

“BUSINESS AS UNUSUAL” THE PHILIPPINE SPECIAL ECONOMIC ZONES (SEZs)

Coalition against Land Grabbing (CALG)



SEZs are key components of the BIMP-EAGA: The Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA)



Member countries interact in a virtual borderless growth area that would enlarge the Philippine's and neighboring SEA countries' economies with a minimum of protocols.

Exploitation of economic potentials found in their respective national territories, in addition to shared resources, technology, and information; as well by expanding intra-trade and intra-industry commonalities.

SEZs in the Philippines

Philippine special economic zones were established through **Republic Act No. 7916**, otherwise known as "The Special Economic Zone Act of 1995" as amended by Republic Act No. 8748.

ECONOMIC ZONES



R.A. 7916 – Special Economic Zone Act of 1995

Agro-industrial Bio-Fuel Manufacturing – specialized manufacturing of agricultural crops and eventual commercial processing which shall result in the production of clean energy such as bio-fuels and the like. Eligible firms shall qualify for registration as "Agro-Industrial Economic Zone Enterprise."



Balo-i Agro-Industrial Economic Zone

Ma. Cristina, Balo-i Lanao del Norte



PEZA

**AGRO-INDUSTRIAL
ECONOMIC ZONE**



BAEZ - SEZ

Registered with the
Philippine Economic Zone Authority



AGRO-INDUSTRIAL ECONOMIC ZONES

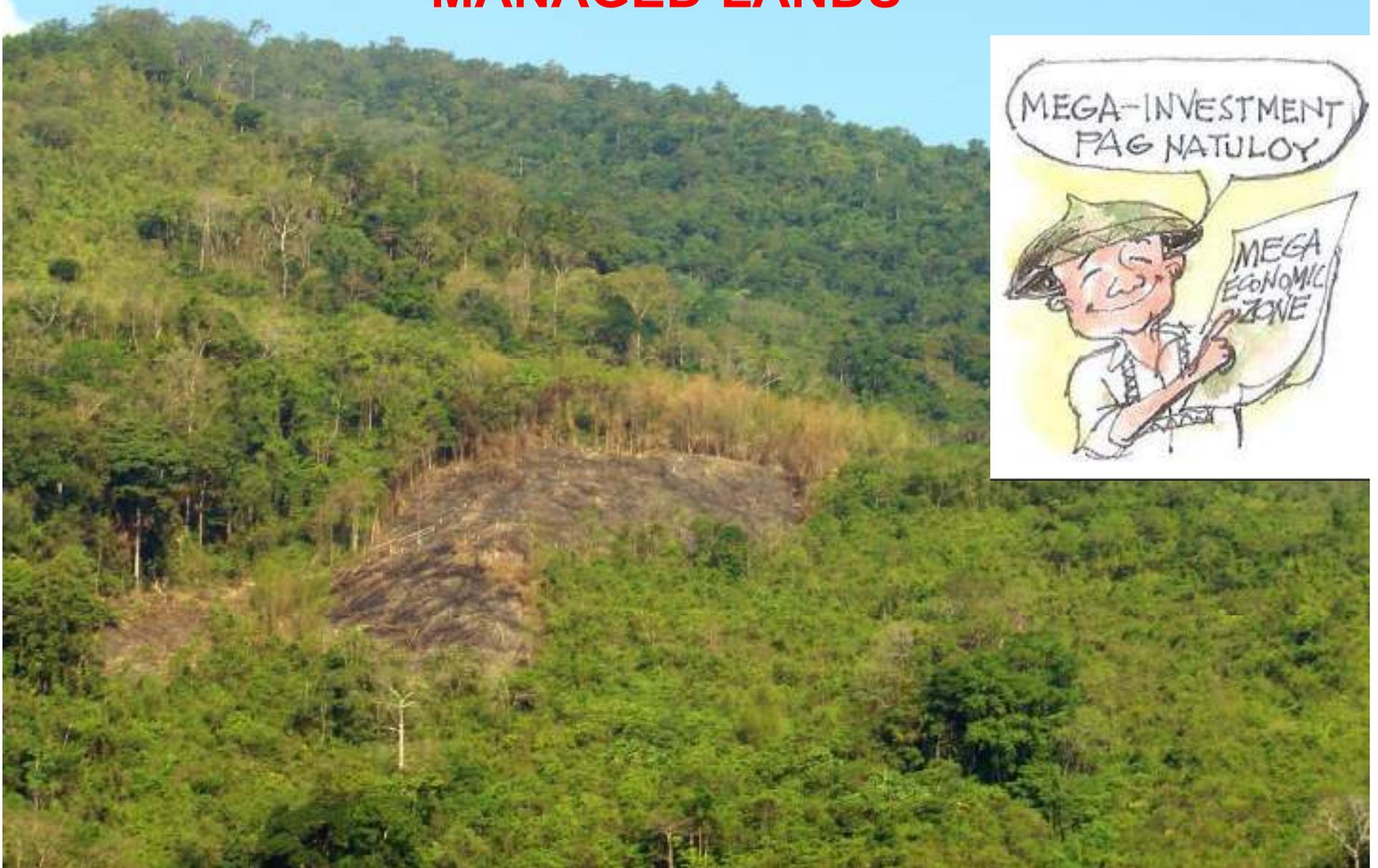


The Southern Palawan Economic Zone and Free Port Authority encourages the development of Palawan southern countryside into agro-industrial, commercial, tourist, banking, investment and financial centers.



From July 2016 to March 2017, President Duterte has proclaimed 13 new economic zones. He has also proclaimed one agro-industrial economic zone in the Municipality of Brooke's Point.

SEZs IS TARGETTING TRADITIONALLY MANAGED LANDS





Under the new Rodrigo Duterte's administration, the Malaysian Government has signed a MOA with the Philippine Government for a USD 200 million worth of palm oil investments in Mindanao and Palawan



THE PALAWAN EXPERIENCE

In 2016, the GREEN POWER PALAWAN AGRICULTURE CORPORATION – GPPAC, and Lion Heart had started operations in the ancestral domain of the Pala'wan communities of Barangay Ransang .



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The Philippine Economic Zone Authority (PEZA) administers these zones as an attached agency of the Department of Trade and Industry (DTI).

WHAT SEZs ARE MEANT FOR?

(THE GOVERNMENT'S VIEW)

- To attract investments;
- To contribute to the country's economic growth and generate employment.

WHERE SEZ ARE BEING IMPLEMENTED

- Mainly in the countryside;
 - Over vast tracts of mainly agriculturally productive lands
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WHY ARE SEZ's ATTRACTIVE?

There are various incentives granted with SEZs:

- Tax holidays on income taxes. As much as 100 % on import and export duties. (Governments merely require the payment of a minimal percentage of an SEZ investor-locator's gross income);
- Unrestricted repatriation of profits;
- Government provisions for infrastructure including roads, bridges, utilities, and factory buildings;



SEZ's DRAWBACKS

- **It is likely to dislocate** thousands of farmers, fisher-folk and indigenous people from their farmlands, fishing grounds, and ancestral lands;
 - **Can increase** the global phenomenon of land grabbing and transformation of peasant and indigenous peoples' controlled lands into commercial plantations and biofuel production;
 - **According to “the *Economist*”**: ‘it may cause investors to take tax breaks without producing substantial employment or export earnings’;
 - **Can create havens** for money-laundering;
 - **May fail to extend benefits** to disadvantaged categories such as peasants and indigenous peoples;
 - **May encourage governments** to relax laws that protect workers' rights and welfare.
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HERE IS WHAT SOME EXPERTS SAY ABOUT SEZs

A 2015 study by Ateneo de Manila University scholars shows how SEZs in the Philippines have been a leading driver for “**aggressive land use change of agricultural and forest lands**” being typically accompanied by severe human rights abuses.

In 2018 also World Bank’s experts have mentioned that the success of SEZ might be hampered by “poor site locations, uncompetitive policies, poor zone development, subsidized rent, cumbersome procedures, inadequate administrative structures, and weak coordination between private developers and governments in infrastructure provision.”

CALG'S PROPOSAL TO MITIGATE SEZ'S EXPANSION

- In areas that are inhabited by indigenous peoples and traditional communities, the implementation of IPRA (Indigenous Peoples' Rights Act) should serve to counter and control the implementation of SEZs.
- SEZs should not encroach on ancestral lands and traditionally managed agricultural lands.
- SEZs should establish strong linkages with the local economies rather than marginalizing them through aggressive and massive land utilization;
- Planned SEZs must be the result of consultations with affected communities and their implementation must also be subject to IPRA FPIC processes.



MANY THANKS FROM THE CALG TEAM