

FIFTEENTH CONGRESS OF THE
REPUBLIC OF THE PHILIPPINES
First Regular Session

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SENATE
S.B. No. 1133

INTRODUCED BY SEN. MANNY VILLAR

EXPLANATORY NOTE

The Philippine Textile Industry is one of the most vibrant and dynamic sectors and for years, was one of the flagship business contributing significantly to the country's economy. The industry is a major employer contributing close to 15% of total manufacturing employment and ranks fifth in terms of share in total manufacturing value added.

In the ASEAW region, the Philippines was the pioneer textile producer. The textile industry began in the 1950s as one of the industries established under the rationale of import substitution and covers fiber production and yarn, fabric and made-up textile manufacture. It registered a rapid growth in its inception, having employed at one time over a hundred thousand workers involving over 300 companies. However, the decline of the textile industry started in the early 1980s and has continued up to the present. Such remarkable performance was not sustained with the following factors accounting for its dismal decline: the Industry has been constricted to serving the domestic market with no regard for the export market, the implementation of the decontrol program wherein the limits on the importation of textile were removed, smuggling which put the industry at a price disadvantage because of the cheaper price of smuggled fabrics and the changing domestic and international environments resulting to a complex system of policy regulations as import restrictions, foreign exchange controls, tariffs, subsidies and investment incentives.

The deplorable state of the textile sector should be studied and be given immediate remedial policies by the government to revive the industry. The shift in buyer preferences favoring natural fabrics and dyes, a more diversified export market, and a renewed local interest in natural textile inputs may provide the needed push for the renaissance of the dying textile industry. What is required though is adequate government and private sector support to further develop not only the technological capacity and technical and organizational know-how of textile firms but also the agricultural production of major inputs to the textile industry.

This bill, therefore, seeks to strengthen the mandate of the Philippine Textile Research Institute (FTRI) as the lead agency that will further promote, develop and modernize the textile industry and its allied industries by amending Section 24 of Executive Order No. 128, otherwise known as "Reorganizing the National Science and Technology Authority", thus, provide assistance to and address its production, technology and skills-formation needs. The FTRI was formally established by the National Science Development Board (NSDB) on January 3, 1967 as an agency to undertake Textile Research Program. In 1974, by virtue of Presidential Decree No. 1, it became a regular agency of the NSDB. On June 26, 1981, FTRI was transferred to the Ministry of Industry for purposes of policy and program coordination as prescribed under Executive Order No. 700. Then, on January 30, 1987, Executive Order No. 128 reorganized the National Science and Technology Authority (NSTA) and provided, among others, the return of FTRI to the NSTA, now the Department of Science and Technology (DOST). The program of the PTRI is a socially meaningful one which can truly contribute to Philippine economic progress in terms of more local production of

higher quality textile or export grade with the use of local raw materials of increased local labor. Thus, it is imperative for the PTRI to continue the pioneering research and development work it has started.

The Constitution itself is explicit in declaring the importance of science and technology as an essential and contributing factor in national development and progress. Section 10 of Article XIV provides: "Science and technology are essential for national development and progress. The State shall give priority to research and development, invention, innovation, and their utilization; and to science and technology education, training, and services. It shall support indigenous, appropriate, and self-reliant scientific and technological capabilities, and their application to the country's productive systems and national life."

In view of the foregoing, early passage of this bill is earnestly sought.



MANNY VILLAR

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AN ACT
STRENGTHENING THE MANDATE OF THE PHILIPPINE TEXTILE RESEARCH
INSTITUTE (PTRI) FOR THE PROMOTION AND DEVELOPMENT OF THE TEXTILE
INDUSTRY, AMENDING FOR THE PURPOSE SECTION 24 OF EXECUTIVE ORDER
NO. 128 DATED JANUARY 30, 1987, APPROPRIATING FUNDS THEREFOR, AND
FOR OTHER PURPOSES

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

SECTION 1. Section 24 of Executive Order No. 128, otherwise known as the "Reorganization Act of the National Science and Technology Authority" is hereby amended to read as follows:

"Sec. 24'. **POWERS, FUNCTIONS AND DUTIES OF THE** Philippine Textile Research Institute. - [The Philippine Textile Research Institute, presently existing, is hereby reorganized and shall have the following functions:] **TO CARRY OUT THE OBJECTIVES OF THIS ACT, THE PHILIPPINE TEXTILE RESEARCH INSTITUTE SHALL HAVE THE FOLLOWING POWERS, FUNCTIONS AND DUTIES:**

a) [Conduct applied research and development for the textile industry sector] **UNDERTAKE A COMPREHENSIVE PROGRAM OF RESEARCH, EXPERIMENTATION AND PROJECTS THAT WILL CONTRIBUTE TO THE DEVELOPMENT, PRODUCTION OR MANUFACTURE AND PROPER UTILIZATION OF LOCAL RAW MATERIALS NEEDED BY THE TEXTILE INDUSTRY;**

b) Undertake the transfer of completed **SCIENTIFIC AND TECHNOLOGICAL** researches to end-users or via linkage units of other government agencies;

c) Undertake technical services and provide training programs.

d) **UNDERTAKE TECHNOLOGICAL PROJECTS THAT CONTRIBUTE TO THE IMPROVEMENT OR INVENTION OF MACHINERY, EQUIPMENT, PROCESSES OR PRODUCTION METHODS OF THE TEXTILE INDUSTRY;**

e) **UNDERTAKE THE DEVELOPMENT AND PROMOTION OF NATIONAL STANDARDS FOR LOCAL TEXTILE MATERIALS AND PRODUCTS AS GUIDELINES FOR MANUFACTURE,**

EVALUATION OF QUALITY AND PERFORMANCE, AND TRADE TRANSACTIONS HERE AND ABROAD, AND ISSUE PERMITS TO USE THE PTRI SEAL OF APPROVAL;

f) CONDUCT PHYSICAL AND CHEMICAL EXAMINATIONS, TESTS, INVESTIGATIONS, INSPECTIONS, VERIFICATIONS AND IDENTIFICATIONS OF TEXTILE MATERIALS AND PRODUCTS AND SUCH OTHER TESTS AIMED AT ASSURING THE PUBLIC PROPER QUALITY CONTROL OF THE LOCAL PRODUCTS IN ACCORDANCE WITH CONSUMER NEEDS AND PREFERENCES AND ISSUE CERTIFICATIONS OF FINDINGS THEREIN;

g) PROVIDE CONSULTATION AND INFORMATION SERVICES TO TEXTILE MANUFACTURERS, EXPORTERS, CONSUMERS, RESEARCHERS, TECHNOLOGISTS AND TO THE GENERAL PUBLIC;

h) UNDERTAKE PERIODIC MARKETING AND ECONOMIC STUDIES THAT WILL ASSIST THE FULL GROWTH OF THE TEXTILE INDUSTRY;

i) SECURE PATENT RIGHTS FOR AND IN BEHALF OF INVENTORS AND DISCOVERERS TO ALL THEIR INVENTIONS AND DISCOVERIES;

j) SOLICIT AND RECEIVE GRANTS, BEQUESTS AND DONATIONS OF ANY KIND FROM THE GOVERNMENT AND PRIVATE INSTITUTIONS AND AWARD GRANTS TO ANY QUALIFIED TEXTILE MANUFACTURERS, EXPORTERS, CONSUMERS, RESEARCHERS, TECHNOLOGISTS AND THE PUBLIC IN GENERAL, AND PROVIDE FINANCIAL, TECHNICAL SUPPORT FOR SCIENTIFIC AND TECHNOLOGICAL RESEARCH AND INVESTIGATIONS ON TEXTILE AND ALLIED PRODUCTS;

k) IMPLEMENT SUCH POLICIES AS MAY BE PROMULGATED BY THE DEPARTMENT OF SCIENCE AND TECHNOLOGY (DOST) FOR THE TEXTILE INDUSTRY,

l) PERFORM SUCH ACTIONS AS MAY BE INCIDENTAL OR CONDUCTIVE TO THE ATTAINMENT OF THE PURPOSES OF THIS ACT.

THE INSTITUTE SHALL LIKEWISE UNDERTAKE A MODERNIZATION PROGRAM GEARED TOWARDS THE , UPGRADING OF THE EXISTING FACILITIES, PLANT MACHINERIES AND TOOLS, LABORATORY EQUIPMENT AND SUCH OTHER IMPLEMENTS USED IN THE RESEARCH AND OPERATION OF THE VARIOUS TEXTILE MANUFACTURING INDUSTRIES IN THE COUNTRY.

The Institute shall be headed by a Director, who shall be appointed by the President upon recommendation of the Director- General

and shall be assisted by one or more Deputy Directors, as may be necessary, and shall have the following divisions:

1. Research and Development Division;
2. Technical Services Division.”

SECTION 2. Funding. - For the initial implementation of this Act, there is hereby authorized to be created a fund to be derived from the budget of the Department of Science and Technology (DOST) not otherwise appropriated. Thereafter, said funds shall be included in the annual budget of this department.

SECTION 3. Implementing Rules. - The Department of Science and Technology (DOST), in coordination with the Department of Agriculture (DA), the Department of Trade and Industry (DTI), the Board of Investments (BOI) and the Bureau of Customs, shall issue the necessary rules and regulations to implement the provisions of this Act.

SECTION 4. Separability Clause. - If any part or provision of this Act is held unconstitutional or invalid, the other parts or provisions hereof which are not affected thereby shall continue to be in full force and effect.

SECTION 5. Repealing Clause. - All laws, orders, rules or regulations which are inconsistent with or contrary to the provisions of this Act are hereby amended or repealed accordingly.

SECTION 6. EFFECTIVITY -This Act shall take effect fifteen (15) days after its publication in at least two (2) national newspapers of general circulation.

Approved,