



Trade, Industry and Investments

September 2015

Trade, Industry and Investments

Department of Trade and Industry

September 2015

Generating jobs & empowering consumers towards inclusive growth

Trade, Industry and Investments 2014 and 2015: Key Figures

Creating an Attractive Business Environment for Global Competitiveness

- Climbed 23 notches to 52nd place from 75th in 2011 in the WEF Global Competitiveness Report 2014 – 2015
- Gained 53 spots to 95th place from 148th in 2011 in the WB - IFC 2015 Doing Business Report (DB)
- Moved up 39 notches to 76th rank from 115th in 2011 in the 2015 Index of Economic Freedom



Creating Jobs through Exports, Investments and SME Development

- Record export receipts of USD62.1bn in 2014, with Japan as top export destination, followed by China including Hong Kong, and the USA. Jan-Jul 2015 merchandise exports reached USD34.2bn
- 2014 BOI-PEZA approved investments reached PHP634.2bn, creating 181,286 jobs; Jan-Jun 2015 pledges amounted to PHP170.9bn
- 479,542 jobs generated in 2014 through SME-related events and activities initiated by DTI and other agencies
- As of July 2015, established 1,172 Shared Service Facilities (SSF), which assisted 10,764 micro, small and medium enterprises (MSMEs) and 72,401 potential entrepreneurs, and have generated 72,401 jobs
- Monitored PHP9.4bn investments, USD4.5bn export receipts, and PHP16.6bn domestic sales generated by the industry clusters under the National Industry Cluster Capacity Enhancement Project (NICCEP), which also supported the creation of 187,694 jobs, 3,922 new enterprises and assisted 14,924 MSMEs

Empowering Consumers

- As of June 2015, 90% of consumer complaints processed through mediation were resolved within 10 days
- Accredited 172 testing and 31 calibration laboratories (ISO/IEC 17025), 6 medical laboratories (ISO 15189), 5 inspection bodies (ISO 17020), and 6 certification bodies for certification of management system (ISO 17021)
- Maintained compliance to ISO/IEC 17011 and mutual recognition agreements (MRA)/multilateral recognition agreements (MLA) requirements; and recognition of accredited conformity assessment bodies (CABs)
- PH removal from the United States Trade Representative (USTR) Special 301 Watch List

Creating an attractive business environment for global competitiveness

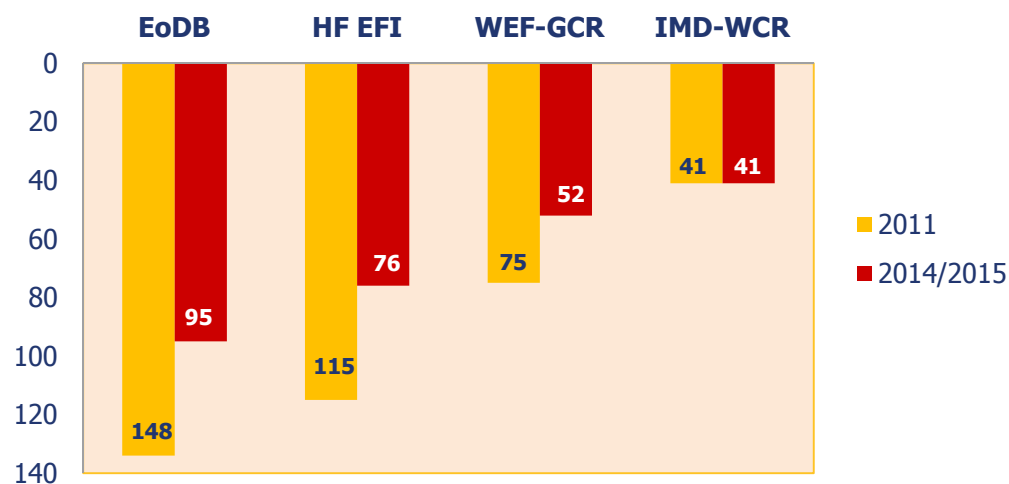
Rising Philippine Competitiveness

From 2011 to 2015, the Philippines posted some of the biggest improvements globally in the Heritage Foundation's Economic Freedom Index (+39), World Economic Forum's Global Competitiveness Report (+23), Global Information Technology Report (+10), Travel and Tourism Report (+20), Global Enabling Trade Index (+28 for 2010 to 2014), and World Bank-International Finance Corporation's Ease of Doing Business Report (+53)

PH is the only ASEAN economy to register an improvement in the International Institute for Management Development's World Competitiveness Report, moving up one step from 42nd in 2014 to 41st in 2015. Most Asian economies in decline have seen a drop in their domestic economies and are impacted by weakening/aging infrastructure

To keep the momentum and push the country further to reach the top third of the global rankings, the National Competitiveness Council (NCC) continues to engage and mobilize public agencies and private partners to ensure reforms are enacted and institutionalized

Competitiveness Ranking 2011 vs. 2014/2015



PH Rankings in Global Competitiveness Reports, 2011-2015

Competitiveness Report	2011	2012	2013	2014	2015
Ease of Doing Business Report	148 th	136 th	138 th	108 th	95 th
HF Economic Freedom Index	115 th	107 th	97 th	89 th	76 th
WEF Global Competitiveness Report	75 th	65 th	59 th	52 nd	
IMD World Competitiveness Report	41 st	43 rd	38 th	42 nd	41 st
Global Information Technology Report	86 th	86 th	86 th	78 th	76 th
WEF Travel and Tourism Report	94 th	n/a	82 nd	n/a	74 th
WEF Global Enabling Trade Index	n/a	64 th	n/a	64 th	

Rising Philippine competitiveness

Gameplan for Competitiveness 3.0

- Implemented 22 reforms covering all 10 Ease of Doing Business (EoDB) indicators
- Implemented the Integrated Business Registry System (IBRS) through the Securities and Exchange Commission (SEC) in April 2015; processed a total of 6,812 applications from 16 April 2015 to 15 July 2015 , 95.49% of which was released within 1 day
- Simplified the process to start a business from 16 steps and 34 days to 6 steps and 8 days

Cities and Municipalities Competitiveness Index (CMCI)

- 1,120 local governments participated in the 2015 CMCI data collection, a significant increase from the 535 LGUs covered in 2014
- The substantial increase in the coverage showed stronger commitment and interest from the LGUs to measure their performance vis-à-vis cities and municipalities across the country
- More than 1,200 guests attended the awarding ceremony of the most competitive cities, municipalities, and provinces at the 3rd Regional Competitiveness Summit held on 16 July 2015

Creation of Supply Chain and Logistics Management Division

- Drafting the National Logistics Plan which aims to lower the logistics cost in the country and create a unified strategy to address the challenges in trade and logistics
- To formulate policies and measures relative to supply chain, trade facilitation, and logistics in promoting the interest of exporters, importers, and traders in the shipment of commodities

Risks and Challenges

- To ensure that reforms are effectively rolled out and implemented within the prescribed timeline, public agencies and private organizations have to remain highly committed to sustain the momentum of growth, and push forward to reach the goal

Outlook/Targets for 2015-2016

- Still to reach the top-third of the global rankings by the end of the current administration
- To create a climate where organizations, businesses, and individuals could thrive and enjoy more opportunities and options – ultimately improving the lives of the Filipino people

Rising Philippine competitiveness

Business Permits and Licensing Systems (BPLS)

- As of 5 June 2015, 1,319 out of 1,634 LGUs have completed streamlining their BPLS

STANDARDS		OLD	CURRENT
No. of Days	New	10 or more	5 days
	Renewal	10 or more	5 days
No. of Steps		6 or more	5 steps
No. of Forms		3 or more	Unified
No. of Signatories		5 or more	2 (Mayor and Treasurer/ Business Permits and Licensing Officer (BPLO))

Risks and Challenges

- Continued involvement and support from all stakeholders (e.g., public agencies and private organizations) will have to be encouraged for sustained momentum of the program

Outlook/Targets for 2015-2016

- Development and implementation of Philippine Business Registry (PBR) 2.0 - to enhance the PBR System to include the requirements of the Go Negosyo Law, including the setting up of the PBR Databank and use of unified form, as well as automated Executive Dashboard (report generation tools, etc.)

Philippine Business Registry (PBR) and Business Name Registration System (BNRS)

- Updated the Department Administrative Order (DAO) on the implementation of the Business Names Law to harmonize existing policies and procedures
- Scheduled public consultations on the draft DAO for Luzon, Visayas, and Mindanao; to develop a training manual for DTI personnel in the regions/provinces
- Deployed improvements on the eBNRS electronic payment module, specifically to eliminate the Transaction Reference Number (TRN) Locking feature of the GCash facility
- Explored additional electronic payment facilities, such as Smart Money, Rural Net and VMoney, a payment channel provider (like Paypal) that provides connectivity to major banks such as Bank of the Philippine Islands, Banco De Oro, etc
- For the period Jan-July 2015, PBR registered 50,503 sole proprietor business names, up by 13.5% from 44,497 registrations during the same period in 2014
- In 2014, a total of 62,453 business owners registered through the PBR system
- BNRS recorded 216,753 new BN registrations for Jan-July 2015, up by 5% from 206,249 registrations during the same period last year
- From Jan to July 2015, 18,701 of the total number of transactions were successfully paid through GCash and 1,641 through BancNet using the ePayment facility

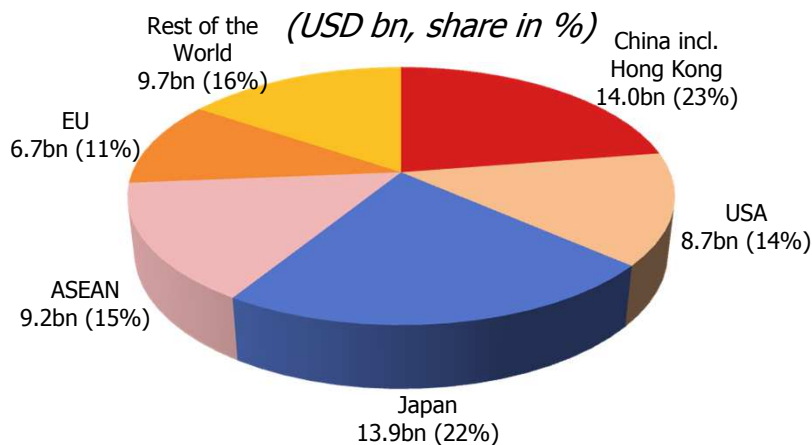
Creating jobs through exports, investments and SME development

Sustaining Growth of PH Exports

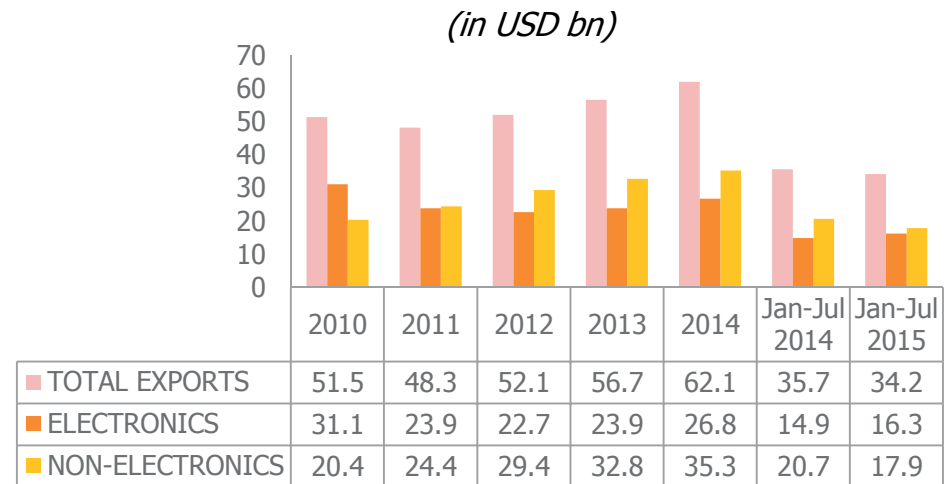
FY 2014 Performance

- Merchandise exports hit an all-time high record of USD62.1bn in 2014 for a 10% surge from USD56.7bn in 2013
- Electronics and non-electronics fuelled the strong export performance
 - Electronics soared by 12%, accounting for 43% of PH total exports
 - Non-electronics, which accounted for 57% of PH total exports, rose by 8%
- Japan, China with Hong Kong, and the US remained as the top 3 markets for PH products
- ASEAN and EU continued their increasing significance as regional/bloc destinations for PH products

Top Export Markets FY 2014



Export Performance, 2010-2015 (Jan-Jul*)



Jan-Jul 2015 Performance*

- Merchandise exports from Jan-Jul 2015 amounted to USD34.2bn
- Japan recorded a share of 21.1%; the combined markets of China and Hong Kong, 21.5%; and USA, 15.3%
- Top export products included electronics, other manufactures, machinery and transport equipment, woodcrafts and furniture, and chemicals

*Based on data released by the PSA on 10 September 2015

Sustaining growth of Philippine exports

Doing Business in Free Trade Areas (DBFTA)

- In 2014, DTI conducted 195 DBFTA sessions representing 130% completion rate based on the 150 sessions targeted for the whole year. These sessions were attended by a total of 25,941 participants, which included representatives of companies, members of the academe and government officials
- The program was nominated in the 2014 Trade Promotion Organization (TPO) Network Awards last 3-5 November 2014 in the United Arab Emirates (UAE) for outstanding process, practice and excellence as an Export Development Initiative under the Developing Country category. Other shortlisted winners in the same category were Brazil, China, South Korea, Ecuador and Kazakhstan
- From **January–August 2015**, DTI conducted 179 DBFTA sessions, attended by 15,615 participants from 5,148 companies, of which 963 were exporters. The latest total number of sessions had already surpassed the 175 target for the year

Trade Remedy Measures/Trade Facilitation and Trade Defense

- Assisted 75 industries/clients on trade remedy issues, 850 import-related cases, 80 export transaction values and 229 general import procedures
- Assisted several industries/clients on trade remedy issues, export-related complaints, export transaction values, general export procedures and transaction value information
- Facilitated the resolution of three (3) export-related complaints and currently processing 15 more export-related complaints
- Issued DTI Orders imposing trade remedy measures against imported newsprint from various countries and dismissing the trade remedy case application filed by galvanized iron and pre-painted galvanized iron industry
- From Jan-May 2015, assisted 4 PH exporters facing trade defense cases:
 - 1) anti-dumping and subsidy investigation by Canada against oil country tubular goods (OCTG);
 - 2) anti-circumvention by the Directorate-General of Trade of EC on imports of bicycles and other cycles;
 - 3) anti-dumping case by Argentina on tennis ball; and
 - 4) verification by German Customs on the origin of bicycles from the PH which are exported to EU

Trade Promotion Activities

Type of Activity	No. of Activities	Export Sales (in USD mn)	Companies Assisted	Trade Inquiries/Buyers
Signature Events	4	28	584	8,802
Overseas Trade Fairs	19	184	349	12,623
Offshore Business Matching	12	6	122	63
Inbound Business Matching	22	8	206	53
Total	57	226	1,261	21,541

Note: OBM and IBM data from January – August 2015

Sustaining growth of Philippine exports

Philippine Export Competitiveness Program (PECP)

- In 2014, DTI conducted 26 PECP seminars attended by 1,576 participants
- From **January–August 2015**, DTI conducted 21 PECP seminars attended by 1,754 participants

Regional Interactive Platform for Philippine Exporters (RIPPLES)

- DTI provided mentoring activities for and facilitated the participation of 19 RIPPLES enrollees from Regions 4A, 7, and 12 to the International Food Exhibition (IFEX) Philippines 2015. Writeshop sessions are scheduled for the Food Sector in Regions 1, 2, 3, 10, and 11 from September to November 2015

Travel Tax Exemption

- In 2014, DTI processed 982 applications for Travel Tax Exemption, which translated to PHP1.6mn savings for exporters
- From **January–August 2015**, DTI processed 653 applications for Travel Tax Exemption, which translated to PHP1.1mn savings for exporters

EO 1016 List of Prohibited and Regulated Products for Export

- DTI continues to chair the Interagency Committee (IAC) on E.O. 1016 (Withdrawing the Inspection, Commodity and Export Clearance Requirements on Philippine Exports) in coming up with an updated list of prohibited and regulated products for exports every year
- With inputs from 22 commodity agencies, the IAC (through a signed resolution of the approval of the yearly updated/revised list) endorsed the updated list to the Bureau of Customs (BOC) for their reference and implementation

Sustaining growth of Philippine exports

Trading Across Borders

On the bilateral front

- Granted EU Generalized Scheme of Preferences (GSP+) privileges on 25 December 2014:
 - Expected to increase PH exports by EUR611.8mn during the first year of availment
 - 267,587 jobs will be generated in both the manufacturing and agriculture sectors
- Finalizing a scoping paper that will serve as the framework for the PH-EU Free Trade Agreement (FTA) negotiations
- Launched the PH-European Free Trade Association (EFTA) FTA negotiations last March 2015. Both sides will meet again on 21-25 September in Bohol for the 3rd round of negotiations
- Continues to be interested in joining the Trans-Pacific Partnership and is closely monitoring progress in the negotiations
- Working on the General Review of the PH-Japan Economic Partnership Agreement (PJEPA)
- Conducting exploratory studies on PH-Canada and PH-Chile FTA

On the regional front

- Highlights/Agreements during the APEC Ministers Responsible for Trade (MRT) Meeting, 23-24 May 2015:
 - Ministers adopted the Boracay Action Agenda to Globalize MSMEs
 - Build and launch by November 2015 the APEC Trade Repository as a transparency and trade facilitation initiative
 - APEC economies expressed their support for the multilateral trading system
 - Ministers endorsed the terms of reference for the Collective Strategic Study on Issues Related to the Realization of the Free Trade Area of the Asia-Pacific (FTAAP)
 - Ministers reaffirmed APEC's green growth objective to reduce applied tariffs to 5% or less by the end of 2015 on the 2012 APEC List of Environmental Goods
 - APEC will develop the APEC Services Cooperation Framework (ASCF) and the APEC Virtual Knowledge Center on Services
- Implementing 4C (Competitiveness, Compliance, Collaboration, and Communication) for AEC National Gameplan
- Negotiating Regional Comprehensive Economic Partnership (RCEP)
- Negotiating ASEAN – Hong Kong FTA (AHKFTA)
- Upgrading ASEAN+1 FTAs

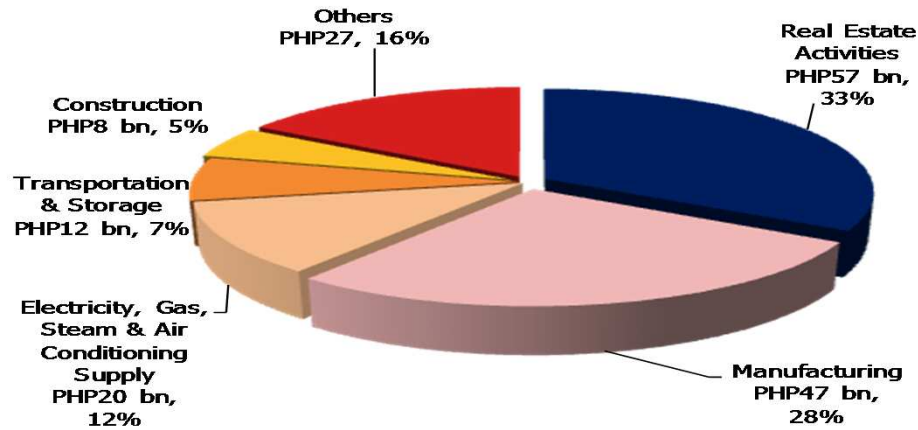
On the multilateral front

- Sealed PH intentions to implement the Trade Facilitation Agreement (WTO-TFA) as it complied with its Category A Notification commitments that covered areas of customs administration; domestic requirements are being pursued for the ratification of the WTO-TFA

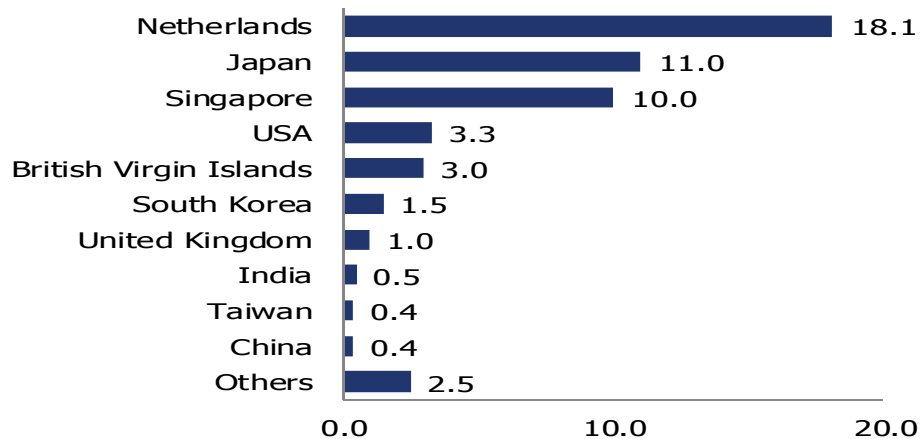
Creating jobs through exports, investments and SME development

Strengthening Investments Growth Jan-Jun 2015 BOI-PEZA* Approved Investments

By Industry (PHP bn, share in %)



By Source (PHP bn)



Jan-Jun 2015

- ❖ Total BOI-PEZA approved investments amounted to **PHP170.9bn**
- ❖ **441 projects** approved; **73,369 jobs** to be generated.
- ❖ Investment commitments from **domestic sources** reached **PHP119bn** or 70% of the total investment approvals, while the remaining 30% or **PHP52bn** came from **foreign sources**
- ❖ **Top industries:** Majority or 33% of the total BOI-PEZA approved investments is intended to fund projects in real estate activities. Manufacturing ranked second with a share of 28% or PHP47bn. Electricity, Gas, Steam & Air Conditioning Supply came next, accounting for 12% or PHP20bn
- ❖ Manufacturing expanded by 11%, encouraging efforts aimed at reviving domestic manufacturing towards the creation of more jobs
- ❖ **Top foreign sources:** Netherlands topped the list, committing PHP18bn or 35% of the total BOI-PEZA approved investments. Japan and Singapore came next, accounting for 21% or PHP11bn, and 19% or PHP10bn, respectively

*Board of Investments (BOI)-Philippine Economic Zone Authority (PEZA)

Strengthening investments growth

Industry Roadmaps and Investment Missions

Industry Roadmaps

- ❖ As of August 2015, there are 35 sectoral roadmaps, 29 of which are complete and six (6) are still drafts
- ❖ 13 sectoral roadmaps are still being developed and expected to be completed this year
- ❖ **Sectors with completed roadmaps:** Aerospace, Automotive, Automotive Parts, Biodiesel, Book Publishing, Cement, Ceramic Tiles, Chemicals, Copper and Copper Products, Electric Vehicles, Electronics, Furniture, Health Care Services, Integrated Circuit Design, Iron and Steel, IT-BPM, Manufacturing, Mass Housing, Metalcasting, Motorcycles, Natural Health Products, Petrochemicals, Plastics, Printing, Pulp and Paper, Retirement, Rubber Products, Shipbuilding, and Tool and Die

Inbound Investment Missions

Jan-Aug 2015: Facilitated 159 inbound missions bringing in 323 companies/organizations

FY 2014: Facilitated 252 inbound missions bringing in 634 companies/organizations

Outbound Investment Missions

Jan-Aug 2015: Conducted 12 outbound missions – 6 in Asia (Japan - 3, Thailand - 1, Korea - 1, Singapore - 1); 2 in Europe (Dubai and France/UK); and 4 in Americas [2 in USA (California and Washington), and 2 in Mexico]

FY 2014: : Conducted 17 outbound missions in key targeted markets abroad, and 3 construction missions in ASEAN potential growth areas (Cambodia, Myanmar and Timor Leste); **Focus sectors:** Manufacturing, IT-BPM, Tourism, Aerospace, Banking, Energy, Oil and Gas, Agribusiness, Infrastructure, Construction Engineering Consulting and Public-Private Partnership; the missions paved the way for one Filipino contractor to be awarded a USD30mn road project contract in the Democratic Republic of Timor Leste

Investment Assistance Accomplishments

Performance Indicator	2014	2015 (Jan-Jul)
Improve productivity and effectivity		
Amount of Investment Leads Generated	PHP459bn	PHP204bn
Handhold the investors proactively		
No. of Investors Assisted (through walk-in, email, and phone)	2,776	1,132
Client Satisfaction Rating on Pre-Investments Assistance	96%	100%
Strengthen investor aftercare services to encourage investment retention, expansion, and diversification		
No. of Companies visited through the Strategic Investor Aftercare Program (SIAP)	133	24
Client Satisfaction Rating on Post-Investments Assistance	97%	99%
Percent of business requests for assistance responded to within 3 days	98%	100%
Extend Vigorous Investor Facilitation		
Percentage of Issues and Concerns Facilitated	100%	100%

Developing micro, small and medium enterprises (MSMEs)

Major Accomplishments, 2014 – 2015

▪ **National Industry Cluster Capacity Enhancement Project (NICCEP)**

A three-year technical cooperation project funded by the Japan International Cooperation Agency (JICA) which aims to enhance the capacity of selected industry clusters throughout the country to plan, implement, facilitate service delivery, evaluate projects, and improve industry competitiveness and business environment

- In 2014, DTI monitored PHP9.4bn investments, USD4.5bn export receipts and PHP16.58bn domestic sales generated from the identified pilot industry clusters
- The project supported the creation of 187,694 jobs and 3,922 new enterprises, and also assisted 14,924 MSMEs

The project officially ended in October 2014. However, in recognition of the effectiveness of the Industry Clustering strategy, the approach is being adopted as DTI's main policy measure for local industry promotion through the development of the current National Industry Cluster strategy by the Regional Operations Group

▪ **Microfinance Program**

Instituted to cater to the financing needs of entrepreneurs who fall within the poverty threshold

- During FY 2014, PHP6.695bn loans were released to 600,650 active clients which generated 116,029 jobs
- As of June 2015, released loans amounting to PHP3,403.61bn to 196,210 active clients which generated 74,565 jobs

▪ **Access of Small Entrepreneurs to Sound Lending Opportunities (ASENSO) Program**

Aims to lower the effective cost of borrowing by SMEs, liberalize requirements, standardize lending procedures and create a wider financing system that will give SMEs better access to short and long-term fund

- The Small Business Corporation (SB Corp) recorded PHP29.1bn loan releases, assisting 26,149 MSMEs and supporting 363,655 jobs from September 2012 to December 2014

Empowering consumers

Strengthening Consumer Protection and Responsiveness

- 525 Konyumer Atbp episodes aired in 41 seasons for 10 years; 558 TV plugs on DTI infomercials aired in Channels 2,4,5,7 and 9; over 100,000 consumer materials disseminated nationwide
- As of June 2015, 90% of consumer complaints processed through mediation were resolved within 10 days; 90% of violating firms complied with the penalty within the prescribed time
- 221 Diskwento Caravans conducted nationwide, generated over PHP141mn in sales
- Continued operations of the Standards and Conformance Portal, and provision of real-time information on PS and ICC applications. It already has 3.2mn visits since its creation in 2011
- Policies approved for implementation:
 - Department Administrative Order (DAO) No. 14-3, Series of 2014 – Implementing Rules and Regulations (IRR) of R.A. 10642, An Act Strengthening Consumer Protection in the Purchase of Brand New Motor Vehicles
 - DAO No. 14-4, Series of 2014 – Amendments to the IRR of R.A. 10642
 - Revised Draft Joint Administrative Order (JAO) on the IRR on Toy and Game Safety Labelling Act of 2013
 - DAO 15-01 – as a transition phase for the proposed amendments to the Product Certification Schemes
- Hosted 3 international meetings (ASEAN Consultative Committee for Standards and Quality meetings and APEC related meetings)
- Streamlined Product Certification Schemes and proposed a draft revision of DAO 04:2008 (Philippine Standard Certification Scheme) and DAO 05:2008 (Import Commodity Clearance Certification Scheme) to be aligned to international and regional developments and to help ease in doing business
- Accredited 172 testing and 31 calibration laboratories (ISO/IEC 17025), 6 medical laboratories (ISO 15189), 5 inspection bodies (ISO 17020), and 6 certification bodies for certification of management systems (ISO 17021)
- PH was finally removed from the USTR Special 301 Watch List in 2014, reinforcing the PH's position as the country champion for IP enforcement in the South East Asian region
- As of April 2015, developed and adopted 9,149 Philippine National Standards (PNS) on products, services, and systems of which 79.6% were aligned to international standards
- As of May 2015, issued 55 Philippine standard (PS) licenses to 47 companies; to date since the implementation of PS scheme, 1,347 PS licenses issued in 2014 to manufacturers
- From January to May 2015, issued 2,642 ICC certificates and 2,189 Certificates of Exemption; in 2014, a total of 4,104 ICC certificates issued to importers. ICC applications for the same period last year increased by 123%
- Collected PHP27.9mn for the PS licenses and ICC certificates
- Issued 13.2mn ICC stickers to 1,215 companies that generated PHP16.1mn revenues

Outlook, policy thrust, plans and programs

EXPORTS	ACTUAL			FORECAST			
	2013	2014	Growth (%)	2015		2016	
	Value (USD bn)	Value (USD bn)		Low (USD bn)	High (USD bn)	Low (USD bn)	High (USD bn)
Total Merchandise	56.7	62.1	9.5	63.1	65.6	67.2	72.2
Total Services	23.3	24.8	6.4	25.6	26.3	27.4	30.0
TOTAL	80.0	86.9	8.6	88.7	91.9	94.6	102.2

Outlook for Merchandise Exports

- Non-electronics drove growth in merchandise exports in 2014, but electronics is gaining ground this year. Total electronics export in 2014 totaled USD35.3bn from USD32.8bn in 2013. The targets set for 2015 take cognizance of the anticipated economic slowdown in Japan, US, and China – the top three (3) largest markets for PH exports – and the impact of past natural calamities on domestic supply of raw materials. The El Niño weather phenomenon, for instance, which is expected to peak in the last quarter of 2015 and persist until the first quarter of 2016, is projected to hinder the growth of PH exports of non-electronic products, particularly agro-based products this year. In addition, the deceleration of economic activities in PH's top markets is expected to result in slower-than-expected growth of PH exports of manufactured products and agro-based and resource-based commodities
- With the expected sluggish demand from major trading partners, the Semiconductor and Electronics Industries in the Philippines, Inc. (SEIPI) revised its electronic exports growth forecast to between 0-4% this year, from the original 5-7% growth projection, after an 8.1% rise in 2014

Outlook, policy thrust, plans and programs

BOI and PEZA Approved Investments Targets for 2015 and 2016					
	ACTUAL (PHP bn)			TARGET (PHP bn)	
	2012	2013	2014	2015	2016
BOI	360.4	466.0	354.8	390.2	417.5
PEZA	312.0	276.1	279.5	329.2	362.1
Total	672.3	742.2	634.2	719.4	779.6

Note: Details may not add up to totals due to rounding.

Outlook for Investments

- The 2015 investment target of BOI is based on the 10% per annum target growth rate of the Philippine Development Plan. However, for 2016, approved investments is seen to continue to increase but at a slower rate at 7%, considering that the Investment Priorities Plan (IPP) is now more focused and keys in on relatively fewer, more strategic sectors
- PEZA's target is based on performance in the previous years with significant consideration of the global market situations
- Investor confidence remains strong as manifested in the growing number of inbound investment missions
- Outbound investment promotional activities in the past years result to many targeted companies starting their due diligence visit and even setting-up operation in the country
- Industries such as the IT-BPM (i.e., game development and health information management) and aerospace have embarked on the implementation of an aggressive investment promotion program
- Another positive development is the growing interest of investment promotion agency (IPA) counterparts of other countries to partner with PH's IPAs to collaborate in enhancing the flow of investments through various promotional activities
- The private sector and international organizations' outlook for the country is similarly optimistic

Outlook, policy thrust, plans and programs

Outlook for MSMEs

- Establish 100 Negosyo Centers in 2015 and 154 Centers in 2016
- Establish 300 SSF in 2015 and maintain 90% of the total number of established SSFs in 2016
- SME Roving Academy to conduct 1,000 trainings in 2015 and additional 1,000 trainings in 2016
- DTI to adopt the Industry Clustering strategy which aims to enhance industry competitiveness to develop and expand exports, generate investments and create jobs. Industry Clusters are groups of competing, collaborating, and independent business within a value chain
- Industry Clusters:
 - Cacao
 - ❖ Increase production of high quality fermented cocoa beans by 100,00MT in 2015
 - ❖ Expand domestic and international markets with export sales target of USD250mn in 2015
 - ❖ Increase production by 40% annually for 2010-2013
 - Coffee
 - ❖ Create 2,263 jobs in 2015 and 2,490 jobs in 2016
 - ❖ Generate PHP32.4mn worth of investments in 2015 and PHP48.5mn in 2016
 - ❖ Increase domestic sales to PHP15.6mn in 2015, PHP22.8mn in 2016
 - ❖ Generate USD33.8mn worth of exports in 2015
- Coco Coir
 - ❖ Increase domestic sales to PHP1.1bn in 2015 and to PHP1.7bn in 2016
 - ❖ Generate PHP1.5bn worth of investments in 2015 and PHP2.0bn in 2016
 - ❖ Create 7,500 jobs in 2015, and 10,000 jobs in 2016
 - ❖ Generate USD50mn worth of exports in 2016
- Processed Rubber
 - ❖ Generate PHP605mn worth of domestic sales in 2015, and PHP721mn in 2016
 - ❖ Create 7,063 jobs in 2015, and 7,088 jobs in 2016
 - ❖ Generate USD16.9mn worth of exports in 2015, and USD19.2mn in 2016
 - ❖ Generate PHP592.5mn worth of investments in 2015, and PHP630.5mn in 2016
 - ❖ Create 195 new SMEs in 2015, and 205 SMEs in 2016
 - ❖ Assist 443 SMEs in 2015, and 473 SMEs in 2016
 - ❖ Facilitate PHP45.5mn loans in 2015, and PHP50mn in 2016
 - ❖ Conduct 43 trainings with 1,950 beneficiaries in 2015 and 47 trainings with 1,955 beneficiaries in 2016

Outlook, policy thrust, plans and programs

Outlook for Consumer Welfare and Protection

- 95% Resolution Rate of consumer complaints nationwide
- Increase the level of consumer awareness of their rights and safety to 85%
- Develop and adopt 400 Philippine National Standards (PNS) on products, services, and systems
 - Membership to the 6 DTI National Priority Industry Clusters to provide assistance on standards-related information
 - Designated Standards Officers to each of the Clusters: Processed Rubber, Coco Coir, Coffee, Cacao, Tourism Support Industries (gifts, decors and houseware, fashion accessories, Handicrafts, Furniture and Furnishings), and Processed Fruits
 - Various PNS have been developed for said clusters: Rubber (39), Coffee (21), Cacao and Processed fruits (12), and Coco Coir (1)
- Achieve 90% license applications acted upon within seven (7) days from receipt of complete applications
- Revision of product safety certification schemes to facilitate the issuance of certificates
- Increase the number of accredited conformity assessment bodies
- Maintain MRA signatory status to 17025/17021 to facilitate trade
- Extension of MRA/MLA on the following accreditation schemes:
 - ISO 15189 (Medical Testing)
 - ISO 17020 (Inspection Bodies)
 - ISO/IEC 17065 (Product Certification)
 - ISO/IEC 17021 and ISO/TS 22003 (Food Safety Management System)
- Development of additional schemes of Philippine accreditation, namely:
 - ISO/IEC 17024 (Personnel Certification)
 - ISO/IEC 50003 (Energy Management System)
 - ISO/IEC 27006 (Information Security Management System)



DTI's key legislative reform measures

Recently Enacted (21 July 2015)

RA 10668: Liberalization of PH Cabotage Policy (SB 2486 / HB 5610)

- Seeks to lower cost of shipping for importers and exporters by:
 - a) allowing foreign vessels to dock at multiple ports; and
 - b) enabling co-loading which facilitates the transfer of import and export cargoes, including empty containers, from one foreign vessel to another
- Upholds Commonwealth Act No. 65, otherwise known as the Carriage of Goods by Sea Act, with the purpose of setting responsibilities, defenses and immunities of carriers and vessel owners for loss of and damage to goods carried
- Clarifies the constitutional limitations impairing previous proposals on Cabotage, with the provision in RA No. 386 or the Civil Code that carriage by foreign vessels shall not be considered common carriers
- Transfers the authority to clear and authorize foreign vessels from MARINA to Bureau of Customs.
- Requires foreign ship operators to submit cargo manifests to their respective Port Authorities to ensure that no domestic cargo are carried by foreign ship
- Enhances the competitiveness of importers and exporters and encourages SMEs to take advantage of opportunities in the international market as significant reduction to shipping cost is expected upon its implementation

RA 10667: Competition Law (SB 2282 / HB 5286)

- Supports ASEAN Economic Integration 2015 and other bilateral/multilateral agreements
- Serves as the "missing link" in the PH trade and industry laws since it was recognized that past liberalization efforts did not result to competition due to collusion and other anti-competitive practices in the industry
- Establishes the legal and institutional framework to prevent abuse of market power and dominance to enhance protection of consumers and promote a healthy growth of industries
- Applies the Rule-of-Reason approach which focuses on achieving economic efficiency and on firms' behaviour and conduct, instead of size and structure of business entities and the market
- Regulates and prohibits anti-competitive agreements, abuse of dominant position and reviews certain mergers and acquisition presumed to limit and distort competition

DTI's key legislative reform measures

RA 10667: Competition Law (SB 2282 / HB 5286)

- Imposes administrative penalties, in general, but criminal penalties on hard-core cartels; triple fines imposed for prohibited acts committed relative to basic necessities and prime commodities
- Establishes the PH Competition Commission – an independent quasi-judicial body, which shall have original and primary jurisdiction in all Competition concerns while the Office for Competition (OFC) shall perform its role on criminal prosecution

RA 10679: Youth Entrep. Act (SB 2212 / HB 5603)

- Aims to actively promote entrepreneurship and financial education among Filipino youth
- Requires government agencies and financial institutions to allocate 25% of their micro, small and medium enterprise (MSMEs) programs for young entrepreneurs
- DepEd, CHED and TESDA, in cooperation with learning organizations and LGUs, shall be tasked to:
 - a) develop entrepreneurship subjects and integrate these into the curriculum; and,
 - b) provide an avenue for private sector who may want to help students/graduates set up their own business ventures

Other Reform Measures – in the Pipeline

- Strategic Trade Management Act (*enrolled bill, for the President's signature*)
- An Act Granting Broader Protection for Consumers or the Revised Consumer Act of the PH
- Modernizing the Customs and Tariff Administration
- Amendments to the Foreign Investment Act (FINL / Retail Trade / Practice of Professions)
- Rationalization of Fiscal Incentives
- Establishing the Revenue Sharing Agreement for Large Scale Metallic Mining
- Promoting the Use of Electronic Communication in International Contracts
- An Act to Strengthen the National Quality Infrastructure in the Country
- Accreditation Law



Trade, Industry and Investments

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