ABOUT THE

COVERS

Thirty years ago, the Department of Industry was merged with the Department of Trade. Thus, on July 27, 2011 the DTI marked its 30th anniversary as the primary coordinative, promotive, facilitative, and regulatory arm of government for the country's trade, industry, and investment activities.

Our mission is simple, yet significant: "ENABLING BUSINESS, EMPOWERING CONSUMERS."

In enabling business, the DTI:

1. Eased the cost of doing business by streamlining business permits and licenses;
2. Realized export opportunities from Free Trade Agreements (FTAs);
3. Developed and promoted new export products; and
4. Generated investment leads from successful focused investment promotional activities.

In empowering consumers, the DTI:

1. Provided the consumers relief from rising prices of basic and prime commodities through effective programs such as conduct of *Diskwento* Caravans;
2. Intensified its monitoring drive to keep a tight watch over undue price increases;
3. Strengthened standards monitoring and enforcement to ensure consumers are assured of safe products and that retailers and manufacturers comply with safety standards; and
4. Heightened information campaign to increase public awareness on consumer rights and responsibilities.

This year, the DTI Annual Report is presented two ways to highlight DTI's dual priorities to its stakeholders: towards BUSINESS and towards CONSUMERS.

Annual Report 2011

ACKNOWLEDGMENTS

The 2011 DTI Annual Report Editorial Team	Office of Operational Planning (OOP) Trade and Industry Information Center (TIIC)
Photo credits	Board of Investments (BOI) Bureau of Domestic Trade (BDT) Bureau of Micro, Small and Medium Enterprise Development (BMSMED) Bureau of Product Standards (BPS) Bureau of Trade Regulation and Consumer Protection (BTRCP) Center for Industrial Competitiveness (CIC) Center for International Trade Expositions and Missions (CITEM) Chie Zamora Frames & Photography Inc. Cottage Industry Technology Center (CITC) Development Assistance Office (DAO) DTI - National Capital Region Foreign Trade Service Corps (FTSC) Philippine Accreditation Office (PAO) Philippine Trade Training Center (PTTC) Product Development and Design Center of the Philippines (PDDCP) Public Relations Office (PRO) Trade and Industry Information Center (TIIC)
Editor-in-Chief	Undersecretary Zenaida C. Maglaya Management Services Group (MSG)
Managing Editor	Director Mary Jean T. Pacheco Office of Operational Planning (OOP)
Contributors	Cherryl G. Carbonell Irish G. Caldona Mary Francis R. Sierra Milagros C. Manrique Robert Alvin T. Arceo Viva S. Dizon
OOP Project Coordinator	Joebert D. Sayson
TIIC Project Coordinator	Renaldo C. Neneria
Design and Layout	Noryden Marie B. Devora
Cover Design	Noryden Marie B. Devora

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Societal Goals describe Government's ultimate policy objectives—what government wants to achieve for the society

Sector Outcomes are the longer term benefits for the sector from the initiatives of the department/agency achieved through the concerted effort of several departments or agencies

Organizational Outcomes are short to medium term benefits to clients and community as a result of delivering the Major Final Outputs

Major Final Output is a good or service that a department or agency is mandated to deliver to eternal clients through the implementation of programs, activities, and projects

Reference: Department of Budget and Management (DBM) (2012). OPIF reference guide: Organizational Performance Indicator Framework (OPIF): A Guide to Results Based Budgeting in the Philippines. Malacanang, Manila.

MESSAGE OF THE SECRETARY

Do good, Be felt. Make a difference. **These are the marching orders I have issued to Team DTI, tasked to enable businesses and empower consumers. Our mandate requires us to provide an environment where businesses thrive so they can generate more jobs for our people. That is our contribution to the President's vision of a country with an organized and widely shared rapid expansion of our economy through a government dedicated to honing and mobilizing people's skills and energies as well as harnessing of our natural resources.**

The year 2011 was particularly significant as we began our quest towards achieving the societal goal of inclusive growth and poverty reduction.

We gave priority to MSMEs, cognizant of the fact that they are drivers of the economy, and the primary source of employment. In 2011, we made business registration easy particularly for small businesses by streamlining business permits and licensing, specifically reducing the business name registration process to 15 minutes. With us in the effort to streamline business processes is the Department of the Interior and Local Government (DILG) which spearheaded the drive resulting to more than half of the targeted priority Local Government Units (LGUs) with streamlined business permits and licensing system. By end of 2011, 295 local government units are fully implementing the DTI-DILG standards of a unified form, steps reduced to 5, processing time shortened (10 days for new applications, 5 days for renewals), with fewer signatories.

We are particularly proud of the success brought about by our efforts at encouraging businesses to strengthen economic activities with partner economies and make use of free trade agreements. We are pleased to note the increase in Board of Investments–Philippine Economic Zone Authority (BOI-PEZA) approved investments despite the weaknesses of the global economy, which indeed shows increasing investor confidence in the Philippine economy. Moreover, we are confident that the USD 7B foreign direct investments (FDI) commitments from successful Presidential visits and investment missions to China, Japan, and the Unites States (U.S.) will likewise be realized. These investment commitments, once realized, are expected to generate jobs for our people.

Notably, the year 2011 saw an in increase in our competitiveness ranking. As Chair of the National Competitiveness Council (NCC), we are happy to see the country's improvement from 85th in 2010 to 75th place based on the Global Competitiveness Report (GCR) of the World Economic Forum (WEF), out of 142 countries included in the survey. This augurs well for the country as the competitiveness survey strengthens our position that the Philippines is now "open for business", and that investing in the Philippines is the best choice. We believe that with the President's platform of "*tuwid na daan*"—a government committed to good governance, and genuine reforms—investors are now keenly looking at the Philippines as a favoured investment destination,

As we celebrate DTI's 30th year in public service, we are reminded that DTI is a merger from two separate organizations namely the Department of Trade and Department of Industry. Bringing this to mind, I cannot but appreciate the formidable tasks before us. Hence, I wish to pay tribute to the men and women of the DTI who have dedicated themselves to build this Department as an Agency of Choice. This year, we made structural adjustments within the organization to ensure a more effective and streamlined organization that is deemed responsive to the current priorities of this Administration.

We recognize the challenges ahead, but we are prepared for it. We are optimistic that we have created an impetus this year, and with dedicated public servants in the DTI, we can certainly reap significant results in the foreseeable future.

Secretary
GREGORY L. DOMINGO

COMPETITIVENESS

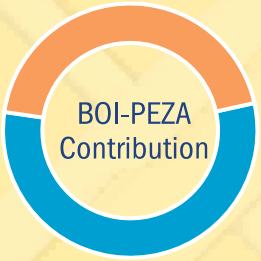
Competitiveness ranking according to GCR conducted by the WEF

85th out of 139 in 2010

75th out of 142 in 2011

INVESTMENTS

BOI-PEZA TOTAL APPROVED INVESTMENTS: PHP657.27M



PEZA 44%
PHP288.34

BOI 56%
PHP368.93

LOCAL PHP438.36M | 67%

FOREIGN PHP218.91M | 33%

PHP2 T 1995-2011 **ECONOMIC ZONE INVESTMENTS**

ENABLING BUSINESS

The DTI is tasked to expand exports, increase investments, develop and promote micro, small, and medium enterprises. Through its 16 regional offices, 81 provincial/city/ National Capital Region (NCR) Area offices, bureaus (Bureau of Domestic Trade (BDT), Bureau of Export Trade Promotion (BETP), Bureau of Import Services (BIS), Bureau of International Trade Relations (BITR), Bureau of Micro, Small and Medium Enterprise Development (BMSMED), Foreign Trade Service Corps (FTSC), attached agencies (Board of Investments (BOI), Philippine Trade Training Center (PTTC), Product Development and Design Center of the Philippines (PDDCP),

TOP INVESTMENTS BY REGION*

- **NCR** 182.22 B
- **R4** 163.24 B
- **R3** 96.82 B
- **R13** 50.57 B
- **R11** 40.12 B

TOP FOREIGN INVESTMENTS BY COUNTRY*

- **NETHERLANDS** 28.43B
- **U.S.** 79.04B
- **JAPAN** 64.20B

TOP INVESTMENTS BY INDUSTRY/SECTOR*

- 238.67B MANUFACTURING
- 142.60B REAL ESTATE ACTIVITIES
- 101.67B ELECTRICITY, GAS, STREAM & AIR CONDITIONING
- 63.29B MINING & QUARRYING
- 57.12B ACCOMMODATION & FOOD SERVICE

*in PHP

EXPORTS
in USD

TOP MARKETS*

1. CHINA + HONG KONG 9.94B
2. JAPAN 8.89B
3. U.S. 7.10B
4. SINGAPORE 4.28B
5. REPUBLIC OF KOREA 2.24B

Merchandise Export Performance **48.3 B**

Export Sales Generated from DTI initiated events **666 M**

87% OF THE COUNTRY'S TOTAL MANUFACTURED EXPORTS COME FROM PEZA ECOZONES

2011

TOP PRODUCTS

- ELECTRONICS 23.79B
- MINERAL PRODUCTS 2.84B
- FOOD 2.61B
- TEXTILE, APPAREL, FOOTWEAR & TRAVEL GOODS 2.17B
- MOTOR VEHICLES & PARTS/COMPONENTS 1.11B

Construction Industry Authority of the Philippines (CIAP), CMDF) and corporations (Cottage Industry Technology Center(CITC), Center for International Trade Expositions and Missions (CITEM), Intellectual Property Office of the Philippines (IPOPHL), National Development Company (NDC), Philippine Economic Zone Authority (PEZA), PITC, Philippine National Construction Corporation (PNCC), Small Business Corporation (SB Corp), the DTI contributes to government's twin goals of job generation and attainment of inclusive growth.

MSME DEVELOPMENT

108,327 MSMEs ASSISTED

TOTAL DOMESTIC SALES AMOUNTING TO PHP12.77 B

TRAINING PROGRAMS CONDUCTED

The DTI's Special Training Centers i.e., Cottage Industry Technology Center (CITC), Philippine Trade Training Center (PTTC), and Construction Manpower Development Foundation (CMDF), conducted 1,082 training programs and seminars which benefited 53,657 MSMEs in 2011.

LEGEND: ● runs ▫ participants

- Trade Business Management: ●355 ▫30,589
- Quality and Productivity: ●216 ▫6,714
- Special Programs: ●168 ▫6,113
- Competency Building Programs covering Wearables (Footwear and Fine & Costume Jewelry), Giftwares and Holiday Decors, Foods, Home Furnishings, Woodworks, and other resource-based commodities sectors: ●148 ▫5,542
- Construction Management, Supervisory Development and Trainers, Construction Safety, and Skills Training: ●195 ▫4,699

AGENCY: Philippine Trade Training Center

AGENCY: CITC

AGENCY: CMDF

TOTAL: 1,082 runs & 53,657 participants

ENABLING BUSINESS

MFO 1: International Trade Policy Negotiation, Facilitation, and Promotion Services

These pertain largely to trade policy negotiation and promotion of goods and services, through the formulation and implementation of appropriate policies and programs to develop and stimulate domestic and international trade in order to generate more jobs and foreign exchange revenues.

MFO 2: Industry Development and Investment Promotion, Generation, and Facilitation Services

These refer to efforts on industry development, investment promotion, generation, and facilitation, such as the formulation and implementation of appropriate policies and programs to strengthen the industrial base for global competitiveness and increase investments that will generate more jobs.

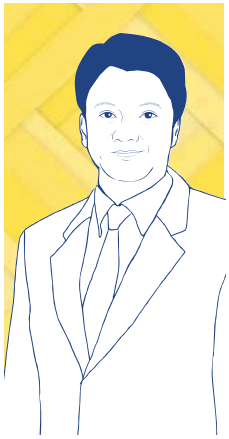
MFO 3: MSME Development and Promotion Services

These refer to business development services extended to MSMEs such as marketing, product development, training on entrepreneurship, and access to financing. These also refer to policy formulation and advocacy, and program development, that will promote the growth of MSMEs and creation of a conducive business environment to improve income, increase competitiveness, and ensure sustainability of MSMEs.

In 2011, the DTI focused on four strategies to enable business.

1. Eased the cost of doing business by streamlining business permits and licenses
2. Realized export opportunities from Free Trade Agreements (FTAs)
3. Developed and promoted new export products
4. Generated investment leads from successful focused investment promo activities

otop
PHILIPPINES
NATIONAL EXPO 2011
Regional
Nominee
ILIPP
a feast of flavors
HILIPPINE



MESSAGE OF THE
UNDERSECRETARY

For many years, the Philippine economy has been described as resilient. The Philippine gross domestic product (GDP) grew steadily at 4.8% in 2005 to 6.6% in 2007 and 7.6% in 2010 in spite of the global financial crisis. Steady and respectable growth, but not one that alleviates poverty. Recurring obstacles, mainly in political legitimacy, governance, and financial stability rendered rapid or high economic growth elusive, much less an equitable wealth distribution.

But, we are in a different setting now. A transformational leadership under the Aquino administration resulted in a positive change in governance. Painstaking policy reforms instituted, helped the economy survive powerful external shocks. These reforms resulted in situating the country in a more competitive advantage. Critical initiatives in improving governance are now invigorated by a political will imposed from a highly trusted and credible political leadership.

The recent DTI restructuring aimed to align, among others, trade policies, including negotiating positions, with industry competitiveness, industry development, and investment policies under the Industry Development and Trade Policy Group (IDTPG).

In 2011, the DTI focused on several initiatives to achieve the nation's development agenda: Anchored on the Philippine Export Development Plan (PEDP) 2011-2016 is the DTI's trade advocacy program Doing Business in Free Trade Areas (DBFTA). DBFTA aims to increase the utilization of our trade agreements. We have gradually seen the impact of this program through the testimonials of exporters themselves entering new markets and expanding their trade. Our utilization rate of trade agreements in markets like Association of Southeast Asian Nations (ASEAN), Australia, and New Zealand has steadily increased.

Likewise, the Investments Priorities Plan (IPP) 2011 became a platform to attract strategic investments with impact, particularly in countryside development as well as in generating jobs.

As part of aligning industry development with trade policy and negotiations, the IDTPG set about the industry roadmap initiative, led by the private sector and focused on providing directions towards the competitiveness of our industries.

Further, the Board of Investments (BOI) modernization through streamlining investment application processes enabled the bureaucracy to respond with more efficiency to its stakeholders and the public. This was complemented by the ongoing continuing education and capacity building activities in the bureaucracy (including BOI executives and staff) to craft and implement the roadmaps. The BOI is also working on its Information Technology (IT) System to enhance the collection, monitoring, and submission of investment reports.

Meanwhile, the importance of trade policy cannot be overemphasized and the DTI continues to promote the national interest in international trade through trade negotiations. We recognize the role of the World Trade Organization (WTO) in upholding an open, transparent, and fair multilateral trading system.

To this end, we enable stakeholder participation in trade policy formulation through the One Country, One Voice (OCOV) series of consultations. OCOV facilitates trade policy formulation from a more consultative perspective to ensure that policy makers do not only rely on econometric models to arrive at policy or negotiating positions.

With a trusted, credible, and committed political leadership coupled with strategic reforms and programs in place, our economy is poised for increased competitiveness. With these successful initiatives in place and active partnerships with the private sector, I am confident that sustained and rapid inclusive growth is an attainable vision.

Undersecretary
ATTY. ADRIAN S. CRISTOBAL JR.
Industry Development and Trade Policy Group (IDTPG)

Major Final Output (MFO) 1

International Trade Policy Negotiation, Facilitation, and Promotion Services

Philippine Export Development Plan (PEDP) 2011-2013 APPROVED

The PEDP was approved by the President in July 2011 outlining several product, market, and promotions strategies to double up exports from USD 51.5B in 2010 to USD 120B by 2016. The following key export sectors were identified under the PEDP:

- Information Technology (IT)/Business process outsourcing (BPO) and other services
- Electronics
- Agribusiness (fresh/processed/marine food products and coconut)
- Minerals
- Shipbuilding
- Motor vehicle parts
- Garments/textile
- Homestyle
- Wearables

EXPORTS TO FTA PARTNERS INCREASED AS DTI BATS FOR GREATER FTA UTILIZATION

To encourage Philippine exporters to maximize benefits from FTAs, the DTI in 2010, embarked on a massive information campaign dubbed as "DBFTA" seminars. Following the success of the initial batch of seminars, the program expanded, with the launching of DBFTA II on March 31, 2011 at the PTTC. Since its launching in 2010, with DBFTA I, as a beginners' course, DBFTA II was envisaged as an "intermediate" course that is sector specific, focusing on the benefits and availment procedures of approved FTAs to specific business sectors. DBFTA III are separate info sessions which focused on FTA markets in coordination with foreign embassies while DBFTA IV are info sessions and business matching activity for importers in FTA markets which may coincide with any FTA Joint Committee meeting. In 2011, the Department conducted 78 DBFTA sessions attended by 8,631 participants. Data from the National Statistics Office (NSO) showed that majority of Philippine exports went to these FTA markets: Japan, 18.40%; China, 12.91%; Korea, 4.63%; and countries in ASEAN such as Singapore, 8.86% and Thailand, 3.90%.

WORLD TRADE ORGANIZATION (WTO) RULES IN FAVOR OF PHILIPPINES IN CIGARETTE CASE VS THAILAND

The WTO ruled in favor of the Philippines in regard to the dispute between the Philippines and Thailand on the discriminatory treatment of our cigarettes exports. Philippine Trade and Investment Center (PTIC)-Geneva's efforts led to a landmark decision by the WTO as the DTI recognized the significance of tobacco as among the fast-growing resource-based exports of the Philippines and is a source of livelihood opportunities to farmers in Ilocos Norte and Sur, Pangasinan, and Cagayan, to name a few.

"ONE COUNTRY, ONE VOICE": STAKEHOLDER PARTICIPATION INSTITUTIONALIZED FOR UNIFIED TRADE STRATEGY

In August 2011, the DTI initiated consultations with civil society and businesses on the Philippine-Japan Economic Partnership Agreement (PJEPA) as part of the Department's strategy to actively engage its stakeholders FTA. The sessions were part of "One Country, One Voice", a nationwide public consultation program that seeks to institutionalize an effective mechanism to enhance and sustain stakeholder engagement in formulating trade policies. DTI shall organize seminars and workshops, and encourage broad-based participation. These will be the venue for stakeholders to formulate trade policy in a sustained and organized process to help improve the country's trade policies.

CONFORMITY ASSESSMENT BODIES PUSHED; PAO PASSES PEER EVALUATION

On July 17-23, 2011, Philippine Accreditation Office (PAO) successfully passed a peer evaluation conducted by a team of evaluators from the Pacific Accreditation Cooperation (PAC) to assess its continuing conformity with International Organization for Standardization (ISO) 17011. The peer evaluation manifested the equivalence of the accreditation programs of the PAO for Quality Management Systems (QMS) (ISO 9001) and Environment Management Systems (EMS) (ISO 14001) with other accreditation bodies worldwide.

In 2011, PAO had accredited 22 Conformity Assessment Bodies (composed of testing, calibration laboratories and certification bodies) against ISO 17025. A total of 38 surveillance assessments were conducted to ensure corrective actions have been taken on nonconformities in previous assessments.

To date, there are 149 testing, 22 calibration and four medical laboratories (ISO 15189) and two inspection bodies (ISO 17020) accredited. Also, there are five certification bodies accredited for certification of management systems. The established QMS of PAO revolves on its total commitment to provide confidence to results of certification, inspection, testing, calibration, and other conformity assessment activities, simultaneously ensuring measures to safeguard impartiality and objectivity of its accreditation process.

DTI HOSTS ACCREDITATION BODIES

The PAO hosted two international meetings of accreditation bodies. On June 11-18, 2011, PAO hosted some 90 heads/delegates of various foreign accreditation bodies and other interested parties to the 18th Plenary Meetings of the Pacific Accreditation Cooperation (PAC). PAC is an association of accreditation bodies in the Asia Pacific region whose ultimate objective is to facilitate trade and commerce among economies in the region through the promotion of international acceptance of accreditation granted by its 33 accreditation body members based on equivalence of accreditation programs.

On September 10-16, 2011, the PAO hosted about 100 delegates from Mutual Recognition Arrangement (MRA) signatories and related organizations to the 17th General Assembly and Technical Meetings of the Asia Pacific Laboratory Accreditation Cooperation (APLAC). APLAC is a cooperation of accreditation bodies in the Asia Pacific region that accredit laboratories, inspection bodies, and reference material producers. One of its primary objectives is to promote international acceptance of endorsed test, calibration, and inspection reports and other documents issued by laboratories and inspection bodies accredited by 33 signatories to the APLAC MRA.

SAFEGUARD MEASURES IMPOSED, TRADE DEFENSE INVOKED

The DTI imposed safeguard measures to allow local industries to adjust to competition. In 2011, the Department has investigated six trade remedy cases covering these products: (1) ceramic floor and wall tiles, (2) figured glass, (3) clear float glass, (4) tinted float glass, (5) steel angle bars, and (6) test liner boards.

DTI also assisted Philippine exporters facing trade remedy cases in foreign markets. A total of three trade defense cases were reviewed by the Bureau of Import Services (BIS). These are the (1) anti-dumping duty imposed by the Australian government on pineapple from the Philippines; (2) investigation of the Arab Republic of Egypt on the alleged dumping/ circumvention practices on imports of porcelain and ceramic tableware manufactured in China, Thailand, and Malaysia by exporting these products from various countries including the Philippines; and (3) sunset review on the anti-dumping measures on Cavendish bananas from the Philippines conducted by the Indonesian Anti-Dumping Committee.

EXPORT PATHWAYS PROGRAM (EPP) - REGIONAL INTERACTIVE PLATFORM FOR PHILIPPINE EXPORTERS (RIPPLES)

The project "RIPPLES" is a joint project of the DTI's Regional Operations and Development Group (RODG), BETP, and the PTTC aimed at addressing the country's inadequate capacity to supply globally-competitive goods and services in the international market.

In 2011, producers of priority products in each region had been identified and their export readiness status assessed by the DTI Regional Offices (RO). A total of 2,187 companies nationwide (excluding NCR) registered for the program with Regions 3, 7, and 11 recording the most number of participants. Of the total, 56% of the participants were in the development stages (EPP stages 1-3); 15% were export-ready (Stage 4); and 29% were exporters (Stages 5-7). There was a net increase of 288 participants in the project in 2011 vis-à-vis 2010. BETP also conducted 30 market info sessions/seminars and 11 product clinics which benefited 370 and 42 exporters, respectively.

DTI SHIFTS PROMO STRATEGY

DTI continued to promote the Philippines as a source of quality products and services. Given its limited resources, the DTI strategy is to organize bigger and better but lesser events, and to implement a more focused marketing strategy with emphasis on organizing more inbound missions than outbound missions.

FOCUS ON INBOUND MISSIONS

Of the seven inbound missions and numerous business matching activities conducted by the DTI, the following generated significant results:

Philippine Coconut Water mainstreamed in the US market. PTIC-Los Angeles facilitated the sourcing of coconut juice from the Philippines by O.N.E. Coconut Water, a majority-owned company of beverage giant Pepsi Co. The first shipment of 330ml Tetra Pack of coconut water imported from the Philippines arrived in the Port of Los Angeles on June 1, 2011, followed by the arrival of 1-liter packs in the same port on August 7, 2011. During the company's call on the President on the occasion of President Benigno S. Aquino III's visit to the U.S. in September, Rodrigo Veloso, a Brazilian national and founder of O.N.E. Coconut, announced that the company would import up to 600 containers of coconut water in 2011 and double it to 1,200 in 2012. The US market for coconut water, which grew at an average of 48% from 2008-2011, is forecasted to grow 39% annually from 2011-2014.

Exports of Marble to China. PTIC-Shanghai together with the BETP facilitated a cooperation agreement between Teresa Marble Corporation (Philippines) with Shanghai Lexin for the supply of 12,000 tons of Fawnton marble stock valued at least USD 2.64M for shipment within 2011. Shanghai Lexin is asking for the exclusive right for the sale of Fawnton in the Chinese market. Shanghai Lexin Commercial and Trading Co., Ltd. is one of the largest marble trading companies in China.

Fresh Cavendish Bananas for the Chinese market. PTIC-Shanghai, BETP and DTI-Davao Provincial Office, through its business matching efforts, facilitated the requirements of Shanghai Haodong International Trade Co. Ltd. for the supply of fresh Cavendish bananas. The company's requirement is 6 to 10 40-foot container of "Class A" fresh Cavendish bananas every week with an estimated value of USD 9,000 per container.

BIGGER AND BETTER SIGNATURE EVENTS

53rd Manila Furnishings and Apparel Manufacturers Exchange (FAME) International, April Edition at the SMX Convention Center. Export sales significantly rose from USD 9.44M to USD 13.70M, an increase of 45%, year-on-year. Despite a drop in exhibitors from 259 in April 2010 to 231, the intensified promotion efforts by the PTIC worldwide helped increase foreign trade buyers by 27%. The U.S. topped the list of foreign buyers with 143, followed by Japan (116), Australia (42), Hong Kong (42), and the United Kingdom (30). The fair's top buyer, whose purchases totaled USD 131,151, came from the Maldives. The second top buyer was a group from Lebanon whose purchases averaged USD 60,697. The third top buyer was a group from Spain whose purchases averaged USD 42,907. Houseware and home decor were best sellers.

54th Manila FAME International, October Edition at the SMX Convention Center. In an effort to create a bigger event, the 54th (October) edition of the Manila FAME International brought together Manila Now, CEBUNEXT, and BIJOUX Cebu, three of the country's major sourcing events,into one single event. The objective was to mark the Philippines as Asia's design destination for lifestyle products in furniture & furnishings, holiday & gifts, and fashion.

Export sales dramatically improved by 62%, from USD 19.34M to USD 31.29M despite the 11% drop in the number of exhibitors from 311 in October 2010 to 276, and comprised mainly of MSMEs from the Home Furnishings Sector (72.8%), Fashion Accessories manufacturers (15.6%), Holiday Décor manufacturers (11.3%) and Health & Wellness companies (0.3%).

Total trade buyers increased by 97% from 2,014 to 3,977. The number of foreign trade buyers increased by 10%, from 915 to 1,011, and came mostly from the U.S. (181), Japan (155), China (56), South Korea (51) and the United Kingdom (49).

Industry notables who attended the event were: Josie Natori of The Natori Company (U.S.); George M. Beylerian, founder of Material ConneXion (U.S.); Kiyotaka Hishida of MIPRO (Japan); and Mr. Colvin Englis of By Hand Consulting (USA). Foreign journalists from the Australian Gift Guide (Australia), NHK World (TV-Japan), WGSN-Asia Pacific (Hongkong), Personal Gifts (Japan), Home Living (Japan), and Tasarim (Turkey) also visited the show.

The 8th International Food Exhibition (IFEX). Philippines generated USD 22.16M in export sales and PhP25.62M in domestic sales. The event had a total of 450 exhibitors, of which 59% were new participants. Buyers reached 1,270, of which 24% were foreigners. The Very Important Buyer (VIB) Program registrants totaled 106. The biggest buyer delegation came from the U.S. with 22 VIBs, followed by Japan with 14, China with 10, and United Arab Emirates (UAE) with 10. VIB orders accounted for USD 10.02M, 45% of total sales. Bestselling products were milkfish, fruit and vegetable juice, purees and concentrate, nuts and coconuts, grains and cereals, and processed fruits. Region 12 was chosen as the Partner Region for the event. The Partner Region Program is a developmental program implemented by CITEM in partnership with the DTI Regional Offices, Department of Science and Technology–Packaging Research and Development Center of the Philippines (DOST-PRDCP) and PTTC. Under the program, companies received integrated intervention on packaging and labeling requirements as well as seminars on maximizing trade fair participation, food safety, basic Good Manufacturing Practice/Sanitation Standard Operating Procedures review (GMP/SSOPP), Hazard Analysis & Critical Control Points (HACCP) principles, pricing and costing, and packaging. The 20 exhibitors from Soccsksargen generated USD 1.15M in export sales.

FOCUSED MARKETING INTERVENTION

Because of the change in promotion strategy, DTI limited its overseas trade promotion activities by focusing on specific market and product sectors. Overseas missions were lesser by 143%, reduced to 14 for the period January-December of 2011, from 34 during the same period last year. Due to cost implications, overseas trade promotion activities were evaluated and limited to a significant few. Total sales generated from participation in overseas promotion activities reached USD 218.95M.

ASEAN-India Business Fair and Business Conclave. A total of 14 businessmen joined the Philippine delegation and generated the following business commitments in the form of Memoranda of Understanding (MOUs) between India and the Philippines:

- Promotion and development of trade, investment, and economic relations between India and the Philippines signed by the Philippine Chamber of Commerce and Industry (PCCI) and India's Associated Chambers of Commerce
- Strengthening of trade and economic relations between India and the Philippines signed by Chamber of Mines of the Philippines and Federation of Indian Mineral Industries
- Joint venture for the manufacture of pharmaceutical products between Ishan and Allied Pharmaceutical Marketing Corporation
- Set up of an assembly plant for Compressed Natural Gas (CNG) based buses and trucks in the Philippines between Ishan and Chase Makros Management, Inc. (CMMI)

Gulf Food, Hotel, and Equipment Exhibition and Salon Culinaire

Gulf Food, Hotel, and Equipment Exhibition and Salon Culinaire. Targeting the escalating population and the high concentration of Overseas Filipinos (OFs) in the Middle East and North Africa (MENA) region, DTI, through CITEM and PTIC-Dubai and Abu Dhabi, participated in Gulf Food. A total of 23 companies, both manufacturers and food consolidators/traders, joined the Philippine delegation which generated USD 37.2M in sales, an increase of 131% from the participation in 2010. Top selling products were fresh tropical/dried fruits, seafood products, Philippine ethnic foods, and tropical fruit juices and purees.

Foodex Japan. The DTI joined Foodex Japan to further boost Philippine food exports to Japan. The country's participation, organized by CITEM and PTIC-Tokyo posted the biggest number of SMEs, 20 of which were new participants. The delegation generated USD 18M in sales, the highest in five years. Top selling products were fresh banana, canned coconut juice, chicken yakitori, banana chips, and canned tropical fruit juice.

Tokyo International Gift Show (TIGS). The country bagged a Special Jury Award for Best Booth Display in the 72nd Tokyo International Gift Show held on September 6-9, 2011 at the Tokyo Big Sight in Japan. The Philippine booth carried the overall Naturalist concept inspired by the Tingguian tribe's traditional handloom. Initial buyer feedback indicated strong interest in the natural fiber-based cloths particularly the plain piña cloths. Top-selling products included mother-of-pearl and shell-encrusted evening bags, hats, fine bone china, collections of recycled materials, and lamps and bags made of traditional materials. The Philippine participants generated 276 buyer inquiries and USD 1.95M in sales.

Foodex Japan

Anuga World Food Market. Held every two years, Anuga is the biggest and most important show in the global food industry. This year's Philippine Participation in Anuga, held last October 8-12, 2011 in Cologne, Germany, was organized by DTI-CITEM, in cooperation with the Department of Agriculture's Agribusiness Marketing Assistance Services (DA-AMAS). The Philippine Pavilion was mounted on a total of 250 sqm. space in Fine Foods Hall and carried the theme "Textures and Flavors." The delegation was composed of 18 of the country's top food producers and manufacturers carrying fresh, semi-processed, and processed products, which generated 464 trade inquiries and USD 35.10M in sales. Top-selling products were virgin coconut oil, superfrozen tuna and value-added tuna, and banana chips. According to feedback from buyers and exhibitors, the taste of Philippine foods was superior to those of competitor countries.

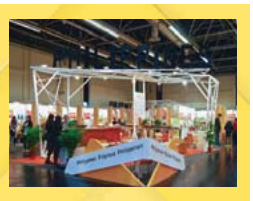
China-ASEAN Expo. The 8th China-ASEAN Expo (CAEXPO), held last October 21-26, 2011 in Nanning, Guangxi, China was organized by the government of the People's Republic of China and co-sponsored by the governments of the 10 ASEAN countries with the aim of strengthening trade cooperation. The Philippine participation was organized by DTI-CITEM in cooperation with the DA-AMAS, the BOI, the Federation of Filipino Chinese Chambers of Commerce and Industry, Inc. (FFCCCII) and PTIC-Guangzhou. Undersecretary Zenaida Cuison-Maglaya led the Philippine delegation and represented the Philippines during the opening ceremonies of the 8th CAEXPO and the China ASEAN Business and Investment Summit (CABIS).

The Philippines was represented in two Halls/Pavilions. One was The City of Charm (National Pavilion), featuring Puerto Princesa City, occupied 108 sqm. at the ground floor of the Exhibit Hall. The City Council of Puerto Princesa City facilitated a partnership agreement with the Lotus Beach Resort of Johor, Bahru, Malaysia for an inbound-outbound tourism mission as well as possible partnership arrangements between Puerto Princesa City and Thailand. The second participation was in the Commodity Trade Pavilion which featured 24 exhibitors occupying 50 booths, including special settings. Total negotiated sales reached USD 4.99M, 35% higher than last year's USD 3.69M. Top-selling products were *malunggay* derivatives (*malunggay* capsules, tea, noodles, powder), coconut-based products, banana chips, and *pili* nuts. The Philippines won the "Best Investment Promotion Organizer" award for the Philippine Investment Forum, which drew in more than 100 Chinese and ASEAN delegates.

46th Osaka International Gift Show Autumn 2011. A total of 10 companies were assisted. The participation generated 170 trade inquiries and partial negotiated sales of USD 6.61M.

The Philippine Food Selling Mission to the Middle East (Qatar, Saudi Arabia, and UAE) was also organized and generated over USD 30M in negotiated sales.

Anuga World Food Market



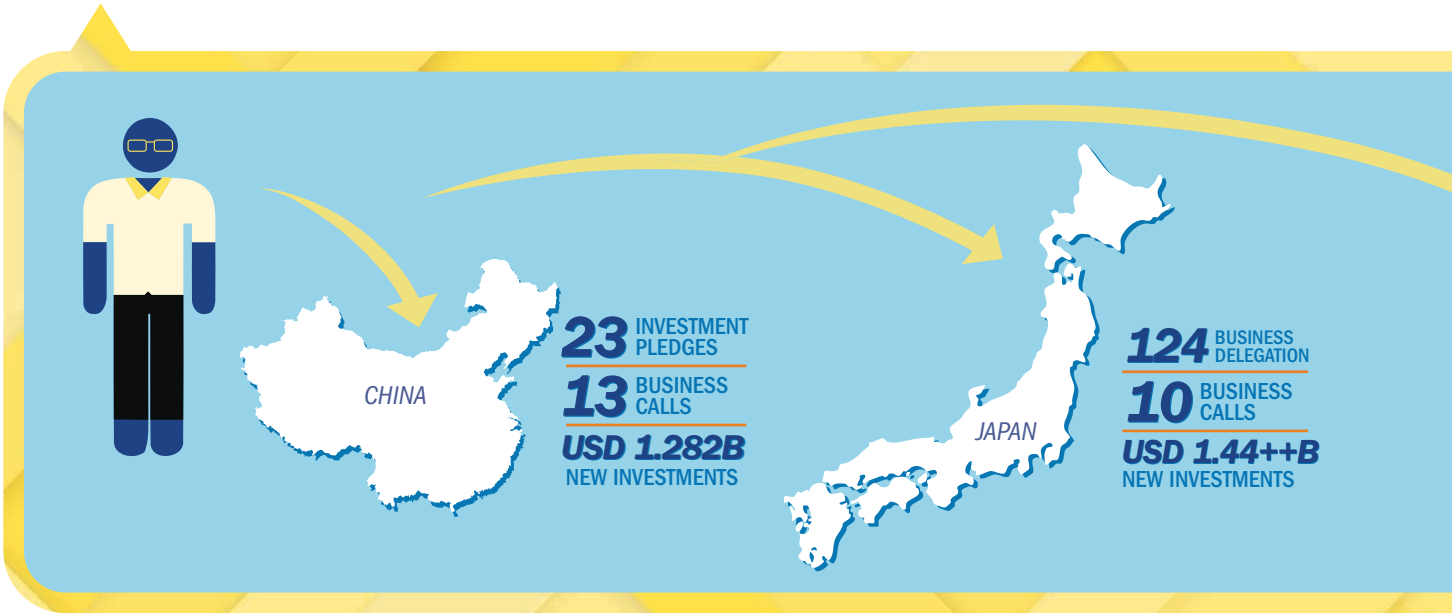
Tokyo International Gift Show

PRESIDENT BENIGNO S. AQUINO III: Philippines, Now Open for Business

The DTI played a significant role in foreign trips of President Benigno S. Aquino III, particularly in China, the U.S., and Japan. The DTI, through the BOI, BETP, and the Foreign Trade Service Corps Coordinating Office (FTSCCO), was responsible for organizing, managing, and handling business delegation activities during these presidential visits.

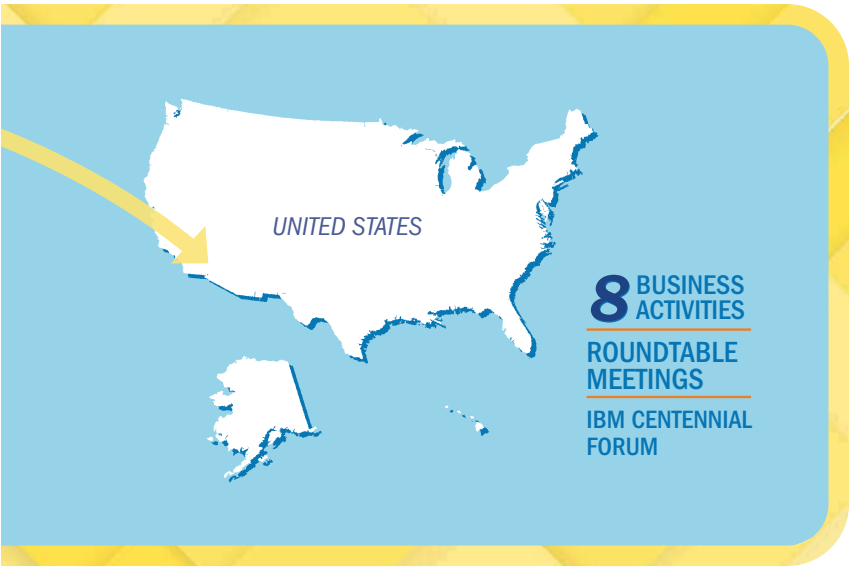
State Visit to the People's Republic of China. The State Visit of President Benigno S. Aquino III to the People's Republic of China involved visits to Beijing, Shanghai, and Fujian province. The President led a delegation of 230 Filipino business leaders as support to furthering trade and investment relations with China. A total of 23 investment pledges were received through the 13 business calls (nine in Beijing and four in Shanghai) and also through the Letter of Intent signing ceremonies witnessed by the President. New investments amounting to USD 1.282M and USD 3.8B in almost certain investments in the areas of power, mining, rubber, manufacturing, shipping/shipbuilding, infrastructure, real estate, garments, urban development, and hotels were secured during the State Visit. Business activities organized were Business Fora in the three cities, Sectoral breakout sessions with business matching, business calls on the President, visit to Liwayway China Co, Ltd., and parallel activities for the business delegation such as tour to Shanghai Stock Exchange.

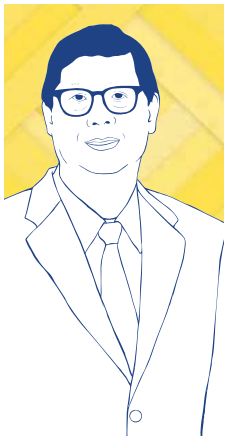
Official Visit to the U.S. On September 19-21, 2011, President Benigno S. Aquino III embarked on an official visit to the U.S. The eight business activities arranged for the President generated interest in the agriculture (coconut water), BPO (voice and non-voice services), research and development (R&D), and infrastructure. Main activities organized include roundtable meetings by the (i) US-ASEAN Business Council, US Chamber



of Commerce and Philippine-American Chamber of Commerce and by the (ii) CG/LA infrastructure that provided an opportunity for the President to update the business community on the progress being made by his administration in improving the business climate, promoting effective governance, and enhancing the country's competitiveness to attract more foreign investments, as well as the (iii) keynote address at the IBM Centennial Forum wherein the President expressed his gratitude to IBM for its investments in the Philippines.

Official Working Visit to Japan. On September 25-28, 2011, President Benigno S. Aquino III embarked on an official working visit to Japan. Supported by the Filipino business community, the President led a 124-top caliber business delegation primarily to enhance economic ties and also to show solidarity of the Filipino people with a top trading partner recently devastated by a tsunami and earthquake. During the visit, a total of 19 business events were arranged for the President, 10 of which were mainly business calls generating USD 1.44++B worth of investments in power, manufacturing and services sectors. Main activities organized include a roundtable meeting with the President which provided a venue for presidents and top-level executives of major Japanese companies to raise concerns and to have a more intimate discussion with the President; then a luncheon hosted by Japan and Tokyo chambers of commerce in Honor of the President at the Tokyo Kaikan; and the Philippine Economic Forum which was positively received and attended by 350-Japanese businesspeople that provided an opportunity for the wider business community to learn about the business environment and prevailing economic situation in the Philippines. While the President is engaged in official events, the business delegation's itinerary was filled with activities such as business matching, visits to Tokyo landmarks, and networking events, to name a few.





MESSAGE OF THE
UNDERSECRETARY

The DTI Trade and Investments Promotion Group is guided by the Olympic motto—Citius, Altius, Fortius which stands for "Faster, Higher, Stronger". We take seriously our goals of doubling Philippine exports and of breaching the PhP1T level—the amount of investments in the country, by 2016, hence we are aggressive in our efforts and purpose given our limited resources.

We are ambitious, yet confident, in setting our objective of attaining a competitiveness level that would see our country in the Top 1/3 from the bottom tier, where we currently are. The task is, by no means easy. But we are greatly encouraged by the positive results of our efforts at achieving our desired objectives.

In 2011, competitiveness ranking of the Philippines in the WEF Global Competitiveness Index rose to 75 among 142 countries surveyed from 85/139 in 2010. Our WEF 2011 ranking is further bolstered by a survey of Japanese-Affiliated Firms in Asia and Oceania published by the Japan External Trade Organization (JETRO) which regarded the Philippines the most competitive as an investment destination and in terms of doing business whether in manufacturing or services sectors. The Philippines was compared to China, Malaysia, Thailand, India, Viet Nam, Indonesia, and Myanmar. Based on the survey results, the Philippines had the cheapest rates when it comes to labor, rentals and land prices. In terms of sufficiency of labor supply, the Philippines was judged to have the most number of workers, and second only to Malaysia when it comes to the availability of executives.

In 2011, we focused on measures that will make doing business in the Philippines easy. The Board of Investments (BOI) simplified its registration processes by substantially reducing the number of required data from 52 to 14, and shortening the application/evaluation forms from 15 pages to two. BOI reduced the processing period from 20 days to five days. Also, in 2011, we implemented a more focused and targeted exports and investments promotion strategy given our limited resources.

The increase in investments in 2011 was a good sign that the economy was growing strong. BOI-PEZA approved 967 projects with a total worth of investments of PhP657.27B in 2011, 30% higher compared to the PhP506.49B generated in 2010.

Notable is the confidence of domestic firms, as local investments made up 67% of total investments while 33% represented foreign investments. The U.S. topped the list of foreign investors, contributing PhP79.04B. Japan, the second largest, accounted for PhP64.20B while the third, Netherlands, poured in PhP28.43B.

Philippine exports were less stellar. Total merchandise exports reached PhP48.31B in 2011, a decrease by 7% from PhP51.5B in 2010 largely due to the economic slowdown in the economies of our major markets, U.S. and Europe. Electronics, our top export product remained our number one export but the sector posted a significant drop. These results make it imperative for the DTI to rethink the way we do things.

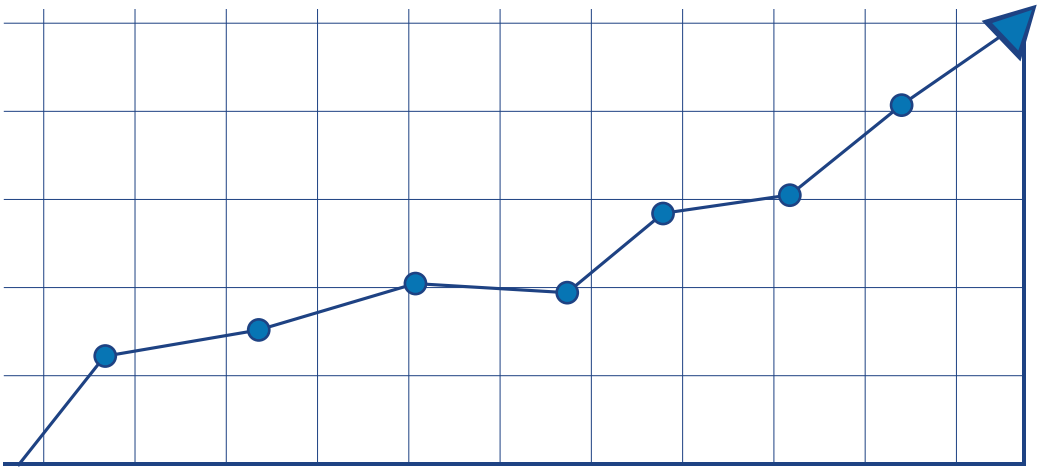
Our strategy in the immediate term is to explore new products and pursue alternative export markets, We embarked on a project to inform Philippine exporters of the benefits of FTAs so that they may fully take advantage of preferential/zero tariffs. The positive feedback necessitates that we upscale this project to capacitate further our exporters.

Considering that 67% of employed persons are from the industry and services sector, the role of the DTI in the employment generation program cannot be overemphasized. To create jobs, we in the DTI, together with our partners in the private sector, should strive to work faster, strive higher—because together, we are stronger.

Undersecretary
CRISTINO L. PANLILIO
Trade and Investments Promotion Group (TIPG)

Major Final Output (MFO) 2

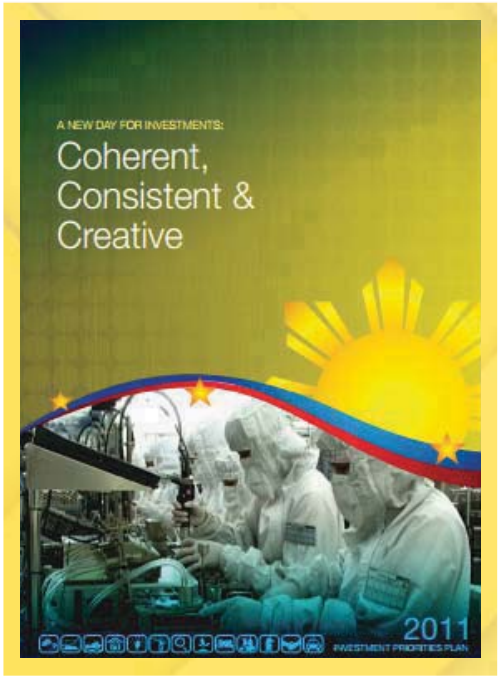
Industry Development and Investment Promotion, Generation, and Facilitation Services



2011 INVESTMENTS PRIORITIES PLAN (IPP) APPROVED

The 2011 IPP was approved in July 2011 and carried the theme "A New Day for Investments: Coherent, Consistent, Creative." With the growing investment confidence in the local market, the 2011 IPP spelled out business opportunities and incentives for MSMEs. The 2011 IPP included 13 priority sectors, as follows:

- Agriculture/Agribusiness and Fishery
- Creative Industries/Knowledge-based Services
- Disaster Prevention, Mitigation, and Recovery
- Energy
- Green Projects
- Infrastructure
- Mass Housing
- Motor Vehicles
- Public-Private Partnership Projects
- R&D
- Shipbuilding
- Strategic Projects
- Tourism



PHILIPPINES COMPETITIVENESS RANKING UP BY 10 NOTCHES

The country's global competitiveness marked its biggest improvement from 85th last year to 75th this year among 142 countries, the GCR conducted by the WEF showed. This is also a record improvement since the country entered the annual GCR in 1994.

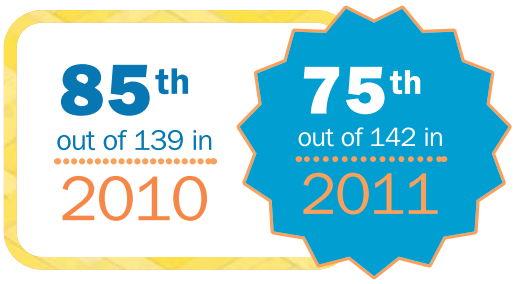
The Philippines ranked 54th in macroeconomic environment pillar, 14 notches better, due to lower public deficit and debt, an improved country credit rating, and inflation that remains under control. In particular, the country's credit rating went up from 75 to 63, the government debt management from 102 to 89, interest rate spread from 75 to 50, and inflation management from 73 to 69.

The large quantity of local suppliers, the existence of numerous and well-developed clusters, and increased presence of Filipino businesses in the higher segments of value chain made the country rank 57th in business sophistication category.

In addition, the sheer size of domestic market confers a notable competitiveness advantage. Another notable factor is the country's market efficiency for goods. Other factors are the extent and effect of taxation, prevalence of foreign ownership, and the quantity of local suppliers.

On the other hand, there is a call for improvement regarding the country's competitiveness in the following areas: corruption, physical security, quality of seaport, quality of airport infrastructure, inefficient labor market, and quality of primary education.

Competitiveness Boosted: Goverment creates National Competitiveness Council (NCC). The National Competitiveness Council (NCC), which is co-chaired by the DTI Secretary, boosted awareness on competitiveness as it presented to William Bohnett, President of the Millennium Challenge Corporation, its plans and programs to enhance the country's competitiveness ranking. This formal presentation was held on May 9-10, 2011 at the BOI Audio-Visual Room.



In June 2011, Executive Order (EO) 41 was signed pronouncing the Amendment to EO 571, series of 2006 to name the then Public-Private Sector Task Force on Competitiveness as the NCC. In addition, the NCC also introduced a new co-chair, Guillermo M. Luz, on April 1, 2011. Luz represents the private sector in formulating policies to increase the Philippines' competitiveness ranking.

On July 27, 2011, the NCC, together with government and private organizations including survey institutions, forged a MOA on the provision of statistical data to enhance the country's performance in the competitiveness survey. The said agreement indicates the roles and responsibilities of the NCC, the government and private agencies involved in gathering statistical information as well as the survey institutions that analyze and use the data in competitiveness reports.

DTI Promotes Organizational Performance Excellence. On January 27, 2011, President Aquino awarded in Malacañang three companies, namely Sunpower Philippines Manufacturing Ltd. (Recognition for Proficiency in Quality Management [PQA]); Mariwasa Siam Ceramics, Inc. and RCM Manufacturing Inc. (Recognition for Commitment to Quality Management) as most recognized firms for the 2010 PQA Conferment. The event was attended by 250 participants from the industry, academe, service, and public sector organizations.

As a continuing program to advocate quality

and business excellence, the DTI through the Center for Industrial Competitiveness (CIC) conducted the following events:

- PQA Improvement Day. It was held on February 18, 2011 at the Richmonde Hotel, Pasig City as part of the evaluation system of the previous year's PQA assessment process. Results of the activity were accounted in preparation for the 2011 PQA; and
- PQA Winners Forum. The event which was conducted on April 12, 2011 at Sofitel Hotel in Pasay City became an avenue for sharing of best practices by the 2010 PQA recipients. The event was attended by more than 40 organizations from the manufacturing, academe, service, and public sector covering small, medium, and large organizations.

U.S. SAVE ACT BILL SEEN TO REVIVE LOCAL GARMENT INDUSTRY

The government continues to support the passage of the SAVE Act Bill to revive the garments and textiles industry. It was finally reintroduced in the U.S. Senate by Senators Daniel Inouye of Hawaii and Roy Blunt of Missouri on June 22, 2011 and by Congressman Jim McDermott of Washington on June 24, 2011 in the House of Representatives. The number of co-sponsors in the House for the SAVE Act has reached 19 Representatives, and three more have committed themselves to sign up soon. If passed, the landmark bill will help revitalize the garment industry targeting USD 3B in apparel exports and 600,000 jobs. Through the effort of PTIC-San Francisco, Netsuite sponsored the software for the campaign spearheaded by the PTICs in the U.S. Meantime, the Clothing and Textile Tripartite Council has been reactivated to thresh out issues between labor and employers in the garments industry. An accreditation mechanism is now being worked on in anticipation of the SAVE Act.

The Philippines has also begun expanding trade with China. An inbound mission was conducted in China on January 17-19, 2011 to strengthen investments and trade opportunities between the two countries. Members of the China National Garments Association attended the event. Part of the mission included plant tours in the National Capital Region (NCR) and in Cavite to explore conditions and opportunities among local manufacturers and suppliers.

STREAMLINING BUSINESS IN THE MOTOR VEHICLE DEVELOPMENT PROGRAM

The BOI, together with InterCommerce Network Services, trained Motor Vehicle Development Program (MVDP) participants on the use of the system on electronic filing of the Certificate of Authority to Import (CAI) for the importation of complete knocked-down (CKD) parts and components. This system of filing will eventually be linked with the National Single Window (NSW) of the Bureau of Customs (BoC).

The guidelines on the electronic filing of CAIs were published in the Philippine Star on February 16, 2011, and took effect on March 3, 2011.

ECOZONE INVESTMENTS POSTED 41% INCREASE IN 2011; PHP288B INVESTMENTS HIGHEST EVER

The Philippine Economic Zone Authority (PEZA) registered PhP288.34B in investments in 2011, the highest recorded amount in the past 16 years. PEZA contribution to the economy has been significant as cumulative investments of PEZA from 1995-2011 totalled PhP2T, and total direct employment reached 840,945.

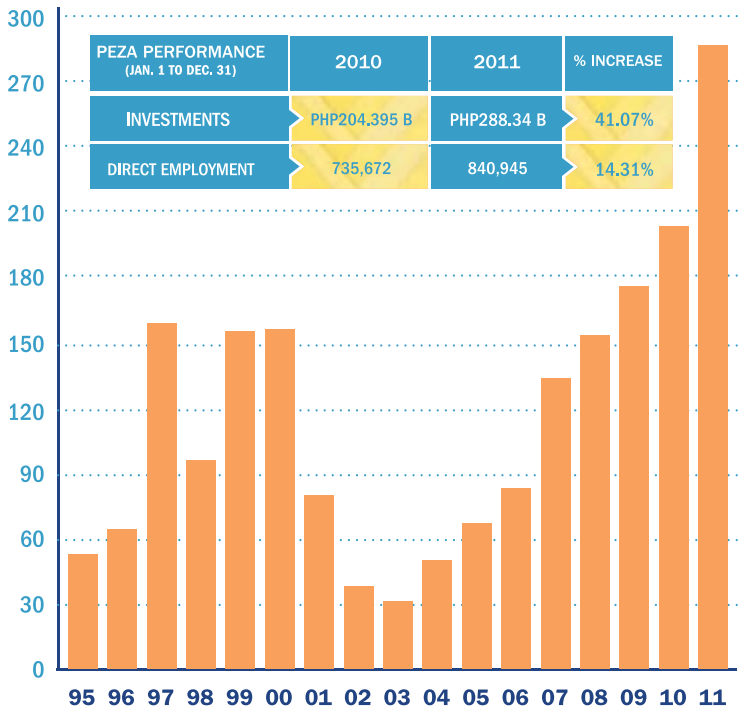
PEZA brand of service is anchored on 4 pillars

1. PEZA as a one-stop-shop–for ease of doing business
2. PEZA is a non-stop-shop–since ecozones operate 24 by 7 year round (except on Good Friday)
3. No red-tape, only red carpet treatment to investors
4. No graft and no corruption

As of December 2011, PEZA operates 252 economic zones throughout the country, with 2,625 locator companies. Electronics account for 42.52% of locator investments, with the presence of world's biggest companies such as Texas Instruments, Amkor, Intel, Fujitsu, NXP semiconductors, Toshiba Information, Epson Precision, to name a few. This makes the Philippines the electronics manufacturing hub of Asia.

Economic zone investment

PEZA	
1995	52.5 B
1996	65.3 B
1997	159.7 B
1998	96.9 B
1999	155.7 B
2000	156.7 B
2001	80.8 B
2002	38.7 B
2003	31.7 B
2004	50.5 B
2005	67.2 B
2006	83.7 B
2007	133.7 B
2008	154.8 B
2009	175.4 B
2010	204.4 B
2011	288.3 B



PEZA PERFORMANCE (JAN. 1 TO DEC. 31)	2010	2011	% INCREASE
INVESTMENTS	PHP204.395 B	PHP288.34 B	41.07%
DIRECT EMPLOYMENT	735,672	840,945	14.31%

DTI SHIFTS PROMO STRATEGY, FOCUSES ON INBOUND MISSIONS

119 INBOUND MISSIONS SERVICED IN 2011

INBOUND MISSIONS

The BOI assisted a total of 119 inbound missions in 2011, most of which resulted from PTICs' investment promotions. Of those missions, 22.95% are from the U.S. with a total of 14 visits. Trailing behind are China (8 visits), Korea (6 visits), Australia (5 visits), Spain (5 visits), Japan (3 visits), and Taiwan (3 visits). Of the inbound missions facilitated, 21 are still on its exploratory phase, 27 are on its due diligence stage, and five have already been realized.

OUTBOUND MISSIONS

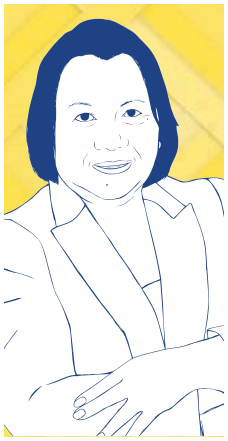
The BOI conducted sixteen outbound missions in U.S., Europe, Middle East (ME), and Asia. To a large extent, the assistance of the PTICs contributed to the success of the missions, generating the following results:

Investments Promotion Mission to Europe and ME (February 19 to March 7, 2011). A total of 40 companies, government institutions, and business groups were visited. Areas of interest were on oil and gas, tourism, agriculture, mining, renewable energy, manufacturing, and BPO. Twenty companies conveyed their plans to visit the Philippines.

Investments Promotion Roadshow in Italy (June 20-28, 2011). The Roadshow raised awareness among Italian enterprises, especially the SMEs, about the Philippines as a viable and profitable business partner. Poste Italiane sought to upgrade its current operations on remittances with the Philippine Postal Corporation, the Landbank of the Philippines, and Transfast, a private remittance company.

Investments Promotion Mission to Hong Kong SAR (April 15-16, 2011). The six companies visited expressed interest in PPP projects, manufacturing of bags, garments, textiles, hotel, and power. Hopewell Holdings Ltd. was interested in developing a 200-km 10-lane toll road network and Catamaran ferry service (safe service for cargo trucks and buses) to connect the spine of the Philippine archipelago from San Juan, Batangas-Panay Island (Iloilo)-Negros (Bacolod), and Cebu. Energy World Corporation (EWC) is working on its LNG Terminal in Pagbilao for a 100-megawatt gas fired power facility. Luen Thai International Group Co. Ltd., has expansion plans for a Coach bag facility in the Philippines.

Investments Promotion Mission to China (May 30 to June 3, 2011). A total of 12 companies were visited. They expressed interest in the areas of renewable energy, automotive, PPP projects, cement manufacturing, tourism, and garments, among others.



MESSAGE OF THE
UNDERSECRETARY

Government has given significant attention to the development of MSMEs. The weight of this responsibility lies squarely on the DTI Regional Operations and Development Group (RODG) which comprise the Department's 16 regional offices, 81 provincial offices, and 7 offices related to MSME development. As implementer of the MSME agenda, we are responsible for creating 2M jobs by 2016.

The DTI launched the 2011-2016 MSME Development Plan which aims to address the key challenges and constraints that continue to prevent the MSME sector from realizing its full potential and boosting the country's industrial growth. To develop a vibrant MSME sector, the Plan envisions the implementation of measures to create an enabling business environment and provide government support not only to improve MSME access to finance and expand market access but also to strengthen MSME productivity and competitiveness and their linkage with large enterprises and value chain networks. Moreover, coordination and monitoring of activities among national agencies and LGUs will also be intensified to harmonize the implementation of the plan.

To improve productivity and efficiency, and to expand market access, we continued to implement major MSME programs focusing on key industry clusters. Taking off from the One Town, One Product (OTOP) Program which is on the final year of implementation, the DTI identified priority industry clusters where support will be extended. Industry Clustering is an organized approach in industrial development and promotion of MSMEs. It creates a platform for convergence and focuses limited government resources on sectors that will have more impact in terms of job creation.

We strengthened the EPP-RIPPLES to develop exporters and assist MSMEs reach their full potential. Skills and entrepreneurial training, product development, market promotion, as well as credit access facilitation were provided to potential and would-be entrepreneurs.

Overall, we assisted over 100,000 MSMEs in 2011, generated domestic sales amounting to PhP12.7B, and through Small Business Corporation (SB Corp.), provided credit to MSMEs in the amount of PhP1.7B.

Much more needs to be done, and we are gearing up. The year 2012 augurs well for the MSME sector.

Undersecretary
MERLY M. CRUZ
Regional Operations and Development Group (RODG)

Major Final Output (MFO) 3

MSME Development and Promotion Services

ACCESS TO FINANCE

PRODUCTIVITY AND EFFICIENCY

ACCESS TO MARKET

BUSINESS ENVIRONMENT

A. ACCESS TO FINANCE

ACCESS TO MSME FINANCING PUSHED: INCREASE IN LENDING TO MICROS RECORDED BY SB CORP

Loans to micro, small and medium enterprises by state-owned SB Corp was down by 7% in 2011 as it posted a total of PhP3.9B compared to PhP4.2B in 2010. Nonetheless, its best performing lending program is still wholesale microfinance, which posted a 19% increase up from PhP1.6B in 2010 to a high of PhP1.9B. Of this total, PhP292.9M was released to 17 poor provinces in the country through the RuMEPP, a foreign-assisted 7-year rural microfinance program.

The MSME retail lending also recorded an increase of 6.3%, reaching a total of PhP537.8M compared to just PhP506.1M in 2010. This amount was released to 374 enterprises, 49% greater than its 251 MSME clients in 2010.

Unlike in previous years, the Corporation's wholesale lending program experienced a slight dip in its performance releasing a total of PhP1.36B to 111 partner institutions. MSME wholesale is expected to pick-up in the succeeding years through partnerships with rural bank graduates under its risk-based lending consultancy.

Meanwhile, the SME Unified Lending Opportunities for National Growth (SULONG) Program, released PhP26.78B in loans in 2011, benefiting 32,807 SMEs and supporting 356,112 jobs. The SULONG Program was designed to increase financing for SMEs through collaborative efforts of government financial institutions (GFIs), namely, the Development Bank of the Philippines (DBP), Land Bank of the Philippines (Landbank), National Livelihood Development Corporation (NLDC), Social Security Service (SSS), Philippine Export-Import Credit Agency (PhilEXIM), Quedan and Rural Credit Guarantee Corporation (QUEDANCOR), and SB Corp. These government financial institutions agreed on standardized lending procedures to create a wider, borderless financing system which would provide SMEs greater access to short and long-term funds.

SULONG RELEASES

GFI	LOAN RELEASES (PHP M)	NO. OF ACCOUNTS	JOBS SUPPORTED
SB CORP.	1,784.39	465	22,305
DBP	3,433.86	181	42,923
Landbank	21,126.26	8,498	264,078
NLDC	38.84	267	485
PhilEXIM	235.86	24	2,948
SSS	160.25	23,372	23,372
TOTAL	26,779.46	32,807	356,112

FINANCING PROJECTS CITED AS HIGHLY EFFICIENT; GOOD PRACTICE AWARD CONFERRED

The Asian Development Bank (ADB) cited the SB Corp's Small and Medium Enterprise Development Support Project as the only successful and highly efficient out of ADB's seven completed loan-funded projects in the country. The rating came from the performance assessment of ADB-funded projects during the Quarterly portfolio performance review by ADB and also draws on the findings of the ODA Portfolio Review conducted by the National Economic and Development Authority (NEDA).

Similarly, SB Corp was conferred with a Good Practice Award by the NEDA for strategies in achieving desired sector outcomes for its Borrower Risk-Based Lending approach to improving credit risk management and providing SMEs greater access to credit.

ADB's rating was based on the project's positive institutional impacts, and instrumental to this success was SB Corp's healthy institutional and operational structure coupled with clear, effective laws that help conduct lending operations effectively. The project has helped SB Corp expand its outreach, improve the efficiency of its loan operations, and strengthen the quality of its portfolio.

The project intended to enhance SB Corp's institutional capacity by reorganizing its management structure, introducing a credit scoring model, developing a management information system, and improving its products. Through the technical assistance, SB Corp was able to develop its own Borrower Risk Rating (BRR) tool which was later disseminated to its partner financial institutions.

B. ACCESS TO MARKET

FILIPINO FIESTAS FOCUSED IN NTF 2011

The CITEM, in cooperation with the BDT and the DTI regional offices organized the 20th National Trade Fair (NTF) on March 17-20, 2011 at the SMX Convention Center, Mall of Asia Complex, Pasay City. This year's NTF was dubbed "Festive Philippines", as NTF 2011 capitalized on the various fiestas that the country is known for. The Fiesta Region Program which showcases the fiestas of a particular region, featured Region 2 and its very first "Scarecrow Festival" in celebration of "*Pappabalo*" or thanksgiving.

A total of 229 exhibitors took part in the 2011 NTF. The 461 trade buyers who participated resulted in negotiated sales amounting PhP92.20M, a 47% increase from 2009's PhP62.61M.

NTF 2011 featured the following components: 1) New Trends and Features, 2) Nature, Trees and Forest Zone, 3) Naturally Trim and Fit (Wellness) Avenue, 4) *Natatanging Tatak Pilipino*, 5) *Natatanging Talentong Pilipino*, and 6) *Gawad Ginintuang Yaman* Award.

The BDT set up the Semi-Processed Materials Expo to link manufacturers and exporters directly to producers, processors, and consolidators of raw and semi-processed materials at the NTF 2011. Twenty seven Semi-Processed Producers from across the country participated in the Semi-Processed Materials Expo during NTF 2011.

GREAT CHOICE, GREAT VALUE. PHILIPPINES' BEST: LOCAL PRODUCTS FEATURED IN OTOP NATIONAL EXPO

The RODG mounted the OTOP National Expo with the theme "Great Choices. Great Value. Philippines' Best" at the SM Megamall, Mandaluyong City on September 21-25, 2011. A total of 282 exhibitors participated in the expo, which showcased products such as furniture and furnishings, fresh and processed food, houseware and home decor, fashion accessories, footwear, holiday decor, health and wellness products, and tourism services. Luzon contributed the most number of exhibitors (174 or 62%) followed by Mindanao (55 or 20%) and Visayas (53 or 19%). Cash and booked sales reached PhP45.6M while PhP34.6M orders were under negotiation.

SHOPPERS ENCOURAGED TO "SHOP THE ISLANDS"; DTI AND SHOPWISE PARTNER TO PROMOTE OTOP

The BDT partnered with Shopwise in marketing products under DTI's OTOP program, through the Shopwise "Shop the Islands" campaign on March 15 through May 30, 2011. In store promotion is one of the marketing strategies implemented by the DTI to promote local products. In August, BDT completed the development and publication of the 2011 OTOP Map providing an inventory of products available across the nation.

Meanwhile, the BDT Product Showroom, a permanent display, sales outlet and marketing channel for MSME products, is open at the ground floor of the DTI Main Building in Makati City on weekdays. For the period January to December 2011, the Showroom generated sales of PhP1.4M in partnership with Philexport Region 3, Tindahang Pinoy, Filipino Inventors Society and Christmas Décor

Producers, and Exporters Association of the Philippines. In April, BDT partnered with DTI Sorsogon to promote local products which include assorted *bayong* packaging boxes and bags, trays, baskets, fans, placemats, mats, shell necklace, personalized slippers, decorative and novelty items, and coco ladle/spoon/fork and other coco products. These were made from green indigenous material such as *bacbac, bariw, karagumoy, bankuan, anahaw, pandan*, coco shell, and minor forest products. A total of 35 Manila-based buyers representing 21 companies came to view the showcase and met with the MSME manufacturers. Total orders generated amounted to PhP790,021.00.

BIMP-EAGA EXPO 2011 HELD

On March 12-15, 2011, the BDT coordinated the Philippines' participation to the BIMP-EAGA EXPO 2011 held at the Sabah Trade Center, Kota Kinabalu, Sabah, Malaysia. A special feature of the BIMP-EAGA Expo was the Philippine Pavilion which showcased Philippine OTOP products primarily from Mindanao's food basket and Palawan's eco-tourism area. Sales generated by the Luzon participants in the Philippine OTOP Pavilion was PhP116,251.36.

OTOP PRODUCTS DURING 25TH EDSA PEOPLE POWER ANNIVERSARY CELEBRATION A HIT

In celebration of the 25th EDSA People Power Anniversary Celebration, DTI, together with the Philippine Franchise Association (PFA) organized a one-day Regional Trade Fair/ Food Fair dubbed as the "EDSA Strip" held on February 25, 2011 along EDSA. Total sales amounted to PhP639,434.58 with cash sales of PhP543,434.58, booked orders of PhP8,500 and orders under negotiation at PhP87,500. A total of 57 MSMEs participated in the fair. Among the best selling vendors was a Gawad Kalinga beneficiary.

DTI-DOT CONVERGENCE ON SME PRODUCTS

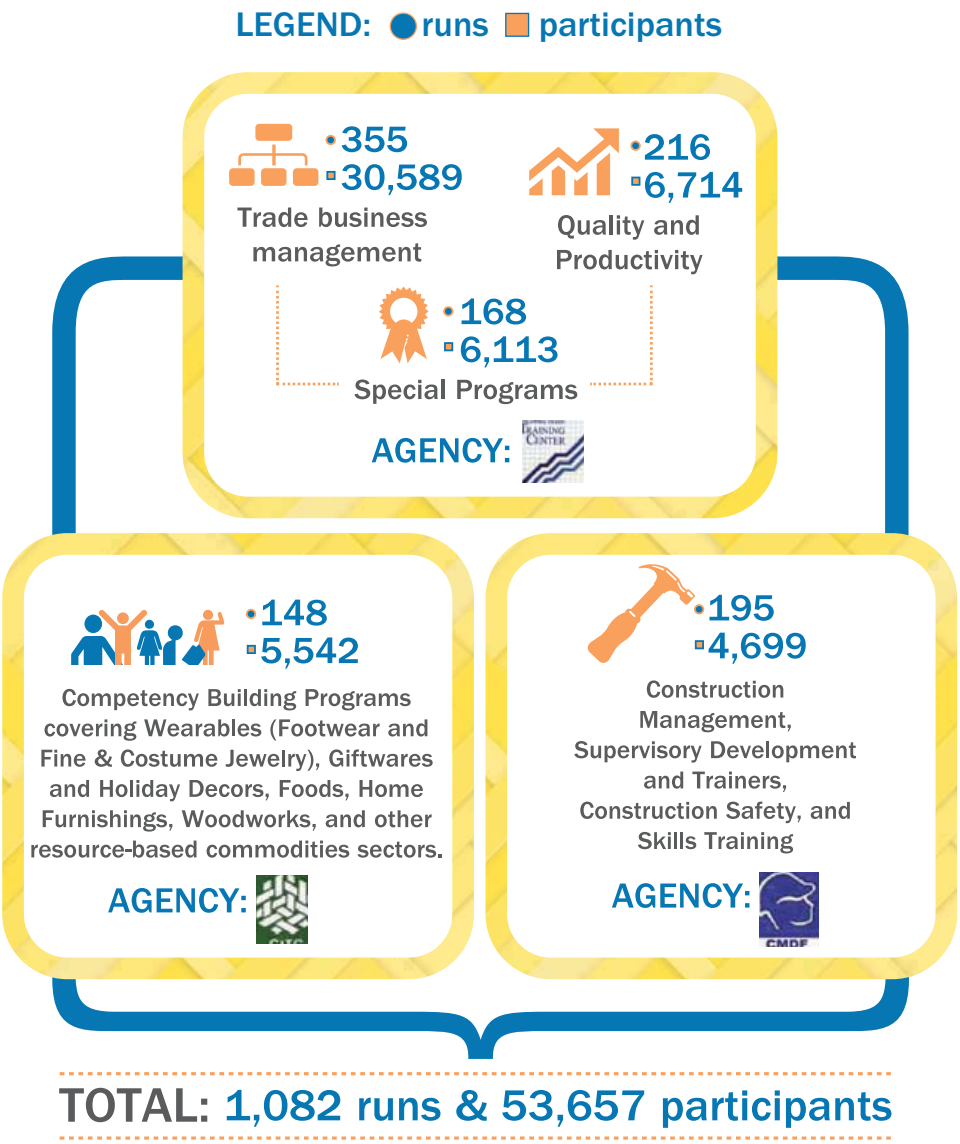
DTI and DOT signed an agreement during the Tourism Congress in Bohol on June 10, 2011 as a complementary strategy in marketing SME products and making it accessible for tourists. This include agreements with resorts and hotels for selling and promoting Philippine products particularly fresh and processed food and gifts and holiday décor.

C. PRODUCTIVITY AND EFFICIENCY

TRAINING FOR MSMEs CONDUCTED

Productivity enhancement programs such as skills training, technology, competency, and quality interventions were made available to MSMEs. The DTI's Special Training Centers, namely the CITC, PTTC, and CMDF, conducted 1,082 training programs and seminars which benefited 53,657 MSMEs in 2011.

Number of training programs conducted, including beneficiaries:



TOTAL: 1,082 runs & 53,657 participants

CULTURE OF ENTREPRENEURSHIP PUSHED

The Bureau of Micro, Small and Medium Enterprise Development (BMSMED) started providing free Tuesday SME briefing sessions beginning March 2011. Encouraging enterprise creation, the one-hour sessions impart information necessary in starting and running a business. The sessions are targeted towards existing and potential entrepreneurs, displaced workers, and people whose income had been severely reduced by the global economic crisis. A total of 1,563 participants (or twice the intended target) attended a total of 61 briefing sessions on how to become an entrepreneur, awareness on existing laws, business/licensing procedures, compliance to standards, and business opportunities, among others.

LIST OF TRAINING/SEMINARS PROVIDED IN 2011:

Business Opportunities

- Botica ng Bayan
- Franchising
- Meat Processing
- Perfume Making and Beadworks

Entrepreneurship

- How to be an Entrepreneur
- Entrepreneur's Roadmap to Compliance
- Financing Programs for Micro Enterprises
- How to Handle Consumer Complaints
- How to Sell Your Products to the Local Market
- Strategic Business Planning
- How to Enhance Your Business
- Customer Relationship Management
- Corporate Social Responsibility (CSR)

Marketing Management

- Awareness on Website Development

Operational Management

- Awareness on Workplace Organization Methodology
- Awareness on the Benefit of Information and Communications Technology (ICT) to Business Operations
- Awareness on Good Distribution Practices
- Hazard, Analysis, Critical Control Points (HACCP)

Packaging and labelling

- Shelf-life Testing and Nutrition Labelling
- Packaging Design Awareness
- How to Get a Product Bar Code

Government Programs and Services

- Agribusiness and Marketing Assistance of the Department of Agriculture to SMEs
- Food Fortification Program

Information Sessions on Standards and Other Government Rules and Regulations

- Barangay Micro Business Enterprise (BMBE) Act of 2002
- Integrated Business Licensing
- How to Acquire a Bureau of Food and Drug (BFAD) Certificate
- Awareness on Food Safety Management
- How to be a Halal Certified Company
- Awareness on Product Standards law
- Product Standards, Policies and Guidelines
- The Role of Intellectual Property (IP) System in Economic and Technology Development
- Registering for Patent Trademark and Trade Names
- Export Procedures and Documentation
- Import Procedures and Liberalization
- Awareness on Consumer Rights and Protection
- Awareness on the Role of IP in Business Growth
- Acquiring a City/Municipality Business Permit/ License in Makati
- Acquiring a City/Municipality Business Permit/ License in Manila
- Business Taxation on SMEs
- Philippine National Standards (PNS) for Food Safety and Quality
- Awareness on Green Manufacturing
- Labor Standards for MSMEs

Skills Training

- How to Make a Liquid Dishwashing and Detergent Soap
- Agribusiness: How to Make Organic Liquid Fertilizer and Pesticide

COTTAGE INDUSTRY TECHNOLOGY CENTER (CITC) IMPLEMENTS MICROENTERPRISE PROMOTION AND DEVELOPMENT STRATEGY THROUGH COMMUNITY-BASED ENTERPRISES

To help increase household income, the CITC provides Business Development Services (BDS) to formal and informal enterprises in rural communities. These interventions are aimed at developing community based enterprises (CBEs) that are competitive and sustainable. Notable are the following:

Bamboo industry

There are seven nodes or bamboo primary processing villages established and located in Laguna, Camarines Norte, Camarines Sur, Davao del Norte, Agusan del Sur, South Cotabato, and Cagayan Valley, which will supply the hub or engineered bamboo plant located in Central Luzon.

Camarines Sur E-Bamboo Node and Hub
The CITC, DTI-Camarines Sur, and the local government of Pawili, Bula, started the implementation of Camarines Sur Engineered Bamboo Industry Development Project with the initial training of farmers and existing bamboo furniture manufacturers. As part of the RuMEPP, the program provides holistic business development services, for the development of an e-bamboo node and hub, with initial training that includes raw materials, selection and harvesting, bamboo primary processing and sorting, treatment, preservation, and storage. Tooling and equipment assistance were also provided in the form of twin rip saw, bamboo pole cutter, and treatment.

Lubao E-bamboo Node and Hub
In 2011, the second phase of the Lubao e-bamboo node was its conversion into a bamboo hub. The phase conducted trainings on Machine Operation and Maintenance which was held on February 7-12, 2011. This skills training should enhance capability of furniture builders and woodwork makers in order to qualify to bid for Department of Education's (DepEd) Bamboo Furniture Procurement for 2011.

South Cotabato E-Bamboo Node and Hub
In cooperation with DTI-South Cotabato, DA, DENR, LGU-South Cotabato and CITC, the South Cotabato E-Bamboo Node and Hub revised its "Terms of Reference" (TOR) to include the development of existing wood furniture makers as potential DepEd Bamboo furniture suppliers.

Loomweaving

Tubigon Loomweavers Multi-Purpose Cooperative (TLMPC), Tubigon, Bohol
Loomweavers from the TLMPC attended advanced handloom weaving courses facilitated by the CITC on March 7-12, 2011. Members were trained on how to create a database to document process, and register woven designs for future references. These CBEs expanded their product lines thru product sample making, skills training, technical consultancy services, and tooling and equipment assistance, among others.

Handmade paper

San Roque Handmade Paper Products Multi-Purpose Cooperative, Misamis Oriental
Initiated by 10 women from San Roque Village in Villanueva, Misamis Oriental in 2004, the cooperative was trained to weave and manufacture paper products from indigenous materials. While the State Power, Inc. provided livelihood assistance in the form of skills enhancement to communities relocated because of the construction of the 210MW Mindanao Power Plant, CITC experts rendered technical consultancy services on the propagation of paper mulberry, raw materials used in the production of handmade paper-making, as well as tooling and equipment.

Kalinga Multi-Purpose Cooperative, Quezon City
KMC began regular operations in January 2007 with 24 members coming from the poor areas of Quezon City, such as Payatas, Batasan, Manggahan, Philcoa, and Freedom Park. Addressing the need for additional livelihood opportunities, CITC provided the group with technical consultancy services, introducing them to handmade paper-making, including tools, equipment, and raw materials needed in the business. They were given kozo seedlings for sample planting in their area. Organizational development was in focus in late December 2011, while training was scheduled for January 2012.

DTI SUPPORTS COCO COIR INDUSTRY

The Coco Summit in Davao on March 30, 2011 was attended by 407 coconut industry stakeholders and key government leaders led no less by DTI Secretary Gregory L. Domingo, DA Secretary Proceso J. Alcala, and Philippine Coconut Authority Administrator Euclides Forbes.

RESULTS

1. Approval of 11 resolutions directed to appropriate agencies to make the industry more competitive.
2. Business matching activity, conducted as a side event, produced impressive results:

- 13 suppliers and four buyers were matched
- four companies matched with three banking institutions (DBP, Land Bank of the Philippines [LBP], and Amanah Bank)
- 4 companies explored possible provision of technology
- Joint-Venture Agreement between Maharlika and JAGS Coco Fiber Corp of China for a total investments of PhP200M for the next five years for 10 processing plants in Northern Mindanao (Region X) for production of approximately 2,000 to 3,000 tons of fiber a month
- Supply of 96 tons/month @ PhP12/kilo of coco coir
- Supply of 1,000 pieces/month @ PhP30/pc VCO-based beauty soap
- Supply of 1,000 pieces/month @ PhP35 - coco trays

RURAL MICRO ENTERPRISE PROMOTION PROGRAMME (RUMEPP)

On its fifth year of implementation, RuMEPP continues to reduce rural poverty through increased economic development and job creation for poor rural households by promoting profitable and sustainable micro enterprises (MEs). RuMEPP adopts a two-pronged approach of providing financial (microfinance) as well as technical assistance to promote the development of microenterprises, coupled by the promotion of policies supportive of the development and growth of MEs.

As of December 31, 2011, RuMEPP benefitted a total number of 18,705 MEs served with BDS or 125% of the target of 15,000 until 2013. Meanwhile, microfinancing, implemented by the SB Corp., has reached 46,867 MEs under RuMEPP or 187% of target. Under the Microcredit-BDS Linkage, an additional 3,288 MEs were served with both microfinance and BDS in the whole of 2011, which brings to 6,560 the total number of distinct MEs served with both microfinancing and technical assistance.

DTI-COMPREHENSIVE AGRARIAN REFORM PROGRAM (CARP): PROMOTING ENTREPRENEURSHIP IN AGRARIAN COMMUNITIES

The DTI CARP provided assistance to farmers and ruralfolk in 794 Agrarian Reform Communities and 188 other communities through the provision of BDS such as market development, product development, and consultancies, among others. Having conducted 774 entrepreneurial training workshops and 283 productivity improvement and 742 skills training sessions in 2011, DTI-CARP developed 1,123 and assisted 1,696 MSMEs, on the way to creating 56,137 jobs and 1,617 new entrepreneurs.

SB CORP OFFERS FINANCIAL TRAINING

In order to improve the service delivery of government financial institutions as well as equip MSMEs to become more financially literate, SB Corp focused on the following capability-building initiatives:

- Risk-Based MSME Lending. SB Corp entered into a tie-up with the Bankers Association of the Philippines for a consultancy program. In 2011, SB Corp trained 20 loan and bank officers on Understanding and Lending to SMEs and Financial Analysis and Data Validation.
- Enterprise Enhancement Training Workshop. Twelve institutions benefitted from a three-day training on effective business planning plus one-on-one consultation.
- Techniques on Business Performance Analysis Seminar. For the year 2011, seven institutions participated in this training on techniques for financial analysis.
- Orientation on Computerized Accounting System. SB Corp provided a consultative learning experience on different kinds of accounting software and applications, as well as showcased SB Corp's soft loan facility to assist MSMEs acquire computerized accounting systems.

DESIGN SERVICES AND TECHNICAL ASSISTANCE

PDDCP provided 873 MSMEs with design services and technical assistance. Design services transactions totaled 1,835 while technical assistance reached 3,572. Design services that the PDDCP provides include design consultation, design ideas, and design recommendation. Technical assistance comes in the form of agency services briefing, technical consultation, technical information, trends briefing, and technology updating workshops.

DESIGN AWARENESS AND INFORMATION

To promote awareness on the value of design, PDDCP organized nine exhibits which were viewed by 2,784 participants coming from both SMEs and non-SMEs. In particular, PDDCP was responsible for following displays in 2011:

Raw materials (bamboo, coconut, other raw materials) exhibit at PDDCP Lobby (January 2011)

Vignette on the 2010 Winners of the 10th Jewelry Design Competition at PDDCP Lobby (March 2011)

Raw material (bamboo) exhibit at PTTC Window Display (April 2011)

Arturo Luz Exhibit at PDDCP Lobby (May 2011)

Raw material (water hyacinth) exhibit at PTTC Window Display (June 2011)

Raw material (Manila Palm & Coconut materials) exhibit at PTTC Window Display (July 2011)

Vignette at the Philippine Senate (August 2011)

Exhibit of the Winners of the Green Furniture Design Competition (September 2011)

Special Setting and Institutional Booth at the Manila FAME 2011 (October 2011)

Vignette on Colors and Trends 2012 at PDDCP Lobby (November 2011)

Aside from the exhibits, PDDCP also organized seminars for designers, design educators, manufacturers, and design students for information and capacity building.

On June 29, 2011, during the celebration of the 4th World Industrial Design Day, American design consultant and architect Tobias Guggenheimer talked about "Principles of Design Evolution." Another seminar on "Product Lifetime Optimization: Curbing Unsustainable Consumption Through Design," was conducted by former PDDCP Senior Designer Dr. Mariano Ramirez Jr, an instructor of Industrial Design at University of New South Wales, Sydney, Australia. Attended also by furniture makers, the workshop challenged designers and manufacturers into re-thinking how the initial lifetimes of products can be optimized by enhancing the consumers' emotional attachments to their possessions and thereby encouraging extended ownership before disposal. Moreover, Vickie Antonio, Senior Adviser of Gesellschaft für Internationale Zusammenarbeit (GIZ)-Philippines, conducted a seminar about Climate Change and Sustainable Development in the context of design.

PDDCP also pushed the incorporation of *Baybayin* into Philippine design to enrich the same and integrate in it the Philippine culture. The series of seminars to promote the use of *Baybayin*, an ancient Philippine script, was conducted in partnership with Baybayin Buhayin and the Chamber of Furniture Industries of the Philippines (CFIP).

PATENTS ON LOCAL PRODUCTS

Three patents were acquired by the PDDCP with the following details:

REGISTRATION NO.	DATE FILED	TITLE OF APPLIED UTILITY MODEL	ISSUANCE	CLAIMED
2-2010-00265	10-Jun-10	Laminated Water Hyacinth (Eichornia crassipes) and Process of Producing the same	14-Feb-11	21-Jun-11
2-2010-00268	10-Jun-10	Laminated Pandan (Pandanus tectorius) and Process of Producing the same	28-Mar-11	29-Jun-11
2-2010-00415	16-Aug-10	Laminated Lukmoy (Rhapidophora pinnata) and Process of Producing the same	14-Feb-11	21-Jun-11

PNOY DECLARED 3RD WEEK OF MARCH AND OCTOBER AS DESIGN WEEK

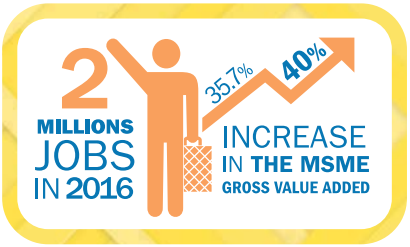
On October 20, 2011, the President issued Proclamation No.277 declaring the third weeks of March and October as Design Week Philippines.

The decree aims to highlight the ingenuity of Filipino designers in order to create more opportunities for economic development. The celebration of the Design Week Philippines is in coordination with the Department of Tourism (DOT), National Commission for Culture and the Arts (NCCA) and the Cultural Center of the Philippines (CCP). It enjoins the participation of all Filipino designers, artists, and design training institutions to collaborate with CITEM and PDDCP and be involved in the observance of the Design Week.

D. BUSINESS ENVIRONMENT

SME DEVELOPMENT PLAN 2011-2016 LAUNCHED

As secretariat to the National MSME Development Council (MSMEDC), the BMSMED spearheaded the crafting of the MSME Development Plan 2011-2016. The Plan serves as the framework for the convergence of initiatives adopted and implemented by multi-stakeholders towards the growth and development of the MSME sector in the country. The Plan targets 2M jobs by 2016, and an increase in the MSME Gross Value Added from 35.7% to 40% after the Plan period. 1,300 copies of the MSMED Plan were distributed to various stakeholders.



DTI CELEBRATES SME DEVELOPMENT WEEK 2011: PINOY SME... BUSINESS TAYO!"

Led by BMSMED, the MSMEDC organized and mounted the 2011 SME Development Week celebration with the theme "Pinoy SME… Business Tayo!" at the PTTC on July 7-9, 2011. Various activities were also held at the provincial level to commemorate the event. A total of 39 free briefing sessions on entrepreneurship, management, and skills demonstration were held, benefitting 3,010 participants. A total of 787 participants from trade and industry associations, LGUs, financial institutions, academe/training institutions, development partners, congress, MSMED councils, national government agencies and media attended the SME Summit on July 7, 2011, the proceedings of which were broadcast live on the internet at http://justin.tv/smesummit.

The SME Star Presidential Program was launched, and this year, 108 entrepreneurs, 74 SME Rising Star awardees, and 34 SME Star Elite awardees were awarded. The search for the SME Star Presidential Award will be conducted next year.

Also launched was the *Tindahang Pinoy*, which would serve as a marketing outlet and showroom for SME and OTOP products. The *Tindahang Pinoy* generated cash sales amounting to PhP155,645 during the three-day event.

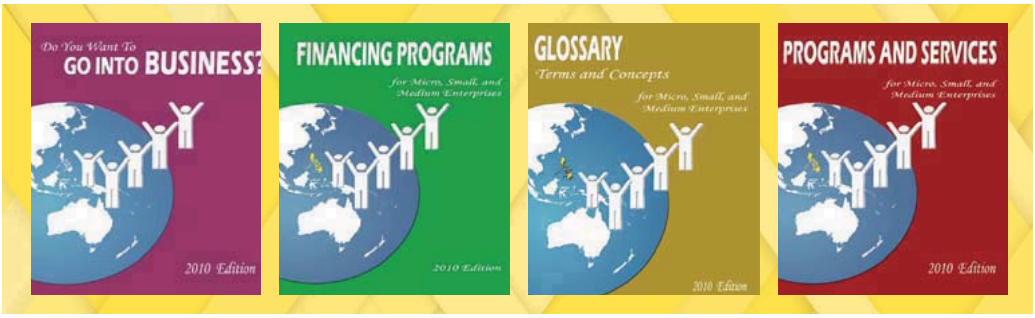
DTI BRINGS ENTREPRENEURSHIP CLOSER TO THE PEOPLE

The BMSMED, through the various Regional Offices, organized a series of SME Caravans in Bukidnon, Oriental Mindoro, Antique, Surigao del Norte, Zambales, Cagayan, Sorsogon, Davao Oriental, Zamboanga del Norte, Negros Oriental, Quezon, Sarangani, Abra, and Northern Samar with 12,980 participants. The SME Caravans addressed the needs of MSMEs by bringing them and potential entrepreneurs the services of national government and private sector institutions whose programs are designed to promote entrepreneurship, improve access to credit and markets, and increase productivity and efficiency of MSMEs.

The BMSMED also published and disseminated various MSME-related information materials (e.g. programs and services for MSMEs, financing programs for MSMEs, Do You Want To Go Into Business Handbook, Glossary of Business Terms and Concepts, various business ideas flyers, etc.) The Department disseminated 190,682 copies of various information materials to all DTI

regional/provincial offices, SME Centers, trade associations, donor agencies, national and local agencies, national and local government units, universities and colleges, financing institutions, senators and congressmen, embassies, private organizations, and local public libraries.

Through the BMSMED MSME Center, a total of 143 technical information requests in 2011 were addressed. The queries pertained to starting a business, BMBE Law, business name registration, programs and services for MSMEs, entrepreneurship training programs, financing for MSMEs, and other MSME-related inquiries. DTI also assisted a total of 375 SMEs in the DTI-Public Assistance Desk.



FULL IMPLEMENTATION OF R.A. 9178: BMBE ACT OF 2002

DTI sustained its advocacy efforts to promote incentives under the BMBE Act. This Act aims to spur economic activities by providing barangay microenterprises (businesses with total assets not exceeding PhP3M) with the following:

- income tax exemption;
- exemption from the coverage of the Minimum Wage Law;
- priority to a special credit window; and
- technology transfer, production and management training, and marketing assistance programs.

A development fund was created under the Act. For the year 2011, the DTI evaluated five proposals with an aggregate worth of PhP1.7M for funding under the BMBE Development Fund.

DTI, DOLE PROMOTE CONVERGENCE; ENTREPRENEURSHIP OF OFs ENCOURAGED

The government hopes that more overseas Filipino workers will engage in business, and become successful entrepreneurs. The DTI and the DOLE have partnered to tap remittances as sources of capital. Through DTI's overseas arm, the FTSC encouraged workers abroad to invest in small businesses through 107 workshops/seminars in 22 countries.

DTI *IN THE COUNTRYSIDE*

EXPORTS (USD M)	DOMESTIC SALES (PHP M)	INVESTMENTS (PHP M)	MSMEs ASSISTED	BUSINESS NAMES REGISTERED	FIRMS MONITORED

NCR
- USD 3.10 M
- PHP 1,316.37 M
- PHP 1,153.83 M
- 2,886
- 1,316.37
- 13,968

CAR
- USD 10.65 M
- PHP 508.84 M
- PHP 2,858.54 M
- 3,243
- 508.84
- 15,121

REGION 1
- USD 20.90 M
- PHP 551.42 M
- PHP 4,360.16 M
- 3,473
- 551.42
- 8,514

REGION 2
- USD 25.93 M
- PHP 923.64 M
- PHP 4,008.23 M
- 2,908
- 923.64
- 13,913

REGION 3
- USD 42.37 M
- PHP 1,128.74 M
- PHP 9,774.44 M
- 4,257
- 1,128.74
- 3,816

REGION 4A
- USD 45.65 M
- PHP 603.24 M
- PHP 4,331.70 M
- 7,358
- 603.24
- 3,978

REGION 4B
- USD 0.18 M
- PHP 217.99 M
- PHP 2,986.17 M
- 1,966
- 217.99
- 10,160

REGION 5
- USD 21.68 M
- PHP 820.51 M
- PHP 6,919.86 M
- 5,035
- 820.51
- 13,713

REGION 6
- USD 20.97 M
- PHP 942.61 M
- PHP 2,579.47 M
- 3,580
- 942.61
- 3,153

REGION 7
- USD 67.88 M
- PHP 1,186.61 M
- PHP 6,662.80 M
- 6,220
- 1,186.61
- 7,953

REGION 8
- USD 21.28 M
- PHP 293.16 M
- PHP 2,543.32 M
- 3,602
- 293.16
- 17,644

REGION 9
- USD 23.84 M
- PHP 1,146.37 M
- PHP 4,476.18 M
- 2,325
- 1,146.37
- 9,023

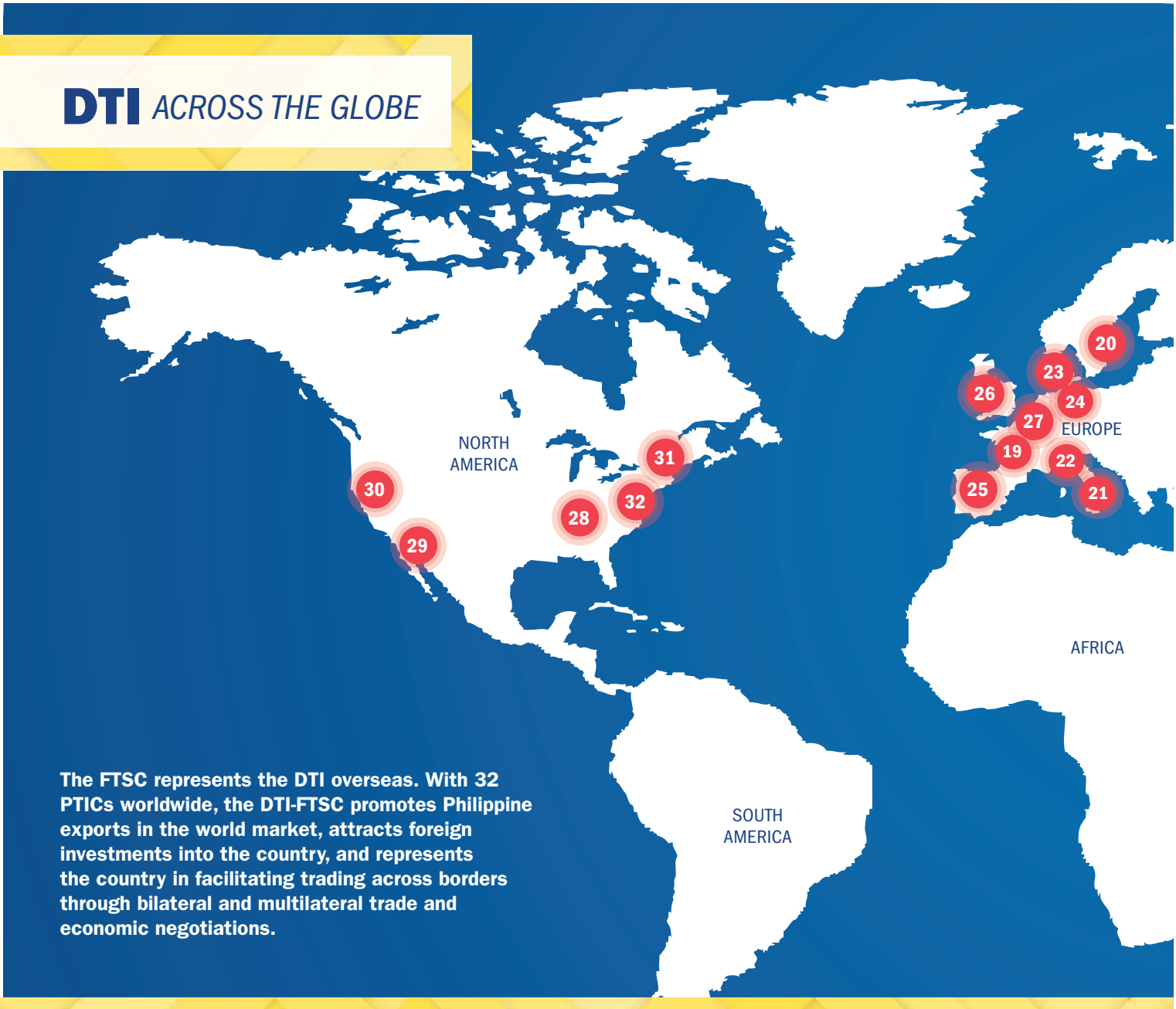
REGION 10
- USD 41.10 M
- PHP 1,156.11 M
- PHP 5,533.27 M
- 2,163
- 1,156.11
- 6,034

REGION 11
- USD 47.68 M
- PHP 790.11 M
- PHP 10,998.86 M
- 3,983
- 790.11
- 5,991

REGION 12
- USD 41.57 M
- PHP 793.71 M
- PHP 5,118.98 M
- 3,042
- 793.71
- 12,728

REGION 13
- USD 55.79 M
- PHP 391.18 M
- PHP 3,758.50 M
- 7,697
- 391.18
- 3,869

DTI *ACROSS THE GLOBE*



The FTSC represents the DTI overseas. With 32 PTICs worldwide, the DTI-FTSC promotes Philippine exports in the world market, attracts foreign investments into the country, and represents the country in facilitating trading across borders through bilateral and multilateral trade and economic negotiations.

In terms of exports, Philippine suppliers and manufacturers were successfully matched with 553 new foreign buyers. Opportunities from 1,938 potential buyers of Philippine products and services were identified and serviced by the Posts in coordination with the BETP. Assistance was likewise provided to 8,015 Philippine exporters and companies by way of matching with potential importers or supplying information on foreign markets and other similar data. Foreign buyers, totalling 803, were sent to the country to meet with potential Philippine suppliers, including buyers who participated in DTI and non-DTI organized export promotion events in the Philippines.

In terms of investments promotion, overall, the PTICs worldwide organized and conducted 241 seminars, roundtable discussions, road shows, one-on-one company calls, and other investment promotion activities drawing the participation of 4,132 companies in various parts of the world. A total of 255 foreign companies likewise showed support by joining the investment missions to the Philippines organized by the various Posts. Posts also identified and serviced 1,271 investment leads and inquiries by potential investors.

All these activities generated USD 909.53M in export sales and USD 39.98B in committed and negotiated investments.

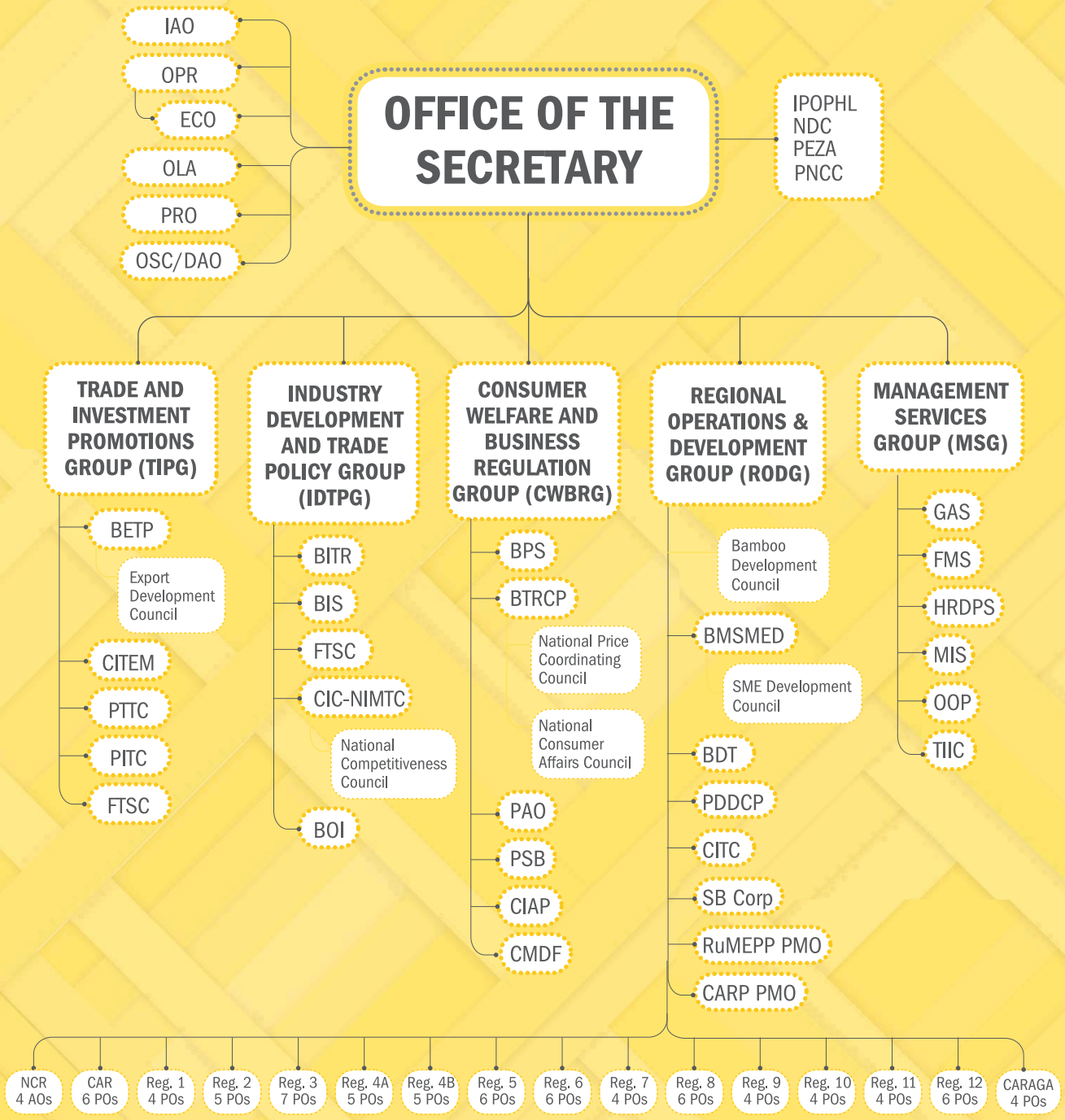
		INVESTMENTS*	EXPORTS*
1	Sydney	16.65	14.953
2	Tokyo	3,991.79	36.176
3	Osaka	512.900	0.777
4	Seoul	100.000	194.471
5	Jakarta	22,100.00	43.204
6	Singapore	0.350	1.034
7	Kuala Lumpur	1.500	14.945
8	Ho Chi Minh	—	3.055
9	Hong Kong	1.738	11.872
10	Taipei	966.557	57.700
11	Shanghai	—	—
12	Beijing	—	—
13	Guangzhou	260.000	65.892
14	Bangkok	—	16.385
15	New Delhi	—	1.699
16	Abu Dhabi/Dubai	—	61.300

		INVESTMENTS*	EXPORTS*
17	Kuwait	274.000	105.90
18	Jeddah	—	5.750
19	Belgium	—	—
20	Stockholm	0.161	1.315
21	Berlin	—	—
22	Rotterdam	1.730	1.030
23	Paris	1.100	1.310
24	Rome	—	—
25	Madrid	14.000	4.392
26	London	10,018.00	—
27	Geneva	—	—
28	Chicago	45.500	95.400
29	Los Angeles	78.900	73.600
30	Silicon Valley	1,600.550	97.400
31	New York	—	—
32	Washington	—	—

NOTE: Policy posts (Washington, Beijing, Belgium, Geneva, Tokyo, and Jakarta) are not given exports and investment targets. Their main responsibility is to inform and negotiate, based on instructions of Head office, on policies concerning market access, tariff, and others.

*in USD M

2011 DTI ORGANIZATIONAL STRUCTURE



ATTACHED AGENCIES:

BOI: Board of Investments
CIAP: Construction Industry Authority of the Philippines
CMDF: Construction Manpower Development Foundation
PDDCP: Product Development and Design Center of the Philippines
PTTC: Philippine Trade Training Center

BUREAUS

BDT: Bureau of Domestic Trade
BETP: Bureau of Export Trade Promotion
BIS: Bureau of Import Services
BITR: Bureau of International Trade Relations
BMSMED: Bureau of Micro, Small and Medium Enterprise Development
BTRCP: Bureau of Trade Regulation and Consumer Protection
BPS: Bureau of Product Standards
CIC-NIMTC: Center for Industrial Competitiveness - National Industrial Manpower Training Council
FTSC: Foreign Trade Service Corps
PAO: Philippine Accreditation Office
PSB: Philippine Shippers' Bureau

CORPORATIONS

CITC: Cottage Industry Technology Center
CITEM: Center for International Trade Expositions and Missions
IPOPHL: Intellectual Property Office of the Philippines
NDC: National Development Company
PEZA: Philippine Economic Zone Authority
PITC: Philippine International Trading Corporation
PNCC: Philippine National Construction Corporation
SB Corp: Small Business Corporation

SERVICE OFFICES

FMS: Financial Management Service
GAS: General Administrative Services
HRDPS: Human Resource Development and Personnel Service
IAO: Internal Audit Office
MIS: Management Information Service
OLA: Office of Legal Affairs
OOP: Office of Operational Planning
OPR: Office of Policy Research
OSC/DAO: Office of Special Concerns/Development Assistance Office
PRO: Public Relations Office
TIIC: Trade and Industry Information Center

ABOUT THE

COVERS

Thirty years ago, the Department of Industry was merged with the Department of Trade. Thus, on July 27, 2011 the DTI marked its 30th anniversary as the primary coordinative, promotive, facilitative, and regulatory arm of government for the country's trade, industry, and investment activities.

Our mission is simple, yet significant: "ENABLING BUSINESS, EMPOWERING CONSUMERS."

In enabling business, the DTI:

1. Eased the cost of doing business by streamlining business permits and licenses;
2. Realized export opportunities from Free Trade Agreements (FTAs);
3. Developed and promoted new export products; and
4. Generated investment leads from successful focused investment promotional activities.

In empowering consumers, the DTI:

1. Provided the consumers relief from rising prices of basic and prime commodities through effective programs such as conduct of *Diskwento* Caravans;
2. Intensified its monitoring drive to keep a tight watch over undue price increases;
3. Strengthened standards monitoring and enforcement to ensure consumers are assured of safe products and that retailers and manufacturers comply with safety standards; and
4. Heightened information campaign to increase public awareness on consumer rights and responsibilities.

This year, the DTI Annual Report is presented two ways to highlight DTI's dual priorities to its stakeholders: towards BUSINESS and towards CONSUMERS.

Annual Report 2011

ACKNOWLEDGMENTS

The 2011 DTI Annual Report Editorial Team	Office of Operational Planning (OOP) Trade and Industry Information Center (TIIC)
Photo credits	Board of Investments (BOI) Bureau of Domestic Trade (BDT) Bureau of Micro, Small and Medium Enterprise Development (BMSMED) Bureau of Product Standards (BPS) Bureau of Trade Regulation and Consumer Protection (BTRCP) Center for Industrial Competitiveness (CIC) Center for International Trade Expositions and Missions (CITEM) Chie Zamora Frames & Photography Inc. Cottage Industry Technology Center (CITC) Development Assistance Office (DAO) DTI - National Capital Region Foreign Trade Service Corps (FTSC) Philippine Accreditation Office (PAO) Philippine Trade Training Center (PTTC) Product Development and Design Center of the Philippines (PDDCP) Public Relations Office (PRO) Trade and Industry Information Center (TIIC)
Editor-in-Chief	Undersecretary Zenaida C. Maglaya Management Services Group (MSG)
Managing Editor	Director Mary Jean T. Pacheco Office of Operational Planning (OOP)
Contributors	Cherryl G. Carbonell Irish G. Caldona Mary Francis R. Sierra Milagros C. Manrique Robert Alvin T. Arceo Viva S. Dizon
OOP Project Coordinator	Joebert D. Sayson
TIIC Project Coordinator	Renaldo C. Neneria
Design and Layout	Noryden Marie B. Devora
Cover Design	Noryden Marie B. Devora

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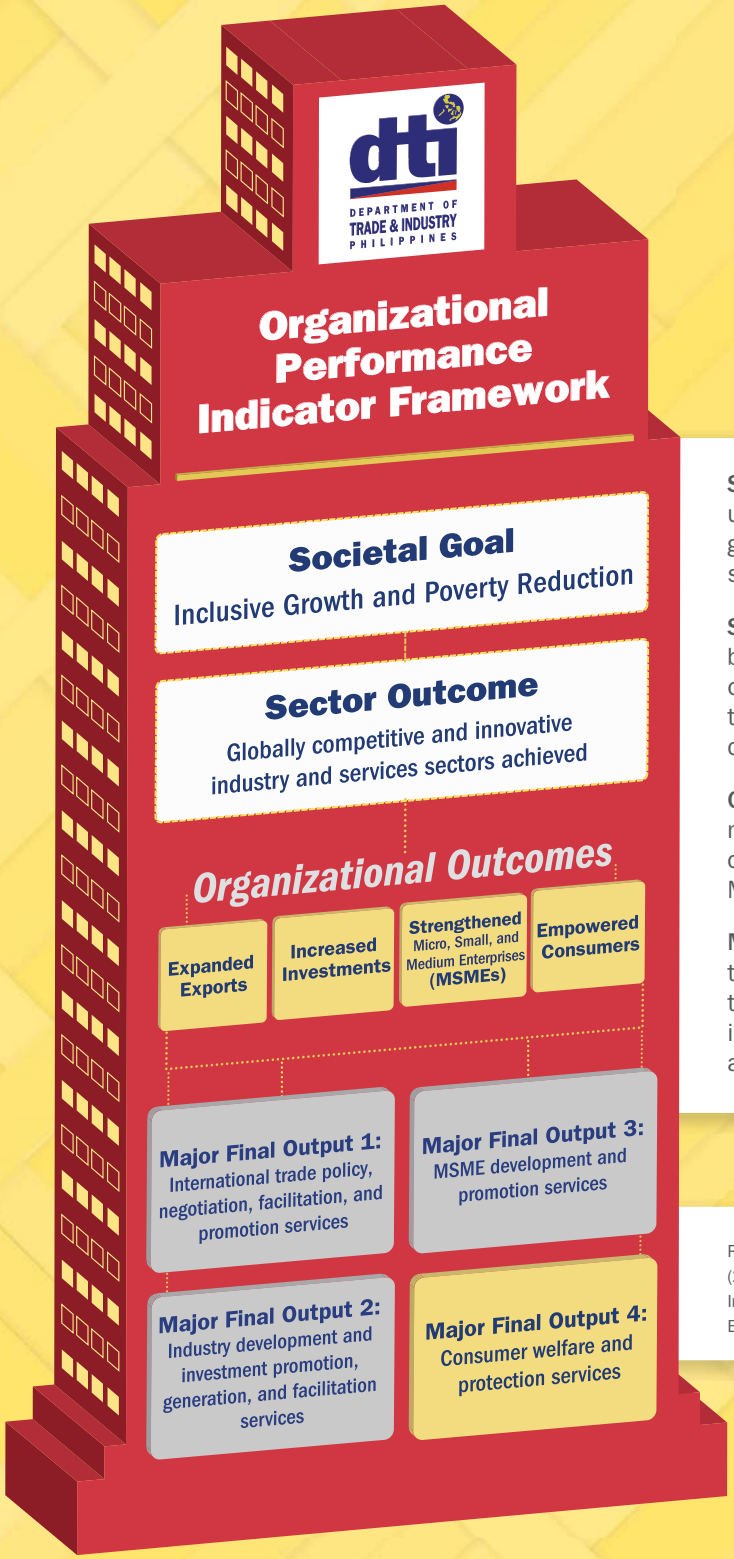


Societal Goals describe Government's ultimate policy objectives—what government wants to achieve for the society

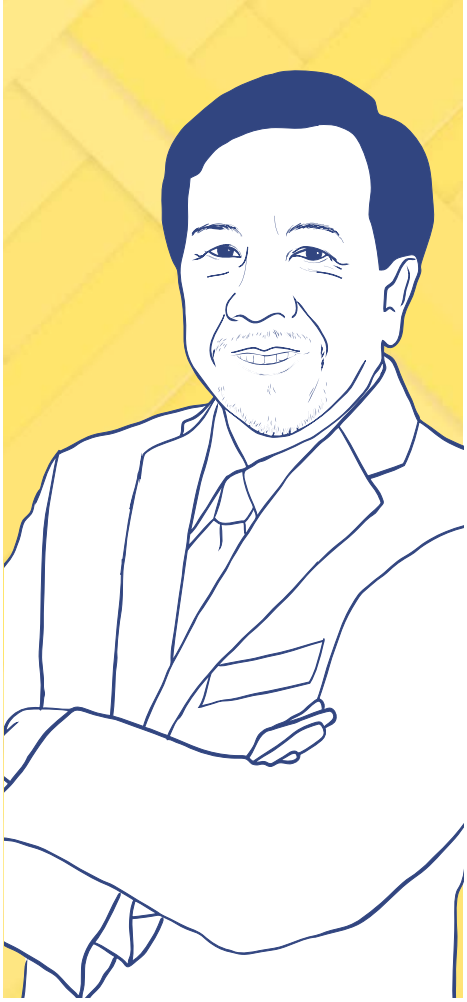
Sector Outcomes are the longer term benefits for the sector from the initiatives of the department/agency achieved through the concerted effort of several departments or agencies

Organizational Outcomes are short to medium term benefits to clients and community as a result of delivering the Major Final Outputs

Major Final Output is a good or service that a department or agency is mandated to deliver to eternal clients through the implementation of programs, activities, and projects

Reference: Department of Budget and Management (DBM) (2012). OPIF reference guide: Organizational Performance Indicator Framework (OPIF): A Guide to Results Based Budgeting in the Philippines. Malacanang, Manila.

MESSAGE OF THE SECRETARY



Consumers are vital to any economy. Some attribute them as job creators, while others acknowledge them as drivers of the economy.

DTI therefore played key role in ensuring that a medium term strategy to recognize consumerism was the Philippine Development Plan (PDP) 2011-2016. PDP defined "enhanced consumer welfare" as a key goal towards achieving a globally competitive industry and services sector. The strategies: to encourage consumer satisfaction on products and services, and to improve supply chains of basic and prime commodities.

The attainment of this critical goal rests on the DTI whose mission is to EMPOWER CONSUMERS, ENABLE BUSINESS. As DTI Secretary, the challenge I am usually confronted is the need to strike a balance between business and consumer concerns. Our policy is clear: promote competition and guard against unfair trade practices.

In pursuing our consumer welfare agenda, our priorities were three pronged: (i) maintain reasonable prices and stable supply, (ii) intensify consumer awareness, and (iii) ensure product safety.

DTI intensified its price monitoring activities nationwide, particularly during times of calamities and strengthened its collaboration with Local Government Units (LGUs) to allow a more effective campaign. We continued our consumer welfare advocacy programs such as the highly effective *Konsyumer ATBP* radio program. To ensure level of consumer awareness is measured, we have engaged a reputable survey firm to undertake the survey. We are focusing our efforts on product safety, hence licenses were granted to both foreign and local manufacturers through its Philippine Standard (PS) Quality and Safety Certification Scheme. The PS license guarantees that products manufactured by these license holders are in accordance with a specific Philippine National Standard (PNS) or an internationally accepted standard. Moreover, the DTI through the Bureau of Product Standards (BPS), has developed/adopted 444 new standards on products mostly with safety considerations.

The key to our effectiveness is transparency, consistency, and fair enforcement of existing laws. We shall continue to exercise these values as we improve further the delivery of these services to the public.

Secretary
GREGORY L. DOMINGO

EMPOWERING CONSUMERS

Through its 16 Regional Offices and 81 provincial/city/National Capital Region (NCR) Area offices, together with the Bureau of Trade Regulation and Consumer Protection (BTRCP), Bureau of Product Standards (BPS), Intellectual Property Office of the Philippines (IPOPHL),

149,578 Number of firms monitored

- **Price Tag Law:** 73,713
- **Profiteering:** 21,540
- **Labeling:** 33,136
- **Service and Repair Shops:** 5,003
- **Truck Rebuilding:** 75
- **Private Emission Testing Center Accreditation:** 619
- **Standards Law:** 15,494

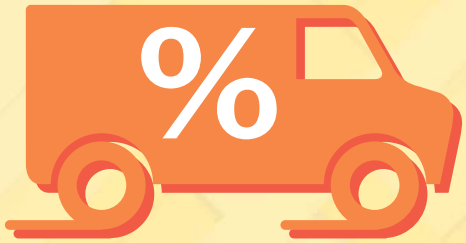
PhP 3.75M
Amount of fines collected

PhP 8B
Worth of counterfeit and pirated goods confiscated

315,129
Business Name registration

DTI BAGWIS AWARDS
262 Establishments

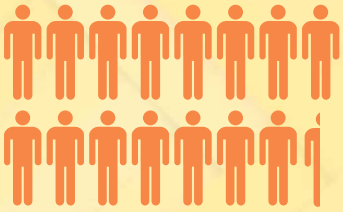
LICENSES & REGISTRATION CERTIFICATES
1,076 licenses/1,346 registration certificates were issued by Construction Industry Authority of the Philippines (CIAP) to qualified contractors for CFY 2010-2011



DISKWENTO CARAVAN

188,176 consumers benefitted from 108 *Palengke ng Pinoy* (*Diskwento* Caravans) nationwide, which provided 20%-70% discounts on basic and prime commodities to consumers generating PhP23.846M in sales.

108 *PALENGKE NG PINOY* NATIONWIDE



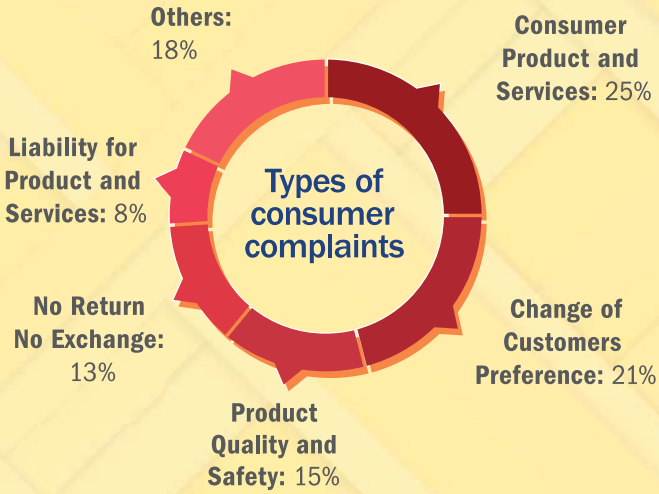
188,176 CONSUMERS BENEFITTED

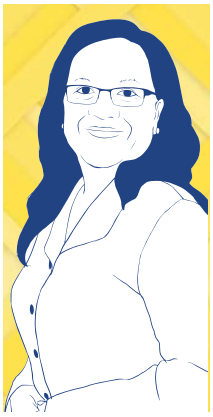
2011

Philippine Shippers' Bureau (PSB), Philippine Accreditation Office (PAO), CIAP, and Construction Manpower Development Foundation (CMDF), the consumer welfare arm of the DTI enforces fair trade laws to protect consumers.

64,759 Consumer Complaints

98% 63,611 Resolved





MESSAGE OF THE
UNDERSECRETARY

The DTI Consumer Welfare and Business Regulation Group (CWBRG) faces a daunting task: develop a consumer sector that is vibrant and dynamic that demands better products and services. This priority accorded to consumer welfare and protection in the 2011-2016 PDP augurs well for the consuming public because it is a testament of Government's intent towards promoting consumerism.

Indeed, the DTI subscribes to the belief that creating a consumer sector that is vibrant and dynamic will result in consumers' demanding better quality products and services, that will in turn encourage the production of Philippine products and services that are globally competitive.

The DTI recognizes this major responsibility, thus, in order to attain the objectives set forth in the Plan, we have embarked on a three-pronged strategy: (i) raise consumers' consciousness of consumer rights and responsibilities, particularly as to their options for redress, (ii) ensure stability of supply and reasonable prices, and (iii) promote safety standards.

We hit the ground running in 2011, which was a particularly grueling year.

- The Philippines, for the first time, hosted three important international meetings in 2011 to reiterate its commitments in upgrading the competence of the Philippine industry through international standards and in strengthening programs on consumer protection - 18th Plenary Meeting of the Pacific Accreditation Cooperation in June, Association of Southeast Asian Nations (ASEAN) Committee for Consumer Protection Meeting in July, and the 17th General Assembly and Technical Meetings for the Asia Pacific Laboratory Accreditation in September.
- We celebrated the 7th year anniversary of its advocacy *Teleradyo* Program, *Konsyumer Atbp* (KATBP) with consumer youth of Cebu City.
- We focused our consumer advocacy program on sufficient, safe, and affordable food, as the theme "*Sapat, Ligtas at Abot-Kayang Pagkain para sa Lahat*" was adopted by the National Consumer Affairs Council (NCAC) during the celebration of Consumer Welfare Month led by the Department of Agriculture (DA).
- We partnered with the baking industry and retailers to launch *Pinoy Pandesal*–sold at PhP25.00 per 10-piece pack (250g) in all participating outlets and nearby community bakeries. All the participating bakeries produce the *Pinoy Pandesal* using the basic formulation without the enriching ingredients like milk, eggs, cream, butter, and expensive improvers.
- To provide consumers further relief from rising prices, the DTI conducted more than a hundred *Diskwento* Caravans nationwide. Thanks to manufacturers, farmers/producers, consumers benefitted from discounts ranging from 20% -70%.
- With roughly 19 typhoons that hit the country in 2011, DTI price monitoring teams were dispatched in affected areas to ensure that supply remained stable and prices reasonable. While in normal situations, DTI pursued a year-round watch of basic goods, together with LGUs, to determine price trends, seasonality, and prevailing prices of commodities and more importantly to protect consumers from undue price increases.
- Our enforcement efforts were further strengthened as DTI, together with agencies such as the FDA, DOH, and IPOPHL led inspections, recalled products, and confiscated items.
- We also received and resolved more than 60,000 consumer complaints through arbitration and mediation.
- New PNS were developed on engineered bamboo, carrageenan, telecontrol equipment, textile machinery and accessories, power supply devices and power capacitors, and biodegradability of plastics.

Our role in the DTI is to empower consumers, because it is said that, once empowered, these consumers can improve economic performance by helping drive competition, productivity, and business innovation.

With such clear objectives, the DTI commits nothing less.

Undersecretary
ZENAIDA C. MAGLAYA
Consumer Welfare and Business Regulation Group (CWBRG)

EMPOWERING CONSUMERS

MFO 4: Consumer welfare and protection services

Regulatory and advocacy services to protect consumers through the enforcement of trade and industry laws and ensure that they get value for money.

Major Final Output (MFO) 4

Consumer Welfare and Protection Services

REASONABLE PRICES ENSURED

Strong collaboration with partner National Government Agencies (NGA), LGUs and business establishments cited

The DTI intensified its price monitoring activities on manufacturers, traders, and retailers of basic necessities and prime commodities nationwide. An aggressive price monitoring campaign was implemented to avoid undue price increases.

The CWBRG also set policies on price increases. Before any suggested retail price (SRP) change is implemented for basic necessities and prime commodities, manufacturers are required to inform DTI about its planned price change/increase at least one month before implementation to give DTI time to evaluate the reasonableness of the price change/increase. In evaluating the reasonableness of any price increase, manufacturers are required to submit to DTI the justification, i.e. price increase in raw materials used in the production of the said commodity which DTI verifies from its own sources and computes to see if the SRP increase is justified. List of DTI-approved SRPs were published in leading newspapers and posted in the DTI website to guide consumers. SRPs are issued by manufacturers to retailers to ensure market share and fair competition in the market.

The CWBRG, through DTI Regional Offices nationwide, coordinated with the LGUs to assist in monitoring prices of basic goods in their respective areas by regular updating or installing of Price Billboards, inspecting the *"Timbangan ng Bayan"* if properly calibrated, and checking if retail stores and wet markets adhere to the price tag requirements. The DTI and the DA jointly monitor supermarkets and wet markets to check on the stability of prices and supply of agricultural products.

SPECIAL OPERATIONS ON SCHOOL SUPPLIES HELD TO MONITOR PRICES AND ENSURE COMPLIANCE WITH SAFETY STANDARDS

DTI urged school supplies manufacturers and retailers to ensure fair and reasonable prices at the start of schoolyear. Monitoring of school supplies helps in preventing abusive price hikes and ensuring the safety of products such as crayons, pencils, pens, etc. Manufacturers are required to follow the PNS that serves as guide on how the classification, physical and chemical properties, performance, and labeling of a product must be specified. These labels make choosing and buying safe and reliable. If manufacturers are found violating standard requirements, they will be charged under the Standards Law.

OVER 180,000 CONSUMERS BENEFIT FROM 108 *DISKWENTO* CARAVANS

In 2011, a total of 188,176 consumers benefitted from 108 *Palengke ng Pinoy* (*Diskwento* Caravans) nationwide. The *Palengke ng Pinoy* or *Diskwento* Caravan was launched on March 29, 2011 to help relieve consumers from the rising prices of basic necessities and prime commodities by offering 20% -70% discounts on basic and prime commodities. The *Diskwento* Caravans registered a combined sales of PhP23.846M.

With support from the LGUs, *Diskwento* Caravans were held thrice in Quezon City, twice in the cities of Manila and Pasig, and once in the cities of Makati, Taguig, Malabon, Mandaluyong, and in Pateros. The caravans were participated by different manufacturers, and sold various products such as bread, sardines, cooking oils, processed meat, medicines, detergent bars, and school supplies at factory prices.

During the May and June caravans, assistance from other government agencies was tapped to provide other services. The Department of Labor and Employment's (DOLE) Technical Education and Skills Development Authority (TESDA) and National Wages and Productivity Commission (NWPC) provided wellness services such as free massage, hair-cut, and pedicure and manicure. The DA's Bureau of Plant Industry (DA-BPI) also joined the caravan and distributed seedlings of *malunggay, papaya,* and *langka* at no cost.

BPS: 118 PRODUCT STANDARDS MARKS/ LICENSES ISSUED; 444 STANDARDS DEVELOPED/ADOPTED

In 2011, 118 licenses were granted to both foreign and local manufacturers through its PS Quality and Safety Certification Scheme. The PS license guarantees that products manufactured by these license holders are in accordance with a specific PNS or an internationally accepted standard. Among these newly licensed companies are manufacturers of ceramic tiles, fire extinguishers, lamps, home appliances, construction materials, fireworks, and monobloc chairs and stools. To date, there are 1,067 PS license holders.

Moreover, the DTI through the BPS, the country's National Standards Body, has developed/adopted 444 new standards for consumer protection and competitiveness of Philippine products in the global market. The newly developed standards focused on safety of products, in particular on garments and textiles, homestyle and living, logistics, and mining and minerals.

DTI, DOH MONITOR RECALLED PRODUCTS

DTI and the Food and Drug Administration (FDA) of DOH Monitoring Team led the inspection in supermarkets, grocery stores, and convenience stores in Manila to monitor and ensure that the recalled contaminated Taiwan products with D1 (2 ethylhexyl) Pthalate (DEHP) are not being sold at the local market.

DTI ENFORCES FAIR TRADE LAWS; OVER PHP3.5MILLION IN PENALTIES COLLECTED

A total of 149,578 firms nationwide were monitored from January to December 2011. Of the total firms monitored, 704 establishments were found non-compliant with fair trade laws, 353 of which were penalized and imposed fines amounting to PhP3,747,644. Strongest enforcement was seen in Region 9 with most number of firms penalized, followed by Regions 5, 4A, and 1.

Total no. of DTI-monitored firms
149,578

Amount of fines collected in PhP
3,747,644

Fair Trade Law Compliance

2011: HIGHEST RECORDED BUSINESS NAME REGISTRATION

Business names registered in 2011 reached 315,129, the highest recorded since 2006. Of the total business names registered, 86% or 271,435 were new business names, and 14% (43,649) were renewals. Under the new localized scheme for BN registration, a new four-tiered registration fee system was imposed based on territorial jurisdiction, namely, barangay, city/municipal, regional, and national registration.

Number of BN Registration 2011

SCOPE	NEW		RENEWAL	
	TELLER	WEB	TELLER	WEB
Barangay	131,619	17,602	18,544	2,393
City/Provincial	78,823	11,144	15,469	2,341
Regional	14,439	2,933	2,284	437
National	10,849	4,026	1,693	533

DTI RESOLVES 98% OF CONSUMER COMPLAINTS

For the period January-December 2011, consumer complaints received by the Consumer Welfare Desks (CWSDs) both in DTI field offices and in business establishments reached 64,759; 98% or 63,611 of which were resolved. Majority of the complaints were on consumer products and service warranties, product quality and safety, change of preference of customers, and poor customer service.

DTI *BAGWIS* PROGRAM FLIES HIGH

Recognized by the ASEAN and the ASEAN Committee on Consumer Protection (ACCP) as one of the best practices on consumer protection, the DTI *Bagwis* Program gives due recognition to establishments that practice fair business and uphold the rights and welfare of consumers. From January-December 2011, a total of 262 establishments had been added to the well-regarded list of DTI *Bagwis* Awardees. Of the total 262 *Bagwis* Awardees, 126 of which were Bronze Awardees, 89 were Silver Awardees, and 47 were Gold Awardees.

DTI TO CHAIR ASEAN COMMITTEE ON CONSUMER PROTECTION (ACCP) 2012-2013

The CWBRG hosted the ASEAN Meeting on Consumer Protection on July 12-13, 2011 at the New World Hotel in Makati City. The 25 delegates from the 10 ASEAN Member States gathered in Manila for the Special Meeting of ACCP presided by Mahani Tan Abdullah, ACCP Chairperson and Deputy Secretary General of the Ministry of Domestic Trade, Co-operatives and Consumerism of Malaysia to discuss the scorecard and key deliverables of the committee in relation to the ASEAN Economic Community in 2015.

BTRCP Director Victorio Mario A. Dimagiba, Food and Drug Administration (FDA) Deputy Director Ronald De Veyra, BSP-Financial Consumer Affairs Group Acting Director and Head Teresita Lisama, and DA-Agribusiness and Marketing Assistance Service Chief Agriculturist Nemelita Sungcaya led the Philippine delegation.

The Philippines, as one of the countries in the ASEAN region with extensive consumer laws (Consumer Act of the Philippines Republic Act 7394), is proactively cooperating and collaborating with the ASEAN member states to strengthen and uphold consumer welfare and protection in the Southeast Asian region relative to the ASEAN Economic Community (AEC) in 2015. ACCP aims to address every aspect of the ASEAN marketplace such as basic and prime commodities, food and drugs, credit and finance, and agriculture. Locally, the DTI, FDA, BSP, and DA are working closely to prepare for the economic integration in 2015 and to reinforce the welfare and rights of the Filipino consumers.

BAKERS AND RETAILERS COMBINE ANEW FOR *PINOY PANDESAL* PROJECT

After the success of the *Pinoy* Tasty project in 2010, the three bakery associations namely, Philippine Baking Industry Group, Inc. (PhilBaking), Filipino-Chinese Bakeries Association, Inc. (FCBAI), and Philippine Federation of Bakeries Association, Inc. (PFBAI) agreed to collaborate in the production of a generic *pandesal* called *Pinoy Pandesal.* The project, aimed at making bread affordable and within the reach of consumers, is supported by selected supermarkets, groceries, convenience stores, and nearby community bakeries.

Launched on October 6, 2011, the *Pinoy Pandesal* is sold at PhP25.00 per 10-piece pack (250g) in all participating outlets and nearby community bakeries. Participating bakeries use the basic formulation without the usual enriching ingredients such as milk, eggs, cream, butter, and expensive improvers. The production is subsidized by the bakeries as part of their Corporate Social Responsibility (CSR) program by not charging overhead costs, but inclusive of retailer margin, input Value-Added Tax (VAT) and distribution costs. The manufacturers of *Pinoy Pandesal* are Gardenia Bakeries, Creative Bakeries, Uncle George, Marby, MLM (Fortune Bakeshop), French Baker, Sunmaru, and some community bakeries that are members of FCBAI and PFBAI. The participating supermarkets and convenience stores are SM (Supermarket, Hypermarket and Savemore), Robinsons Supermarket, Puregold, Shopwise, Walter Mart, South Supermarket, 7-Eleven, Ministop, Mercury Drugstores, and other community bakeries.

DTI STEPS INTO BLOGGER'S PROMOS

The DTI has stepped into the promotional activities of bloggers in the Philippines with the aim of promoting consumer protection. DTI Secretary Gregory L. Domingo met with over 30 bloggers in a meeting on August 4, 2011 when a technical working group was created to form policy. For the meantime, the DTI proposed several "de minimis" guidelines. Promotional activities involving a budget of PhP1M annually and corporate sponsorship of PhP200,000 may be exempted from registering with the DTI. Domingo emphasized that the primary aim of the move is to protect the public joining these online promotion activities, to ensure that these are done in compliance with the existing guidelines and to guarantee that the selection of winners is random and not rigged. DTI is mandated under the Consumer Act to watch against fraudulent and undesirable activities involving sales promo activities.

Bloggers' promotional activities involving a budget of PhP1M annually and corporate sponsorship of PhP200,000 may be exempted from registering with the DTI.

DTI ADVOCATES ENVIRONMENT FRIENDLY PRODUCTS; PROMOTES THE GREEN CHOICE SEAL

The CWBRG is actively engaging industry sectors to take responsibility in providing eco-friendly product and services by adopting processes and technologies that have less harmful effects to the environment.

To help protect and preserve the environment, the DTI and the Department of Environment and Natural Resources (DENR) collaborated by developing a Green Choice Seal for consumers. The Green Choice Seal is the country's eco-label that guides consumers in purchasing eco-friendly products and services that conform to environmental standards and regulations. The DTI-BPS and DENR-Environmental Management Bureau (EMB), through the Philippine Center for Environmental Protection and Sustainable Development, awards the Green Choice seal to a product or service that meets the environmental criteria established for a particular category. The DTI-BPS chairs the National Eco-Labeling Program (NELP) Board which serves as the policy-making body, with the DENR-EMB as co-chair.

The following products bear the Green Choice Seal:

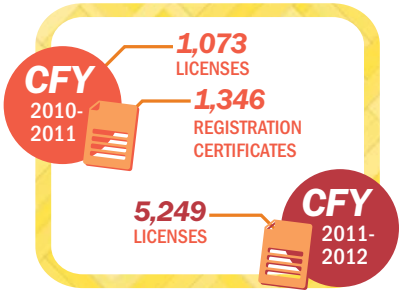
Island Portland Cement	AGIP Diesel Sigma Plus Engine Oil	BAG Electronics	Fresh
Rizal Super Portland Cement	AGIP Extra HTS Engine Oil	Kleenex	Smart Choice
Cemex Palitada King	XTEC Fully Synthetic Engine Oil	Scottfold	Moon
Apo Pozzoland	United Pulp and Paper Company	Scott Compact Towel	Kami
Apo Premium Cement	Mariwasa Siam Ceramics	Scott Hand Towel	Fookwoo
Surf laundry detergent	Trevis International Corp.	Harmony	Dear Green
Pride laundry detergent	Monrio Industrial Corp.	Eco-Hygiene	Smile
Naturalfill International Corporation	NVIRO Eco-safe Permaseal	Fujimoto International Technology Corp.	RICOH

REGULATION OF IMPORTATION OF USED MOTOR VEHICLES

As mandated by Executive Order 156, amended by Executive Order 877-A, the DTI regulates the importation of used motor vehicles to ensure safety. From January-December, the Bureau of Import Services (BIS) has issued 1,536 Certificates of Authority to Import covering government importation, replacement parts, No Dollar Importation, used trucks and buses, parts and components for rebuilding, and Japan-Philippines Economic Partnership Agreement (JPEPA) tariff rate quota.

CONTRACTORS LICENSING

In 2011, a total of 1,073 licenses and 1,346 registration certificates were issued to qualified contractors for Contractor Fiscal Year (CFY) 2010-2011, and 5,249 licenses were issued to qualified contractors for CFY 2011-2012 by the Philippine Contractors Accreditation Board (PCAB), an implementing arm of CIAP.



IN FOCUS: NEW IPR RULES ISSUED

As a result of IPOPHL's aggressive campaign against counterfeiting and piracy, the Supreme Court issued A.M. No.10-3-10-SC or the Rules of Procedure for Intellectual Property Rights (IPR) Cases. Said Rules reinforce the country's position at the forefront to intensify IPR protection and enforcement.

Important features of the new IPR Rules include the following:

- The conferral of authority to the Special Commercial Courts in Quezon City, Manila, Makati, and Pasig for issuance of search and seizure warrants enforceable nationwide;
- The executor nature of any order issued by the courts under the Rules;
- Cases may be submitted for decision immediately after pre-trial, or on the basis of position papers, or after clarificatory hearing, or after trial;
- Presumptions and evidentiary rules for patent, trademark infringement, unfair competition, and copyright cases;
- The issuance of an order of destruction of seized infringing goods anytime after filing of a complaint or information, and the retention of representative samples in lieu of the actual items.

PROMOTING IP IN THE REGIONS

IPOPHL launched an additional three IP Satellite Offices (IPSOs) in Cagayan de Oro, Tuguegarao, and Tacloban in 2011. The launching of IPSOs in strategic areas in the country shall make IP services accessible to IP stakeholders in the regions. It is a strategy to harness the creativity and innovative skills of IP generators like SMEs, the academe, inventors, and artists, among others. A strong IP-inspired culture of innovation and creativity brings forth business success, which in turn leads to countryside and national development, indicators that raise the barometer of the country's global competitiveness.

In 2011, a total of 1,155 applications were filed through the IPSOs, a 50% average increase from 2010. Of the total filings, 922 were trademark, 22 invention patent, 133 utility model, and 78 industrial design applications. Further, 110 copyright applications were also filed through the IPSOs. IPOPHL has also conducted 34 Basic Orientation Seminars and 29 Patent Drafting Seminars in the provinces partnering with different organizations and government agencies.

IPOPHL STRENGTHENS IPR PROTECTION, OVER 6B WORTH OF COUNTERFEIT AND PIRATED GOODS SEIZED

IPOPHL continues to work towards promoting the effective use of the IP System in the country as a tool for national development. Apart from conducting activities and implementing projects to communicate the importance of IP, IPOPHL also ensures protection and enforcement through its Bureau of Legal Affairs (BLA) and the National Committee on Intellectual Property Rights (NCIPR). It set up an Operations Center within its premises to accommodate reports and complaints on IPR violation from the public. In 2011, the NCIPR had seized PhP6.9B worth of counterfeit and pirated goods.

As a move to combat counterfeiting and piracy, IPOPHL entered into an agreement with several agencies and organizations for the effective enforcement of IP. It established Memoranda of Agreement (MOA) with:

- Philippine Ports Authority (PPA) and the Manila International Airport Authority (MIAA) for the implementation of stricter border control measures. The agreement with PPA includes authorizing IPOPHL to designate its personnel to participate in the conduct of border inspections to prevent shipment of counterfeit and pirated goods.
- Securities and Exchange Commission (SEC) to cancel registrations of business establishments found to be violating IP Laws
- Philippine Economic Zone Authority (PEZA) to promote IP in the special economic zones.

IPOPHL is also working on establishing agreements with the Bureau of Immigration (BI) and the City Government of Zamboanga for the implementation of laws and conduct of activities on anti-counterfeiting and piracy. In the early part of 2011, IPOPHL commended and expressed its gratitude to the City of Manila for implementing a policy on banning the selling of pirated CDs and DVDs.

INNOVATION AND TECHNOLOGY SUPPORT OFFICES SET UP TO INCREASE USE OF PATENT SYSTEM

The establishment of Innovation and Technology Support Offices (ITSOs) is a pioneering project of IPOPHL, with the assistance of the World Intellectual Property Organization (WIPO), for strengthening local institutional capacity to access patent information and the use of the patent system. The ITSOs aim to provide the following:

- Assistance in searching technical information using free and/or commercial patent databases, as well as scientific and technical journal (non-patent) databases;
- Trainings in searching patent databases for local users, aside from providing technology and competitor monitoring;
- Search for business partners and essential know-how;
- Market and competitor analyses;
- General information on IP valuation, IP laws, and IP strategies (e.g. on filing of patents, trademarks, etc.); and
- Basic advice on licensing, business plans, IP aspects of product commercialization, and raising fund (e.g. government funding).

In order to realize the project, the IPOPHL scouted for interested host institutions from the academe and industry organizations during the third and fourth quarters of 2010. At the same time, IPOPHL explored partnerships with government agencies and international IP organizations to support the ITSO project. It engaged six institutions for the hosting of ITSOs in Manila and Cebu in 2010. In 2011, the ITSO became an effective online network with the addition of 22 host institutions all over the country.

110 COPYRIGHT APPLICATIONS FILED THROUGH IPSOs

34 BASIC ORIENTATION SEMINARS

29 PATENT DRAFTING SEMINARS IN THE PROVINCES

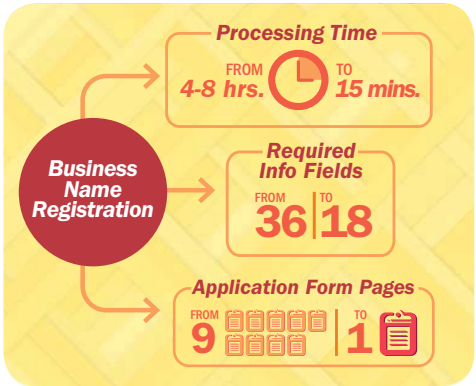
GOOD GOVERNANCE INITIATIVES

The PDP 2011-2016 spells out the importance of good governance and lays down the strategies anchored on the rule of law, one that will provide an enabling environment for national development. Foremost is public service delivery, which must be prompt and adequate to citizen's needs as cumbersome government procedures slow down the delivery of public service and increase transaction costs. To address this, government shall ensure high quality, effective, efficient, transparent, accountable, economically and physically accessible, and nondiscriminatory delivery of public service. Other key strategies involve curbing both bureaucratic and political corruption, strengthening the rule of law, and enhancing citizen's access to information and participation in governance.

DTI pursued some of these strategies and contributed to government's good governance efforts.

On improving public service access and delivery through Connected Government

Philippine Business Registry (PBR) activated. Business registration facility for new sole proprietorships was soft launched on July 22, 2011 in selected DTI-NCR offices as pilot implementers. Said facility allows registration for business names with the DTI, issuance or validation of existing Taxpayer Identification Numbers (TINs) with the BIR and employer registration numbers with the Social Security System (SSS), Philippine Health Insurance Corporation (PhilHealth), and Home Development Mutual Fund (Pag-Ibig).



Business Name Registration reduced to 15 minutes. From an average of 4-8 hours processing time for business name registration nationwide, the DTI reduced it to 15 minutes. Through the Enhanced Business Name Registration System (EBNRS), DTI simplified the application process by reducing the required information fields from 36 to 18, resulting in the reduction of the application form from nine pages to a single page.

DTI and DILG Forge Partnership to Streamline Business Permits and Licensing Systems (BPLS). The DTI and DILG embarked on a program for the nationwide streamlining of business permits and licensing systems in the country, aimed at harmonizing different reform initiatives in streamlining BPLS, and recommend standards which LGUs committed to reform. The two agencies signed on August 6, 2010 a Joint Memorandum Circular implementing the standards in processing business permits and licensing in all cities and municipalities, i.e., unified form, step (reduced to five), processing time (10 days for new applications, five days for renewals), and less number of signatories.

Of the 480 priority LGUs targeted from 2010 to 2014, 55% of LGUs have completed all necessary process in streamlining. Meanwhile, 32% of LGUs are currently undertaking several initiatives towards streamlining their BPLS.

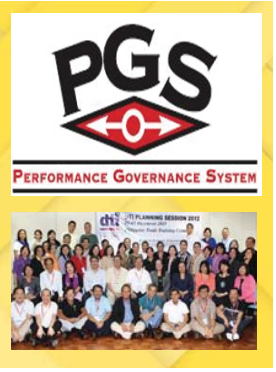
PEZA's Enhanced Automated Cargo Transfer System implemented; Payment thru e-Bayad effected. In coordination with the Bureau of Customs (BOC), the Enhanced Automated Cargo Transfer System for all import shipments of PEZA-enterprises unloaded at the Ninoy Aquino International Airport (NAIA) and Diosdado Macapagal International Airport (DMIA) was implemented beginning April 25, 2011. This puts into force the Joint BOC-PEZA Memorandum Order signed by PEZA Director General Lilia B. De Lima and BOC Angelito A. Alvarez in December 2010.

PEZA has also completed the development of an Electronic Payment System for four of the five selected transactions of PEZA enterprises with PEZA which have the highest unit volume. The PEZA e-payment system uses the e-Bayad, a web-based government payment gateway managed by the National Computer Center. PEZA's e-payment System is a cashless payment solution that allows clients to pay for transactions with PEZA online, 24x7, anywhere they are, thus promoting transparency and efficiency. Phase I of the project covers the top five accounts with the highest transaction volume. When the system is operational, PEZA will be the first government office to use the e-*Bayad* for more than one fee/ transaction type.

BOI Streamlines Frontline Services; MSE application for registration reduced to a single day. BOI has effected measures to simplify the procedural flow, processing time, and required documents of two of its frontline services for BOI-registered companies. Effective July 2011, BOI's application for registration of MSEs has been reduced to one day from 20 working days while the filing, processing and issuance of eCAI parts and components for the assembly of motor vehicle was reduced to two minutes from five working days.

On professionalizing the bureaucracy to become duty-bearers

DTI adopts balanced scorecard. In its effort to align individual performance with organizational performance, the DTI has adopted the Performance Governance System (PGS) as a strategic planning tool. The PDP 2011-2016 recognizes that the balanced scorecard is one PGS platform or approach that has been proven to create an effective alignment. In December 2011, the DTI formulated its strategy map and a scorecard that defines clear measures of success, based on four perspectives: external stakeholders, core processes, people and organization, and resources.



On enhancing and standardizing the quality of public service delivery to become consistent with the International Organization for Standardization (ISO) Quality Management System (QMS)

DTI Offices ISO Certified. Four central units in the DTI Head Office namely: 1) Office of the Undersecretary of the CWBRG, 2) BPS, 3) PCAB, and 4) General Administrative Services (GAS), plus 14 out of 16 regions were awarded with ISO 9001:2008 certification.

These DTI offices obtained certification to ISO 9001 in specific scopes of activities from the Certification International Philippines, Inc. (CIPI), which provided third-party assessments. The Office of the Undersecretary of the CWBRG was certified to ISO 9001 on its provisions of technical and administrative support. To improve transparency and provide an avenue for continual improvement, the DTI RODG pursued its commitment to implement QMS in all its operating units.

Meanwhile, the National Development Company (NDC), an attached corporation of the DTI, was also awarded the ISO 9001 Certification on July 17, 2011 by TÜV SÜD in compliance with E.O.605 or the Implementation of the QMS.

On enhancing the transparency of government to business and government to citizen transactions

DTI Call Center. The DTI Direct Call Center was established to provide citizens access to DTI services. In 2011, DTI Direct responded to 46,296 calls for the whole year. Of this, 26,405 (57.04%) were about business name; 8,484 (18.33%) consumer welfare; 80 (0.17%) exports; 42 (0.09%) investments; 208 (0.45%) MSME concerns; and 11,077 (23.93%) were non-DTI concerns.

DTI Public Assistance Desk (PAD). DTI PAD, an anti-red tape initiative of the Department, attended to more than 5,000 clients. Of this, 4,393 (86.5%) were about business name; 207 (4.1%) consumer welfare; 78 (1.5%) MSME concerns; 142 (2.8%) specific DTI agencies; and 258 (5.1%) non-DTI concerns.

Media Mileage. Events of the Department for the entire 2011 benefited from full media coverage from the DTI Press Corps. Press releases were published in newspapers, saving the Department an estimated PhP10.542M worth of media mileage for news releases and PhP4.340M for photo releases. Press briefings and press conferences coordinated and facilitated earned media mileage values in favor of the Department translating to a commercial value of PhP40.534M.

On implementing fundamental reforms in public procurement and in budget releases to close off opportunities for corruption and to promote transparency, competition, and cost effectiveness

DTI Pioneers Subscription to Virtual Store.The Department joins the first few government agencies subscribing to the online Virtual Store of the Procurement Service of the Department of Budget and Management (DBM).

The Virtual Store brings the procurement process more efficient and effective within the Department, ensuring that all purchase requests from all bureaus and offices are adequately met and acted upon within the mandatory period of just five days. In principle,

the Virtual Store serves as the newest functionality hosted by the DBM-Philippine Government Electronic Procurement System (PhilGEPS) which facilitates the online ordering of the common supplies and equipment carried in stock by the Procurement Service and available for reselling to all national government agencies, State Universities and Colleges (SUCs), Government-Owned and Controlled Corporations (GOCCs), Financial Institutions (GFIs), and LGUs.

By cutting the traditional bureaucratic flow of procurement, the Virtual Store helps the DTI in incurring more savings and delivery of ordered goods from Procurement Service is fully assured by this efficient online ordering and payment scheme. More specifically, it eliminates the imbalance between the payment of the agencies and the amount of items delivered since the Virtual Store would confirm all orders thereby agencies will receive all the items it paid for.

On promoting the use of Alternative Dispute Resolution (ADR)

IPOPHL boasts as the only one in Asia with twin ADR Mechanisms. Although Mediation Services are not new to IPOPHL, the public has not realized its full advantages, as this service was not mandatory. In 2010, IPOPHL revived this service and revised its Implementing Rules and Regulations by making mediation mandatory. The IPOPHL resolved that this would not only unclog the dockets of Bureau of Legal Affairs (BLA), but also serve as an expeditious and cost effective way of resolving IP disputes. In 2011, the BLA and the Office of the Director General (ODG) had referred 420 cases for mediation, 90 cases were resolved successfully. IPOPHL also launched its Arbitration Services in April 2011 in partnership with the Philippine Dispute Resolution Center, Inc. (PDRCI).

SPECIAL PROJECTS

Personal Computers (PCs) for Public Schools Projects - Phase 4 (PCPS4) Luzon-Visayas Component

In its fourth phase, the DTI PCPS project provided for the upgrading of computer laboratories in public high schools in Luzon and Visayas. Priority was given to recipient schools of PCPS Phase 1 in order to replace the obsolete computers that they received in 2001 and newly-established schools who have no computers yet.

The deployment of 8,525 desktop computers and peripherals to 775 recipient schools was completed in September 2011 with each recipient schools delivered with 11 desktop computers, 11 uninterruptable power supply (UPS), 11 automatic voltage regulator (AVR), one 3-in-1 inkjet printer, one wireless broadband router, and a two-day training for at least five teachers on basic computer operation, maintenance, and troubleshooting.

An additional 1,100 desktop computers and peripherals were purchased under the “repeat order” scheme utilizing the savings generated from the procurement of PCPS4-Luzon and Visayas. The deployment of the computer packages to the additional 100 public high schools was set to start in 2012.

The PCPS4 project is funded by a PHP490M-grant under the Non-Project Assistance of the Government of Japan. An initial release of PhP 170M for the Mindanao Component was made in 2009 and the remaining PhP320M was released for the Luzon and Visayas Component in 2010.

Since it started in 2001, the PCPS project has provided a total of 60,300 desktop computers and and peripherals to 4,914 public high schools nationwide. Moreover, more than 52,000 public school teachers have been trained on computer operation and maintenance and on computer technologies integration in the basic education curriculum.

Persons with Disabilities Economic Empowerment (PWDEE) Program

A series of Consultation and Needs Assessment of PWD Groups for Entrepreneurship Capacity Building was slated in the provinces of Camarines Sur (Region V), Bohol (Region VII), South Cotabato (Region XII), Zamboanga City (Region IX), Province of Guimaras (Region VII), Agusan del Norte (Caraga Region), Davao del Norte (Region XI) and Leyte (Region VIII) on March 17; April 14, 28; May 12, 16; June 22, 28; and July 6 respectively.

This series of activity is designed to gauge the capability of PWD groups, cooperatives, federation, organizations, associations as well as individuals in carrying out livelihood and businesses into the higher grounds such that DTI can apply the necessary intervention towards the PWD sector's economic independence.

In the initial findings, most of the PWDs that run businesses, either as individual or group, seek for the assistance in business counseling, additional skills training, and financial assistance and management. These basic supports that the sector seeks are within the regular services of the Department. Hence, the immediate outcome of the Consultation and Needs Assessment of PWD Groups was to forge DTI provincial and regional offices in providing assistance to the sector.

The Consultation and Needs Assessment of PWD Groups for Entrepreneurship Capacity Building is the jumpstart of the PWD-related activities of the Department in line with the DTI-PWDEE Program.

Gender and Development: GREAT Women Project

A series of planning workshops was conducted in February 2011 by focal persons from regional offices, bureaus, service offices, and attached agencies to discuss and draw up a framework to concretize Gender And Development (GAD) as a thematic area on SME development.

In line with the effort to operationalize GAD in DTI, the Gender Responsive Value Chain Analysis (GRVCA) program was implemented starting in March 2011 with four RuMEPP regions (Cordillera Administrative Region [CAR], Region 12, Region 5, and Caraga) already covered and the remaining regions if this has been completed in 2011. The roll-out of the GRVCA comes as a response to the joint national circular issued by DBM, NEDA and the Philippine Commission on Women (PCW) for government institutions and instrumentalists to undertake GAD related programs. It is also the basis for audit observation reports issued by the Commission on Audit for many regional and head office units.

Similarly, the implementation of the Component 2 of the GREAT Women project or the Harmonized DTI Project on Gender Responsive Enterprise Development with focus on Food and Marine Sectors has started in January 2011. The project aims to contribute in the formulation and implementation of an enhanced program and policies that would create, nourish, and nurture a gender-responsive environment for women-owned and family-based MSMEs to become competitive, upwardly mobile, and sustainable.

DTI *Office of the Secretary*[1/]

Summary of Utilization

AS OF 31 DECEMBER 2011 (FINAL)

PROGRAMS/ACTIVITIES	APPROPRIATION[2/]	AUTHORIZED ALLOTMENT[3/]	OBLIGATIONS INCURRED [4/]	UNUTILIZED ALLOTMENT	% OF UTILIZATION OVER AUTHORIZED ALLOTMENT
	1	2	3	4=2-3	5=3/2
CURRENT APPROPRIATIONS [5/]	**2,564,450**	**2,564,450**	**2,186,274**	**378,176**	**85%**
a. Regular Programs	2,074,161	2,074,161	1,838,874	235,287	89%
b. Locally Funded Projects	—	—	—	—	—
c. Foreign-Assisted Projects	44,181	44,181	37,973	6,208	86%
d. Automatic Appropropriations (Retirement and Life Insurance Premiums) Regular	61,358	61,358	60,691	667	99%
e. Other Releases:	384,750	384,750	248,736	136,014	65%
Priority Development Assistant Fund	21,754	21,754	9,316	12,438	43%
Implementation of Salary Standardization Law III w/Retirement and Life Insurance Premiums (RLIP)	129,340	129,340	128,850	490	100%
Pension and Gratuity Fund (Terminal Leave Benefits)	7,378	7,378	7,274	104	99%
Productivity Enhancement Incentives	20,060	20,060	19,492	568	97%
Comprehensive Agrarian Reform Program (CARP) F158	73,798	73,798	71,612	2,186	97%
MSMED Council (F151)	22,710	22,710	3,482	19,228	15%
International Commitment Funds (ICF)	1,710	1,710	1,710	-	100%
Contingent Fund	80,000	80,000	6,000	74,000	8%
Disbursement Acceleration Fund	28,000	28,000	1,000	27,000	4%
CONTINUING APPROPRIATIONS [6/]	**-**	**444,180**	**429,259**	**14,921**	**97%**
a. Regular Programs		59,901	59,898	3	100%
b. Locally Funded Projects		13,760	13,757	3	100%
c. Foreign-Assisted Projects		7,223	7,148	75	99%
d. Other Releases:		363,296	348,456	14,840	96%
Priority Development Assistant Fund		8,485	8,354	131	98%
Garments and Textile Industry Dev't Office (GTIDO) Fund 152		33,724	22,020	11,704	65%
PCPS4 (Japanese Grant)		319,989	317,347	2,642	99%
Comprehensive Agrarian Reform Program (CARP)		1,098	735	363	67%
TOTAL	**2,564,450**	**3,008,630**	**2,615,533**	**393,097**	**87%**

Notes:

1/ DTI Head Office Bureaus/Offices and Regional Offices

2/ Total Budget of DTI-Office of the Secretary (OSEC) to cover the Personal Services (PS), Maintenance and Other Operating Expenses (MOOE) and Capital Outlay for Calendar Year (CY) 2011 as approved under R.A. 10147, 2011 General Appropriation Act inclusive of Other Releases

3/ Amount authorized by the DBM thru the "Agency Budget Matrix" and Special Allotment Release Order (SARO)

4/ Amount utilized/incurred by the agency

5/ This pertains to the budget appropriated for CY 2011 as approved under R.A.10147

6/ This pertains to the 2010 unutilized allotment previously approved under the R.A. 9970, 2010 General Appropriations

COMMERCE/INDUSTRY/TRADE SECRETARIES/MINISTERS

CORNELIO A. BALMACEDA
1947-1948; 1949-1953; 1963-1965

PLACIDO L. MAPA
1948 - 1953

OSCAR R. LEDESMA
1953 - 1957

PEDRO C. HERNAEZ
1957 - 1960

MANUEL LIM
1960 - 1962

RUFINO G. HECHANOVA
1962 - 1963

MARCELO S. BALATBAT
1966 - 1968

LEONIDES S. VIRATA
1969 - 1970

ERNESTO M. MACEDA
1970 - 1971

TROADIO T. QUIAZON
1971 - 1974

VICENTE T. PATERNO
1974 - 1979

LUIS R. VILLAFUERTE
1980 - 1981

DTI Secretaries 1981-2011

ROBERTO V. ONGPIN
1979 - 1986

JOSE A. CONCEPCION JR.
March 14, 1986 - January 18, 1991

PETER D. GARRUCHO
January 19 ,1991 - February 12, 1992

LILIA R. BAUTISTA*
Feb 13 - June 30, 1992; Jan 1 - Feb 29, 2000

RIZALINO S. NAVARRO
July 1, 1992 - November 30, 1996

CESAR B. BAUTISTA
December 1996 - June 30, 1998

JOSE T. PARDO
July 1, 1998 - December 31, 1999

MANUEL A. ROXAS II
March 1 - Oct 31, 2000; Jan 25, 2001 - Dec 11, 2003

CESAR A.V. PURISIMA
January 12, 2004 - February 14, 2005

JUAN B. SANTOS
February 15, 2005 - July 8, 2005

THOMAS G. AQUINO
November 3, 2000 -Jan 24, 2001*; January 13, 2005** July 9 - July 14, 2005*

PETER B. FAVILA
July 15, 2005 - March 15, 2010

JESLI A. LAPUS
March 16, 2010 - June 30, 2010

GREGORY L. DOMINGO
July 1, 2010 - present

**Acting Secretary*
***Designated Senior Undersecretary automatically serving as Acting Secretary whenever the Secretary is on official trip or on leave*

***Note:** Undersecretary Adrian Cristobal Jr. served as Acting Secretary from December 11, 2003 - January 11, 2004*

2011 *DIRECTORY*

DEPARTMENT OF TRADE AND INDUSTRY

GREGORY L. DOMINGO
Secretary

Phone: (+632) 890.9333
Fax: (+632) 896.1166/899.5518
E-mail: secretary@dti.gov.ph

A. OFFICE OF POLICY RESEARCH E-COMMERCE OFFICE
Maria Lourdes A. Yaptinchay
Director
- (+632) 897.1243/976.5701
- Fax: (+632) 896.7889/976.7504
- layaptinchay@gmail.com
- lourdesyaptinchay@dti.gov.ph

B. LIAISON OFFICE FOR LEGISLATIVE AFFAIRS
Abigail R. Zurita
Officer-in-Charge
- (+632) 751.5983/751.5986
- Fax: (+632) 890.4870
- abigailzurita@yahoo.com
- abigailzurita@dti.gov.ph

C. OFFICE OF LEGAL AFFAIRS
Benjamin T. Subido
Director
- (+632) 986.8976/751.4775
- Fax: (+632)751.4778
- benjaminsubido@dti.gov.ph

D. PUBLIC RELATIONS OFFICE
Thelma Dumpit-Murillo
Director
- (+632) 895.3994/895.3995
- Fax: (+632) 890.4517
- thelmadumpit@gmail.com
- thelmadm@yahoo.com

E. OFFICE OF SPECIAL CONCERNS
Lydia R. Guevarra
Caretaker
- (+632) 751.5927/897.1713
- Fax: (+632) 751.5926
- lydiaguevarra@dti.gov.ph/
- osc@dti.gov.ph

Attached Agencies

A. INTELLECTUAL PROPERTY OFFICE OF THE PHILIPPINES
Ricardo R. Blancaflor
Director General
- (+632) 238.6300 locs. 600, 618, 605
- Fax: (+632) 890.4862
- ricblancaflor@ipophil.gov.ph

B. NATIONAL DEVELOPMENT COMPANY
Ma. Lourdes F. Rebueno
Acting General Manager
- (+632) 840.1139, (+632) 840.4838 to 52 loc. 254
- Fax: (+632) 840.4937
- mlfr@ndc.gov.ph

C. PHILIPPINE NATIONAL CONSTRUCTION CORPORATION
Rainer B. Butalid
Chairman
- (+632) 822.5725/846.3045 loc. 103
- chairman@pncc.ph

D. PHILIPPINE ECONOMIC ZONE AUTHORITY
Lilia B. De Lima
Director General
- (+632) 551.3432/551.3455
- Fax: (+632) 891.6380/551.3449
- dglbl@peza.gov.ph

TIPG *Trade and Investment Promotions Group*

CRISTINO L. PANLILIO
Undersecretary
- (+632) 890.9303/890.9332
- Fax: (+632) 895.3512
- clpanlilio@boi.gov.ph

A. BUREAU OF EXPORT TRADE PROMOTION
Senen M. Perlada
Director
- (+632) 895.3654/895.4430
- Fax: (+632) 895.3654
- smperlada@dti.gov.ph

B. BUREAU OF EXPORT TRADE PROMOTION
Jason T. Lao
Assistant Director
- (+632) 896.3658
- Fax: (+632) 890.4726
- jtlao2000@yahoo.com

C. EXPORT DEVELOPMENT COUNCIL
Emmarita Z. Mijares
Deputy Executive Director
- (+632) 890.4645/ 897.7608
- Fax: (+632) 890.4645
- exportdevelopmentcouncil@edc.net.ph

D. CENTER FOR INTERNATIONAL TRADE EXPOSITIONS & MISSIONS
Rosvi C. Gaetos
Executive Director
- (+632) 832.3956/831.2382
- Fax: (+632) 832.3965
- rvgaetos@citem.com

E. PHILIPPINE TRADE TRAINING CENTER
Adelaida L. Inton
Executive Director
- (+632) 468.8970
- Fax: (+632) 834.1341
- info@pttc.gov.ph
- adelaidainton@pttc.gov.ph

F. PHILIPPINE INTERNATIONAL TRADING CORPORATION
Maria Lourdes T. Baua
President & CEO
- (+632) 892.0569/892.0425 818.9801 loc. 301
- Fax: (+632) 892.0782
- PresMLTBaua@pitc.gov.ph/pitc@pitc.gov.ph

G. FOREIGN TRADE SERVICE CORPS-PROMO POSTS INCLUDING TOKYO
Glenn G. Peñaranda
Assistant Secretary (concurrent)
- (+632) 897.9659/897.9661/8979672
- Fax: (+632) 890.5073
- ftscmnl@dti.gov.ph
- ftscmnl@yahoo.com

IDTPG *Industry Development and Trade Policy Group*

ATTY. ADRIAN S. CRISTOBAL JR.
Undersecretary and Managing Head of BOI
- (+632) 890.4898/890.4891
- Fax: (+632) 895.3993
- ascristobal@dti.gov.ph

A. BUREAU OF INTERNATIONAL TRADE RELATIONS
Ann Claire C. Cabochan
Director
- (+632) 659.8743/425.3649
- acabochan_bitr@yahoo.com

B. BUREAU OF INTERNATIONAL TRADE RELATIONS
Angelo Salvador M. Benedictos
Assistant Director
- (+632) 659.8743
- angelo_benedictos@yahoo.com

C. BUREAU OF IMPORT SERVICES
Luis M. Catibayan
Director
- (+632) 896.4430
- Fax: (+632) 896.4431
- LuisCatibayan@dti.gov.ph
- thebisdirector@yahoo.com.ph

D. FOREIGN TRADE SERVICE CORPS-POLICY POSTS
Glenn G. Peñaranda
Assistant Secretary
- (+632) 897.9659
- Fax: (+632) 890.5073
- ftscmnl@yahoo.com

E. CENTER FOR INDUSTRIAL COMPETITIVENESS
Virgilio P. Fulgencio
Executive Director
- (+632) 751.3404/890.4889
- Fax: (+632) 751.3404
- kbfulgencio@yahoo.com

Board of Investments

A. MANAGEMENT SERVICES GROUP
Efren V. Leaño
Executive Director
- (+632) 896.5167
- Fax: (+632) 897.5334
- EVLeano@boi.gov.ph

B. PROJECT ASSESSMENT GROUP
Lucita P. Reyes
Executive Director
- (+632) 895.3983/ 897.6682 locs. 326/325
- Fax: (+632) 895.3978
- LPReyes@boi.gov.ph

C. INVESTMENTS PROMOTION GROUP
Fe Agoncillo-Reyes
Executive Director
- (+632) 896.9212
- Fax: (+632) 897.2181
- FagoncilloReyes@boi.gov.ph

D. INVESTMENTS SERVICING GROUP
Raul V. Angeles
Executive Director
- (+632) 890.3056/ 897.6682 locs. 323/324
- Fax: (+632) 897.3079
- RVAngeles@boi.gov.ph

CWBRG *Consumer Welfare and Business Regulation Group*

ZENAIDA CUISON MAGLAYA
Undersecretary (CWBRG & MSG)
- (+632) 751.3336/751.3334
- Fax: (+632) 751.3335
- useczcm@dti.gov.ph

A. BUREAU OF PRODUCT STANDARDS
Carmencita B. Magno
Officer-in-Charge
- (+632) 751.4729
- Fax: (+632) 751.4735
- carmencitamagno@dti.gov.ph
- mbc_at16@yahoo.com

B. BUREAU OF TRADE REGULATION & CONSUMER PROTECTION
Victorio Mario A. Dimagiba
Director
- (+632) 751.3288
- Fax: (+632) 890.4949
- vmad@dti.gov.ph

C. PHILIPPINE ACCREDITATION OFFICE
Jaime Lasaro L. Olmos
Director-in-Charge
- (+632) 751.3235
- Fax: (+632) 751.3262
- JaimeOlmos@dti.gov.ph

D. PHILIPPINE SHIPPERS' BUREAU
Pedro Vicente C. Mendoza
Director
- (+632) 751.3306/751.3304
- Fax: (+632) 751.3305

D. CONSTRUCTION MANPOWER DEVELOPMENT FOUNDATION
Pedro Vicente C. Mendoza
Executive Director-in-Charge
- (+632) 890.1069
- Fax: (+632) 890.1037
- cmdf_dti@yahoo.com
- cmdf@dti.gov.ph

E. CONSTRUCTION INDUSTRY AUTHORITY OF THE PHILIPPINES
Jesus L. Motoomull
Executive Director
- (+632) 895.4424/895.6826
- Fax: (+632) 897.9336
- ciapdti@yahoo.com

MSG *Management Services Group*

A. GENERAL ADMINISTRATIVE SERVICES
Joel R. Cruz
Director
- (+632) 751.3242
- Fax: (+632) 751.3253
- joelcruz@dti.gov.ph

B. FINANCIAL MANAGEMENT SERVICES
Ireneo V. Vizmonte
Director
- (+632) 751.3215
- Fax: (+632) 751.3216
- IreneoVizmonte@dti.gov.ph

C. HR DEVELOPMENT AND PERSONNEL SERVICES
Janet N. Safranca
Officer-in-Charge
- (+632) 751.3134
- Fax: (+632) 751.3133
- JanetSafranca@dti.gov.ph

D. MANAGEMENT INFORMATION SERVICE
Laudemer G. Solidum
Director
- (+632) 751.3139
- Fax: (+632) 751.3138
- Laudemersolidum@dti.gov.ph

E. OFFICE OF OPERATIONAL PLANNING
Mary Jean T. Pacheco
Director
- (+632) 976.5710/976.5700 loc. 5310
- 90.4954/751.4635/751.4633
- Fax: (+632) 976.5712/976.5713
- oop.dti@gmail.com

F. TRADE AND INDUSTRY INFORMATION CENTER
Anne L. Sevilla
Officer-in-Charge
- (+632) 895.3611/751.3566
- Fax: (+632) 895.6487
- annesevilla@dti.gov.ph

RODG *Regional Operations and Development Group*

MERLY M. CRUZ
Undersecretary
- (+632) 890.4697
- Fax : (+632) 890.4685
- merlycruz60@yahoo.com

A. BUREAU OF MSME DEVELOPMENT
Rhodora M. Leaño
Director
- (+632) 751.5036
- Fax: (+632) 896.7916
- bmsmed@dti.gov.ph

B. BUREAU OF DOMESTIC TRADE
Marievic M. Bonoan
Officer-in-Charge
- (+632) 751.3223
- Fax: (+632) 751.3224
- marievicbonoan@yahoo.com

C. PRODUCT DEVELOPMENT & DESIGN CENTER OF THE PHILS.
Myrna M. Sunico
Executive Director
- (+632) 832.1112 to 19 loc. 125
- Fax: (+632) 832.3649
- pddcp@info.com.ph
- pddcp@dti.gov.ph

D. COTTAGE INDUSTRY TECHNOLOGY CENTER
Franklin P. Bunoan
Executive Director
- (+632) 941.4561
- Fax: (+632) 942.0880
- citc_dti@yahoo.com

E. RURAL MICRO-ENTERPRISE PROMOTION PROGRAM
Jerry T. Clavesillas
Program Manager
- (+632) 751.0384 loc. 2368/751.3260
- Fax: (+632) 751.3260
- rumepp@dti.gov.ph

F. SMALL BUSINESS CORPORATION
Dr. Ramon M. Quesada
Chairman & Chief Executive Officer
- (+632) 813.5720/751.1888 loc. 1801
- Fax : (+632) 813.5720
- sbcorporation@sbgfc.org.ph

G. DTI-COMPREHENSIVE AGRARIAN REFORM PROGRAMME
Manuel B. Abad
Executive Director
- (+632) 897.1024
- Fax: (+632) 890.4966
- carp@dti.gov.ph

Regional/Provincial Offices

Cordillera Administrative Region
Regional Director
MYRNA P. PABLO
(+6374) 442-8634/442.6185/ 442.7859
Fax: (+6374) 442.5688/442.8634
myrnpablo@yahoo.com
dti_cordi@yahoo.com

Assistant Regional Director
CARMELITA C. USMAN
NERBAC Manager
(+6374) 442.8634
Fax: (+6374) 442.5688
carmelitausman@yahoo.com
dti_cordi@yahoo.com

Region 1
Regional Director
FLORANTE O. LEAL
(+6372) 242.4864/700.1022 to 25
Fax: (+6372) 700.1023
dtireg1@yahoo.com
dtireg1@hotmail.com
FloranteLeal@dti.gov.ph
R01@dti.gov.ph

Region 2
Regional Director
MA. ESPERANZA C. BAÑARES
(+6378) 846.4637
Fax: (+6378) 846.4637
dtitwo@gmail.com
R02@dti.gov.ph

Region 3
Regional Director
BLESILA A. LANTAYONA
(+6345) 625.9290/625.9291 625.9996/898.4900
Fax: (+6345) 625.9607
dtireg3@pldtdsl.net
corridor@mozcom.com

Region 4A
Regional Director
MARILOU QUINCO-TOLEDO
(+6349) 545.6169/545.7448/545.7570
Fax: (+6349) 545.7573
NERBAC-CALABRAZON: (+6349) 525.5607
dti4a@yahoo.com

Region 4B
Regional Caretaker
JOEL B. VALERA
(+632) 890.1712
Fax: (+632) 899.0900
dti_mimaropa@yahoo.com

Region 5
Regional Director
JOCELYN L.B. BLANCO
(+6352) 430.5749
Fax: (+6352) 480.5717
JocelynBlanco@dti.gov.ph
r05@dti.gov.ph

Region 6
Regional Director
DOMINIC P. ABAD
(+6333) 335.0548/335.1980
Fax: (+6333) 335.0083
FAD: 335.0222
BDD: 335.0060
dtiregion6@yahoo.com
R06@dti.gov.ph

Region 7
Regional Director
ASTERIA C. CABERTE
(+6353) 255.0036
Fax: (+6353) 253.7465
dti_7@yahoo.com
dticentralvisayas@gmail.com

Region 8
Regional Director
CYNTHIA R. NIERRAS
(+6353) 323.4163/323.5680/ (+6353) 323.3035
Fax: 323.4082
dtiregion@yahoo.com
R08@dti.gov.ph

Region 9
Regional Director
NAZRULLAH B. MANZUR
(+6362) 955.3237/991.3238
Fax: (+6362) 991.3232
dti9@pldtdsl.net
dti09@yahoo.com
R09@dti.gov.ph

Assistant Regional Director
SITTI AMINA M. JAIN
(+6362) 955.3237/8, 993.1621
Fax : (+6362) 993.3232
dti9@pldtdsl.net

Region 10
Officer-in-Charge
LINDA O. BONIAO
(+638822) 729.291/722.278
Fax: (+638822) 726.354
dti.r10@gmail.com
l.boniao@gmail.com

Region 11
Regional Director
MARIZON S. LORETO
(+6382) 224.0511/ 222.1625/300.9580
Fax: (+6382) 300.9579/221.4952
dti11.ord@gmail.com

Region 12
Regional Director
IBRAHIM K. GUIAMADEL
(+6383) 228.9837
Fax: (+6383) 520.0071
dti12@pldtdsl.net/ ro@dti12.org

Assistant Regional Director
DORECITA T. DE LIMA
(+6383) 552.8385
Fax: (+6383) 553.1033
dti12_gs@pldtdsl.net
dti12_gs@yahoo.com

CARAGA
Regional Director
BRIELGO O. PAGARAN
(+6385) 341.2293/342.5615
Fax: (+6385) 815.1271
dti_caraga@yahoo.com
brix_pinoy@yahoo.com

National Capital Region
Officer-in-Charge
Assistant Regional Director
FERDINAND L. MANFOSTE
(+632) 811.8367
Fax: (+632) 811.8271
fmanfoste@yahoo.com

Department of Trade and Industry

30 YEARS OF PUBLIC SERVICE

The Department of Trade and Industry (DTI) had its beginnings on June 23, 1898 when President Emilio Aguinaldo formed the Department of Navy, Commerce, Agriculture, and Manufacturing.

On September 6, 1901, the Philippine Commission established the Department of Commerce (and Police). After World War II, President Manuel A. Roxas issued Executive Order (EO) 94 on October 4, 1947, creating the Department of Commerce and Industry (DCI). Cornelio Balmaceda, a much sought-after Economics Professor and Bureau of Commerce (BOC) Director, was appointed Acting Secretary of the newly created DCI.

Prior to EO 94, the BOC was tasked to develop and promote the trade and industry of the country under the overall supervision of the Department of Agriculture and Commerce (Act 4007 on December 5, 1932 by the Philippine Legislature).

In 1972 after 25 years, the DCI had grown into a big organization with 10 regular bureaus and 22 agencies under its direct supervision. The DCI was mandated to promote, develop, expand, regulate, and control foreign and domestic trade, industry, and tourism.

To have closer supervision and ensure more effective delivery of services, President Ferdinand E. Marcos issued Presidential Decree (PD) 189 on May 11, 1973, creating the Department of Tourism (DOT) to handle all tourism-related matters.

A year later, June 21, 1974, Marcos issued PD 488 creating the Department of Industry whose principal function was to promote and enhance the growth of the existing and thriving industries in the country.

On June 2, 1975, the Department of Trade was created under PD 721 to pursue efforts of the government toward strengthening socioeconomic development of the country, particularly in the area of commercial activities. A key strategy of the new department was vigorous export promotion to generate much needed foreign exchange (forex). The Bureau of Foreign Trade was also established to push domestic trade and marketing programs.

In the early 80's, the national economic development goal of the Marcos government required the need to new industrial promotion efforts with the expansion of Philippine trade overseas. This resulted in the creation of Ministry of Trade and Industry (MTI) on July 27, 1981, which took over the functions of the subsequently abolished Departments of Trade and of Industry.

Drastic changes followed after the People Power Revolution. President Corazon C. Aquino signed on February 27, 1987 that EO 133, reorganized the MTI and renamed it as DTI.

In 2006, Secretary Peter B. Favila issued a Department Order (DO) officially declaring July 27 of each year, the day that Ministry of Trade and the Ministry of Industry was merged, as the DTI anniversary.

This marks July 27, 2011 as the 30th DTI anniversary.

1981 | 1982 | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011

EO 709 (July 27, 1981) created the Ministry of Trade and Industry which took over the functions of the subsequently abolished Department of Trade and Department of Industry

17 attached agencies

6 regular bureaus and offices

Export Diversification

Special Bids and Awards Committees (SBACs)

The GOLDEN SHELL AWARDS was launched to recognize the efforts of the Filipino entrepreneurs to inspire small manufacturers to develop quality products for the export market

Adoption of the Five-Year Export Development Strategy focusing on: garments, furniture, electronics, gifts and houseware, construction services, fresh and processed food, footwear, and leather goods

Kilusang Kabuhayan at Kaunlaran (KKK)

Design Mobile launched

Trade and Industry Assistance Centers established

Center for International Trade Expositions and Missions (CITEM), a merger of Philippine Trade Exhibition Center (PTEC) and CITEM, Inc. was created as an export promotions agency of the DTI

SERVICE TO THE PEOPLE

Established Export Assistance Network (EXPONET)

Bureau of Foreign Trade created five Regional Desks for the Americas, Europe, Asia-Pacific, Association of Southeast Asian Nations (ASEAN), and Middle East

Philippine Shippers' Council (SHIPPERCON) advised exporters on export pricing, packaging, containerization, insurance and other problems related to shipping

Export Year: Export Development Strategy: Market approach which provides links between foreign buyers and local exporters

Dispersal of industries to less developed area; 1985 Industrial Development Plan identified 385 preferred areas of economic activity generated PA 7 B in investments and provided employment for 23,000 people

ONE-STOP-SHOP

PEOPLE POWER REVOLUTION

After the Revolution, DTI was reorganized and the Aquino administration adopted a new working philosophy to be more responsive to the needs of the people with its overriding commitment: ***"Service to the People"***

EO 133 (February 27, 1987) as amended by EO 242 (July 24, 1897), reorganizing the Ministry of Trade and Industry, and renaming it the Department of Trade and Industry (DTI)

Passage of the Omnibus Investments Code (EO No. 226), Board of Investments (BOI) created

Establishment of the Philippine Trade Training Center (PTTC) with funding support from the Japan International Cooperation Agency (JICA)

Six implementing strategies:
- Development of efficient industries
- Intensified promotion of investments
- Promotion and development of Micro, Small, and Medium Enterprises (MSMEs)
- Expansion of exporters
- Integral delivery of DTI services to the regions and provinces
- 5.7 % Gross National Product (GNP) growth attributed to the trade and industry sector, which contributed almost 48% to the country's Gross Domestic Product (GDP)

YES! THE FILIPINO CAN

Galleon Trade Awards launched as tribute to successful partnerships with foreign buyers

Gloria Macapagal Arroyo appointed Garments and Textile Executive Board (GTEB) Executive Director

Regional Industrial Centers (RICs) in the countryside

Magna Carta for Small Business Enterprises was enacted into law to encourage more business start-ups, especially in the rural areas

The DTI linked up with the private sector to put into to operation the Export and Investment Development Council, a high-level consultative body that advises the President on strategies to overcome the problems and other constraints to the development of exports and investments in the country

Deregulation of foreign exchange and simplified rules on borrowings by foreign firms resulted to more industrial estates setting-up in the regions, providing the much-needed infrastructure support for new countryside businesses

EFFICIENT AND FAIR DOMESTIC TRADE SYSTEM

Attaining NiChood

Kalakalan 20

Small Business Guarantee and Finance Corporation (SBGFC) was created to offer a wide range of financial services, specifically for SMEs engaged in manufacturing, processing, agribusiness (except crop level production), and services (except trading)

MOVE PEOPLE TO WIN!

Power Generator and Auxiliary Projects (PGAP) program was launched to allow firms to import standby power generators and auxiliary equipment free of tax and customs duty

Two landmark pieces of legislation strengthened DTI's consumer protection: Consumer Act of the Philippines (Republic Act 7394) and Price Act (RA 7581)

Common Effective Preferential Tariff (CEPT) scheme under the ASEAN Free Trade Area (AFTA)

In support of President Fidel V. Ramos' Philippines 2000, DTI crafted the DTI Framework: Export-led balance Agri-Industrialization or DTI 2000.

Landmark laws passed to boost domestic and foreign investments:
- The Electric Power Crisis Act (RA 7648), which gives the President special powers to deal with the power crisis
- The Long-Term Land lease Act, which allowed foreign investors to lease lands up to a maximum of 75 years
- Accession to the Multilateral Investment Guarantee Agreement (MIFA), which provided foreign investors protection cover for political and non-commercial risks
- Tariff reduction under L0470, which were being affected in stages from 1991-1993
- Lifting of import restrictions

Proclamation No. 67 was issued declaring exports as the key to the country's balanced agri-industrial growth

Far Eastern Economic Review gave Philippines the Most Improves Award for the year

Philippine Economic Zone Authority (PEZA) was created to promote investments, extend assistance, register, grant incentives, and facilitate the business operations of investors in export-oriented manufacturing and service facilities inside selected areas throughout the country

LEAPFROGGING TO PROSPERITY THROUGH COMPETITIVENESS

HOSHIN Planning

Total Quality Management-Total Quality (TQM-TQ) Champs and Quick Wins

RA 8293 or the Intellectual Property Rights (IPR) Code was implemented to strengthen Philippines' bid to become Asia's knowledge capital and Information Technology (IT) center

MASTERPLAN FOR THE 21st CENTURY

Fortune Magazine reported that the five-year average of fixed investments as a percentage of GDP of the Philippines was 16.6% or even better than the 14.8% for the United States (U.S.)

DTI launched its campaign on DRIVE: Developing Rural Industries and Village Enterprises. It was DTI's response to President Joseph E. Estrada's call for a pro-poor, pro-market and pro-countryside program

Country's exports surged by 23% considered as the "world's highest," besting China

"DRIVING FORWARD TO THE NEXT MILLENIUM"

"ANGAT PINOY 2000: *PAGKAKAISA TUNGO SA KAUNLARAN*"

"CHAMPION BUSINESS, CHAMPION CONSUMERS"

"Make IT Philippines", positioning the PHL as a preferred IT services hub in Asia

Pinoy Pandesal

"*Presyong Tama, Gamot Pampamiliya*"

Personal Computers for Public High Schools (PCPS)

Merger of SBGFC and the Guarantee Fund for Small and Medium Enterprises (GFSME)

DTI develops call center industry: promotes PHL as destination of choice

Brand Management Program introduced

New logo launched to create a distinctive brand, establishing DTI's corporate identity

Barangay Micro Business Enterprise (BMBE) law approved

Palengke ng Bayan was launched

"Agency of Choice"

SME Unified Lending Opportunities for National Growth

"5S"
- Support for Entrepreneurs and SMEs
- Sustainable Investments in Industries and Infrastructure
- Strategic Export Promotion
- Stable Prices and Consumer Welfare
- Service Environment and Culture

DTI Launched the "*Gawad ng Pintas ng Silangan*"

Japan-Philippine Economic Partnership Agreement (PEPA) approved in principle

One Town, One Product (OTOP) Program launched

BACK TO BASICS

BREAKING BARRIERS

Konsumer Atbp (KATBP) radio show started to air

Best among 99 countries in implementing microfinance programs

"Agency of Choice"

PJEPA signing

Quick Response Team (QRT) formed for trade remedies

Business Incubation for Young Entrepreneurs

Philippine Senate ratifies PJEPA

Magna Carta for MSMEs signed into law to promote entrepreneurship and support the development of MSMEs

First Philippine Quality Award for a Filipino-owned company

DTI- Comprehensive Livelihood Emergency Employment Program (CLEEP)

Second time the Philippines was cited by the UK's National outsourcing Association as the World's Best Business Process Outsourcing (BPO) Destination

DTI established a command center to mitigate the rising prices of basic and prime commodities during typhoons *Ondoy* and *Pepeng*

Philippine Product Depot opened to showcase over 1,000 OTOP products made of indigenous materials

Philippine Accreditation Office (PAO) recognized as the national accrediting body

ONE DTI

Strategic Human Resources (HR) 2004: Learning, Living, and Working

DTI Service Excellence Awards

Philippine Business Registry (PBR) System preparatory stage

Ties That Bind: First Philippine Solo Exhibition in China

CONSUMER IS KING

"ENABLING BUSINESS, EMPOWERING CONSUMERS"

Pinoy Tasty — Affordable Pinoy Tasty hits stores

DTI in partnership with Department of Agriculture (DA) issued Implementing Rules and Regulations (IRR) for Expanded Senior Citizen Act granting senior citizens 5% discount on the regular price of basic necessities and prime commodities

Philippine Investments Promotion Plan (PIPP) 2010-2014 launched to serve as the Philippine's investments roadmap

Philippine Competitiveness Ranking Climbs from 43rd to 39th based on the International Management Developement's (IMD) World Competitiveness yearbook (WCY)

celebrates 30 years of public service