



Republic of the Philippines
PHILIPPINE STATISTICS AUTHORITY BOARD

**PSA Board Resolution No. 09
Series of 2022**

**ENDORISING THE ADOPTION OF THE STATISTICAL FRAMEWORK
FOR THE INVESTMENT SECTOR**

WHEREAS, the Philippine Development Plan (PDP) 2017-2022 recognizes the importance of investment as a key driver of the long-term growth of the economy;

WHEREAS, investment significantly contributes to economic activity and job creation, which are necessary in the attainment of a Healthy and Resilient Philippines, the overall PDP 2017-2022 goal;

WHEREAS, under Chapter 14b – Investment Statistics of the Philippine Statistical Development Plan (PSDP) 2018-2023, one of the major statistical development programs (SDPs) is the development of an Statistical Framework for the Investment Sector to address the lack of standards in the area of investment statistics;

WHEREAS, the development of the Statistical Framework for the Investment Sector was spearheaded by the Philippine Statistics Authority (PSA) in collaboration with the Interagency Committee on Investment Statistics (IACIS);

WHEREAS, the Technical Working Group on Investment Statistics (TWGIS) provided inputs to the data assessment for the project and during its meeting on 05 April 2022 had reviewed, discussed, and provided recommendations to the Statistical Framework for the Investment Sector;

WHEREAS, the Statistical Framework for the Investment Sector was reviewed and discussed for finalization during the IACIS meetings on 24 February 2022 and 03 June 2022, and bilateral meetings with NEDA and BSP on 13 July 2022 and 15 July 2022, respectively;

WHEREAS, the Statistical Framework for the Investment Sector is a dynamic framework that shall undergo continuous process of improvement in response to future and emerging developments;

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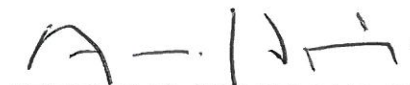
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WHEREAS, the IACIS during its meeting on 03 June 2022 has endorsed the adoption of the proposed Statistical Framework for the Investment Sector through IACIS Resolution No. 01 Series of 2022 entitled, "Endorsing the Adoption of the Statistical Framework for the Investment Sector" for approval of the PSA Board;

NOW, THEREFORE, BE IT RESOLVED that the PSA Board approve the Statistical Framework for the Investment Sector as provided in Annex BR 09-20220812-01, for adoption by the Philippine Statistical System;

RESOLVED FURTHER, that designated data producing agencies, in collaboration with the IACIS, shall address the data requirements of the investment statistical framework in the next two years.

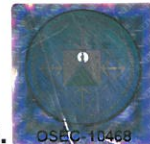
Approved this 12th day of August 2022 in Quezon City.



ARSENIO M. BALISACAN, Ph.D.

Secretary

National Economic and Development Authority
Chairperson, PSA Board



Attested by:



DENNIS S. MAPA, Ph.D.

Undersecretary

National Statistician and Civil Registrar General
Chairperson, PSA Board Secretariat



Development of Statistical Framework for the Investment Sector

I. Introduction

The development of a Statistical Framework for the Investment Sector is one of the identified major activities in the Philippine Statistical Development Program (PSDP) 2018-2023 under the Chapter on Investment Statistics. The Philippine Statistics Authority (PSA), in collaboration with the Interagency Committee on Investment Statistics (IACIS), spearheaded the development of the Statistical Framework through a project that started in October 2021.

The Statistical Framework for the Investment Sector provides information on the scope and coverage of investment statistics and outlines how the different data collection mechanisms of source agencies could be improved and integrated to promote informed decisions and effective policies and programs. It aims to address the data gaps and the lack of an integrating statistical structure in the investment sector. The main purpose of the framework is to link the different investment data generated by various agencies to provide a better picture of the investment situation in the country.

The terms used in this framework follow the international standard definitions, methodology and coverage in accordance with the United Nations (UN) System of National Accounts (SNA 2008), the International Monetary Fund's (IMF) Balance of Payments and International Investment Position Manual, 6th Edition (BPM6) and the Organization for Economic Co-operation and Development (OECD) Glossary of Foreign Direct Investment Terms and Definitions. For government investments, the Government Financial Statistics Manual (GFSM) was also used. In this way, data being generated by different government agencies could be linked.

II. Statistical Framework for the Investment Sector

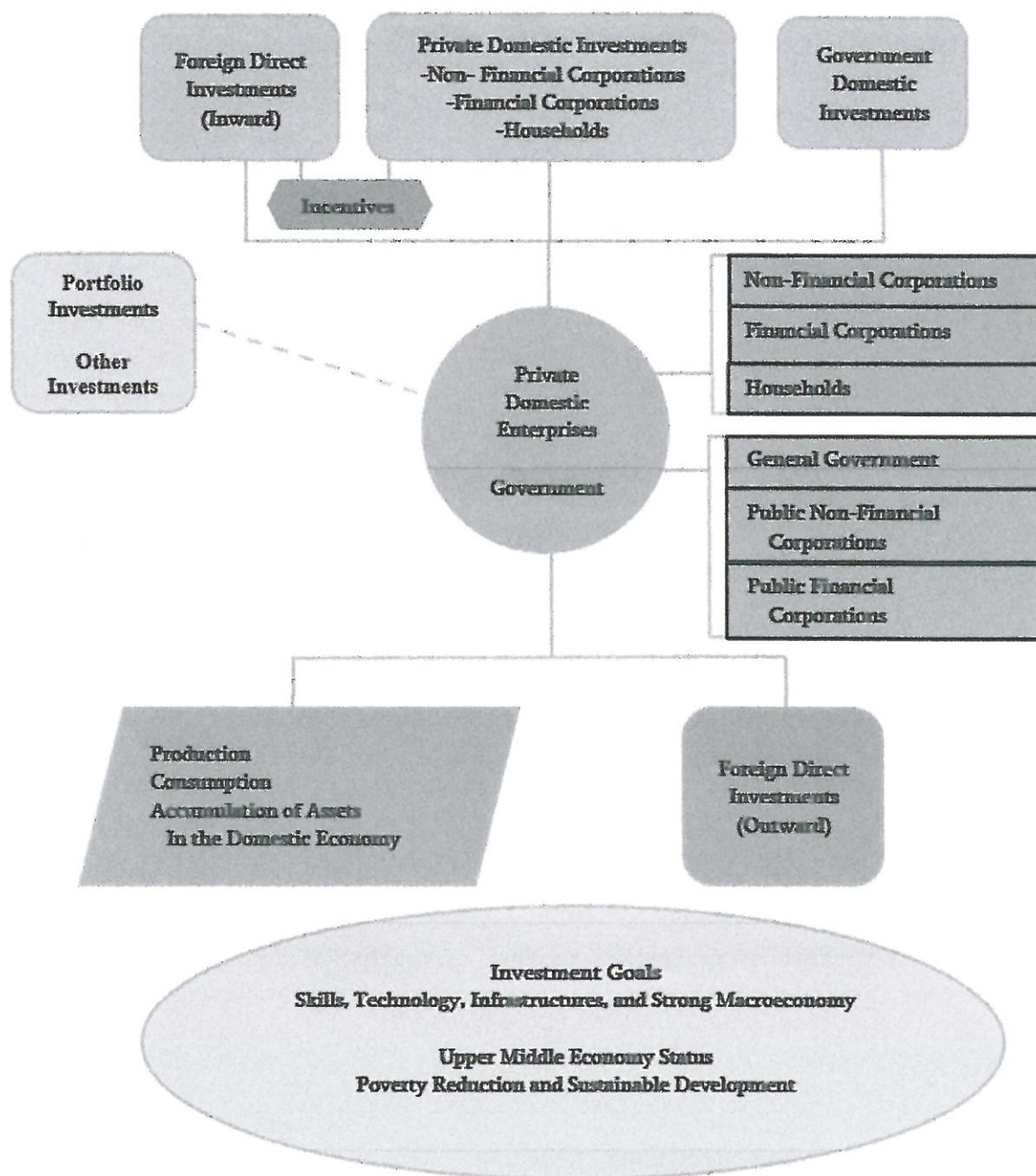
The Statistical Framework for the Investment Sector consists of the following: **(1) supply/sources of investments, (2) recipients of investments, (3) uses of investments, (4) investment incentives, and (5) investment goals.** The Statistical Framework is a supply and use framework, which follows the flow from the sources to the recipients, and then to the uses of investment funds. It also includes government tax incentives, which aim to attract more investors in the country. The investment goals of the country were added to provide the investment stance. The framework comprehensively covers the sources, recipients, uses, incentives, and goals of investments at present and provides flexibility for updating in relation to future developments.



The framework includes the identification of statistical data needed to measure key investment parameters in the following areas:

1. realized investments
2. profile of investors
3. investments in industries and technology
4. investments in small and large enterprises
5. stock and flow of investments
6. incentives
7. investments across regions, provinces, municipalities and ecozones.

Statistical Framework for the Investment Sector



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1. Supply/Sources of Investments

The first part of the framework covers the supply of investments, which consists of the following:

- 1.1. foreign direct investments (FDI);
- 1.2. domestic investments; and
- 1.3. government investments;
- 1.4. portfolio and other investments

Investment from the first three sources include having control or a significant degree of influence in the management of domestic business enterprises. In particular for FDI, the investment from the non-resident is associated with having control or a significant degree of influence on the management of the domestic enterprise. This means that their investments include a certain degree of ownership and management of those business enterprises in the country where they placed their investments. FDIs, private domestic investments, governments (to its GOCCs) are in the form of equity and loans. Meanwhile, government investments are also the budgetary appropriations for gross domestic capital formation.

The fourth source of investments, portfolio, and other investments, include neither control nor a significant degree of influence in the management of domestic business enterprises. Portfolio investments are investments in equity or debt securities other than those included in direct investments. Other investments is a residual category which includes those investments which could not be classified as direct or portfolio investments, derivatives and employee stock options, and reserve assets.

2. Recipients of Investments

The supply of investments, which include a control or an effective voice in the management of the enterprise goes directly to the recipients of investments. The recipients of investments are private domestic enterprises, branches of foreign corporations operating in the country, general government, government-owned or controlled corporations (GOCCs), and households (including household unincorporated enterprises). Private domestic enterprises and foreign branches may be further be classified into non-financial corporations and financial corporations. GOCCs could also be classified as public non-financial corporation and public financial corporation. Moreover, classification could be done by industry and by geographic area.

A broken line connects the recipients of investments to Portfolio and Other Investments in as much as investments do not have a direct link to the recipient domestic enterprises. Portfolio investments like stocks, bonds, preferred stocks and mutual funds, are transacted using intermediaries like the stock exchange, mutual fund companies, commercial and investment banks. Meanwhile, Other Investments



is a residual category which includes investments which could not be classified as direct or portfolio investments, derivatives and employee stock options, and reserve assets. Moreover, these investments do not include a direct hand in the management and growth of the recipient enterprises.

3. Uses of Investments

Investments received by private domestic enterprises are utilized for domestic production, consumption, and accumulation of produced and non-produced assets. The cited uses of investments are defined in SNA 2008 as follows:

- 3.1. domestic production refers to the production of goods and services in the country by domestic enterprises during a given period of time
- 3.2. consumption refers to intermediate consumption i.e., the goods and services used up in production during a given reference period
- 3.3. accumulation refers to the acquisitions less disposals of fixed assets (gross fixed capital formation) and non-produced assets like land and minerals; fixed assets are produced assets such as machinery, equipment, buildings or other structures, and intellectual property products that are used repeatedly in production over several periods (more than one year).

4. Investment Incentives

These tax incentives and other benefits as approved by law are given by the government to foreign direct and private domestic investors to encourage investments into the country.

5. Investment Goals

The framework reflects the **near-term goals of investments**: 1) Skills; 2) Technology; 3) Infrastructures; and 4) Strong macroeconomy. These near-term goals involve the development of domestic manpower skills, availability of advanced technology such as networks, software and good internet connectivity; infrastructure such as roads, buildings and airports; and favorable macroeconomic environment such as sustained economic growth; as well as the **medium-term goals** - 1. upper middle economy status; 2. poverty reduction; and 3. sustainable development. These goals are anchored on the government's key development goals and the UIPF.

III. Statistical Indicators and Data Sources

The Statistical Framework for the Investment Sector shows the corresponding key statistics and parameters for each part of the framework as earlier defined. The sources of data for the statistics and parameters are also included.



Table 1: Supply of Investments: Foreign Direct Investments, Private Domestic Investments, and Government Investments

Supply of investment	Statistical Indicator	Data Source
1. Foreign Direct Investments (inward) <ul style="list-style-type: none"> Equity Debt 	<p>Stock of:</p> <ul style="list-style-type: none"> FDI Equity Debt FDI in % of total equity of private domestic enterprises <p>Flows of:</p> <ul style="list-style-type: none"> FDI Equity Debt Percent change of Flows <p>Disaggregated by:</p> <ul style="list-style-type: none"> country of residence nationality industry region economic zone <p>Frequency: Quarterly/Annual</p>	<p>Bangko Sentral ng Pilipinas (BSP)</p> <ul style="list-style-type: none"> Coordinated Direct Investment Survey (CDIS) <p>United Nations Conference on Trade and Development (UNCTAD)</p> <p>Securities and Exchange Commission (SEC)</p> <ul style="list-style-type: none"> Audited Financial Statements (AFS) <p>Philippine Statistics Authority (PSA)</p> <ul style="list-style-type: none"> Annual Survey of Philippine Business and Industry (ASPBI) <p>Board of Investments (BOI)</p> <ul style="list-style-type: none"> Annual Report on Actual Operations (Form S-1) <p>Philippine Economic Zone Authority (PEZA)</p> <ul style="list-style-type: none"> Ecozone data
2. Private Domestic Direct Investments	<p>Stock of:</p> <ul style="list-style-type: none"> Equity (Private Domestic Investment) 	<p>SEC</p> <ul style="list-style-type: none"> AFS

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Supply of investment	Statistical Indicator	Data Source
<ul style="list-style-type: none"> Equity Liabilities 	<ul style="list-style-type: none"> Equity in percent of total equity of private domestic enterprises <p>Flows of Equity</p> <p>Disaggregated by:</p> <ul style="list-style-type: none"> Region Industry Economic zones <p>Stock and Flows of:</p> <ul style="list-style-type: none"> Assets Fixed assets by type Tangibles by type Intangibles by type Liabilities Current Assets GDCF estimates <p>Frequency: Quarterly/Annual</p>	<ul style="list-style-type: none"> General Information Sheet (GIS) <p>PSA</p> <ul style="list-style-type: none"> ASPBI <p>BOI</p> <ul style="list-style-type: none"> Form S-1 <p>PEZA</p> <ul style="list-style-type: none"> Ecozone data
3. Government Domestic Investments <ul style="list-style-type: none"> Equity of GOCCs Government budgetary appropriations Loans to GOCCs 	<p>Stock of:</p> <ul style="list-style-type: none"> Equity of GOCCs Government equity in percent of total equity of Flows of Equity <p>Disaggregated by:</p> <ul style="list-style-type: none"> GOCCs and by industry Government loans in percent of total loans <p>Stock and Flows of:</p> <ul style="list-style-type: none"> Government Investments broken down by equity and loans by GOCC and by industry Assets Fixed assets by type Tangibles by type Intangibles by type Liabilities Current Assets 	<p>Government-owned and controlled corporations (GOCCs)</p> <ul style="list-style-type: none"> Financial Statements (FS) <p>PSA</p> <ul style="list-style-type: none"> ASPBI <p>Department of Budget and Management (DBM)</p> <ul style="list-style-type: none"> Budget of Expenditures and Sources of Financing (BESF) National Expenditure Program (NEP)

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Supply of investment	Statistical Indicator	Data Source
	Budgetary appropriations for general government by agency and by industry Frequency: Quarterly/Annual	

Table 2. Recipients of Investments: Private Domestic Investments and Government Investments

Recipient of Investment	Statistical Indicator	Data Source
1. Private Domestic Investments	Domestic Investment by Type of Domestic enterprises: <ul style="list-style-type: none"> • Private domestic corporations • Households • Households unincorporated enterprises by ownership <p>In terms of ownership, private domestic enterprises could be classified as foreign controlled enterprises or subsidiaries, FDI associates, and those that are wholly owned by private domestic investors.</p>	SEC - AFS - GIS PSA - ASPBI - QSPBI BOI - Form S-1 PEZA - Ecozone data
2. Government Investments	General Government GOCC GOCCs with and without FDI as well as those with and without private domestic investments could also be included.	GOCCs - FS DBM - BESF - NEP

Table 3. Uses of Investments: Private Domestic Investments, Government Investments, and Domestic Enterprises' Foreign Direct Investments (outward)

Use of Investments	Statistical Indicator	Data Source
1. Private Domestic Investments <ul style="list-style-type: none"> • Production 	Total Production = Total Revenue Less revenue from non-production activities Disaggregated by: <ul style="list-style-type: none"> • Industry • Product 	SEC - AFS - GIS PSA - ASPBI - QSPBI BOI - Form S-1

Use of Investments	Statistical Indicator	Data Source
<ul style="list-style-type: none"> Consumption Accumulation of Assets 	<ul style="list-style-type: none"> Economic Zone Region <p>By FDI/non-FDI enterprise; by foreign controlled/national controlled enterprise and with cross disaggregation by industry and by economic zone</p> <p>Consumption = Expenditures on intermediate inputs plus other expenditures</p> <p>Disaggregated by:</p> <ul style="list-style-type: none"> Industry Product Economic Zone Region <p>Stock of:</p> <ul style="list-style-type: none"> Equity = Stock of Assets – Stock of Liabilities Tangible assets Intangible assets Assets = Current Assets + Fixed Assets <p>Frequency: Annual</p> <p>Assets = Current Assets + Fixed Assets+ Non-produced Assets</p> <p>Flows of:</p> <ul style="list-style-type: none"> Equity = change in assets – change in liabilities during a given period Fixed assets = tangibles + intangibles Assets = change in Assets during a given period <p>Disaggregated by:</p> <ul style="list-style-type: none"> Industry Product Economic Zone Region 	<p>PEZA - Ecozone data</p> <p>Benchmark Investment Survey</p>

Use of Investments	Statistical Indicator	Data Source
2. Government Investments	<p>Stock of Tangible assets: length and quality of roads, bridges, railroads, ports, airports, hospitals, schools, other government owned buildings and infrastructures; Estimate total value of tangible assets by type, by area</p> <p>Stock of intangible assets-computer software, intellectual property-copyrights, trademarks, patents; research and development-new products-inventoried and valued. Earnings on these IP products</p> <p>Flows for Tangibles = net change in the length and quality of roads, bridges, railroads, ports, airports, hospitals, schools, other government owned buildings and infrastructures; Estimate total net change in the value and units of new tangible assets by type, by region; estimate and overall index of change using composite indices</p> <p>Expenditures on capital formation (flows)</p> <p>Capital transfers (equity/loans) (flows)</p> <p>GDCF = f(change in fixed assets, Inventories, changes in non-produced assets)</p> <p>Disaggregated by:</p> <ul style="list-style-type: none"> • GOCCs • General Government • Private <p>Frequency: Quarterly/Annual</p>	<p>GOCCs</p> <p>- FS</p> <p>PSA</p> <p>- ASPBI</p> <p>DBM</p> <p>- BESF</p> <p>- NEP</p>
3. Domestic Enterprises' Foreign	<p>Stock of FDI = Stock of Equity + Stock of Debt</p>	<p>SEC</p> <p>- AFS</p>

Use of Investments	Statistical Indicator	Data Source
Direct Investments (outward) <ul style="list-style-type: none"> • Equity • Debt 	Frequency: Annual Flows of FDI = net equity investments + net debt during a given period Frequency: Quarterly/Annual	- GIS PSA - ASPBI BOI - Form S-1 PEZA - Ecozone data

Table 4. Investment Incentives: Approved I and Realized Investment Projects with Incentives

Incentives	Statistical Indicator	Data Source
1. Approved Investment projects with incentives	Value and growth rate of: <ul style="list-style-type: none"> • Approved projects • Disaggregation of approved foreign direct investments by nationality and by country of residence • disaggregation of approved projects by foreign direct investments and by domestic investments , by industry, by region and by ecozones • expected employment 	BOI administrative records and reporting forms submitted by business enterprises BOI - Form S-1 PEZA - Ecozone data All Other IPAs
2. Realized investment Projects with Incentives	<ul style="list-style-type: none"> • realized investments • Disaggregation of realized investments by foreign direct and by domestic investments, by product, by industry, by region and by economic zones • incentives availed • Disaggregation of incentives by type, by industry, by region and by economic zone • actual employment generated 	BOI administrative records and reporting forms submitted by business enterprises BOI - Form S-1 PEZA - Ecozone data All Other IPAs

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