

09

Expanding Economic
Opportunities
in Industry and
Services through
Trabaho at Negosyo

Expanding Economic Opportunities in Industry and Services through *Trabaho at Negosyo*

As part of reducing inequality, the Philippine Development Plan (PDP) 2017-2022 aims to expand economic opportunities in the industry and services (I&S) sectors. Expanding economic opportunities in I&S is critical in laying down the foundation for inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy. The PDP also seeks to increase the access of micro, small, and medium enterprises (MSMEs), cooperatives, and overseas Filipinos (OFs) to economic opportunities. Doing so is crucial in creating more economic activities to reduce inequality and poverty.

To achieve these sector outcomes, Chapter 9 of PDP 2017-2022 outlines seven subsector outcomes and corresponding strategies that need to be implemented. These are as follows: a) local and foreign investments increased; b) competitiveness, innovativeness, and resilience of I&S increased; c) market access improved (*refer to PDP Chapter 15 for the specific strategies*); d) consumer access to safe and quality goods and services ensured; e) access of MSMEs and cooperatives to production networks improved; f) access to finance of MSMEs, cooperatives, and OFs improved; and g) productivity, efficiency, and resiliency of MSMEs, cooperatives, and OFs enhanced (*refer to Figure 9.1*).

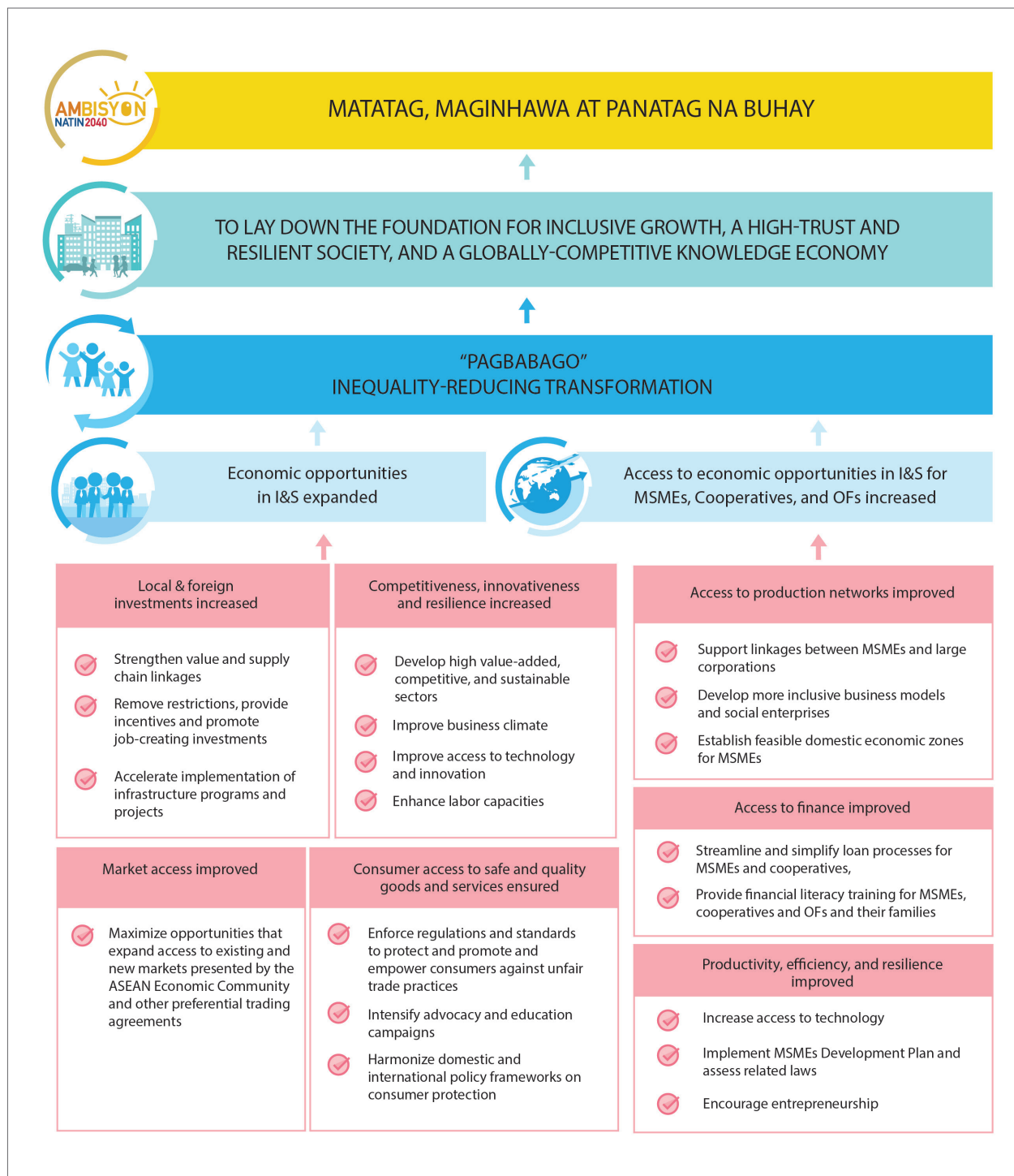
LINKAGE WITH PDP AND ITS RESULTS MATRICES

There are 33 priority programs and projects (PAPs) for the I&S sectors with total investment targets amounting to ₱36,934.59 million for 2017-2022 (*refer to Table 9.1.A*). Of the total, 26 PAPs support Sector Outcome A: Economic opportunities in I&S expanded. Four PAPs of which support Subsector Outcome A.1: Local and foreign investments increased and 22 PAPs for Subsector Outcome A.2: Competitiveness, innovativeness, and resilience of I&S increased.

On the other hand, six PAPs are directed at Sector Outcome B: Access to economic opportunities of the MSMEs, cooperatives, and OFs in the I&S sectors increased; covering Subsector Outcome B.1: Access to production networks improved; Subsector Outcome B.2: Access to finance improved; and Subsector Outcome B.3: Productivity, efficiency, and resilience enhanced. One project, the Rural Agro-Industrial Partnership for Inclusive Development and Growth (RAPID Growth) cuts across all the sector outcomes.

Of the total investment targets for 2017-2022, almost three-quarters (74.54%) are in support of Subsector Outcome A.2, while Subsector Outcome A.1 has a share of 4.29 percent. Meanwhile, 15.5 percent of the total investment targets is shared among the subsector outcomes under Sector Outcome B. The remaining 5.6 percent of total investment targets support both Sector Outcomes A and B.

Figure 9.1. Strategic Framework to Expand Economic Opportunities in Industry and Services through Trabaho at Negosyo



HIGHLIGHTS OF THE PIP CHAPTER

Five PAPs that fall under the Core Investment Projects/Programs (CIPs) are as follows:

- a. The Duty Free Retail Development Project which aims to expand the operations of Duty Free Philippines through an operations and management contract (franchise) with the private sector, also supports the goal of improving tourism through better services for tourists and returning Filipino travelers as well as increasing government revenues (Subsector Outcome A.1);
- b. Joint venture for the development of a Quezon City property to improve postal services and connectivity (Subsector Outcome A.2);
- c. Trade and Inclusive Economic Growth Facility to help the Philippines achieve sustained and inclusive economic growth by connecting the country with the global economy, improving competitiveness through domestic regulatory reforms, providing better jobs and increasing inclusiveness, responding to emerging economic issues, and strengthening economic institutions (Subsector Outcome A.2);
- d. Development of the Tawi-Tawi and Basilan Ecozones and creation of Halal Hubs in the Autonomous Region in Muslim Mindanao (ARMM) to improve the access of MSMEs to production networks (Subsector Outcome B.1); and
- e. The RAPID Growth Project to help MSMEs in high-growth sectors by providing package of sector-focused, firm-level, value chain-based, and climate smart assistance and financing program (Sector Outcomes A and B).

The total investment targets for 2017-2022 of the aforementioned CIPs amounting to ₱30,816.95 million account for 83.44 percent of total investment targets under this Chapter (*refer to Table 9.1.B*).

Implementing Agency

More than 60 percent (62.56%) of the total investment targets for 2017-2022 account for PAPs to be implemented by attached agencies of the Department of Tourism (DOT), followed by the Department of Trade and Industry (DTI) (19.72%), ARMM (8.39%), and the Philippine Postal Corporation (PHLPOST) (3.17%) (*refer to Table 9.2.A*). The CIPs for the I&S sectors will be implemented by the same aforementioned agencies (*refer to Table 9.2.B*).

Spatial Coverage

Interregional PAPs account for 62.13 percent (₱22,946.40 million) of the total investment targets, while nationwide and region-specific PAPs have a share of 23.79 percent (₱8,785.30 million), and 14.09 percent (₱5,202.88 million) for 2017-2022, respectively (*refer to Tables 9.3.A for the PIP and 9.3.B for the CIP*).

Mode of Implementation

Majority of the PIP in the I&S sectors (23 out of the 33 PAPs representing 69.70%) will be carried out through local funds (e.g., General Appropriations Act). The rest will be carried out through other modes such as public-private partnership (PPP), official development assistance (ODA), joint ventures, among others (*refer to Table 9.4.A*).

The five CIPs under this Chapter will be implemented through ODA (2 PAPs), and one project each for local funding, PPP, and joint venture (*refer to Table 9.4.B*).

Status/Level of Readiness

Of the 33 PAPs, 14 PAPs are ongoing, 15 PAPs are undergoing approval process, and four PAPs are for submission to the appropriate approving body (*refer to Table 9.5*).

SUMMARY TABLES

Table 9.1.A. PIP Investment Targets by Outcome

SECTOR OUTCOME	NO. OF PAPs	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
Sector Outcome A: Economic opportunities in I&S expanded	26	1,704.44	1,602.09	23,454.37	1,063.18	455.02	835.78	29,114.88	30,572.20
Subsector Outcome 1: Local and foreign investments increased	4	891.89	356.58	336.40	-	-	-	1,584.86	2,129.95
Subsector Outcome 2: Competitiveness, innovativeness, and resilience increased	22	812.55	1,245.52	23,117.97	1,063.18	455.02	835.78	27,530.02	28,442.25
Sector Outcome B: Access to economic opportunities in I&S for MSMEs, cooperatives, and OFs increased	6	113.44	1,617.25	3,563.75	441.55	4.55	4.55	5,745.07	7,302.44
Subsector Outcome 1: Access to production networks improved	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
Subsector Outcome 2: Access to finance improved	1	-	500.00	-	-	-	-	500.00	500.00
Subsector Outcome 3: Productivity, efficiency, and resilience enhanced	4	113.44	1,119.41	565.91	443.71	6.71	6.71	2,240.52	3,802.44
Sector Outcomes A and B	1	345.77	345.77	345.77	345.77	345.77	345.77	2,074.64	2,074.64
TOTAL	33	2,163.65	3,565.11	27,363.89	1,850.50	805.34	1,186.10	36,934.59	39,949.28

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.1.B. CIP Investment Targets by Outcome

SECTOR OUTCOME	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
Sector Outcome A: Economic opportunities in I&S expanded	3	1,306.16	460.17	22,500.17	610.17	255.47	610.17	25,742.31	26,903.23
Subsector Outcome 1: Local and foreign investments increased	1	875.99	-	-	-	-	-	875.99	1,307.51
Subsector Outcome 2: Competitiveness, innovativeness, and resilience increased	2	430.17	460.17	22,500.17	610.17	255.47	610.17	24,866.32	25,595.72
Sector Outcome B: Increased access to economic opportunities in I&S for MSMEs, cooperatives, and OFs	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
Subsector Outcome 1: Access to production networks improved	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
Sector Outcomes A and B	1	345.77	345.77	345.77	345.77	345.77	345.77	2,074.64	2,074.64
TOTAL	5	1,651.93	805.94	25,845.94	955.94	601.24	955.94	30,816.95	31,977.87

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.2.A. PIP Investment Targets by Implementing Agency

AGENCY	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
ARMM	2	-	-	3,100.00	-	-	-	3,100.00	3,100.00
CDA	1	-	500.00	-	-	-	-	500.00	500.00
DepEd	1	42.57	-	-	-	-	-	42.57	105.91
NBDB	1	42.57	-	-	-	-	-	42.57	105.91
DICT	2	-	15.09	5.14	5.20	-	-	25.43	25.43
DOST	11	250.72	454.66	420.39	352.64	101.39	124.36	1,704.15	1,831.03
DOST (Main)	3	213.54	305.03	72.85	4.55	4.55	4.55	605.07	688.10
FNRI	1	33.51	98.58	54.31	56.16	80.84	119.82	443.22	443.23
ITDI	1	-	22.70	31.00	12.70	-	-	66.40	66.40
MIRDC	4	-	28.35	262.23	279.23	16.00	-	585.81	585.81
PCAARRD	1	2.17	-	-	-	-	-	2.17	4.99
PNRI	1	1.50	-	-	-	-	-	1.50	42.50
DOT	7	40.00	296.15	22,110.00	220.00	220.00	220.00	23,106.15	23,106.15
DFPC	1	40.00	70.00	22,110.00	220.00	220.00	220.00	22,880.00	22,880.00
NPDC	6	-	226.15	-	-	-	-	226.15	226.15
DTI	6	939.07	2,269.21	1,477.56	1,272.66	483.95	841.74	7,284.20	9,570.17
DTI (Main)	5	938.47	1,942.64	1,391.96	1,272.66	483.95	841.74	6,871.42	9,150.82
NDC	1	0.60	326.58	85.60	-	-	-	412.78	419.34
PHLPOST	3	891.29	30.00	250.80	-	-	-	1,172.09	1,710.61
TOTAL	33	2,163.65	3,565.11	27,363.89	1,850.50	805.34	1,186.10	36,934.59	39,949.28

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.2.B. CIP Investment Targets by Implementing Agency

AGENCY	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
ARMM	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
DOT	1	40.00	70.00	22,110.00	220.00	220.00	220.00	22,880.00	22,880.00
DFPC	1	40.00	70.00	22,110.00	220.00	220.00	220.00	22,880.00	22,880.00
DTI	2	735.94	735.94	735.94	735.94	381.24	735.94	4,060.94	4,790.36
PHLPOST	1	875.99	-	-	-	-	-	875.99	1,307.51
TOTAL	5	1,651.93	805.94	25,845.94	955.94	601.24	955.94	30,816.95	31,977.87

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table No. 9.3.A. PIP Investment Targets by Spatial Coverage

SPATIAL COVERAGE	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
Nationwide	16	1,244.90	2,891.34	1,775.06	1,338.57	569.34	966.10	8,785.30	11,359.08
Interregional	2	40.00	92.70	22,141.00	232.70	220.00	220.00	22,946.40	22,946.40
Region-specific	15	878.75	581.07	3,447.83	279.23	16.00	-	5,202.88	5,643.80
ARMM	2	-	-	3,100.00	-	-	-	3,100.00	3,100.00
NCR	7	875.99	128.83	144.23	107.23	6.00	-	1,262.28	1,693.80
CALABARZON	1	2.17	-	-	-	-	-	2.17	4.99
No specified region	5	0.60	452.24	203.60	172.00	10.00	-	838.44	845.01
TOTAL	33	2,163.65	3,565.11	27,363.89	1,850.50	805.34	1,186.10	36,934.59	39,949.28

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table No. 9.3.B. CIP Investment Targets by Spatial Coverage

SPATIAL COVERAGE	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
Nationwide	2	735.94	735.94	735.94	735.94	381.24	735.94	4,060.96	4,790.36
Interregional	1	40.00	70.00	22,110.00	220	220	220	22,880.00	22,880.00
Region-specific	2	875.99	-	3,000.00	-	-	-	3,875.99	4,307.51
ARMM	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
NCR	1	875.99	-	-	-	-	-	875.99	1,307.51
TOTAL	5	1,651.93	805.94	25,845.94	955.94	601.24	955.94	30,816.95	31,977.87

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.4.A. PIP Investment Targets by Mode of Implementation

MODE OF IMPLEMENTATION	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
LFP (RA 9184)	23	511.12	2,381.54	4,139.11	602.63	188.10	230.15	8,052.65	9,899.86
PPP	1	40.00	70.00	22,110.00	220.00	220.00	220.00	22,880.00	22,880.00
ODA	2	735.94	735.94	735.94	735.94	381.24	735.94	4,060.94	4,790.36
Joint Venture	2	876.59	326.58	85.60	-	-	-	1,288.77	1,726.85
TBD	5	-	51.05	293.23	291.93	16.00	-	652.21	652.21
TOTAL	33	2,163.65	3,565.11	27,363.89	1,850.50	805.34	1,186.10	36,934.59	39,949.28

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.4.B. CIP Investment Targets by Mode of Implementation

MODE OF IMPLEMENTATION	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							TOTAL PROJECT COST*
		2017	2018	2019	2020	2021	2022	2017-2022	
LFP (RA 9184)	1	-	-	3,000.00	-	-	-	3,000.00	3,000.00
PPP	1	40.00	70.00	22,110.00	220.00	220.00	220.00	22,880.00	22,880.00
ODA	2	735.94	735.94	735.94	735.94	381.24	735.94	4,060.94	4,790.36
Joint Venture	1	875.99	-	-	-	-	-	875.99	1,307.51
TOTAL	5	1,651.93	805.94	25,845.94	955.94	601.24	955.94	30,816.95	31,977.87

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.

Table 9.5. PIP Investment Targets by Status/Level of Readiness

PROJECT READINESS	NO. OF PAPS	INVESTMENT TARGETS (IN ₱ MILLION)							
		2017	2018	2019	2020	2021	2022	2017-2022	TOTAL PROJECT COST*
With Total Project Cost above ₱2.5 Billion									
Ongoing	1	70.00	865.70	122.20	-	-	-	1,057.9	2,607.90
Undergoing Approval Process (Level 2)	1	390.17	390.17	390.17	390.17	35.47	390.17	1,986.32	2,715.72
For Submission to the Approving Body (Level 3 and Level 4)	2	40.00	70.00	25,110.00	220.00	220.00	220.00	25,880.00	25,880.00
Subtotal	4	500.17	1,325.87	25,622.37	610.17	255.47	610.17	28,924.22	31,203.62
With Total Project Cost of ₱1 Billion - ₱2.5 Billion									
Ongoing	1	41.27	247.00	437.00	437.00	-	-	1,162.27	1,162.27
Undergoing Approval Process (Level 2)	2	1,221.76	345.77	345.77	345.77	345.77	345.77	2,950.63	3,382.15
Subtotal	3	1,263.03	592.77	782.77	782.77	345.77	345.77	4,112.90	4,544.42
With Total Project Cost below ₱1 Billion									
Ongoing	12	399.85	542.70	479.91	165.63	188.10	230.15	2,006.34	2,303.54
Undergoing Approval Process (Level 2)	12	0.60	1,103.77	263.83	212.93	10.00	-	1,591.13	1,597.7
For Submission to the Approving Body (Level 3 and Level 4)	2	-	-	215.00	79.00	6.00	-	300.00	300.00
Subtotal	26	400.45	1,646.47	958.74	457.56	204.10	230.15	3,897.47	4,201.24
TOTAL	33	2,163.65	3,565.11	27,363.89	1,850.50	805.34	1,186.10	36,934.59	39,949.28

* May not be equal to the '2017-2022 investment targets' as total project cost may include investments prior to or after the 2017-2022 Plan period.