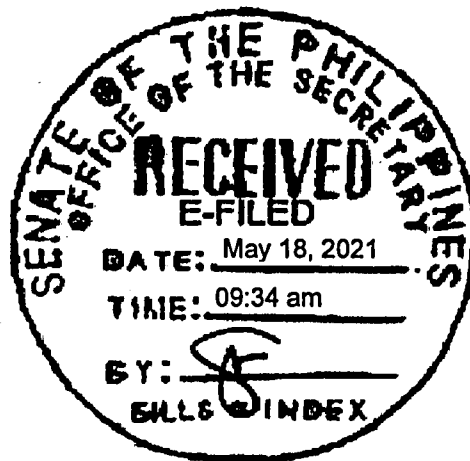


EIGHTEENTH CONGRESS OF THE)
REPUBLIC OF THE PHILIPPINES)
Second Regular Session)

SENATE
S. No. 2204



Introduced by Senator Manuel "Lito" M. Lapid

AN ACT
AMENDING REPUBLIC ACT NO. 10644, OTHERWISE KNOWN AS THE "GO
NEGOSYO ACT", BY EMPOWERING NEGOSYO CENTERS TO ACT AS RURAL
EXPORT CENTERS AND PROVIDING EXPORT-RELATED INFORMATION AND
SERVICES TO RURAL MICRO, SMALL AND MEDIUM ENTERPRISES

EXPLANATORY NOTE

Republic Act No. 10644, or the "Go Negosyo Act", declared as State policy the establishment of micro, small and medium enterprises (MSMEs) that facilitate local job creation, production and trade in the country in order to foster national development, promote inclusive growth, and reduce poverty.¹ This law provided for the establishment of "Negosyo Centers" in all provinces, cities, and municipalities which are responsible for promoting ease of doing business and facilitating access to services for MSMEs within their respective jurisdiction.² The services provided in these Negosyo Centers are assistance in starting and registering a business, processing of documents, financing, and marketing through the One Town One Product (OTOP) program.³ These Negosyo Centers, totalling 1,158 based on the 2021 NC directory⁴, are testaments to the vital role of government in helping MSMEs in starting up and eventually scaling up their businesses, benefiting not only their owners, but also their employees, the households of their employees, and the communities where they are located.

¹ Republic Act No. 10644 (2014), Section 2 (Declaration of State Policy).

² Republic Act No. 10644 (2014), Section 3 (Establishment of Negosyo Centers).

³ <https://www.dti.gov.ph/negosyo/negosyo-center/faqs/>

⁴ <https://www.dti.gov.ph/negosyo/negosyo-center/directory/>

To capitalize on the institutionalized and widespread presence of Negosyo Centers, this bill seeks to expand the scope of services provided by these centers by empowering them to act as Rural Export Centers. The motivation for this is two-fold: (1) rural businesses are often located far away from trading and commercial centers and major transportation hubs such as international airports and seaports, and (2) because of their location, rural businesses face higher barriers to accessing international markets and exporting their products or services.

Under this proposed measure, Negosyo Centers situated outside highly urbanized cities and metropolitan areas will be designated as Rural Export Centers and will be tasked to provide information and resources to rural businesses related to the marketing and exporting of their products or services to international markets. The menu of services that these Rural Export Centers can provide are: in-depth, customized, and actionable market research services; strategic planning and export support services; inclusion of rural business in trade shows and trade missions; and act as one-stop shops for rural businesses to communicate and make contact with relevant government agencies and institutions. The MSMED Council is likewise tasked to set up and maintain a website that will contain best practices that rural business may adopt; showcase successful rural export businesses and their products or services; provide a platform for business promotion; and contain a directory of all existing Rural Export Centers.

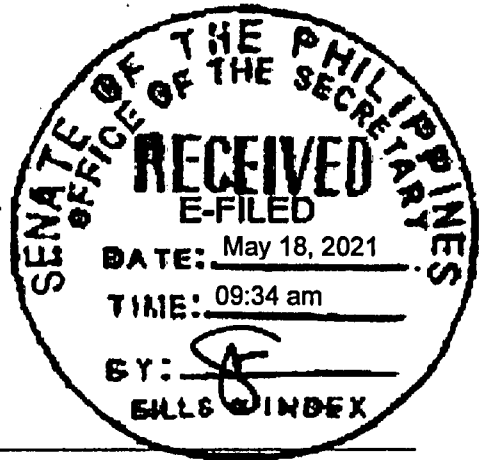
In view of this, early passage of this bill is sought.



MANUEL "LITO" M. LAPID
Senator

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

1 **SECTION 1.** Section 4 of Republic Act No. 10644, otherwise known as the "Go
2 Negosyo Act", is hereby amended to read as follows:

3
4 SEC. 4. *Functions of the Negosyo Centers.* – Negosyo Centers
5 shall have the following functions:

6 (a) Promote ease of doing business and access to services for
7 MSMEs within its jurisdiction;

8 x x x.

9 (r) Establish a feedback mechanism among the MSMEs in the
10 respective jurisdiction of Negosyo Centers; [and]

11 (s) Conduct other programs or projects for entrepreneurial
12 development in the country aligned with the MSMEs
13 development plan[.]; **AND**

14 **(T) FOR NEGOSYO CENTERS LOCATED OUTSIDE**
15 **HIGHLY URBANIZED CITIES AND METROPOLITAN**
16 **AREAS, CONDUCT PROGRAMS AND SERVICES AIMED**
17 **AT PROVIDING INFORMATION AND RESOURCES TO**

1 **RURAL BUSINESSES RELATED TO THE MARKETING**
2 **AND EXPORTING OF THEIR PRODUCTS OR SERVICES**
3 **TO INTERNATIONAL MARKETS.**

4
5 **SEC. 2.** A new Section 12 of Republic Act No. 10644 is hereby inserted to read
6 as follows:

7
8 **SEC. 12. *NEGOSYO CENTERS AS RURAL EXPORT***
9 ***CENTERS.* – NEGOSYO CENTERS DESIGNATED AS**
10 **RURAL EXPORT CENTERS BY THE MSMED COUNCIL**
11 **SHALL:**

12 **(A) PROVIDE IN-DEPTH, CUSTOMIZED, AND**
13 **ACTIONABLE MARKET RESEARCH SERVICES THAT—**

14 **(1) A BUSINESS MAY OPT INTO BASED ON**
15 **NEED; AND**

16 **(2) ARE—**

17 **(I) FOCUSED ON ACTIONABLE AND**
18 **MEASURABLE RESULTS FOR A BUSINESS;**

19 **(II) BUSINESS- AND PRODUCT- OR**
20 **SERVICE-SPECIFIC;**

21 **(III) TARGETED TO INTERNATIONAL**
22 **MARKETS;**

23 **(IV) BASED ON HIGH-QUALITY DATA,**
24 **INCLUDING DATA FROM INTERNATIONAL**
25 **TRADE ASSOCIATIONS, CHAMBERS OF**
26 **COMMERCE, AND SIMILAR ENTITIES ;**
27 **AND**

28 **(V) BASED ON MARKET RESEARCH AND**
29 **ANALYSIS BY GOVERNMENT AGENCIES,**
30 **HIGHER EDUCATION INSTITUTIONS,**
31 **AND REPUTABLE NON-GOVERNMENT**
32 **INSTITUTIONS;**

1 (B) CONDUCT STRATEGIC PLANNING AND EXPORT
2 SUPPORT SERVICES FOR RURAL BUSINESSES AS
3 NEEDED;

4 (C) SUPPORT RURAL BUSINESS FOR POTENTIAL
5 INCLUSION IN INTERNATIONAL TRADE SHOWS,
6 TRADE MISSIONS, ETC.; AND

7 (C) SERVE AS ONE-STOP SHOPS FOR RURAL
8 BUSINESSES TO COMMUNICATE AND MAKE CONTACT
9 WITH GOVERNMENT AGENCIES AND INSTITUTIONS
10 RELATED TO THE CONDUCT OF EXPORT BUSINESS.

11
12 THE MSMED COUNCIL SHALL SET UP AND MAINTAIN
13 A WEBSITE WHICH SHALL:

14 (A) CONTAIN BEST PRACTICES FOR RURAL
15 BUSINESSES BEGINNING TO EVALUATE EXPORT
16 OPPORTUNITIES;

17 (B) SHOWCASE SUCCESSFUL RURAL EXPORT
18 BUSINESSES AND THEIR PRODUCTS OR SERVICES;

19 (C) PROVIDE FOR A PLATFORM WHERE RURAL
20 EXPORT BUSINESSES MAY PARTICIPATE IN ORDER
21 TO LAUNCH, PROMOTE, AND ADVERTISE THEIR
22 PRODUCTS OR SERVICES; AND

23 (D) PROVIDE CONTACT INFORMATION OF ALL
24 EXISTING RURAL EXPORT CENTERS.

25
26 **SEC. 3.** Sections 12 to 16 of Republic Act No. 10644 are hereby renumbered
27 accordingly.

28
29 **SEC. 4.** Should any part or provision of this Act be declared unconstitutional or
30 invalid, the remaining parts or provisions not affected thereby shall remain in full force
31 and effect.

1 **SEC. 5.** All laws, decrees, executive orders, letters of instructions,
2 proclamations, rules and regulations, or parts thereof inconsistent with this Act shall
3 be deemed modified, amended, or repealed accordingly.

4
5 **SEC. 6.** This Act shall take effect fifteen (15) days after its complete publication
6 in two (2) newspapers of general circulation.

7
8 *Approved,*