

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



'22 JUL -7 P2 :20

SENATE
S. B. No. 90

RECEIVED BY

Introduced by Senator SONNY ANGARA

AN ACT
TO DEVELOP EXPORTS AS A KEY TO ACCELERATING ECONOMIC GROWTH
AND ENHANCING THE GLOBAL COMPETITIVENESS OF PHILIPPINE
PRODUCTS AND SERVICES, THEREBY AMENDING REPUBLIC ACT NO. 7844
OTHERWISE KNOWN AS THE EXPORT DEVELOPMENT ACT OF 1994, AND
FOR OTHER PURPOSES

EXPLANATORY NOTE

Export-driven growth remains an economic model that developing countries have tried to emulate. This is understandable considering that, as noted economist Dani Rodrik pointed out¹, several of the documented growth miracles of the 20th century—including that of Taiwan and South Korea in the 1960s; Malaysia, Thailand, and Singapore in the 1970s; China in the 1980s, and India in the 1990s—all involved in one way or another the development of competitive export industries.

Throughout many administrations, the Philippines has attempted to boost its export performance as a pillar for pursuing economic growth and development. Our efforts toward this end reached a milestone when Republic Act 7844 or the Export Development Act (EDA) was signed into law in 1994. The salient features of the EDA include the formulation of a three-year rolling Philippine Export Development Plan (PEDP) which shall be form part of the Philippine Development Plan (PDP) of the administration; institutionalization of the Export Development Council (EDC); the provision of incentives to exporters; among many others.

Some measure of success has been achieved since then, particularly with electronics and semiconductors, and then later on, with services given the boom of the

¹ <https://www.project-syndicate.org/commentary/is-export-led-growth-pass>

Information Technology and Business Process Outsourcing (IT-BPO) industry. In fact, as a November 2021 International Trade Centre (ITC) assessment of the Philippines underscores², our exports in goods increased by 24% in the decade prior to 2020 where the value of products traded reached US\$64 billion. But where our growth rate bested those of the large exporters of ASEAN such as Malaysia, Thailand, and Indonesia, it pales in comparison to the 382-percent increase that Vietnam experienced during the same period, where from fifth it became 2nd in the region. To date, the Philippines stands as the 6th largest exporter in Southeast Asia.

One possible explanation for this middling performance is that our exports are not as diversified as those of our neighbors in the region. The same ITC assessment³ affirms this, saying that in terms of product diversification, the Philippines is only 8th (out of 10) in the region. Where in 2020, our exports covered some 2,800 product lines, Vietnam's and Indonesia's reached more than 4,000. Furthermore, according to 2020 UNCTAD data⁴, ICT goods—including electrical machinery products, integrated circuits, and semiconductors—comprised nearly 50 percent of all our exported goods.

Not only have our exports not diversified through the years, they have also not gained sophistication and complexity. A 2019 Philippine Institute for Development Studies (PIDS) report⁵ found that from 1995 to 2014, the average sophistication of the country's export basket barely improved and has remained lower than the world average. In short, the country has not been able to offer much value-added in terms of its exports.

What's unfortunate is that according to the ITC assessment⁶, the Philippines has an unrealized export potential worth US\$49 billion. This only underscores the imperative to revisit the country's existing policies with regards to export development. Hence, the foregoing measure aims to update some provisions of the EDA.

Some amendments include the establishment of a seed capital fund to which

² <https://tradebriefs.intracen.org/2021/11/special-topic>

³ <https://tradebriefs.intracen.org/2021/11/special-topic>

⁴ <https://unctadstat.unctad.org/CountryProfile/GeneralProfile/en-GB/608/index.html>

⁵ <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsrp1906.pdf>

⁶ <https://tradebriefs.intracen.org/2021/11/special-topic>

the public and private sector can contribute to cover export promotions activities and other operational expenses of the EDC. It also mandates the creation of export green lane facilities in relevant government agencies such as the Bureau of Customs and the Food and Drug Administration. In addition, the measure also dispenses with all inspection, commodity, and export clearances, barring certain conditions.

A more robust, agile, and targeted export policy framework appears to be needed so that the country can produce and export more diverse and sophisticated products and services. In fact, as Harvard economist Dr. Ricardo Hausmann once argued⁷, countries who are generally successful in pursuing economic growth and development tend to be those who are able to make the transition from having an export basket that is technologically simple and involves fewer industries to one that involves a greater number of industries that are increasingly complex. In a 2015 article⁸, Hausmann cited the case of Thailand (identified earlier as one of ASEAN's growth miracles) where in 1963, 97 percent of its export basket was composed of rice, rubber, tin, jute and other agricultural and mineral products. By 2013, these products accounted for only 20 percent of the total, whereas machinery and chemicals represented 56 percent.

For the Philippines to make a similar transition, strategic investments in capacity-building, infrastructure, and technology transfer will need to be made. Hence, aside from introducing key amendments to the original scope of the EDA, the foregoing measure also ensures that there is alignment and congruence between the country's export development, MSME development and investment promotion plans, programs, and activities. It also empowers the Department of Trade and Industry (DTI) to jointly pursue with the Philippine Statistics Authority (PSA) and other relevant government agencies, the necessary data collection and analysis for effective targeting of export markets, potential locators and investors, products for development, and new growth opportunities.

At its core, this measure is concerned with enhancing the global competitiveness of Filipino industries and enterprises. Hence, we have identified it as

⁷ <https://www.project-syndicate.org/commentary/encouraging-exports-promotes-development-by-ricardo-hausmann-2015-11>

⁸ *ibid.*

among the priority measures of our Tatak Pinoy (“Proudly Filipino”) advocacy for building a more productive, more innovative, more globally competitive and more inclusive economy for all Filipinos.

Considering that the country is exerting all its efforts to jumpstart its recovery and regain the momentum lost due to the COVID-19 pandemic, now is the time to unite and rally around the cause of pursuing braver policy reforms, including those for export development. In view of the foregoing, we earnestly seek the swift approval of this measure.



SONNY ANGARA
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OTHERWISE KNOWN AS THE EXPORT DEVELOPMENT ACT OF 1994, AND
FOR OTHER PURPOSES**

*Be it enacted by the Senate and House of Representatives of the Philippines in
Congress assembled:*

- 1 **Section 1. Short Title.** – This Act shall otherwise be known as the "Exports
2 and Investments Development Act of 2022."
3 **Sec. 2.** Sec. 2 of Republic Act No. 7844, otherwise known as the Export
4 Development Act of 1994 shall be amended as follows:
5 "SEC. 2. Declaration of policy. – It shall be the policy of the State to
6 evolve export development into a national effort **AND TRANSFORM**
7 **THE PHILIPPINES INTO AN EXPORTING NATION.** The
8 [~~government~~] **STATE** shall champion exports as a focal strategy for [~~a~~]
9 **THE ACCELERATION OF INCLUSIVE ECONOMIC GROWTH,**
10 **INVESTMENTS PROMOTION, EFFICIENT TRANSFER OF**
11 **KNOWLEDGE AND KNOW-HOW, SCIENTIFIC AND**
12 **TECHNOLOGICAL INNOVATION, AND** sustainable agri-industrial
13 development [~~to achieve Philippine NIChood towards the year 2000. The~~
14 ~~private sector shall take the lead in the collective effort to promote~~
15 ~~exports through discipline and hard work, as it confronts the challenge~~
16 ~~of winning international markets.]~~
17 [~~The government and the private sector shall jointly transform the~~
18 ~~Philippines into an exporting nation.]~~ **IT IS HEREBY DECLARED**
19 **POLICY OF THE STATE TO IMPROVE THE CONTRIBUTION OF**

1 **EXPORTS TO NATIONAL ECONOMIC DEVELOPMENT, BY**
2 **ELEVATING THE DIVERSITY, SOPHISTICATION, AND QUALITY**
3 **OF PRODUCTS THAT ARE PRODUCED AND/OR SOURCED**
4 **DOMESTICALLY FOR EXPORT PURPOSES.** Towards this end, the
5 State shall instill in the Filipino people that exporting is [~~not just a~~
6 ~~sectoral concern, but the key to national survival and the means through~~
7 ~~which the economic goals of increased employment and enhanced~~
8 ~~incomes can most expeditiously be achieved.~~] **KEY TO NATIONAL**
9 **DEVELOPMENT AND A MEANS TO EXPEDITIOUSLY REDUCE**
10 **POVERTY, PROVIDE EMPLOYMENT, AND INCREASE THE**
11 **AVERAGE INCOME OF FILIPINO HOUSEHOLDS."**

12 **Sec. 3.** Sec. 3 of Republic Act No. 7844, otherwise known as the Export
13 Development Act of 1994 shall be amended as follows:

14 "SEC. 3. Key Operating Principles. - A macro-economic policy framework
15 that supports export development shall be provided, especially in key
16 areas of concern to exporters:

17 a. x x x;

18 b. Fiscal and credit policies shall provide adequate funds for public and
19 private investments and business expansion, while keeping the cost of
20 credit comparable to international levels ensuring access to loanable
21 funds for [SMEs] **MICRO, SMALL, AND MEDIUM ENTERPRISES**
22 **(MSMES)**, as well as highly technical **AND INNOVATIVE** export
23 enterprises, especially those in the countryside;

24 c. x x x;

25 d. x x x;

26 e. Technical support policies to improve the quality of export products
27 shall be adopted, particularly those relating to technology transfer,
28 R&D, technical training and related activities, **INCLUDING THOSE**
29 **THAT REQUIRE FOREIGN INVESTMENT OR INVOLVE**
30 **ASSISTANCE FROM FOREIGN PARTNERS WHEREVER**
31 **APPLICABLE, SUBJECT TO RELEVANT LAWS AND**
32 **REGULATIONS.** As such, the Department of Science and Technology
33 (DOST) and the Department of Agriculture (DA) shall be supported by

- 1 colleges and universities in the diffusion of technology, information
2 and training to the countryside for agri-industrial and export
3 development;
- 4 f. Urgent attention must be given to policies affecting infrastructure in
5 order to ensure the adequate supply and quality of power, water
6 ~~[e.g., for irrigation]~~, transportation ~~[e.g., shipping and cargo~~
7 ~~handling]~~, and communication to support the flow of goods and
8 services in the context of the national export drive;
- 9 g. The link between export growth and countryside development must
10 be strengthened through policies favorable to **MSMEs**, regional
11 industrial centers, and export processing zones to boost rural and
12 farm-based entrepreneurship in identified geographic economic
13 growth areas of the country;
- 14 h. Labor and industrial relations policies must recognize the inevitable
15 industrial shifts that will occur in the effort to achieve international
16 competitiveness. Focus shall be given to the formulation of accords
17 between labor and management which shall provide for sustained
18 increase in productivity and competitiveness. In line with this, dual
19 training schemes, **QUALITY APPRENTICESHIPS, DIGITAL**
20 **UPSKILLING INITIATIVES AND OTHER ENTERPRISE-BASED**
21 **MODALITIES OF LEARNING THAT INVOLVE CLOSE**
22 **COLLABORATION BETWEEN EDUCATIONAL INSTITUTIONS**
23 **AND THE PRIVATE SECTOR** shall be integrated as a basic
24 component to the country's primary and secondary education
25 program to ensure that the manpower needs of agriculture and
26 industry will be matched by the skills generated by the educational
27 system. Reasonable price and income policies shall likewise be
28 adopted in order to safeguard the interest of the labor sector;
- 29 i. All government agencies whose regulations affect exporters [~~such as~~
30 ~~the Board of Investments (BOI), Bureau of Customs (BOC) and~~
31 ~~Bureau of Internal Revenue (BIR)] shall **IMPLEMENT**~~
- 32 **REGULATORY REFORMS AND** simplify **THEIR** procedures to
33 ~~[minimize bureaucratic red tape]~~ **INCREASE EFFICIENCY AND**

1 REDUCE TRANSACTIONAL COSTS IN CONSONANCE WITH
2 R.A. 11032 OR THE EASE OF DOING BUSINESS AND
3 EFFICIENT GOVERNMENT SERVICE DELIVERY ACT OF 2018.

4 J. EFFECTIVE TARGETING OF EXPORT MARKETS, POTENTIAL
5 LOCATORS AND INVESTORS, PRODUCTS FOR DEVELOPMENT,
6 AND NEW GROWTH OPPORTUNITIES SHALL BE INFORMED
7 AND GUIDED BY PROPER SCIENTIFIC ANALYSIS OF
8 RELEVANT DATA AND INFORMATION. AS SUCH, THE
9 DEPARTMENT OF TRADE AND INDUSTRY (DTI) SHALL
10 COORDINATE AND JOINTLY IMPLEMENT WITH THE
11 PHILIPPINE STATISTICS AUTHORITY (PSA), AND OTHER
12 APPROPRIATE GOVERNMENT AGENCIES, DATA-COLLECTION
13 PROCEDURES, DATA-SHARING ARRANGEMENTS, RELEVANT
14 SUBSCRIPTIONS AND OTHER MECHANISMS THAT ENABLE
15 THE PROPER MEASUREMENT OF THE COUNTRY'S
16 PRODUCTIVE CAPABILITIES AND KNOW-HOW, ITS RELATIVE
17 COMPARATIVE ADVANTAGE IN CERTAIN PRODUCTS AND
18 SERVICES, AND OTHER FACTORS RELEVANT TO THE
19 FULFILLMENT OF THE OBJECTIVES OF THIS ACT. WHEREVER
20 FEASIBLE, SUCH DATA AND INFORMATION SHALL BE
21 DISAGGREGATED INTO NATIONAL, REGIONAL, PROVINCIAL,
22 AND CITY OR MUNICIPALITY LEVELS OF ANALYSIS.

23 **Sec. 4.** Sec. 4 of Republic Act No. 7844, otherwise known as the Export
24 Development Act of 1994 shall be amended as follows:

25 "SEC. 4. *Definition of terms.* – For purposes of this Act, the following
26 definitions shall apply to the following terms:

27 a. "*Exporter*" means any person, natural or juridical, licensed to do
28 business in the Philippines, engaged directly or indirectly in the
29 production, manufacture, assembly, processing, or trade of products
30 or services which earns at least fifty percent (50%) of its normal
31 operating revenues from the sale of its products or services abroad
32 for foreign currency: Provided, That in the case of services, the same
33 shall be limited to [~~information technology services, construction~~

1 ~~services and other~~] services as defined jointly by the Department of
2 Finance (DOF) and the Department of Trade and Industry (DTI).
3 Services rendered by overseas contract workers are not covered by
4 ~~the~~] this definition.

5 b. x x x;

6 c. "*Export incentives*" shall refer to support measures, **FISCAL AND**
7 **NON-FISCAL**, provided by the government to exporters to
8 encourage investment in the export sector, create a freer trade
9 environment and motivate exporters to increase export sales and
10 perform competitively in the ~~export~~] **GLOBAL** market. The overall
11 objective is to increase the country's export sales.

12 d. "*Accredited EXPORT Organization*" shall refer to the organization of
13 exporters granted accreditation by the Export Development Council,
14 as provided in Section 7(l) of this Act."

15 e. "**SOPHISTICATED'** REFERS TO THE STATE WHEN A PRODUCT
16 **OR SERVICE REQUIRES A HIGH NUMBER OF CAPABILITIES,**
17 **COMPETENCIES OR KNOW-HOW TO BE PRODUCED OR**
18 **OFFERED**

19 f. "**SOPHISTICATION'** REFERS TO THE NUMBER OF
20 **CAPABILITIES, COMPETENCIES, OR KNOWHOW REQUIRED**
21 **FOR A PRODUCT OR SERVICE TO BE OFFERED BY AN**
22 **ECONOMY LIKE THAT OF THE PHILIPPINES."**

23 **Sec. 5.** Sec. 5 of Republic Act No. 7844, otherwise known as the Export
24 Development Act of 1994 shall be amended as follows:

25 "SEC. 5. *Philippine Export Development Plan (PEDP)*. – The President of
26 the Republic of the Philippines shall approve a rolling three-year
27 Philippine Export Development Plan prepared by the ~~Department of~~
28 ~~Trade and Industry~~] **DTI** which shall form part of the ~~medium-term~~
29 Philippine Development Plan (~~MF~~]PDP). It shall be formulated **AND**
30 **VALIDATED** in consultation with the **RELEVANT GOVERNMENT**
31 **AGENCIES AND** private sector ~~validated~~] **TO BE REVIEWED** and
32 updated semestrally.

33 The PEDP shall define the country's annual and medium-term export

1 thrusts, strategies, programs and projects **INCLUDING THE**
2 **ENHANCEMENT OF THE CAPABILITIES OF FILIPINO**
3 **ENTERPRISES AND PROFESSIONALS TO PRODUCE AND OFFER**
4 **INCREASINGLY SOPHISTICATED AND DIVERSIFIED PRODUCTS**
5 **AND SERVICES, ALIGNED WITH THE PREVAILING STRATEGIC**
6 **INVESTMENT PRIORITIES PLAN AND THE MICRO, SMALL, AND**
7 **MEDIUM ENTERPRISE DEVELOPMENT (MSMED) PLAN. THE**
8 **PEDP [and]** shall be jointly implemented by the government, export
9 and other concerned sectors.

10 **UPON APPROVAL OF THE PEDP, THE PRESIDENT SHALL DIRECT**
11 **RELEVANT GOVERNMENT AGENCIES TO ALLOCATE FUNDS,**
12 **UNDER THE GENERAL APPROPRIATIONS ACT (GAA), IN**
13 **SUPPORT OF THE IMPLEMENTATION OF THE PEDP WHICH**
14 **SHALL BE MANAGED BY THE DTI – EXPORT MARKETING**
15 **BUREAU.”**

16 **Sec. 6.** Sec. 6 of Republic Act No. 7844, otherwise known as the Export
17 Development Act of 1994 shall be amended as follows:

18 “SEC. 6. *Export Development Council.* – The existing Export
19 Development Council [~~hereinafter referred to as the “Council”~~] which
20 was created by Executive Order No. 98 [1993] as modified by Executive
21 Order No. 110 [1993], Executive Order No. 180 [1994], and Republic Act
22 7844 (1994)] is hereby reorganized and restrengthened to suitably and
23 periodically oversee the implementation of the PEDP and to continuously
24 ensure proper coordination of the formulation and implementation of
25 policy reforms to support the said Plan.”

26 **Sec. 7.** Sec. 7 of Republic Act No. 7844, otherwise known as the Export
27 Development Act of 1994 shall be amended as follows:

28 “SEC. 7. *Powers and functions.* – The Council shall:

29 a. [~~approve the PEDP; coordinate, monitor and assess the~~
30 ~~implementation thereof, and when necessary, institute appropriate~~
31 ~~adjustments thereon in the light of changing conditions in both the~~
32 ~~domestic and international environment;]~~ **ASSIST THE DTI IN**
33 **DRAFTING THE PEDP WITH INPUTS FROM VARIOUS**

1 **STAKEHOLDERS;**

- 2 b. x x x;
- 3 c. **ENDORSE TO THE PRESIDENT OF THE PHILIPPINES THE**
4 **APPROVAL OF THE PEDP; COORDINATE, MONITOR AND**
5 **ASSESS THE IMPLEMENTATION THEREOF, AND, WHEN**
6 **NECESSARY, INSTITUTE APPROPRIATE ADJUSTMENTS**
7 **THEREON IN THE LIGHT OF CHANGING CONDITIONS IN**
8 **BOTH THE DOMESTIC AND INTERNATIONAL**
9 **ENVIRONMENTS;**
- 10 d. [ε] Identify the main bottlenecks, problems and constraints in all
11 areas/sectors/activities which influence the competitiveness of exports
12 ~~[including but not limited to, such matters as policy framework,~~
13 ~~physical infrastructure, finance, technology, production, promotions~~
14 ~~and marketing];~~
- 15 e. [d] Mandate specific departments and agencies to address the
16 bottlenecks and problems constraining the [development]
17 **COMPETITIVENESS, SOPHISTICATION, AND**
18 **DIVERSIFICATION** of exports ~~[in any of the areas mentioned in~~
19 ~~paragraph (c) above],~~ and require the concerned Secretaries or their
20 duly authorized representatives to [deliver] **SUBMIT** progress
21 reports on the actions/initiatives taken to resolve these areas of
22 concern at the [next meetings] **SOONEST POSSIBLE TIME;**
- 23 f. [e] Ensure export quality control by overseeing the formulation and
24 implementation of quality control guidelines by appropriate agencies
25 to [make] **ENABLE PRODUCTION OF SOPHISTICATED AND**
26 **DIVERSIFIED** Philippine exports **WHICH ARE** at par with world-
27 class products;
- 28 g. [f] Impose sanctions on any government agency or officer or
29 employee thereof, or private sector entity that impedes efficient
30 exportation of Philippine goods;
- 31 h. [g] Recommend to Congress any proposed legislation that would
32 contribute to the competitiveness of Philippine exports;
- 33 i. [h] Submit [quarterly] **ANNUAL** reports to Congress;

1 j. ~~[i- formulate policies or recommend measures and draw up a study~~
2 ~~within ninety [90] days from the approval of this Act, relative to the~~
3 ~~rationalization of the government's export promotion and~~
4 ~~development functions/activities and programs for the eventual~~
5 ~~transfer of government export promotions and development activities~~
6 ~~to the sector within a period of two [2] years after the approval of~~
7 ~~this Act]~~

8 [Formulate the] **RECOMMEND** policies **AND RULES AND**
9 **REGULATIONS** for the grant [ing] of incentives to exporters **BY**
10 **CONCERNED GOVERNMENT AGENCIES;**

11 k. Adopt such policies, rules, procedures and administrative systems for
12 the efficient and effective exercise of its powers and functions [;
13 ~~including the creation or adoption of an executive committee or~~
14 ~~secretariat];~~

15 l. Grant and review the accreditation of the **DOMINANT** organization
16 of exporters according to the guidelines [~~which it shall later~~
17 ~~promulgate for the said purpose: Provided, That the organization~~
18 ~~accredited shall be the dominant one among the other existing export~~
19 ~~organizations as determined under the guidelines] promulgated by
20 the Council hereof.~~

21 m. Issue standards and policies to be observed by Local Government
22 Units (LGUs) in order to:

- 23 1. ensure that LGUs' plans and budgets are supportive of agri-
24 industrial growth and export competitiveness thrusts of the
25 national government; and
- 26 2. ensure optimal allocation of expenditures.

27 The DILG and the regional development councils shall be the
28 channels through which these standards and policies shall be coursed

29 **N. MANDATE CONCERNED GOVERNMENT**
30 **INSTRUMENTALITIES TO CONDUCT BENCHMARKING OF**
31 **TRADE PRACTICES AND PERFORMANCE ABROAD, AS WELL**
32 **AS MARKET INTELLIGENCE AND/OR CRITICAL STRATEGIES**
33 **THAT WILL ENHANCE THE COMPETITIVENESS,**

1 **SOPHISTICATION AND DIVERSIFICATION OF PHILIPPINE**
2 **EXPORTS."**

3 **Sec. 8.** Sec. 8 of Republic Act No. 7844, otherwise known as the Export
4 Development Act of 1994 shall be amended as follows:

5 "SEC. 8. *Composition of the Council.* – The Council shall be composed of
6 the following:

- 7 a. Secretary of the Department of Trade and Industry, as Chairperson;
8 b. Director-General of the National Economic and Development
9 Authority;
10 c. Secretary of the Department of Finance;
11 d. Governor of the Bangko Sentral ng Pilipinas;
12 e. Secretary of the Department of Science and Technology;
13 f. Secretary of the Department of Agriculture;
14 g. Secretary of the Department of Foreign Affairs;
15 h. Secretary of the Department of Labor and Employment;
16 i. ~~[Nine (9)]~~ **THREE (3)** representatives from the private sector, ~~[the~~
17 ~~majority of whom shall be recommendees of the accredited~~
18 ~~organization]~~ and one of whom shall be elected by the Council as
19 Vice-Chairman

20 Other heads of executive agencies, private organizations or individuals
21 can be called upon by the Council to attend any Council meeting and assist the
22 Council to resolve issues and problems that concern their respective offices.

23 ~~[Likewise, such heads of executive agencies, private organizations or~~
24 ~~individuals shall respond to the queries of the Council within two [2] weeks~~
25 ~~from the time such queries are received.]"~~

26 **Sec. 9.** Sec. 9 of Republic Act No. 7844, otherwise known as the Export
27 Development Act of 1994 shall be amended as follows:

28 "SEC. 9. ~~[Mode of]~~ Selection and ~~[Tenure]~~ **APPOINTMENT** of Private
29 Sector Representatives – The President shall appoint the private sector
30 representatives ~~[, who are not ex officio, upon nomination of the~~
31 ~~accredited organization,]~~ **BASED ON THE LIST OF NOMINEES**
32 **PREPARED BY THE DTI-EMB**, ensuring balanced representations
33 ~~from the Visayas and Mindanae~~ **ACROSS THE MAJOR ISLAND**

1 **GROUPS** and various sectors [~~such as the labor sector, agricultural~~
2 and traditional export sectors as against the non-agricultural and non-
3 traditional export sectors and the like].

4 **THE SUCCEEDING APPOINTMENTS, AFTER EFFECTIVITY OF**
5 **THIS ACT, SHALL BE BASED ON THE LIST OF NOMINEES**
6 **PREPARED BY THE COUNCIL BASED UPON THE**
7 **RECOMMENDATION OF DTI-EMB: PROVIDED, THAT SECTORAL**
8 **REPRESENTATION IN THE COUNCIL MAY BE SUBJECT TO**
9 **MODIFICATION BASED ON THE RECOMMENDED SECTORS OF**
10 **THE EMB.**

11 The private sector representatives of the Council shall serve for a period
12 of [~~two—(2)~~] **THREE (3)** years. **NO PRIVATE SECTOR**
13 **REPRESENTATIVE SHALL SERVE FOR MORE THAN TWO (2)**
14 **CONSECUTIVE TERMS. VOLUNTARY RENUNCIATION OF THE**
15 **OFFICE FOR ANY LENGTH OF TIME SHALL NOT BE CONSIDERED**
16 **AS AN INTERRUPTION IN THE CONTINUITY OF HIS SERVICE**
17 **FOR THE FULL TERM FOR WHICH HE WAS APPOINTED.**

18 When a vacancy occurs due to the resignation, death or incapacity of a
19 member, a replacement who shall serve for the remainder of the
20 member's term of office shall be appointed by the President:
21 **PROVIDED, THAT SUCH VACANCY MUST BE FILLED WITHIN**
22 **THIRTY (30) DAYS FROM OCCURRENCE THEREOF: PROVIDED,**
23 **FURTHER, THAT THE SUCCESSOR SHALL ONLY SERVE THE**
24 **REMAINING UNEXPIRED PORTION OF THE TERM."**

25 **Sec. 10.** Sec. 10 of Republic Act No. 7844, otherwise known as the Export
26 Development Act of 1994 shall be amended as follows:

27 "SEC. 10. *Meetings of the Council.* – **REGULAR MEETINGS OF THE**
28 **Council—shall BE HELD AT LEAST [meet] once a month TO BE**
29 **PRESIDED BY THE CHAIRMAN: Provided, That [the President or the**
30 **chairman may convene the Council anytime whenever he deems it**
31 **necessary.] WRITTEN NOTICE OF REGULAR MEETINGS SHALL BE**
32 **SENT TO ALL COUNCIL MEMBERS OF RECORD AT LEAST**
33 **FOURTEEN (14) DAYS PRIOR TO THE MEETING/DEFERMENT;**

1 **PROVIDED FURTHER, THAT WRITTEN NOTICE OF REGULAR**
2 **MEETINGS ~~OR ITS DEFERMENT~~ MAY BE SENT TO ALL COUNCIL**
3 **MEMBERS OF RECORD THROUGH ELECTRONIC MAIL OR SUCH**
4 **OTHER MANNER AS THE COUNCIL SHALL ALLOW: PROVIDED,**
5 **FURTHER, THAT, SHOULD THERE BE ANY CHANGES IN THE**
6 **USUAL CONDUCT OF THE REGULAR MEETING, A WRITTEN**
7 **NOTICE STATING THE DATE, TIME AND PLACE, OR ANY**
8 **RELEVANT MODIFICATIONS OF THE SAID MEETING MUST BE**
9 **SENT TO EVERY MEMBER AT LEAST FIVE (5) DAYS PRIOR TO**
10 **THE SCHEDULED MEETING.**

11 **SPECIAL MEETINGS OF THE COUNCIL MAY BE HELD AT ANY**
12 **TIME UPON THE CALL OF THE CHAIRMAN OR UPON MOTION OF**
13 **THE VICE-CHAIRMAN RAISED BEFORE THE COUNCIL MEMBERS**
14 **AND WITH ACQUIESCENCE OF AT LEAST A MAJORITY**
15 **THEREOF."**

16 **Sec. 11.** A new Section 11 is hereby inserted, to read as follows, the
17 succeeding sections shall be renumbered accordingly.

18 **"SEC. 11. *VENUE OF MEETINGS.* – MEETINGS OF THE COUNCIL**
19 **MAY BE HELD ANYWHERE IN THE PHILIPPINES, UNLESS**
20 **OTHERWISE STIPULATED IN IMPLEMENTING RULES AND**
21 **REGULATIONS OR AS MAY BE AGREED UPON BY THE COUNCIL**
22 **DURING THE PRECEDING REGULAR MEETING: PROVIDED,**
23 **THAT, THE COUNCIL MAY CONDUCT MEETINGS THROUGH**
24 **TELECONFERENCE, VIDEO CONFERENCE, OR OTHER RELIABLE**
25 **FORMS OF REMOTE OR ELECTRONIC MEANS, USING**
26 **APPROPRIATE INFORMATION AND COMMUNICATIONS**
27 **TECHNOLOGY SYSTEMS, IN TIMES OF PUBLIC EMERGENCIES,**
28 **FORCE MAJEURE, OR OTHER SIMILAR EVENTS AS MAY BE**
29 **DETERMINED BY THE COUNCIL WHICH MAY PREVENT**
30 **MAJORITY OF THE MEMBERS FROM ATTENDING THE**
31 **MEETINGS:PROVIDED, FURTHER, THAT REMOTE**
32 **PARTICIPATION IN MEETINGS SHALL BE AVAILABLE ONLY IF**
33 **THE COUNCIL MEMBER IS WITHIN PHILIPPINE**

1 **JURISDICTION.”**

2 **Sec. 12.** A new Section 12 is hereby inserted, to read as follows:

3 **“SEC. 12. QUORUM AND VOTING. – FOR PURPOSES OF**
4 **QUORUM FOR AND DURING MEETINGS, ATTENDANCE OF A**
5 **MAJORITY OF THE COUNCIL MEMBERS IS NECESSARY.**

6 **A VOTE OF A MAJORITY OF THE COUNCIL MEMBERS WHO**
7 **ACTUALLY TOOK PART IN THE DELIBERATIONS OF MATTERS**
8 **RAISED DURING THE MEETING IS NEEDED IN ORDER TO**
9 **REACH A DECISION. VOTES OF COUNCIL MEMBERS WHO**
10 **FAILED TO COMPLY WITH THE AFOREMENTIONED REQUISITE**
11 **SHALL NOT BE CONSIDERED.”**

12 **Sec. 13.** A new Section 13 is hereby inserted, to read as follows:

13 **“SEC. 13. SECRETARIAT. – WITHIN SIXTY (60) DAYS AFTER THE**
14 **EFFECTIVITY OF THIS ACT, A SECRETARIAT SHALL BE CREATED**
15 **IN THE DTI-EMB, UNDER THE DIRECT SUPERVISION OF ITS**
16 **DIRECTOR. THE SECRETARIAT SHALL SERVE AS THE SUPPORT**
17 **STAFF OF THE COUNCIL IN THE EXERCISE OF ITS FUNCTIONS.**
18 **SUCH POSITIONS MAY BE CREATED FOR THIS PURPOSE, IN**
19 **CONSULTATION WITH THE DEPARTMENT OF BUDGET AND**
20 **MANAGEMENT.”**

21 **Sec. 14.** Sec. 12 of Republic Act No. 7844, otherwise known as the Export
22 Development Act of 1994 shall be amended as follows:

23 **“SEC. [12.] 14. Accredited Export Organization (AEO). – The Council**
24 **shall accredit a single umbrella organization of exporters, BASED ON**
25 **ACCREDITATION GUIDELINES TO BE ISSUED PURSUANT TO**
26 **THIS ACT [pursuant to Section 7(1) of this Act], to represent the**
27 **export sector concerns and interests for three (3) years [after which**
28 **the Council shall undertake a review of the accreditation prior to the**
29 **granting or re-granting of the said accreditation]. THE PROCEDURE**
30 **FOR RENEWAL OF ACCREDITATION OF THE AEO OR THE GRANT**
31 **OF ACCREDITATION TO A NEW ONE SHALL LIKEWISE BE BASED**
32 **ON THE ACCREDITATION GUIDELINES.**

33 The accredited **EXPORT** organization shall:

- 1 a. x x x;
- 2 b. ~~[Represent the interests of the export sector]~~ **ADVOCATE POLICY**
3 **REFORMS AND SUSTAINABLE AND INNOVATION-DRIVEN**
4 **PROGRAMS IN PARTNERSHIP WITH THE GOVERNMENT FOR**
5 **THE INTERESTS OF THE EXPORT SECTOR;**
- 6 c. **ESTABLISH AND/OR STRENGTHEN REGIONAL AND/OR**
7 **PROVINCIAL OFFICES TO PROVIDE DEDICATED ASSISTANCE**
8 **TO EXPORTERS AND ASPIRING EXPORTERS AND IMPLEMENT**
9 **EXPORT INDUSTRY DEVELOPMENT AND PROMOTION**
10 **ACTIVITIES IN CLOSE COORDINATION WITH THE DTI**
11 **OFFICES AND OTHER RELEVANT GOVERNMENT AGENCIES IN**
12 **THE REGIONS/PROVINCES;**
- 13 d. ~~[e. Be responsible for coordinating, supporting and assisting]~~
14 **COORDINATE, SUPPORT AND ASSIST** the DTI relative to the
15 formulation and implementation of the government's export
16 **DEVELOPMENT AND** promotion programs and policies: Provided,
17 That in the event that some of the export promotion functions of the
18 government are privatized in accordance with the Act, it shall be
19 responsible for the performance of such privatized export promotion
20 function;
- 21 e. ~~[d.]~~ Manage the Philippine Trade Center, which shall include, among
22 others, the authority to enter into contracts with promotion facilities
23 or functions; **AND,**
- 24 f. **SUBMIT ANNUAL REPORT TO THE COUNCIL AND**
25 **RECOMMEND PROPOSED POLICY MEASURES AND**
26 **GOVERNMENT PROGRAMS THAT WOULD CONTRIBUTE TO**
27 **THE DEVELOPMENT OF EXPORTS."**

28 **Sec. 15.** A new Section 16 is hereby inserted, to read as follows:

29 **"SEC. 16. EXPORT TRADE COMPLAINTS DESK (ETDC). – THE DTI**
30 **SHALL ESTABLISH AN EXPORT TRADE COMPLAINTS DESK**
31 **WHERE EXPORTERS, BUYERS, OR THEIR AGENTS CAN FILE**
32 **COMPLAINTS AND SEEK REDRESS FOR GRIEVANCES RELATING**
33 **TO ANY EXPORT-RELATED TRANSACTION, IN ORDER TO**

1 **PROMOTE ETHICAL BUSINESS PRACTICES AND ENHANCE THE**
2 **IMAGE OF THE PHILIPPINES AS A RELIABLE SUPPLIER OF**
3 **GOODS AND SERVICES IN THE GLOBAL MARKET.”**

4 **Sec. 16.** Section 17 of Republic Act No. 7844, otherwise known as the Export
5 Development Act of 1994 is hereby repealed.

6 **Sec. 17.** New Articles III, IV and V shall be inserted in Republic Act No. 7844,
7 otherwise known as the Export Development Act of 1994 and the existing Article III
8 and succeeding Articles and its sub-sections shall be re-sectioned and renumbered
9 accordingly. The new Article III shall read as follows:

10 **“ARTICLE III**

11 **“FUNDING**

12 ~~“SEC. [11.] 18. *Funding.* – [The activities and operational expenses of~~
13 ~~the Council shall be funded jointly by budgetary appropriations from the~~
14 ~~government and by private sector contributions as provided for in~~
15 ~~Executive Order No. 98.]~~ **A SEED CAPITAL FUND SHALL BE**
16 **ESTABLISHED TO COVER ACTIVITIES AND OPERATIONAL**
17 **EXPENSES OF THE COUNCIL THROUGH JOINT BUDGETARY**
18 **APPROPRIATIONS FROM GOVERNMENT AND PRIVATE SECTOR**
19 **CONTRIBUTIONS.”**

20 **“SEC. 19. GOVERNMENT-OWNED AND/OR CONTROLLED**
21 **CORPORATIONS (GOCCS) SHALL PROVIDE SUPPORT ON**
22 **ESTABLISHING A SUSTAINABLE FUNDING MECHANISM FOR**
23 **THE IMPLEMENTATION OF THE EXPORTS AND INVESTMENTS**
24 **POLICIES, PLANS, PROGRAMS, PROJECTS, AND INITIATIVES.”**

25 **“ARTICLE IV**

26 **“OTHER INCENTIVES**

27 **“SEC. 20. *CREATION OF AN EXPORT GREEN LANE FACILITY.* –**
28 **AN EXPORT GREEN LANE FACILITY SHALL BE ESTABLISHED**
29 **FOR QUALIFIED EXPORTERS FOR ADVANCE PROCESSING AND**
30 **CLEARANCES OF THEIR EXPORT REQUIREMENTS UNDER THE**
31 **BUREAU OF CUSTOMS, FOOD AND DRUG ADMINISTRATION**
32 **AND OTHER COMPETENT AUTHORITIES.**

33 **“SEC. 21. *EXEMPTION FROM EXPORT REQUIREMENTS.* – ALL**

1 INSPECTION, COMMODITY AND EXPORT CLEARANCE
2 REQUIREMENTS ON PHILIPPINE COMMODITY EXPORTS ARE
3 HEREBY DISPENSED WITH, EXCEPT FOR THE FOLLOWING:

4 A. THOSE REQUIRED AS A RESULT OF THE EXISTENCE OF
5 IMPORT QUOTAS IN OTHER COUNTRIES, SUCH AS
6 GARMENTS AND SUGAR;

7 B. THOSE COVERING ITEMS WHICH ARE BANNED FOR
8 EXPORTS;

9 C. THOSE COVERING EXPORTS OF LOGS, COPPER AND COFFEE;
10 AND

11 D. THOSE COVERED BY INTERNATIONAL AGREEMENTS TO
12 WHICH THE PHILIPPINES IS A SIGNATORY.

13 ANY OR ALL OF THE CLEARANCE REQUIREMENTS DISPENSED
14 WITH IN THE PRECEDING PARAGRAPH MAY BE REINSTATED
15 WITH PRIOR APPROVAL, BY AN INTER-AGENCY COMMITTEE
16 (IAC) COMPOSED OF THE REPRESENTATIVE OF THE
17 DEPARTMENT OF TRADE AND INDUSTRY, AS CHAIRPERSON,
18 AND THE REPRESENTATIVES OF THE DEPARTMENTS OF
19 FINANCE, BUDGET AND MANAGEMENT, BANGKO SENTRAL NG
20 PILIPINAS, AND THE NATIONAL ECONOMIC AND
21 DEVELOPMENT AUTHORITY, AS MEMBERS, TAKING INTO
22 ACCOUNT FACTORS SUCH AS REQUIREMENTS OF THE
23 IMPORTER OR IMPORTING COUNTRY, SECURITY, HEALTH,
24 SAFETY AND OTHER REASONS IN THE NATIONAL INTEREST:
25 PROVIDED, THAT NO NEW INSPECTION, COMMODITY AND
26 EXPORT CLEARANCE REQUIREMENTS MAY BE IMPOSED BY A
27 GOVERNMENT OFFICE, BUREAU, AGENCY, OR
28 INSTRUMENTALITY WITHOUT PRIOR APPROVAL BY THE IAC
29 "SEC. 20. FEES ON EXPORTS. – NO OTHER FEES SHALL BE
30 IMPOSED OR COLLECTED ON EXPORT-RELATED PERMITS AND
31 CLEARANCES OTHER THAN THOSE SPECIFICALLY REQUIRED BY
32 LAW."

33 "ARTICLE V

1 "NATIONAL EXPORTER'S WEEK

2 "SEC. 22. *NATIONAL EXPORTER'S WEEK.* – THE FIRST WEEK OF
3 DECEMBER OF EVERY YEAR IS HEREBY DECLARED AS
4 NATIONAL EXPORTER'S WEEK.

5 THE DTI, EDC AND THE AEO SHALL JOINTLY ORGANIZE
6 ACTIVITIES TO ENCOURAGE ACTIVE PARTICIPATION OF
7 EXPORTERS, TRADE-RELATED AGENCIES AND THE ACADEME
8 AND RELATED ORGANIZATIONS, ESPECIALLY THOSE THAT ARE
9 IN THE REGIONS, THAT AIM TO FOSTER COLLABORATION,
10 PARTNERSHIP AND SYNCHRONIZATION OF EFFORTS
11 TOWARDS EXPORT INDUSTRY DEVELOPMENT. THEY SHALL
12 LIKEWISE RECOGNIZE THE CONTRIBUTION OF EXPORTERS IN
13 THE ECONOMIC DEVELOPMENT OF THE COUNTRY BY
14 INCLUDING THE CONFERMENT OF AWARDS TO PERFORMING
15 EXPORTERS DURING THE NATIONAL EXPORTER'S WEEK. TO
16 THIS END, THE DTI, EDC AND AEO SHALL ISSUE GUIDELINES
17 ON THE CRITERIA AND CATEGORIES FOR THE SELECTION OF
18 THE EXPORTERS' AWARD. CATEGORIES MAY INCLUDE BUT ARE
19 NOT LIMITED TO RECOGNITION OF APPLICATION OF NEW
20 INNOVATION, TECHNOLOGY TRANSFER AND
21 EXPORT/PRODUCT DIVERSIFICATION.

22 **Sec. 18. *Implementing Rules and Regulations.*** – The DTI, in consultation
23 with the EDC and other relevant government agencies and private stakeholders, shall
24 formulate the rules and regulations to implement the provisions of this Act within sixty
25 (60) days from effectivity of this Act.

26 Non-issuance of the implementing rules and regulation shall in no case prevent
27 the full implementation of this Act after its effectivity.

28 **Sec. 19. *Separability Clause.*** – If any part or provision of this Act is declared
29 unconstitutional, the remainder of this Act or any affected thereby shall remain in force
30 and effect.

31 **SEC. 20. *Repealing Clause.*** – All existing laws or parts thereof inconsistent
32 with the provisions of this Act are hereby repealed or amended accordingly.

33 **SEC. 21. *Effectivity Clause.*** – This Act shall take effect fifteen (15) days from

- 1 its publication in the Official Gazette or in at least two (2) newspapers of general
- 2 circulation.

Approved,