PHILIPPINE

W&H

NATIONAL INDUSTRY CLUSTER

ROADMAP 2023-2028

PHILIPPINE WEARABLE AND HOMESTYLE NATIONAL INDUSTRY CLUSTER ROADMAP 2023 - 2028

Department of Trade & Industry

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Prepared by
Edna de Jesus- Eufemio
Consultant
AdCentral Consulting

Angeles City, Pampanga

For the Philippine Department of Trade & Industry Region 3 (Executing and Implementing Agency)

ABBREVIATIONS [1]

AFIC	ASEAN Furniture Industries Council
ANP	Association of Negros Producers
ASEAN	Association of Southeast Asian Nations
BAI	Bureau of Animal Industry
BMO	Business Membership Organization
BOC	Bureau of Customs
BPI	Bureau of Plant Industry
B2B	Business to Business
CAFA	Council of Asia Pacific Furniture Association
CAGR	Compound Annual Growth Rate
CAPDEV	Capacity Development
CDPEAP	Christmas Décor Producers and Exporters Association of the Philippines
CDS	Cluster Development Strategy
Cebu GTH	Cebu Gifts Toys and Housewares Foundation Inc
CFIF	Cebu Furniture Industries Foundation Inc
CFIP	Chamber of Furniture Industries of the Philippines
COA	Constraints and Opportunities Analysis
DCP	Design Center Philippines
DENR	Department of Environment and Natural Resources
DICCEP	Davao Industry Cluster Capacity Enhancement Project
DOST	Department of Science and Technology
DSGP	Domestic Sales Growth Projection
DTI	Department of Trade and Industry
EMB	Export Marketing Bureau
EO	Executive Order
F&F	Furniture and Furnishings
FGD	Focus Group Discussion
FMB	Forest Management Bureau
HAPI	Home Accents Group of the Philippines Inc
HD	Holiday Décor
HS	Harmonized System
HW	Houseware
ICE	Industry Clusters Enhancement Program
ICS	Industry Clustering Strategy
IA	Industry Organization
IP	Indigenous People
IPO	Intellectual Property Office
JICA	Japan International Cooperation Agency
LGBTQ	Lesbian Gay Bisexual Transgender Queer
MSME	Micro Small and Medium Enterprise
NCRO	National Capital Region Office
NIC	National Industry Cluster
NICC	National Industry Cluster Coordinator
NICCEP	National Industry Cluster Capacity Enhancement Project
OFW	Overseas Filipino Worker
OSY	Out of School Youth
OTOP	One Town One Product

ABBREVIATIONS [2]

PAPs	Programs, Activities and Projects
PCCI	Philippine Chamber of Commerce and Industry
PCHI	Philippine Chamber of Handicraft Industries
PCIEERD	Philippine Council for Industry Energy & Emerging Technology Research and Development
PDP	Philippine Development Plan
PEDP	Philippine Export Development Plan
PFIP	Pampanga Furniture Industries in the Philippines Inc
PFIR	People Furniture Industry Roadmap
PHILEXPORT	Philippine Exporters Confederation Inc
PHILFFA	Philippine Federation of Furnishings Associations
PHP	Philippine Peso
PNG	Papua New Guinea
PRODEV	Product Development
PSA	Philippine Statistics Authority
PTJEC	Philippine-Taiwan Joint Economic Cooperation
PTRI	Philippine Textile Research Institute
PWD	Person with Disability
R&D	Research and Development
REMAI	Rizal Exporters and Manufacturers Association Inc
ROG	Regional Operations Group
SCM	Systemic Competitiveness Map
SQM	Square Meters
SWOT	Strengths Weaknesses Opportunities Threats
W&H	Wearable and Homestyle
WHFF	Wearable, Homestyle, Furniture and Furnishings
WTP	Wearable Technology Product
USA	United States of America
USD	United States Dollars
TECHVOC	Technical Vocation
TESDA	Technical Education and Skills Development Authority
TWG	Technical Working Group
VAT	Value Added Tax
VC	Value Chain
VCDA	Value Chain Development Approach

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EXECUTIVE SUMMARY

The Department of Trade and Industry (DTI) developed action plans for the 6 Priority National Industry Clusters, including Wearables and Homestyle, and implemented industry roadmaps to promote and foster industry development in the country. It has also adopted the market-driven Industry Cluster Development Strategy (CDS) through the Value Chain Development Approach (VCDA), which seeks to strengthen the whole system which includes enterprises, business relationships, market structures, and business environment so that the benefits of the industries be increased and shared. As enshrined in the Philippine Development Plan 2023-2028, the revitalization of the industry will enable the expansion of domestic production and supplier base particularly corresponding to the value chains of the industry clusters.

The Wearable and Homestyle National Industry Cluster (W&H NIC), covers the twin sectors of Wearable, on one hand, and Homestyle on the other, and their respective subsectors namely: Apparel, Footwear, and Fashion Accessories (for Wearable) and Housewares and Holiday Décor, and Furniture and Furnishings (for Homestyle), is the product of the government's initiative to prepare a development blueprint for a more globally competitive and inclusive W&H NIC that will benefit its stakeholders.

This is the compelling priority goal of the W& H stakeholders, and there is a strong need to forge partnerships to achieve this. The recognition, however, of the Filipino's inherent design prowess and superior craftsmanship can easily fuel the faith and the confidence needed to make great strides to get there sooner. The W& H NIC stakeholders must be guided by the Action Agenda in the medium to long term, set to achieve the following: 1) Address key constraints in the playing field's structure and systems; 2) Promote innovation, quality, and efficiency in materials manipulation and production; and 3) Heighten marketing and distribution results thru optimized use of technology-enabled platforms.

The W&H NIC Roadmap 2019 to 2022 was set and successfully achieved the target of 6% domestic and export sales growth while this successor plan, the 2023 to 2028 W& H NIC Roadmap, projects and confidently hopes to achieve an average growth of at least 10 percent in both domestic and export earnings across the Wearable, Housewares and Holiday Décor, and Furniture and Furnishings subsectors within the forecast period.

CHAPTER 1

Introduction

Industry Clustering Strategy

The energy of industry clustering, a globally tried and tested micro, small and medium enterprise (MSME) development strategy that leverages the value chain development approach (VCDA), is very much enshrined in the Philippine Development Plan (PDP). Specifically, the PDP 2023-2038 is a plan for deep economic and social transformation to reinvigorate job creation and accelerate poverty reduction by steering the economy back on a high-growth path.[1]

The Industry Clustering Strategy (ICS) seeks to strengthen dominant and emerging industries, sectors, or subsectors that demonstrate market and income potential. Its use of the VCDA enables it to systematically fulfill three major strategic ends, namely - 1) identify systemic and structural constraints prevailing in an industry, sector, or subsector, 2) determine suitable upgrading strategies to address the identified constraints, and 3) implement and monitor the results of relevant programs, project,s and activities that operationalize the upgrading strategies. By doing so, the ICS manages to infuse synergistic energy into the entire system comprised of enterprises, business relationships, market structures, and business environment, thus increasing the benefits that accrue to the stakeholders concerned and spreading these more equitably among all involved.

Priority National Industry Clusters

In support of the economic development agenda of the national government, the Department of Trade and Industry (DTI) is currently implementing the Industry Cluster Enhancement (ICE) Program, which traces its roots to two joint DTI – Japan International Cooperation Agency (JICA) initiatives in the past that paved the way to the eventual institutionalization of the ICS in the agency. These initiatives were the – 1) Davao Industry Cluster Capacity Enhancement Project (DICCEP), and 2) National Industry Cluster Capacity Enhancement Project (NICCEP). Building on the significant gains of the three-year NICCEP that ended in 2014, DTI mainstreamed the ICS in its regional operations work beginning 2015 via the identification and strengthening of the so-called priority National Industry Clusters (NICs). At that time, six NICs were identified, namely – 1) Cacao, 2) Coco Coir, 3) Coffee, 4) Processed Fruits and Nuts, 5) Rubber, and 6) Wearable and Homestyle (originally called Support to Tourism).

In 2016, barely a year after the provision of multi-government agencies' support to the six priority NICs, DTI reported that the NICs already surpassed their 2015 targets in terms of domestic sales and investments by 177 percent (PhP 4.532 billion) and 157 percent, respectively. Wearable and Homestyle (W&H) was among the top performing priority NICs, then posting the highest investments influx at 55 percent, followed by Cacao and Rubber at 19 percent and 16 percent, respectively. In that same year, the W&H also topped the other priority NICs with 21,072 jobs created and 7,958 MSMEs assisted.

Bamboo and Palm Oil were respectively added into the DTI's priority NICs list in 2016 and 2017.

[1] Philippine Development Plan, 2023-2028.

W&H NIC Coverage

The herculean task of writing the W&H NIC Roadmap for the medium term 2019 to 2022 began with the clarification of the 'length and breadth' of W&H in terms of its component economic sectors. This was undertaken in the 6 June 2018 meeting in Cebu City called for and presided by the DTI W&H NIC Coordinator and the DTI 7 Regional Director. In attendance were the DTI 7 technical team members and the two private sector development consultants who were engaged to prepare the said roadmap.

During the preliminary meetings on the conceptualization of the NIC, the roadmap that shall serve as blueprint for the W&H Industry is the 2019-2022 Roadmap. It is therefore necessary to review and come up with the updated Roadmap, a task mandated to the Regional Office 3 as the focal region for the W&H industry cluster.

The starting point of the clarification process was the recognition that Wearable and Homestyle represent the two main economic sectors in the W&H NIC, followed by an in-depth discussion and consensus building on what subsectors comprise each of the two W&H NIC sectors. The emergent structure of the W&H NIC, found in below table, was espoused and upheld in a Wearable focus group discussion (FGD, 27 August 2018, Cebu City), and in the series of three Validation Workshops for Wearable, Housewares and Holiday Décor, and Furniture and Furnishings sectors (respectively on 11, 12 and 13 September 2018, Cebu City).

Officially, the W& H NIC is divided into 2 major subsectors namely, (a) Wearables and (b) Homestyle subsectors. The table below illustrates these subsectors and their corresponding sub-sectors:

Exhibit 1. The Wearables & Homestyle NIC

Wearable			**Homestyle**	
Apparel	Fashion Accessories	Footwear	Housewares & Holiday Decors	Furniture & Furnishings

The firming up of the W&H NIC structure set the roadmap development journey to full speed. Immediately, the gathering, analysis and review of primary and secondary data and information were pursued through a mix of methods and techniques that included the conduct of a Wearable Survey, a Wearable FGD, three Validation Workshops (for Wearable, Housewares and Holiday Décor, and Furniture and Furnishings), existing industry roadmaps review, securing relevant statistics from appropriate bodies, and desk study all in the months of August and September 2018. The full month of October 2018 saw the organizing, processing and presentation of data and information collected; drafting of the NIC and its chapters per sector; and consolidation, packaging and finalization of the W&H NIC Roadmap 2019 to 2022. November and December 2018 were earmarked for securing stakeholders' and enabler's buy-in and approval of the Roadmap.

The Philippine Wearable and Homestyle National Industry Cluster aims to develop and promote the wearables, homestyle, furniture and furnishings subsectors in the country. Recognizing the W&H NIC's potential to contribute to the country's over-all development, the government, through the DTI, has implemented various initiatives for the cluster's promotion and development. Aside from providing financial assistance and technical support to MSMEs, the DTI has also launched programs to enhance their competitiveness through innovative technologies and sustainable practices for product development and improvement, and continues to implement capacity-building programs, market access and marketing support.

The Wearable Subsector includes the industries involved in the development and utilization of wearable technology and smart textiles in the country, including those in the fashion, health and wellness, and sports industries. Its subsectors include the Apparel, Fashion Accessories and Footwear subsectors. This Subsector reflects the Philippine government's commitment to promote innovation and technology-driven industries in the country to improve people's lives and promote sustainable development.

The Homestyle Subsector refers to the industries involved in the production and manufacturing of home textiles and other home accessories. Its subsectors include Houseware and Home Decors, as well as Furniture and Furnishings. The cluster aims to promote sustainable and eco-friendly practices to ensure its subsectors' long-term viability and competitiveness.

Significant progress has been achieved from the roadmap initiatives, through the collaborative efforts of various stakeholders, including government agencies, industry associations and private sector companies, which has enabled the industry cluster to continue to promote the growth and development of its subsectors and create a vibrant and globally competitive Wearables and Homestyle industry in the Philippines. The 2019 – 2022 Roadmap laid the groundwork and the 2023 – 2028 Roadmap shall build upon its initiatives and achievements, with focus on enhancing and improving them.

The Road to the 2019-2022 W&H NIC Roadmap

In the development of the roadmap, the DTI has undertaken pre-works including but not limited to benchmarking and competitive analysis, industry consultations and workshops, and post-works or validation. Three existing and separate industry roadmaps for Giftware and Housewares, Holiday Décor, and Furniture were reviewed, synthesized and validated in two of the above cited Validation Workshops, one for Housewares and Holiday Décor and the other for Furniture and Furnishings, in accordance with the new W&H NIC structure. Clearly, the already available roadmaps coupled with the Validation Workshops offered nearly sufficient and updated industry data and information for these two Homestyle subsectors.

In the absence of an existing industry roadmap for the Wearable sector, a Wearable survey had to be conducted, using a questionnaire specially designed for the purpose, in order to generate basic data and information about the sector. The organized, processed and resultant Wearable sector data and information were first presented in the already cited Wearable FGD, involving a small number but significant Wearable stakeholders from Luzon, Visayas and Mindanao, for validation, clarification, completion and enhancement. The FGD-enhanced Wearable data and information were then presented in the abovementioned Wearable Validation Workshop that brought together more leading Wearable sector industry players and enablers, for validation, enrichment and adoption of the Apparel, Footwear, and Fashion Accessories data and information gathered, collated, processed, and organized thus far.

The workshops were conducted to consult with and generate relevant industry data and information from leading W&H NIC private-sector players who came from all over the Philippines and government enabler agencies such as the Design Center Philippines (Design Center or DCP), the Export Marketing Bureau (EMB), Department of Science and Technology (DOST), and DTI itself.

Exhibit 2. The W&H NIC Product Lines

Product Line	Products
Fashion Accessories/Wearables	• Garments – gowns, Barong Tagalog, children's wear, jackets, shorts, duster dress, uniforms • Jewelries and fashion accessories • Bags – school bags, ladies' bags, corporate give-away bags, ecobags, laptop bags • Wallets and purses • Belts • Footwear- shoes, slippers, sandals
Furniture and Furnishings	• Tables • Chairs • Shelves • Kitchen Racks • Cabinets • Sala Set • Bedframes • Doors

Homestyle and Home Decor	• Embroidered linens – table cloths, table runners, placemats, curtains, potholders, aprons, etc.
	• Baskets
	• Ceramics – table tops and kitchenware
	• Fans
	• Decorative boxes
	  • Home decors
	  • Home lightings
	  • Pot burners
	  • Candle holders
	  • Clocks
	  • Frame stand
	  • Mirror
	  • Magazine rack
	  • Bed tray
	  • Potholder
	  • Artificial flowers

CHAPTER 2

The Global Trading Stage

This section provides a global stage perspective of the Wearable and Homestyle (W&H) sectors in terms of value, and trade. It will underscore the fact that the export market for the W&H NIC merchandise produced from its various sectors is huge and on the whole is in a positive growth path, offering a bright prospect in the global economic stage that the local WHFF NIC stakeholders can aspire to explore and exploit to their advantage.

Wearables

Fashion is one of the world's most important industries, driving a significant part of the global economy. In 2016, the industry reached a staggering $2.4 trillion in total value.[2] If it were ranked alongside individual countries' GDP, the global fashion industry would represent the world's seventh largest economy.

According to Euromonitor International, the value of the total fashion retail market, including footwear but excluding jewelry, is $1.78 trillion, a jump of 14% since its 2018 report. Apparel alone has a global retail value of $1.4 trillion and China continues to dominate as the world's largest individual apparel & footwear market ($380B), followed by the USA ($370B). In Asia, fashion sales have also steadily grown and Asia Pacific as a whole represented 37% of global apparel and footwear sales in 2018, where most growth is expected to be seen over the next five years.[3]

The global fashion industry general data in 2022 indicates a population of about 7.84 billion in 2021, and a labor force of 3,45 billion in the same year, as found in reports from Fashion United, an international B2B fashion platform.

The world market for fashion accessories is forecasted to also expand owing to the rising growth of the e-commerce market, and driven by the demand for continuous product design and innovation. An increasing demand for fashion accessories like handbags, eyewear and the likes will be seen in the light of the growing preference for high quality and branded fashion accessories across the globe. Fortune Business Insights reports that the Asia-Pacific region is poised to experience the fastest growth rate in the fashion accessories market within the next five years.

A market research arm, Grand View Research, reports that the global jewelry market is valued at $340.7B in 2022 and still expects to expand until 2030. Among continents, Asian countries generated the highest dollar worth of jewelry exports in the last few years beginning 2017, with shipments valued at USD 49.3 billion or 53.2 percent of the global total.

The global footwear industry has also been steadily growing over the last couple of years. Among continents, Asian countries accounted for the highest dollar value worth of exported leather shoes with shipments valued at USD 26.4 billion representing 50.7 percent of worldwide export sales for this commodity.

[2] The State of Fashion 2017 Report, McKinsey and Co,

[3] Euromonitor International.

Homestyle

Holiday décor for Christmas, Easter and other celebrations add color to festivities and Christmas decorations, including Christmas trees, lightings, ornaments, tinsel, flowers, and many more, get the lion share of the global market demand and enjoys brisk sales in the USA and Europe.

World trade of furniture during the last 10 years had grown faster than furniture production and consistently amounted to about 1 percent of world trade of manufactures. The fastest growing region continues to be Asia and Pacific, with North America continuing to have a favorable prospect. The global furniture market size was USD 475.4B in 2020, as reported by Fortune Business Insights, and while affected by the pandemic, it is expected to grow back and attain its stellar status.

Homestyle and Furnishing: A Global Industry on the Rise

The furniture industry is estimated to exhibit a CAGR of 5% during the forecast period of 2021-2026.

The abrupt COVID-19 epidemic, which attacked the world during the early days of 2020, has changed the face of the furniture sector on a global scale. The disruptions in the supply chain and the temporary prohibition on global trade have greatly harmed countries with heavy dependency on imports for their furniture needs. The pandemic drove roughly 58% of the world's population to transition to the stay-at-home protocol for a longer duration, which motivated customers to optimize their houses and furniture with the increase in the time they spent at home. COVID-19 also heightened the importance of minimizing the dependency on imports and enhancing automation and digitalization in the business.

Increasing expenditure on furniture items among millennials, coupled with the growing brand consciousness among them, is encouraging the industry to achieve growing sales during the study period. The huge increase in the number of e-commerce platforms that offer numerous designs and models of furniture products is speeding the expansion of the industry in emerging nations. The omnichannel distribution strategies are also helping the leading firms record greater sales in the sector.

Due to significant demand from the younger generation, important players have come up with numerous deals on their products. The growing demand for do-it-yourself (DIY) furniture goods and ready-to-assemble (RTA) is also helping the market grow further, especially in the residential and office furniture segments, thereby helping the industry record more sales throughout the globe. The growing residential and commercial construction around the globe and the increasing number of strategic alliances and partnerships are likely to boost the market's growth.

CHAPTER 3

The PH W&H NIC in Perspective

This section offers a quick overview of the country's W&H NIC.

Labor Intensive

One of the W&H NIC's contributions to the Philippine economy can be gleaned from the fact that – 1) it is a labor-intensive manufacturing industry cluster, 2) its enterprises are predominantly micro-, small- and medium-sized, and 3) the spread of its network of business operations – input provision, design and production, marketing and promotion, and distribution – is widely spread across many parts of the country including the rural areas.

All the above cited W&H NIC attributes underscore its strong capacity for job creation while alluding also to its role as payer of wages to its recruited labor.

This, in essence, makes the operation of any W&H NIC sector business in the community a potent means of bringing about a participatory and inclusive growth as it provides a sizeable number of jobs to practically anyone and everyone, including those coming from the marginalized groups, i.e. women (mostly housewives), persons with disabilities (PWD), senior citizens, out of school youths (OSYs), members of the LGBTQ community, returning overseas Filipino workers (OFWs), retirees, (mostly uneducated) urban/rural poor, farmers, fisherfolks, indigenous peoples (IPs), even ex-convicts or rebel returnees, who would wish to land on gainful jobs and establish work careers within the WHFF NIC.

Today's growing customers' demand for handcrafted, artisanal, and 'green' wearable and homestyle items has further reinforced the sectors' already high dependence on labor for producing such products. This development translates to the opening of more employment opportunities for the trainable, willing, and able to work individual members of the labor force.

MSMEs

A W&H NIC micro, small and medium enterprise typically employs 1 to 10, 11 to 30, and 31 plus direct labor, respectively. In addition, estimates have it that a W&H NIC MSME stands to create an additional 125 indirect jobs from the backward and forward linkages of the enterprise – making it a true-blue generator of jobs that is sorely needed particularly in the countryside.

Materials

The W&H NIC consumes huge amounts of materials that are either utilized in their natural or raw form, i.e. twigs, vines, shells, seeds, or animal bones, or are further processed from agricultural crops, i.e. abaca, bamboo and coconut. Once exported, these wearable and homestyle products contribute to the country's dollar earnings and reserve.

On the other hand, it should also be mentioned that the W&H NIC as a whole requires other materials, component parts or product elements that are – 1) not available locally, 2) rather costly if sourced from local suppliers, or 3) not up to the quality standard required by discriminating customers. High quality leather, metal components, and wood for respectively the footwear, fashion accessories, and furniture subsectors, easily come to mind as examples. The cost of importing these production inputs and the attendant transactional costs akin to importation as a whole, in many instances, raise the prices of locally produced goods, thus in some ways affecting their overall ability to compete in the global arena.

Promotion and Marketing

The advent of e-commerce has greatly enhanced the way W&H NIC enterprises today promote and market their products. By having websites, Facebook or other social media accounts of their own, these enterprises are discovering a smart way – cost-wise, timewise and outreach-wise – of promoting, marketing and selling products online. Others have likewise accessed e-commerce portals, i.e. Lazada, Shopee, Alibaba and the likes, to increase their online presence, achieve greater promotional mileage, and traffic more sales for their products.

An emerging but still generally untapped online promotion vehicle is vlogging. Vlogs of famous personalities, celebrities and other influencers that are tapped, among others, for endorsing products, i.e., those of the W&H NIC, hold a great deal of promise as an additional promotion and marketing tool in the emergent cyber space age.

While quite several W&H NIC operators have gone e-commerce, the greater majority are still relying on physical distribution outlets, i.e., their own stores or outlets, pasalubong centers, souvenir shops, bazaars, and trade fairs and the below mounted at the provincial, regional, national, or international fronts.

Domestic Market

The W&H NIC, as great promoter and preserver of local cultural traditions, strongly links with and supports other industries particularly the tourism, accommodation, lifestyle, and wellness sectors, to name a few. Tourism offers the NIC with at least two significant domestic markets – the foreign and local tourists themselves and the mostly tourism-related institutional buyers. The tourists' penchant for buying or splurging on wearable and gift items, 'pasalubong' and souvenir products pushes the sales up of mostly the apparel, footwear, fashion accessories, and gifts. The big need of hotels, resorts, restaurants and other tourist accommodation and dining facilities for furniture, furnishings, holiday décor, and housewares, in turn, drives purchases of these products.

Sales from the accommodation sector, comprised of the condominium, residential and mass-housing subsectors, are energized by the predominantly young but high-earning Filipino population segment's growing consciousness and preference for independence, personal statement and identity, thereby, fueling consumption of lifestyle and wellness products and services, from apparel, footwear, fashion accessories, and furniture, furnishings, housewares, to spa treatments.

At the domestic front, Metro Manila, Metro Cebu, Metro Davao and other metropolitan economic centers and tourism destinations are the biggest markets for the WHFF NIC products. Notably, these are the huge population centers and the major gateways for tourists coming to and from Luzon, the Visayas and Mindanao Island groups. The host regions of the WHFF NIC manufacturing activities are usually providing substantial local sales also to the enterprises.

Exports

In terms of exports, the United States of America (USA) and Japan are the top two destination countries of Philippine-made WHFF NIC products. This is according to the 2015 to 2017 data from the Philippine Statistics Authority (PSA) and further processed by the Export Marketing Bureau (EMB). While the two are very reliable markets, the W&H NIC stakeholders still wish to achieve the twin goals of expanding the export market to other not yet served countries while deepening their penetration into other established countries to increase market share.

Value Chain

In view of the inherent complexity of the nature of and the realities being faced by the W&H NIC stakeholders, arising, for example, from – 1) the presence of three subsectors under Wearable and Homestyle; and 2) the numerous operators involved coming from many regions in the country and employing diverse business strategies, a more straightforward yet functional W&H NIC Value Chain Map be prepared and employed to capture the W&H NIC's current and basic structure.

Five interrelated and basic functions were identified in the W&H NIC VC Map. These are: 1) Input Provision, 2) Product Development and Production, 3) Marketing and Promotion; 4) Distribution; and 5) Final Sale. Business operators behind each function include the input suppliers, product designers and makers, sales agents, domestic distributors and exporters, and the end markets.

The typical transactions among the operators connect the different operators from the input provision leading up to the final markets. The W&H NIC VC Map suggests that the prevailing business transactional relationship among the operators is generally open, quite flexible and can change from one transaction to another depending on the outcome of an active negotiation between and among the parties concerned.

The W& H Industry Cluster Background

The W&H NIC covers the twin sectors of Wearables on one hand, and Homestyle on the other, and their respective subsectors namely: Apparel, Footwear, and Fashion Accessories (for Wearables) and Housewares and Holiday Décor, and Furniture and Furnishings (for Homestyle).

The 2019 – 2022 Philippine Wearable and Homestyle Industry Cluster Roadmap was crafted to guide the players and other stakeholders of the W&H industry to follow a common development direction.

The Wearable and Homestyle (W&H) Industry Cluster Roadmap is the product of the first ever initiative to prepare a development blueprint that aims to:
1) rationalize in clear and logical terms the structural 'breadth and length' of the W&H as an NIC;
2) express the collective aspiration for a more globally competitive and inclusive W&H NIC that will benefit its stakeholders; and
3) wage a concerted and synergized action from the W&H NIC value chain operators and enablers toward the implementation of the comprehensive W&H NIC Tri-Focal Strategic Action Agenda for the period 2019 to 2022.[4]

[4] 2018 Wearable and Homestyle Industry Roadmap

The Impact to Economies:
A look into America's Fashion Industry's

Fashion is a highly complex, $2.5 trillion global enterprise. In the United States alone, consumers spent almost $380 billion on garments and footwear in 2017. The business, which encompasses everything from textile and garment brands to wholesalers, importers and retailers, employs more than 1.8 million people in the United States.

The U.S. fashion business has expanded from its beginnings in manufacturing to new high-value design and other creative employment. As with many businesses in the manufacturing sector, the United States currently emphasizes on the high-value portions of the garment global supply chain: research and development (R&D), design and marketing.

The dual forces of technology and globalization have had tremendous rippling effects in the fashion business, similar to many other industries, and has spawned new trends, difficulties and opportunities. The impacts of social media, new business models, technological manufacturing, and shifting demographics are driving to significant changes in all sectors of the fashion industry with the potential to redefine it for years to come.

CHAPTER 4

The W&H NIC Roadmap 2019 to 2022

In its determined bid to further harness its competitive advantages in design and craftsmanship and exploit its huge potential for growth – en route to achieving greater competitiveness in the world market and inclusive growth for its stakeholders, the W&H NIC embarked on a roadmap development journey in August to December 2018. Such journey was pursued amidst an exciting time in the nation's socio-economic landscape and beyond that saw the alignment of a number of 'stars' that offers, as it were, a propitious sign that portends positive vibe and good energy for the W&H NIC. The so-called 'stars' included – the fast-growing W&H global market on the whole; the steady rise and strong performance of the country's Tourism industry; the expanding real estate, property and construction sectors; the young Filipino demographics with rising income levels; the consumption-driven local market; the persistently strong performance of the economy despite the temporary setback it had to weather through during the second semester of 2018, among others. Indeed, it appears that, in more ways than one, the timing was opportune and auspicious at the same time for the crafting of the first ever W&H NIC Roadmap that is expected to provide a stronger impulse for a better coordinated W&H stakeholder in the country toward a unified direction, consolidated action, and eventual shared reaping of the gains among their ranks.

In order to inform the stakeholders on the outcomes obtained during the middle of the four-year term, identify any gaps, and organize "catch-up" activities, a virtual focused group discussion for review of the roadmap implementation was organized in April 14, 2021. During the discussion, it was found out that the W&H bottom-line accomplishments in 2019 and 2020 met and even exceeded the targets. However, compared to 2019, the accomplishment declined by roughly 50% in 2020. This decline may be attributed to the constraints experienced by the industry in that particular year. In the latter years of the roadmap, accomplishments were increased and slowly getting back on track.

The W&H stakeholders have emphasized and stated that improving the NIC's overall global competitiveness is the primary course of action for the predictable medium term, which is currently a widely acknowledged need and compelling goal. The workshop activity for creating the six-year Wearables and Homestyle Roadmap for 2023–2028 was called in order to continue giving the industry strategic direction and knowledge, which will strengthen its competitiveness and productivityfrom a global standpoint.

Specific Updates from the April 2021 Output

On the Implemented Strategies and Interventions, the following were not implemented due to budget constraints, being outdated, among others.

1. Database Development and Materials Inventory
    - *Hiring of a website developer to implement the project on the Raw Materials and Suppliers Directory (postponed due to budget constraints)*
    - *Crop-based source production, expansion and management*

2. Capacity Building and Skills Development
    - *Database of highly skilled workers and subcontractors*
    - *Integrate Capacity Development (CapDev) on Handicrafts focusing on Millennials*
    - *CapDev on Materials Manipulation*

- *CapDev (Skills Upgrading + Mgt competency development + integration of culture – e.g. in K to 12 Program, include PWDs)*
- *Capacity Building on F&F subsector relevant skills; offering of suitable TechVoc skills training; Immersion Courses for Senior High School Students in F&F companies)*
- *Social Entrepreneurship Development*

3. Market Driven and Product Design Innovation
    - *Database of highly skilled workers and subcontractors*
    - *Establishment of Design Center in the Regions*
    - *Establishment of Craft Villages/Zones*

There were specific action agenda that have no updates before the 2022 workshop, which include the following advocacy issues:

1. *Ban export of raw materials (e.g. shells, etc.)*
2. *Issues related to ease of doing business (e.g. BOC processing, procurement process of chemicals used by the industry, and the like)*
3. *High cost of power*
4. *IEC to promote the industry to generate support from policy makers, academe and the general public*
5. *Splitting the functions of DENR into a) protection of environment, and b) efficient management of the natural resources (e.g. utilization/consumption)*
6. *Recommend to NICC the proposal on the formation of a "Competitiveness Body" directly under the office of the President, to focus on addressing concerns and putting in place measures to improve competitiveness of industries*
7. *Recommend the following: a) subsidy on materials, b) expedite VAT refund, c) facilitate access to "friendly finance" sources, d) provide tax holiday incentives to non-PEZA locators*
8. *Recommend to DENR the following: a) to review their policies on importation of forest products (e.g. wood), b) to strengthen their internal communication with the regional offices so that decentralized permitting processes are strictly implemented.*
9. *Recommend to the Bureau of Plant Industry (BPI) and Bureau of Animal Industry (BAI) the proposal to review and relax their policy on importation of leather*

These were the updates and developments on the advocacy/policy and other issues reported during the workshop:

1. The Cebu Furniture Industries Foundation (CFIF) submitted several position papers regarding issues related to supply chain
2. On raw rattan shortage, the Forest Management Bureau (FMB) has not received a complaint on smuggling issue, but a memorandum has been drafted to strengthen the monitoring of harvest and transport of rattan in all DENR forest product monitoring stations
3. On ease of doing business, there is an ongoing review of the request to repeal DENR DAO 99-46 on Revised Regulations Governing the Entry and Disposition of Imported Logs, Lumber, Veneer, Plywood, Other Wood Based Panels, Poles and Piles, Pulpwood and Wood Chips.
4. On the DENR Circular 99-46 the (Wood Importation Policy): Revision of the policy is undergoing review by the FMB, in consultation with other partner

agencies
5. There is an increasing demand for furniture and furnishings subsector requires high volume of rattan poles, estimated to be at P600M annually, and if this is not addressed, the demand for rattan furniture and furnishings will not be met
6. Reported shortage of rattan because of massive smuggling out of Mindanao
7. Concern of the IP communities on the improper use or utilization of their products (i.e. prayer mat used as ordinary door mat, Tiboli tinalak used as bikini material)

The 2021-2022 Strategic Goals

The following were the strategic goals set for 2021 – 2022, with performance indicators and accomplishments summarized in below table:
1. Increase in sales by 6%* and 10%* annually in the next two years, subject to TWG approval
2. At least 30% of the MSMEs in the W&H industry cluster is on board in the various digital platforms.

Exhibit 3. Strategic Goals Set for 2021-2022

Performance Indicator	2019 Accomplishments	2020 Accomplishments	2021 Accomplishments	% Increase from 2020	Accomplishments as Nov. 2022	% Increase From 2021
Domestic Sales (in PM)	4,256.00	1,208.00	1,275.14	**5.56%**	1,537.78	**20.60%**
Exports (in US $)	253	17	25.76	**51.53%**	32.24	**25.16%**

It was noted that there is no available data on the number of MSMEs using digital platforms. The target of 30% was set during the April 2021 session thus, digitalization is a considered a new bottom line indicator that covers B2B only. As of November 2022, 66 are engaged in different B2B digital platforms under W&H.

Below table contains the Strategic Action Agenda prepared during the April 2021 Roadmap Review:

Exhibit 4. Strategic Action Agenda During the April 2021 Roadmap Review

Input Provision	Product Development + Production	Marketing + Promotion	Distribution	Market
POLICY REVIEW + ADVOCACY	R&D on Product Development + Innovation	Organization of National and Subnational Trade Fairs (physical & virtual)	Lower Logistics Cost	
Policy Dissemination Strengthening	Regional Design Center Establishment (hybrid)	Market Development + Penetration		
R&D on Material Manipulation	Designers Pool Development	Brand Development + Protection (in coordination with IPOPhil)		
Materials Mapping (digital – can DOST manage/maintain this)	Capacity Building on Relevant Skills	Market Intelligence Build up (in coordination with FTSC)		
	Continuous Product Designing and Innovation	e-Commerce + Online Marketing		
	Greening MSMEs' operation (sustainable products)	International Trade Fairs + Exhibition Participation (physical & online/hybrid)		
	Advocacy on IP (free prior & informed consent) for IPs Traditional weaving & designs	Development of a Marketing Plan (Communication Design)		
	Production Technology Acquisition	Content Development (CITEM)		
Easing up of Access to W&H NIC MSME-friendly credit and incentive packages				
W&H Business Membership Organizations (BMOs') building and strengthening				
W&H NIC Database Development (Profiling)				
Easing up of Doing Business Transactions with Government				
Creation of a National W&H Industry Cluster Council				
Enhancement of implementation of government's online transaction policy to address corruption and red tape				
Intensification of Information-Education-Communication Campaign for the W&H NIC to improve government awareness and support				
Creation of a National Competitiveness Body under the Office of the President to speed up resolution of policy, system and procedural bottlenecks to doing business such as those affecting the priority NICs				

Here are the updates and accomplishment as of 2022

Exhibit 5. End of 2022 Updates and Accomplishments

Input Provision	Product Development + Production	Marketing + Promotion	Distribution	Market
POLICY REVIEW + ADVOCACY	R&D on Product Development + Innovation	Organization of National and Subnational Trade Fairs (physical & virtual)	Lower Logistics Cost	
Policy Dissemination Strengthening	Regional Design Center Establishment (hybrid)	Market Development + Penetration		
R&D on Material Manipulation	Designers Pool Development	Brand Development + Protection (in coordination with IPOPhil)		
Materials Mapping (digital – can DOST manage/maintain this)	Capacity Building on Relevant Skills	Market Intelligence Build up (in coordination with FTSC)		
	Continuous Product Designing and Innovation	e-Commerce + Online Marketing		
	Greening MSMEs' operation (sustainable products)	International Trade Fairs + Exhibition Participation (physical & online/hybrid)		
	Advocacy on IP (free prior & informed consent) for IPs Traditional weaving & designs	Development of a Marketing Plan (Communication Design)		
	Production Technology Acquisition	Content Development (CITEM)		
Easing up of Access to W&H NIC MSME-friendly credit and incentive packages				
W&H Business Membership Organizations (BMOs') building and strengthening				
W&H NIC Database Development (Profiling)				
Easing up of Doing Business Transactions with Government				
Creation of a National W&H Industry Cluster Council				
Enhancement of implementation of government's online transaction policy to address corruption and red tape				
Intensification of Information-Education-Communication Campaign for the W&H NIC to improve government awareness and support				
Creation of a National Competitiveness Body under the Office of the President to speed up resolution of policy, system and procedural bottlenecks to doing business such as those affecting the priority NICs				

(green)	Partially or completely implemented
(light orange)	For verification/confirmation/monitoring

The Immediate Next Steps and Status

After a revisit of the goals set and determination of the accomplishments, an evaluation was necessary to identify the gaps and the way forward, documented in below table

Exhibit 6. Immediate Next Steps And Status

Next Steps	Status
1. Develop a MSME Profile template in the W & H industry cluster, distribute to regions and profiles to be sent back to NCR	1. The MSME Profile template was issued to the Regions for Profiling. As of June 2022, a total 4,526 MSMEs were profiled and submitted to NCR. (Please see table of Profiling of W&H Enterprises below)
2. Validate the goal on export and domestic sales in the next two years	2. Set Goals of a. Increase in sales by 6%* and 10%* annually in the next two years, and b. At least 30% of the MSMEs in the W&H industry cluster is on board in the various digital platforms - still subject to approval of the TWG during the transfer of NICC Function to R3.
3. Add PPAs in every Action Agenda, including the organizations taking the lead (government or private sector)	3. Accomplished
4. Organize the National W &H Industry Council	4. No existing National W&H Industry Council
5. Develop a monitoring plan	5. To be included in the Workshop Outputs

MSMEs' were effectively profiled and the table below indicates the Profiling of the W&H Assisted Enterprises:

Exhibit 7. Profiling of the W&H Assisted Enterprises

REGION	Validated Profiled MSMEs (As of 13 June 2022)	%
NCR	429	9.5%
CAR	533	11.8%
Region 1	63	1.4%
Region 2	1,013	22.4%
Region 3	212	4.7%
Region 4A	240	5.3%
Region 4B	75	1.7%
Region 5	1302	28.8%
Region 6	111	2.5%
Region 7	130	2.9%

Region 8	56	1.2%
Region 9	63	1.4%
Region 10	39	0.9%
Region 11	67	1.5%
Region 12	102	2.3%
CARAGA	91	2.0%
TOTAL	**4,526**	

The agreed ways forward during the turnover of NICC function are found in Exhibit 8:

Exhibit 8. Agreed Ways Forward During Turnover of NICC Function

Programs, Activities and Projects (PAPs)	Remarks/Agreements
INPUT PROVISION	
Coordination with BOI regarding the following concerns/activities:	
Presentation/awareness campaign on the National Footwear Roadmap. Per last TWG meeting, the pilot run will be in NCR.	NCRO is coordinating with BOI through Mr. Rommel Madronio
Printing of the National Footwear Roadmap	NCRO is coordinating with BOI through Mr. Rommel Madronio
	Initial discussion with DOST PCIERRD and PTRI was held last 15 June 2022 where they presented the project on banana peel reinforced by snake plant as raw materials for footwear
Coordination with DOST PCIERRD or PTRI regarding R&D Material Manipulation	
Coordination with BOI on the details of other updated national industry roadmaps, if any	
PRODUCT DEVELOPMENT + PRODUCTION	
Coordination with DOST PCIERRD or PTRI for their programs on R&D on Product Development + Innovation	NCRO discussed with DOST PCIERRD and PTRI about the plans on innovating coco coir as a material for the footwear. DOST advised NCRO to submit proposal with academic institution or industry group as the proponent.
Monitoring/verification of establishment/presence of Regional Design Center (Hybrid)	Initial discussion with DOST PCIERRD and PTRI was held last 15 June 2022.
Designers Pool Development	The Business of Design was conducted last 2021 in coordination with DCP. Conduct follow through activities to further capacitate the designers.
Greening of MSMEs	Include greening initiatives in the W&H PAPs. Verify accomplishment with the regions. Updates/accomplishment must be properly

	monitored and included in the regular reporting.
Production technology acquisition	Promotion of the SSF Program and other similar programs (like DOST)
Monitoring and reporting/accounting of accomplishment from other DTI programs like OTOP, SSF, etc.	Verify accomplishment with the regions. Updates/accomplishment must be properly monitored and included in the regular reporting.
MARKETING + PROMOTION	
Conducting and Monitoring of trade fairs and exhibitions	
Brand Development	Verify accomplishment with the regions. Updates/accomplishment must be properly monitored and included in the regular reporting. OTOP
E-commerce	Verify accomplishment with the regions. Updates/accomplishment must be properly monitored and included in the regular reporting. ROG/ECO
Market Intelligence Build up (in coordination with FTSC)	There is an initial discussion with Asst. Secretary Glen Peñaranda on the market matching and promotion in countries with FTSC's presence for the footwear sector. NCRO is coordinating for possible conduct of a business matching activity in Oregon. This will entail budgetary requirements of at least Php100,000.
Monitoring and coordination of Content Development (CITEM)	1st batch are mostly composed of W&H/non-food sector MSMEs. Coordinate with ICE PMU on the implementation of the activity.
Development of a Marketing Plan (Communication Design)	
CROSSCUTTING VC	
W&H NIC Database Development (Profiling)	Profiles received were validated by NCRO. However, some regions did not comply with the lacking information/discrepancies. No available budget for the development of the database/system.
Creation of a National W&H Industry Council	For clarification on the basis of creation (directive/memo/etc.)
Intensification of Information-Education-Communication Campaign for the W&H NIC to improve government awareness and support	
W&H Business Membership Organizations (BMOs') building and strengthening	

Easing up of Doing Business Transactions with Government	For endorsement/elevation/ coordination/ with the ICE National Coordinator and other relevant offices/agencies.
Enhancement of implementation of government’s online transaction policy to address corruption and red tape	
Creation of a National Competitiveness Body under the Office of the President to speed up resolution of policy, system, and procedural bottlenecks to doing priority NICs	

CHAPTER 5

The 2023-2028 W&H NIC Roadmap

This section captures the processes involved in the revisiting and review of the 2019-2022 Roadmap, in order to come up with an updated Roadmap, for the W&H Industry for the next six years, from 2023 to 2028.

A template to capture e proposed strategic direction for the next six years was circulated to the different regions, in preparation for the Road Mapping Workshop, which took place on October 13 to 14, 2022 at the Royce Hotel in Clark, Pampanga. The template was meant to be discussed and deliberated upon with the different representatives of the private sector and the DTI regional officers.

The aspirations of the NIC stakeholders for their industry cluster will be articulated in a unified and integrated National Wearables and Homestyle Industry Cluster Roadmap for 2023 to 2028.

This review of the roadmap implementation was organized with the intention of updating the stakeholders on the results achieved in the previous roadmap, assess the gaps and plan the "catch-up" activities. More than fifty participants from all the regions, including Caraga and the National Capital Region (NCR) were represented, and included DTI regional and provincial officials and focal persons, as well as private sector representatives.

The session included a discussion of the realities and challenges surrounding the W& H industry, goal setting for the next six years, and the identification of the strategies/action agenda for the next 6years.

The group activities included a revisit of the previous roadmap's goals/targets and achievements, with a reflection and discussion on what is achievable for the industry, considering current realities and constraints.

The 2023-2028 Strategic Goals

The industry shall be guided by the following strategic goals for the next 6 years:

- *Increase in export growth rate by at least 10%*
- *Increase in domestic growth rate by at least 10%*

The stakeholders were cognizant of the following realties and challenges:

1. Tourism, a major market of the W&H cluster, is very much affected by the Covid-19 pandemic.
2. The market for furniture in the US is surging, but there is a shortage of supply.
3. The traceability of supply is still a challenge.
4. There is an Increasing demand for housewares and placemats.
5. The market for footwear is down.

After the presentation of these realities and challenges, the workshop participants agreed to be guided by the Strategic Actions for the next 6 years, working around the same eight strategies developed in the initial roadmap, and identifying activities, outputs and the projecting these initially for the period 2023 to 2025. Each of the strategies will include activities, outputs, and the officers or DTI regional offices with primary responsibilities:

Strategy 1 - Improved Access to Market
Strategy 2 - Database Development & Materials Inventory
Strategy 3 - Capacity Building & Skills Development
Strategy 4 - Market Driven Product Design and Innovations
Strategy 5 - Enhanced Productivity
Strategy 6 - Improved Access to Finance
Strategy 7 - Institutional Strengthening of Collaboration & Linkages
Strategy 8 - Policy Advocacy

The strategies to be presented in the succeeding sections will be pursued to realize the growth targets, address the constraints identified, and exploit the opportunities facing the different sectors.

Strategic Action Agenda, 2023 to 2028

This section is organized according to the following sequence for Wearable, Homestyle and Home Décor, and Furniture and Furnishings:

- Bottomline Indicative Performance Indicator Targets
- Constraints and Challenges
- Strategic Action Plan

It must be noted that the Action Agenda indicated only the first half of the forecast period, and an agreement was made during the workshop that a midterm review will be conducted to assess the goals and activities and plot the way forward for the second half of the period, or from 2026-2028.

The Wearable Subsector

The DTI reported the posting in 2015 of the highest job generation from the Wearables and Homestyle with 21,072 and has assisted 7,958 MSMEs.[5] With the cluster surpassing targets from the previous roadmap, it is also poised to have the same achievements in this next forecast period.

Performance Indicator Targets

The table below presents the bottom-line **Performance Indicator Targets** the Wearable sector (PH Fashion Accessories Subsector) is setting for 2023 to 2028:

Exhibit 9. Wearable Performance Indicator Targets

Indicators	2023	2024	2025	2026	2027	2028
Jobs	8,427	8,748	10,060	10,975	11,380	13,868
Investments (PhP, million)	112.05	122.35	133.19	145.31	148.76	163.25
Exports (USD, million)	7.74	134.39	9.22	10.16	9.70	10.72

[5] Reported in the DTI BOI portal industry.gov.ph.

Domestic Sales (PhP, million)	325.72	340.54	373.58	407.85	419.10	457.50
MSMEs created	779	844	923	1,011	1,086	1,186
MSMEs assisted	5,908	6,369	6,992	7,656	8,000	8,752
Loans facilitated (PhP, million)	22.50	27.71	27.81	30.13	26.33	28.48
Trainings conducted	221	267	261	284	296	324
Beneficiaries trained	3,363	3,646	3,783	4,092	4,452	4,840
Male	250	318	297	336	365	391
Female	567	616	674	736	804	889

Wearable Constraints and Challenges

The group discussions during the workshop yielded the following constraints and challenges for the Wearable Sector:

1. The price of raw materials is fluctuating, and non-competitive.
2. There is difficulty in hiring skilled manpower for wearable-related jobs, especially for Footwear.
3. There exists some labor related issues, specifically pertaining to retention of employees/workers.
4. There are now less buyers of fashion accessories.
5. Many suppliers diverted to other businesses during and after the pandemic.
6. There is inadequate supply of some raw materials.
7. Many Wearable entrepreneurs have limited operational funds.
8. There is a need for a directory of suppliers for component parts.
9. There is a need for a directory of agencies providing trainings on Design and Craftsmanship.
10. Some businesses need assistance in procuring sewing equipment like gartering machines.
11. Cultural appropriations to IP communities
12. There are not enough available suppliers for Abaca and Pina, which must also be standardized in terms of quality and processes,

As to the opportunities, the stakeholders noted the abundance and relatively low cost of some materials still; the support of government, with focus given to the Wearable sector; the increasing demand for Wearable products, both domestically and internationally; and the growing preference for online purchasing continue to be the opportunities the sector can take advantage of. Republic Act 11032, or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 is the landmark law that will be very helpful to the sector because it will facilitate prompt resolution of government transactions which businesses need.

The Wearable Subsector Strategic Action Agenda

Under the Wearable sector, the Action Agenda Is spelled out for the eight strategies.

Strategy 1: Improved Access to Market

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Trade Fairs/ Exhibitions	Amt of Sales generated	MSMEs; DTI, attached bureaus and other concerned agencies	MSMEs; DTI, attached bureaus and other concerned agencies												
			1 Regional event per year				16				16				16
			Provincial event- 2 per year	4	10	10	8	4	10	10	8	4	10	10	8
Trainings on Digitalization	1. No. of trainings conducted; 2. Amt of Sales Generated	MSMEs, DTI	1 per region		8	8			8	8			8	8	
Onboarding to digital platforms	No. of MSMEs onboarded to digital platforms	MSMEs, DTI	1 per region		8	8			8	8			8	8	
B2B matching (domestic & export) Note: not limited to digital→ to penetrate institutional markets	No. of market matching/ linkages developed	DTI, MSMEs													
			Regions 3,4A, 5, NCR			4				4				4	
Maximize OTOP hubs/stores for product promotion & sales	1. No. of new MSMEs enrolled to OTOP hubs; 2. Amt. of sales generated	DTI, OTOP Hub partners, MSMEs													
			1 MSME per region			16				16				16	
Branding	No. of brands developed/ endorsed to IPOs	MSME, DTI, IPOPhil													
			1 MSME per region			8	8			8	8			8	8
Development of data links/ directory for market	No. of directory generated	MSME,													
			1 MSME per region			8	8			8	8			8	8
Market research	No. of market research conducted	DTI, Academe													
			1 per region				16				16				16
identification of market consolidators	No. of consolidator/s developed	MSMEs, DTI													
			1 per region			8	8			8	8			8	8

Strategy 2: Database Development and Materials Inventory

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Directory of raw materials suppliers	No. of directory of RM prepared	DTI, Academe													
			1 per region			8	8			8	8			8	8
Raw material standardization on fiber (abaca, piña, etc.)		DOST, FIDA													
			1 per region			8	8			8	8			8	8
Create a TWG to study resource mapping for complementation for raw material sustainability	1 TWG created	DTI, DOST, FIDA, TESDA, Academe, DA, DENR													
			national established				1								
			maintained								1				1

Strategy 3: Capacity Building and Skills Development

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Skills & Technology trainings (silk production, weaving (fiber & beads) designs, carving, eco-friendly finishing (samples: natural dyes)/ Consider training more youth (OSY & persons deprived w/ liberty) for sustainability- link to TESDA/ Matching of skills with persons deprived with liberty for industry production support on skills (Market-driven)	No. of skills training conducted	DTI, TESDA													
			4 per region	16	16	16	16	16	16	16	16	16	16	16	16
Design trends & forecasting	No. of design trends & forecasting conducted	DTI													
			1 per region		16				16				16		

Strategy 4: Market Driven Product Design and Innovations

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
International Exposure to design trends & technology of MSMEs/ Maximize exposure/ participation to foreign trade exhibits	No. of international exposures conducted														
			1 national			1				1				1	
Digital application, ex. Pattern making			Region 6												1
Consider mechanization of production and prepare workers for digitalization (to identify which process to mechanize)	No. of production/ process mechanized														
			identify which process to mechanize)				1								
			Study/ technology proposal								1				
			implementation												1

Strategy 5: Enhanced Productivity

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Upgrading equipment- for shoes, bags, garments/ RTW	No. of equipment upgraded/ procured	DOST SETUP; LGU													
			Region 3, 6								2				
Retooling of production workers	No. of retooling trainings conducted	DTI, TESDA, FIDA, DOST, LGU													
			1 per region				16				16				16
Establish community-based production	No. of community based production area	DTI, MSMEs													
			Region 12								1				
Big brother, small brother concept on production (tap existing production unit; subcon)	No. of matching facilitated	DTI, Big companies, MSMEs													
			1 per region				16				16				16

Strategy 6: Improved Access to Finance

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Relax requirements and ensure timely of loan applications	Generation of MSME friendly financing windows	DTI, MFIs													

Strategy 7: Institutional Strengthening of Collaboration And Linkages

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Link for Ph-Taiwan Joint Economic Cooperation (for fiber)	No. of linkage facilitated	DTI, MSMEs													
			national				1								
Engagement/ linkage with academe/ Engagement of SUCs for operational requirements- preparation of financial statements	No. of engagements with academe	DTI													
			1 per region				16				16				16
Tap big companies' CSR/ Partnership & ventures	No. of partnerships forged on investment/ joint venture														
			1 per region												16

Strategy 8: Policy Advocacy

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Require online platform/ sellers to pay taxes (China) local MSMEs cannot compete with low prices		BIR	*national*						1						
Prioritize raw materials used by MSMEs by concerned agencies for development sustainability		DTI, DENR, DA, LGUs				1				1				1	
Include in the curriculum- courses related to the industry for skills sustainability	No. of curriculum-courses developed	DepEd	*national*				1				1				1
TESDA to do industry skills mapping	No. of reports produced	TESDA	*1 per region*				1								
Mandate LGUs to procure from local suppliers (Buy Lokal Movement)	No. of EOs issued	DTI, LGUs	*national*				1								
			85% LGUs issued												

The Homestyle and Home Décor Subsector

Below are the PH Giftware, Décor, and Housewares Subsector Bottomline Indicator Targets for 2023 to 2028:

Exhibit 10. PH Giftware, Décor, and Housewares Subsector Bottomline Indicator Targets for 2023 to 2028

Indicators	2023	2024	2025	2026	2027	2028
Jobs	12,690	13,655	14,155	15,257	15,697	17,657
Investments (PhP, million)	114.06	120.92	131.76	143.73	148.77	162.43
Exports (USD, million)	11.35	117.76	13.32	14.76	14.04	15.46
Domestic Sales (PhP, million)	499.04	522.07	562.55	606.22	598.87	646.46
MSMEs created	1,196	1,232	1,405	1,524	1,626	1,764
MSMEs assisted	5,440	5,726	6,241	6,773	6,780	7,386
Loans facilitated (PhP, million)	20.71	23.67	24.60	26.73	27.03	30.38
Trainings conducted	478		550	592	619	664
Beneficiaries trained	6,848	6,952	7,782	8,483	9,155	10,026
Male	1,099	1,291	1,303	1,422	1,552	1,707
Female	2,336	2,556	2,772	3,034	3,313	3,689

Constraints and Challenges

Just like the Wearable subsector, the Homestyle and Home Decor stakeholders believe there is a need to address the following constraints and challenges:

1. Lack of available H&HD raw materials
2. Product design and development trainings in order to be able to design and produce continuously innovative and competitive products, and level up skills on material manipulation, among others.
3. Research and development support to find and access new material sources
4. Financial support

There are however opportunities which can be taken advantage of, which include the abundance of natural materials, the availability of manpower capable of making high quality products, and the growing construction and housing industry.

The HW&HD subsector takes pride in the artistic and innovative designs of the Filipino that get transformed by highly creative and skilled workers into finely crafted HW&HD products using natural materials or mixed media. The subsector can continue to produce a wide range of innovation-driven and high-quality products, and can give emphasis on green, heritage / culture, handcrafted, artisanal and upcycled products.

To achieve this end, the following measures are advanced – 1) improvement of access to materials sources both local and foreign as these are extensively used by the subsectors; 2) availability of technologies and processes to enhance manipulation of materials; 3) adoption of new technologies that will enable the MSMEs to produce more sophisticated, environment friendly and green products.

The expansion of the domestic market shall be pursued more aggressively through exposures in strategic outlets, i.e. airports and government-supported permanent display areas. This will widen the market exposure and reach of HW&HD products among the domestic and foreign buyers.

For housewares, strategic alliances with the construction industry will be forged to penetrate the consumers in the sector and to increase the market share.

Existing export markets will be maintained but volume of exports will be increased. Additionally, holiday décor manufacturer-exporters will explore other festivities, i.e., carnivals, religious and other celebrations in different countries.

The HW&HD stakeholders set a target of 10 percent increase in sales per year for 2023 to 2028. While the current Philippine Export Development Plan (PEDP) sets a 6 to 8 percent growth target for all sectors, the HW&HD stakeholders agreed to target this optimistic annual growth rate in consideration of the great opportunities that the domestic market offers, i.e. the online marketing and promotion of products that allow enterprises to reach bigger and wider markets. These and government programs and projects (e.g. DTI's OTOP Next Gen and Go Lokal Programs) can support the enterprises in the HW&HD subsector to effectively market their products.

The H&HD Strategic Action Agenda

Below is the Action Agenda for H&HD Subsector under the eight strategies:

Strategy 1: Improved Access To Market

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Organizing/Participation to Local and International Trade Fairs	No. of Trade fair conducted/ W&H MSMEs participated	DTI CITEM, ROs and POs	DTI	1	2	9	5	1	2	9	5	1	2	9	5
B2B Matching	No. of MSMEs assisted	EMB, DTI	DTI		13		13		13		13		13		1
Establishment of OTOP International Hub	No. of OTOP International established	DTI	DTI								1				1
Assistance to Online Marketing Platform/ Market Incubation (Local and International)	No. of MSMEs onboarded/ doing e-Commerce	Shopee, Lazada, eCFULFILL	DTI		21	22	22		44	43	43		65	65	65
Regional and National OTOP Hub Online (Inclusion of Online Activities - Live Corner such as Live Selling)	No. of OTOP Hub Online Amount of Sales generated	DTI	DTI		4	5	5	14				14			
Government Contract	No. of MSMEs engaged	DTI	DTI		21	22	22		44	43	43		65	65	65
OTOP Hub Visual Merchandising	Sales Generated	DTI	DTI		13		1		13		1		13		1

Strategy 2: Database Development And Materials Inventory

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Database for Profiling of MSMEs and Monitoring	No. of Database Created/ No. of Profile W&H MSMEs	DTI	DTI		13	1		14	14	14	14	14	14	14	14
Directory of Suppliers and Monitoring	No. of Suppliers	DTI	DTI		13	1		14	14	14	14	14	14	14	14
Job/Skills Connect and Monitoring	Jobs Generated	DTI/DOLE	DTI/ DOLE			13		14	14	14	14	14	14	14	14
Directory of Industry Experts / Trainers and Monitoring	Directory of Experts /Trainers	DTI / PhilFIDA/	DTI		13		1	14	14	14	14	14	14	14	14

Strategy 3: Capacity Building And Skills Development

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Conduct of ToT for Local W&H Designers and Stakeholders	No. of Trainings Conducted No. of Beneficiaries trained	DTI	DTI		1 39				1 39				1 39		
Preservation and Finishing Technique on Handicraft Products	No. of MSMEs assisted Beneficiaries trained	DTI	DTI		21	22	22		44	43	43		65	65	65
Export Freight Preparation, Facilitation and Procedures	Exporters assisted	DTI EMB. ROG	DTI			13			13	13	13		21	22	21
Technology-transfer for second liners	Second liner beneficiaries trained	DTI/ Private	DTI			13				13				13	
Skills Training/Upgrading	Beneficiaries Trained	DTI	DTI				195				390			975	

Strategy 4: Market Driven Product Design And Innovations

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
IP Rights: Trademark and Copyrights	No. of Trademark and Copyright Registered	DTI/IPO	DTI				26				39				52
Research and Development activities on **material manipulation** as fundamental waste and recycling management method	No. of R&D Developed/adapted	DTI, PhilFIDA, DOST-PTRI and PAGRO	DTI ROG			1			1	1			1	1	
Partnership with Association of Designers during Fashion Summits and Events for product development	No of. Product developed	DTI, DCP	DTI				1				1				1
Product Development (including cultural styles and appropriation)	No. of Prototypes developed	DTI	DTI				26				39				52
Provision of Packaging and Labeling for H&W IC	Improved/New Packaging and Labelling	DTI	DTI				26				39				52

Strategy 5: Enhanced Productivity

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Productivity Enhancement Training	Beneficiaries Trained	DTI	DTI						44	43	43		65	65	65
Appropriate Technology Assistance	Beneficiaries approved	DTI/DOST/ IPO	DTI/ DOST/ IPO								1				1
R&D for development of technologies in the production process	R&D adapted in production process	DTI	DTI		1			1	1						
W&H Appreciation through a Study Mission and Benchmarking Activities	MSME Capacitated	DTI	DTI			1		3	5	5					

Strategy 6: Improved Access To Finance

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Loan Facilitation to SB Corp	Loan Amounts Granted	DTI/ SBCorp	DTI/ SBCorp				100 .46				121 .56				132 .76
Financial Forum	Beneficiaries participated	DTI/ NC/ Banks	DTI/ NC		13				13				13		
Participation to LGU initiated microfinance projects (i.e provincial microfinance unit-R10)	Beneficiaries participated	DTI/ LGUs	DTI/ LGUs						13				13		

Strategy 7: Institutional Strengthening Of Collaboration And Linkages

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Regular Meeting/ Strategic Planning with the industry stakeholders	Meetings/ Plans conducted	DTI/ Stakeholders	DTI	13	13	13	13	13	13	13	13	13	13	13	13
IC Value Chain Analysis	New Products	DTI/ Concerned Agencies	DTI		1				1				1		
Quarterly Advocacy Meetings/ Focus Group Discussions	Meetings/ Advocacies conducted	DTI/ Stakeholders	DTI	13	13	13	13	13	13	13	13	13	13	13	13
Industry Cluster Year-End Assessment	Accomplishmen t	DTI	DTI				1				1				1

Strategy 8: Policy Advocacy

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Strengthening the Buy Lokal Go Lokal Ordinance in the National Level	Sales Generated	DTI/ LGUs	DTI/ LGUs		1										
Requiring LGU to purchase local products (tokens & corporate giveaways)	Ordinance in force	DTI/ LGUs	DTI/ LGUs				1								
Allocate Support Funds for ProDev and material manipulation	Products Developed	DTI/ LGUs	DTI/ LGUs								13				
Coordination with NGAs concerned with natural raw materials (exit)	Jobs and Sales Generated	NGA/LGUs	NGA/LGUs		13										
Provide incentive for companies engaged in sustainable practices	No. of Companies Engaged	DTI/ Private Sector	DTI							1					

The Furniture and Furnishings Subsector

F&F Performance Indicator Targets

The table below presents the bottom line Performance indicator Targets the Furniture and Furnishings sector is setting for 2023 to 2028:

Exhibit 11. F&F Bottom Line Performance Indicator Targets

Indicators	2023	2024	2025	2026	2027	2028
Jobs	10,766	11,746	12,786	13,892	14,912	13,988
Investments (PhP, million)	206.68	226.23	249.11	273.67	298.07	324.95
Exports (USD, million)	10.25	76.24	12.35	13.57	14.26	15.70
Domestic Sales (PhP, million)	540.79	590.22	642.33	700.21	733.39	797.42
MSMEs created	1,106	1,188	1,231	1,348	1,446	1,568
MSMEs assisted	3,947	4,184	4,578	4,993	5,183	5,652
Loans facilitated (PhP, million)	22.06	26.54	26.73	29.14	33.12	36.02
Trainings conducted	167	203	195	217	234	256
Beneficiaries trained	3,059	3,145	3,387	3,700	4,051	4,401
Male	790	1,006	931	1,021	1,112	1,202
Female	863	919	1,006	1,052	1,150	1,250

F&F Constraints and Challenges

The F& F subsector considers the following as the constraints and challenges besetting the subsector:

1. Lack of suppliers of raw materials and substitutes (including temporary suspension of processing of permits and regulations on the cutting of trees)

2. Low appreciation of producers on the new designs/ mixed media

3. Difficulty in filing VAT refund applications thus, there is a need to amend Revenue Memorandum Order 47-2020

4. High cost of raw materials due to the log ban, in part a consequence of the lack of awareness of legislators on the contribution of the industry to the economy

5. Insufficient support of the government in the marketing and promotion of the industry

6. High cost of products due to high delivery costs, because of poor transportation infrastructure

7. Lack of structured furniture design education

8. Limited access to designers

9. MSMEs lack updates on trends, and on the use of alternative, eco-friendly and other materials. and thus they retain old designs

Some of these constraints and challenges were already mentioned in the previous roadmap, like high cost of raw materials due to the poor transportation infrastructure and the need for greater government support in the promotional efforts of the industry. The Philippine Development Plan 2023-2028 also incorporates the development of strategies to intensify support through the provision of common service facilities, marketing assistance and providing more platforms for collaboration.

The F&F Strategic Action Agenda

Following the eight strategies, the Action Agenda for the F&F subsector is as indicated.

Strategy 1: Improved Access To Market

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Digital onboarding	No. of MSMEs doing E-commerce	DTI POs	DTI ROG				26		26		26		26		26
Subsidy for international trade fairs and missions	No. of MSMEs partially subsidized	DTI CITEM	DTI ROG			5			5					5	
Linkage with real estate developers for supply of f&f	No. of business matching conducted	DTI BDT	DTI ROG			13		13		13		13		13	
Establish more OTOP Hubs	No. of OTOP Hubs established	DTI POs	DTI ROG					6				10			
B2G promotion	No. of MSMEs registered for B2G promotion	DTI POs	DTI ROG		130	130	130	130	130	130	130	130	130	130	130
Buy Local advocacy	No. of LGUs NGAs adapting Buy Local ordinance or E.O.	DTI POs LGUs NGAs	DTI ROG			20		20		20		20		20	
Big brother and Small brother partnership	No. of businesses matched	DTI POs LGUs NGAs	DTI ROG		20		20		20		20		20		20

Strategy 2: Database Development And Materials Inventory

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Raw materials inventory and mapping (digital)	No. of database established and maintained	DTI POs Academe DOST DENR DA LGUs	DTI ROG				13								
MSME database development through profiling	No. of MSMEs profiled and digitally encoded	DTI POs	DTI ROG				1				1				1
Mapping of alternative raw materials for F&F	No. of database established	DTI POs Academe DOST	DTI ROG					1							

Strategy 3: Capacity Building And Skills Development

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Technology transfer (IKEA type items)	No. of capacity building conducted	DTI Pos DOST TESDA DCP	DTI ROG					13				13			
Synchronize skills development program with TESDA, DOST and DEPEd	No. of synchronized plans implemented	DTI POS TESDA DOST DEPEd	DTI ROG				1				1				1
Strengthening and systems improvement on the FABLAB operations	No. of FABLABs strengthened	DTI POs LGUs DOST Academe	DTI ROG			1				1					

Strategy 4: Market Driven Product Design And Innovations

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Organize and capacitate local designers pool	No. of local designers pool organized	DTI ROs Academe DOST TESDA	DTI ROG				13				13				13
Establish regional design centers (clustered)	No. of project proposals prepared and submitted	DTI ROs RDC LGUs	DTI ROG			13									
Tie-up educational institutions with MSMEs for design services	No. of MOAs forged and implemented	DTI Ros CHED/DEPEd TESDA	DTI ROG			5				10				15	

Strategy 5: Enhanced Productivity

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Synchronization of PPAs on innovation, technology and skills development	Institutionalized partnership through PSMEDC (R & P)	DTI RO, PO DOST TESDA	DTI ROG				13				13				13
Adoption of green technologies	No. of green technologies adopted	DTI POs DOST	DTI ROG			1				1				1	
Implement TQM (e.g. 7S, Kaizen, TQM)	No. of capacity development conducted	DTI POs DOST	DTI ROG				6				6				
Technology transfer through SSF and innovation centers	No. of SSF maintained and innovation centers established	DTI POs DOST	DTI ROG				1								

Strategy 6: Improved Access To Finance

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Info dissemination to furniture MSMEs on available financing programs	No. of furniture MSMEs who availed of financing programs	DTI POs	DTI ROG				39				39				39

Strategy 7: Institutional Strengthening of Collaboration And Linkages

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Creation of the National W&H Industry Cluster Council	1 National W&H Industry Cluster Council	DTI ROG	DTI ROG			1									
Engage/involve furniture associations in policy and program development	No. of policies/programs adapted and implemented	DTI ROG	DTI ROG				2				2				2

Strategy 8: Policy Advocacy

Activities	Outputs	OPR		2023				2024				2025			
		Implementing	Monitoring	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Review of the Export Development Act	Subsequent amendment or enactment of a new act enhancing the competitiveness of exporters	DTI ROG	DTI ROG					1							
Creation of the inter-agency Investment promotion coordination committee under R.A. 11647	Position paper to prioritize the creation of the inter-agency Investment promotion coordination committee under R.A. 11647	DTI ROG	DTI ROG			1									

CHAPTER 6

Summary of Recommendations

The direction has been set and It is clear from the discussions during the Road Mapping Workshop that the W&H stakeholders are ready to take the reins towards achieving the goals of the cluster.

The activities cannot be any more concrete than those that have been planned, and the outputs clearly determined. The eight strategies, from improving access to market, to developing a database or inventory of resources, building capacities and developing stakeholder skills, giving more focus on market-driven design and innovation, enhancing productivity, providing an improved access to finance for the stakeholders, institutional linkages, and advocating policies applicable and beneficial to the stakeholders, the aspirations are now more clearly identified and targeted, not to mention easily monitored.

It is recommended though that a more frequent gathering of stakeholders be organized to monitor and assess accomplishments. This will also allow for a more dynamic process of adapting to technological changes and trends across the different sectors.

Another recommendation is to identify and assign key persons from DTI or from the private sector to be point or focal persons, so that stakeholders can look to specific individuals, and not just offiices, for guidance in the processes and procedures.

In terms of products, we can expect the W&H NIC sectors to continue to produce their respective long-established product lines, with some comfortable margins for changes in terms of production volume in response to actual demand, the more innovative use of already available materials, or possible product innovations in the wearable, homestyle, furniture and furnishing subsectors.

In terms of markets, the W&H sectors are better inspired now to more aggressively expand their efforts in countries which are yet to be open, and to penetrate these markets to increase the market share for W&H NIC products.

With the recent Philippine Development Plan's approval, the promotion of trade and investments will definitely improve the competitiveness of domestic industries, increase the demand for Philippine products and generate more jobs. The W&H cluster has already planned for the specific PAPs that will create more markets and distribution outlets and regional, provincial, city and municipal gateways and hubs for W&H NIC products. The planned product development and innovation efforts for markets which are high in number and income capacities will certainly be a boost. Building the capacities of W&H stakeholders on the use of digital-enabled promotion and marketing platforms will add much value to the industry cluster.

For 2023 to 2028, the W&H sector stakeholders set their domestic sales growth target at 10 percent based largely on the collective performance in the previous roadmap, their appreciation of the government's renewed support to the subsector, and the DTI-Regional Operations Group (ROG) efforts to assist MSMEs. Export target was placed at 10 percent in consideration of the 2018 to 2022 Philippine Export Development Plan's target of 6 to 8 percent for all sectors, which was successfully achieved.

For the Furniture and Furnishings subsector, this W&H NIC Roadmap 2023 to 2028 adopts an average of 10 percent annual growth target for export by way of support to the set PEDP 6 to 8 percent target for the period. The COVID-19 pandemic unfortunately reset many of the targets in some of the industry clusters but renewed efforts are positively contributing to the bouncing back of business.

The W&H NIC sectors' stakeholders realize the need to significantly raise the overall competitiveness of the entire national industry cluster to sustain gainful operations and heighten capacity to compete particularly in the global market. And they only have to unleash their strengths to achieve this, their superior design capability and superior craftsmanship, This will by and large help upgrade the entire WHFF NIC Value Chain.

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