



Senate
Office of the Secretary

NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'22 JUL 14 P3:35

SENATE
S. B. No. 628

RECEIVED BY:

Introduced by Senator SONNY ANGARA

AN ACT
TO DEVELOP A NATIONAL QUALITY POLICY DEFINING THE PHILIPPINE
NATIONAL QUALITY INFRASTRUCTURE (NQI), CREATING FOR THIS
PURPOSE THE PHILIPPINE NATIONAL QUALITY INFRASTRUCTURE
COORDINATING COUNCIL AND FOR OTHER PURPOSES

EXPLANATORY NOTE

Upon gaining a fair amount of success at home, many Filipino entrepreneurs and owners of small, and medium enterprises (SMEs) usually look to expand into markets abroad for the products or services they offer. A handful do get to reach new customers in other countries. However, the vast majority of Filipino businesses are not so successful for various reasons.

This is unfortunate considering that according to a November 2021 International Trade Centre assessment¹, the Philippines has an unrealized export potential worth US\$49 billion (or roughly P2.677 trillion²). Up to US\$20 billion—or around P1.092 trillion—of that figure is supposedly due to so-called “product-market-specific” frictions. A portion of this includes failures to comply with the product, service, or process standards of a given export market—or simply, the situation where products and services are not of acceptable quality.

For more of our companies to reach international markets and become part of global value chains, there should be an enabling environment that would support and guide them towards reaching international standards of quality. An entire ecosystem

¹ <https://tradebriefs.intracen.org/2021/11/special-topic>

² Using an exchange rate of US\$1 = Php54.63, as of June 23, 2022

of both public and private sector institutions should be in place so that Filipino entrepreneurs and business owners can get the necessary accreditations or certifications for export; routinely test their products and services against certain levels of quality; and, make adjustments or recalibrations whenever market or government standards change.

Considering that most developing countries are now working to enhance their respective capacities to develop and produce globally competitive products and services aligned with international standards and benchmarks, the Philippines needs to build up its own national quality infrastructure (NQI). A 2018 Philippine Institute for Development Studies (PIDS) study even identified the lack of NQI as a contributor to the lack of competitiveness of Philippine SMEs³.

In fact, several government institutions, bureaus, and laboratories already exist where products and services can be accredited, certified, and tested for compliance with certain levels of quality. The challenge is that these NQI institutions are scattered across the bureaucracy, resulting in a weak and fragmented ecosystem that makes it difficult for any meaningful culture of quality to be promoted and instilled throughout Philippine society.

A comprehensive, harmonized, responsive, and strategic National Quality Policy (NQP) is needed to fill in this gap. With a clearly communicated and well-documented NQP, relevant public and private sector stakeholders can commit to realizing medium- to long-term objectives; fostering closer ties and partnerships with each other; acting in tandem to achieve strategic goals; and even investing in joint projects and programs. Institutionalizing an NQP will enable for a system of trust to grow, and a culture of quality and safety to become more commonplace and ubiquitous—all of which shall enable more of our companies to become more globally competitive and open up more economic opportunities for Filipinos.

The proposed bill aims to develop this much-needed NQP and build a robust NQI ecosystem throughout the country. These are goals which have already been embodied in the respective Philippine Development Plans of the Aquino and Duterte

³ <https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidsdps1807.pdf>

administrations. Hopefully, the same shall be included in the plans of the incoming administration of President Ferdinand “Bongbong” Marcos Jr.

To harmonize and provide some coherence to the operations of existing NQI institutions, a Philippine National Quality Infrastructure Coordination Council (PNQICC) shall be established and co-chaired by the Department of Trade and Industry (DTI) and the Department of Science and Technology (DOST). This council will coordinate policies and programs to meet quality requirements for products, services, and processes with the goal of promoting innovation, competitiveness, sustainable development, and compliance with international commitments. Ultimately, this council will provide some needed direction and order.

As the country works to recover from the COVID-19 pandemic and faces some very serious headwinds brought about by geopolitical tensions and technological disruptions, all sectors of our society need to rally around the objective of making Filipino companies, professionals, entrepreneurs, and even laborers and artisans more globally competitive. A robust NQI ecosystem backed by a unified, responsive, and sustainable NQP can help achieve this. Hence, this bill is among the priority measures we have identified under our longstanding Tatak Pinoy (“Proudly Filipino”) advocacy for building a more productive, more innovative, more globally competitive, and more inclusive economy for all Filipinos.

Indeed, for “Tatak Pinoy” to be something that Filipinos can truly be proud of, ensuring utmost quality needs to be a way of life for every Filipino enterprise. In view of the foregoing, the approval of this measure is earnestly sought.



SONNY ANGARA
79



NINETEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
First Regular Session)

'22 JUL 14 P3:36

SENATE
S. B. No. 628

RECEIVED BY: 

Introduced by Senator SONNY ANGARA

AN ACT
TO DEVELOP A NATIONAL QUALITY POLICY DEFINING THE PHILIPPINE
NATIONAL QUALITY INFRASTRUCTURE (NQI), CREATING FOR THIS
PURPOSE THE PHILIPPINE NATIONAL QUALITY INFRASTRUCTURE
COORDINATING COUNCIL AND FOR OTHER PURPOSES

Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 **SECTION. 1. *Title.*** – This Act shall be known as the “National Quality
2 Infrastructure Development Act of 2022,” hereinafter referred to as the Act.

3 **SEC. 2. *Declaration of Policy.*** – It is declared the policy of the State to adopt
4 a culture of quality among its citizens to encourage competitiveness among firms, to
5 facilitate trade, and to promote consumer welfare in accordance with good regulatory
6 practices.

7 The State shall adopt and strengthen its quality infrastructure system that
8 would support national policies and strategies on economic development,
9 trade and investments, job creation and industrialization, innovation and technological
10 advancement, ease of doing business, consumer protection, environmental protection,
11 and social equity and sustainability, while adhering to international best practices and
12 international standards.

1 The State recognizes the critical role of the private sector in the national quality
2 infrastructure, and shall promote a transparent, participatory, coherent, and efficient
3 mechanism to enable businesses to effectively comply with market requirements and
4 consumer needs.

5 Pursuant thereto, the State shall also develop a National Quality Policy (NQP)
6 that will further strengthen the Philippine National Quality Infrastructure (NQI) to
7 provide the necessary institutional apparatus so that the country's private sector can
8 produce products and services, and maintain processes, of a prescribed and desired
9 standard; and the verification of conformance to these standards can be achieved by
10 internationally accepted means.

11 It is hereby declared the policy of the State to harmonize the fragmented quality
12 programs and policies; ensure the availability, accessibility, and affordability of
13 quality infrastructure services across the country; and institutionalize effective
14 cooperation and coordination among the NQI institutions in the country, as well as
15 with their regional and international counterparts. The NQI shall serve both the
16 regulatory authorities and the market place in order to comply with the State's
17 constitutional mandate to protect consumer rights and encourage industries and other
18 organizations to adopt quality improvements and best practices into their day-to-day
19 activities.

20 **SEC. 3. Coverage.** – This Act shall apply to activities, processes, programs,
21 and to public and private institutions relevant to standards, accreditation, metrology,
22 conformity assessment, and other matters incidental thereto.

23 **SEC. 4. Definition of Terms.** – For purposes of this Act, the following terms
24 are defined as follows:

- 1 a) **Accreditation** refers to a third-party attestation conveying a formal
2 demonstration of the competence of a conformity assessment body to carry
3 out specific conformity assessment tasks. It provides a basis for uniform
4 technical policy and conditions for mutual recognition at the international
5 level;
- 6 b) **Calibration** refers to the operation that is used to establish that any
7 measuring instruments used remain accurate within specified parameters;
- 8 c) **Certification** refers to a third-party attestation of conformance to
9 standards, technical regulations, other specified requirements or guidelines
10 related to products, processes, systems or persons. This can be
11 accomplished by conducting inspection, verification, audit and/or testing;
- 12 d) **Conformity Assessment** refers to the demonstration that specified
13 requirements relating to a product, process, system, person or body are
14 fulfilled;
- 15 e) **Conformity Assessment Body** refers to a body that performs conformity
16 assessment activities and that can be the object of accreditation;
- 17 f) **Culture of Quality** refers to the set of group values that guide how
18 improvements are made to everyday working practices and consequent
19 outputs;
- 20 g) **Inspection** refers to the examination of a product, process, service, or
21 installation, or their design and determination of its conformity with specific
22 requirements or, on the basis of professional judgment, with general
23 requirements;

- 1 h) ***Metrology*** refers to the science of measurement and its application, which
2 includes all theoretical and practical aspects of measurement;
- 3 i) ***National Measurement System (NMS)*** refers to the measurement
4 system which ensures the integrity of measurements in the country, meets
5 regional and international requirements, and provides support for the
6 competitiveness of Philippine products, services, and processes to establish
7 confidence in measurements used for regulation, trade, and manufacturing
8 in the country;
- 9 j) ***National Quality Infrastructure (NQI)*** refers to policy, legal,
10 regulatory, and administrative frameworks, and the institutional
11 arrangements, public and private, to implement standardization,
12 accreditation, and the totality of the testing, certification, and measurement
13 necessary to provide acceptable evidence that products, services, and
14 processes meet prescribed standards;
- 15 k) ***Philippine National Standard (PNS)*** refers to a document established
16 by consensus and promulgated by the Bureau of Philippine Standards,
17 which provides, for common and repeated use, rules, guidelines, or
18 characteristics for activities or their results which aim at the achievement
19 of the optimum degree of order in a given context;
- 20 l) ***Quality*** refers to the degree to which a set of inherent characteristics fulfill
21 requirements;
- 22 m) ***Standard*** refers to the document approved by a recognized body that
23 provides for common and repeated use, rules, guidelines, or characteristics
24 for products or related processes and production methods, with which

1 compliance is not mandatory. It may also include terminology, symbols,
2 packaging, marking, or labelling requirements as they apply to a product,
3 process, or production method;

4 n) **Standardization** refers to the process of developing technical
5 specifications or requirements based on consensus among all interested
6 parties, consumers, trade associations, manufacturers and providers of
7 goods and services, non-governmental organizations (NGOs), and
8 government agencies and instrumentalities;

9 o) **Technical regulation** refers to product characteristics or their related
10 processes and their production methods, including the applicable
11 administrative provisions, which are made mandatory by laws or imposed
12 by government agencies;

13 p) **Testing** refers to the determination of a product's characteristics against
14 the requirements of the standard;

15 **SEC. 5. Philippine National Quality Policy.** – A Philippine National Quality
16 Policy shall be developed to instill a national culture of quality among the citizenry;
17 promote the development of a dynamic NQI ecosystem such that quality infrastructure
18 services including but not limited to accreditation, calibration, certification, conformity
19 assessment, metrology, and testing are widely accessible; and ensure that Philippine
20 products, services, and processes are globally accepted; earn a reputation of highest
21 quality in terms of safety, standards, and acceptability, even desirability; and are
22 designed, manufactured, and supplied in a manner that fully matches or exceeds the
23 needs, expectations, and requirements of the retailers, purchasers, consumers, and
24 regulatory authorities in local, regional and international markets. The National Quality

1 Policy shall define the National Quality Infrastructure in accordance with the objectives
2 set forth in this Act.

3 **SEC 6. Objectives of the NQI.** – The Philippine National Quality
4 Infrastructure aims to:

- 5 a) Promote and enforce a culture of quality in all levels of society, especially
6 at the individual and institutional levels;
- 7 b) Enhance the quality of the goods and services available in the domestic
8 market as well as those intended for export;
- 9 c) Provide direction to, and encourage the participation of the public and
10 private sectors in conformity assessment activities and mechanisms as a
11 means to demonstrate compliance with voluntary and mandatory
12 requirements to public and private sectors;
- 13 d) Promote the adoption of quality management practices and provide the
14 necessary training to those in charge of the production and
15 commercialization of goods and services in the country;
- 16 e) Ensure the availability, accessibility, and affordability across the country of
17 quality infrastructure services including but not limited to accreditation,
18 calibration, certification, conformity assessment, metrology, and testing;
- 19 f) Support the coordination of relevant government and private institutions
20 and instrumentalities in charge of achieving societal interests including
21 safety, health, consumer welfare, environmental protection, and fair trade;
22 and,
- 23 g) Facilitate the work of government in its roles as regulator and user of goods
24 and services, as well as its role in maintaining societal interests.

1 **SEC. 7. *Scope of the NQI.*** – The NQI shall be comprised of the policy,
2 regulatory, and legal frameworks on Standardization, Accreditation, Metrology,
3 Conformity Assessment, and Technical Regulations that shall be defined in the
4 implementing rules and regulations of this Act.

5 **SEC 8. *Institutional Arrangements.*** – To achieve the objectives set forth in
6 this Act, there is hereby created a Philippine National Quality Infrastructure
7 Coordination Council (PNQICC), herein referred to as the Council.

8 The Council shall be composed of the following:

- 9 a) The Department of Trade and Industry (DTI) Secretary and Department of
10 Science and Technology (DOST) Secretaries as Co-Chairpersons;
- 11 b) A representative of the private sector as Vice-Chairperson;
- 12 c) The Secretary of the Department of Budget and Management (DBM);
- 13 d) The Secretary of the Department of Agriculture (DA)
- 14 e) The Secretary of the Department of Energy (DOE);
- 15 f) The Secretary of the Department of Environment and Natural Resources
16 (DENR);
- 17 g) The Secretary of the Department of Finance (DOF);
- 18 h) The Secretary of the Department of Health (DOH);
- 19 i) The Department of the Department of Public Works and Highways (DPWH);
- 20 j) The Director-General of the National Economic and Development Authority
21 (NEDA);
- 22 k) A representative of the Union of Local Authorities of the Philippines (ULAP);
- 23 l) Four (4) members from the private sector who shall represent exporters,
24 manufacturers, importers, and consumers respectively;

1 m) A representative of the academe or reputable research institutions;

2 The DTI and DOST Secretaries may designate the appropriate Undersecretary
3 as their alternate, and the other ex-officio members may designate an alternate with
4 the rank not below the rank of Director.

5 The President shall appoint the Vice-Chairperson from the nominees submitted
6 by reputable business groups or associations.

7 A permanent secretariat shall be organized by the DTI to assist the Council in
8 the discharge of its functions.

9 **SEC. 9. Functions of the Philippine National Quality Infrastructure**

10 **Coordination Council.** – The Council shall perform the following functions:

11 a) Formulate and adopt a Philippine National Quality Policy pursuant to Section
12 5 of this Act;

13 b) Instill a culture of quality among the citizenry through an effective
14 information, education, and communication campaign;

15 c) Ensure the adoption of good regulatory practices and policy cohesion by
16 NQI institutions and in the delivery of NQI services, as well as in the
17 development and promotion of programs and projects;

18 d) Create committees or technical working groups and
19 request the participation/involvement in the committees of government
20 agencies, industry associations, consumers, the academe, and other
21 stakeholders, if necessary;

22 e) Identify the roles and contribution of government agencies, the private
23 sector, industry associations, non-government organizations, and other

1 stakeholders in attaining the vision and adhering to the principles
2 prescribed in this Act;

3 f) Coordinate and support programs, projects, and activities that will foster
4 the development of a dynamic NQI ecosystem;

5 g) Pursue initiatives for ensuring that quality infrastructure services, such as
6 but not limited to accreditation, calibration, certification, conformity
7 assessment, metrology, and testing, are available, accessible, and
8 affordable across the country;

9 h) Request the assistance and cooperation of any government agency or
10 instrumentality, or private entity or organization in the performance of its
11 functions and the attainment of the objectives of this Act, including the
12 carrying out of recommendations as a result of studies made pursuant to
13 paragraph "b" hereof; and

14 i) Perform such other functions as may be necessary, incidental, or proper to
15 its mandate.

16 **SEC. 10. *Role of NQI Institutions.*** – Under the direction of the Philippine
17 National Quality Infrastructure Council and in fulfillment of the objectives of this Act,
18 all existing public NQI institutions involved in standards development, accreditation,
19 metrology, and conformity assessment shall continue to perform the mandates and
20 functions assigned to them by their respective enabling laws, including but not limited
21 to:

22 a) Department of Agriculture (DA):

23 i. Bureau of Agriculture and Fisheries Standards (BAFS) pursuant to
24 Republic Act No. 8435;

- 1 ii. National Meat Inspection Service (NMIS), pursuant to Republic Act
2 No. 9296;
- 3 b) Department of Environment and Natural Resources (DENR), pursuant to
4 Executive Order No. 192, series of 1987;
- 5 c) Department of Information and Communications Technology (DICT):
- 6 i. National ICT Planning Policy and Standards Bureau (NIPPSB),
7 pursuant to Republic Act No. 10844;
- 8 d) Department of Energy (DOE):
- 9 i. Energy Research and Testing Laboratory (ERTL), pursuant to
10 Administrative Order No. 38, series of 2002;
- 11 ii. National Renewable Energy Board (NREB), pursuant to Republic Act
12 No. 9513;
- 13 iii. Oil Industry and Management Bureau (OIMB), pursuant to Republic
14 Act No. 8479;
- 15 e) Department of Health (DOH):
- 16 i. Food and Drugs Administration (FDA), pursuant to Republic Act No.
17 9711;
- 18 f) Department of Science and Technology (DOST):
- 19 i. Forest Products Research and Development Institute (FPRDI),
20 pursuant to Executive Order No. 128, series of 1987;
- 21 ii. Industrial Technology Development Institute (ITDI), pursuant to
22 Executive Order No. 128, series of 1987;
- 23 iii. Metal Industry Research and Development Center (MIRDC), pursuant
24 to Republic Act No. 4724;

- 1 iv. National Metrology Laboratory (NML), pursuant to Republic Act No.
2 9236;
- 3 g) Department of Tourism (DOT):
- 4 i. Office of Tourism Standards and Regulations, pursuant to Republic
5 Act No. 9593;
- 6 h) Department of Transportation (DOTr):
- 7 i. Land Transportation Franchising and Regulatory Board (LTFRB),
8 pursuant to Executive Order No. 202, series of 1987;
- 9 i) Department of Public Works and Highways (DPWH):
- 10 i. Bureau of Research and Standards (BRS), pursuant to Executive
11 Order No. 292, series of 1987;
- 12 j) Department of Trade and Industry (DTI):
- 13 i. Bureau of Philippine Standards (BPS), pursuant to Republic Act No.
14 4109;
- 15 ii. Philippine Accreditation Bureau (PAB), pursuant to Executive Order
16 No. 802, series of 2009;
- 17 k) National Commission of Muslim Filipinos (NCMF), pursuant to Republic Act
18 No. 9997;
- 19 l) National Water Resources Board (NWRB), pursuant to Presidential Decree
20 No. 1067, series of 1976; and,
- 21 m) Local Government Units, pursuant to Republic Act No. 7394.

22 **SEC. 20. Appropriations.** – The amount necessary for the conduct of
23 activities and projects to develop the NQI and for the Council to effectively perform

1 its mandated functions under this ACT shall be sourced from the budgets of the
2 different government departments tasked to implement the same.

3 **SEC. 21. *Implementing Rules and Regulations.*** – Within sixty (60)
4 working days from the effectivity of this Act, the Department of Trade and Industry
5 (DTI) and Department of Science and Technology (DOST), in consultation with the
6 DBM, DOF, NEDA, and other relevant stakeholders shall issue the implementing rules
7 and regulations of this Act.

8 **SEC. 22. *Separability Clause.*** – If any provision of this Act is declared invalid
9 or unconstitutional, the other provisions not affected by such declaration shall remain
10 in full force and effect.

11 **SEC. 23. *Repealing Clause.*** – All provisions of other laws, presidential
12 decrees, issuances, executive orders, letter of instructions, administrative orders, rules
13 or regulations which are contrary to or inconsistent with the provisions of this Act are
14 hereby deemed repealed, modified, or amended accordingly.

15 **SEC. 24. *Effectivity.*** – This Act shall take effect after fifteen (15) days from
16 its publication in the Official Gazette or in two (2) newspapers of general circulation.

Approved,