

REVISING PRESIDENTIAL DECREE NO. 941, CREATING THE PHILIPPINE EXPORT COUNCIL, DEFINING ITS POWERS AND DUTIES, AND APPROPRIATING FUNDS THEREFOR.

PRESIDENTIAL DECREE NO. 1386, May 25, 1978

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I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order and decree the revision of Presidential Decree No. 941, dated 29 May 1976, which shall henceforth read in its entirety as follows:

WHEREAS, national economic growth demands a sustained contribution in foreign exchange generation by the export sector;

WHEREAS, there is a need to develop and implement a national export strategy designed to achieve a significant increase in export earnings;

WHEREAS, since the private sector bears the actual task of generating export earnings, there is a need to establish a mechanism for the direct and continuing involvement of that sector in the formulation and implementation of a national export strategy;

WHEREAS, such a mechanism can be achieved thru the creation of a semi-government institution to serve as the focal point for government and private sector cooperation in the development and promotion of Philippine products and services for export;

WHEREAS, the effective implementation of a national export strategy requires that such an institution be capable of flexible and dynamic action and be vested with appropriate authority to operate under a high degree of autonomy;

WHEREAS, such an institution will provide the country with a competitive and responsive export trade mechanism, as has been demonstrated in other countries that have adopted similar institutions designed to optimize their export strategy and performance thru the encouragement and stimulation of joint government and private sector action for export expansion.

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

SECTION 1.—Declaration of Policy. It is hereby declared to be the policy of the government to encourage, promote, expand and diversify exports to existing and prospective markets in order to generate employment and income, improve the balance of payments, and hasten the economic development of the nation.

It is hereby further declared to be the policy of the government to assist and support private sector producers and traders in the development and promotion of Philippine commodities, products, and services for export, and to optimize direct private sector participation in the formulation and implementation of government export development and promotion programs.

SECTION 2.—The Philippine Export Council. There is hereby created a semi-government self-governing institution to be known as the Philippine Export Council, hereinafter referred to as the Export Council. The Export Council shall be directly under the Office of the President of the Philippines.

SECTION 3.—Responsibilities of the Export Council. The Export Council shall be responsible for the formulation and monitoring of the National Export Strategy, which shall be consistent with existing national economic policies and approved national development plans; for studying and recommending to the department/agency Heads concerned, and/or to the Board of the National Economic and Development Authority, and/or directly to the President of the Philippines policy measures and/or policy changes pertaining to export development and promotion, to include implementing plans and/or programs of action relative thereto; and, for coordinating government and private sector programs and efforts to develop, promote and enhance earnings from exports of Philippine commodities, products, and selected services.

SECTION 4.—Powers and Functions of the Export Council. The powers, functions, and duties of the Export Council shall include the following:

- To formulate and submit annually for approval of the President of the Philippines a National Export Strategy that is consistent with existing national economic policies and approved national development plans; which shall, among other elements which the Governing Council may prescribe, specifically include annual and five-year term developmental and promotional objectives and quantified performance targets, taking into account the production capacity of Philippine industries and the opportunities present in export markets. The strategy formulation process of the Export Council shall be coordinated and interfaced closely with, among others:
- The budget preparation process of the Budget Commission;
- The national development planning process of the National Economic and Development Authority;
- The formulation by the Board of Investments of relevant Priorities Plans prescribed by law;
- The formulation of plans and strategies of particularly concerned agencies and industry authorities, such as, the Bureau of Foreign Trade, the Overseas Construction Board, The Philippine Sugar Commission, the Philippine Export and Foreign Loan Guarantee Corporation, the Philippine Cement Corporation, the Philippine Coconut Authority, the Export Processing Zone Authority, etc.;
- To recommend to the President of the Philippines the assignment to government, semi-government and private institutions such functions and responsibilities as are necessary to effectively implement the specific plans and programs of action contained in the National Export Strategy; and, in coordination with the Budget Commission, to determine and recommend for approval budget allocations as are required to fund such assigned functions and responsibilities.
- To monitor and submit periodic reports, including an annual report, to the President of the Philippines on the implementation of the approved National Export Strategy;
- To undertake such research, developmental and/or promotional programs or activities as are assigned to it by the approved National Export Strategy or by other relevant development plans of the government; and, subject to the approval of the President of the Philippines, as may be determined by the Governing Council to be inadequately, ineffectively, or improperly implemented by the agency or organization to which the particular program or activity was originally assigned; provided that, the Export Council shall not engage directly in actual trading;
- To coordinate, with authority to institute and oversee a consolidated planning, programming and implementing system, as well as to serve, if necessary, as a channel for budgetary releases and actual expenditures for those

activities of government agencies pertaining specifically to export marketing and promotion, foreign trade information and publications, and related assistance and training activities;

- To identify obstacles to the export of specific products, commodities and services, and to study and recommend appropriate measures for the removal, of these obstacles, to include specific government assistance measures that will encourage increased production and will enable exportable commodities and selected services to become more competitive in international markets;
- To assess policies and programs of government agencies and private sector organizations engaged or involved in activities allied to or affecting Philippine international trade, such as financing, transportation, forwarding, brokerage, packaging, insurance, warehousing, quality control, etc.; and to recommend trade facilitation and other measures that would improve their contribution to increased competitiveness of Philippine exports in world markets;
- To encourage and promote the organization of integrated trading organizations and other forms of cooperative or joint export marketing arrangements by producers/exporters to attain increased leverage in international marketing;
- To initiate and/or participate in the formation of appropriate juridical entities or to participate in such existing organizations, domestic or foreign, designed to facilitate or enhance the development and promotion of the country's international trade; to hold interest or equity therein; and be represented in the management thereof;
- To establish local regional as well as overseas offices of the Export Council as may be deemed necessary by the Governing Council;
- To undertake or cause to be undertaken by appropriate agencies or organizations any relevant programs or activities as may be essential to the achievement of the objectives and intent of this decree;
- To promulgate such rules and regulations as may be necessary to implement and attain the objectives and intent of this decree, as well as to revise and amend the same; and
- To exercise such other powers and undertake such other functions and duties as may be assigned to the Export Council by the President of the Philippines.

SECTION 5.—Governing Council. The powers, functions and duties of the Export Council shall be exercised through a Governing Council, which shall be composed of fifteen (15) members as follows:

- The President of the Export Council. The President of the Export Council shall concurrently be the Chairman of the Governing Council. Whenever the President of the Export Council is unable to attend a meeting of the Governing Council, he shall designate the Executive Vice-President or a Vice-President of the Export Council to attend as his alternate, who shall not however preside unless elected as Presiding Officer in accordance with the pertinent provision prescribed elsewhere in this Section.
- The Secretary of Trade. The Secretary of Trade shall preside over the meetings of the Governing Council in the absence of the Chairman. Whenever the Secretary of Trade is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate, who shall not however preside when the Chairman is also absent unless elected as Presiding Officer in accordance with the pertinent provision prescribed elsewhere in this Section.
- The Secretary of Industry. Whenever the Secretary of Industry is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary or a Governor of the Board of Investments to attend as his alternate.

- The Director-General of the National Economic and Development Authority. Whenever the Director-General of the Authority is unable to attend a meeting of the Governing Council, he shall designate a Deputy Director-General or an Assistant Director-General of the Authority to attend as his alternate.
- The Secretary of Foreign Affairs. Whenever the Secretary of Foreign Affairs is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- The Secretary of Finance. Whenever the Secretary of Finance is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary or the Commissioner of Customs to attend as his alternate.
- The Governor of the Central Bank of the Philippines. Whenever the Governor of the Central Bank is unable to attend a meeting of the Governing Council, he shall designate the Senior Deputy Governor or a Deputy Governor of the Central Bank to attend as his alternate.
- The Secretary of Agriculture. Whenever the Secretary of Agriculture is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- The Secretary of Natural Resources. Whenever the Secretary of Natural Resources is unable to attend a meeting of the Governing Council, he shall designate an Undersecretary or Assistant Secretary to attend as his alternate.
- The President of the Philippine International Trading Corporation. Whenever the President of the Philippine International Trading Corporation is unable to attend a meeting of the Governing Council, he shall designate the Executive Vice-President or a Vice-President of the Corporation to attend as his alternate.
- Five (5) Representatives from the Private Sector. A private sector member of the Governing Council shall have no alternate, and shall be considered absent whenever he is unable to attend a meeting of the Governing Council; provided that, a private sector member who cannot attend a meeting of the Governing Council may designate a personal representative to sit as an observer during that meeting.

Except for the five (5) representatives from the private sector, the members shall sit in the Governing Council on an ex-officio basis. Representatives from the private sector shall each be appointed by the President of the Philippines for a term of three (3) years from among qualified candidates recommended by the Export Advisory Board in accordance with appropriate criteria which the Governing Council shall prescribe; provided however that, for initial appointments to the Governing Council, one (1) representative shall be appointed for a term of one (1) year, two (2) representatives for a term of two (2) years, and two (2) representatives for a term of three (3) years, after which all succeeding appointments shall be for a term of three (3) years.

The full-time President of the Export Council, who is concurrently the Chairman of the Governing Council, shall preferably be drawn from the private sector, and shall be appointed by the President of the Philippines for a term of five (5) years.

The presence of eight (8) members and/or authorized alternates during each meeting of the Governing Council shall constitute a quorum. Whenever both the President of the Export Council and the Secretary of Trade are unable to attend a meeting of the Governing Council, the members and/or authorized alternates present shall elect a Presiding Officer for that particular meeting; provided however that, for as long as at least one regular member is present during a meeting of the Governing Council, no authorized alternate shall be eligible for election as Presiding Officer for that meeting.

The Governing Council may constitute, from among its members, an Executive Committee and any other functional committees as may be necessary for it to effectively carry out the powers and functions of the Export

Council. The provisions herein on alternate representation in the Governing Council shall apply to these committees; provided that, at least one (1) private sector member of the Governing Council shall always be included in the membership of any committee so created.

SECTION 6.—Export Advisory Board. There shall be created a permanent Export Advisory Board composed of qualified individuals from the private sector who shall provide the advice, guidance, and insight essential to pursuing the activities of the Export Council, and who shall collectively represent private sector views. Among other responsibilities which the Governing Council may define, the Export Advisory Board shall serve as the forum for synthesizing problems and recommendations of common interest to the various Permanent Committees created under Section 7 hereof, or to the export community in general.

The Export Advisory Board shall be chaired by the President of the Export Council. Its members shall include each of the Chairmen of the Permanent Committees created under Section 7 hereof, and may include additional members who shall be appointed by the Governing Council from among qualified individuals from the private sector.

The Export Advisory Board may constitute, from among its members, an Executive Committee and any other functional committees, or any appropriate aggrupation of Chairmen of Permanent Committees created under Section 7 hereof, as may be necessary for it to effectively advice and assist the Export Council in carrying out its powers and functions.

The Governing Council shall prescribe the rules for alternate representation in the Export Advisory Board, as well as in any of the latter's committees or aggrupations of Permanent Committee Chairmen.

SECTION 7.—Permanent Committees. There shall be created Permanent Committees, to be composed principally of private sector membership, which shall be organized and oriented towards market development and the development and promotion of specific products, product groups, commodities, and selected services, to include the functional aspects allied to the conduct of export trade. Meetings of these Committees shall, upon request or notification, be attended by officials at the level of Bureau Directos and/or senior technical officials from line departments and agencies directly concerned with the respective areas of interest of the Committees.

Among other responsibilities which the Governing Council may define, these Committees shall work closely with and provide expert advice to the Export Council Staff on such matters as the determination of performance targets, the formulation of policy recommendations, the preparation of position papers, the gathering and dissemination of trade information, and the design of essential developmental and promotional measures affecting their respective areas of interest. Policy and/or strategy recommendations of the Permanent Committees shall be submitted to the Governing Council for approval and appropriate implementing action, or for further recommendatory action to the proper decision-making authority.

The members of each of the Permanent Committees shall be appointed by the Governing Council from among qualified nominees of concerned private sector national business organizations; industry, commerce, and trade-related associations; and from the senior staff of relevant government agencies that have continuing involvement in the Committees respective areas of interest. Each Committee shall elect a Chairman from among its private sector membership, subject to the confirmation of the Governing Council.

The Governing Council shall prescribe rules for alternate representation in the Permanent Committees created hereunder.

SECTION 8.—Management. The management of the Export Council shall be vested in the President of the Export Council, who shall be the Chief Executive of the Export Council. A full-time Executive Vice-President, who shall

be the Chief Operating Officer of the Export Council, shall be appointed by the President of the Philippines; provided that, when the exigencies of the service so require, the President of the Export Council is hereby empowered to appoint the Executive Vice-President on a contractual basis, subject to prior approval of the President of the Philippines.

The Executive Vice-President shall perform the functions and duties of the President of the Export Council in the absence of incapacity of the latter, except that he shall not preside over meetings of the Governing Council unless elected as Presiding Officer in accordance with Section 5 hereof. He shall, at any time, perform such functions and duties as may be delegated to him by the President of the Export Councils.

With the confirmation of the Governing Council, the President of the Export Council is hereby empowered to appoint, on a regular or contractual basis, such Vice-Presidents as he may deem necessary to assist him and the Executive Vice-President effectively manage the affairs and activities of the Export Council, provided that, the number of incumbents appointed, in accordance herewith shall not exceed five (5) Vice-Presidents at any given time, and any appointment in excess thereof shall require prior approval of the President of the Philippines.

SECTION 9.—Functions and Duties of the President of the Export Council. The President of the Export Council shall exercise such powers and functions as are authorized by this decree. With the confirmation of the Governing Council, he shall carry out the following specific tasks and duties:

- To approve for submission to the Budget Commission the annual lump-sum appropriation to be provided for the Export Council;
- To approve contracts and other agreements which the Export Council may enter into in furtherance of its authorized programs and activities;
- To devise, organize, and reorganize, insofar as may be necessary, the organization and staff of the Export Council;
- To review and approve the operations and activities of the Export Council;
- To organize and/or participate in committees and other working groups representing government and/or private entities for the purpose of identifying impediments to export expansion, and developing programs, projects and other recommendations designed to overcome such obstacles and support increased export earnings;
- To negotiate and conclude with appropriate private sector groups or organizations such suitable and equitable arrangements as may be mutually agreed upon to gradually effect private sector sharing in the funding of the activities and operations of the Export Council;
- To receive and utilize, for furtherance of the Export Council's authorized programs and activities, funds, materials and services from sources other than the Government's annual grant to the Export Council;
- To request or cause to be furnished thru directives, circulars, memoranda or instructions from the Governing Council to government agencies and or private organizations concerned such relevant data, information and statistics as may be required by the Export Council to effectively carry out its functions and duties with respect to export strategy formulation, planning, programming and monitoring.

SECTION 10.—Compensation, Per Diem and Other Emoluments. The Chairman and members of the Governing Council or their authorized alternates shall receive per diems and reimbursement for transportation and representation expenses for each meeting actually attended in such amounts as may be determined by the Governing Council, which in no case shall exceed One Thousand Pesos (P1,000) a month each for per diems and One Thousand Pesos (P1,000) a month each for transportation and representation expenses, regardless of the

number of meetings attended; provided that, the Governing Council shall meet regularly at least once during the third Thursday of each month. The per diems and reimbursement of transportation and representation expenses herein authorized shall be paid to the actual attendees of each Governing Council meeting.

The President and Executive Vice-President of the Export Council shall each receive an annual compensation in an amount to be determined by the President of the Philippines. With the confirmation of the Governing Council, the annual compensation of each Vice-President shall be determined by the President of the Export Council on a case-to-case basis, which in no case shall exceed the annual compensation of the Executive Vice-President.

With the confirmation of the Governing Council, the President of the Export Council is hereby empowered to draw up and prescribe the compensation schedule and the grant of appropriate and reasonable allowances and/or other emoluments for the executives and staff of the Export Council, as well as for persons serving with the Export Council on an ad-hoc or detail basis. Funding requirements therefor shall be provided in the annual budget of the Export Council.

SECTION 11.—Staff Organization. There shall be organized a Staff of the Export Council which shall perform the work required for the execution of the powers, functions and duties of the Export Council and shall render technical, administrative and secretariat support to the Governing Council, the Export Advisory Board, the Permanent Committees, and other working groups/committees that are established in accordance with the provisions, purposes and intent of this decree.

The Governing Council shall prescribe the organizational framework and guidelines under which the Export Council shall be organized and operate. To facilitate inter-governmental coordination, the Governing Council may, at any time, draw upon the technical staff expertise of government agencies concerned for liaison and/or individually detailed personnel, or to organize ad hoc inter-agency committees or task groups that shall work with and assist the Export Council Staff in carrying out its functions and duties.

SECTION 12.—Appropriations. There is hereby appropriated initially the sum of five million pesos (P5,000,000) from the funds of the National Treasury not otherwise appropriated, for the organizational and operational expenses of the Export Council for a period of one year. Thereafter, an annual lump-sum appropriation shall be provided, for the Export Council, the amount of which may be determined in relation to the annual export performance of the country and which may be included under any appropriate Fund provided in the General Appropriations Act.

SECTION 13.—Personnel. Subject only to the organizational framework and guidelines prescribed by the Governing Council, the President of the Export Council shall draw up and implement the staffing pattern of the Export Council; Provided that, in the filling of positions through, such personnel as may be necessary, appropriate and qualified from the Bureau of Foreign Trade of the Department of Trade, The Institute of Export Development of the Board of Investments, and the National Economic and Development Authority, and such personnel from the foregoing government agencies who have been detailed to the RP/UNDP Export Promotion Project shall be given priority of consideration for recruitment.

All positions in the Export Council are hereby declared policy determining, highly technical and/or primarily confidential and shall be exempt from Career Executive Service, OCPC, and Civil Service eligibility rules and regulations; provided that, consistent with their individual employment status, the personnel of the Export Council shall be entitled to the appropriate benefits and privileges normally accorded to government employees of similar employment status, such as GSIS insurance and retirement benefits, Medicare, leave, and other similar benefits; provided further that, personnel services contributed to or contracted by the Export Council which are actually paid for by private sector entities or organizations shall not fall under the coverage of the immediately preceding

provisions.

SECTION 14.—Repealing Clause. Any and all acts, statutes, decrees, orders, rules, regulations or parts thereof inconsistent herewith are hereby repealed or modified accordingly.

SECTION 15.—Effectivity. This Decree shall take effect immediately.

Done in the City of Manila, this 25th day of May, in the year of Our Lord, nineteen hundred and seventy-eight.

(Sgd.) FERDINAND E. MARCOS
President of the Philippines

By the President:

(Sgd.) JUAN C. TUVERA
Presidential Assistant

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