

**XXII. DEPARTMENT OF TRADE AND INDUSTRY**

**A. OFFICE OF THE SECRETARY**

**STRATEGIC OBJECTIVES**

**MANDATE**

Pursuant to Executive Order No. 133, the Department of Trade and Industry shall be the primary coordinative, promotive, facilitative and regulatory arm of government for the country's trade, industry and investment activities. It shall act as catalyst for intensified private sector activity in order to accelerate and sustain economic growth through: (a) a comprehensive industrial growth strategy, (b) a progressive and socially responsible liberalization and deregulation program, and (c) policies designed for the expansion and diversification of trade, both domestic and foreign.

**VISION**

It shall work toward building a more prosperous Philippines by 2016

**MISSION**

Enabling Business, Empowering Consumers

**KEY RESULT AREAS**

1. Transparent, accountable, and participatory governance
2. Rapid, inclusive, and sustained economic growth
3. Poverty reduction and empowerment of the poor and vulnerable
4. Just and lasting peace and the rule of law

**SECTOR OUTCOME**

Globally competitive and innovative industry and services sectors

**ORGANIZATIONAL OUTCOME**

1. Expand exports
2. Investments increased
3. MSNEs developed
4. Consumer welfare enhanced
5. Ease of doing business

**New Appropriations, by Program/Project**

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	<u>Current Operating Expenditures</u>			
	<u>Personnel Services</u>	<u>Maintenance and Other Operating Expenses</u>	<u>Capital Outlays</u>	<u>Total</u>
<b>PROGRAMS</b>				
100000000 General Administration and Support	P 241,000,000	P 487,304,000	P 15,300,000	P 743,604,000
300000000 Operations	810,202,000	1,521,873,000		2,332,075,000
MFO 1: Trade and Industry Policy Services	161,532,000	351,677,000		513,209,000
MFO 2: Technical Advisory Services	206,374,000	631,485,000		837,859,000

NFO 3: Trade and Investment Promotion Services	232,328,000	362,371,000	594,699,000
NFO 4: Consumer Protection Services	127,339,000	124,067,000	251,406,000
NFO 5: Business and Trade Regulatory Services	82,629,000	52,273,000	134,902,000
<b>Total, Programs</b>	<b>1,051,202,000</b>	<b>2,009,177,000</b>	<b>3,075,679,000</b>
<b>PROJECT(S)</b>			
400000000 Locally-Funded Project(s)		152,371,000	700,000,000
<b>Total, Project(s)</b>		<b>152,371,000</b>	<b>700,000,000</b>
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 1,051,202,000</b>	<b>P 2,161,548,000</b>	<b>P 715,300,000</b>
			<b>P 3,928,050,000</b>

**New Appropriations, by Central/Regional Allocation**

REGION	Current Operating Expenditures			
	Personnel Services	Maintenance and Other Operating Expenses	Capital Outlays	Total
Central Office	P 437,213,000	P 1,185,209,000	P 15,300,000	P 1,637,722,000
Regional Allocation	613,989,000	976,339,000	700,000,000	2,290,328,000
National Capital Region (NCR)	35,352,000	35,505,000	12,670,000	83,527,000
Region I - Ilocos	38,079,000	73,242,000	91,508,000	202,829,000
Region II - Cagayan Valley	36,455,000	63,499,000	48,202,000	148,156,000
Cordillera Administrative Region (CAR)	41,856,000	45,722,000	57,589,000	145,167,000
Region III - Central Luzon	52,618,000	40,200,000	52,464,000	145,282,000
Region IVA - CALABARZON	41,233,000	50,826,000	80,625,000	172,684,000
Region IVB - MIMAROPA	22,122,000	72,682,000	19,004,000	113,808,000
Region V - Bicol	51,441,000	65,231,000	34,554,000	151,226,000
Region VI - Western Visayas	39,301,000	76,195,000	23,036,000	138,532,000
Region VII - Central Visayas	37,872,000	63,952,000	36,623,000	138,447,000
Region VIII - Eastern Visayas	33,657,000	60,413,000	34,554,000	128,624,000
Region IX - Zamboanga Peninsula	38,447,000	40,401,000	46,071,000	124,919,000
Region X - Northern Mindanao	36,174,000	70,552,000	50,679,000	157,405,000
Region XI - Davao	42,027,000	43,509,000	34,553,000	120,089,000
Region XII - SOCCSKSARGEN	35,155,000	61,995,000	22,869,000	120,019,000
Region XIII - CARAGA	32,200,000	112,415,000	54,999,000	199,614,000
<b>TOTAL NEW APPROPRIATIONS</b>	<b>P 1,051,202,000</b>	<b>P 2,161,548,000</b>	<b>P 715,300,000</b>	<b>P 3,928,050,000</b>

**Special Provision(s)**

1. **Implementation of Shared Service Facilities.** The amount appropriated herein shall be used for the implementation of Shared Service Facilities (SSF) Projects that aims to improve the quality and productivity of micro, small and medium enterprises through the provision of machinery, equipment, IT systems, tools and related accessories ("The Equipment"): PROVIDED, That the implementation thereof shall be primarily based on priority industry clusters identified by the DTI in consultation with key stakeholders: PROVIDED, FURTHER, That the DTI shall turnover the equipment to LGUs, SUCS, SMEs, cooperatives and other cooperating organizations ("The

Cooperating Partner/s") upon the execution of a Memorandum of Agreement (MOA) with the cooperating partner/s that specifies certain conditions including the use of the equipment under a usufruct agreement with the DTI and commitments to secure, operate, properly maintain and repair the equipment upon acceptance thereof from DTI: PROVIDED, FURTHERMORE, That after a period of two years wherein the cooperating partner has demonstrated the successful operation of the SSF, DTI may transfer ownership of the equipment to the cooperating partner: PROVIDED, FINALLY, That the amount appropriated herein shall be inclusive of the establishment of business resource centers that will serve as hubs for excellence to capacitate MSMEs, through the provision of the equipment to be managed by the Department through its regional, provincial offices, and attached agencies or to be turned over to LGUs, SUCs, or other cooperating organizations. (CONDITIONAL IMPLEMENTATION – President's Veto Message, December 20, 2013, page 1108, R.A. No. 10633)

2. **Micro, Small and Medium Enterprise Development Council Fund.** In addition to the amounts appropriated herein, Sixteen Million Nine Hundred Thirty One Thousand Pesos (P16,931,000) sourced from ninety percent (90%) of the total penalties collected by the BSP from lending institutions for non-compliance with the mandatory allocations of credit resources to Micro, Small and Medium Enterprises (MSMEs), constituted into the Micro, Small and Medium Enterprise Development Council Fund, shall be used for the development of the MSME sector pursuant to Section 20 of R.A. No. 9501.

Releases from said Fund shall be subject to the submission of a Special Budget pursuant to Section 35, Chapter 5, Book VI of E.O. No. 292, s. 1987.

The DTI shall submit, either in printed form or by way of electronic document, to the DBM, the House Committee on Appropriations and the Senate Committee on Finance, separate quarterly reports on the financial and physical accomplishments of this Fund. The Secretary of Trade and Industry and the Agency's web administrator or his/her equivalent shall be responsible for ensuring that said quarterly reports are likewise posted on the official website of the DTI.

3. **Comprehensive Agrarian Reform Program.** The amount of Seventy Six Million Three Hundred Thirty Three Thousand Pesos (P76,333,000) appropriated herein shall be used in support of the Program Beneficiaries Development component of the Comprehensive Agrarian Reform Program.

4. **Fees and Other Charges of the Intellectual Property Office of the Philippines.** The income of the Intellectual Property Office of the Philippines (IPOP/PHIL) sourced from fees, fines, royalties and other charges shall be used for its operations, including human resource development, acquisition of office space, equipment outlay and upgrading of facilities, to improve the delivery of its service, in accordance with Section 14.1 of R.A. No. 8293.

The IPOP/PHIL shall prepare and submit to the DBM annual reports on the utilization of income and its audited financial statements for the preceding fiscal year.

Failure to submit said annual reports and the audited financial statements shall render any disbursement from said income void, and shall subject the erring officials and employees to disciplinary actions in accordance with Section 43, Chapter 5, and Section 80, Chapter 7, Book VI of E.O. No. 292, and to appropriate criminal action under existing penal laws.

5. **Appropriations for Programs and Specific Activities.** The amounts appropriated herein for the programs of the agency shall be used specifically for the activities in the amounts indicated under the Details of the FY 2014 Budget attached as Annex A (Volume 1) of this Act.

#### PERFORMANCE INFORMATION

##### KEY STRATEGIES

1. Ensure comprehensive and sound policies/regulations consistent with nation's best interests
2. Provide sufficient and effective advocacy and communication
3. Undertake focused and sustainable development interventions on trade and industry, consumer welfare, and MSME
4. Build strategic promotion program and networks on trade, investments and MSME
5. Ensure clear, consistent and fair enforcement of rules and regulations

##### MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS

Targets

MAJOR FINAL OUTPUTS (MFO) / PERFORMANCE INDICATORS	Targets
<b>MFO 1: TRADE AND INDUSTRY POLICY SERVICES</b>	
No. of plans and policies updated, issued and disseminated	50
Average % of stakeholders who rate the plans and policies as satisfactory or better	90%
% of policies updated over the last three (3) years	90%
<b>MFO 2: TECHNICAL ADVISORY SERVICES</b>	
No. of technical assistance/advisories provided: Small and medium enterprises	41,977
No. of technical assistance/advisories provided: Exporters	1,508
No. of technical assistance/advisories provided: Investors	3,045
No. of technical assistance/advisories provided: Others	275
% of clientele assisted who rate the technical service as satisfactory or better: Small and medium enterprises	90%

% of clientele assisted who rate the technical service as satisfactory or better: Exporters	90%
% of clientele assisted who rate the technical service as satisfactory or better: Investors	90%
% of clientele assisted who rate the technical service as satisfactory or better: Others	90%
% of requests for technical assistance/advisory that were responded to within three (3) days	90%
<b>NFO 3: TRADE AND INVESTMENT PROMOTION SERVICES</b>	
No. of exporters assisted	3,000
% of exporters who rate DTI assistance as satisfactory or better	90%
% of business requests for assistance responded within three (3) days	90%
No. of investors assisted	1,000
% of investors who rate DTI assistance as satisfactory or better	90%
% of business requests for assistance responded to within three (3) days	90%
<b>NFO 4: CONSUMER PROTECTION SERVICES</b>	
No. of advocacy initiatives undertaken	592
% of the public that is aware of DTI consumer advocacy initiatives	75%
% of advocacy initiatives implemented within one (1) day of original schedule	93%
No. of complaints processed and resolved	3,880
% of participants in complaint hearings who rate the fairness of the process as satisfactory or better	88%
% of processed complaints resolved by arbitration within twenty (20) working days after filing	82%
% of processed complaints resolved by mediation within seven (7) working days after filing	82%
<b>NFO 5: BUSINESS AND TRADE REGULATORY SERVICES</b>	
<b>Licensing and Registration</b>	
No. of business name applications processed	302,897
% of clients who rate the service as satisfactory or better	90%
% of business names registered within fifteen (15) minutes	90%
No. of applications for business licenses, permits, registrations, authorities processed	32,031
% of approved business entities violating one or more of the authorization conditions in the last three (3) years	5%
% of license applications acted upon within seven (7) days from receipt of complete applications	90%
<b>Monitoring</b>	
No. of compliance inspections carried out	14,414
% of inspections carried out resulting to the issuance of a formal charge	78%
% of license or authorized entities inspected more than once in the last three (3) years	78%
<b>Enforcement</b>	
No. of firms monitored	40,171
% of violating firms penalized	90%
% of violating firms penalized within prescribed time as contained in the decision	90%

NOTE: Exclusive of Targets funded from other sources, e.g. Special Account in the General Fund.