and Philippine Welding Society (PWS) as partners of BOI) in relation to the replacement of wooden hulled vessels program of MARINA to match the demand of aluminium hulled vessels in the local shipbuilding industry

Industry Development Services



Dr. Ceferino S. Rodolfo
Undersecretary
Department of Trade and Industry
Ceferino.Rodolfo@dti.gov.ph

Ms. Ma. Corazon H. Dichosa
Executive Director
Industry Development Services
Board of Investments
MCHDichosa@boi.gov.ph

Ms. Evariste M. Cagatan
Director
Manufacturing Industries Service
Board of Investments
EMCagatan@boi.gov.ph