

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

PRESIDENTIAL DECREE NO. 488, June 21, 1974

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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:

- 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;
- 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;
- 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;
- 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
- 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:

- Coordinate all activities of the government relative to industry;
- Encourage, guide and if necessary, regulate the establishment, growth and expansion of large-scale industries and firms within these industries;
- 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;
- 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;
- Coordinate with other government agencies, particularly the Department of Trade, for the increase in exports of recently established lines of manufactured products;
- 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;
- Promote cooperation in desirable industrial undertakings on complementation basis in the Southeast Asian regions;
- 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;
- Coordinate and integrate all technical, financial, marketing, purchasing and promotional assistance of the government for medium and small-scale industries;
- 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;
- 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;
- 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;
- 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;
- 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;
- Perform such other functions as may be necessary to carry into effect the provisions of this Act; and
- Perform such other functions as may be provided by law.

SEC. 4. Staff Services.—The Department shall have an Administrative Service, a Planning Service, a Legal Service, and a Financial and Management Service in conformity with Part II of the Integrated Reorganization Plan.

SEC. 5. Bureau of Industrial Coordination.—There is hereby created in the Department a Bureau of Industrial Coordination which shall, among others, coordinate and guide industries and industry sectors (including enterprises within such industries which are not registered with the Board of Investments) to attain development objectives promulgated by the government, maintain liaison with industry associations, keep informed of developments in the various industries, supervise progress and implementation of the various large-scale industry programs initiated by the Department but not covered by any existing industrial authority, and specifically perform the functions enumerated in Section 3-c, d, e, f, g and J.

The Bureau of Industrial Promotion in the Department of Trade is abolished and its pertinent functions are transferred to the Bureau of Industrial Coordination together with applicable appropriations, records, equipment, property and such personnel as may be necessary.

The Board of Investments shall continue to be responsible for the registration and supervision of enterprises for investments and export incentives under its respective priorities plans, and for licensing foreign investments under R.A. 5455.

SEC. 6. Small and Medium Industries Commission.—There is hereby created in the Department a Commission on Small and Medium industries which shall, among others, promote, assist and develop medium and small-scale industries; undertake studies, surveys, researches and technical assistance programs in connection therewith; coordinate and integrate policies and programs for technical, financial, marketing, purchasing and promotional assistance to medium and small-scale industries rendered by the following government agencies:

- Department of Local Government and Community Development
- U.P. Institute of Small-Scale Industries
- Development Academy of the Philippines
- National Manpower and Youth Council
- NEDA/CB Industrial Guarantee Loan Fund
- Development Bank of the Philippines
- Greater Manila Terminal Food Market
- Philippine International Trading Corporation
- Design Center Philippines
- Bureau of Domestic Trade
- National Cottage Industries Development Authority

The above-named agencies shall nominate one (1) representative each to the Commission for purposes of coordination, consultation and liaison. This Commission shall replace the National Council for Medium and Small-Scale Industries. The Commission shall be headed by the Undersecretary of the Department. He shall be assisted by an Executive Director, and such other regional officers deemed necessary, who shall be appointed by the Secretary.

SEC. 7. Bureau of Industrial Information and Programs. —There is hereby created in the Department a Bureau of Industrial Information and Programs which shall among others, receive from industries and analyze statistical information relating to production, sales, inventories, imports of major materials, levels of receivables and expansion plans to enable the Department to monitor and measure industry performance, anticipate problems and provide guidance to industry. It shall also formulate development programs for various industry sectors.

SEC. 8. Board of Investments.—The Board of Investments is transferred from the National Economic and Development Authority and attached to the Department for program and policy implementation. The Secretary of Industry shall be concurrently Chairman of the Board of Investments. The Vice-Chairman of the Board who shall be appointed by the President shall concurrently be its Managing Head.

SEC. 9. Personnel.—Except for such technical positions as the Secretary may recommend to and be approved by the President, all positions therein shall be subject to the provisions of the Civil Service Law and the rules and regulations of the Wage and Position Classification Office (WAPCO).

SEC. 10. Attached Agencies.—The following agencies are hereby attached to the Department: Iron and Steel Authority, Fertilizer Industry Authority, Cement Industry Authority, and Presidential Advisory Committee on the Copper Industry.

The Department shall coordinate with other government agencies, particularly the Department of Trade, for the export promotion activities of the foregoing attached authorities.

SEC. 11. Appropriation.—To carry out the purposes of this Decree, there is hereby appropriated, out of any funds in the National Treasury not otherwise appropriated, the sum of Four Million Pesos (P4,000,000) for the fiscal year nineteen hundred and seventy-four to nineteen hundred and seventy-five (1974-1975) and the sum of Two Hundred Thousand Pesos (P200,000) for the remainder of fiscal year nineteen hundred and seventy-three to nineteen hundred and seventy-four (1973-1974). Thereafter, the appropriations for the Department of Industry shall be included in the Annual General Appropriation Act.

SEC. 12. Repeal.—Any and all acts, statutes, decrees, rules, regulations or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

The Department of Trade shall perform all the functions, except those pertaining to industry, of the Department of Trade and Tourism pursuant to the applicable provisions of the Integrated Reorganization Plan, as amended by Presidential Decree No. 189.

SEC. 13. Effectivity.—This Decree shall take effect immediately.

Done in the City of Manila, this 21st day of June in the year of Our Lord, nineteen hundred and seventy-four.

(Sgd.)

FERDINAND E. MARCOS

President of the Philippines

By the President:

(Sgd.)

ALEJANDRO MELCHOR

Executive Secretary

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