

MALACAÑANG

Manila

EXECUTIVE ORDER NO. 182

FIRST REGULAR FOREIGN INVESTMENT NEGATIVE LIST

WHEREAS, there is a need to attract, promote and increase productive investments in the country to ensure sustained economic growth and realize its goal of becoming a newly industrializing economy.

WHEREAS, the importance of foreign investments in supplementing the financial and technological requirements of the country is recognized.

WHEREAS, foreign equity participation of as much as one hundred percent (100%) is allowed as a general rule except in areas reserved to Philippine nationals as mandated in the Constitution and other relevant laws of the country.

WHEREAS, the Government recognizes the rights of Philippine nationals, and the need to protect certain areas as provided for in the Constitution and other laws, and for reasons of security, defense, risk to health and morals, and protection of local small and medium-scale enterprises.

WHEREAS, no petitions for inclusion in List C were received during the filing period set by the NEDA.

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by Sections 8 and 9 of Republic Act No. 7042, also known as the Foreign Investments Act (FIA) of 1991 do hereby order:

SECTION 1. Only the investment areas listed in "Annex A" hereof, also known as the Foreign Investment Negative List, shall be reserved to Philippine Nationals. The extent of foreign equity participation in these areas shall be limited to percentages indicated in the List.

SECTION 2. Any Amendment to the list shall only be made once every two years, pursuant to Section 8 of the FIA and Rule XI of the Implementing Rules and Regulations of the FIA.

SECTION 3. All orders, issuances, rules and regulations, or parts thereof, which are inconsistent with

"ANNEX A"

FIRST REGULAR FOREIGN INVESTMENT NEGATIVE LIST
(Pursuant to R.A. No. 7042)

LIST A: FOREIGN OWNERSHIP IS LIMITED BY MANDATE OF THE
CONSTITUTION AND SPECIFIC LAWS

No Foreign Equity

1. Mass Media (Article XVI, Section 11 of the Constitution)
2. Services involving the practice of licensed profession
 - a) Engineering
 - b) Medical and Allied Professions
 - c) Accountancy
 - d) Architecture
 - e) Criminology
 - f) Chemistry
 - g) Customs Broker
 - h) Forestry
 - i) Geology
 - j) Marine Deck Officer
 - k) Marine Engine Officer
 - l) Master Plumbing
 - m) Sugar Technology
 - n) Social Work
 - o) Librarian
 - p) Law

(Article XIV, Section 14 of the Constitution)

3. Retail Trade (Republic Act No. 1180)
4. Cooperatives (Republic Act No. 6938)
5. Private Security Agencies (Republic Act No. 5487)
6. Small-scale Mining (Republic Act No. 7076)
7. Utilization of Marine Resources (except deep sea fishing) (Article XII, Section 2 of the Constitution)
8. Engaging in the rice and corn industry except as authorized by the National Food Authority (NFA) (Republic Act No. 3018; Presidential Decree No. 194)

Up to Twenty-Five Percent (25%) Foreign Equity

9. Private recruitment, whether for local or overseas employment (Article 27 of the Labor Code)
10. Contracts for the construction and repair of locally-funded public works (Commonwealth Act 541 as amended by PD 1594; Letter of Instruction No. 630)

Up to Thirty Percent (30%) Foreign Equity

11. Advertising (Article XVI, Section 11 of the Constitution)

Up to Forty Percent (40%) Foreign Equity

12. Exploration, development and utilization of natural resources* (Article XII, Section 2 of the Constitution)
13. Ownership of private lands (Article XII, Section 7 of the Constitution)
14. Operation and management of public utilities (Article XII, Section 11 of the Constitution; Commonwealth Act No. 146)
15. Ownership/establishment of educational institutions requiring authorization of the Department of Education, Culture and Sports (DECS) (Article XIV, Section 4 of the Constitution)
16. Financing companies regulated by the Securities and Exchange Commission (SEC) (Republic Act No. 5980)
17. Construction
 - a) Contracts for the supply of materials, goods and commodities to government-owned or controlled corporation, company, agency or municipal corporation (Republic Act No. 5183)
 - b) Private domestic and overseas construction contracts (Republic Act No. 4566 as amended by Republic Act No. 6957)
 - c) Contracts for the construction of defense-related structures (e.g. land, air, sea and coastal defense, arsenals, barracks, depots, hangars, landing fields, quarters, hospitals) (Commonwealth Act No. 541)
 - d) Construction of public utilities (Republic Act No. 6957)

*Full foreign participation is allowed through financial or technical assistance agreement with the President (Article XII, Section 2 of the Constitution)

4000 121 1000

LIST B: FOREIGN OWNERSHIP IS LIMITED FOR REASONS OF SECURITY, DEFENSE, RISK TO HEALTH AND MORALS AND PROTECTION OF LOCAL SMALL AND MEDIUM-SCALE ENTERPRISES

Up to Forty Percent (40%) Foreign Equity

1. Manufacture, repair, storage, and/or distribution of products and ingredients used in the manufacture thereof requiring Philippine National Police (PNP) clearance:
 - a) Firearms (handguns to shotguns), parts of firearms and ammunition therefore, instruments or implements used or intended to be used in the manufacture of firearms
 - b) Gunpowder
 - c) Dynamite
 - d) Blasting supplies
 - e) Ingredients used in making explosives:
 - i. Chlorates of potassium and sodium
 - ii. Nitrates of ammonium, barium, copper (11), lead (11) calcium and cuprite
 - iii. Nitric acid
 - iv. Nitrocellulose
 - v. Perchlorates of ammonium, potassium and sodium
 - vi. Dinitrocellulose
 - vii. Glycerol
 - viii. Amorphous Phosphorus
 - ix. Hydrogen Peroxide
 - x. Strontium Nitrate Powder
 - xi. Toluene
 - f) Telescopic sights, sniperscope and other similar devices

(Republic Act No. 7042)

2. Manufacture, repair, storage and/or distribution of products requiring Department of National Defense (DND) clearance:
 - a) Guns and ammunition for warfare
 - b) Nuclear weapons and ordnance
 - c) Military ordnance and parts thereof (e.g. torpedoes, mines, depth charges, bombs, grenades, missiles)
 - d) Gunnery, bombing and fire control systems and components
 - e) Guided missiles/misile systems and components
 - f) Tactical aircraft (fixed and rotary-winged), components and parts thereof

- g) Space vehicles and component system
- h) Combat vessels (air, land, naval) and auxiliaries
- i) Weapons repair and maintenance equipment
- j) Military communications equipment
- k) Night vision equipment
- l) Stimulated coherent radiation devices, components and accessories
- m) Biological warfare components
- n) Armament training devices

(Republic Act No. 7042)

3. Manufacture and distribution of dangerous drugs (Republic Act No. 7042)
4. Sauna and steam bathhouses, massage clinics and other like activities regulated by law because of risks they may impose to public health and morals (Republic Act No. 7042)
5. Other forms of gambling, e.g., race track operation; racehorse ownership/importation (Republic Act No. 7042)
6. Domestic market enterprises with paid-in equity capital of less than the equivalent of US\$500,000 unless they involve advance technology (Republic Act No. 7042)
7. Export enterprises which utilize raw materials from depleting natural resources, and with paid-in equity capital of less than the equivalent of US\$500,000 (Article XII, Section 2 of Constitution; Republic Act No. 7042)

LIST C: FOREIGN OWNERSHIP IS LIMITED BY CAPACITY OF EXISTING ENTERPRISES

No investment area/activity is listed since no petition for inclusion was submitted to NEDA as of the filing period deadline of August 31, 1993 pursuant to the provisions of Section 9 of RA 7042