

[PRESIDENTIAL DECREE NO. 1520, June 11, 1978]

FURTHER AMENDING PART IX OF THE INTEGRATED REORGANIZATION PLAN, AS AMENDED BY PRESIDENTIAL DECREES 488 AND 769 CREATING THE DEPARTMENT OF INDUSTRY.

WHEREAS, active participation by the government is necessary to accelerate industrial growth in various sectors of industry and the different regions of the country;

WHEREAS, the development of small and medium industries creates permanent employment opportunities and mobilizes human, financial and physical resources especially in the non-urban areas which may otherwise remain unutilized, promotes rural industrialization and expands the middle class sector of the economy;

WHEREAS, additional industrial policy instruments are needed to help cope with abrupt and unforeseen changes in world economic conditions that hamper the stability and progress of industrial development, and to maintain the responsiveness of Philippine industry to the needs of the economy and the people;

WHEREAS, to attain the above objectives, there is need to restructure its operating units and to strengthen the powers of the Department of Industry;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines by virtue of the powers vested in me by the Constitution, do hereby decree as part of the law of the land the following:

SECTION 1. Paragraph b, Section 3 of Presidential Decree No. 488, is further amended to read as follows:

"The Department shall have the following powers and functions:

a. x x x x

b. Encourage, guide and, if necessary, regulate the establishment, growth and expansion of industries, and firms within these industries; for this purpose, (1) it may, after due notice and hearing, establish orderly marketing arrangements for locally produced and imported manufactured goods, and for raw materials used by manufacturing and construction industries, including the adoption of measures to regulate the import or export of a particular manufactured product, or industrial material: provided, such marketing arrangements shall require approval by the National Economic and Development Authority if its duration exceeds three (3) months; and that such action is immediately appealable to the said Authority without stay of execution pending approval; (2) it may formulate the appropriate mechanics to guide and regulate transfer of industrial technology in the country; (3) it may require registration of firms above a specified size in any or all industrial sectors or of specific industry groupings, for licensing purposes, or as a condition to the firm's availment of financial, fiscal or other incentives or assistance from the government; and (4) it may adopt other regulator measures deemed

necessary to carry out the aforesaid functions after consultation with appropriate agencies."

SEC. 2. Paragraph e, Section 3 of Presidential Decree No. 488 is further amended to read as follows:

"e. Coordinate with other government agencies, particularly the Department of Trade, in the formulation and implementation of measures to increase exports of manufactured products, and to enforce quality standards for manufactured goods; for this purpose, it shall assume responsibility and authority for the establishment, review and enforcement of quality standards, for specific manufactured products so designated by the National Economic and Development Authority through the formation or designation of the appropriate bodies equipped to perform specific testing and inspection activities."

SEC. 3. *Reconstitution of the Commission on Small and Medium Industries.*—Section 6 of Presidential Decree No. 488, as amended by Presidential Decree No. 769, is hereby amended, to read as follows:

"SEC. 6. *Commission on Small and Medium Industries.*—There is hereby created in the Department, a Commission on Small and Medium Industries, which shall among others be responsible for coordinating policies and programs for technical, marketing, purchasing and promotional assistance rendered by various government agencies to small and medium scale industries. For this purpose, it shall set up programs and plans for an integrated approach in the promotion of small and medium scale industries, as well as conduct studies, surveys and researches in connection therewith, for the consideration of the member agencies represented in the Commission and other agencies in government involved in small and medium industries. The following agencies shall be duly represented in the Commission:

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| 1. Department of Local Government and Community Development | — for coordination with local governments |
| 2. Department of Trade | — for the establishment of marketing infrastructure for small & medium industries |
| 3. U.P. Institute for Small Scale Industries | — for entrepreneurial & managerial training |
| 4. National Power and Youth Council | — for technical & skills training |
| 5. Development Bank of the Philippines | — for direct financing assistance |
| 6. National Economic and Development Authority/Industrial Guarantee and Loan Fund | — for credit and loan guarantee program |
| 7. Central Bank of the Philippines/Rural Banks | — for credit and financing policies |
| 8. Department of Agriculture | — for agro-industrial project |