

# What is the Board of Investments?

The Board of Investments, being the first government agency with both planning and implementing functions, is charged with the task of accelerating the economic development of the country by restructuring its industrial pattern. This is sought to be achieved by implementing three investment laws, namely: R.A. 5186 or the Investment Incentives Act, R.A. 6135 or the Export Incentives Act and R.A. 5455 or the Foreign Business Regulation Act. These acts were designed to improve the pace of industrialization, and aim to raise the living standards of the people through increased economic opportunities and a more equitable distribution of the benefits of development.

### Programs

Thus, BOI formulates plans and programs shaped along a number of policies that reflect its desire to institute and maintain balance in the country's industrial pattern. Through a package of incentives, it encourages projects that will effect dispersal of industries among the rural areas, generate employment opportunities, promote labor-intensive manufactured goods for export, develop small and medium-scale industries and increase the utilization of indigenous raw materials. These policies are calculated to bring about long-run benefits to the economy in the form of foreign exchange savings or earnings, increased export opportunities, progressive increases in domestic content, fuller utilization of existing facilities and development and improvement of management methods, technical know-how and marketing strategies.

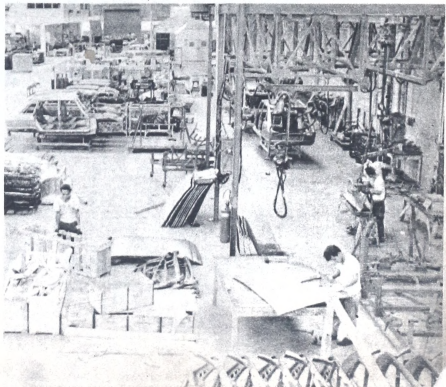
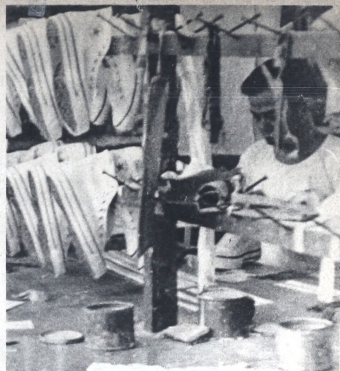
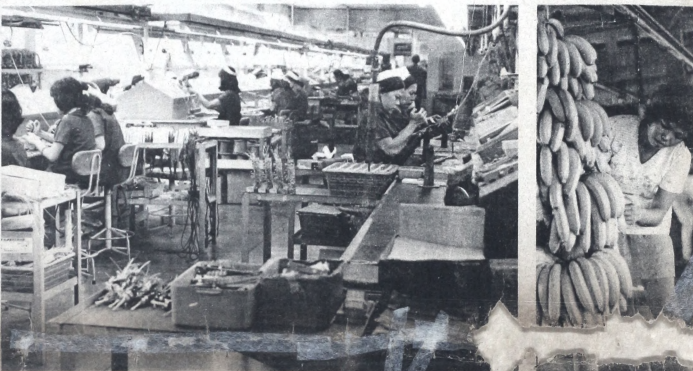
### Incentives

The Investment Incentives Act grants incentives to firms which undertake projects in declared preferred areas of investment. The Investment Priorities Plan (IPP) which is prepared annually by the Board, lists the preferred areas of economic activity considered essential to the development of the economy. Projects with high linkage effects are developed or expanded to lessen the gaps in the industrial structure. The law expressly welcomes and encourages foreign capital to establish pioneer enterprises which would utilize substantial amounts of domestic raw materials in joint venture with Filipino capital, whenever available.

### Exports

The Export Incentives Act encourages the utilization of excess manufacturing capacities for export, particularly those that are labor-intensive. It also grants incentives to export trading houses which collect and export the products of fragmented and dispersed existing capacities. Similarly, service exporters like cargo transport, legal consultancy and motion pictures as well as facilities that cater primarily to foreign tourists are given support by the Board. Exportable products that are entitled to incentives are listed in the Annual Export Priorities Plan prepared by the Board.

The third law, Foreign Business Regulation Act, covers the entry of foreign investments in the areas of business activity not listed in either the Investment Priorities Plan or the Export Priorities Plan. Through this, the BOI is able to channel foreign investments away from areas which are already adequately exploited by Filipino nationals into areas which will contribute to the sound and balanced development of the economy.



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