

**[ EXECUTIVE ORDER NO. 133, February 27, 1987 ]**

**REORGANIZING THE DEPARTMENT OF TRADE AND INDUSTRY  
ITS ATTACHED AGENCIES, AND FOR OTHER PURPOSES**

WHEREAS, under Article II, Section 1, of the Provisional Constitution, as adopted in Proclamation No. 3 dated March 25, 1986, the President shall give priority to measures to achieve the mandate of the people to completely reorganize the government;

WHEREAS, Article XVIII, Section 16, of the 1987 Constitution recognizes that the reorganization of the government shall be continued even after the ratification of the Constitution;

WHEREAS, under Article XVIII, Section 6, of the 1987 Constitution, the President shall continue to exercise legislative powers until the first Congress is convened;

NOW, THEREFORE, I, CORAZON C. AQUINO, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby order the following:

SECTION 1. *Declaration of Policy.* – It shall be the national policy to pursue a private sector based growth strategy, centered on a socially responsible program to deregulate business in a manner that shall encourage private initiative and create a dynamically competitive economic environment, but assure equal opportunity to all members of the business community, whether small or large, and whether rural or urban.

Government shall provide institutional services to the private sector, such as: investment and export promotion, market information, product research and development, technological assistance, manpower training, infrastructure support, fiscal incentives, and such other services that shall facilitate increased international trade, improve national productivity and accelerate industrialization.

Pursuant to this policy, the State shall:

- (a) Uphold the business enterprise as the basis of economic growth, expansion and change;
- (b) Encourage and support private sector initiative, not compete with it;
- (c) Encourage and support the establishment of – and protect – trade, industry and consumer protection institutions that will harmonize and safeguard their members' interests, free from pernicious restraints and practices;
- (d) Institutionalize advisory councils with compositions that are

representative of those affected in the concerned industry, for the purpose of private sector participation in trade and industry policy formulation, program implementation and evaluation;

- (e) Assist the private sector in creating just and viable socio-economic structures in trade and industry conducive to greater productivity and higher incomes through cooperative systems of production, processing, marketing, distribution and credit services where applicable, especially among small and medium-scale enterprises;
- (f) Support the development of timely, affordable and appropriate financing schemes for its constituencies;
- (g) Undertake a thorough study of all trade and industry related laws and regulations for streamlining, simplification and reorientation towards increased entrepreneurial activity and improved industrial productivity.

SEC. 2. *Mandate.* – The Department of Trade and Industry, hereinafter referred to as Department, shall be the primary coordinative, promotive, facilitative and regulatory arm of government for the country's trade, industry and investment activities. It shall act as catalyst for intensified private sector activity in order to accelerate and sustain economic growth through: (a) a comprehensive industrial growth strategy, (b) a progressive and socially responsible liberalization and deregulation program, and (c) policies designed for the expansion and diversification of trade, both domestic and foreign.

SEC. 3. *Powers and Functions.* – To fulfill its mandate the Department is hereby authorized to perform the following powers and functions:

- (a) Plan, implement and coordinate activities of the government related to trade, industry and investments;
- (b) Promote, initiate, or conduct Annual Trade-and Industry Development Planning Conferences between government and the private sector, to be held at the beginning of the third quarter of the budget year;
- (c) Build up and maintain the currency of the trade and industry database of the Department's information system through a continuing and well coordinated program of data search and information processing;
- (d) Develop and maintain an integrated computerized marketing information system for trade, industry and investments with a domestic and international scope;
- (e) Encourage and support the formation of People's Economic Councils at regional, provincial and municipal levels as well as other trade, industry and consumer protection institutions or associations;

- (f) Formulate and implement programs to strengthen industries adversely affected by the economic crisis, particularly those that have a good probability of attaining financial viability;
- (g) Formulate plans and programs that shall encourage projects which effect dispersal of industries to the rural areas, promote manufactured goods for export, and develop small and medium scale industries;
- (h) Upgrade and develop the manufacture of local capital goods and precision machinery components;
- (i) Formulate and administer policies and guidelines for the investment priorities plan and the delivery of investment incentives;
- (j) Assist the investment one-stop action center in pursuing the latter's objective of providing under one roof all investment assistance services of the government, in accordance with established policies and guidelines;
- (k) Coordinate efforts in formulating long term industry sectoral plans with the private sector;
- (l) Formulate the appropriate mechanics to guide and manage the transfer of appropriate industrial technology in the country;
- (m) Formulate country and product export strategies which will guide the export promotion and development thrusts of the government;
- (n) Implement programs and activities geared towards the overseas promotion of Philippine exports in overseas markets;
- (o) Take the primary role in negotiating and reviewing existing international trade agreements, particularly those affecting commodity quotas limiting existing exports of Philippine products to determine programs for renegotiations of more favorable terms;
- (p) Promote domestic trade, marketing and distribution to ensure the rational, economical and steady flow of commodities from producing and/or marketing centers to areas in short supply;
- (q) Promote, develop, regulate and accredit repair and service enterprises in accordance with existing laws, Executive Order No. 709 (1981) notwithstanding;
- (r) Formulate and implement regulations for the protection of industrial property rights and in particular, patents and trademarks;

- (s) After due notice and hearing, establish orderly marketing arrangements for locally produced and imported manufactured goods, and for raw materials used by manufacturing and construction;
- (t) Administratively adjudicate and impose reasonable fines and penalties for violation of existing trade and industry laws;
- (u) Prepare, for consideration of the Monetary Board, proposed programs in the commercial banking sector for directing commercial lending facilities towards priority areas of commercial and industrial development, as well as coordinate government direct funding and financial guarantee programs to achieve trade and industry growth;
- (v) Create, in cooperation and coordination with the Department of Labor and Employment, a center which will provide assistance to the public relative to industrial relations;
- (w) Issue subpoena and subpoena duces tecum to compel the attendance of witnesses and the production of the necessary information, papers and documents which it may deem necessary in the exercise of its powers and functions;
- (x) Prescribe and enforce compliance with such rules and regulations as may be necessary to implement the intent and provisions of this Executive Order, which rules and regulations shall take effect immediately following their publication in two newspapers of general circulation in the Philippines;
- (y) Perform such other functions as may be necessary or incidental in carrying into effect the provisions of this Executive Order and as may be provided by law.

SEC. 4. *Secretary of Trade and Industry.* – The authority and responsibility for the exercise of the mandate of the Department and for the discharge of its powers and functions are hereby vested in the Secretary of Trade and Industry, hereinafter referred to as Secretary, who shall be appointed by the President.

There is hereby created in the Office of the Secretary the Office of Special Concerns to attend to matters that require special attention, whether involving a matter that crosses several functional areas, demands urgent action, or otherwise necessitates, in the Secretary's opinion, attention by a special group. To enable the Secretary to accomplish said authority and responsibility and exercise said supervision and control, he shall perform the following functions:

- (a) Advise the President of the Philippines on matters related to trade, investments, and Industry, and on the promulgation of Department orders, rules, regulations and other issuances related to trade, industry and investment.
- (b) Establish policies and standards for the effective, efficient, and economical operations of the Department in accordance

with the programs of government;

- (c) Promulgate rules and regulations necessary to carry out Department objectives, policies, plans, programs, and projects;
- (d) Exercise supervision and control over all offices, functions and activities of the Department;
- (e) Delegate authority for the performance of any administrative or substantive function to any Undersecretary or other officials of rank at the Department;
- (f) Considering the complexities involved in matters of trade and industry, ensure the clear delineation of the functions of the personnel and constituent units of the Department, including agencies attached to it, so as to prevent duplications or overlapping thereof;
- (g) Perform such other functions as may be provided by law or appropriately assigned by the President.

SEC. 5. *Undersecretaries.* – The Secretary shall be assisted by five (5) Undersecretaries, who shall all be appointed by the President upon the recommendation of the Secretary, by performing the following functions within the respective area of responsibilities:

- (a) Advise the Secretary in the promulgation of Department orders, administrative orders, and other issuances;
- (b) Exercise supervision over the offices, services, operating units and individuals under their authority and responsibility;
- (c) Formulate office rules and regulations, consistent with those of the Department policies, that will effectively implement the activities of operating units under their authority and responsibility;
- (d) Coordinate the functions and activities of the units under their authority with those of the other Undersecretaries;
- (e) Exercise delegated authority on substantive and administrative matters related to the functions and activities of agencies under their office to the extent granted by the Secretary through administrative issuances;
- (f) Perform other functions as may be provided by law or appropriately assigned by the Secretary.

SEC. 6. *Assistant Secretaries.* – The Secretary shall also be assisted by five (5) Assistant Secretaries who shall be appointed by the President upon the recommendation of the Secretary. The Secretary is hereby authorized to delineate and assign the respective areas of functional responsibility of the Assistant Secretaries. Within his functional area of responsibility, an Assistant Secretary shall