

**[ EXECUTIVE ORDER NO. 537, May 24, 1979 ]**

**CREATING THE GARMENTS AND TEXTILE EXPORT BOARD,  
DEFINING ITS POWERS AND FUNCTIONS, PROVIDING FUNDS  
THEREFOR AND FOR OTHER PURPOSES**

WHEREAS, it is the policy of the government to develop and promote exports essential for the maintenance of a sustained economic growth, generating the much needed foreign exchange and the maintenance of a stable position in international reserves;

WHEREAS, an increasing number of countries seek to impose restraint levels on Philippine exports of textiles and garments under the Arrangement regarding the International Trade in Textiles also known as the Multi-Fibre Agreement;

WHEREAS, the Philippines has concluded several international trade agreements for the export of textiles and garments with other countries;

WHEREAS, there is a need to insure an equitable allocation of export quotas and authorizations to both old and new garments and textile manufacturers to maximize and spread the economic benefits to be derived from such international Agreements; and

WHEREAS, there is also a need to insure proper, orderly and expeditious implementation of said Agreements and effect coordinated efforts in line with the existing government trade development programs.

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

SECTION 1. Garments and Textile Export Board. – There is hereby created a Garments and Textile Export Board, hereinafter referred to as the Board, to be composed of the Minister of Trade or his representative, as Chairman, and the Minister of Industry and the Commissioner of the Bureau of Customs or their representatives, as Members.

The Garments and Textile Export Board created under Presidential Decree No. 1440 is hereby abolished and its powers and functions as well as funds, properties, records and documents are hereby transferred to the Board herein established.

The Board shall be under the Office of the President.

SEC. 2. Statement of Policies. –

a. Quota allocations shall be administered in a manner whereby no individuals or

firms, whether directly, indirectly or through their affiliates, shall hold monopoly positions.

b. New manufacturers shall be given equitable and tangible shares in the allocation of quotas.

c. Performance must be assessed on the basis of manufacturer's in-plant capacities. Performance that could justifiably be attributed to sub-contractors may entitle such sub-contractors to compete for the quota.

d. Quota allocations shall not be given to middlemen or traders.

e. Partly finished garments or worked textiles shall not be imported, tagged and exported as a Philippine product under quota/restraint level.

f. The Board, through the Commissioner of Customs and/or any of the investigating agencies of the national government as the circumstances may warrant, shall cause the examination of textile shipments, including importations of raw materials and supplies intended for the manufacture of export products, under quota/restraint level.

SEC. 3. Powers and Functions of the Board. – The Board shall have the following powers and functions:

a. To oversee the implementation of the garments and textile agreements between the Republic of the Philippines and other countries, particularly the administration of garments and textile quotas;

b. To approve quota allocations and export authorizations, to issue export licenses and to adopt the necessary measures to expedite the processing of the same;

c. To provide on a regular basis the necessary information and statistics relating to the administration of garments and textile export quotas and the flow of garments and textile exports, for monitoring purposes and in order to obtain maximum benefits from the textile negotiations with other countries;

d. To promulgate and implement rules and regulations to administer all international textile agreements entered into between the Republic of the Philippines and importing countries, in pursuance of the policies enumerated under Section 2 of this Order; and

e. To fix and collect reasonable fees for the issuance of export quotas, export authorizations, export licenses and other related services, in accordance with guidelines specified in the rules and regulations.

SEC. 4. Secretariat. – The Board is hereby authorized to create a Secretariat to be composed of technical as well as administrative staff as may be necessary to assist the Board in the accomplishment of its responsibilities and functions under this Order. The Secretariat shall hold office in the Ministry of Trade.

The Secretariat shall be headed by an Executive Director who shall be appointed by the President of the Philippines, upon recommendation of the Chairman.