

# **Quarterly Report**

**For the Period January to March 2001**



**TAPS – Advocacy  
for Trade and  
Investment  
Liberalization**



**TAPS**

## **Theme 1: Business Advocacy for Liberalization**

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### ***Implementing the Harmonized System of the Philippines in the Generation and Dissemination of Foreign Trade Statistics***

- The Project aims to promulgate detailed monthly and annual foreign trade statistics in generating the Harmonized System of the Philippines (HSP) as the major classification of goods. In so doing, however, the information that the Philippine Standard Commodity Classification (PSCC) and the detailed products classification needed by export development planners will be integrated into the HSP to satisfy the requirements of all users of the statistics.

In support of this, the project came up with a computer-based aid to classification that traders can use to properly assign the tariff heading to the goods being traded. The software will be WINDOWS-based and will run on ordinary desktop computers (Pentium II or higher version) which can installed in strategic areas easily accessible to users.

- Last 29 January 2001 the use of the Harmonized System was formally launched alongside the Computer Aided Classification System (CACS) on CD-ROM. This was made possible by the efforts of two Technical Working Group Committees for **the Classification of Goods** and **Software Development**, consisting of the ff. organizations: NSO, NEDA, BSP, Tariff Commission, EDC, Philexport, Inc., NSCB, BOC and DTI-BETP.
  - As a follow through activity, a supplemental MOA is being drafted which will cover the marketing and updating (as well as maintenance) via subscription of the CACS CD-ROM. In addition, PHILEXPORT will provide a maximum of 200 copies of the software to specified government agencies to disseminate the information. This initiative started when PHILEXPORT gave a copy of the software to the following government agencies: BSP, DTI, BOC, DOF and DA during the Board of Trustees (BOT) Meeting last 20 March 2001.
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### ***PHILEXPORT News and Features***

Out of the ten weekly PHILEXPORT News and Features packets sent out by PHILEXPORT and TAPS from January to March 2001, a total of 36 feature and news stories were used by major national daily newspapers including the Philippine Star, Philippine Daily Inquirer, the Manila Daily Bulletin, the Business World, the Manila Standard and the Manila Times.

Two weekly magazines, the Philippine Graphic and Metro, a sister publication of the tagalog broadsheet Kabayan, also regularly use PNF articles. Major provincial daily and weekly newspapers, plus the major television and radio networks also regularly receive PNF weekly media packets. Monitoring of the frequency of use in those outlets have been found extremely difficult with the exception of feedback gathered from Philexport's provincial and regional chapters.

In sum, the PNF media packet has been proven to be an effective medium for advocacy to the mainstream media at a reasonably low cost.



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## **Theme 1: Business Advocacy for Liberalization**

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### ***Legislative Liaison and Advocacy Project***

The TAPS Project ascribes to the philosophy of free trade, investment liberalization and export-competitiveness enhancement. However, policies and programs supportive of these ends are guided by laws passed by legislatures. The Project thus recognizes the importance of legislative monitoring and advocacy to ensure that its thrusts, initiatives, and concerns gain legislative attention and support in both Houses.

The Legislative Liaison and Advocacy Project aims to put forward a legislative agenda that addresses the concerns of the export sector, ensure that this reaches a broad audience of legislators and other stakeholders, and provoke legislative response or action from the key players.

A recently concluded Project activity was a 2-day workshop on legislative advocacy for the export sector. It was participated in by the PHILEXPORT and representatives from its industry partners, PCCI and ECOP.

The workshop culminated in the identification of a common agenda for the PHILEXPORT and its industry partners. The Project Consultants are currently in the process of drafting an advocacy plan identifying strategies to push the legislative agenda forward.

In light of the recent political turmoil that beset the country, advocacy efforts were stalled as everybody tried to second-guess how the political crisis would turn out. With the upcoming local elections and with a newly-installed government, it is inevitable that the export sector starts to reposition itself, and re-draw a legislative agenda that would easily "sell" to the present administration and political candidates for the next elections. This is precisely what the PHILEXPORT and its industry partners, PCCI and ECOP, are doing. To this end, a series of meetings with the House and Senate Committee Secretaries and some key legislators are currently being arranged to get inputs to legislative agenda. The legislative agenda is also being re-aligned according to the current administration's policy agenda.



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## **Theme 1: Business Advocacy for Liberalization**

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### ***Retail Trade Liberalization Act of 2000 Implementing Rules and Regulations***

On 7 April 2000, the Philippine Retailers Association, through the assistance of the TAPS Project, organized a forum to discuss the Retail Trade Liberalization Act of 2000. This forum was attended by the different agencies tasked to draft the Implementing Rules and Regulations of the Act, namely the Department of Trade and Industry, National Economic Development Authority (NEDA) and the Securities Exchange Commission (SEC). Participants from the private sector were to discuss with the concerned agencies questions and concerns on the IRR. Through this forum, the participation of the private sector on the committee meetings/consultations was ensured.

On 09 August 2000, the final version of the IRR was presented by Atty. Leticia Ibay of the Board of Investments, during the National Retailers Conference, which was again supported by the TAPS Project. Atty. Ibay also presented the IRR to Cebu Retailers on 27 October 2000 in Cebu City.

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## **Theme 1: Business Advocacy for Liberalization**

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### ***Business Meeting with Her Excellency President Gloria Macapagal Arroyo***

On 21 February 2001, the Philippine Chamber of Commerce and Industry, Philippine Exporters Confederation and the Employers Confederation of the Philippines hosted a luncheon business meeting with President Gloria Macapagal Arroyo to express their support for the agenda of the new administration.

More than 800 presidents and chief executive officers from different industries, diplomats and representatives from non-government organizations attended the event. In her speech, the President reiterated the four core beliefs of her administration:

- Elimination of poverty within a decade;
- Improvement of moral standards in governance and in society in order to provide a foundation for good governance;
- Replace politics of personality and patronage with a new politics of party programs and process of consultation to provide a foundation for true reform; and
- Leadership by example.

Among the pronouncements she made were the endorsement of the Executive of the ARMM Organic Bill, the Power Sector Reform Bill and the new Central Bank bill. After one month in office, 19 bills were already passed and were considered of national importance—among these bills are the shift from home consumption value to transactions value, deferment of VAT imposition on certain professions and services, and upgrading the court of tax appeals.

The logo for TAPS (Technical Assistance Project for the Judiciary) features the word "TAPS" in a bold, sans-serif font. To the right of the text is a circular emblem containing a stylized map of the Philippines. The entire logo is set against a dark, textured background.

## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Alternative Dispute Resolution***

- Philexport/TAPS Project in coordination with the UNDP Project and the Philippine Judicial Academy (PHILJA) pioneered the court-referred mediation in October of 1999.
- Philexport/TAPS Project supported the training of twenty (20) mediators from the cities of Mandaluyong and Valenzuela last June 25-27, 1999 at Subic International Hotel, Olongapo City. The trained mediators were given authority by the Supreme Court to mediate actual civil cases during the pilot-test project from December 1999 to February 2000. The pilot test in Mandaluyong and Valenzuela demonstrated the potential of mediation as a means of settling disputes. Of the 71 court cases that actually underwent mediation, 27 cases resulted in compromise agreements - or a success rate of 38.0%. The ADR Sub-Committee recommended that such efforts be replicated and further enhanced with the identification of follow through activities under the TAPS II Project Workplan - ADR Mechanisms.
- The TAPS Project supported the Evaluation Workshop held last 07 July 2000 to further assess the implementation of the ADR pilot project in the cities of Mandaluyong and Valenzuela. The 4S Framework (Sustained, Strengthened, Stopped and Started) was used to evaluate the policies, structures & personnel, process and procedures of the ADR mechanism.
- The TAPS Project provided assistance in the conduct of a Pre-Workshop Training and the Basic Mediation Workshops by three (3) Singaporean speakers from the Singapore Mediation Centre (SMC) held last July 6, 10-12, 2000. After the four-day training, the mediators underwent an internship program, in both the regular courts (wherein they handled civil cases) and the family courts as supported by the Asia Foundation. The initial results showed a 64% success rate for the city of Mandaluyong and this time the mechanism was enhanced, because of the presence of a co-mediator and



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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Alternative Dispute Resolution***

evaluation by the litigants and co-mediator to rate the performance/service of the mediator. Documentation of the proceedings was strictly required and given the limited timeframe the success rate was quite high. There was an initial evaluation done by the ADR Sub-Committee and PHILJA, but Justice Ameurfina Melencio-Herrera requested the conduct of a formal evaluation workshop to fully assess the reason behind the success rate. As of to date, series of lectures on mediation are being conducted by the PHILJA to train a new pool of mediators in preparation for the Settlement Week to be conducted on February 2001 as approved by the Chief Justice Hilario G. Davide, Jr.

- The PHILJA requested TAPS' support in this undertaking as this will be a step away into institutionalizing the ADR mechanism to declog our congested court dockets. The TAPS Project also commissioned the services of the former UNDP Project Manager, Atty. Rhodora Roy-Raterta (ADR Lead Consultant) to assist/support the ADR Sub-Committee in its development and implementation of the next round of pilot-tests. They will also draft and finalize upon inputs and subsequent approval of the ADR Sub-Committee and the Judicial Reforms Committee of PHILJA of the ff: Manual for Mediators, Guide for Judges, Primer for Litigants, Primer for Lawyers and Final Report of Pilot-Testing.
  
  - In preparation for the *Settlement Week* geared towards increasing public awareness on the use and benefits of mediation. Mediation is a proven-effective process where a neutral third party assists feuding parties to seek a mutually-satisfactory agreement to their dispute. During a designated period, the Court suspends normal trial activity for identified civil cases to mediate them with the help of trained mediators, bar, bench and other stakeholder groups. Sessions normally last 2-3 hours, with additional sessions rescheduled as needed. Unresolved cases return to the court's dockets. Therefore, the *Settlement Week* promotes directs and effective access to justice.
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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Alternative Dispute Resolution***

- ☉ As a follow through activity of The TAPS Project, we supported two components of the Settlement Week, namely, the Advocates Forum and the Conference Workshop. The TAPS Project supported four (4) sectors out of the seven (7) proposed for funding, namely, Judges, Lawyers, Business and Media (16 March 2001). The aim of this forum is to develop support among critical groups whose participation will be crucial to the acceptance of mediation. On the other hand, the Conference-Workshop scheduled on 21 March 2001 is a one-day consultative workshop involving 300-350 selected advocates. The objective is to secure the stakeholders' inputs on policy issues such as certification and maintenance of mediator competencies, professional fees, quality assurance, training standards, and legislation. Seven (7) simultaneous break-out sessions will be organized with the following topics for discussion:
  1. Accommodating Mediation in the Rules of Court (by Justice Oscar Herrera);
  2. Developing New Applications of Mediation (Tentative: Prof. Dina Abad);
  3. Unclogging the Court Dockets (by DCA Reynaldo L. Suarez);
  4. Legislation of Mediation (by Dean Eduardo delos Angeles);
  5. Code of Ethics for Mediators (by Ms. Nieves Confesor);
  6. Standards of Training and Competence, Qualification, Accreditation and Maintenance of Authorization (by Ms. Anabelle T. Abaya); and
  7. Mediators' Compensation (by Mssrs. Larry Dimaguiba and Jun Bornazal).
  
- ☉ Initial discussions were done with DCA Reynaldo L. Suarez and Justice Antonio M. Martinez regarding follow-through assistance to regionalize the ADR mechanism. The PHILJA successfully pilot-tested the mediation process in Cebu and Davao, which they want replicated in other parts of the region. This will be a viable project in the long



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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Alternative Dispute Resolution***

run, since the benefits of the mediation process which are: speedy, non-adversarial and inexpensive disposition of disputes/cases will not be limited to certain areas but will be diffused to other regions of the country.



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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Development of a Philippine Program for the Promotion of Services***

The current wave of globalization has opened new opportunities for local industries to expand business and tap a broader market. The "game" has come down to developing the competitiveness of local goods and services for these to capture significant slices of this broadened, global market.

It is in this light that the Task Force on Services (TFS) was formed, with representatives both from the government (DTI) and the private sector (this includes TAPS). The Task Force convenes regularly, and consults directly with the services subsectors. Representatives from the subsectors attend the TFS meetings, where they are invited to discuss the needs and concerns of their respective subsectors. They (subsectors and the TFS) then together decide on how the stakeholders (government and private sector) can best respond to these needs.

Apart from holding regular consultations with the subsectors, the Task Force also aims to promote internationally competitive service exports by developing a program outlining strategies for this. To this end, TAPS is undertaking the project on "DEVELOPMENT OF A PHILIPPINE PROGRAM FOR THE PROMOTION OF SERVICES" in collaboration with the TFS.

This Project aims to identify and organize services subsectors where the country exhibits the most export potential. An action plan outlining competitiveness-enhancement strategies for the subsectors shall be drawn up through the project. The subsectors shall be convened in a Conference/Workshop where the action plans for each subsector will be presented to the public.

The preliminary drafts of the studies have been completed and presented to the sectors for their comments. These are currently being revised to incorporate the comments gathered during the sectoral presentations. Public presentation of the papers is tentatively scheduled early April.



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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Preparation of Advocacy Materials on Environmental Regulations Affecting SME Businesses***

Investors and the business community in general have to work within and according to the laws of the land. Likewise, they have to work closely with local agencies responsible for implementing these laws. Apparently however, several investors are dismayed at the alleged ambiguity and stringency of some of our environmental laws. The lack of transparency and inefficiency of some of our environmental institutions even add to their concerns. Hence, prospective business players are more than discouraged to do business in the country and are practically backing away.

Our wanting environmental laws and the equally flawed institutions implementing these laws allegedly cripple business and investments, and this must be addressed. While it is imperative that the business sector be environmentally responsible, we must likewise provide them with an environment that is investment-friendly and supportive of business. A workable balance must be struck between these two ends.

It is in this light that advocacy materials on environmental regulations affecting businesses are being prepared on behalf of SMEs. Along these lines, a survey of environment-related projects and programs have already been completed. Case studies on at least seven large and medium local enterprises and three foreign chambers are currently being conducted. The studies focus on the impact of environmental rules and regulations, and their implementation on business operations. The studies shall likewise survey the proactive initiatives that these enterprises have taken to respond to environmental concerns.

A forum has likewise been recently concluded where Philexport and its industry partners, representatives from the government and civil society actively participated in. Our consultant for this project is currently drafting an advocacy program based on what has been agreed upon by the forum participants. Our environment consultant shall be working closely with our legislative consultant to advance advocacy efforts along these lines.



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## **Theme 2: Private Sector Inputs to Enhancing Competitiveness**

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### ***Review and Update of the Philippine Export Development Plan (PEDP)***

PHILEXPORT-TAPS is commissioning the activity for the Export Development Council and the Department of Trade and Industry in compliance with the EDC's mandate, as stated in the Part II of the Implementing Rules and Regulations of the Export Development Act of 1994 (RA 7844):

- *Sec 1. The President of the Republic of the Philippines shall approve a rolling three-year Philippine Export Development Plan (PEDP) prepared by the Department of Trade and Industry (DTI) which shall form part of the Medium-Term Philippine Development Plan. It shall be formulated in consultation with the private sector, validated and updated semestrally.*
- *Sec. 2. The PEDP shall define the country's annual and medium-term export thrusts, strategies, programs and projects and shall be jointly implemented by the government exporters and other concerned sectors.*

A series of workshops with government agencies (DTI, Department of Agriculture, NEDA, etc.), industry leaders, PHILEXPORT Board of trustees, and the Product and Market Teams is scheduled to validate the performance and targets and to plan the strategies, programs and projects for the PEDP. Consultations will also be conducted with the PEDP Management Committee (expanded EDC Executive committee which includes the three DTI Undersecretaries) and the national Cluster Management Committee.

The Center for Leadership and Change of the Ateneo de Manila University is being commissioned for this activity.



## **Theme 3: Trade and Investment Facilitation**

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### ***RA 8792: Electronic Commerce Act Implementing Rules and Regulations***

Republic Act 8792 or the Electronic Commerce Act was signed into law on June 14, 2000. On the same day, an inter-agency task force, co-chaired by the Department of Trade and Industry (DTI), Department of Budget and Management (DBM) and the Bangko Sentral ng Pilipinas (BSP), was convened to draft the Implementing Rules and Regulations (IRR). PHILEXPORT was among the private sector organizations invited to be a Member of the Task Force.

The TAPS Project was instrumental in the drafting of the IRR of the Electronic Commerce Act by commissioning Atty. Jesus M. Disini, Jr. to draft the IRR, which was deliberated upon and discussed by the Task Force. The TAPS Project also collaborated with the Philippine Internet Commerce Society (PICS) in organizing an email discussion group which discussed specific portions of the Act and the IRR.

The IRR was digitally signed on 14 July 2000 by DTI Secretary Manuel Roxas III, DBM Secretary Benjamin Diokno and BSP Governor Rafael Buenaventura.

TAPS assisted seminars and workshops on Electronic Commerce and its Implementing Rules and Regulations in different regions like Cagayan de Oro, Davao, Cavite and NCR.

The TAPS Project is also actively involved in the Information Technology and Electronic Commerce Council (ITECC) Legal Cluster, which is tasked to assist the different government agencies formulate guidelines to implement Electronic Commerce. TAPS is assisting the Legal Cluster Sub-Committee on Trade (for import/export procedures) and on E-Taxation, with the Bureau of Internal Revenue as proponent.



## **Theme 3: Trade and Investment Facilitation—*Implementing Electronic Commerce***

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### ***1<sup>st</sup> Mindanao Information and Communications Technology Congress***

*07-09 February 2001, Grand Men Seng Hotel, Davao City*

The Mindanao Business Council (MBC) proposed to organize this Congress as early as November 2000 with the cooperation of the TAPS Project. Relevant inputs from the TAPS Project—such as the drafting of an overview paper, the process to be used in formulating Congress resolutions—were considered by the MBC, hence the more organized staging of the Congress.

The MICT proposed that Mindanao be made as the 3<sup>rd</sup> E-Service Hub in the Philippines through the establishment of a regional framework for ICT development in Mindanao. Among the resolutions passed during the Congress attended by over 200 participants from the private and public sectors were:

- Urging the National Government to Accelerate the Development of Mindanao's ICT Infrastructure and by Enacting a Clear Policy to Ensure Equitable Distribution and Access to ICT;
- Calling for the Creation of a Mindanao IT and Electronic Commerce Task Force (MITECTF);
- Urging the Department of Science and Technology (DOST) to Prioritize the Establishment of ICT Learning Hubs in Each of the Six (6) Regions in Mindanao;
- Urging the National Government to Fast-track Implementation of the Government Information System Plan (GISP) and RPWEB in Mindanao as a Mechanism to Accelerate Mindanao's Rehabilitation and Development;
- Urging the DECS to Increase the Budget for the Implementation of Basic IT Education and the Commission on Higher Education (CHED), DTI and the DOST to Increase Assistance for Advance IT Education;
- Calling for Join Efforts by the Government and Private Sector to Intensify Support to the DECS Computerization Program; and
- Urging the Government and the Private Sector to Promote a World Class Culture of ICT Innovation in Mindanao.



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## **Theme 3: Trade and Investment Facilitation**

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### ***26<sup>th</sup> Philippine Business Conference***

The TAPS Project supported the Philippine Chamber of Commerce and Industry in organizing the Philippine Business Conference. TAPS assisted the five (5) area business conferences in North and South Luzon, Visayas, Mindanao and Metro Manila. Briefings on sectoral issues and other policy concerns were conducted with the area vice presidents and governors of PCCI.

The 26<sup>th</sup> Philippine Business Conference was held 10-12 October 2000 in Manila Hotel, with no less than the President Joseph Ejercito Estrada delivering the closing address. Several cabinet members were also present during the culminating activity.

The 26<sup>th</sup> Philippine Business Conference Resolutions cited key macroeconomic prescriptions on Credit and Monetary Policy and Peace. Microeconomic prescriptions presented were on Agriculture and SMEs, Addressing Key Supply Chain Bottlenecks Affecting Industry (on shipping, infrastructure, port services, power and telecommunications), Key Regulatory Bottlenecks (multiple check points, Bureau of Customs computerization, simplification of business licensing procedures) and Competitiveness Enhancement.



## **Theme 3: Trade and Investment Facilitation**

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### ***26<sup>th</sup> Philippine Business Conference***

Through the TAPS Project, USAID was awarded a Presidential Citation for its contribution to policy advocacy efforts of the business and export sector. The citation, conferred to USAID by President Estrada on 12 October 2000, reads:

*"This Presidential Citation is awarded to the US Agency for International Development (USAID) for its outstanding role in promoting international understanding and friendship, particularly in strengthening Philippine-American relations:*

*For acknowledging their assistance through the Trade and Investment Policy Analysis and Advocacy Support (TAPS) Project with the Philippine Exporters Confederation, Inc. (PHILEXPORT); For its assistance through Growth with Equity in Mindanao (GEM) in efforts to accelerate equitable growth in Mindanao, with special emphasis on the development of private enterprise, essential infrastructure and policy reforms, and*

*For demonstrating faith and confidence in the Philippine government, its economy and the Filipino Society"*



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## **Theme 3: Trade and Investment Facilitation**

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### ***26<sup>th</sup> Philippine Business Conference***

As a continuing activity for policy reforms, the Philippine Chamber of Commerce and Industry met with the newly appointed Economic Team of the Arroyo administration on 8 February 2001 to present the advocacy agenda of PCCI. Present were NEDA Director General Dante Canlas, Trade and Industry Secretary Manuel A. Roxas III, Budget Secretary Emilia Boncodin. This meeting was convened in preparation for the PCCI, PHILEXPORT and ECOP Business Meeting with Her Excellency, President Gloria Macapagal-Arroyo held on 21 February 2001 at the Westin Philippine Plaza.

TAPS is also considering funding support to the North and South Luzon, Visayas, Mindanao and Metro Manila area business conferences, which will culminate in October 2001 for the 27<sup>th</sup> Philippine Business Conference.



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## **Theme 3: Trade and Investment Facilitation**

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### ***Regional Clustering for Competitiveness***

The TAPS Project, which commissioned the update and formulation of the Philippine Export Development Plan 1999-2001, is continuously supporting activities related to the implementation of the PEDP.

Industry Clustering, which is the main thrust of the PEDP, is defined as the “grouping of firms in an industry, the allied businesses which support the industry through the provision of goods, services, machinery and specialized inputs (e.g., knowledge) and the buyers, all operating under an environment shaped by government, the physical and cultural heritage, and available infrastructure”.

The first Phase of the Clustering Program was completed on 01 December 2001. The Cluster Management Team undertook, in Phase 1 of the Program, a series of activities that aimed to—

1. Propagate the industry clustering concept to the government and private sectors as well as the various stakeholders at the national, regional and provincial levels;
2. Develop a small pool of possible facilitators, initially from the Regional Operations Group (composed of Regional and Provincial Directors) of the Department of Trade and Industry (DTI), for the dissemination of the industry clustering concept in their respective jurisdictions;
3. Initiate consultations, preliminary data-gathering and/or benchmarking relative to key sectors, their capacity levels as well as those of related and supporting industries in the jurisdictions concerned, and
4. Organize and review the indicative industry clustering plans for said jurisdictions.



## **Theme 3: Trade and Investment Facilitation-- Customs Modernization**

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### ***Workshops on the Transaction Value System and new Customs procedures and Requirements***

The TAPS Project assisted the Port Users Confederation and the Chamber of Customs Brokers-Cebu Chapter in the conduct of workshops on the new WTO Customs Valuation. Seminars were held in Metro Manila on March 2000 and in Cebu on 13 January 2001.

Last November 2000, the Port Users Confederation held the first Port Users Conference at the Manila Hotel. It was attended by more than 1,000 participants from the government and private sector. Prior to that a Cebu Freight Asia Conference was held in Cebu on 9-10 November 2000 to discuss issues hounding the port users of Cebu and nearby regions.

The Cebu Chapter of PHILEXPORT also conducted a workshop on Cebu Ports—Visions and Revisions last 07 February 2001 to provide a venue for discussions on the various issues and to elicit an objective and common position on the part of the port stakeholders.

The TAPS Project is continuously supporting the conduct of relevant forums to provide venues for discussions and resolutions of issues affecting the business sector.



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## **Theme 3: Trade and Investment Facilitation-- *Customs Modernization***

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### ***Updating of the Compendium of Customs Laws and Regulations***

PHILEXPORT aims to come up with updated, full-text compendium of customs laws and regulations for reference importers, exporters, customs brokers, government agencies and academicians. In 1994, PHILEXPORT published the *Compendium of Philippine Customs Laws and Regulations* (covering January 1972 to May 1993). Since then, there have been significant changes in customs rules and procedures since, arising primarily from trade and tariff liberalization, computerization of customs procedures, and the adoption of new bases for customs valuation.

The Memorandum of Understanding between PHILEXPORT and the Bureau of Customs is scheduled to be signed by BOC Commissioner Titus Villanueva. The TAPS Project will assist in the production of the Compendium in CD-ROM and in uploading it in the PHILEXPORT website to maximize access.



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## **Theme 3: Trade and Investment Facilitation-- Customs Modernization**

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### ***Electronic Import Licensing System (EILS)***

The EILS is a Philexport-TAPS initiative to assist the Department of Agriculture (DA) attain government's objectives of import controls on meat and meat products: (1) prevent entry of disease carrying, contaminated and/ or adulterated meat and meat products, which endanger lives and safety/ health of the consuming public; and (2) ensure safety and quality of imported meat and/ or meat products.

The EILS will (1) better achieve the import control objectives on sensitive agricultural products; (2) further enhance the country's trade efficiency; and (3) respond to the e-commerce law. Among the salient features of the EILS are: (1) electronic (paperless) application; (2) remote filing of application via the internet; (3) automated processing of application; (4) internet tracking by importer of the status of their application; (5) completion of processing in minutes rather than days; and (6) secured electronic transmittal of Veterinary Quarantine Clearance (VQC) to the Bureau of Customs (BOC) and interface with the BOC's ACOS system.

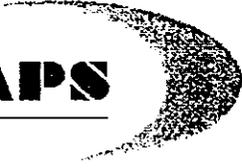
To ensure implementation of the EILS, a four-party Memorandum of Agreement (MOA) was signed by the following agencies:

Department of Agriculture – Secretary Edgardo Angara  
Bureau of Customs – Commissioner Renato Ampil  
Philexport – President Sergio Ortiz-Luis Jr.  
Philippine Chamber of Commerce and Industry – Atty. Miguel  
Varela

The EILS is a four-phase project where Philexport through its TAPS project fully funded the Phase I. The EILS phases are:

- Phase I – Feasibility Study of the EILS, recommended computer platform and communication network
- Phase II – Establishment and pilot testing of the EILS for animal products
- Phase III – Implementation of the EILS for animal products and roll-out to fisheries and other agricultural products
- Phase IV – Technologies, internet lodgment; workflow processing at DA; optimum automation of process and electronic transmittal to BOC and interface with ACOS

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A graphic element consisting of a thick, dark, curved line that starts from the left and curves upwards and to the right, resembling a stylized 'C' or a swoosh.

## **Theme 4: Privatization Options for Bureau of Customs Operations**

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### ***Assessment/Streamlining of the PCCI Data Capture Project for the Bureau of Customs***

An audit of the systems and procedures of the PCCI Entry Encoding Center gateway to the Automated Customs Operating System (ACOS) of the Bureau of Customs (BOC) was conducted to enhance private sector cooperation with the BOC in customs facilitation—by ensuring that control procedures are adequate and that further streamlining procedures are put in place—particularly in the light of the country's shift to the transactions value system as part of the Philippine commitments to the World Trade Organization (WTO) and the passage of the Electronic Commerce Act which mandates the acceptance of electronic documents in government transactions.

The audit was conducted by the Operations Research Society of the Philippines (ORSP), which was previously commissioned by the Economic Mobilization Group to audit the transaction value system being implemented by the BOC in relations to private sector concerns.

The results of the study was presented to newly appointed BOC Commissioner Titus Villanueva on 02 February 2001.