

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 588

**STRENGTHENING THE PHILIPPINE SHIP BUILDING AND SHIP REPAIR
SECTOR AND INSTITUTING MEASURES TO PROMOTE ITS
GROWTH AND DEVELOPMENT**

WHEREAS, the government has committed itself, as embodied in the President's Ten-Point Legacy Program, to create six (6) to ten (10) million jobs and to encourage investments in preferred areas of activity;

WHEREAS, the Medium Term Philippine Development Plan of 2004-2010 and the Investment Priorities Plan of 2006 have identified ship building and ship repair as among the areas where the Philippines has natural and human resource advantage;

WHEREAS, Republic Act (RA) No. 9295 encourages the development of a viable ship building and ship repair sector supportive of the shipping industry;

WHEREAS, the accelerated and sustained development of the ship building and ship repair sector requires the joint and active collaboration between the government and the private sector as shown by even the most developed countries in the world;

WHEREAS, RA 8042 provides that the State shall continuously create local employment opportunities and promote the equitable distribution of wealth and benefits of development;

WHEREAS, there is a need to attract and maintain much needed investments for the development of ship building and ship repair sector in view of its capacity to contribute to the country's economic output, its strategic significance given the archipelagic nature of the Philippine geography, and its potential to open up vast opportunities for employment and skills training for Filipinos;

WHEREAS, Section 3, Article XIII of the Constitution recognizes the right business enterprises to adopt and enforce such policies necessary to protect the right to reasonable returns on investments and to expansion and growth;



FGMA Histogram # 37852

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. Development of the Philippine Ship Building and Ship Repair Sector. The growth and development of the Philippine ship building and ship repair sector shall be a key component of the government's continuing industrial development program in accordance with the President's Ten-Point Agenda.

The entry and maintenance of foreign and local investment in the Philippine ship building and ship repair sector shall enjoy the government's full support in view of its capability to generate employment opportunities, modernize the country's industrial sector, and improve productivity levels through the use of new technological and managerial know-how.

SECTION 2. Training, Development and Employment of Filipinos. The training, development and continued employment of Filipino citizens in duly registered entities engaged in ship building and ship repair within the country shall form part of the government's effort to promote investment in the Filipino towards a world class and competitive industry.

The "**FILIPINO INVESTING IN THE PHILIPPINES**" Program is hereby launched effective immediately and to last for five (5) years thereafter, wherein the conduct by duly registered entities engaged in ship building and ship repair of free skills-training and development for Filipino citizens in consideration of the latter's continued and exclusive employment in the said entities shall be encouraged and promoted in accordance with existing laws, rules and regulations. Filipino workers who participated in the free skills-training and development conducted by duly registered entities engaged in ship building and ship repair are likewise encouraged to faithfully adhere to their contractual commitments with the entities under the program. Accordingly, overseas deployment or changes in employment in the breach of contract by said Filipino workers shall be considered acts inimical and greatly prejudicial to the national interest.

Filipino workers who participated in the free-skills training and development programs of, and are subsequently employed by, duly registered entities engaged in ship building and ship repair in the Philippines, shall be entitled to such incentives as may be provided by law.

SECTION 3. Right to Guard Trade Secrets, Confidential Programs and Information. Subject to the provisions of existing laws, the right of duly registered entities engaged in ship building and ship repair to adopt reasonable



37853



employment policies to effectively guard their respective trade secrets, manufacturing formulas, strategies and other confidential programs and information from competitors, both local and foreign, is hereby recognized .

SECTION 4. *Ad Hoc* Committee. An *Ad Hoc* Committee is hereby established to immediately formulate a comprehensive development plan for the ship building and ship repair sector under such terms and conditions as would stimulate and be consistent with the progressive development thereof. The Committee shall be chaired by the Maritime Industry Authority (MARINA) Administrator, with representatives from the following agencies as members:

National Economic and Development Authority (NEDA)
Department of Finance (DOF)
Department of Justice (DOJ)
Department of Trade and Industry (DTI)
Department of Labor and Employment (DOLE)
Department of Public Works and Highways (DPWH)
Department of Environment and Natural Resources (DENR)
Philippine Economic Zone Authority (PEZA)
Subic Bay Metropolitan Authority (SBMA)
Philippine Coast Guard (PCG)

The Committee shall submit such program within sixty (60) days from effectivity of this Executive Order.

SECTION 5. Institutional Assistance and Support. To the extent permitted by law, all concerned government agencies, bureaus, and all instrumentalities shall assist duly registered entities engaged in ship building and ship repair in the Philippines in availing of all applicable fiscal and non-fiscal incentives, including registration as a preferred pioneer industry under the Board of Investments (BOI).

The NEDA, DOF, DOJ, DTI, DOLE, DPWH, DENR, MARINA, PEZA, SBMA, PCG, and all other concerned government agencies, bureaus, and instrumentalities are hereby directed to provide the necessary cooperation and support, including appropriate administrative and institutional assistance to duly registered entities engaged in ship building and ship repair, and their respective Filipino trainees and employees, to ensure the timely and effective implementation of this Executive Order.

SECTION 6. Separability Clause. Any portion or provision of this Executive Order that may be declared unconstitutional shall not have the effect of nullifying other portions and provisions of the Order for as long as such remaining portions can still subsist and be given effect.



SECTION 7. Repeal. All presidential issuances, administrative rules and regulation or parts thereof, which are inconsistent with this Executive Order are hereby revoked or modified accordingly.

SECTION 8. Effectivity. This Executive Order shall take effect immediately.

Done in the City of Manila this 8th day of December, in the year of Our Lord, Two Thousand and Six.

Gloria M. Arroyo

By the President:



Eduardo R. Ermita
EDUARDO R. ERMITA
Executive Secretary



3005 1 2 136
1121