



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'22 AUG -8 A10 :35

RECEIVED BY:

SENATE
P.S. Res. No. 103

Introduced by Senator Grace Poe

RESOLUTION

URGING THE APPROPRIATE SENATE COMMITTEE/S TO CONDUCT AN INQUIRY, IN AID OF LEGISLATION, ON THE IMPLEMENTATION OF REPUBLIC ACT NO. 9290, OTHERWISE KNOWN AS THE "FOOTWEAR, LEATHER GOODS AND TANNERY INDUSTRIES DEVELOPMENT ACT", AND TO PROPOSE AMENDMENTS THERETO WITH THE END-GOAL OF REVIVING THE FOOTWEAR, LEATHER GOODS AND TANNERY INDUSTRIES IN THE PHILIPPINES

1 WHEREAS, Section 19, Article 2 of the 1987 Philippine Constitution directs the
2 State to develop a self-reliant and independent national economy effectively controlled
3 by Filipinos;

4 WHEREAS, Section 1, Article 13 of the Constitution further directs the State to
5 promote industrialization and full employment through industries that make full of
6 efficient use of human and natural resources, and which are competitive in both domestic
7 and foreign markets;

8 WHEREAS, pursuant to the above Constitutional mandates, Republic Act No. 9290,
9 otherwise known as the "Footwear, Leather Goods and Tannery Industries Development
10 Act", was enacted into law on 15 April 2004;

11 WHEREAS, R.A. No. 9290 declares it a policy of the State to support, promote and
12 encourage the growth and development of the small and medium scale enterprises
13 (SMEs) belonging to the footwear, leather goods and tannery industries due to their
14 potential to generate employment through their integrated development, and increase
15 the country's foreign exchange earnings through exports and import substitutes;

1 WHEREAS, the Philippines was once home to a vibrant footwear industry, with
2 such established local brands as Elpo, Gregg, Mighty Kid, and Kaypee, and was a major
3 production hub for internationally-recognized brands¹;

4 WHEREAS, at its peak, the Philippine footwear industry was producing up to 65
5 million pairs, employed 6,000 workers in nearly 2,000 establishments, and contributed
6 up to \$60 million in earnings²;

7 WHEREAS, the core of the footwear industry was the City of Marikina- which is
8 known until today as the "Shoe Capital of the Philippines" – although the industry also
9 had nodes in other locations such as Carcar City, Cebu³, and had economic linkages to
10 the leather tanning industry in Central Luzon⁴, particularly in Meycauayan, Bulacan⁵;

11 WHEREAS, the Philippine footwear – and by extension, the leather and tannery
12 industry – has been in an irreversible decline due to the liberalization of retail trade, as
13 Filipino shoemakers were unable to compete with the glut of cheap imports⁶;

14 WHEREAS, the footwear, leather goods and tannery industries were also severely
15 affected by the COVID-19 pandemic, as their gross value added (GVA) receded by 90%
16 during that period⁷;

17 WHEREAS, according to the Philippine Statistics Authority (PSA), there are only
18 194 establishments in the Philippines in the industries of tanning and dressing of leather,
19 manufacture of luggage and handbags, and manufacture of footwear⁸;

¹ "Vintage Filipino Shoe Brands That We Miss" *Esquire Philippines* (13 October 2017). Retrieved from <https://www.esquiremag.ph/culture/lifestyle/vintage-filipino-shoe-brands-that-we-miss-a00203-20171013>

² Rosalinda Pineda-Ofreneo, "Philippine Footwear Goes Export-Oriented," *World Bulletin: Bulletin of the International Studies of the Philippines* 1, no. 3-4 (May-August 1985): 95-102.

³ Dino, M. "Shoemaking in a Central Philippine City: A Disappearing Tradition?" *Social Transformations: Journal of the Global South*. 8(2):259. DOI: 10.13185/3384

⁴ Scott, A. J. "The Shoe Industry of Marikina City, Philippines: A developing-cluster in crisis" *Kasarinlan: Philippine Journal of Third World Studies*. Vol 20, No 2 (2005). Retrieved from: <https://www.journals.upd.edu.ph/index.php/kasarinlan/article/view/435>

⁵ Navarro, N. "Lost opportunities" *The Philippine Star* (09 June, 2013). Retrieved from <https://www.philstar.com/lifestyle/sunday-life/2013/06/09/951660/lost-opportunities>

⁶ *Op. Cit.* See also Tanchuco, J. "Liberalization and the Value Chain Upgrading Imperative: The Case of the Marikina Footwear Industry" *Forging a New Philippine Foreign Policy* (2005). and Mutuc, J.E. "Exploring the Decline of the Marikina Shoe Industry using a SystemDynamics Model" *Journal of Global Business*. Vol. 9, Issue 1 (2020).

⁷ Habito, C. H. "Anatomy of a recession" *The Philippine Daily Inquirer* (11 August 2020). Retrieved from <https://opinion.inquirer.net/132593/anatomy-of-a-recession>

⁸ Philippine Statistics Authority (PSA). 2019 Annual Survey of Philippine Business and Industry (ASPBI).

1 WHEREAS, said establishments employ around 26,500 individuals, and generates
2 nearly Php 17.52 billion of revenues;

3 NOW THEREFORE BE IT RESOLVED, as it is hereby resolved by the Senate of the
4 Philippines, to urge the appropriate Senate Committee/s to conduct an inquiry, in aid of
5 legislation, on the implementation of Republic Act No. 9290, otherwise known as the
6 "Footwear, Leather Goods and Tannery Industries Development Act", and to propose
7 amendments thereto with the end-goal of reviving the footwear, leather goods and
8 tannery industries in the Philippines.

Adopted,



GRACE POE