

[PRESIDENTIAL DECREE NO. 1386, May 25, 1978]

REVISING PRESIDENTIAL DECREE NO. 941, CREATING THE PHILIPPINE EXPORT COUNCIL, DEFINING ITS POWERS AND DUTIES, AND APPROPRIATING FUNDS THEREFOR.

I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the revision of Presidential Decree No. 941, dated 29 May 1976, which shall henceforth read in its entirety as follows:

WHEREAS, national economic growth demands a sustained contribution in foreign exchange generation by the export sector;

WHEREAS, there is a need to develop and implement a national export strategy designed to achieve a significant increase in export earnings;

WHEREAS, since the private sector bears the actual task of generating export earnings, there is a need to establish a mechanism for the direct and continuing involvement of that sector in the formulation and implementation of a national export strategy;

WHEREAS, such a mechanism can be achieved thru the creation of a semi-government institution to serve as the focal point for government and private sector cooperation in the development and promotion of Philippine products and services for export;

WHEREAS, the effective implementation of a national export strategy requires that such an institution be capable of flexible and dynamic action and be vested with appropriate authority to operate under a high degree of autonomy;

WHEREAS, such an institution will provide the country with a competitive and responsive export trade mechanism, as has been demonstrated in other countries that have adopted similar institutions designed to optimize their export strategy and performance thru the encouragement and stimulation of joint government and private sector action for export expansion.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution do hereby order and decree:

SECTION 1.—*Declaration of Policy.* It is hereby declared to be the policy of the government to encourage, promote, expand and diversify exports to existing and prospective markets in order to generate employment and income, improve the balance of payments, and hasten the economic development of the nation.

It is hereby further declared to be the policy of the government to assist and support private sector producers and traders in the development and promotion of Philippine commodities, products, and services for export, and to optimize direct private sector participation in the formulation and implementation of government export development and promotion programs.

SECTION 2.—*The Philippine Export Council.* There is hereby created a semi-government self-governing institution to be known as the Philippine Export Council,

hereinafter referred to as the Export Council. The Export Council shall be directly under the Office of the President of the Philippines.

SECTION 3.—*Responsibilities of the Export Council.* The Export Council shall be responsible for the formulation and monitoring of the National Export Strategy, which shall be consistent with existing national economic policies and approved national development plans; for studying and recommending to the department/agency Heads concerned, and/or to the Board of the National Economic and Development Authority, and/or directly to the President of the Philippines policy measures and/or policy changes pertaining to export development and promotion, to include implementing plans and/or programs of action relative thereto; and, for coordinating government and private sector programs and efforts to develop, promote and enhance earnings from exports of Philippine commodities, products, and selected services.

SECTION 4.—*Powers and Functions of the Export Council.* The powers, functions, and duties of the Export Council shall include the following:

- a. To formulate and submit annually for approval of the President of the Philippines a National Export Strategy that is consistent with existing national economic policies and approved national development plans; which shall, among other elements which the Governing Council may prescribe, specifically include annual and five-year term developmental and promotional objectives and quantified performance targets, taking into account the production capacity of Philippine industries and the opportunities present in export markets. The strategy formulation process of the Export Council shall be coordinated and interfaced closely with, among others:
 1. The budget preparation process of the Budget Commission;
 2. The national development planning process of the National Economic and Development Authority;
 3. The formulation by the Board of Investments of relevant Priorities Plans prescribed by law;
 4. The formulation of plans and strategies of particularly concerned agencies and industry authorities, such as, the Bureau of Foreign Trade, the Overseas Construction Board, The Philippine Sugar Commission, the Philippine Export and Foreign Loan Guarantee Corporation, the Philippine Cement Corporation, the Philippine Coconut Authority, the Export Processing Zone Authority, etc.;
- b. To recommend to the President of the Philippines the assignment to government, semi-government and private institutions such functions and responsibilities as are necessary to effectively implement the specific plans and programs of action contained in the National Export Strategy; and, in coordination with the Budget Commission, to determine and recommend for approval budget allocations as are required to fund such assigned functions and responsibilities.
- c. To monitor and submit periodic reports, including an annual report, to the President of the Philippines on the implementation of the approved National Export Strategy;
- d. To undertake such research, developmental and/or promotional programs or activities as are assigned to it by the approved National Export Strategy or by other relevant development plans of the government; and, subject to the

approval of the President of the Philippines, as may be determined by the Governing Council to be inadequately, ineffectively, or improperly implemented by the agency or organization to which the particular program or activity was originally assigned; *provided* that, the Export Council shall not engage directly in actual trading;

- e. To coordinate, with authority to institute and oversee a consolidated planning, programming and implementing system, as well as to serve, if necessary, as a channel for budgetary releases and actual expenditures for those activities of government agencies pertaining specifically to export marketing and promotion, foreign trade information and publications, and related assistance and training activities;
- f. To identify obstacles to the export of specific products, commodities and services, and to study and recommend appropriate measures for the removal, of these obstacles, to include specific government assistance measures that will encourage increased production and will enable exportable commodities and selected services to become more competitive in international markets;
- g. To assess policies and programs of government agencies and private sector organizations engaged or involved in activities allied to or affecting Philippine international trade, such as financing, transportation, forwarding, brokerage, packaging, insurance, warehousing, quality control, etc.; and to recommend trade facilitation and other measures that would improve their contribution to increased competitiveness of Philippine exports in world markets;
- h. To encourage and promote the organization of integrated trading organizations and other forms of cooperative or joint export marketing arrangements by producers/exporters to attain increased leverage in international marketing;
- i. To initiate and/or participate in the formation of appropriate juridical entities or to participate in such existing organizations, domestic or foreign, designed to facilitate or enhance the development and promotion of the country's international trade; to hold interest or equity therein; and be represented in the management thereof;
- j. To establish local regional as well as overseas offices of the Export Council as may be deemed necessary by the Governing Council;
- k. To undertake or cause to be undertaken by appropriate agencies or organizations any relevant programs or activities as may be essential to the achievement of the objectives and intent of this decree;
- l. To promulgate such rules and regulations as may be necessary to implement and attain the objectives and intent of this decree, as well as to revise and amend the same; and
- m. To exercise such other powers and undertake such other functions and duties as may be assigned to the Export Council by the President of the Philippines.

SECTION 5.—*Governing Council.* The powers, functions and duties of the Export Council shall be exercised thru a Governing Council, which shall be composed of fifteen (15) members as follows:

- a. *The President of the Export Council.* The President of the Export Council shall concurrently be the Chairman of the Governing Council. Whenever the President of the Export Council is unable to attend a meeting of the Governing Council, he shall designate the Executive Vice-President or a Vice-President of the Export Council to attend as his alternate, who shall not however preside unless elected as Presiding Officer in accordance with the pertinent provision prescribed elsewhere in this Section.

- b. *The Secretary of Trade.* The Secretary of Trade shall preside over the meetings of the Governing Council in the absence of the Chairman. Whenever the Secretary of Trade is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate, who shall not however preside when the Chairman is also absent unless elected as Presiding Officer in accordance with the pertinent provision prescribed elsewhere in this Section.
- c. *The Secretary of Industry.* Whenever the Secretary of Industry is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary or a Governor of the Board of Investments to attend as his alternate.
- d. *The Director-General of the National Economic and Development Authority.* Whenever the Director-General of the Authority is unable to attend a meeting of the Governing Council, he shall designate a Deputy Director-General or an Assistant Director-General of the Authority to attend as his alternate.
- e. *The Secretary of Foreign Affairs.* Whenever the Secretary of Foreign Affairs is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- f. *The Secretary of Finance.* Whenever the Secretary of Finance is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary or the Commissioner of Customs to attend as his alternate.
- g. *The Governor of the Central Bank of the Philippines.* Whenever the Governor of the Central Bank is unable to attend a meeting of the Governing Council, he shall designate the Senior Deputy Governor or a Deputy Governor of the Central Bank to attend as his alternate.
- h. *The Secretary of Agriculture.* Whenever the Secretary of Agriculture is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- i. *The Secretary of Natural Resources.* Whenever the Secretary of Natural Resources is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- j. *The President of the Philippine International Trading Corporation.* Whenever the President of the Philippine International Trading Corporation is unable to attend a meeting of the Governing Council, he shall designate the Executive Vice-President or a Vice-President of the Corporation to attend as his alternate.
- k. *Five (5) Representatives from the Private Sector.* A private sector member of the Governing Council shall have no alternate, and shall be considered absent whenever he is unable to attend a meeting of the Governing Council; *provided* that, a private sector member who cannot attend a meeting of the Governing Council may designate a personal representative to sit as an observer during that meeting.

Except for the five (5) representatives from the private sector, the members shall sit in the Governing Council on an *ex-officio* basis. Representatives from the private sector shall each be appointed by the President of the Philippines for a term of three (3) years from among qualified candidates recommended by the Export Advisory Board in accordance with appropriate criteria which the Governing Council shall prescribe; *provided however* that, for initial appointments to the Governing Council, one (1) representative shall be appointed for a term of one (1) year, two (2) representatives for a term of two (2) years, and two (2) representatives for a term