



**Trade Related
Technical
Assistance
Project 3**



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TRADE RELATED TECHNICAL ASSISTANCE PROJECT 3

A project supported by the European Union

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Messages



Ramon M. Lopez
Secretary
Department of Trade
and Industry



Government of Philippines

The Trade-Related Technical Assistance Project 3 (TRTA3) is geared towards strengthening technical cooperation between the Philippines and the European Union to enhance the capacity of both the government and private sector to facilitate trade and investment.

The programme contributed to the Philippines' integration into the international and regional trading and investment system, thereby strengthening economic development, inclusive growth and poverty reduction. This cooperation was carried out in conjunction with significant domestic reforms, such as the passage of the Philippines Competition Act, the Customs Modernisation and Tariff Act, and the Food Safety Act.

As the Philippines fully integrates into the multilateral trading system and the global economy, we view this as the EU's commitment to engage the Philippines comprehensively and further strengthen our trade and investment ties.



Ambassador Franz Jessen
Head of Delegation,
Delegation of the European
Union to the Philippines



European Union

The European Union has been providing technical assistance to the Philippines in trade-related matters since 2005.

The experience of the EU and of several Asian countries shows that outward-looking countries opening up trade and investment opportunities perform better in terms of economic growth, inclusiveness, and equity and poverty reduction.

The EU views its trade cooperation with the Philippines in the context of its cooperation with the Association of Southeast Asian Nations (ASEAN). The EU and ASEAN are the two most advanced regional integration projects in the world.

In 2017, as the Philippines assumes chairmanship of ASEAN, we are proud to celebrate four decades of EU-ASEAN friendship and look forward to further strengthening our cooperation with the Philippines.

Moving up the integration ladder

Trade-Related Technical Assistance Project 3

Both the government and the private sector are key partners in international trade. Government aims to foster a business environment that enables firms to produce quality and safe products and to sell these products internationally. Government's functions, from tariff imposition to documents compliance or physical inspections, can facilitate or hamper trade between business and their customers worldwide.

Since 2013, The Trade Related Technical Assistance Project 3 (TRTA3) has supported government agencies and the private sector through technical assistance focused on:

1 Trade Policy

2 Competition Policy

3 National Quality Infrastructure

4 Sanitary and Phyto-Sanitary Conformity

5 Trade Facilitation

The Philippines has the potential to export more and to reach more markets. By moving up the integration ladder, international trade can significantly contribute to the country's inclusive growth. This brochure showcases some examples of TRTA3 support to:

- » **Strengthen the framework for trade policy for inclusive growth**
- » **Enhance the capacity to implement competition policy**
- » **Protect consumers and increase access to international markets**
- » **Improve compliance with international standards**
- » **Simplify paperwork and facilitate cross-border goods movement**

Supporting Exports by Increasing Compliance with International Standards



Food products for export need to comply with international sanitary and phytosanitary standards (SPS) and specific food safety controls. Compliance with international standards and practices facilitates Philippine exports and protects consumers. Laboratories play a key role in certifying whether producers fulfil these requirements. This affects the ability of exporters to access international markets. TRTA3 provided targeted support to fisheries, aquaculture, and agricultural products.

For example, the presence of contaminants such as biotoxins, harmful algal bloom, and other bacteria in shellfish and mollusks affect the marketability of these products both locally and internationally. TRTA3 supported the Bureau of Fisheries & Aquatic Resources (BFAR) to control the health risks associated with contaminated shellfish.

The TRTA3 supported two BFAR pilot projects in Capiz and in Sorsogon. A BFAR toxin monitoring programme protocol was developed along with a shoreline survey, water classification, and a procedures manual.

TRTA3 also supported BFAR in the drafting of the National Shellfish Sanitation Programme (NSSP). The NSSP determines whether an area is open or closed for harvesting, depending on the levels of contaminants. It also published a website with real time information on the location of contaminated waters. Producers and consumers can now check online if their local waters are safe. TRTA3 likewise supported the training of Local Government Units (LGU) as key players in disseminating information among fishermen and monitoring the NSSP's enforcement.

To comply with food safety requirements, fishermen need to have their catch certified by approved laboratories. NSSP supported the accreditation of Department of Agriculture laboratories. For the entire country to benefit, the programme also identified the need for regional laboratories to be certified.

The TRTA3 provided the Bureau of Fisheries & Aquatic Resources (BFAR) with the necessary support in the formulation of the Philippine National Shellfish Sanitation Program (NSSP). The NSSP is geared towards the production of safe bivalve molluscs that are compliant with standards imposed by both domestic and international markets. Local government units learned the proper approach in identifying and classifying safe bivalve mollusc growing areas in their waters. An effective collaboration between the BFAR and LGUs is essential to guarantee a unified approach in the implementation of the NSSP.

Ms. Sandra Arcamo, Division Chief, Fisheries Resource and Management Division, Bureau of Fisheries and Aquatic Resources, Department of Agriculture

Further information

www.sps_issuances.da.gov.ph
www.bfar.da.gov.ph

Facilitating Border Inspections and Managing Risks



To support SPS compliance, TRTA3 experts trained the Bureau of Plant Industry (BPI) to manage risks in the food chain.

Fruit and vegetable exports and imports can carry pests and diseases. Because it is difficult to inspect each crate of each shipment at every airport or sea port, BPI officers use sampling techniques to minimise error and uncertainty. TRTA3 supported BPI officers to efficiently assess the quarantine risk of each shipment, and to apply the correct sampling rate.

More than 60 officers were trained on the international standards for phytosanitary measures, specifically for sampling methodologies. This helped increase their efficiency when inspecting or testing SPS standards in shipments.



TRTA3 supported the Bureau of Plant Industry (BPI) to set a risk-based approach to border inspections for the import & export of fruit & vegetables. This helped to increase consumer protection and for the country to comply with international trade rules.

BPI officers were trained on best-practice techniques to assess risks and apply internationally-recognized sampling sizes to each shipment. They used containers of apples from China and mandarins from Argentina for practical and concrete hands-on training. The TRTA3 also created a pest interception database categorizing all imported plant shipments. Low-risk shipments will have a lower sampling rate, while high-risk ones will often be inspected.

Applying International sampling methods to border inspections:

- Minimises inspection times, facilitating trade, while committing to quarantine procedures;
- Maximises efficiency by maintaining a statistical approach to sampling and inspection;
- Standardises inspection rates;
- Allows BPI to better allocate its resources by targeting high-risk plant shipments; and
- Provides a more robust quarantine system to protect the local agriculture and forestry sector.

The TRTA increased the capabilities of our inspectors on risk assessment which clearly simplified our work at seaports and airports. Also, we learned the sampling methodologies to use for fruits and vegetables. The pest database developed by the TRTA is a reference tool for us.

Ms. Laarni Soliman, Plant Quarantine Officer, Bureau of Plant Industry, Department of Agriculture

Further information
www.eurta3phils.org

Ensuring Hygiene and Food Safety in Food Manufacturing and Processing



The Food and Drug Administration (FDA) has functions pertaining to safety inspections, laboratories, veterinary medicine, and rapid alert systems (RAS), among others. TRTA3 supported FDA's inspectors by sharing international practices on hygiene and food safety management.

Hazard Analysis Critical Control Point (HACCP), the internationally recognized system to reduce the risk of safety hazards in food, identifies and controls potential biological, chemical or physical hazards at specific points in the processing of food products. Any company involved in manufacturing, processing or handling food can use HACCP to minimize safety hazards.

TRTA3 trained FDA inspectors in implementing HACCP principles along the food value chain.

HACCP is important for both industrial-scale producers and small snack bars. By mastering this system, FDA can assist producers to increase exports and protect consumers.

A HACCP plan systematically identifies the risks, their cause and how to minimize them based on:

1. **Hazard analysis**—to identify where and how it is possible for hazards to be introduced
2. **Critical control points (CCPs)**—to determine at what point in the production process can controls prevent or reduce a hazard. For each CCP, a preventive measure must be identified
3. **Critical limits**—to establish a maximum or minimum limit for temperature, time, pH, additive levels, or other processing characteristics that will control the hazard. If limits are exceeded, corrective action must be taken
4. **Monitoring procedures**—to monitor the process at the CCP and record the critical limits met
5. **Corrective actions**—to establish the actions to take if a critical limit is not met
6. **Validation and verification procedures**—to test technical viability
7. **Record-keeping**—to document the actions taken and develop the system

“ TRTA3 supported the implementation of the Food Safety Law to address food-borne diseases through adoption of HACCP practices by the food industry, in general and food business operators, in particular. It also assisted the Food and Drug Administration and local governments on their inspections.

In 2013, the Philippines introduced in its food safety law the requirement to include HACCP plans when processing food. Philippine regulators and businesses adapted their practices to meet the HACCP criteria. This meant that more FDA inspectors were needed to respond to increasing demand. Training the agencies and food manufacturing businesses became an indispensable part of enhancing access to international markets.

Traceability gaps can also compromise the ability of regulatory agencies to carry out official controls and regulate food safety. TRTA3 assisted the government to upgrade its food controls covering all steps in the value

All 16 regions now have trained staff. Thanks to TRTA3, from 3 inspectors, we now have 26 inspectors who passed the HACCP certification exam. TRTA3 has also simplified the manuals and created checklists for laboratory audits. The TRTA3 assistance to reinforce the inspection of processed food has met all expectations.

Director Marilyn Pagayunan, Center for Food Regulation and Research, Food and Drug Administration

Further information

www.eutra3phils.org/information-materials1.html and www.fda.gov.ph

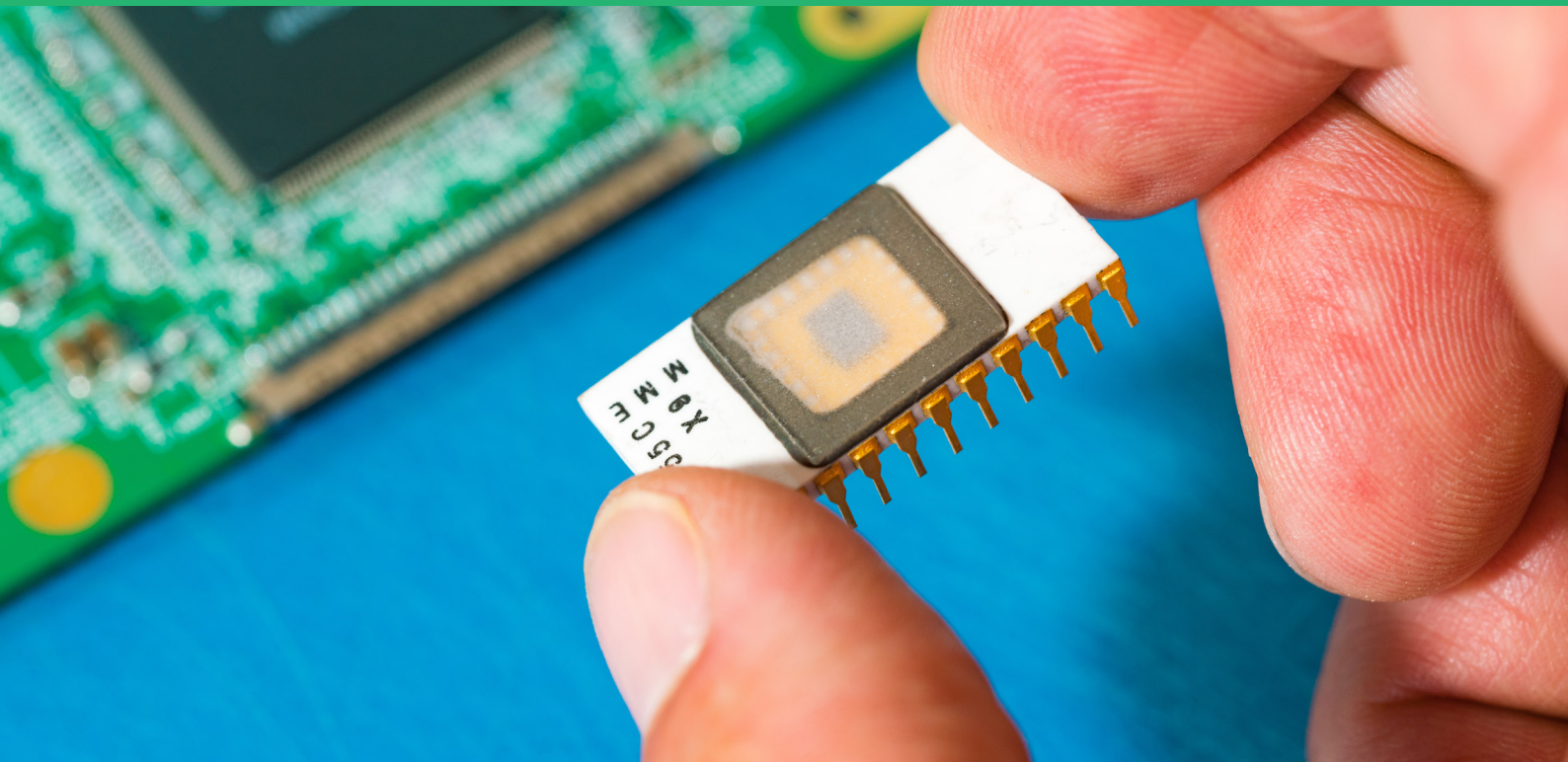
chain. Procedures and tools were updated to allow inspectors to control the hazards more efficiently.

The TRTA3 organised workshops and drafted guidelines on four illustrative sectors: dried bananas, rice, fruit juices, and canned fish.

Food inspectors, both at headquarters and at the Local Government Units (LGUs) now have more updated tools and procedures. They can now cascade this knowledge to food producers, who are at the front line of safety.

Ultimately, this will ensure that Philippine firms comply with international standards and procedures by developing sanitary and phytosanitary (SPS) management and control systems. This provides firms with greater access to export markets and contributes to the Philippines' integration into global markets.

Upgrading the Integrated Circuit (IC) Industry: From Assembly to Design



The Philippines aims to position itself as a key player in the global Integrated Circuit (IC) design industry.

Based on a previous draft submitted by the Semiconductor & Electronics Industry of the Philippines (SEIPI), TRTA 3 supported the Board of Investments to craft a more focused plan. The project analysed if IC could move the Philippines up the value chain and usher in more sophisticated electronics exports over the medium and long term.

TRTA3 also provided support to draft a marketing plan to promote the Philippines as a home base of competitive IC design companies, to provide services to the worldwide IC ecosystem ("IC Design as a Service"), and to serve as an attractive destination for foreign IC design-related companies.

TRTA3 supported the Philippines Institute of Integrated Circuits (PIIC) at the University of the Philippines (UP), the Department of Science & Technology (DOST), the DTI-BOI and some of the PIIC's nascent IC Design Industry's partners to address the lack of engineers able to perform IC design locally.

The Philippines Semiconductor and Electronics (S&E) Industry was dominated by the Semiconductor Manufacturing Services Industry. The electronics industry Electronics Manufacturing Services (EMS) and Original Design Manufacturers were under-represented, which is opposite of the global trend. The key challenges were:

- Lack of high-value activities. The Philippine Information and Communications Technology (ICT) industry is a low-value assembly business with 70% of PH's ICT exports being assemble-test-package activities with no front-end companies;
- Absence of wafer fabrication and limited Original Design Manufacturer activities at the system design level;
- Diffusion of activities prevented a strong clustering effect from happening;
- Lack of IC "Centres of gravity" or centres of excellence;
- Lack of national innovation programs linking industry's research and development;
- Limited information technology infrastructure and intermittent electrical power supply;
- Limited entrepreneurship;
- Structural and legacy issues kept the Philippines from positioning itself as a significant player in the sector; and
- PIIC lack of funds restricted its long-term plans;

When outsourcing or relocating, companies usually consider the following factors: cost saving, time-to-market (TTM) acceleration, and research and development (R&D) organization. The findings of this work showed that the Philippines is competitive in the cost saving aspect—providing good services at a lower price—and in TTM, with R&D a work in progress. The Philippine IC Design Industry needs to extend the scope of its supply chain in order to integrate further.

The IC Design Industry Roadmap recommended:

- To develop clusters i.e., a "centre of gravity" in Metro Manila to coordinate other clusters and activities;
- To develop talent pools of IC designers for IC Layout and Verification to address the global shortage of engineers;
- To create incubation centres reinforced with links among clusters;
- To institute an IC Design curriculum at PIIC and other universities;
- To ensure sustainable funding to higher-education institutions for medium- and long-term plans.

TRTA identified key sectors such as automotive, electronic data processing and consumer electronics which have comparative advantages in the short term due to:

- Competitive development cost;
- Younger engineers —the average age of a Filipino engineer is 26-29 years old;
- No export restrictions in the advanced semiconductor manufacturing process;
- Increasing number of engineering graduates;
- Facility in the English language.

Without the PIIC, Philippine engineers would probably still be working, but they would be doing it for less pay. PIIC's links with universities on curriculum content development has made a real difference by addressing the gap between industry expectations and college education.

Engr. Sherryl M. Gevana,
Dean of the College of Engineering at
the First Asia Institute of Technology
and Humanities (FAITH) in Batangas

Before, I had no idea about job prospects and no direction. Now, I'll be able to pick and choose where I'll work and what I'll specialize in. I think in the next two to five years, the IC design business here will grow tremendously.

Evren Love O. Dela Cruz,
a BSU student

PIIC is set to become the lead group in attracting the industry to locate in the Philippines. And, as the PIIC plans for its future evolution, we are relying heavily on the TRTA3 IC Design Industry Roadmap for guidance."

Mr. Christian Roque,
PIIC Executive Director

Further information
www.web4.piic.org.ph

Protecting the Value of Our Traditions



TRTA3 supported initiatives to boost the competitive position of Filipino products by harnessing their special qualities and unique characteristics due to their geographic origin.

A Geographic Indication (GI) is a sign that goods from a specific place possess qualities that are due to that place of origin. TRTA3 worked with the Intellectual Property Office of the Philippines (IPOPHL), the Department of Agriculture and local government units (LGUs) to develop, promote, and protect products with export potential. TRTA3 assisted IPOPHL in conducting a program to grant collective trademarks to two pilot products: the T'nalak Tau Sebu cloth and the Guimaras Mangos.

Based on these pilot projects, a manual was prepared to guide the Bureau of Trademarks' staff on the key steps towards the adoption of measures that will strengthen protection of GIs. The TRTA3 also worked together with the IPOPHL to develop a legal framework for intellectual property protection.

T'nalak cloth

The T'nalak cloth is derived from a sacred, centuries-old, time-consuming process of stripping plant fibres, then fluffing, separating and spinning them into a single string of raw fabric. Natural dyes are applied on the strands before weaving. The final product is a hand-made abaca handicraft woven cloth used for rituals, as well as bags and decoration, among others.

TRTA 3 experts trained the T'boli women weavers of T'nalak cloth in developing their Code of Practice (COP). They formulated the rules in using the collective trademark and agreed to conform to its specifications. They defined the product's characteristics, specified the area of production, guarantee and control system, and established the link between the geographical environment and the product. For instance, for the T'nalak cloth, the link between business and spiritual practices, belief, culture, and authenticity were studied to define its value. The group identified 42 traditional designs and finalized their COPs.

“ **For the T'nalak cloth, the link between business and spiritual practices, belief, culture, and authenticity were studied to define its value.**”

Prior to formulating the T'nalak COP, the weavers were oriented on the rudiments of planning and community organisation. They developed alternative collective logo designs for their products. The TRTA3 also supported in developing business plans for local and international markets, integrating trademarks, and traceability. In marketing, innovations were introduced in terms of other uses for T'nalak cloth such as accents in furniture, table lamps, and designer dresses. With some assistance from the TRTA3 expert, the organisation of weavers was able to generate modest financial resources through Internet crowdfunding thus, minimising their costs in formulating the COP and other activities.

In sum, the steps that have been followed in the pilot product T'nalak (community organization, formulating the code of practice and marketing plan and establishing traceability, among others) have provided a good reference in pursuing developmental plans for intellectual property protection for other products.

Ms. Jenita Eko, President of the Lake Sebu Indigenous Women Weavers Association, Inc. (LASIWWAI), estimates that the pilot project resulted in the following positive outcomes:

- Economic impact: 800 weavers, mainly women, have enhanced their potential to increase their income and to become more economically independent of their husband's pay.
- Social impact and gender equality: T'boli women strengthened their social status. By pursuing their own economic opportunities, the women were empowered to break out of stereotypical roles.
- Cultural impact: The production the T'nalak cloth has led to a revival of traditional processes and rituals.
- Environmental impact: The weaving enterprise reduces artisans' dependency on the forest as their primary income source. Handicrafts can bring higher income in less time and lower effort than kaingin—the practice of slashing and burning of woodlands for cultivation.

Guimaras Mangoes

Guimaras Mangoes, renowned for its size, flavor, juice, appearance, and low fibre content, are some of the world's sweetest mangoes. Easily dried or processed, the Guimaras mangoes are also certified pest-free by the United States.

The Guimaras farmers followed the same steps undertaken by the T'nalak cloth producers to organize themselves. The key needs were:

- Improvement of farming techniques and technology to ensure quality;
- Marketing assistance and financial accounting training to manage spending and profits; and
- Development of a sustainability plan

Both the T'nalak producers and the Guimaras Mango farmers, organized themselves into formal cooperatives. TRTA3 trained about 560 producers to develop their COP, strengthen the organizational setup and improve their marketing approaches.

Further information

www.ipophil.gov.ph/services/trademark/about-trademark

www.ipophil.gov.ph/ip-knowledge2/geographical-indications-forum

Combating Illegal, Unreported and Unregulated Fishing



The EU is the world's biggest fish importer. It imports from all over the world but it was estimated that over €1 billion of its annual imports were illegal. To prevent this, the EU introduced the IUU Fishing Regulation 1005/2008 targeting Illegal, Unreported, and Unregulated (IUU) fishing. The IUU regulation requires every fisheries management authority to provide a "Catch Certificate" for wild-caught seafood exported to the EU.

The Catch Certificate (CC) demonstrates that the fish was obtained in compliance with established conservation and management measures. To export to the EU, wild-caught fishery products must be accompanied by a catch certificate throughout the supply chain.

An audit on the Philippines' Catch Certificates showed major errors. Weak laws and law enforcement of fisheries control measures, monitoring and surveillance could have resulted in the ban of the Philippines' exports to the EU. This could have led to some €183 M losses annually, on top of related jobs losses and a decrease in local economic activities.

In June 2014, the Philippines received a yellow card from the EU. The yellow card, which notified the Philippines that it had failed to discharge its responsibilities as a flag, port, and coastal state, required the country to demonstrate its commitment to eradicate IUU fishing in order to continue exporting to the EU. The country formulated a National Plan of Action to prevent, deter, and eliminate IUU fishing, revise fisheries laws including sanctions, create a database and monitoring system for vessels, and improve traceability. To avoid losing the lucrative European export market, a coherent, efficient, and measurable response was urgently needed.

TRTA3 supported the Philippines in its efforts to address IUU fishing. Expert technical assistance and focused studies led to a short-term action plan to comply with IUU regulation. This included BFAR actions to manage municipal fisheries and to achieve a sustainable fish industry for exports:

- Improved catch certification to ensure that Philippines-verified certificates are accepted and reliable;
- Monitoring, Control and Surveillance planning and implementation to ensure that Philippines flag state obligations are enforced to international standards;
- Fisheries management planning to ensure that local-sourced fish meets coastal state obligations under the Law of the Sea Treaty;
- Institutional and policy reform to create the institutional environment for effective resource ownership.

TRTA3 experts also shared their experience with BFAR on ways to reinforce the fisheries law such as raising fees or including stringent penalties for violations.

With TRTA3's technical assistance on catch certification and traceability, the Philippines was able to fight illegal fishing and to comply with the IUU law. Revising the fisheries law was key. Once we revised and amended the law, we got the yellow card lifted. The newly amended law includes higher fines and penalties to deter illegal fishing.

Peter Erick Cadapan, Bureau of Fisheries and Aquatic Resources

Further information
www.eutra3phils.org

Together with BFAR, TRTA3 held workshops to analyse the key issues and to plan actions. For instance, it is important to keep BFAR inspectors regularly trained and updated so that they can assess the lists of vessels authorised for certain waters, and the lists of EU-approved processing plants, as well as Vessel Monitoring System position reports of Philippines vessels. TRTA 3 supported BFAR to develop guidelines, which included a CC verification checklist and the updating of CC inspectors on IUU law and its practices.

This joint-collaboration between TRTA and BFAR was key to the removal of the yellow card imposed on the Philippines' fish exports. The yellow card was lifted in April 2015.

Protecting Consumers and Building a Quality Infrastructure



Consumer protection has always been an important commitment of the Government of the Philippines to safeguard the welfare of its people. The State monitors prices, replies to consumer concerns, and upholds consumer rights.

The Consumer Protection Group (CPG) at the Department of Trade and Industry (DTI) is in charge of protecting Filipinos against unsafe products.

It also monitors the implementation of the ASEAN Harmonized Electrical and Electronic Equipment Regulatory Regime (AHEEER). This regime requires the conduct of post-market surveillance inspections of Low-Voltage-Equipment.

The CPG has a robust front-line capacity. However, it lacks an up-to-date system to trace products through the value chain: from manufacturers to distributors, traders or retailers. This system will make the Philippines compliant with the ASEAN regime and will support the efficient protection of consumers from unsafe products.

DTI set up the Fair Trade Enforcement Bureau (FTEB) with dedicated administrators, inspectors, enforcers and policy makers focusing on consumer protection. TRTA3 supported FTEB to identify gaps between the AHEER principles and the Philippines' practices. They also conducted pilot market surveillance inspections.

International experts shared best practices with FTEB and Regional Operations staff on how to best enforce the technical regulation and to trigger product standardisation. They also supported DTI's initiatives to build and operate information exchange systems across the country.

Tracing unsafe products and assessing risks pave the way to improve existing standards, trigger new standards, and improve the measurement techniques and tools.



To protect consumers, TRTA 3 supported the Fair Trade Enforcement Bureau (FTEB) to identify gaps in Market Surveillance and to set up a pilot project that would trace products through the value chain.

The Philippines is building a quality infrastructure by improving testing, calibration, accreditation, and conformity assessments. By doing so, the country is moving towards compliance with international trade requirements and protecting Filipino consumers.

TRTA3 supported the Philippines on operational improvements to protect its consumers. The collaboration also created an environment where the government and the private sector are more involved in defining the national quality infrastructure (NQI), ensuring consumer protection, and productively contributing to the Philippines' integration into the global economy.

With the assistance of TRTA 3 Project, the capacity building that FTEB and ROG personnel went through from October 2015 to present, on risk-based market surveillance showed the gaps in DTI's market monitoring and enforcement program vis international best practices.

We now understand that checking the compliance of products to standards goes beyond checking the markings. It is having the skills and confidence to conduct preliminary physical tests using simple tools. And understanding the immediate risks involved in detected non-compliance. Likewise, having a proportionate intervention is a more developmental approach to consumer protection and ensuring that trade is not hampered by regulations

Ms. Rosita P. Jaleco, Officer-In-Charge, Product Standard Monitoring Division, Fair Trade and Enforcement Bureau, Department of Trade and Industry

Further information
www.eurta3phils.org

Building Capacity for an Effective Competition Policy



TRTA3 supported the analysis of key economic sectors—electricity, telecommunications, and maritime transport—and identified international best practices to improve competition-specific policies and sector-specific regulations.

For example, TRTA3 supported the Office for Competition (OFC) to analyse competition in the electricity sector.

Reliable and affordable energy is key to trade competitiveness. Under the right conditions, the correct enforcement of competition law in the electricity sector can help decrease prices and provide a better service to consumers. In the Philippines, generation, distribution, and supply have been the target, since 2001, of liberalisation policies.



Promoting a level playing field in the energy sector requires a broader understanding of emerging competition and regulatory issues. By bringing together key stakeholders to identify pro-competitive reforms, the TRTA 3 mapping exercise served as a platform for meaningful discussion of ideas and experiences. OFC immensely benefited from this, and with the new competition law - Philippine Competition Act - in place, we remain committed in doing our share to sustain the gains made from the project.

**Ms. Florina C. Agtarap, Officer-in-Charge,
Office for Competition, Department of Justice**

Further information
www.eurta3phils.org

Policy Planning to Boost Exports Worldwide



TRTA3 assisted the Department of Trade and Industry in drafting an export development plan and set a methodology to implement it.

The Philippines Export Development Plan (PEDP) lays out the country's annual and medium-term export targets, strategies, programs, and projects to be jointly implemented by public and private sectors. The goal is to integrate the Philippine economy into the global scene.

The 2015-2017 plan sets two strategic goals: to identify direct DTI actions and to advocate for trade-related actions that other government agencies can implement.



The TRTA3 planted the seeds with the PEDP 2015-2017. Now, the government is watering the plants and harvesting the production. The government now prioritises areas deserted before, such as cluster networking or global value chains. Also, TRTA brought greater awareness of the importance of a National Quality Infrastructure for the Philippines to the DTI. Last, the PEDP by TRTA3 is more detailed with concrete market data, analysis, and targets. This brought a newfound objectivity that was needed.

Ms. Emmarita Mijares, Deputy Executive Director of the Export Development Council

The TRTA3 raised private sector's awareness on the importance of quality standards and the need to efficiently implement business plans and export strategies to achieve concrete results. On the government side, the PEDP changed the mind-set: from a directive to an intervention-oriented approach.

Ms. Agnes Legaspi, Assistant Director of the Export Marketing Bureau, Department of Trade and Industry

Further information

www.eutra3phils.org/information-materials2.html

TRTA3 supported DTI's Export Marketing Bureau in drafting an export model to:

- Serve as the framework for a PEDP to be regularly applied in different planning periods;
- Differentiate between exports of goods and exports of services;
- Remain technically robust under alternative assumptions; and
- Define key factors to base policy and program actions for the DTI, relevant government agencies and the private sector.



The TRTA3 assisted the Department of Trade and Industry in drafting an export development plan and set a methodology to implement it

The PEDP formulated a set of concrete recommendations to boost the Philippines exports and competitiveness. Key export sectors and emerging markets were identified. Some sectors will leverage on the country's comparative advantage, while others aim at exploiting the opportunities presented by fast-growing markets.

- **Key export sectors:** electronics; processed food and beverage; coconut oil; motor vehicle parts; computer and information services; and technical and trade-related business services
- **Key emerging markets:** activated carbon; chemicals, metal components; and fresh and preserved fish.

A memorandum circular issued by the President of the Philippines called for 14 departments and agencies to support and implement the PEDP 2015-2017 by removing impediments to trade and streamlining processes. The PEDP was a catalyst in directing a coherent government-wide effort in export development and ensuring wider ownership by several governmental bodies moving forward within their own spheres.

Modernising Philippine Customs to Facilitate Trade



Customs authorities around the world have adopted the Revised Kyoto Convention (RKC) as the blueprint for the harmonisation of customs procedures. As party to the Convention, the Philippines is required to update its customs laws and regulations in compliance with the standards of the Convention. This formed the impetus for a new law: the Customs Modernization and Tariff Act (CMTA) of 2016.



It has been my distinct honor and privilege to have represented the Bureau of Customs in the extensive consultations with the House of Representatives and the Senate regarding the provisions of the Customs Modernization and Tariff Act.

We coordinated closely with the Ways and Means Committees of both houses of Congress. In the process, TRTA3 provided technical support and expertise in terms of briefings with the legislative staff of the HOR and the Senate, as well as active participation in the numerous workshops of the Technical Working Group, the subsequent plenary debate, and even the bicameral conference to reconcile the differing provisions of the Senate and the HOR versions of the bill.

Republic Act 10863 is a landmark piece of legislation, a legacy that we are proud to hand over to our people and the future generations. It is a major stride towards the realizing the vision of an efficient and service oriented Customs.

AGATON TEODORO O. UVERO,
Deputy Commissioner, Assessment and
Operations Coordinating Group,
Bureau of Customs, October 2013 to
June 2016,

TRTA3 supported the Bureau of Customs (BOC) in trade facilitation. A time-release study was conducted to measure the time it takes for cargoes to move from arrival to final destination, which provided a baseline for the modernisation of the law and related procedures. The programme provided expert input and technical expertise to facilitate the drafting and the passage of the new law. TRTA3 also provided expertise in the preparation of the related implementing rules and regulations and of the organisational capacities for implementation.

The CMTA is an exhaustive legal framework defining the Customs procedures for the country's international trade. It is a landmark in the Philippines' drive to be integrated with the global economy on a more stable and sustainable footing.



Further information

**TRADE RELATED
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