



Philippines and Argentina: Trade and Investment Opportunities

The Philippines at glance



- ▶ Population: 101 million people, median age: 22.7 years
- ▶ Labor force: 40 million. Large proportion of highly-skilled, English-proficient workers.
- ▶ Gateway to access 630 million ASEAN market



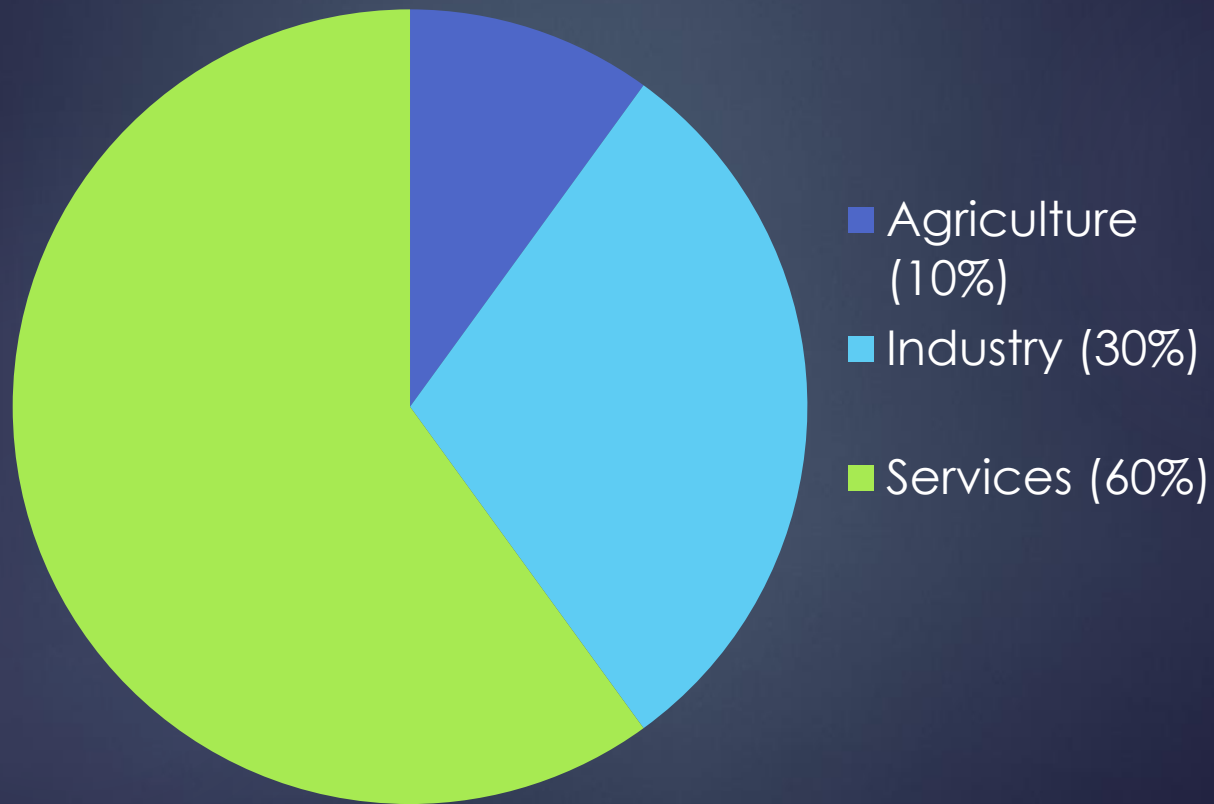
Philippine Economic Progress

- ▶ GDP growth: 6.7% in 2017, 6.2% in 2018.
- ▶ GDP size: USD 300 billion
- ▶ April 2019: BBB+ status from Standard and Poor's
- ▶ By 2050 the Philippines is projected to become:
 - ▶ The 16th economy in the world.
 - ▶ The 5th economy in Asia.



Philippine Economic Progress

► Industry % share of GDP:

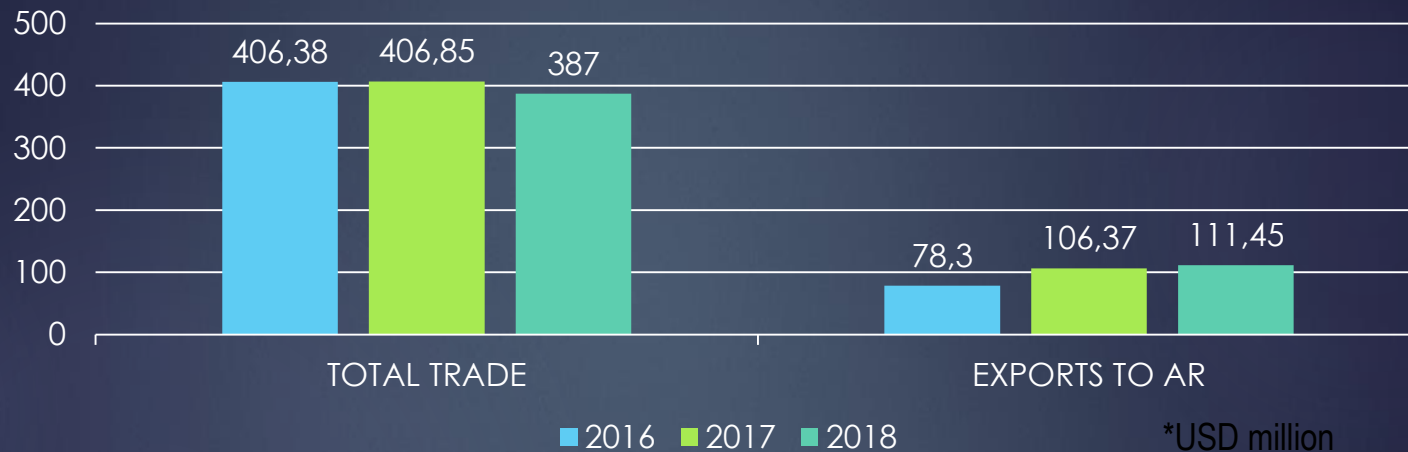


ADVANTAGES



TOTAL TRADE Philippines - Argentina

TRADE GROWTH 2016-2018

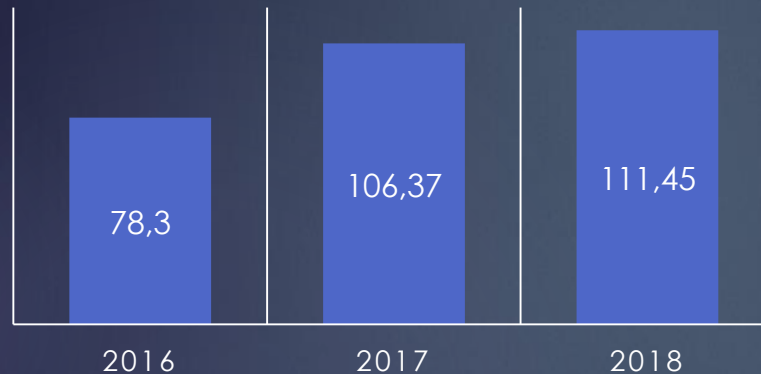


- In 2018 **TOTAL TRADE** between both countries reached **USD \$387** million.
- In 2018 **TOTAL EXPORTS FROM PH TO ARGENTINA** reached **USD \$111.45** million.

TRADE BALANCE 2018

EXPORTS TO AR

■ EXPORTS



IMPORTS FROM AR

■ IMPORTS



*USD Millions

Fuente: DTI Export Marketing Bureau

MAIN PHILIPPINE EXPORTS TO ARGENTINA:

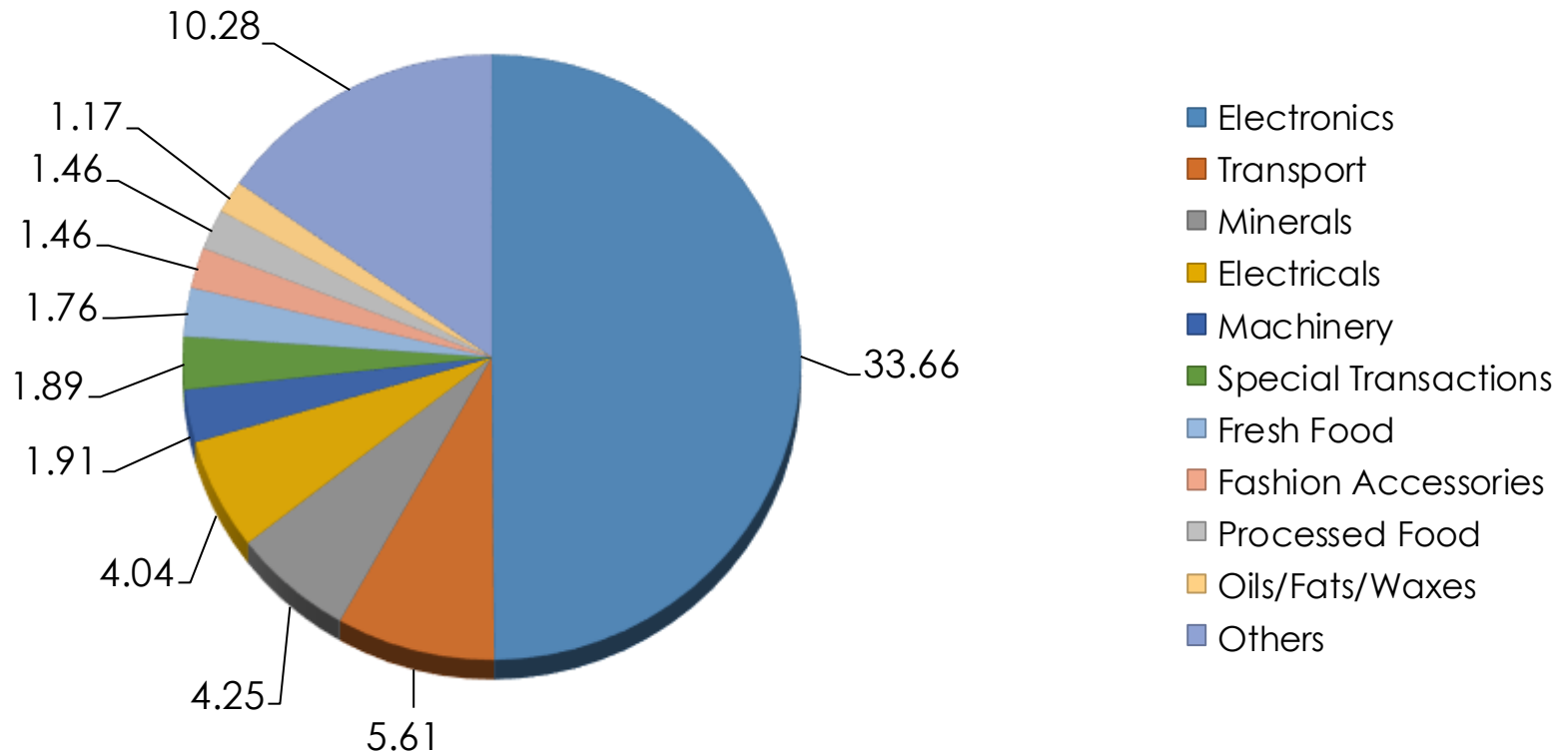
Gear boxes, transmission shafts, input or output units whether or not containing storage units in the same housing, ignition wiring sets, seaweed and other algae.

MAIN IMPORTS FROM ARGENTINA:

Oil-cake and other solid residues, maize, tobacco, protein concentrates, mandarins.

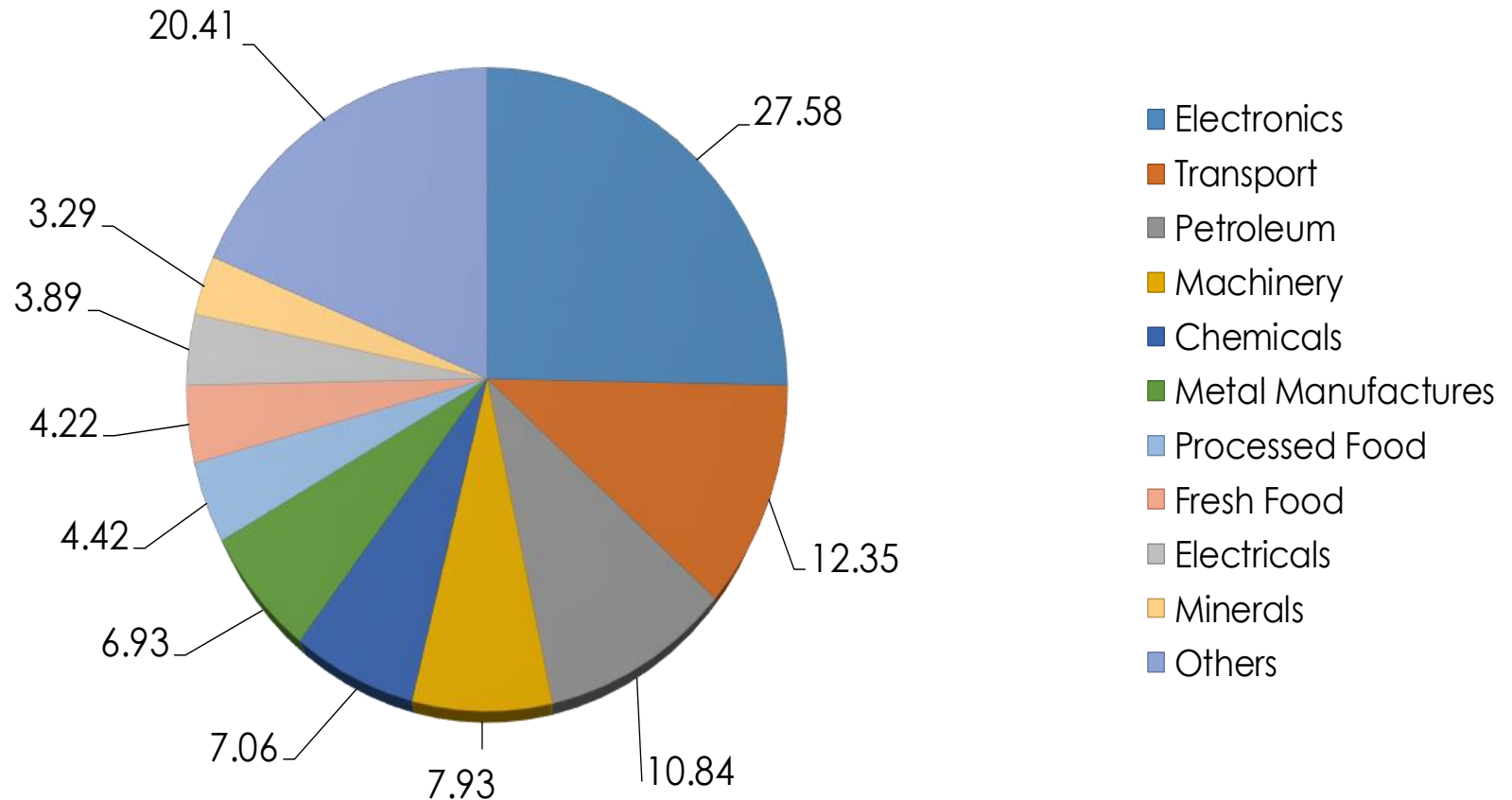
2018 TOP 10 MERCHANDISE EXPORTS TO THE WORLD

US\$ 67.49 Billion



2018 TOP 10 MERCHANDISE IMPORTS FROM THE WORLD

US\$ 108.93 Billion



EXPORTS TO ARGENTINA 2018

Value in \$US Million

Description	2018	Share
	Value	%
Top 5		
Gear boxes	30.33	27.21
Transmission shafts	27.30	24.49
Input or output units whether or not containing storage units in the same housing	22.04	19.77
Ignition wiring sets	13.16	11.81
Seaweed and other algae	2.98	2.67

IMPORTS FROM ARGENTINA 2018

Value in \$US Million

Description	2018	Share
	VALUE	%
Top 5		
Oil-cake and other solid residues	214.13	77.71
Maize	21.13	7.67
Tobacco	8.19	2.97
Protein concentrates	4.94	1.79
Mandarins	4.80	1.74

Investing in the Philippines

Step 1

Identify the activities that the foreign investor will undertake

Step 2

Determine whether these activities are subject to foreign equity restrictions, special licensing, or registration requirements

Step 3

Register with the Philippines' Securities and Exchange Commission (SEC)

Investing in the Philippines

Step 4

Comply with basic and mandatory post-registration requirements with various government agencies, including the local government unit, the Philippine Bureau of Internal Revenue, and employee welfare agencies

Step 5

Obtain the applicable special licensing or registration requirements

Republic Act 7042, the Foreign Investments Act of the Philippines, allows up to 40% foreign equity in the following areas:

- ▶ Exploration, development of natural resources
- ▶ Ownership of private lands
- ▶ Operation of public utilities
- ▶ Educational institutions, other than those established by religious groups and other missions
- ▶ Culture and production of rice
- ▶ Contracts for government entities
- ▶ Facilities requiring public franchise
- ▶ Operation of deep sea commercial vessel
- ▶ Adjustment companies

Incentives offered by the Board of Investments

- The company must be registered with the Board of Investments (BOI)
- The company must have less than 40% foreign ownership
- The company must invest in activities under the Investments Priority Plan (IPP)



Activities under the Investments Priority Plan:

- Manufacturing, including agro-business
- Agriculture, fishery, forestry
- Creative industries
- Knowledge-processing
- Aircraft maintenance
- Industrial waste treatment
- Telecommunications
- Advanced engineering
- Mass housing
- Infrastructure and logistics
- New and emerging technologies
- Inclusive business models
- Climate change-related projects

INCENTIVES FOR INVESTMENT

INCENTIVE	CONDITIONS
INCOME TAX HOLIDAY (IHT)	UP TO 8 YEARS
% TAX ON GROSS PROFIT	
IMPORTATION OF CAPITAL ASSETS	0%
EXPORT TAXES	0%
SIMPLIFICACIÓN DE TRAMITES DE ADUANA	
EMPLEO DE NACIONALES DEL PAÍS INVERSOR	
SUBSIDIO PARA VENTAS NACIONALES	HASTA UN 30% DEL TOTAL DE LAS VENTAS

INCENTIVES	BOI (Executive Order No. 226)	PEZA (Republic Act No. 7916, as amended)	CDC / SBMA (R.A. 7227 BCDA)	CEZA (R.A. 7922)	AFAB (R.A. 9728)	APECO (R.A. 9490)	ZCSEZA (R.A. 7903)
Applicable IPAs	RBOI-ARMM (E.O. 458)		BCDA Group IPAs (BCDA, CDC, CIAC, PPMC, JHMC)				
	PHIVIDEA (whichever is eligible)						
Income Tax Holiday (ITH)	4 – 6 years (max of 8 years)		Exempted from all local and national taxes (value-added taxes, franchise taxes, excise and ad valorem taxes)		4 – 8 years	4 – 8 years	4 – 6 years
ITH Bonus	3 years provided the firm meets certain conditions						2 years provided the firm meets certain conditions
Special Tax Rate of 5% on Gross Income	N/A	Special Tax Rate of 5% on Gross Income Earned (GIE) after ITH period	Special Tax Rate of 5% on Gross Income Earned (GIE)		Special Tax Rate of 5% on Gross Income Earned (GIE) after ITH period		
Importation of Capital Equipment, Spare Parts and Supplies	0% Duty	Tax and Duty-Free			Tax and Duty-Free	Tax and Duty-Free	0% Duty
Wharfage Dues and Export Tax, Duty, Impost and Fees	Exempted		None	Exempted			
Employment of Foreign Nationals	<ul style="list-style-type: none">Foreign nationals may be employed in supervisory, technical or advisory positions within 5 years from a project's registration, extendible for limited periods. The positions of president, general manager, and treasurer or their equivalents, of foreign-owned registered firms may be retained by foreign nationals for a longer period.All foreign employees may bring with them their spouses and unmarried children under 21 years of age.						

IPAs that do not grant incentives: MINDA, SCAD, TPB, PRA

MARKET ACCESS



The country's location is a **critical entry point** to over 600 million people in the ASEAN Market and a natural gateway to the East-Asian economies.

The country is likewise placed at the **crossroads of international shipping and airlines.**

Within Asia, the Philippines is reachable **within 3 to 4 hours by plane.**



Trade and Investment Opportunities

MUTUAL INVESTMENTS



FARMESA has a commercial office in Fort Bonifacio, Manila, being the first Argentinian investment in the Philippines in many years.

This is part of the company's expansion plans in the region which includes the set up of a seaweed processing plant.



On October 2008, ICTSI concluded the signing of the 30-year Concession Agreements to develop and operate at La Plata container terminal.

On April 10 2019, ICTSI launched operations at TecPlata a new port, the most modern in Argentina equipped with the latest infrastructure, equipment and computer systems in the industry.

TRADESHOWS

IFEX PHILIPPINES 2019

NEXT FOOD

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NXTF D
ASIA

<http://www.ifexphilippines.com/en>



THE
NEXT D
BIG THING.

The IFEX Philippines Very Important Buyer (VIB) Program

The VIB Program is an institutionalized package of services and benefits for foreign buyers of IFEX Philippines. It is designed to provide a meaningful and rewarding sourcing experience at the show.

The following product categories are covered:

- ▶ Alcoholic and Non-alcoholic Beverages
- ▶ Coffee, Herbal Teas and Cocoa
- ▶ Food Processing Equipment, Packaging, Refrigeration and Storage
- ▶ Fresh and Processed Seafood
- ▶ Fruits and Vegetables
- ▶ Grains, Cereals and Commodities
- ▶ Herbs and Spices
- ▶ Meat and Poultry
- ▶ Natural, Healthy and Organic Products
- ▶ Seafood and Marine Products
- ▶ Specialty, Ethnic and Gourmet Products

VIB Categories and Package Incentives

VIB CATEGORIES	INCENTIVE PARTICULARS		
	BUYER CARE AND SERVICES	AIRFARE* SUBSIDY	HOTEL ACCOMMODATION
TOP-GROCER Decision makers, purchasing managers and importer/distributor dealing with major food retail chain operators, such as supermarkets, hypermarkets, convenience stores and wholesale clubs. Top-Grocers must have an annual sales of USD 10M and above if their product line category is under Fast Moving Consumer Goods (FMCG) Retail, or USD 5M and above if their product line category is under Contract or Hospitality markets.	✓	✓	✓ Two (2) nights/stay
GUEST LUMINARY Industry authorities and notables, as well as heads of relevant business associations that influence industry or public opinion. Examples are resource speakers, celebrity chefs, journalists and heads of retail or importer associations. A Guest Luminary must commit to play an active role or be in attendance in any or all IFEX Philippines special events or activities.	✓	✓	✓ Two (2) nights/stay
HEAD OF DELEGATION Primary organizers/companies or coordinators of overseas buying missions composed of, at least, 10 buyers including independent retailers and wholesalers. The delegation may also include marketing agents, officials of the Philippine Trade and Investment Center (PTIC) and Philippine Embassies abroad.	✓	✓	✓ Two (2) nights/stay
NOMINATED VIBS Trade buyers that have retained an annual sales between \$1M and \$10M if their product line category is under FMCG Retail or between \$300,000 and \$5M if their product line category is under the Contract or Hospitality markets.	✓	✗	✓ Two (2) nights/stay

* with airfare cap

MANILA FAME 2019



MANILA FAME

WORLD TRADE CENTER
METRO MANILA
PASAY CITY, PHILIPPINES
25-27 APRIL 2019

CRAFTED FOR THE
WORLD



<http://www.manilafame.com/>



Thank you.

Philippine Embassy in Buenos Aires

buenosaires.pe@dfa.gov.ph

Philippine Trade and Investment Center - Mexico

mexico@dti.gov.ph