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Trade-Related Assistance for Development (TRADE) Project OVERVIEW & HIGHLIGHTS

Cielito F. Habito
Chief of Party

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PROJECT PARTNERS

Primary Contractor:

- **Deloitte Consulting LLP**

Subcontractors:

- **CARANA/Palladium, (CATIF, UPEcon Foundation, PCCI, Scott Jacobs & Associates)**

Government:

- **DTI, NEDA, DOF, BOC, PCC, Congress**

PROJECT MANAGEMENT

Chief of Party	:	Cielito F. Habito
Deputy Chief of Party	:	Rebecca Hoffman
Trade & Investment Policy Lead	:	Cielito F. Habito
Trade Facilitation Lead	:	Cecilia Reyes
Competition Policy Lead	:	Gigo Alampay
Public Outreach Lead	:	Kate Fernandez

+ Support Staff, Short Term Experts

OVERALL PROJECT OBJECTIVE

TRADE aims to help improve the Philippines' standing in the global economy through higher levels of trade and foreign direct investment.



COMPONENTS & OBJECTIVES

- 1. Trade & Investment Policy** – Improved participation in existing and emerging new-generation trade agreements, including regional and bilateral FTAs; improved institutional and policy environment for trade and investment
- 2. Trade Facilitation** – Achieve customs modernization and efficient trade clearance processes, including efficient implementation of National Single Window and trade facilitation protocols embodied in the country's various trade agreements

COMPONENTS & OBJECTIVES

- 3. Competition Environment** – Improved legal, policy and institutional environment for competition in the Philippine economy and strengthened competition policy consistent with international standards
- 4. Public Outreach and Advocacy** – Widened ownership and support for trade and investment policy reforms, with strengthened stakeholder engagement in pursuing and implementing reforms

C1: Challenges

- AEC compliance gaps pertained to the most important reforms needed for inclusive growth
 - Liberalization in services (e.g., air services, public utilities, education, advertising)
 - Trade in sensitive agricultural products
 - Weak trade policy analysis and trade negotiation capacity
- AEC is an excellent stepping stone for new generation trade agreements (“TPP readiness”)

C1: HIGHLIGHTS

- Technical support for completion of the National AEC Game Plan (4C's)
 - **Competitiveness & Compliance:** Validated PH compliance to AEC reform commitments; assisted in development of PH AEC Game Plan
 - **Communication:** Supported AEC awareness forums, development of AEC Primer, launch of AEC Game Plan, etc.
 - **Collaboration:** Supported strengthening of inter-agency coordination mechanism for AEC engagement (CAEC)

C1: HIGHLIGHTS

- Technical support for assessment of implications of PH participation in AEC and new generation agreements (esp. TPP)
 - Undertook macro impact assessment (UPSE) of opportunities and potential gains for PH membership in AEC & TPP
- Technical advice on development of substantive themes and agenda for PH's 2015 chairing/hosting of APEC and 2017 chairing/hosting of ASEAN

C1: HIGHLIGHTS

- Assistance in enabling private sector stakeholders to reap benefits from existing and upcoming free trade agreements
 - Supported/conducted briefings/forums on AEC and TPP toward improved understanding of benefits, opportunities
 - Engaged industry associations (i.e. PCCI and MBC) and private firms to assess business perspective on AEC and TPP impacts
 - Assisted in development & dissemination of primers on FTAs

C1: HIGHLIGHTS

- Technical support toward strengthening institutional capacity in DTI
 - Undertook Training Needs Assessment
 - Facilitated establishment of the DTI Training Advisory Board
 - Implemented graduate internship program
 - Series of “Rapid Enrichment Sessions” (2-hour lunch sessions) for DTI-BITR staff & others
 - Facilitate DTI linkage with academe (dialogue, seminars)

C2: Challenges

- Trade clearance processes remain extremely cumbersome, prone to graft and corruption
- Affects overall competitiveness of all PH production sectors
- Country is obliged to adhere to international standards in trade facilitation (WCO-RKC, AEC, WTO-TFA, etc.)
- Implementation of TF measures leaves much to be desired (e.g., NSW)
- Assert Customs' developmental role via TF

C2: HIGHLIGHTS

- Technical assistance to EDC, BoC & legislative staffs toward passage of the **Customs Modernization & Tariff Act (CMTA)**
- **Customs Regulated Imports List** – first ever comprehensive database on import clearance requirements of various regulatory agencies
- **Trade Transactions Process Analysis (TTPA)** – trade clearance process chain (+beyond Customs)
- **Enhanced Philippine Tariff Finder** – helped BOC-TC coordination to improve functionality

C2: HIGHLIGHTS

- **National Single Window:** Evaluation/recommendations on processes at the regulatory agency level
- Assistance in formulating a BoC **3-Year Strategic Plan for CMTA implementation**
- Draft CAOs/CMOs on specific TF initiatives: AEO, Advance Ruling, ATA Carnet, De Minimis, Appeal & Review System, etc.
- Help improve Entry Lodgement System consistent with CMTA prescriptions

C3: Challenges

- Accelerated economic growth in 2000-2009 was accompanied by rising poverty incidence
- Oligarchic economy and society; relatively weak SME sector
- Lack of competition in vital sectors affects economy's overall competitiveness (energy, telecoms, interisland shipping, etc.)
- Until 2015, PH was the only ASEAN-5 member without a comprehensive competition law

C3: Competition Environment

- Provided extensive technical assistance that led to **passage and enactment of the Philippine Competition Act (RA 10667)**
- Assistance on **formulation of the IRRs for the PCA**
- Technical assistance to craft a coherent and effective **competition policy framework**
- Technical study on **possible amendment of the Public Services Act**, and drafted legislative language

C3: Competition Environment

- Technical assistance toward **formulation of Guidelines further fleshing out PCA IRR**
- Facilitate sustained **knowledge support for the Philippine Competition Authority**
- Support **capacity building on competition law and policy** for judges, lawyers, mass media
- **Critical support for PCC's institutional capacity building**, especially in its formative stage

C4: The Challenge

- Public awareness, understanding and appreciation on trade agreements is inadequate and often misguided
- Policy reforms critical to inclusive growth require broad-based support in the face of resistance from vested interests
- Broad coalitions needed to push for and sustain trade and investment reforms

C4: HIGHLIGHTS

- Support for conduct of talks/conferences/briefings/events
 - AEC Forum: Converging on a National Game Plan
 - CAEC Roundtable discussions for formulating AEC Compliance Agenda
 - Outreach and advocacy activities have reached broad audiences totaling nearly 20,000 attendees
- Training for private and government representatives in basic trade policy and negotiation
- Speakers' Bureau training sessions for DTI officials

C4: HIGHLIGHTS

- Development of design for media learning sessions
- Publication of Knowledge Materials
 - AEC Primer with information on AEC Blueprint, PH commitments and FAQs
 - Trade-related information uploaded to Trade for Growth, Growth in Trade website of IDG-DTI
 - Competition Primer (with Component 3) for distribution to legislators and identified stakeholders

C4: HIGHLIGHTS

- AEC Communication Toolkit with Congressional Briefing Paper, FAQs, enhanced AEC Primer (3rd ed.), and compilation of case studies on PH companies successfully doing business overseas, especially in ASEAN
- Monthly Publications: Trade, Industry and Investment Indicators (Ti3), TRADE Newsletter and TPP Updates

C4: HIGHLIGHTS

- Development of stakeholder engagement plan and methodology, with customized application for each TRADE project component
- MBC Advocacy Project on AEC and TPP research and advocacy, including research Philippine barriers to free trade; educational seminar for legislative staffs
- Facilitation of legislative advocacy meetings for private sector partners (CMTA, competition law)
- AEC presentations to various audiences/forums

EARLY TRADE RESULTS METRICS

- **WB Logistics Performance Index, Customs Processes**
 - 2012 Rank: 67 Score: 2.63
 - 2014 Rank: 47 Score: 3.00
- **WB Global Enabling Trade Index**
 - 2012 Rank: 72, Score: 3.96
 - 2014 Rank: 64 Score: 4.08
- **WEF Global Competitiveness Index, Goods Mkt. Eff.**
 - 2013 Rank: 82 Score: 4.19
 - 2014 Rank: 70 Score: 4.32

Thank You