

PHILIPPINES

QUALITY MANAGEMENT: LINKING TPOs and NSBs FOR EXPORT SUCCESS

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INTRODUCTION

There are two main bodies involved in Philippine trade promotion, the **Bureau of Export Trade Promotion (BETP)**, which is a government agency under the Department of Trade and Industry (DTI) International Trade Group (ITG), and the **Export Development Council (EDC)** whose Secretariat support is provided by BETP. They have a concurrent Director.

The **EDC** is the highest policy-making body for exports and was created by virtue of RA 7844 under the Export Development Act of 1994 for the purpose of developing and overseeing the implementation of the Philippine Export Development Plan (PEDP), and coordinating the formulation and implementation of policy reforms to support the Plan. We forged a formal relationship with the private sector and have 9 private sector and 8 government sector council members and also network with non-EDC government agencies. We draft the PEDP on a 3-year cycle and through measurement, monitoring and evaluation continually evolve recommendations on policies and legislation needed to ensure effective and efficient implementation of strategies and programs under the PEDP. The aim is to foster an environment that facilitates the development and acceptance of globally competitive Philippine export products and services. We also report the progress of export development policies, plans, strategies and programs and champion all national efforts for export development.

THE FUNCTION/STRUCTURE OF BETP

The **BETP** is mandated to:

1. Formulate, implement, and monitor programs, plans, and strategies pertinent to the development, promotion, and expansion of Philippine exports;
2. Conduct research on new product development and adaptation opportunities to open new foreign markets as well as identify the domestic supply base for exportable products;
3. Maintain an integrated information system covering all aspects of export marketing to serve the needs of the Philippine exporting community
4. Conduct business matching and trade facilitation

Our FRONTLINE FACILITIES are open for walk-in, phoned-in, or e-mailed assistance. There is an Export Assistance Network, Business Matching Center and Resource Center with a print and CD-Rom library. We also facilitate complaint mediation and carry out electronic data processing.

The EXPORT ASSISTANCE NETWORK (EXPONET) assists exporters on problems related to documentation, procedures, raw material sourcing and other export related matters by providing:

- An inquiry-reply service that answers general inquiries on exports;
- A referral service that provides vital linkages between exporters and key government and private agencies concerned with exports; and
- An information dissemination service that assists exporters in locating vital trade information such as marketing guides, market access information, trade opportunities, international standards, compliance requirements, and the like.

We enrich the KNOWLEDGE of the Philippine exporting community with data on documentation procedures, trade statistics, trade regimes, market trends and regulations and link exporters to those in both the private and public sector who can cater to their other requirements, eg banks, international fair organizers, raw materials suppliers.

In short, we provide *strategic* interventions along the export value chain from consultation on product design and basic training through to after sales activity via the Export Trade Complaints Committee (ETCC).

NATIONAL STANDARDIZATION BODIES

The Bureau of Product Standards (BPS) is the Philippines' National Standards Body (NSB) established by: Republic Act No. 4109 and Executive Order No. 133. Just like the BETP, BPS is a government agency under the DTI. Its mandate is to develop, implement and coordinate standardization activities in the Philippines in order to:

1. upgrade the quality of Philippine products to enable them to qualify and be competitive in both the domestic and foreign markets;
2. protect and safeguard the interest of Philippine consumers and the public, especially in matters of health and safety;
3. promote concern for the environment and efficient use of natural resources; and
4. instill standards and quality consciousness among the Filipino people.

BPS provides technical assistance to exporters in close coordination with BETP and the exporting community by:

- advising on foreign technical requirements and standards which must be met so that their products are accepted and allowed entry into foreign markets;
- ensuring information on laws, standards, technical regulations, and/or certification schemes needed is disseminated to exporter stakeholders;

- conducting seminars nationwide to promote industries' better understanding and implementation of quality assurance, management systems, product standards, as well as quality control methods acceptable in foreign markets
- functioning as the World Trade Organization /Technical Barriers to Trade (WTO/TBT) *Inquiry Point* in connection with the country's implementation of obligations in accordance with provisions of the "Standards Code".

BETP and BPS work together with other stakeholders with suppliers, manufacturers, academics and consumers all participating in BPS technical committees.

CONTINUING CHALLENGES TO BETP (AS TPO) AND BPS (AS NSB)

- As a joint effort, how can we effectively comply with the standards and other TBTs of both the government and the private sector in our markets to ensure that our exports remain competitive?
- How can BETP and BPS, as the national TPO and NSB respectively, have a better claim, or have the ability to influence the setting of standards?
- Are the product standards and certifications being required especially by developed country markets really necessary, or are they signs of "creeping protectionism"?
- Is this the developed countries' way of backing out from commitments to open their own markets and to sidestep competition from a number of developing countries which have proved to be more resilient in the face of the global economic crisis
- A number of NTMs imposed by our export markets may be extremely difficult to overcome simply because there are unavailable local infrastructure and/or facilities that can meet testing and certification requirements
- Another issue is how BETP and BPS can jointly work together to successfully negotiate and mutual recognition arrangements (MRAs) to level the international playing field for the trade in goods and services

CONCLUSION

While the Doha Round remains stalled, there are already a good number of multilateral, regional, and bilateral FTAs that have already been successfully concluded, resulting in historically low tariff barriers to trade.

A trading regime marked by NTMs is now the real battlefield. While not all NTMs are NTBs, TPOs and NSBs need to remain vigilant to ensure that the increased cost of doing business arising from compliance with NTMs & TBTs does not render our exporters uncompetitive, and does not penalize customers and final consumers in our markets.