



HOUSE OF REPRESENTATIVES

H. No. 1171

BY REPRESENTATIVES REVILLA (B), MERCADO-REVILLA, ROBES, BORDADO, RIVERA, ABALOS, LEGARDA, ONGCHUAN, ARROGANCIA, GATCHALIAN, DALOG, FARINAS, MARINO, CO (E.), SACDALAN, ALVAREZ (J.), GARCIA (M.A.), HORIBATA, ESCUDERO, TAMAYO, VILLA, GO (M.), BASCUG, GO (E.C.), MOMO, TIENG, GOLEZ, AUMENTADO, EUDELA, GARCIA (D.), GUINTU, GULLAS, MATIBAG, OAMINAL, PANCHO, SOLON, TANJUATCO, VELOSO-TUAZON, CRUZ (R.), NOGRALES (M.), CHAN, COJUANGCO (J.), ABUNDA, CASTRO (J.), SALI, VERGARA, ESPARES, LEE, MASTURA, SALCEDA, RODRIGUEZ (R.), LIMKAICHONG, CALIXTO, DY (F.M.C.), UNABIA, VALERIANO, BONDOC, VIOLAGO, AGARAO, DIONISIO, MERCADO, TOLENTINO, BAUTISTA, ALVAREZ (M.), ENVERGA, DUAVIT, QUIMBO, CHUNGALAO, VELASCO, BIRON, TAN (R.M.), ACIDRE, BARONDA, BOLILIA, PALMA, PRIMICIAS-AGABAS, PUMAREN, SUAREZ, HERRERA, ABANTE, ALONTE, ARENAS, BAUTISTA-LIM, BERNOS, BONGALON, CABREDO, CAMPOS, CARI, CELESTE, CO (A.N.), CUA, CUARESMA, DE VENECIA, DEL MAR, FUENTEBELLA, GONZAGA, HARESCO, LACSON, LARA, NAVA, SALIMBANGON, TIANGCO, UMALI, VARGAS-ALFONSO, VILLARAZA-SUAREZ, ZAMORA (M.C.), ZUBIRI, ADIONG, ADVINCULA, AMANTE, ANG, ASISTIO, ATAYDE, BOSITA, CHATTO, CO-PILAR, CRUZ (A.), DAGOOC, DIMAPORO (S.A.), FORTES, FRESNEDI, GARDIOLA, GUTIERREZ, HERNANDEZ, KHONGHUN, LAGON (D.), LAGON (S.), LAZATIN, MACEDA, MAGSINO, MANQUIZ, OUANO-DIZON, PADUANO, PANALIGAN, PLAZA, PLEYTO, REVILLA (R.J.), RODRIGUEZ (E.), TALLADO, TULFO (J.), VARGAS, VERZOSA, VILLAFUERTE (M.L.), YAP (C.), BENITEZ, BUHAIN, CORVERA, DUTERTE, ECLEO, FLORES, GOMEZ, KHO (R.), MARIANO-HERNANDEZ, ORDANES, ORTEGA, ROMULO, SAULOG, SILVERIO, SORIANO, VILLAFUERTE (L.R.), YAP (EDVIC), TUTOR AND DALIPE, PER COMMITTEE REPORT NO. 407

AN ACT

PROMOTING INCLUSIVE AND SUSTAINABLE ECONOMIC DEVELOPMENT THROUGH  
THE INSTITUTIONALIZATION OF "ONETOWN, ONE PRODUCT" PHILIPPINES  
PROGRAM AND APPROPRIATING FUNDS THEREFOR

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

1 SECTION 1. *Short Title.* – This Act shall be known as the "OTOP Philippines Act".

2 SEC. 2. *Declaration of Policy.* – It is hereby declared the policy of the State to develop a self-  
3 reliant and independent national economy effectively controlled by Filipinos through policies and  
4 programs that drive inclusive local economic activity and boost national economic growth. The State  
5 also recognizes the indispensable role of the private sector and private enterprises and the necessity  
6 to provide incentives to foster advancement among businesses especially local MSMEs.  
7

8 Towards this end, the State shall equip MSMEs to progressively improve product and service  
9 quality, and to utilize new technologies to pursue innovation and diversification. The State shall  
10 likewise promote the preferential use of Filipino labor, domestic materials, and locally produced  
11 goods, and adopt measures to make them competitive. The State shall further provide adequate and  
12 effective support services for MSMEs to enable communities to determine, develop, and promote  
13 products and services that are rooted in their culture, community resources, creativity, connection  
14 and competitive advantage.

15 SEC. 3. *Objectives.* – This Act aims to:

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18 (a) Provide a package of assistance for MSMEs with minimum viable products to develop new,  
19 innovative, and more complex products with significant improvement in the areas of quality,  
20 product development, design, packaging, standards compliance, marketability, production  
21 capability, and brand development, among others;

- 1 (b) Assist rural communities in achieving competitive and innovation-driven local economies;  
2  
3 (c) Promote convergence of initiatives from local government units (LGUs), national  
4 government agencies (NGAs), and the private sector in the development and promotion of  
5 Philippine products, whether for export or domestic market; and  
6  
7 (d) Establish the "One Town, One Product" (OTOP) Philippines Trustmark as a guarantee of  
8 excellence in OTOP Philippines products and services.  
9

10 SEC. 4. *Institutionalization of One Town, One Product Philippines Program.* – The One  
11 Town, One Product Philippines Program, herein referred to as OTOP Philippines, is hereby  
12 institutionalized to serve as the government's stimulus program for the promotion and development  
13 of MSMEs in the countryside through the use of indigenous raw materials and the utilization of  
14 local skills and talents.  
15

16 SEC. 5. *Program Components.* – The Department of Trade and Industry (DTI), in  
17 partnership with the LGUs, shall provide a comprehensive package of assistance to OTOP  
18 Philippines Program beneficiaries, such as the following:  
19

- 20 (a) Product Development, including:  
21  
22 (i) Product Design — design assistance to new products, product adaptation, product  
23 diversification, and expansion of existing product lines;  
24  
25 (ii) Packaging and Labeling assistance to new packaging, improvement of package  
26 design, or labeling;  
27  
28 (iii) Technology Updating — conduct workshops on new technology procedures,  
29 materials, and processing to increase production quality and quantity; and  
30  
31 (iv) Product Enhancement — provide seminars to increase design awareness and  
32 appreciation of product or merchandise development and the industrial design  
33 profession.  
34  
35 (b) Capacity Building shall be provided through training opportunities focusing on improving  
36 the human aspect of OTOP Philippines, including business skills training and business  
37 counseling;  
38  
39 (c) Standards and Market Compliance where beneficiaries shall be trained and capacitated to  
40 observe standards and comply with the requirements of DTI-Bureau of Philippine Standards,  
41 Food and Drug Administration, and the Intellectual Property Office of the Philippines, and  
42 other concerned government agencies. Monitoring and evaluation schemes shall be

1 developed and maintained to ensure that products under the OTOP Philippines conform to  
2 these standards; and

- 3  
4 (d) Market Access and Product Promotion where beneficiaries shall receive support in market  
5 access and promotion of products across different platforms. These platforms may include  
6 multimedia advocacy campaigns, trade fairs, and OTOP Philippines Hubs.  
7

8 **SEC. 6. Coverage.** – The OTOP Philippines Program shall cover material products and  
9 skills-based services known to an area or locality. This shall include the following products and  
10 services:

- 11  
12 (a) Agricultural-based Products such as coffee, cacao, other agricultural produce, agri-processed  
13 products like processed meats, coconut oil, preserved and processed seafood products;  
14  
15 (b) Arts and Crafts such as coco coir, weaves, bamboo, paper artistry, and wood;  
16  
17 (c) Home & Fashion/Creative Artisanal Products such as gifts, souvenir items, furniture,  
18 ornaments, houseware, garments, and textiles;  
19  
20 (d) Processed Food such as fruits and nuts, local delicacies and *kakanin* (sticky rice cakes),  
21 juices, wines, tea, and other beverages, pastries and baked goods, preserved food sauces,  
22 cakes, other desserts products, food supplements, and culinary-based specialty products; and  
23  
24 (e) Skills-based Services and Other Products such as *hilot* or traditional Filipino massage,  
25 sculpting, essential oils and other wellness products, industrial goods, soaps and other  
26 personal care goods, and cosmetics.  
27

28 **SEC. 7. OTOP Philippines Trustmark.** – The DTI shall establish the OTOP Philippines  
29 Trustmark that shall signify that the services and products have been marked excellent in terms of  
30 quality, design, value, and marketability. It shall be a symbol representing the country's best  
31 products.  
32

33 **SEC. 8. Establishment of OTOP Philippines Hubs.** – The Department of Tourism (DOT),  
34 Civil Aviation Authority of the Philippines (CAAP), Philippine Ports Authority (PPA), Land  
35 Transportation and Franchising Regulatory Board (LTFRB), and other relevant agencies shall  
36 construct and allocate spaces for the establishment of OTOP Philippines Hubs.  
37

38 **SEC. 9. Beneficiaries.** – The regional and provincial offices of the DTI shall, in cooperation  
39 with the concerned LGUs, determine the beneficiaries of the OTOP Program. The guidelines and

1 mechanism for the selection of beneficiaries shall be formulated by the implementing agencies  
2 identified by this Act.

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4 SEC. 10. *Creation of the OTOP Program Office.* – Every LGU shall create an OTOP  
5 Program Office (OTOP PO) managed by an officer who shall administer, supervise, and implement  
6 the OTOP Program.

7  
8 SEC. 11. *Implementing Agencies.* – The DTI shall implement the provisions of this Act, in  
9 coordination with the following agencies:

- 10  
11 (a) Cooperative Development Authority (CDA);  
12  
13 (b) Department of Interior and Local Government (DILG);  
14  
15 (c) Technical Education and Skills Development Authority (TESDA);  
16  
17 (d) Department of Science and Technology (DOST);  
18  
19 (e) Department of Agriculture (DA); and  
20  
21 (f) DOT.  
22

23 SEC. 12. *Appropriations.* – The amount necessary to carry out the initial implementation of  
24 this Act shall be charged against the current year's appropriations of the DTI. Thereafter, such  
25 amount as may be necessary for the continued implementation of this Act shall be included in the  
26 annual General Appropriations Act. The LGUs concerned shall set aside the amount needed for the  
27 operation of the OTOP PO under Section 10 hereof.

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29 SEC. 13. *Implementing Rules and Regulations.* – Within sixty (60) days from the  
30 effectivity of this Act, the DTI shall, in coordination with the other implementing agencies,  
31 formulate and promulgate the necessary rules and regulations to effectively implement the  
32 provisions of this Act.

33  
34 SEC. 14. *Separability Clause.* – If any provision of this Act is declared unconstitutional or  
35 invalid, the provisions hereof which are not affected shall continue to be in force and effect.

36  
37 SEC. 15. *Repealing Clause.* – All laws, decrees, proclamations, issuances, or ordinances that  
38 are contrary to or inconsistent with the provisions of this Act are hereby amended, repealed, or  
39 modified accordingly.

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41 SEC. 16. *Effectivity.* – This Act shall take effect fifteen (15) days after its publication in the  
42 *Official Gazette* or in a newspaper of general circulation.

Approved,