

**Regional Board of Investments – ARMM  
2017 NARRATIVE ANNUAL  
Accomplishment Report**

**I. MANDATE:**

**I.1. The Omnibus Investment Code of 1987- Executive Order No. 226**

Registration of investments with incentives pursuant to E.O. 226 otherwise known as the Omnibus Investments Code of 1987.

**I.2. Executive Order No. 458.**

Devolving the powers and functions of the Board of Investments over investments within the Autonomous Region in Muslim Mindanao to the Autonomous Regional Government and for other purposes signed by then President Corazon C. Aquino on May 17, 1991.

Section 27, Article XIII of Republic Act No. 6734, otherwise known as the Organic Act of the Autonomous Region in Muslim Mindanao (ARMM) provides that the Autonomous Regional Government (ARG) shall regulate and exercise authority over the foreign investments within its jurisdiction in accordance with its goal and priorities, subject, however, to the Constitution and National policies.

**II. INTRODUCTION**

The Regional Board of Investments (RBOI) is the agency responsible in the promotion and generation of investments. It also grants incentives to qualified investors engaged in projects that boosts economic activities in the region. The agency is geared towards increasing **investment and employment generation**. These projects are expected to bring about gainful employment, provide income for the people of ARMM, address security issues and most importantly **sustain the economic growth of the region**.

In the first semester of 2017, RBOI facilitated investment projects in the region complementing the economic programs of the Hataman Administration.

**III. THE REPORT**

**A. RBOI registered firms in 2017**

The Regional Board of Investments, Autonomous Region in Muslim Mindanao (RBOI-ARMM) approved Php3.2 billion worth of investments in 2017 or 53 percent higher as compared to last year's Php2.11 billion.

The region's top investor in 2017 is **TierOne Communications International Inc.** which invested on a telecommunications project worth Php3 billion. It will provide cellular services, broadband wireless internet, and public WiFi. The company also holds the record as the second biggest

investor in the history of ARMM next to Al Sahar Agri Ventures which invested PhP3.7 billion on banana plantations in 2015.

Next top investor is the **Bangsamoro Terminal Services Inc. (BTSI)** investing on a PhP129 million port related services project providing efficient logistics support to the thriving businesses in Cotabato City and nearby municipalities in Maguindanao.

Other notable investments in 2017 are the water treatment plant and bulk water supply (PhP40 million) of **Mactan Rock TGV Builders Corporation**; general cargo vessel with a capacity of 494 metric tons (MT) providing shipping services to traders in Tawi-Tawi (PhP33.5 million) of **J. Sayang Shipping Lines, Inc.** , and aqua-marine cold storage and fish processing facility (PhP32 million) of **Abing Seafoods and Cold Storage (ASCS)**.

A total of 1,877 jobs are expected to be created from the projects registered in 2017.

<b>Company</b>	<b>Project/ Activity</b>	<b>Location</b>	<b>Investment Value/Cost</b>	<b>Employment Generated</b>
1. Abing Seafoods and Cold Storage	Seafoods and Cold Storage	Bongao, Tawi-Tawi	Php 32-M	111
2. J. Sayang Shipping Lines Inc.	Tawi-Tawi Shipping Lines	Bongao, Tawi-Tawi Province	Php33.5-M	23
3. TierOne Communications	Telecommunications	Sultan Kudarat, Maguindanao	Php3-B	1,500
4. Bangsamoro Terminal Services (BTS) Inc.	Cargo Handling	Polloc, Parang Maguindanao	PhP129-M	232
5. Mactan Rock TGV Builders Corporation	Bulk Water Supply and Treatment	Sultan Kudarat, Maguindanao	Php40 M	11
<b>TOTAL</b>			<b>Php3.234B</b>	<b>1,877</b>



Signing of Memorandum of Cooperation between ARMM Regional Government represented by RG Mujiv Hataman and TierOne Telecom represented by its President Jonathon Bentley Stevens on July 28, 2017 at ARMM Manila Liason Office (MLO), Makati City. RBOI approved the registration of the Php 3.0 billion telecommunications investment project of TierOne Communications International, Inc. (TierOne).

**RBOI-ARMM Registered Investments  
CY 2012 to 2017**

YEAR	TOTAL INVESTMENTS (Php'000)	JOB GENERATION
2012	569 M	1,016
2013	1.463 B	1,743
2014	3.867 B	3,433
2015	6.579 B	4,894
2016	2.111 B	1,034
<b>2017</b>	<b>3.234 B</b>	<b>1,877</b>
<b>TOTAL</b>	<b>17.823</b>	<b>13,997</b>

- RBOI registered total approved investment of **Php 17.823B** and recorded a total of **13,997** employment from 2012-2017.

**2017 Executive Summary  
HIGHLIGHTS OF ACCOMPLISHMENT**

<b>MFO 7</b>	<b>Annual Target</b>	<b>Actual Accomplishment</b>	<b>% Accomplishment</b>	<b>Remarks</b>
No. of Applications Evaluated Approved	8 8	5 5	62% 62%	5 evaluated 5 approved
Amount of Investments Registered	Php 1 B	Php3.234M	323%	
Number of Jobs Created	1000	1877	188%	

**2017 Executive Summary  
HIGHLIGHTS OF ACCOMPLISHMENT**

<b>MFO 7</b>	<b>Annual Target</b>	<b>Actual Accomplishment</b>	<b>% Accomplishment</b>	<b>Remarks</b>
<b>Firms Monitoring and Supervision</b>				
No. of Firms Monitored/ Supervised	136	136	100%	
No. of Incentives Dispensed/ Monitored/Supervised	8	8	100%	
No. of Inter-agency/Industry Linkages/Investments/ Consultations Conducted	6	6	100%	

## **II. INVESTMENT PROMOTION ACTIVITIES**

### **II. 1. The 2017-2019 ARMM Investment Priorities Plan (IPP)**

As mandated under EO 458, devolving the powers and functions of BOI to ARMM Regional Government, the Regional Board of Investments (BOI) is the agency responsible in identifying priority activities to be registered and administered in the IPP for projects locating in the ARMM.

The 2017-2019 ARMM Investment Priorities Plan (IPP) was approved by President Rodrigo Roa Duterte on February 28, 2017. Registered firms with economic activities or projects listed in the ARMM List will be entitled to fiscal and non-fiscal incentives under Executive Order No. 226 otherwise known as the Omnibus Investments Code of 1987, as amended, provided they qualify certain criteria and fulfill the terms and conditions of registration with RBOI.

### **II.2. The 2017-2019 ARMM IPP lists**

The 2017-2019 ARMM List in the IPP 2017-2019 has the following as priority activities: export industry; agriculture and aquaculture; basic industries; infrastructure; industrial service facilities; engineering industries; logistics; BIMP-EAGA related investment enterprises; tourism; health and education services and facilities; Halal industry; bank and non-bank financial institutions including Islamic banking and finance; and energy.

The new ARMM List in the IPP 2017-2019 also emphasizes energy as a priority area. The fact remains that more energy investments are needed in the ARMM considering that the household electrification rate in the ARMM is the most dismal in the country with only 34% as compared with the national rate of 74% (NEA 2013). To align with the effort of the ARMM government to revitalize its linkage with the Brunei, Indonesia, Malaysia, Philippine East ASEAN Growth Area or BIMP-EAGA, RBOI has retained cross-border trade related enterprises in the ARMM List. ARMM seeks to attract more financing or financial institutions since the region remains to be severely underserved by banks. Other than conventional banking and finance, the list also included Islamic Banking and Finance. Access to basic financial services in ARMM is practically non-existent. According to the World Bank about 93% of cities and municipalities in ARMM are unbanked – representing the highest percentage of unbanked regions in the country.

### **II.3 IPP Roadshows**

Upon affectivity of the ARMM IPP List, it is mandated that RBOI has to conduct series of roadshows to promote and implement the new IPP. This 2017, a total of five roadshows were conducted regionwide. The roadshows started in Cotabato City (April 26, 2017) and Tacurong City (June 15, 2017) which were designed for the stakeholders of Maguindanao, whereas for Sulu and Basilan, the roadshow was held in Zamboanga City (July 27, 2017) while for Tawi-Tawi, it was held in Bongao (September 7, 2017) and for Lanao del Sur and Marawi City, it was held in Cagayan de Oro City.

#### II. 4. RBOI as IPA member of PIPP

RBOI is also an active member of the Philippine Investment Promotion Plan (PIPP) Team. Through the PIPP, the agency is able to work with the Subic Bay Metropolitan Authority (SBMA), Philippine Economic Zone Authority (PEZA), Clark Development Export Zone (CDC) and other Investment Promotion Agencies (IPAs) in the country. This will enable the region to widen its investment reach both domestic and foreign, broadened its network and linkages of investors, partner agencies and institutions. The PIPP is the blueprint for all IPAs to synchronize strategies in investment promotion.

#### II.5. RBOI Linkages and Networks.

The agency was able to link with thirteen (13) institutions on investment related activities and projects towards mutual cooperation and partnerships. RBOI made networks with the following agencies/organizations/LGUs namely: Mindanao Development Agency (MinDA), Unfruitti Group of Companies, Hineleban Foundation Inc., Philippine Business for Social Progress, DTI-Board of Investments National Office, the ARMM Regional Economic and Linkage Cluster (EGL) through RPDO, Bangko Sentral ng Pilipinas (BSP), LGUs- Province of Maguindanao, Tawi-Tawi and Marawi City, Japan International Cooperation Agency (JICA), Australian Aid, and the Bangsamoro Development Agency (BDA).

#### II.6. ARMM Embarks on BRIDGe Project To Sustain Business Enterprises

The Autonomous Region in Muslim Mindanao (ARMM) Regional Government is embarking on a Project **“Brokering Business Investments in the Bangsamoro to achieve Inclusive Development and Growth” (BRIDGe)** that aims to facilitate the development of the Bangsamoro-specific business investment standards and protocols that will empower both the communities and businesses to engage into sustainable business enterprises.

The Philippine Business for Social Progress (PBSP) and Hineleban Foundation in collaboration with the ARMM-Regional Board of Investments is now implementing the BRIDGe Project which is being funded by the Australian Government – Department of Foreign Affairs and Trade (DFAT).

The formal partnership among the players of the project was sealed on January 23, 2017 at the ARMM Manila Liaison Office in Makati City through the signing of a Memorandum of Understanding (MOU) between the ARMM Regional Government (ARG) through RBOI and PBSP. The MOU cites the roles and areas of cooperation of the project implementers for the successful implementation of the project.

Lawyer, Ishak V. Mastura, Chairman and Managing Head of RBOI said that part of the project outcome is to strengthen the capacity of RBOI to facilitate business Investments in the ARMM, help capacitate local communities to engage in business development and to promote business investments in the region among local and international investors.

At present, the RBOI BRIDGe Technical Working Group (TWG) together with selected members of the Economic Cluster (EC) such as RPDO, CDA, DENR, DTI and DAF have participated in a series of capacity trainings and visits to model farms. The RBOI and the EC-TWG also provided inputs in the documentation of business models in the ARMM as well as the development of the **Business Sustainability Framework in the Bangsamoro (BSFB)**, a document that outlines **recommendations** to potential investors on how to initiate new business in the Bangsamoro region. The BSFB is still on its draft stage for finalization by the Program Advisory Council (PAC) at the national level. Both Atty. Ishak



V. Mastura, Chairman/Managing Head of RBOI and DTI-ARMM Regional Secretary, Atty. Anwar A. Malang are members of the PAC representing the ARMM regional government.

### **III. INCENTIVES/SERVICES DISPENSED**

In 2017, four (4) incentives were dispensed to four (4) RBOI registered firms .These incentives are in the forms of Income Tax Holidays and importation of capital equipment. The office also issued five Certificates of Good Standing to five registered firms.

#### **(List of incentives/services provided to RBOI registered firms in 2017**

<b>Name of Company</b>	<b>Incentives/Services</b>
1. Agumil Philippines Inc.	Certificate of Good Standing Certificate of Entitlement for availment of ITH - Income Tax Holiday
2. Lamsan Power Corporation	Extension to Import Capital Equipment
3. Al SaharAgri Ventures Inc.	Certificate of Good Standing
4. Delinanas Development Corporation	Certificate of Entitlement for availment of ITH - Income Tax Holiday
5. Minrico Lumber Company Inc.	Certificate of Good Standing
6. MKAVI	Certificate of Good Standing
7. AMARDI	Certificate of Good Standing
8. Matling Commercial and Industrial Corporation	Importation of Capital Equipment

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