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## DTI reports key accomplishments for 2018



*Department of Trade and Industry (DTI) Secretary Ramon M. Lopez presents the Department's 2018 accomplishment report and 2019 outlooks in front of the media during the DTI-Wide Press Conference at the Makati Diamond Residences, Makati City on 11 January 2019.*

Manufacturing in 2018 remains one of the main drivers of the Philippine economy, growing 5.7% on the average for the first three quarters of the year contributing most of the GDP growth of 6.3%. This was reported by **Department of Trade and Industry (DTI) Secretary Ramon M. Lopez** during the DTI-Wide Press Conference in Makati Diamond Residence, Makati City, on 11 January 2019.

During the previous year, the Department was able to secure investments in expanding and deepening industrial capabilities in steel, cement, petrochemical and plastics, auto, sugar milling, among others.

The Philippine Board of Investments (BOI), meanwhile, doubled its average investments from P380B (2010-2016) to P766B (2017-2018) with the P915B investment approvals in 2018 (48% year over year).

Most of these investments came from the Presidential Visits to India, China, Singapore, South Korea, Israel, and Jordan which generated USD28.89B and projected employment of 477,000.

At the same time, the net inflow of foreign direct investment (FDI) grew at 24.2%. The Philippine Economic Zone Authority (PEZA) also approved 55 ecozone projects resulting in P68.14B committed investments and 733,479 direct employments.

The Trade Chief also reported the country's total external trade in goods which was up by 8.8% from 2017 while the import of goods was up by 15.8%.

*"We reported a record-level investment growth of approved investment for the BOI. This is 48% growth over the previous years which mean more jobs and more business opportunities. A big chunk of it is going to manufacturing. We need investments in manufacturing to create the capacity we need for exports and import substitution,"* says Sec. Lopez.

The market access for Philippine products was also enhanced through an increased utilization of the Generalized System of Preferences (GSP) both in the United States and the European Union.

In automotive development, programs such as the Comprehensive Automotive Resurgence Strategy (CARS) Program, Manufacturing Resurgence Program, Roadmap Localization, Greening Manufacturing, Manufacturing Summit, Inclusive Innovation Conference, and Filipinovation & Entrepreneurship Roadmap Workshops were conducted to make the Philippines a manufacturing hub. Regulations were also finalized in order to provide internationally-recognized certification for the skills of Filipinos.

*"For 2018, the first three quarters, we hit over 6% growth and we're the second when it comes to Southeast Asia, performing 6.3% year to date. This growth rate is backed up by important robust sectors that are preparing us for the future. It's the investment and the government spending really pulling up the growth. Government spending is 13.1% on infrastructures and projects. We are seeing also the manufacturing industry really pulling up the growth. The whole manufacturing construction hit 5.7% this year and we see this going further,"* says Sec. Lopez.

DTI pushed forth the entrepreneurial revolution in the countryside with the boost of registered enterprises from 900,000 last year to 1.39 million this year due to programs for the micro, small, and medium enterprises (MSMEs).

Another milestone is the establishment of 1,049 *Negosyo* Centers nationwide. These centers were able to conduct 15,095 skills and managerial/entrepreneurship training among 345,982 participants.

Other MSME programs that took center stage were the *Kapatid* Mentor ME (KMME) Program that was able to assist 2,358 graduates.

*Negosyo* Center was able to render 911,178 services to 821,771 clients as DTI continues to provide business ideas, from traditional enterprises to direct selling and franchising, to help entrepreneurs get into business.

Some 51,901 Barangay Micro Business Enterprises (BMBEs) were also registered and P454.1M loans were approved for the 8,047 MSMEs who availed loans.

The *Pondo sa Pagbabago at Pag-asenso* (P3), on the other hand, was able to offer a maximum interest rate of 2.5% with no monthly collateral. There are now 290 partner micro-finance institutions in 73 provinces and P1.8B loans were released nationwide for the 43,164 beneficiaries.

The One Town One Product (OTOP) Next Gen Project, which now has 11 OTOP PH Hubs established, was able to assist 7,647 MSMEs and developed/improved 5,465 products which generated P833.82M sales. *Go Lokal!* now has 102 stores nationwide with 347 registered suppliers that generated P65M sales.

Another breakthrough project for the year 2018 was the Pack! *Pinas* Roadshow wherein MSMEs learned to improve the packaging of their products in order to be more competitive in domestic and international markets. The project held three roadshows throughout the country, specifically in Tacloban, Cagayan de Oro, and Cavite.

*“What’s important is the product development part of it, the assistance to MSMEs. 5,465 products were developed and improved. When they improve and really level up their products, they can also be featured in Go Lokal! because they are partnered with the private sectors. We’ve had many success stories where from mainstream market, MSMEs are now carried by big grocery stores with no listing fee,” says Sec. Lopez.*

Under the Competitiveness and Ease of Doing Business, the approval of the Ease of Doing Business and Efficient Government Service Delivery Act (Republic Act No. 11032 or Ease of Doing Business Law) would make the process of putting up and running a business in the country easier and more efficient. The Competitiveness Bureau (CB) became the Temporary Secretariat to the Anti-Red Tape Authority (ARTA). The Department was also able to conduct 16 regional roadshows regarding ARTA, specifically in Baguio City, Butuan City, Cagayan de Oro City, CALABARZON, Cebu City, Davao City, General Santos City, Iloilo City, La Union City, Legazpi City, Pampanga, Tacloban City, Tuguegarao City, Zamboanga City, Mindoro, and Cordillera.

There were continuous improvements in the country’s competitiveness this year with a 6.3% Gross Domestic Product (GDP) growth and 57.68% Ease of Doing Business (EODB) score. The global competitiveness ranking also rose from 68<sup>th</sup> to 56<sup>th</sup> according to the World Economic Forum (WEF).

Business Name Registration for 2018 grew by 10%, from 528,714 to 580,739. The Cities and Municipalities and Competitiveness Index (CMCI) has 91% completion rate where they ranked 1,508 Local Government Units (LGUs), and gave 75 awards.

*“To push for the competitiveness forward, DTI held its first Logistics Summit to hammer down the requirements to lower the cost and address the problems in the transport system and infrastructure that facilitates the flow of goods and services through an efficient logistics service,”* the Trade Chief said.

Consumer protection was put into high gear as DTI implemented the following price stabilization and inflation mitigating strategies:

- *Presyong Risonable Dapat* (PRD) – to provide consumer access to affordable rice and sugar;
- Assisted the Department of Agriculture (DA) in setting Suggested Retail Prices (SRP) and price monitoring agricultural products;
- SRP was also expanded from 161 stock keeping units to 241;
- Producer-2-Consumer (P2C) and *Tulong sa Bayan* or Market on Wheels Program – to provide direct access to agricultural and manufactured Basic Necessities and Price Commodities (BNPCs) which generated P16.2M sales;
- Secured a hold-off prices for BNPCs for three months to ensure price stability; and
- Installed Institutionalized Consumer Care which includes a toll-free hotline: 1-DTI (1-384) and email [consumercare@dti.gov.ph](mailto:consumercare@dti.gov.ph).

*“We have these prices now of P38/kilo and below for the basic commercial rice and the P50/kilo or below for sugar. We're continuing with the P2C to help the producers. We also settled almost 95% consumer complaints and their queries are resolved immediately,”* said Sec. Lopez.

The Consumer Protection Group (CPG) was also able to resolve 94.87% consumer complaints and concerns within prescribed time. 263 out of 360 Promulgated Philippine National Standards (PNS) were also harmonized to International Standards including 6 homegrown PNS.

On the outlook for 2019, Sec. Lopez said that the Department will create more excitement by pushing the 48% growth in investment approvals to increase to at least 10% more this year which will be P1T. Imports and exports will also be closely monitored. The Department will also foster industrial policy that will support trade policy and will push the export growth of the country. It will also address trade related issues that affect our exports, both agriculture and non-agriculture.

*“We will continue to push for growth in the manufacturing sectors. We will also address the trade related issues with analysis of the non-tariff barriers on our export market. We also want to mainstream MSME brands not only in local stores but Filipino community stores in other countries. We are also now negotiating better tariff rates for our products to improve its market access,”* he said.

DTI will also continue to expand and strengthen the regional ecosystem for MSMEs in design and product development services and trade training and certificate program. The Department will also continue to advocate the mainstreaming of MSME brands in local and overseas retail markets through *Go Lokal!* and overseas consumer markets.

For the Regional Operations Group (ROG), DTI will further strengthen its *Kapatid* Mentor ME (KMME) program by launching 112 batches of mentees. The OTOP Next Gen will improve its compliance of MSMEs to local/international certification to market access. The Department will also continue the conduct of trade fairs in local and international venues. There will be an additional Php1.5B budget to the *Pondo sa Pagbabago at Pag-aseño* and 261 SSFs will be established from the 2018 SSF Funds.

The Competitiveness and Ease of Doing Business will roll out the Philippine Construction Industry Roadmap 2020-2030 and will apply full implementation of the Ease of Doing Business Act this 2019. The CIAP Document 102, on the other hand, will be part of the Philippine National Standards and will be included in the Construction Performance Evaluation System Trainings.

Finally, to strengthen consumer protection, DTI will work with the Congress to amend the following laws: Consumer Act of the Philippines, Price Act, and Standards Law. A Consumer Corner will also be installed in major retail stores nationwide and there will be a conduct of Consumer Congress and Consumer Roadshow.