

## **CREDIT PRIORITY CLASSIFICATION**

### ***(Appendix to Sec. 384 on Credit Policies of Government- Owned Corporations)***

#### **Priority I -**

- a. Production of agricultural, including forestry and fishery, and industrial goods which (1) possess growth potential in competitive domestic and world markets, (2) contribute most to the development of the economy, (3) provide for the satisfaction of basic wants of the population as a whole, and (4) require resources in addition to their self- financing capabilities.
- b. Marketing export products, primarily those goods that contain the maximum possible domestic processing and labor content.
- c. Marketing in the international market of domestic products which fall under Priority I and imported basic consumer goods by Filipino
- d. Importation and marketing of capital equipment, raw materials and supplies for the production and distribution of Priority I products.
- e. Public utilities which are not overcrowded and are necessary to support the production and distribution of Priority I goods or to satisfy basic wants.
- f. Other services which are not overcrowded and which are necessary for the development of desirable knowledge and skills, (2) the support of the production and distribution of Priority I products, and (3) the promotion of tourism and cultural pursuits.
- g. Construction of (1) infrastructure projects, (2) physical plants necessary for the production and distribution of Priority I products and services, and (3) individual low cost housing for the lower income groups of the population.

#### **Priority II -**

- a. Production and distribution of goods and services which do not qualify under the Priority I category.
- b. Real estate loans (construction, acquisition, development and refinancing of real estate) other than those specified under Priority I.
- c. Consumption.
- d. Other non-productive and speculative activities.

#### **ECONOMIC ACTIVITIES FALLING UNDER PRIORITY I**

##### **A. Economic activities eligible for credits up to eighty percent (80%) of loan value of credit instrument**

- a. *Agriculture, Fisheries and Forestry*

- (1) Agricultural
  - (a) Abaca
  - (b) Cassava
  - (c) Cattle and dairy farms
  - (d) Coconut
  - (e) Coffee and cocoa
  - (f) Corn
  - (g) Palay or rice
  - (h) Piggery
  - (i) Poultry
  - (j) Ramie
  - (k) Rubber plantation
  - (l) Other fruits and vegetables
- (2) Fisheries
  - (a) Fishponds and inland fishing
  - (b) Marine fishing
- (3) Forestry
  - (a) Forest nurseries and reforestation project

*b. Mining and quarrying*

- (1) Metal mining
  - (a) Chromite
  - (b) Copper
  - (c) Iron
  - (d) Lead
  - (e) Manganese
  - (f) Mercury and quicksilver
  - (g) Nickel
  - (i) Zinc
- (2) Non-metallic mining
  - (a) Asbestos
  - (b) Sulphur
  - (c) Coal
  - (d) Gypsum

*c. Manufacturing*

- (1) Basic metal industries
  - (a) Blast furnaces, steel works and rolling mills
  - (b) Iron and steel basic industries
  - (c) Iron and steel foundries
  - (d) Non-ferrous metal basic industries

- (2) Chemical and chemical products
  - (a) Basic chemicals
  - (b) Drugs
  - (c) Fertilizer
- (3) Coconut products and their preparation
  - (a) Coconut oil, edible
  - (b) Coconut oil, inedible
  - (c) Copra meal and cake
- (4) Electrical machinery, apparatus and appliances
  - (a) Transmissions and distribution equipment
- (5) Food manufacturing
  - (a) Canning and preserving of fish and other sea foods
    - (i) Fish canning
  - (b) Canning and preserving of fruits and vegetables
    - (i) Canning, drying, brining, pickling or otherwise preserving or preparing vegetables
    - (ii) Canning, drying or otherwise preparing and preserving fruits
  - (c) Slaughtering, preparation and preserving of meat
  - (d) Miscellaneous food preparation
    - (i) Prepared feeds for animals and fowls
- (6) Furniture and fixtures manufacture
  - (a) Rattan and bamboo furniture
- (7) Leather and leather products
  - (a) Tanning and finishing
- (8) Lumber and wood products
  - (a) Veneer, plywood and prefabricated products
- (9) Machinery, equipment, accessories and parts
  - (a) Agricultural machinery
  - (b) Engines and turbines
  - (c) Industrial, construction and mining machinery
- (10) Non-metallic products
  - (a) Cement
- (11) Paper and paper products
  - (a) Pulp, paper and paperboard
- (12) Petroleum and coal products
  - (a) Coke
- (13) Textile, cordage and twines manufactures
  - (a) Cordage, rope, twines and nets
  - (b) Hemp milling, abaca stripping and baling establishments
  - (c) Knitting mills
  - (d) Spinning, weaving and finishing of textiles
- (14) Transportation equipment and parts

- (a) Aircrafts and parts
- (b) Motor vehicles, equipment and parts
- (c) Motorcycles, bicycles and parts
- (d) Railroad equipment
- (e) Ships and boats
- (15) Miscellaneous manufacturing industries
  - (a) Laboratory, engineering and medical

d. *Construction*

- (1) Contract
  - (a) Building construction
    - (i) Commercial and industrial projects <sup>1</sup>

e. *Public Utilities*

- (1) Ice and ice refrigeration plants
- (2) Operation of wharves, dry docks etc.
- (3) Warehousing
- (4) Water supply and sanitary services
  - (a) Irrigation systems
  - (b) Water supply systems

f. *Commerce*

- (1) Export products <sup>2</sup>
- (2) Importation of capital goods and raw materials <sup>3</sup>
- (3) Domestic trade (Filipino only) wholesales and retail

**B. Economic activities eligible for credits up to sixty percent (60%) of the loan value of the credit instrument <sup>4</sup>**

a. *Agriculture, fisheries and forestry*

- (1) Agricultural
  - (a) Citrus
  - (b) Cotton
  - (c) Salt farming
  - (d) Soybean
  - (e) Other root crops

b. *Mining and quarrying*

- (1) Metal mining
  - (a) Gold

- (b) Silver
- (2) Non-metallic mining
  - (a) Asphalt
  - (b) Marble

c. *Manufacturing*

- (1) Chemical and chemical products
  - (a) Dyeing and tanning materials
  - (b) Explosives (excluding firecrackers)
- (2) Coconut products and their preparations
  - (a) Desiccated coconut
- (3) Electrical machinery, apparatus and appliances
  - (a) Communication equipment
  - (b) Dry cells and storage batteries
- (4) Food manufacturing
  - (a) Canning and preserving of fruits and vegetables
    - (i) Fruits and vegetables, sauces and seasoning
  - (b) Dairy products
    - (i) Milk processing
  - (c) Miscellaneous food preparations
    - (i) Coffee roasting, grinding and/or processing
- (5) Furniture and fixture manufacture
  - (a) Wood furniture
- (6) Lumber and wood products
  - (a) Cork
  - (b) Sashes and doors
  - (c) Sawn and planed lumber
  - (d) Wooden box
  - (e) Wood chips
- (7) Machinery, equipment, accessories and parts
  - (a) Office and store machines and devices
- (8) Metal industries
  - (a) Cutlery, handtools and general products
  - (b) Fabricated structural and metal products
  - (c) Tin and aluminum ware
- (9) Non-metallic products
  - (a) Glass and glass products
  - (b) Structural clay products
- (10) Textile, cordage and twines manufactures
  - (a) Jute bags and sacks
- (11) Miscellaneous manufacturing industries

- (a) Cottage native handicraft industries
- (b) Footwear (other than rubber)
- (c) Photographic and optical goods

d. *Construction*

(1) Contract

- (a) Building construction
- (b) Commercial and industrial projects <sup>5</sup>
- (c) Highway and street construction (including road building)

e. *Public utilities*

(1) Common carriers

- (a) Airlines and other air transportation
- (b) Motor vehicles
- (c) Railroad and railway companies
- (d) Steamboats and steamship lines

(2) Communication

- (a) Telecommunication (cable, mail and express, telegraph, telephone)

(3) Electricity, gas and steam

- (a) Electric, light, heat and power

(4) Water supply and sanitary services

- (a) Garbage, sewerage and disposal system

f. *Services*

(1) Business and professional services

- (a) Engineering and technical services

(2) Educational services

- (a) Private vocational and trade schools
- (b) Public universities and higher educational institutions
- (c) Public vocational and trade schools

(3) Medical and other health services

- (a) Public health services

(4) Recreation services

- i. Theatrical production (i.e., all performing arts)

(5) Research and scientific institutions

g. *Financial*

(1) Banks

- (a) Private development banks
- (b) Rural banks/Cooperative banks

h. *Commerce*

- (1) Export products <sup>6</sup>
- (2) Importation of capital goods and raw materials <sup>7</sup>
- (3) Domestic trade (Filipino only) wholesale and retail <sup>8</sup>

i. *Other activities*

- (1) Loans for other dollar-earning purposes not elsewhere classified (included in this category are the construction, development and operations of first-class hotels which cater to the needs of the tourist industry).

**C. Economic activities eligible for credits up to sixty percent (60%) of the loan value of the credit instrument <sup>9</sup>**

a. *Agriculture, Fisheries and Forestry*

- (1) Agricultural
  - (a) Pineapple
  - (b) Tobacco, native
- (2) Fisheries
  - (a) Fishery services
  - (b) Pearl fishing and culture, shell gathering and other marine products
- (3) Forestry
  - (a) Forest services
  - (b) Timber tracts

b. *Mining and quarrying*

- (1) Non-metallic mining
  - (a) Mineral salt
  - (b) Silica

c. *Manufacturing*

- (1) Apparel and other finished products made from fabrics and similar materials
  - (a) Embroidery shops
  - (b) Wearing apparel
- (2) Chemicals and chemical products
  - (a) Paints, varnishes and lacquers
  - (b) Soaps and other cleansing preparations
- (3) Coconut products and their preparations
  - (a) Copra
- (4) Electrical machinery, apparatus and appliances
  - (a) Electric lamp

- (b) Household appliances
- (c) Radio, television, telephone receiving sets, electronic tubes and components
- (5) Food manufacturing
  - (a) Canning and preserving of fish and other sea foods
    - (i) Fish sauce (patis) manufacture
    - (ii) Shellfish curing, smoking, salting or pickling
  - (b) Cocoa and chocolate and sugar confectionery
    - (i) Cocoa and chocolate processing factories
  - (c) Grain mill products
    - (i) Corn mills
    - (ii) Rice mills
    - (iii) Tuber flour mills
    - (iv) Wheat flour
  - (d) Miscellaneous food preparations
    - (i) Salt manufacture
    - (ii) Starch and its products
    - (iii) Vegetable lard and margarine manufacture
    - (iv) Vermicelli and noodles manufacture
- (6) Lumber and wood products
  - (a) Creosoting and other wood treating
- (7) Metal industries
  - (a) Fabricated wire products
  - (b) Metal stamping, coating and engraving
- (8) Non-metallic products
  - (a) Private vocational and trade schools
  - (b) Public universities and higher educational institutions
  - (c) Public vocational and trade schools
- (9) Medical and other health services
  - (a) Public health services
- (10) Recreation services
  - (a) Theatrical production (i.e., all performing arts)
- (11) Research and scientific institutions

d. *Financial*

- (1) Banks
  - (a) Private development banks
  - (b) Rural banks/Cooperative banks

e. *Commerce*

- (1) Export products <sup>10</sup>
- (2) Importation of capital goods and raw materials <sup>11</sup>



(3) Domestic trade (Filipino only) wholesale and retail <sup>12</sup>

f. *Other activities*

(1) Loans for other dollar-earning purposes not elsewhere classified (included in this category are the construction, development and operations of first-class hotels which cater to the needs of the tourist industry).

**C. Economic activities eligible for credits up to sixty percent (60%) of the loan value of the credit instrument <sup>13</sup>**

a. *Agriculture, Fisheries and Forestry*

(1) Agricultural

(a) Pineapple

(b) Tobacco, native

(2) Fisheries

(a) Fishery services

(b) Pearl fishing and culture, shell gathering and other marine products

(3) Forestry

(a) Forest services

(b) Timber tracts

b. *Mining and quarrying*

(1) Non-metallic mining

(a) Mineral salt

(b) Silica

c. *Manufacturing*

(1) Apparel and other finished products made from fabrics and similar materials

(a) Embroidery shops

(b) Wearing apparel

(2) Chemicals and chemical products

(a) Paints, varnishes and lacquers

(b) Soaps and other cleansing preparations

(3) Coconut products and their preparation

(a) Copra

(4) Electrical machinery, apparatus and appliances

(a) Electric lamp

(b) Household appliances

(c) Radio, television, telephone receiving sets, electronic tubes and components

(5) Food manufacturing

- (a) Canning and preserving of fish and other sea foods
  - (i) Fish sauce (patis) manufacture
  - (ii) Shellfish curing, smoking, salting or picking
- (b) Cocoa and chocolate and sugar confectionary
  - (i) Cocoa and chocolate processing factories
- (c) Grain mill products
  - (i) Corn mills
  - (ii) Rice mills
  - (iii) Tuber flour mills
  - (iv) Wheat flour
- (d) Miscellaneous food preparations
  - (i) Salt manufacture
  - (ii) Starch and its products
  - (iii) Vegetable lard and margarine manufacture
  - (iv) Vermicelli and noodles manufacture
- (6) Lumber and wood products
  - (a) Creosoting and other wood treating
- (7) Metal industries
  - (a) Fabricated wire products
  - (b) Metal stamping, coating and engraving
- (8) Non-metallic products
  - (a) Plastic products
  - (b) Pottery, china, earthenware
  - (c) Concrete aggregates
  - (d) Concrete products
    - (i) Cement products light weight aggregate
    - (ii) Pre-mold concrete light aggregate
- (9) Paper and paper products
  - (a) Coated and glazed paper products
- (10) Printing, publishing and allied industries
  - (a) Book publishing and printing
  - (b) Newspaper and periodical publishing
- (11) Tobacco
  - (a) Cigar and cigarette factories (native)
- (12) Miscellaneous manufacturing industries
  - (a) Oxygen, acetylene and similar products
  - (b) Silver and gold work without precious stones
  - (c) Musical instruments and parts
    - (i) Blank recording discs
    - (ii) Metal stampers

d. *Construction*

## (1) Contract

## (a) Building construction

## (i) Government projects

(ii) Commercial and industrial projects <sup>14</sup>

## (b) Heavy construction (including bridges and irrigation projects)

## (2) Personal

## (a) Construction

## (b) Reconstruction

e. *Public utilities*

## (a) Electricity, gas and steam

## (i) Gas manufacture and distribution

## (ii) Steam heat and power

## (b) Water supply and sanitary services

## (i) Drainage system

f. *Services*

## (a) Medical and other health services

## (i) Private health services

## (b) Recreation services

## (i) Motion picture production

## (2) Financial

## (a) Banks

## (i) Commercial banks

## (ii) Savings and mortgage banks

## (3) Commerce

(a) Export products <sup>15</sup>(b) Importation of capital goods and raw materials <sup>16</sup>(c) Domestic trade (Filipino only) wholesale and retail <sup>17</sup>

## (4) Other activities

## (a) Loans for other dollar-earning purposes not elsewhere classified (included in this category are the construction, development and operations of first-class hotels which cater to the needs of the tourist industry).

## Footnotes

1. To follow rating of economic activities included in the list.
2. To follow rating of economic activities included in the list.
3. To follow rating of economic activities included in the list.
4. For updated loans values, see Sec. 292
5. To follow rating of economic activities included in the list.
6. For updated loans values, see Sec. 292

7. For updated loans values, see Sec. 292
8. For updated loans values, see Sec. 292
9. For updated loans values, see Sec. 292
10. To follow rating of economic activities included in the list.
11. To follow rating of economic activities included in the list.
12. To follow rating of economic activities included in the list.
13. For updated loans values, see Sec. 269
14. To follow rating of economic activities included in the list.
15. To follow rating of economic activities included in the list.
16. To follow rating of economic activities included in the list.
17. To follow rating of economic activities included in the list.