

[PRESIDENTIAL DECREE NO. 488, June 21, 1974]

FURTHER AMENDING PART IX OF THE INTEGRATED REORGANIZATION PLAN BY CREATING A DEPARTMENT OF INDUSTRY.

WHEREAS, there is a need to strengthen government efforts towards industrial development to further accelerate economic growth; and

WHEREAS, accelerated industrialization needs integrated government assistance and guidance to bring about industry diversification, dispersal, rationalization and continued growth.

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby adopt; approve and make as part of the law of the land the amendment to the provisions of Part IX of the Integrated Reorganization Plan by creating a Department of Industry.

SECTION 1. *Creation of a Department of Industry.*—There is hereby created a Department of Industry, hereinafter referred to as the Department, which shall be the primary policy, planning, programming, coordinating, implementing and administrative entity of the executive branch of the government in the development, expansion and diversification of industry, in pursuance of the following objectives:

- a. Guide the development and operation of industry along directions most contributory to the national goals as domestic and international conditions make appropriate and as denned from time to time by the President and/or the National Economic and Development Authority;
- b. Improve linkages and inter-relationships of industry with the development of the country's agriculture, natural resources, public services and infrastructure, and reinforce and enhance the contributions of these sectors, conjunctively with industry, to the national progress and welfare;
- c. Identify the needs, encourage and assist the achievement of national self-sufficiency, without undue burdens to the end-consumers, in essential industrial products, in accordance with the philosophy of national self-reliance;
- d. Improve the ownership structure of industry by promoting broader ownership of large scale industrial enterprises, accelerate the formation and growth of small-scale and medium-scale industrial enterprises, and encourage and promote the dispersal of industry throughout the country; and
- e. Develop the capabilities of industry to increase the domestic content of its products, to upgrade the quality of products according to competitive international standards to reduce costs of production, particularly those involving foreign exchange, and in coordination with the Department of Trade, to export manufactures to the international and regional markets.

SEC. 2. *Authority and Responsibility.*—The authority and responsibility for the exercise of the powers and discharge of the functions of the Department shall be vested in the Secretary of Industry, hereinafter referred to as the Secretary. The Secretary shall be assisted by one Undersecretary.

SEC. 3. *Powers and Functions.*—The Department shall have the following powers and functions:

- a. Coordinate all activities of the government relative to industry;
- b. Encourage, guide and if necessary, regulate the establishment, growth and expansion of large-scale industries and firms within these industries;
- c. Adopt guidelines, subject to the approval of the President, and implement them for rationalization of certain industries whose continued operation will result in the dislocation of and/or overcrowding in said industries, thus, retarding economic growth; upon approval of said guidelines by the President, the Department or the Board of Investments, upon request of the Department, shall implement such guidelines and may, in appropriate cases, after due notice and hearing restrict, either totally or partially, the importation of any equipment or raw materials for firms in the industry not conforming with the prescribed guidelines;
- d. Coordinate with the Board of Investments with respect to the implementation of rationalization schemes adopted by the Board by virtue of its powers under Sec. 16(1) of E. A. 5186;
- e. Coordinate with other government agencies, particularly the Department of Trade, for the increase in exports of recently established lines of manufactured products;
- f. Assist investors, foreign or domestic, in desirable industrial projects, whether registrable with the Board of Investments or not, to have their papers processed with dispatch by all government offices, agencies, instrumentalities and financial institutions;
- g. Promote cooperation in desirable industrial undertakings on complementation basis in the Southeast Asian regions;
- h. Encourage the establishment, growth and expansion of medium and small-scale industries particularly in rural areas through effective assistance and guidance in the manufacture of the industrial products concerned;
- i. Coordinate and integrate all technical, financial, marketing, purchasing and promotional assistance of the government for medium and small-scale industries;
- j. Establish consultation on an institutionalized basis with the private industrial sectors to encourage their participation in planning and implementation for industrial development, in pursuance of objectives established by the government;
- k. Prescribe and enforce compliance with such rules and regulations as may be necessary to implement the intent and provisions of this Decree, which rules and regulations shall take effect immediately following their publication in two newspapers of general circulation in the Philippines;
- l. Conduct investigation, hearing and inquiry and for this purpose, issue subpoena and subpoena duces tecum to compel the attendance of witnesses and the production of the necessary papers and documents;
- m. Require any person or entity to submit to it such report, data, information, paper, or document it may deem necessary in the exercise of its powers and functions;
- n. Establish, in accordance with pertinent laws, such advisory committee as may be appropriate for purposes of consultation and advice to the Department in the performance of its functions;
- o. Perform such other functions as may be necessary to carry into effect the provisions of this Act; and
- p. Perform such other functions as may be provided by law.