

Doing Business in Davao



SGV

**Building a better
working world**



Republic of the Philippines - City of Davao

Message from the City Mayor



Madayaw!

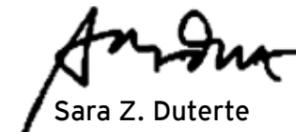
Davao City, one of the most competitive highly urbanized cities in the Philippines, is a melting pot of various cultures and peoples, and blessed with an abundance of natural resources. It is a city steeped in history, culture and tradition, with a strong vision to become a globally livable city and a center of excellence in governance, investment, tourism, climate change adaptation, disaster resiliency, and sustainable growth driven by an empowered citizenry.

To achieve this vision, Davao City continues to increase its investments in public infrastructure projects, strengthen its disaster resilience and risk reduction management, and safeguard the peace and order of the city. Furthermore, the local government and private sector maintain a strong collaborative relationship, further improving the ease of doing business in the city.

We recognize the vital role of the private sector in the steady growth of Davao City's economy, and we welcome the opportunity to forge ties with you, as we work to bring the city to even greater heights. We invite you to explore a wide range of business and investment opportunities - from agri-business, tourism and eco-tourism, manufacturing and property development, to information and communications technology. We encourage you to avail of the investment and business packages and incentives the City Government of Davao has to offer.

As the business and investment hub of Mindanao, we invite you to come and visit us today and immerse yourself in the city's vibrant and dynamic atmosphere. Come and discover how it can transform your business and your life. Come and experience Davao City, for Life is Here.

Daghang salamat.


Sara Z. Duterte
City Mayor



Republic of the Philippines - City of Davao

Message from the Vice Mayor



Davao City has immensely progressed throughout the years.

We take pride in its robust and steady economic growth driven by strong local government leadership, peace and order, and a dedicated and professional workforce.

To all our future partners for progress, we welcome you to Davao City. We are excited to partner with you in realizing the dreams of our city and our people. The local government will continue to look for ways to provide the necessary support for the city's business sector.

Through our collaborative effort, we will continue to ensure a healthy and safe community that is conducive to business.

The Davao City Government is thankful to our future investors for pursuing business ventures in our city. We wish you all continued success.

We trust that this partnership can create a much better and more dynamic city for all of us. We truly look forward to working with you in the near future.

Daghang salamat.


Sebastian Z. Duterte
Vice Mayor

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Welcome to the Philippines

The Philippines is a place of natural wonders with bountiful natural resources. Strategically located in the world's fastest growing region and flanked by two great trade routes - the Pacific Ocean and the South China Sea - the Philippines is an ideal base for business. It is a critical entry point to over 500 million people in the ASEAN market and a natural entry point to the East Asian economies. The country is also situated at the crossroads of international air routes.

The Philippines ranked 64th in the 2019 World Economic Forum's Global Competitiveness Index, now belonging in the top 45% globally and 6th overall in ASEAN. The country has improved in several global indices, including the IMD World Competitiveness Ranking, Global Innovation Index and WEF Travel and Tourism Competitiveness Index. The key driver behind the competitiveness improvement was in the area of Institutions (up 14 from no. 101 to no. 87), with notable improvements under this pillar including Shareholder Governance (up 11 from no. 106 to no. 95). The country also ranks in the upper third globally for indicators collectively measuring commitment to sustainability, including Energy Efficiency Regulation (no. 39), Renewable Energy Regulation (no. 43) and Environment-Related Treaties in Force (no. 36). Moreover, among 141 countries, the Philippines landed in the Top 10 for the following indicators: Internal Labor Mobility (no. 7), Insolvency Regulatory Framework (no. 9), Diversity of Workforce (no. 9), and Companies Embracing Disruptive Ideas (no. 10). Other strong indicators include Ease of Finding Skilled Employees (no. 13), Pay and Productivity (no. 13), and Cooperation in Labor-Employer Relations (no. 15). The performance of the Philippines in the Skills pillar is above the ASEAN average, maintaining its global rank of no. 67. Among the 12 pillars in the report, the strongest pillars of the Philippines are its Market Size (no. 31), Labor Market (no. 39), Financial System (no. 43), Business Dynamism (no. 44) and Product Market (no. 52). The report also noted the country's strong edge in terms of human capital, where businesses in the Philippines find it relatively easy to find skilled opportunities, and employees hired are given growth opportunities through training.

Welcome to Davao City

Davao City is one of the major metropolitan areas in the Philippines. It serves as the center for commerce, trade, tourism, investments and finance in the Southern Philippines. At 6°58' to 7°34' N latitude, 125°14' to 125°40' E longitude, the city enjoys the best of the tropics with ideal weather all year round, allowing for uninterrupted production and business operations.

This bustling urban center is also home to educational, recreational, ecotourism, health and wellness institutions. Its dynamic economy, human resource, infrastructure, favorable business environment, responsive local government, highly regarded peace and order policies and situation, and high quality of life make Davao City a preferred destination for investment and leisure. The city ranked No. 2 in the 2020 Most Competitive Highly Urbanized Cities survey of the National Competitiveness Council, making it an ideal location for business and investment. Business and economic activities continue to flourish as the city provides a ready market of more than 1.7 million people with access to at least a 57.5-million population within the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA).



DAVAO AT A GLANCE



Philippine Economic Zone Authority (PEZA)

Accredited Sites

Sumifru (Philippines) Corporation, Sutherland Global Services, VXI Global Holdings B.V. Philippines, Survey Sampling International (SSI), Synnex-Concentrix Corporation, SM Annex Davao, Damosa IT Park, Matina IT Park

Preferred Priority Investment Areas

Agribusiness, tourism and recreational facilities, healthcare, education, property development, technology, eco-industry, inclusive business activities, light manufacturing, infrastructure

Major tourist attractions

Philippine Eagle Center, Mt. Apo National Park, Malagos Garden Resort, Eden Mountain Resort, Davao Crocodile Park, Japanese Memorial Shrine/Cemetery, T'boli Weaving Center, Museo Dabawenyo, Shrine of the Holy Infant Jesus of Prague, People's Park, DECA Wakeboard Park



<p>Land: 2,444 sq. km.</p>	<p>Population (2020) estimate: 1.83 million</p>	<p>Employment rate, Davao Region, 2019: 95.9%</p>	<p>Tourism arrivals, 2019: 2,573,990</p>
<p>Existing land and water use (% of total)</p>	<p>Average annual growth rate (%): 2.36%</p>	<p>Average monthly crime rate (per 10,000 population), 2020: 3.9%</p>	<p>Estimated tourism receipts, 2019: PhP 39.02 billion</p>
<p>Grassland/Pasture: 45.54%</p>	<p>Percentage of region's population, 2015: 36.67%</p>	<p>Airport: Davao International Airport</p>	
<p>Agricultural: 37.45%</p>	<p>Density, persons/sq.km., 2020: 749</p>	<p>Seaports: Sasa Wharf Tefasco Wharf Sta. Ana Port</p>	
<p>Forest: 10.84%</p>	<p>No. of households, 2015: 409,951</p>		
<p>Urban: 5.39%</p>	<p>Average household size, 2015: 4</p>		
<p>Water use: 0.77%</p>			

WHY CHOOSE DAVAO CITY?

There are numerous reasons investors and tourists choose Davao City as the preferred site of business and leisure. This guide enumerates some of the many advantages Davao City offers that make it a great choice for both.

1. A great place to live, work and play

As quality housing is in abundance, many have considered Davao City as an ideal place to raise and nurture a family. Value for money is better compared to other major cities in the country. In fact, the city has been cited in Asia for its high livability index, where residents can easily switch between fast-paced business transactions and soothing relaxation options.

A combination of healthy business dynamics and efficient local governance paved the way for the business sector to actively participate in the city's overall growth and economic development. The strong synergy among business players and local leaders continue to bring prosperity and economic abundance to Davao City.

More importantly, the local government has persistently created a favorable and balanced environment for people who choose to live, work and play in the city by providing quality life through effective local governance, as well as safeguarding investments by actively campaigning for peace and order in the city and sustainably protecting the environment.

The Royals of Davao



Queen of flowers

The city is famous for its natural beauty and unique flora and fauna. It is often called the City in Bloom in recognition of its world-renowned Waling-Waling (*Vanda sanderiana*) orchid, which is considered the mother of orchids.



King of birds

One of the largest raptors in the world, the endangered Philippine Eagle, is also found in the city. Some are in fact being bred successfully in captivity at the Philippine Eagle Nature Center.



King of mountains

Davao is also known for the scenic and majestic Mt. Apo, the highest peak in the country at 2,954 meters (9,692 feet) above sea level.



King of fruits

Davao is also called the Durian City of the country, as this exotic fruit grows abundantly around the city.

2. Strategic location

Davao City is in the southeastern part of the Philippines, located 946 kilometers away from Manila.

An autonomous city that is independent from a province, the city is the regional center of the Davao region (Region XI). It is bounded by the provinces of Davao del Norte and Davao del Sur, while on the east it partly faces the expanse of the Davao Gulf and the Island Garden City of Samal. Its boundary line passes through the peak of the country's tallest mountain. Cascading from the peak and going east down, one finds vast plains, unspoiled forests, fertile valleys, navigable rivers and the sprawling metropolis along with world-class beaches. With a land area of 2,444 square kilometers, Davao City is three times larger than Metro Manila and seven times larger than Cebu City.



Davao City is perfectly situated to harness the economic trade potential of the BIMP-EAGA region and the Greater South East and East Asian network.

3. Climate

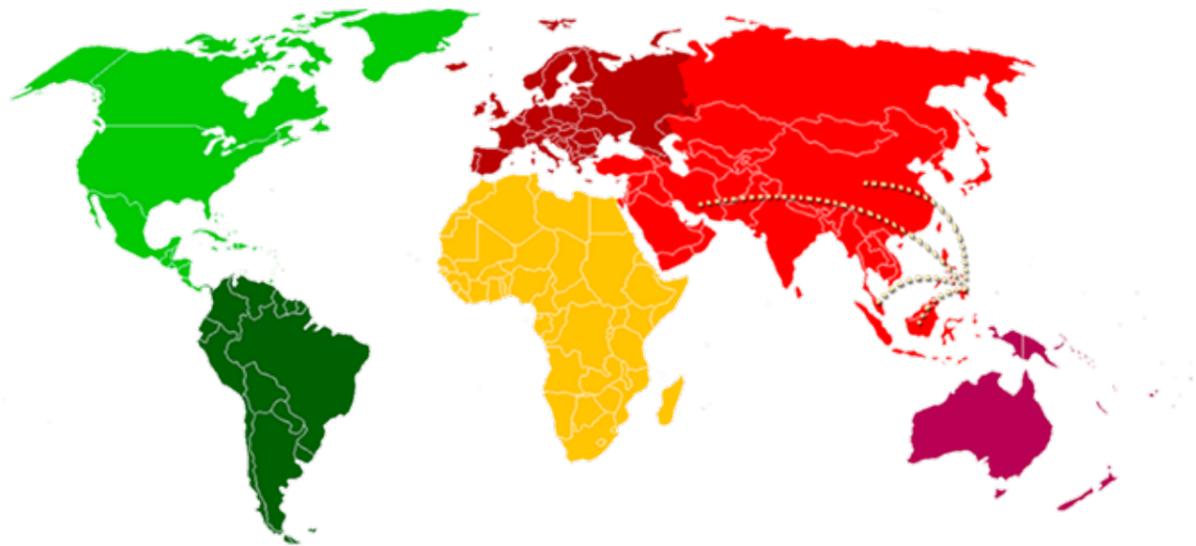
Davao City enjoys a mild tropical climate. Compared to other parts of the Philippines that experience distinct hot and wet seasons, its days are most often sunny and mild, followed by nights of rain. The city is outside the typhoon belt which results in less seasonal variations, while a surrounding mountain chain effectively protects the city from strong winds.



Temperature	2020
Highest, May	37 °C
Lowest, March	23 °C



Average monthly Rainfall (mm) 2020	
Highest, May	224 mm
Lowest, March	89 mm



4. Convenient accessibility

Direct flights to and from major cities in the Philippines and Asia are available via Davao International Airport, a modern facility able to handle wider-bodied aircraft such as the Boeing 747, the Airbus A340 and the Airbus A330. Flight time to Manila is 100 minutes while Cebu City is 50 minutes away. The airport also serves daily flights to Singapore via Silk Air (excluding Saturdays), as well as other international cities including Doha, Manado (Indonesia), Hong Kong and Jinjiang (China).

Davao City has two government-controlled seaports (Sasa Wharf and Sta. Ana Wharf) and nine privately-owned ports. The Sasa Wharf serves as an important shipping hub for cargo. In addition, the Toril International Fish Port Complex accommodates small and large-scale fishing activities and provides cold-storage facilities. Cargo handling facilities are at par with international standards to serve the increasing number of ship calls and cargo traffic for domestic and foreign, inbound and outbound passenger traffic.

By land, the city can be reached from Manila via the Philippine-Japan Friendship Highway. Davao City's strategic location provides links between key urban centers and provinces. Its arterial roads connect to major inter-provincial routes in Mindanao. The city's extensive internal roads, which include city roads, barangay roads and a portion of national roads provide direct linkage between economic activities in the urban centers as well as the sources of production materials in the rural areas.

The proposed construction of the Davao-Samal Bridge opens more possibilities for Davao City as it provides easy access to the region's most toured destinations. Davao has been the conduit that brings people to experience the grand natural wonders of the Island Garden City and the Davao-Samal Bridge is set to boost tourism and commercial industries in the center of the Davao region.

The High Priority Bus System (HPBS), set to be implemented in the fourth quarter of 2021, seeks to improve internal traffic flow and transportation in the metro area for maximum convenience. Traditional transport means like jeepneys and taxis will be replaced by city buses. This will make movement within the city even more convenient and fast, allowing for goods and services to run without delays.

Inter-municipality and inter-city transportation of people and goods will become easier in a few years with the construction of the Mindanao Railway Project. Connecting the cities and municipalities of Tagum, Carmen, Panabo, Davao and Digos on its first phase, the Mindanao Railway Project will revolutionize land-based trade and transport in key areas in Mindanao.

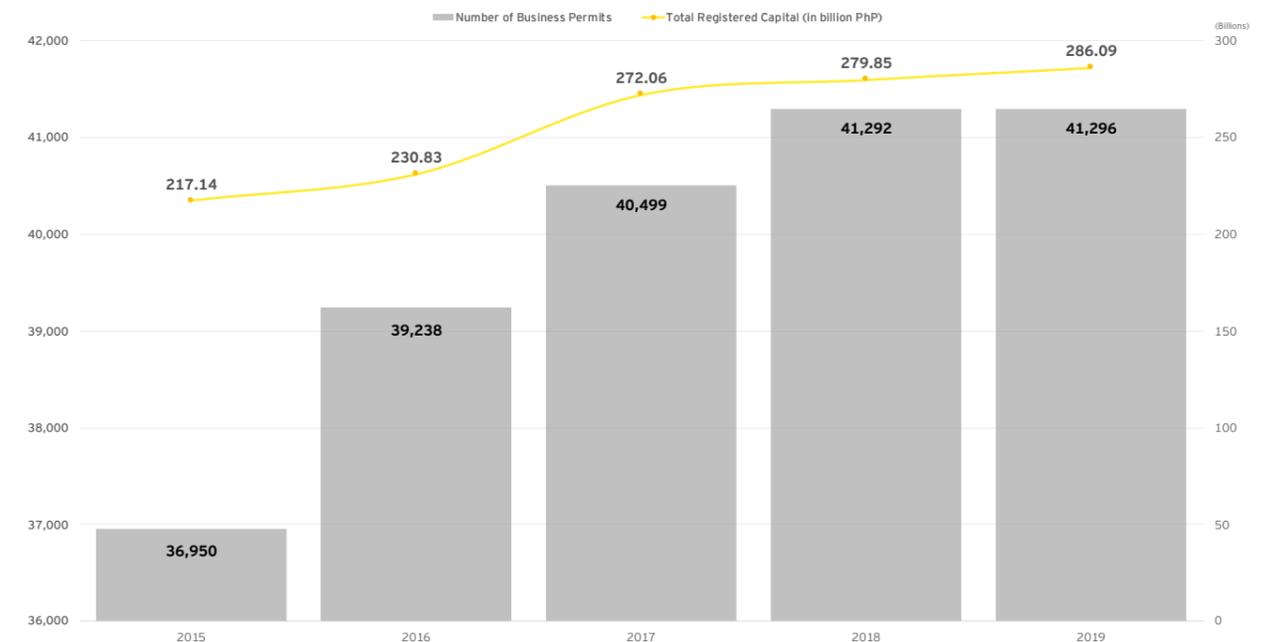
A traffic management and computerization scheme is currently being implemented where major thoroughfares, roads and intersections are being monitored through CCTV cameras 24/7 by the Public Safety and Security Command Center. Davao City is ranked fifth among cities in Asia with better traffic flow based on vehicles per kilometer of city road.

5. Vibrant economy

Davao City provides access to the 25-million market of southern Philippines. Its economy continues to indicate strong performances in trading and investments, with trade balance being significantly positive since 1987. A number of registered businesses continue to grow with 2019 figures at 41,296 and a total capitalization of over PhP 286 billion. Over half of the new investments in the last five years were in property development, tourism-related facilities, information and communication technology (ICT), and agribusiness.

Based on income, Davao City is the biggest local economy in southern Philippines. It is consistently part of the top five local economies and the only city outside of Metro Manila to accomplish this.

Business registrations (in terms of capitalization and in billion PhP)



6. Skilled and highly trainable human resources

The rich supply of quality manpower is another drawing factor for investors to not only build businesses in the city but to also live and have their children attend schools here.

Serving as the education and training center in Southern Philippines, Davao City is a constant host to a perpetual convergence of the best talents and skills and those who may need a little polishing to become employable and industry-intake ready. With 49 universities and colleges and 225 technical/vocational schools, Davao City produces around 20,600 graduates annually.

Employment rate in 2019:



95.9%

Languages

English is the medium of instruction in schools as well as the language of business. Visayan and Filipino are the other languages widely used by the majority.

Literacy

The city has a literacy rate of 98.05%.

Source: Department of Education - Division of City Schools



7. Culture: Appreciating and embracing

Easy assimilation is an integral essence of multi-cultural Davao. Being a chartered city, its strength comes from appreciating and embracing the different cultures and traditions esteemed by the diverse ethnic groups that integrated into the local tribes present during the city's infancy.

8. Religion

Christians largely populate Davao, with Christian churches and chapels dotting the city's landscape. Temples, mosques and other places of worship for other religions can also be found.

9. Fun, festive and flavorful

Life in Davao City is interspersed with various festivals that revolve around themes celebrating year-round harvests. These spectacles draw thousands of visitors to the city each year, contributing to its reputation as an enjoyable vacation venue as well as its booming tourism economy. Festivals are evenly spread throughout the year with the internationally recognized Kadayawan sa Dabaw (celebrated every third week of August), dubbed as the Mother of all Festivities, as the most colorful and exciting.

Cultural centers

- ▶ The Museo Dabawenyo
- ▶ The Davao Museum of History and Ethnography
- ▶ The Pamulaan Center for Indigenous People's Education
- ▶ Tribu K'Mindanawan Cultural Village
- ▶ Tribal Village

Top religious tourist destinations

- ▶ The Holy Infant Jesus of Prague Shrine
- ▶ San Pedro Cathedral
- ▶ Long Wa Buddhist Temple



Calendar of regular events



Araw ng Dabaw

(Charter Day Anniversary) is a vibrant feast held annually every March, celebrating the oneness of a multi-cultural city. Highlights of the festival include the Parada (socio-civic parade), Bandahan sa Kadalanan (band parade), Piging sa Dan (street food party), Kaskas (party extravaganzas) and other spectacles along major city streets. The festivities also include the much anticipated search for the Mutya ng Dabaw, the city's Ambassador of Goodwill. For about two weeks, concerts, arts and culture presentations, and various sports competitions are simultaneously being held.



Kadayawan sa Dabaw

(celebrated every third week of August) is an enriching experience that explores the past, present and future of Dabawenyos, Mindanaoans and Filipinos. Its sights and sounds remain unparalleled. The Kadayawan is a celebration of thanksgiving for the gifts of nature, the wealth of culture, the bounties of the harvest and the serenity of living. The festival pays tribute to Davao's artistic, cultural and historical heritage. Exciting events include the search for the Hiyas sa Kadayawan, the festival queen who shall epitomize the beauty and richness of Davao's indigenous culture. Festival highlights include an indigenous music exhibition, dance competitions, a trade fair, food and music parties, street dancing competitions and the much-awaited floral float parade.



Pasko Fiesta sa Dabaw

(celebrated the entire month of December) is a combination of festive and competitive Christmas activities showcasing colorful lightings and the array of decorations in barangays, public parks, roads and buildings, as well as a series of competitive performances showcasing the community's creativity and talents, all in the spirit of our Christmas traditions. During this season, the city pulsates with exciting sights and sounds, barraging visitors with mall sales, bazaars, food festivals and night markets filled with wholesome entertainment.

10. City of awards

Surveys and evaluations conducted by reputable institutions in Asia have recognized Davao's gains over the years. These awards include:

- ▶ Most Competitive Metro City in the Philippines
- ▶ Top Business Friendly Cities by IFC and World Bank
- ▶ Top Next Wave City/Center of Excellence by the Business Processing Association of the Philippines
- ▶ Top Honors in National Literacy Awards
- ▶ Cleanest and Greenest Highly-Urbanized City
- ▶ Seal of Good Local Governance
- ▶ Best City Library
- ▶ Top Tourist Destination of the Year
- ▶ Most Child-Friendly City in the Country
- ▶ Most Culture-Friendly City
- ▶ Most Gender Responsive LGU in the Philippines
- ▶ Most Outstanding Local Government Unit
- ▶ Hall of Fame, Best Regional Peace and Order Council
- ▶ Best City Police Office
- ▶ Most Outstanding Water Utility in Asia
- ▶ Hall of Famer of the Department of Health's Red Orchid Awards
- ▶ Most Livable City in Asia by Asiaweek Magazine
- ▶ Top 10 Asian Cities of the Future by FDI
- ▶ Best Quality of Life by Asian Institute of Management



11. Shopping and dining destinations

The whole Davao experience is never complete without splurging at various shopping destinations, as well as trying Dabawenyo cuisine and native delicacies in local restaurants. Local and international brands have opened shop at SM Lanang Premier, one of the biggest malls in the city. SMX Davao Convention Center, located on the third floor of the mall, has already hosted big-ticket events since its opening. Another shopping district is the Ayala-owned Abreeza Mall along J.P. Laurel Avenue, where local and international brands can be found. The city is also teeming with restaurants, cafes, resto bars and coffee shops that offer a wide variety of food choices, including international cuisines such as Japanese, Thai, Chinese, Korean, Indian and even European cuisines, among others.

Other shopping and dining destinations include Chimes Mall, SM City Davao, Gaisano Mall of Davao, Gaisano South Citimall, S&R, Victoria Plaza, DAMOSA Market Basket, Robinsons Cybergate, Save More, Felcrist Department Stores, Gaisano City Gate, NCCC Mall Buhangin and City Triangle. Unique souvenir items and gifts to take home for loved ones can be bought at T'boli Weaving Center (beside Pearl Farm Marina) in Lanang, Aldevinco Shopping Center on C.M. Recto (Claveria) Street and Pasalubong Center along Palma Gil Street (beside People's Park).

BUSINESS HOTELS

The city has plenty to offer in terms of accommodation facilities. Many accredited hotels provide excellent and world-class quality service, ranging from First Class to Standard Room accommodation. Life is truly beautiful in Davao, as hotel guests are treated to unique Dabawenyo hospitality with delicious meals and a relaxing ambiance. A number of accredited hotels also offer facilities for Meetings, Incentive Travel, Conventions and Exhibits/Events (MICE).

Davao City is teeming with new hotels, including the newly-opened Acacia Hotel by CMCI located near the SM Lanang Premier. Designed to suit the needs of business and leisure travelers, Acacia Hotel has 260 Standard Rooms and 6 Junior Suites. In addition, the Dusit Thani Hotel along Sasa has a total of 120 well-appointed rooms and suits ranging from Deluxe, Club and Premier spread across all 12 stories. It also has six meeting venues located at the lobby and mezzanine level to accommodate special events, small and big function needs.

Likewise, one can choose from among the many hotel options to enjoy and experience Davao's warm hospitality, which include The Apo View beside People's Park in Camus Street with 155 deluxe rooms; the Marco Polo Davao along C.M. Recto Street with 245 guests rooms and suites; the Grand Regal Hotel Davao in Lanang with 217 rooms and 1 presidential suite; The Pinnacle Hotel and Suites, a business class hotel with 214 rooms; The Royal Mandaya Hotel with 181 en-suite rooms; The Ritz Hotel with 88 rooms and the Waterfront Insular Hotel Davao in Lanang with 159 guest rooms, including 6 suites. The directory of hotels also provides relevant information that suits the requirements of any type of visitor:



Directory of hotels

Acacia Hotel Davao
225 4052 / 225 4062
enquiry@acaciahotelsdavao.com

Apo View Hotel
221 6430
apoview.bc@gmail.com
info@apoview@yahoo.com

Dusit Thani
272 7500
davao@dusit.com
dusit.com/dusitd2/davao

Go Hotels
297 4413 / 228 3835 to 36
goh.lan_dms@robinsonsland.com

Grand Men Seng Hotel
221 9040 / Fax: 221 2431
sales@grandmenseng.com

Grand Regal Hotel-Davao
235 0888 / 300 8888
executiveoffice@grandregalhotels.com
grhd.sales@gmail.com

Marco Polo
221 0888
resv.dvo@marcopolohotels.com
davao@marcopolohotels.com

Park Inn by Radisson Davao
272 7600
reservations.davao@parkinn.com
marketing.davao@parkinn.com

Seda Hotel
322 8888 / 244 3000
reservations.dvo@sedahotels.com
dvo@sedahotels.com

The Royal Mandaya Hotel
225 1885 / 225 8888
info@theroyalmandayahotel.com

Waterfront Insular Hotel Davao
233 2881 to 87 / Fax: 233 2881
wiht@waterfronthotels.net
wiht@waterfronthotel.net

The Pinnacle Hotel and Suites
300 5885 / 300 1881
mod@thepinnaclehotel.com
pinnacleddavao@yahoo.com

Red Planet Hotel
224 0577 78
frontdesk.davao@redplanethotels.com
fos.davao@redplanethotels.com

Note: Prices may change without prior notice. Complete list of accommodation facilities with their respective rates can be downloaded at www.davaocity.gov.ph/dcipc

PRIMARY INDUSTRIES

Davao City is considered as the center of trade and commerce in southeastern Philippines and has so much economic growth potential. It promotes high priority sectors for investments.

Technology (including Information and Communication Technology, Business Process Outsourcing)

The Philippines has become a global destination of choice for the Business Process Outsourcing (BPO) industry, with the country being identified as the leading location in the world for voice or call center services. In line with this, Davao City has also been elevated as a Center of Excellence (previously Top Next Wave City) by the Business Process Outsourcing Association of the Philippines (BPAP) due to its superior quality of manpower and availability of world-class infrastructure. Likewise, the city also maintained its rank as first among the Top 10 Philippine Destinations for Outsourcing by the Department of Science and Technology (DOST)-Information Technology and Business Process Association of the Philippines (IBPAP). The city is one of the three highly urbanized cities in the country that are included in the Top 100 global cities in the Top Global Outsourcing Destinations by Tholons Services Globalization Index in 2019.

Investments in ICT and IT-BPO have increased from 67 registered companies in 2011 to 94 companies in 2019. Teleperformance and Convergys, with a total capacity of 4,000 seats, are among the newest locators in Davao. The growth of Davao's IT-BPO industry has provided employment to about 40,000 people in the city as of end of 2019. The presence of the IBM Philippines office, which started its operations a few years ago, is indicative of the increased competitiveness of Davao City. The city is now poised to host more investment activities in ICT (and ICT-related) infrastructure and services such as business process outsourcing for both voice and non-voice, knowledge process outsourcing such

as graphics, animation, and engineering service and design, and information technology outsourcing such as software development.

Davao has network and grid facilities provided by telecommunication companies and internet service providers (ISP) offering dial-up, dedicated and DSL types of service.

Investment opportunities

All indicators point to Davao City as the next preferred destination for BPO investments and activities. It has one of the largest talent pools among all the next wave cities with more than half of the population belonging to the 17-24 year-old age group. The availability of talent is now matched by the growing number of institutions that provide training on ICT-needed skills and expertise.

As of December 2019, Davao City has 30 Philippine Economic Zone Authority (PEZA) accredited facilities and buildings, which are hosting BPO, agro-industrial and manufacturing activities.

Currently, there are three types of Operating Economic Zones in Davao City:

- ▶ Agro-Industrial economic zone
- ▶ Information Technology parks/centers
- ▶ Manufacturing economic zone



For initial inquiry or direct assistance, start-up business process outsourcing companies may visit or schedule a briefing with the Davao City Investment Promotion Center and ICT group led by the ICT Davao, Inc., with ICT-BPO partners also ready to provide additional information about the industry. The list of industry associations is provided below:

List of ICT industry associations

- ▶ **ICT Davao Incorporated**
Atty. Samuel Matunog, President
(+63) 928 550 3377
matunog@gmail.com
samuel@matunog.com
- ▶ **Davao Software Industry, Inc. (DSII)**
Atty. Samuel Matunog, President
(+63) 928 550 3377
(+63) 82 297 7963
matunog@gmail.com
samuel@matunog.com
- ▶ **Business Processing Outsourcing Association of Davao, Inc. (BPOADI)**
Mr. Xavier Eric Manalastas
(+63) 917 702 6314
299 2112
eric@nextbposolutions.com



■ Tourism

Davao City serves as the main gateway to southern Philippines. Francisco Bangoy International Airport (more popularly known as Davao International Airport) is the busiest in the island and caters to numerous flights daily to other major cities in the country, as well as serves as a direct link to Singapore, Manado (Indonesia), Hong Kong, Doha (Qatar) and Jinjiang (China).

From islands to highlands, local and foreign tourists as well as the incremental number of adventure-seekers will be thrilled with what Davao City has to offer. Mt. Apo, the highest peak in the country at 2,954 meters (9,692 feet) above sea level, can be accessed via Davao City. Despite its height, the mountain is considered easy to climb and is popular among mountaineers. Adventure seekers are rewarded with an exciting and memorable experience because of the beautiful scenic view of the Mt. Apo National Park. Inside its pristine jungle is an ecosystem teeming with different species of flora and fauna.

The city is also a haven for sports enthusiasts where one can bust a birdie or a hole-in-one. White water rafting along the main river and wake boarding are

popular choices, while diving and a myriad of other water sports may be indulged in at various seaside resorts and facilities.

Davao City is also home to three golf courses. Rancho Palos Verdes, Apo Golf and Country Club, and South Pacific Golf & Leisure Estate all have an 18-hole layout. These courses rival the best that are found within other cities in the country.

The markets in the city are growing and more ripple effects in the generation of new business activities are expected. New hotels have opened for business, such as Seda Hotel of Ayala Land and Park Inn by Radisson beside SM Lanang Premier. With almost 10,737 rooms, expansive malls and shopping centers, mountain and beach resorts, international-standard golf courses and other tourism-related facilities, the city continues to attract tourists seeking thrills, amazement, bargains and relaxation options.

The travel and tourism industry is enhanced by the decisive and focused local government whose strong partnership with the private sector is evident. The city's tourism brand 'Davao: Life is Here' underscores its unparalleled quality of life and advocacy for sustainable ecotourism development and management.

INVESTMENT OPPORTUNITIES

The increase of local and internal tourists visiting Davao City over the years creates tremendous opportunities for businesses in the hospitality, ecotourism and general tourism industries. In 2019, Davao City continued to attract more tourists with a record of 2.57 million visitors and estimated tourism receipts of Php 39.02 billion. This ups 2018's tourist arrivals by 7.54%.

Investment opportunities in tourism in Davao City have always been attractive mainly because it is considered the de facto capital of Mindanao. As the center of commerce, trade, tourism and education, as well as host to regional offices of public and private agencies, Davao is a perpetual convergence point of people on the move. It is the favored weekend shopping destination of people from neighboring localities due to the presence and establishment of big malls, shopping centers, specialty stores and outlets. It is also fast becoming the preferred venue for meetings, incentives, conferences and exhibitions (MICE) in the country.

Indeed, the city is now very much ready for the domestic and international MICE market with the existing quality accommodations, facilities, restaurants and other attractions. The recently concluded MICE Conference has brought tangible benefits to Davao as it is now regarded as the next-generation destination for MICE. The mere hosting of this conference indicated that Davao City is now ready to host more international events and bigger conferences. However, more investments in tourism products, facilities, services and infrastructures are still needed in order for the city to comply with international standards and meet the increasing demands of the industry.

The city is also ideal for hosting theme parks and ecotourism facilities. The varied sports, leisure and tourism attractions and facilities scattered in and around the city's wide expanse have also provided tour and travel operators an opportunity to offer an array of packages based on customer-classes. All in all, investment opportunities are attractive in the establishment of accommodation, transportation, recreation and entertainment facilities, as well as in miscellaneous services.

■ List of tourism industry associations

- ▶ **Davao Tourism Association (DATA)**
Mr. Renato S. Gatchalian Jr., President
(082) 285 9648 / 227 0658
gatchigatchalian@gmail.com
- ▶ **Davao Association of Tour Operators (DATO)**
Ms. Pia Lourdes P. Montano, President
(+63) 920 960 7332 / 917 714 7332
partravel.pia@gmail.com
- ▶ **Davao Travel Agency Association (DTAA)**
Mr. Day Uyking, President
(+63) 917 710 3128
dtaaph@gmail.com
day.tripfactory@gmail.com
- ▶ **Guides Union for Inbound Destination and Ecotourism (GUIDE Davao)**
Mr. Jonathan Engbino, President
vanguardmilber@gmail.com
- ▶ **National Association of Independent Travel Agencies (NAITAS)**
Ms. Corazon Capitan, President
(+63) 917 702 6418 / (082) 224 6320
naitasdvo@gmail.com

Agribusiness

While Davao City is fast becoming a bustling metropolis, more than 60% of the city's verdant land is used for agricultural activities, which contribute significantly to its total economy. Blessed with fertile soil and predictable typhoon-free weather, the city's vast agricultural potential remains attractive for investments in agribusiness, food processing and any other value-adding activity using agricultural products as raw materials.

The city produces coconut, corn, banana, mango, durian, lanzones and pineapple, while a number of farmers also grow fresh vegetables. Though the city may not be a major rice-producing area, several farms in the city also grow this Filipino staple, contributing to the city's food sufficiency and security.

Commercial and industrial crops like coffee and cashew nuts are also grown in the city, aside from non-food plants like rubber, abaca and tobacco. Flowers are also abundant, with many modern nurseries for orchids and other ornamental plants acting as a major source for landscaping raw materials. The city additionally supports significant livestock, fishery and poultry industries.

Raw materials of emerging agribusiness interests like coco sugar and coco water are abundant in the city. Coco sugar is being marketed domestically and also to the US and Canada as a low-glycemic index sugar that can substitute for table sugar and even compete with low-sugar products. Coco water's market demand has increased dramatically over the years. Coconut is one of the flourishing crops in the city, with 255,932 metric tons produced in 2019.



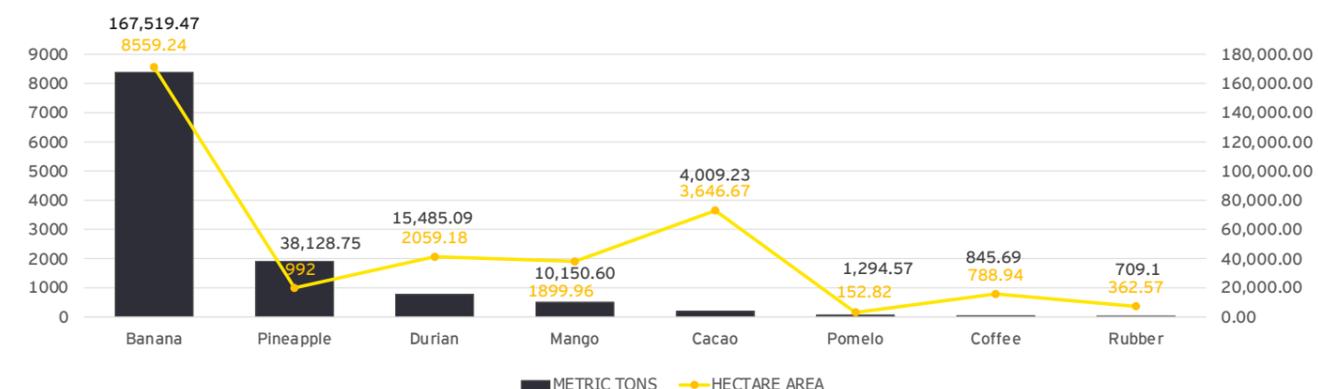
INVESTMENT OPPORTUNITIES

The local government has particularly listed agri-industrial production and processing, adopting new and available technologies, energy-efficient farming systems, organic and environment-friendly technologies, high-value commercial crops programs, livestock development programs and aquaculture development programs as priority activities based on the amended Davao City Investment Incentive Code, wherein qualified investors may be granted both fiscal and non-fiscal incentives.

Investors may also want to take a look at the establishment of a Food Terminal Complex which can serve as a trading center, cold storage facility, food processing center for value-adding activities, dry storage warehouse, cargo handling and trucking, commercial or industrial spaces for lease or sale, and common-bonded warehouse.

There are opportunities for the construction of post-harvest facilities, feed mills for poultry and livestock, aquamarine, livestock and poultry production, high-value crops (particularly fruits and vegetables), laboratory facilities for plants and livestock, and agro-tours. Investors may also look into seaweed processing, where seaweeds are processed as pasta and noodle products and a component of toothpaste. Propagation of seaweed is also espoused to ensure their stable supply.

Priority agro forestry crops



Davao City is a source of one of the world's most expensive coffees, the civet coffee. This is a prime export that has yet to be fully optimized. Investments on this high value product are highly welcomed.

Moreover, the city has been labeled as the cacao capital of the Philippines. Additional investments in this prime product are greatly encouraged. In Davao City, 38 barangays spread out in 6 of the 11 administrative districts were found to be producing cacao. These districts are Toril, Baguio, Paquibato, Marilog, Calinan and Tugbok. Calinan, Baguio and Tugbok are designated as the city's fruit producing districts based on the first land use plan of Davao City. It is also in these areas where several nurseries of fruit trees can be found. Toril has been classified as the city's agriculture industrial zone in the recent land use classification, while Paquibato and Marilog, although in separate congressional districts, are both located in the geographical plain in the northern area of the City. The city had a total of 9,394 cacao farmers in 2019 based on the survey conducted by the Mindanao Center for Research and Development Cooperative (MCRDC).

The MCRDC's survey also identified other future investment needs or support services in Davao City such as additional multipurpose drier pavements (MPDP), infrastructure support such as farm-to-market roads and transportation, cacao inputs such as seeds and seedlings, fertilizers (preferably organic) and continuous technical education on cacao management.

List of agriculture industry associations

- ▶ **Cacao Industry Development Association of Mindanao (CIDAMI)**
Mr. Valente D. Turtur, Executive Director
Almacen Complex, Km. 11, Catalunan Pequeño, Davao City
cidami.center@gmail.com
- ▶ **Hog Farmers Association of Davao**
Mr. Eduardo So, President
(+63) 961 266 9989
hogfadi@gmail.com
- ▶ **Durian Industry Association of Davao City**
Mr. Nhel Belviz
(+63) 917 704 7886
esbelviz@gmail.com
- ▶ **Food Processors Association of Davao, Inc.**
Ms. Mary Grace Belviz, President
(+63) 917 717 2417
fpadphil@gmail.com
- ▶ **Vegetable Industry Council of Southern Mindanao, Inc.**
Mr. Pepito Capangpangan, OIC
(+63) 951 650 3553
rpcdavao@gmail.com
- ▶ **Philippine Banana Growers Exporters Association**
Mr. Stephen A. Antig, Executive Director
(082) 227 7771
pbgea.beifbanana@gmail.com

■ **Property development**

The local government considers property development among the most attractive investments in the city. Since 2011, there has been a visible rise in construction investments. Major developers like Ayala Land, Robinson's Land, SM Properties, Filinvest, Crown Asia and the Consunji Group are already in Davao City. Some of the country's top 100 companies have also established local presence here. Mall investors have also shown their optimism about the strength of the local market by establishing multi-billion peso complexes in the city.

While the city still enjoys wide spaces for subdivision development, a new trend is emerging with the construction of condominiums, condotels and dormitories. Numerous high-rise condominiums are geared toward attracting expatriates and Overseas Filipino Workers (OFWs), affirming the city's reputation as a buyers' market for its low cost of living, peace and order, and laid-back lifestyle.

For the last ten years, over 60% of total value of investments registered with the Davao City Investment Promotion Center were in property development.

■ **Number of building permits issued from 2015-2019**

2015	2016	2017	2018	2019
4,101	5,155	8,617	5,203	7,731

REAL ESTATE INVESTMENT OPPORTUNITIES

Davao City has a backlog of 42,430 low-cost housing units. There is also a growing demand for house and lot units in middle-class and high-end subdivisions. The conveniences and clamor for city and urban living in Davao also created an increased demand for apartment and condominium units.

On the other hand, the diversification of products and services to an ever-growing market increases the demand for more commercial and office spaces. Intelligently-designed buildings are preferred, especially those accredited under PEZA.

Investors may also consider opportunities in the development of residential property development for low cost and socialized housing, business parks and industrial estates (classified as special economic zones as determined by the Philippine Economic Zone Authority), IT parks, buildings and centers, and modern facilities for industrial leasing. The application of building techniques that qualify with Leadership in Energy and Environmental Design (LEED) standards is greatly encouraged. The Philippines' counterpart for LEED is Building for Ecologically Responsive Design Excellence (BERDE).

OTHER PREFERRED INVESTMENT AREAS

Blessed with vast lands suitable for investment, Davao City also offers other economic opportunities which are ripe for the taking from local and foreign investors.

■ **Health, Education**

The COVID-19 pandemic has once again proven the importance of Davao City as southern Philippines' medical hub. The de facto capital status of Davao in southern Philippines can be seen by the convergence of people in the city on a daily basis to seek medical services, attend schooling, transact business, train for employment, enjoy the city's urban and rural pleasures, and pursue passion in leisure sports.

The demand for medical and educational facilities and services is always kept at a high level since these are basic necessities for the public. On the other hand, the demand for sports facilities is on the rise as people become more conscious with their wellness, treating sports activities as healthy leisure trends.

The local government also makes medical tourism a priority as this is an edge which the city can maximize and utilize in developing the economy. The city needs more clinical laboratories and training facilities for doctors and other medical practitioners to enhance their skills and develop new methods in treatment.

Moreover, the city has various sports programs not just in the course curriculum but also in barangay programs. The city is also lacking in a sports complex or arena that can accommodate big audiences, making sports facilities likewise needed since the city is producing a pool of champions in different kinds of sports.

■ **Infrastructure**

The huge investment requirements of the infrastructure sector, particularly in sea transport and facilities, offer the private sector the opportunity to finance, construct, operate, maintain or rehabilitate major ports and other transshipment facilities in the city. Serving as the main port for exports in the island and noting the ever-growing volume of goods being exported and imported, there is also an opportunity in the establishment of common-bonded warehouses and other port facilities.

▶ **Development**

The initial phase of the NEDA-approved High Priority Bus System (HPBS) was finally implemented in the beginning of 2020. Currently, there are 29 different routes in the city traversed by about 7,000 Public Utility Jeepneys (PUJs). With the new HPBS, only 990 buses would be needed. The HPBS is expected to help decongest the streets and transport more commuters in one trip. The HPBS is part of a bigger project, the Davao Public Transport Modernization Project, which is designed in partnership with the Asian Development Bank (ADB).

▶ **Airports**

NEDA has approved the unsolicited proposals for Francisco Bangoy International Airport or the Davao International Airport development. The newly-created Davao International Airport Authority will fast-track the upgrading of the terminals and facilities.

Davao International Airport recorded 1,292 outgoing domestic and international flights with 188,885 passengers per month in 2019. For the monthly incoming flights, there were 1,292 with 185,653 passengers.



Today, there are nine domestic destinations in the Philippines through different airlines and six international flights including Quanzhou, Jinjiang, Hong Kong, Singapore, Doha (Qatar), and the newly revived flights to Manado (Indonesia). The City Government of Davao continues to explore other viable international destinations for the Davao International Airport.

► **Seaports**

The city has 2 seaports and 22 corporate-owned piers which contributed to ship traffic of 43,458 vessels in 2019. Cargo traffic was at 17,766,785 metric tons while passenger traffic was at 3,698,197.

Davao City enjoys a very stable power supply. Electricity is distributed by the Davao Light & Power Co., a member of the Aboitiz Power Group. It is the third largest electric utility in the country topped only by Manila Electric Co. and Visayan Electric Co. in Cebu City, a sister business unit of Davao Light.

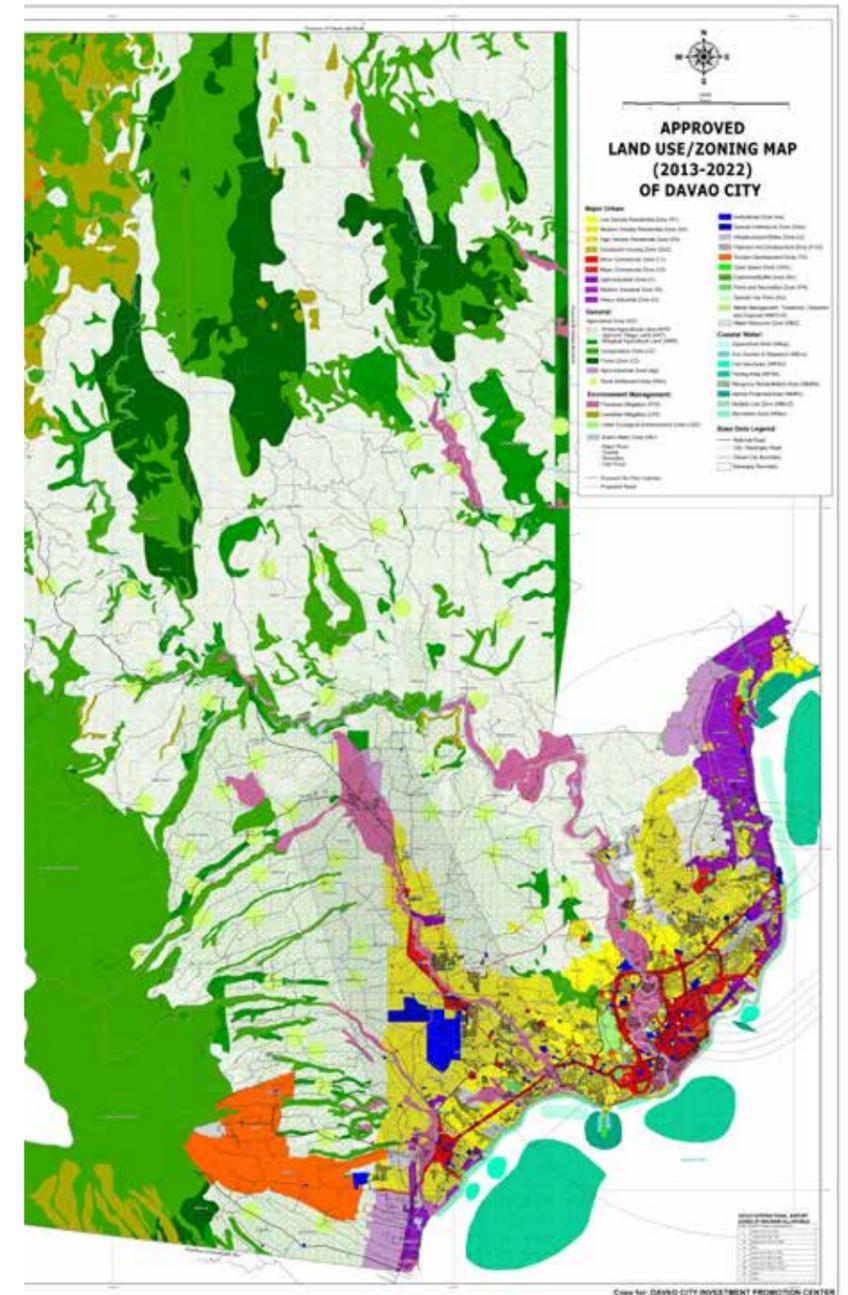
The bulk of the energy supplied to Davao City is contracted by Davao Light from government power generator National Power Corp. (Napocor). The company has also entered into Power Supply Agreements with independent power producers like Hedcor Sibulan, Inc., Hedcor Talomo, and Therma Marine, Inc. to ensure contingencies when shortages from Napocor happen.

This forward-looking business sense allows Davao Light to be always a step ahead in addressing the impact of potential power shortages in Mindanao that can be brought about by the low rainfall that normally affects the largely hydro-based power supply in the island. Davao City is thus isolated from this misfortune even as the rest of Mindanao experience four to eight-hour interruptions. If interruptions should occur at all, the most is one hour.

A recent deal with local and foreign contractors paved the way for the construction and eventual operations of a coal plant situated in Barangay Binugao, which generates at least 150 megawatts of electricity. In addition, the electric utility invested greatly in improving the delivery of its services as well as enhancing the quality of power that it distributes all over the city.

■ **Excellent start-up assistance**

The city operates the first local investment promotion center in the country, the Davao City Investment Promotion Center, which is a division under the Office of the City Mayor. It was created through City Ordinance No. 2269, or the Davao City Investment Incentives Code of 1994, specifically to accelerate the growth and development of the city's economy. It provides convenient business start-up services such as data-banking, assistance in securing business permits and licenses, business matching, as well as finding suitable sites, raw materials and manpower among others.



■ **Eco-industry**

In pursuit of an energy mix that will include alternative sources such as biomass, solar, wind and ocean power, the city has directed its attention to renewable energy generation and distribution by encouraging energy players to invest in the sector.

Potential alternative renewable energy sources such as geothermal, hydropower and biomass must be pursued to meet the growing demand of the expanding economy. Based on the 2011 Supply-Demand Outlook, Mindanao still needs an additional capacity of 1,950MW until 2030, with southern Mindanao consuming almost half of the island group's available capacity.

LIST OF PRIORITY INVESTMENT AREAS (PIA)

- Agribusiness
- Tourism and recreational facilities
- Health
- Education
- Property development
- Technology
- Eco-industry
- Inclusive business activities
- Light manufacturing
- Infrastructure

THE RIGHT CONDITIONS FOR BUSINESS

The city's economy continues to indicate a strong performance in trading and investments. While trade balance has always been significantly positive since 1987, its progressive growth breached the USD 1 billion mark in 2010.

2019 saw big players in the real estate industry taking their respective positions spatially and figuratively for the economic growth that is expected to further intensify in the next 5 to 10 years. This is particularly evident in the construction and expansion of shopping malls in the city.

Those investing in any of the city's preferred investment areas (property development, tourism and recreational facilities, agribusiness and food processing, light manufacturing, medical, educational, training facilities, transshipment facilities and environmental projects) stand to benefit from a set of local incentives (tax holidays).

With the city's strong support for tourism development, businesses that can provide quality services and experiences for our visitors will enjoy more benefits. The regular enhancement and continuous development of technical education and skills training facilities will also be in demand not only to cater to the current needs and skills requirements of the services sector but to help guarantee its sustainable growth.

Quality service at competitive cost

Minimum Daily Wage + Cost of Living Allowance (COLA)

SECTOR/INDUSTRY	Basic Wage	COLA under W.O. No. RB-XI-18	New Minimum Wage Rate
Non-Agriculture	PhP 340	PhP 370	PhP 396
Agriculture	PhP 335	PhP 365	PhP 391
Retail/Service			
Employing more than 10 workers	PhP 340	PhP 370	PhP 396
Employing not more than 10 workers	PhP 315	PhP 365	PhP 381

Excellent utility services

The Davao City Water District is one of the best water utility companies not only in the Philippines but also in Asia, and is a consistent recipient of such awards annually. This ensures that the quality of potable water sources is among the best in the world. Electricity is distributed by the Davao Light and Power Company of the Aboitiz Group. Rates are very competitive compared to other metropolitan cities in the country as the bulk of the city's power is sourced from hydropower facilities in Northern Mindanao. An embedded back-up power plant also helps assure a reliable and uninterrupted power supply 24/7. Communications connectivity is seamless with numerous options offered by major players like PLDT, Bayantel, Globe Telecom, Smart Communications and Sun Cellular.



Water rates

Customer type	11-20 cu. m	above 40 cu. m
Residential/Government	14.4	36.00
Commercial/Industry	28.8	72.00

Power rates (As of September 2020)

Customer type	Average rate (in PhP/kWh)
Residential	9.0928
Commercial	8.1424
Industrial	6.9144
Flat rate	8.4955

Room to grow

Whether you are seeking property investments or simply want to lease business space, now is an opportune time to tap into Davao City's real estate community. While business districts are vibrant and teeming with small, medium and large-scale businesses, they are still far from saturation and congestion. Costs are competitive, and newly constructed buildings are available to accommodate new and growing business ventures.

The Comprehensive Land Use Plan, the organized association of real estate brokers/agents, the readiness of the market for more business development and the availability of professional services all provide ease in deciding real estate possibilities.

Land rates per sqm (in PhP)

Classification	High	Low
Residential	15,000	5,000
Commercial	5,000	780
Industrial	1,500	750
Agricultural (per hectare)	30,000	10,000

Commercial space rental rates per sqm (in PhP)

Category	High	Low
Office space (CBD)	800	450
Shopping	1,400	500

Resource-rich

Harvests are bountiful in Davao City. The cultivation and propagation of natural resources dominate the economic landscape of the region as the city is surrounded by many different plantations and stock farms supplying both local and export markets. With the richness of agribusiness opportunities in and around the area, it is no wonder that Davao City is considered the Food Basket of the Philippines.

Minerals

Davao City is rich in metallic minerals such as chromium, copper, gold, silver and lead; and non-metallic minerals such as limestone, white clay, molybdenum, phosphate and sulfur.

Soil

Major portions of Davao City are suitable for cultivation, belonging to classes A and B which can be described as very good land that can be safely cultivated and require only simple but good farm practices. These areas are in the districts of Calinan, Baguio, Tugbok and portions of Toril, Buhangin and Bunawan.

The soil units found in these areas usually belong to the textural family of San Manuel silty clay loam and Matina clay loam whose parent material consists of recent alluvium.

Water

Davao City is blessed with fresh ground and surface drinking water in abundance. Mount Apo serves as the recharge point and the areas at the foot of the mountain contain large reservoirs, the biggest of which are the Calinan, Toril and Talomo Triangle.

Financially mature

With more than 1,300 financial institutions, including branches of local and international banks, Davao City's financial landscape is as advanced, innovative and fully developed as other world-class cities. Constantly evolving and improving, these institutions provide a full suite of innovative financial services that cater to the needs of both individuals and corporations.

Well-connected

The dominant telephone service providers are PLDT, Inc. and Globe Telecom. Mobile phone services are provided by Globe Telecom, Smart Communications and Sun Cellular, all with postpaid and prepaid subscriptions and broadband connections. Dito Telecommunity Corporation is expected to start commercial operations in 2021. A majority of hotels, malls, restaurants and coffee shops also offer wi-fi coverage, either free or for a fee.

As of June 2020, there are 50 internet cafes in the key areas of the city (Poblacion and Agdao districts), where one can surf, chat, play games or send emails for as low as PhP 15 (31 US cents) per hour. To keep pace with the rest of the world, the city has two cable-TV operators and two satellite television providers offering 24-hour global news reports, documentaries and sports at very affordable prices. In addition, there are regular television channels that show both national and local programs.

Peaceful, orderly and health-oriented

Even with a population of over 1.6 million and an urban density estimated at 2,629 persons per square kilometer, Davao City's crime volume still remains among the lowest in the country. This has earned Davao City the distinction as the Most Peaceful City in the East and Southeast Asia on multiple occasions.

The city has several medical facilities, both private and public, with highly competent medical practitioners. There are three public hospitals: Southern Philippines Medical Center, Paquibato District Hospital and Camp Panacan Station Hospital, in addition to more than 28 private hospitals, excluding clinics and lying-in centers. Some hospitals are capable of performing complex operations from kidney transplants to heart surgeries. A number of hospitals also offer luxurious medical tourism facilities.

The city implemented its Anti-Smoking Ordinance in 2002, and recently received its third Red Orchid Award. Annually bestowed by the Department of Health to Local Government Units, Centers for Health Departments, Government Hospitals and Government Offices for advocating 100% Tobacco-free environments, the award placed Davao City in its Hall of Fame.

Resilient

Davao City has always been resilient in times of difficulties, from the declaration of martial law to the current COVID-19 pandemic. The city's vibrant optimism is due largely in part to the city's strong fundamentals, including a responsive local government, consistent rules and regulations for doing business and a very dynamic and risk-taking private sector. It is worthy to note that Davao City is blessed with perfect weather and a relatively typhoon-free urban area, which is crucial for business continuity.

Central 911

Davao is the first city in the Philippines to launch its own 911 emergency response center, patterned after the US and Canada's own 911 hotline.

Central 911 Public Safety and Security Command Center Davao's emergency 911 hotline is the first in the country, providing 24/7 emergency response and police assistance within minutes in the city's urban area. Its 24-member Urban Search and Rescue Team is trained to handle land and sea rescue as well as recovery operations, while its Emergency Medical Technicians are among the best in the country in first-aid skills and patient transport care.

The Central 911's K-9 Unit is equipped with bomb-sniffing dogs which are manned by highly-trained handlers. Furthermore, Central 911's Fire Auxiliary Services Unit serves as an auxiliary support to the Bureau of Fire Protection (BFP) which is primarily mandated to prevent and suppress cases of fire incidents. The Unit has state-of-the-art facilities and advanced rescue equipment and tools. Aside from the regular police force and community defense systems, Davao City also has the Task Force Davao to help insulate the city and serve as a backup in local peace efforts.



Public Safety and Security Command Center

Davao City is under constant watch 24/7 because of its PSCC, in which the city invested around PHP 704 million. It is the Philippines' first ever traffic monitoring center, equipped with advanced and state-of-the-art traffic-monitoring facilities patterned after the ones in Los Angeles, California.

The Public Safety and Security Command Center provides an effective coordinative and integrative command and control organization for improved inter-operability in the delivery of emergency quality services by offices and units comprising the safety, law and order, security and intelligence clusters in Davao City. It serves as the command, control and coordinating office during everyday activities, crisis situations and combined security operations.

It serves as the center for coordination on matters of public safety with the following agencies: Davao City Police Office, City Health, Central 911, Davao City Disaster Coordinating Council, Office of the Civil Defense and Regional Disasters Coordinating Council. It is housed in a two-story modern building beside Central 911 emergency communications center in Ecoland, Matina.

LOCAL LEGISLATION

Knowing the laws of the land is the best guide for a locator, and Davao City has unique sets of policies, local legislation and ordinances. It pays to be apprised of the following:

The Davao City Investment Incentive Code with amendments in 1997, 1999, 2007, 2010, 2012 and 2019, contains the rules and regulations on how an investor can qualify for and avail of local investment incentives. Moreover, new amendments to the Code have been submitted for approval in 2020 by the City Council.

Amendments to the Guidelines in the Registration of Business Establishment with Foreign Nationals (029-7) contains the procedures for registration of foreign nationals intending to engage in business in Davao City.

The New Comprehensive Anti-Smoking Ordinance of Davao City (0367-12) prohibits smoking in public places, public transport and any enclosed area including accommodations and entertainment establishments.

Implementing a Single Registration Form and a One-Stop-Shop Center Procedure (0024-04) is an ordinance implementing a single form and a one-stop-shop center procedure for the whole year in the registration of business permits, to promote the registration of more businesses and increase local revenues for the city.

Watershed Protection, Conservation and Management Ordinance otherwise known as Watershed Code (310-07) regulates or prohibits certain activities in watershed areas, recharge zones, conservation areas and environmentally critical areas.

Banning Aerial Spraying Ordinance (309-07) bans aerial spraying as an agricultural practice in all agricultural activities by all agricultural entities within the territorial jurisdiction of the city.

Davao City Public-Private Partnership (PPP) Ordinance (0353-12) promotes public-private partnerships (PPP) in the financing, construction, operation and maintenance of local government infrastructure of development projects.

Revised Zoning Ordinance and Updated Comprehensive Land Use Plan 2013-2022 is an approving and adopting zoning ordinance of Davao City for 2013-2022, incorporating the comprehensive land use plan and sectoral studies.

Random Drug Testing (0506-13) is an ordinance mandating random drug testing in all business establishments in Davao City employing 10 or more employees and establishing the same as a requirement in the acquisition and renewal of business permits.

Davao City Public Employment Service Office (DC-PESO) Ordinance (0391-12) is an ordinance creating the Davao City Public Employment Service Office and integrating it as one division under the City Mayor's Office.

Other local ordinances:

- ▶ Mobile Tower Ordinance
- ▶ Ordinance Regulating Tourism Industry in the City of Davao
- ▶ Davao City Ecological Solid Waste Management
- ▶ Internet Café Ordinance of Davao City
- ▶ Organic Farming Ordinance
- ▶ Women Development Code
- ▶ Signage Ordinance of the City of Davao

Davao City: Invest in your future success

There are countless reasons to invest in Davao City. The weather is ideal, the cost of doing business is very competitive and the quality of life in Davao has been recognized as the best in Asia by the prestigious Asian Institute of Management.

Easily accessible and with both excellent infrastructure and a young, healthy workforce, Davao City is as beautiful as it is economically promising.

The agency tasked to promote Davao City as the prime investment destination in the country is given to the Davao City Investment Promotion Center (DCIPC).

The Center provides investors and the local business community the necessary assistance to help them start their businesses in Davao City the easiest way possible. It offers free professional and support services, thorough assistance in securing business permits and licenses, business matching, business briefing, investment counseling, data-banking and networking with industry associations and government agencies. It also leads in attracting potential investors through participation in business missions, fairs, exhibits, conferences and fora.

INCENTIVES FOR INVESTORS

(Ordinance No. 042-19, Series of 2019)

A set of local fiscal and non-fiscal incentives are made available to qualified investors. These incentives, such as exemption from payment of commercial sales tax and basic real property tax, are substantial in the initial years of business operations. These are over and above what investors may avail of under the Philippine Omnibus Investment Code.

Local fiscal incentives

For new projects:

1. Business tax for a period of three years starting from the date of the first sales activity as evidenced by the first sales invoice or official receipt, whichever comes first, issued by the business/enterprise; and/or
2. Mayor's Permit fees, licenses and charges, excluding Building Permit fees for a maximum of three years.
3. Basic real property tax of real properties used in the registered business, excluding barangay share for two years from the effectivity or accrual of the real property tax on the new tax declaration/assessment issued by the City Assessor's Office; or, from the start of commercial operation of enterprise or project.

For expansion/diversification projects:

1. Business tax increments (where assessment increments are solely brought about by the expansion or diversification) for a period of three years starting from January of the succeeding year; and/or
2. Mayor's Permit fees, licenses and charges, excluding Building Permit fees for a maximum of three years.
3. Basic real property tax increments (where assessment increments are solely brought about by the expansion or diversification) of real properties used in the registered business, excluding barangay share for two years from the effectivity or accrual of the real property tax on the new tax declaration/assessment issued by the City Assessor's Office Provided that the Board may reduce the period of incentive entitlement if the project under consideration does not meet the minimum employment requirement.

For projects located in preferred districts

Districts of Calinan, Baguio, Marilog, Tamugan and Paquibato:

1. Business tax for a period of five years starting from the date of the first sales activity as evidenced by the first sales invoice or official receipt, whichever comes first, issued by the business/enterprise; and/or
2. Mayor's Permit fees, licenses and charges, excluding Building Permit fees for a maximum of five years.
3. Basic real property tax of real properties used in the registered business, excluding barangay share for five years from the effectivity or accrual of the real property tax on the new tax declaration/assessment issued by the City Assessor's Office.

Non-fiscal incentives offered

1. Facilitate processing of local permits and licenses
2. Business information data-banking
3. Referral manpower and raw material sourcing
4. Investment counseling and business matching

*subject to amendment of the local ordinance by the Davao City Council

Who can avail of the incentives?

New, Expanding or Diversifying Enterprises, from Single Proprietorships, Partnerships, Corporations, or Cooperatives with a minimum capital of PhP 3 million and can be classified under any of the Preferred Investment Areas.

Criteria/Qualifications for incentives

1. Must meet the minimum capitalization and employment requirement.

Enterprise (New/Existing)	Capitalization	Employment
Small scale	PhP 3 million to 15 million	Not less than 10 persons
Medium scale	Over PhP 15 million to 100 million	At least 20 persons
Large scale	Over PhP 100 million	At least 100 persons*

*Place of operation or production is within the territorial jurisdiction of Davao City
 *The investment or expansion project is among the identified Priority Areas of Investments

2. Place of operation or production is within the territorial jurisdiction of Davao City.

3. The investment project, whether new, expansion or diversification is among the identified Preferred/Priority Areas of Investments: agribusiness, tourism and recreational facilities, healthcare, education, property development, technology, eco-industry, inclusive business activities, light manufacturing, infrastructure

4. Required filing fee:

Capitalization	Employment Requirement	Filing Fee (in PhP)
3 million to 5 million	10 persons	5,000.00
Over 5 million to 10 million	10 persons	10,000.00
Over 10 million to 40 million	20 persons	15,000.00
Over 40 million to 100 million	100*	25,000.00
Over 100 million to 1 billion	100*	50,000.00
Over 1 Billion	100*	100,000.00

*Unless under exceptional cases as may be determined by the board.

Required documents to be submitted in three copies

- ▶ Letter of Application addressed to the City Mayor (the purpose of this document is self-explanatory such that without which, there will be no request to act upon).
- ▶ DCIPC Application form (serves as a basic information sheet on the project and the investor)
- ▶ Project Study (this document will showcase the technical and financial feasibility of the project)
- ▶ Any of the following enterprise registration documents (whichever applies)
- ▶ Certified True Copy of DTI Certificate of Business Registration (for single proprietorship)
- ▶ Certified True Copy of SEC Articles of Incorporation/Partnership and By Laws (for corporations and partnerships)
- ▶ Certified True Copy of CDA Certificate of Registration (for cooperatives only)
- ▶ Secretary’s Certificate or Board Resolution authorizing the Partners or the Board of Directors, or any of their authorized representative, as the case may be, to file the application (for corporations, partnerships and cooperatives)

- ▶ Authority from partners/Board of Directors to file application (if project is not under single proprietorship)
- ▶ Copy of Zoning Certification (Zoning Classification of project/business activity site from the City Planning and development Office)
- ▶ Certified True Copy of Certificate from the Department of Environment and Natural Resources (an Environmental Compliance Certificate or a Certificate of Non-coverage depending on the type of business operation)
- ▶ Copy of Land Title (Transfer Certificate of Title) and/or copy of Lease Contract (from the owner of land and/or building)
- ▶ Copy of Barangay Council Resolution (Interposing No Objection to the project)
- ▶ Copy of Business Permit (for existing companies venturing into new or expansion projects)
- ▶ Copy of Official Receipt for the filing fee (to be paid after the conduct of Ocular Inspection by personnel of the Center)
- ▶ For projects such as residential/housing subdivisions/villages, a copy of Development Permit from the City Council (application to be filed at the City Planning and Development Office) will be required
- ▶ If building construction of the project has started, a copy of the Building permit will be required

NATIONAL INCENTIVES¹

Board of Investments (BOI)

- ▶ Income Tax Holiday (ITH) - at least four years; six years for projects with pioneer status; ITH bonus of three years (subject to compliance with certain conditions)
- ▶ 0% duty on importation of capital equipment, spare parts and supplies
- ▶ Exemption from wharfage dues and export tax, duty, impost and fees

Foreign nationals may be employed in supervisory, technical or advisory positions within five years from a project’s registration, extendible for limited periods. The positions of president, general manager and treasurer or their equivalents, of foreign-owned registered firms may be retained by foreign nationals for a longer period. Moreover, all foreign employees may bring with them their spouses and unmarried children under 21 years of age. For additional information, potential investors may visit the Board of investments (BOI) website at www.boi.gov.ph.

Activities that may be registered with the BOI are those listed in the Investment Priorities Plan (IPP). The Office of the President of the Philippines issued the 2020 Investment Priorities Plan (IPP) thru Memorandum Order No. 50 series of 2020 dated 18 November 2020. Generally, a carry-over of the previous 2017 to 2019 IPP with the addition of two qualified activities relating to the COVID-19 pandemic response and the ‘Balik Probinsya’ program. The 2020 IPP has a validity of three years (2020-2023) subject to annual review. For the full text of the 2020 IPP, please refer to: <https://boi.gov.ph/wp-content/uploads/2020/12/20201118-MO-50-RRD-2.pdf>

¹ Incentives under BOI and PEZA may change subject to the result of the deliberation and passage of the current CREATE bill (Corporate Recovery and Tax Incentives for Enterprises Act).

Philippine Economic Zone Authority (PEZA)

Fiscal incentives

- ▶ Income Tax Holiday (ITH) - 100% exemption from corporate income tax
- ▶ Upon expiry of the Income Tax Holiday - 5% Special Tax on Gross Income and exemption from all national and local taxes (Gross Income refers to gross sales or gross revenues derived from the registered activity, net of sales discounts, sales returns and allowances and minus cost of sales or direct costs but before any deduction is made for administrative expenses or incidental losses during a given taxable period)
- ▶ Tax and duty-free importation of raw materials, capital equipment, machineries and spare parts
- ▶ Exemption from wharfage dues and export tax, impost or fees
- ▶ VAT zero-rating of local purchases subject to compliance with BIR and PEZA requirements
- ▶ Exemption from payment of any and all local government imposts, fees, licenses or taxes. However, while under Income Tax Holiday, no exemption from real estate tax, but machineries installed and operated in the economic zone for manufacturing, processing or for industrial purposes shall be exempt from real estate taxes for the first three years of operation of such machineries. Production equipment not attached to real estate shall be exempt from real property taxes

Non-fiscal incentives

- ▶ Simplified Import - Export Procedures (Electronic Import Permit System and Automated Export Documentation System)
- ▶ Non-resident foreign nationals may be employed by PEZA-registered Economic Zone Enterprises in supervisory, technical or advisory positions
- ▶ Special Non-Immigrant Visa with Multiple Entry Privileges for the following non-resident foreign nationals in a PEZA-registered Economic Zone Enterprise: Investor/s, officers and employees in supervisory, technical or advisory position, and their spouses and unmarried children under 21 years of age. PEZA extends Visa Facilitation Assistance to foreign nationals, their spouses and dependents

Incentives under BOI and PEZA may change subject to the result of the deliberation and passage of the current CREATE bill (Corporate Recovery and Tax Incentives for Enterprises Act).



FOR FOREIGN INVESTORS



Photo courtesy of the Davao City Chamber of Commerce and Industry, Inc.

Philippines Foreign Investments Act (FIA) of 1991 (or Republic Act No. 7042 as amended by RA No. 8179)

The Foreign Investments Act (FIA) of 1991 liberalized the entry of foreign investments into the Philippines. Under the FIA, foreign companies are generally allowed to conduct business in the Philippines subject to restrictions spelled out in the Foreign Investments Negative List (FINL), which the government periodically updates. The FINL is a shortlist of areas of economic activities where foreign investments are restricted or limited. It has two components:

List A contains areas of activities reserved to Philippine nationals by mandate of the Constitution and other specific laws.

List B contains the areas of activity and enterprises where foreign ownership is limited pursuant to law. Among these are defense or law enforcement-related activities and those with implications on public health and morals. This list includes small and medium-sized domestic market enterprises with paid in equity capital less than the equivalent of US\$200,000, unless they involve advanced technology as certified by the Department of Science and Technology or they employ at least 50 direct employees, in which case a minimum paid-up capital of US\$100,000 is allowed. The 11th Foreign Investment Negative List (FINL) was promulgated on 29 October 2018.

11TH Regular Foreign Investment Negative List

List A

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

No Foreign Equity

1. Mass media, except recording (Art. XVI, Sec. 11 of the 1987 Constitution; Presidential Memorandum dated 05 May 1994) and internet business (DOJ Opinion No. 40, s. 1998)¹
2. Practice of professions² (Art. XII, Sec. 14 of the Constitution, Sec. 1 of RA No. 5181, Sec. 7[j] of RA No. 8981), including Radiologic and x-ray technology (RA No. 7431), Criminology (RA No. 6506), Law (Art. VIII, Section 5 of the Constitution; Rule 138, Sec. 2 of the Rules of Court of the Philippines), marine deck officers and marine engine officers (RA No. 10635), subject to the Annex on the Professions attached herewith and forming an integral part of this document, indicating the professions where (a) foreigners are allowed to practice in the Philippines subject to reciprocity; and (b) where corporate practice is allowed. Foreigners may teach at higher education levels (RA No. 8292), provided the subject being taught is not a professional subject (i.e., included in a government board or bar examination).
3. Retail trade enterprises with paid-up capital of less than US\$2,500,000 (Sec. 5 of RA No. 8762)³
4. Cooperatives (Ch. III, Art. 26 of RA No. 6938, as amended by Ch. II, Art. 10 of RA No. 9520)
5. Organization and operation of private detective, watchmen or security guards agencies (Sec. 4 of RA No. 5487)
6. Small-scale mining (Sec. 3 of RA No. 7076)
7. Utilization of marine resources in archipelagic waters, territorial sea and exclusive economic zone as well as small-scale utilization of natural resources in rivers, lakes, bays and lagoons (Art. XII, Sec. 2 of the Constitution)

8. Ownership, operation and management of cockpits (Sec. 5 of PD No. 449)
9. Manufacture, repair, stockpiling and/or distribution of nuclear weapons (Art. II, Sec.8 of the Constitution)⁴
10. Manufacture, repair, stockpiling and/or distribution of biological, chemical and radiological weapons and anti-personnel mines (various treaties to which the Philippines is a signatory and conventions supported by the Philippines)⁵
11. Manufacture of firecrackers and other pyrotechnic devices (Sec. 5 of RA No. 7183)

Up to 25% Foreign Equity

12. Private recruitment, whether for local or overseas employment (Art. 27 of PD No. 442)
13. Contracts for the construction of defense-related structures (Sec. 1 of Commonwealth Act No. 541)

Up to 30% Foreign Equity

14. Advertising (Art. XVI, Sec. 11 of the Constitution)

Up to 40% Foreign Equity

15. Subject to applicable regulatory frameworks, contracts for the construction and repair of locally-funded public works (Sec. 1 of CA No. 541, Letter of Instruction No. 630), except: a. Infrastructure/development projects covered in RA No. 7718; and b. Projects which are foreign-funded or assisted and required to undergo international competitive bidding (Sec. 2[a] of RA No. 7718)⁶
16. Exploration, development and utilization of natural resources (Art. XII, Sec. 2 of the Constitution)⁷
17. Ownership of private lands (Art. XII, Sec. 7 of the Constitution; Sec. 22 of CA No. 141; Sec. 4 of RA No. 9182)
18. Operation of public utilities (Art. XII, Sec. 11 of the Constitution; Sec. 16 of CA No. 146; Sec. 2(a) of RA No. 7718),⁸ except power generation and the supply of electricity to the contestable market (Sec. 6 and Sec 29, respectively, of RA No. 9136) and such other like businesses or services not covered by the definition of public utilities⁹

19. Educational institutions other than those established by religious groups and mission boards, for foreign diplomatic personnel and their dependents, and other foreign temporary residents (Art. XIV, Sec. 4 of the Constitution),¹⁰ or for short-term high-level skills development that do not form part of the formal education system as defined in Sec. 20 of Batas Pambansa No. 232 (1982)
20. Culture, production, milling, processing, trading except retailing, of rice and corn and acquiring, by barter, purchase or otherwise, rice and corn and the by-products thereof (Sec. 5 of PD No. 194)¹¹
21. Contracts for the supply of materials, goods and commodities to government-owned or controlled corporation, company, agency or municipal corporation (Sec. 1 of RA No. 5183)¹²
22. Operation of deep sea commercial fishing vessels (Sec. 27 of RA No. 8550, as amended by RA No. 10654) amended by Ch. II, Art. 10 of RA No. 9520
23. Ownership of condominium units (Sec. 5 of RA No. 4726)
24. Private radio communications network (Art. XII, Sec. 11 of the Constitution, NTC Memorandum Circular No. 10-8-91)

List B

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

Up to 40% Foreign Equity

1. Manufacture, repair, storage and/or distribution of products and/or ingredients 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;

- i. Nitrates of ammonium, potassium, sodium barium, copper (11), lead (11), calcium and cuprite;
- ii. Nitric acid;
- iii. Nitrocellulose;
- iv. Perchlorates of ammonium, potassium and sodium;
- v. Dinitrocellulose;
- vi. Glycerol;
- vii. Amorphous phosphorus;
- viii. Hydrogen peroxide;
- ix. Strontium nitrate powder;
- x. Toluene; and
- f. Telescopic sights, sniper scope and other similar devices.

However, the manufacture or repair of these items may be authorized by the Chief of the Philippine National Police to non-Philippine nationals; provided that a substantial percentage of output, as determined by the said agency, is exported. Provided further that the extent of foreign equity ownership allowed shall be specified in the said authority/clearance (RA No. 7042 as amended by RA No. 8179).

2. Manufacture, repair storage and/or distribution of products requiring Department of National Defense (DND) clearance:
 - a. Guns and ammunition for warfare;
 - b. Military ordnance and parts thereof (e.g., torpedoes, depth charges, bombs, grenades, missiles);
 - c. Gunnery, bombing and fire control systems and components;
 - d. Guided missiles/missile systems and components;
 - e. Tactical aircraft (fixed and rotary-winged), parts and components thereof;
 - f. Space vehicles and component systems;
 - g. Combat vessels (air, land and naval) and auxiliaries;
 - h. Weapons repair and maintenance equipment;
 - i. Military communications equipment;
 - j. Night vision equipment;
 - k. Stimulated coherent radiation devices, components and accessories;
 - l. Armament training devices; and
 - m. Others as may be determined by the Secretary of the DND.

However, the manufacture or repair of these items may be authorized by the Secretary of National Defense to non-Philippine nationals; provided that a substantial percentage of output, as determined by the said agency, is exported. Provided further that the extent of foreign equity ownership allowed shall be specified in the said authority/clearance (RA No. 7042 as amended by RA No. 8179).

3. Manufacture and distribution of dangerous drugs (RA No. 7042 as amended by RA No. 8179)
4. Sauna and steam bathhouses, massage clinics and other like activities regulated by law because of risks posed to public health and morals, except wellness centers (RA No. 7042 as amended by RA No. 8179)
5. All forms of gambling (RA No. 7042 as amended by Ra No. 8179) except those covered by investment agreements with PAGCOR (PD No. 1869, as amended by RA No. 9487)
6. Domestic markets enterprises with paid-in equity capital of less than the equivalent of US\$200,000 (RA No. 7042, as amended by RA No. 8179)
7. Domestic market enterprises which involve advanced technology or employ at least 50 direct employees with paid-in equity capital of less than the equivalent of US\$100,000 (RA No. 7042, as amended by RA No. 8179)

Footnotes:

1. DOJ Opinion No. 40 (s. 1998) uses the term "Internet Business" to refer to internet access providers that merely serve as carriers for transmitting messages, rather than being the creator of messages/information.
2. Section 1(b) of Professional Regulation Commission Resolution No. 2012-668 defines "practice of a profession" as an "activity/undertaking rendered by a registered and licensed professional or a holder of a Special Temporary Permit as defined in the scope of practice of a professional regulatory law."
3. Full foreign participation is allowed for retail trade enterprises: (a) with paidup capital of US\$2,500,000 or more provided that investments for establishing a store is not less than US\$830,000; or (b) specializing in high end or luxury products, provided that the paid-up capital per store is not less than US\$250,000 (Sec. 5 of RA No. 8762).
4. Domestic investments are also prohibited (Art. II, Sec. 8 of the Constitution; Conventions/Treaties to which the Philippines is a signatory).
5. Section 2 (a) of RA No. 7718 states that "[f]or the construction stage of these infrastructure projects, the project proponent may obtain financing from foreign and/or domestic sources and/or engage the services of a foreign and/or Filipino contractor. Provided, That, in case an infrastructure or a development facility's operation requires a public utility franchise, the facility operator must be Filipino or if a corporation, it must be duly registered with the Securities and Exchange Commission and owned up to at least 60% by Filipinos; Provided, further, That in the case of foreign contractors, Filipino labor shall be employed or hired in the different phases of the construction where Filipino skills are available xxx"
6. Full foreign participation is allowed through financial or technical assistance entered into with the President (Art. XII, Sec. 2 of the Constitution).
7. The participation of foreign investors in the governing body of any public utility enterprise shall be limited to their proportionate share in its capital, and all the executive and managing officers of such corporation or association must be citizens of the Philippines (Article XII, Section 11 of the Constitution).
8. A "public utility" is a business or service engaged in regularly supplying the public with some commodity or service of consequence such as electricity, gas, water, transportation, telephone or telegraph service (Supreme Court ruling in JG Summit Holdings v. Court of Appeals, et al., September 24, 2003).
9. Control and administration of educational institutions shall be vested in citizens of the Philippines (Art. XIV, Sec. 4[2] of the Constitution).
10. Full foreign participation is allowed provided that within the 30-year period from start of operation, the foreign investor shall divest a minimum of sixty percent (60%) of their equity to Filipino citizens (Sec. 5 of PD No. 194; NFA Council Resolution No. 193, s. 1998)
11. A contract may be awarded to any contractor or bidder who is a citizen, corporation or association of a foreign country the laws or regulations of which grant similar rights or privileges to citizens of the Philippines (Sec. 1 of RA No.5183).



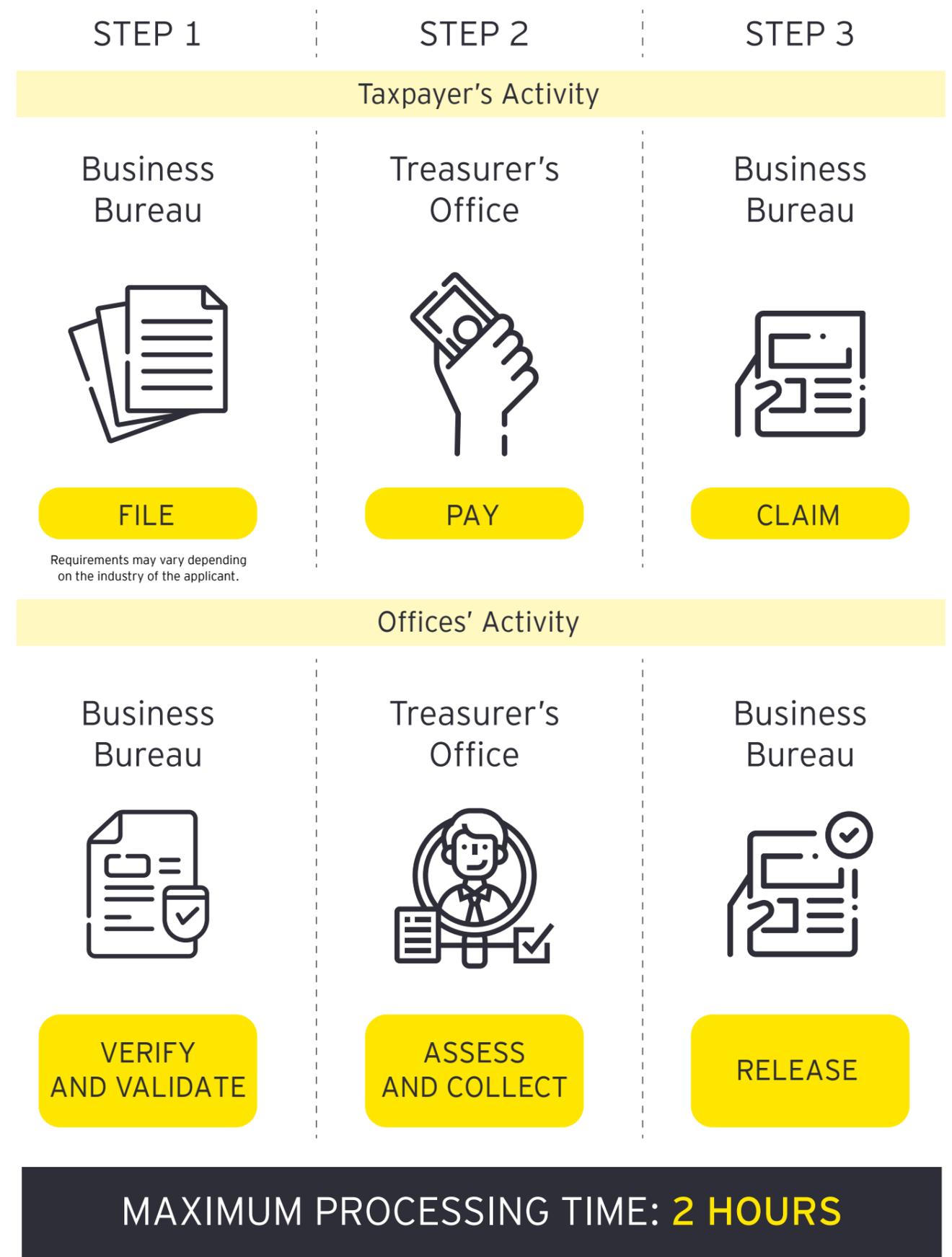
Other special visa options for foreigners

1. Special investor's Resident Visa - for investors (21 years or older) willing to invest at least USD 75,000 in the Philippines. The spouse and unmarried children under 21 may also be issued the same visa (please coordinate with the Board of Investments and the Bureau of Immigration)
2. Special Visa for Employment Generation (SVEG) - issued to a qualified non-immigrant foreigner who shall actually employ at least 10 Filipinos in a lawful and sustainable enterprise, trade or industry (EO 758)
3. Special Resident Retiree's Visa -

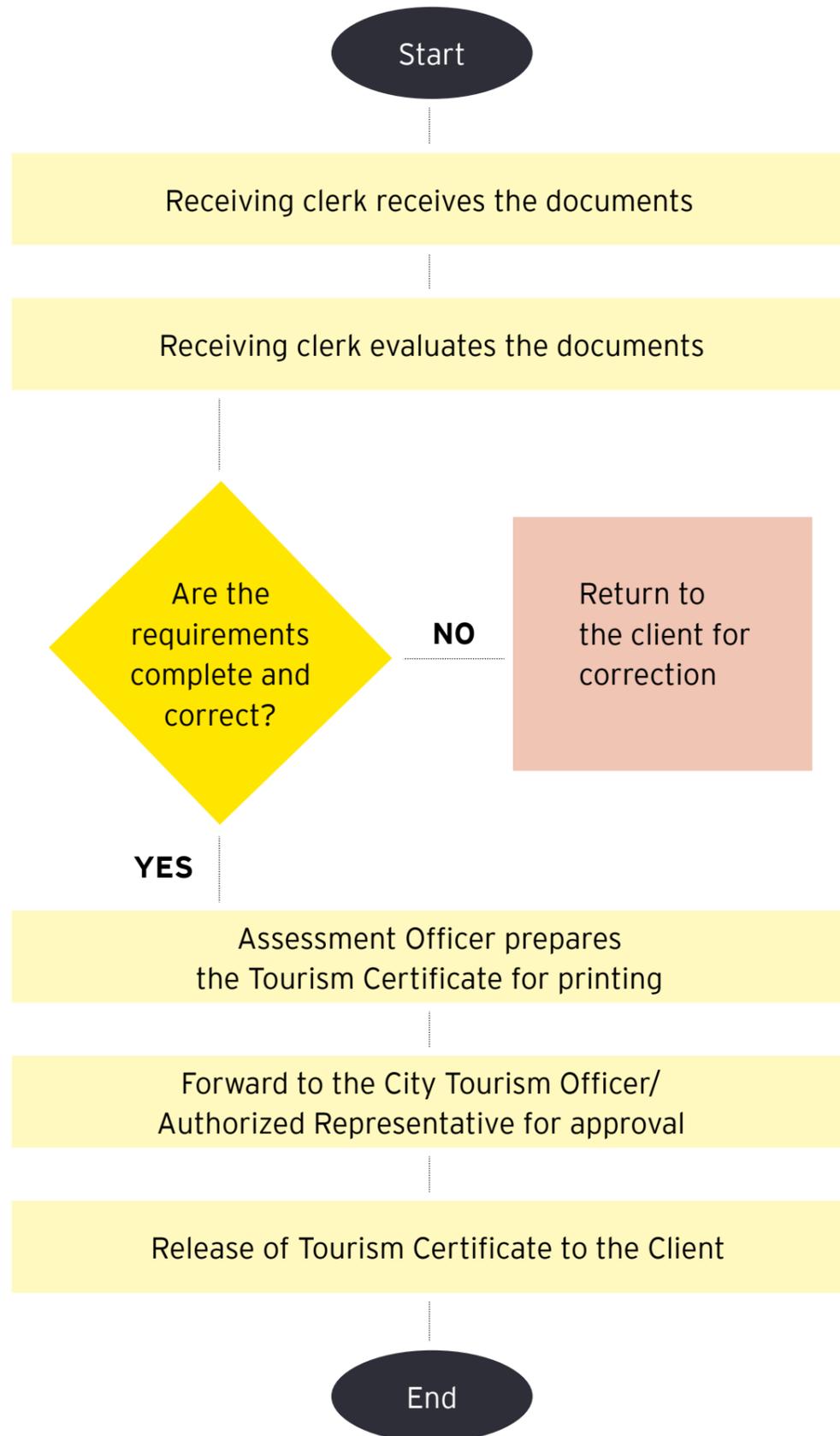
With Pension	Without Pension
50 years old and above with required time deposit of USD 10,000 plus a monthly pension of USD 800	5-49 years old - USD 50,000 time deposit 50 years old and above - USD 20,000 time deposit

For more details, visit www.pra.gov.ph

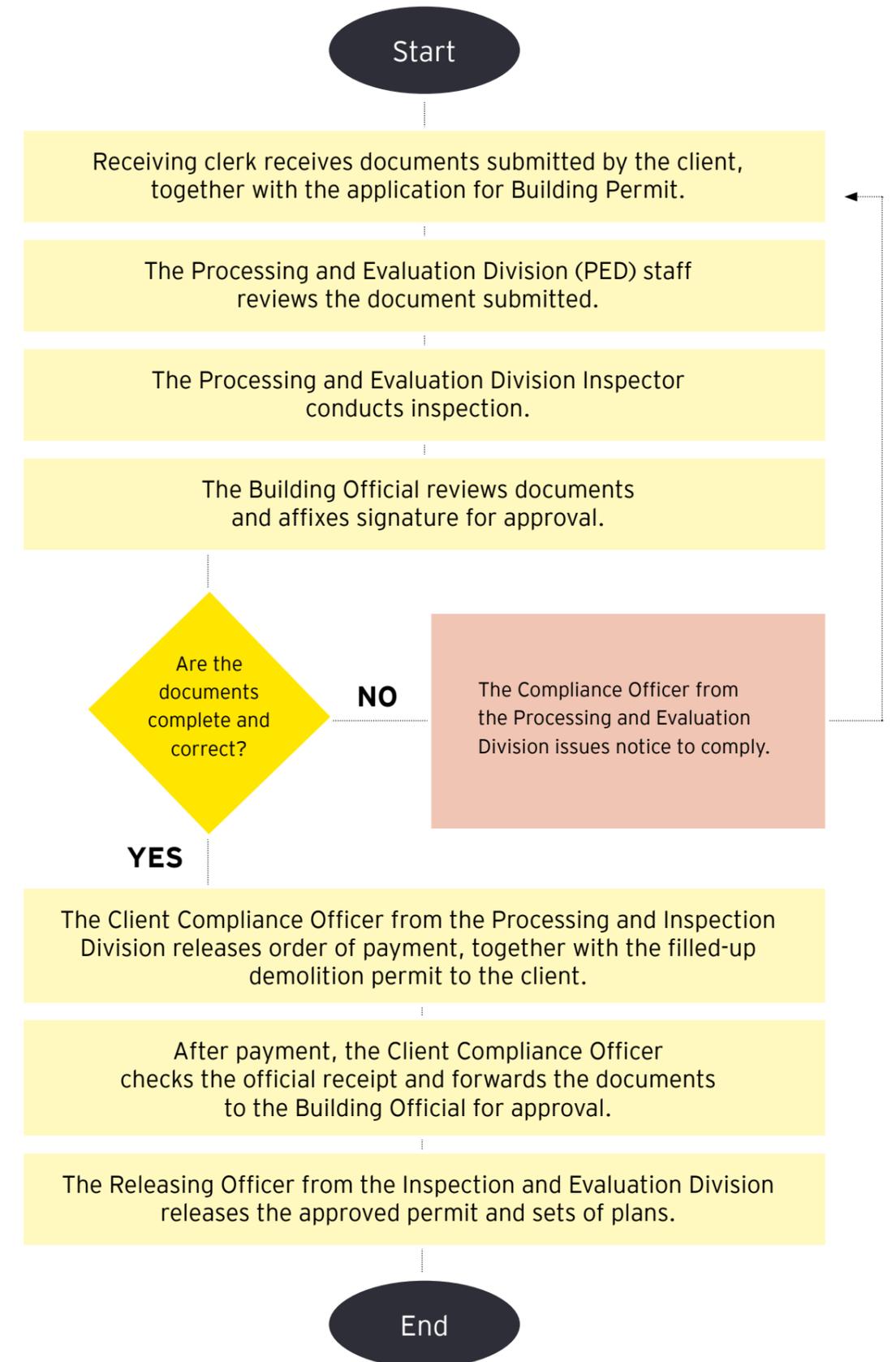
Steps in the issuance of a new business permit



City Tourism Operations Office (CTTO) flowchart: Registration and license processing



Issuance of building permit process flow



THE 2017 REVENUE CODE OF DAVAO

The general tax rates for doing business in Davao City are as follows:

Real Property Tax

Article 1, Chapter 2 of the Davao City Revenue Code

Rates	Basic Real Property Tax (RPT) - 1.5% of the assessed value Special Education Fund (SEF) - 1% of the assessed value in addition to Basic RPT
Time of payment	Once on the first day of January; OR In four equal installments: on or before the last day of March, June, September and December

Mayor's Permit fees

Article 1, Chapter 3 of the Davao City Revenue Code

	Annual Registration Fee (PhP)				
	Type of Business	Cottage (499,999 and below)	Small (500,000 - 1,999,999)	Medium (2,000,000 - P9,999,999)	Large (10 million and above)
Rates	1. Manufacturers/ Importers/Producers 2. Wholesalers/Retailers/Dealers or Distributors 3. Transloading Operations	2,000	5,000	8,000	10,000
	4. Banks				
	Rural, Thrift and Saving Banks			5,000	
	Commercial, Industrial and Development Banks			8,000	
	Universal Banks			10,000	
	5. Other Financial Institutions	2,000	5,000	8,000	10,000
	6. Contractors/Service Establishments	1,000	1,200	2,500	6,000
	7. Other Businesses	1,000	2,000	4,000	6,000
	*Excluding permit fees for Cockpit Owners/Operators/Licensees/Promoters and Cockpit Personnel *Excluding other service fees and additional charges				
	Time of payment	Once within the first 20 days of January; OR in quarterly installments within the first 20 days of January, April, July, October of each year			

Local Business Tax

Article 10, Chapter 2 of the Davao City Revenue Code

	Business	Local Business Tax Rate
Rates	A. Manufacturers, Assemblers, Repackers, Processors, Brewers, Distillers, Rectifiers, and Compounders of Liquors, distilled spirits, and wines, or manufacture of any article of commerce of whatever kind or nature	Minimum of PhP 1,479.38 up to a Maximum of 46% of 1% of the sales or receipts of the preceding year
	B. On wholesalers, Distributors, or Dealers in any article of commerce of whatever kind or nature	Minimum of PhP 1,210.00 up to a Maximum of 61% of 1% of the sales or receipts of the preceding year
	C.1. On Exporters	1/3 of the rates prescribed under (A), (B), and (D)
	C.2. On Producers of processed products, Wholesalers, Distributors, Dealers or Retailers of Essential Commodities	Not exceeding 1/2 of the rates prescribed under (A), (B), and (D)
	D. On Retailers	2.20% - If Gross Sales/Receipts is more than PhP 50,000.00 but not over PhP 400,000.00 of the Preceding Year 1.21% - In excess of PhP 400,000.00 *Barangays shall have the exclusive power to levy taxes on stores whose gross sales or receipts of the preceding calendar year does not exceed PhP 50,000.00 subject to existing laws and regulations
	E. On Contractors and other Independent Contractors; Lessors and Dealers of Real Estate	Minimum of PhP 998.25 up to a Maximum of 60% of 1% of the gross sales or receipts of the preceding year
	F. On Banks and Other Financial Institutions	1% of gross receipts of the preceding year
	G. On Restaurants, Cafés, Cafeterias, Carenderias, Eateries, Food Caterers, Ice Cream and other Refreshment Parlors, Soda Fountain Bars, and places wherein customers thereof actively participate without making bets or wages; Subdivision Owners/Private Cemeteries and Memorial Parks; Privately-Owned Markets; Therapeutic Clinics, Laboratories	Minimum of PhP 1,479.38 up to a Maximum of 43% of 1% of the gross sales or receipts of the preceding year
	H. Any other Business not otherwise specified in the preceding paragraph	2% of gross sales or receipts of the preceding year
	I. On Authorized Franchise Car Dealers	
	I.1. Car Dealers	Minimum of 90.75% of 1% of gross receipts up to a Maximum of PhP 14,602,500 plus 11% of 1% of gross receipts in excess of P3 Billion
	I.1. Spare Parts	Minimum of 2.2% of gross receipts up to a Maximum of PhP 495,000 plus 60.5% of 1% of gross receipts in excess of P30 million
	I.1. Services	Minimum of 90.75% of 1% of gross receipts up to a Maximum of PhP 756,250 plus 27.5% of 1% of gross receipts in excess of PhP 100 million
Time of payment	Once within the first 20 days of January; OR In quarterly installments within the first 20 days of January, April, July, October of each year	

CITY GOVERNMENT OF DAVAO AND CONTACTS

The City Government of Davao oversees the growth and development of Davao City, its constituents, and its robust economy—the largest in southern Philippines.



Various departments and clusters work together to focus on programs instituted by the city to cater to the needs of Dabawenyos, from business matters to career opportunities. The city has been awarded the Seal of Good Local Governance by the Department of the Interior and Local Government.

The initiatives of the City Government of Davao to ensure ease of doing business have catapulted the urban center into the Top 5 business-friendly cities in the Philippines.

Investors can enjoy a favorable business climate in Davao City, with vast land areas for development, abundant supply of raw materials, affordable operational costs and a highly-skilled workforce. The city is also strategically located in Mindanao, offering smooth transport and logistics via inter-provincial routes, an international airport, and modernized means of transport.



Mayor Sara Z. Duterte

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cio@davaocity.gov.ph
Facebook page: @DavaoCityGov
Website: www.davaocity.gov.ph



Davao City Investment Promotion Center

New Investment and Tourism Building
3rd Floor, Palma Gil St., Davao City, 8000
Email: dcipc@davaocity.gov.ph
Website: invest.davaocity.gov.ph

Our Purpose

In everything we do, we nurture leaders and enable businesses for a better Philippines.

Since its inception, SGV & Co., following the footsteps, wisdom and compassion of our founders, has always taken an active part in nation-building and making a difference in our communities. In 2018, we rearticulated our Purpose to embody our collective ambition to inspire positive change and inclusive growth by developing outstanding leaders who team up to deliver on our promises to all of our stakeholders. The insights and quality services we deliver help enable businesses, inspire trust and confidence in capital markets and in economies the world over. In doing so, we play a critical role in building a better Philippines, and thus, a better working world for our people, our clients and our communities. The SGV Purpose is nested within our global EY Purpose to Build a Better Working World.

We see a future where the economy prospers and lives are uplifted.

To do our part, we help actualize the potentials of:

- ▶ People who demonstrate integrity, excellence, respect, teaming and inclusiveness
- ▶ People with energy, enthusiasm and the courage to lead
- ▶ People who build relationships based on doing the right thing

#SGVforABetterPhilippines

SGV is the largest professional services firm in the Philippines. In everything we do, we nurture leaders and enable businesses for a better Philippines. This Purpose is our aspirational reason for being that ignites positive change and inclusive growth.

Our insights and quality services help empower businesses and the economy, while simultaneously nurturing our people and strengthening our communities. Working across assurance, tax, strategy and transactions, and consulting services, SGV teams ask better questions to find new answers for the complex issues facing our world today.

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