

THE ROLE OF ENTREPRENEURSHIP IN DEVELOPING COUNTRIES IN RECOGNITION OF THE PHILIPPINE MSME SECTOR

*Candy Lim Chiu, University of Santo Tomas, Philippines, candyonthecover@yahoo.com
Emilyn C. Cabanda, University of Santo Tomas, Philippines, eccabanda@mnl.ust.edu.ph*

ABSTRACT

Countries in today's global challenges continue to give great importance on entrepreneurs and entrepreneurship to elevate the lives of people from poverty and to assist economic growth from dynamic changes of reality. The rise of Micro, Small, and Medium Enterprise (MSME) sector creates a conducive environment for business, secures employment generations to people, and stimulates economic growth. As MSME sector continues to boost the development of a country, the Philippine government and non-government sectors give much assistance to this emerging trend of business that will equip entrepreneurs with an efficient and effective tool of doing business starting 2004 to 2010.

INTRODUCTION

“The essence of entrepreneurship is in the creation and growth of new firms, whether out of necessity and opportunity” (Abubakar 2003). It is been an objective and focus of all the country in the world to reduce and even eradicate poverty; however, a bigger issue remains unanswered on “what strategy”, and “how to start and nurture the process” for the betterment of lives of the people.

For a developing country like the Philippines, one of the highest poverty rates among less developed countries, is just starting its way to open the door for a micro economy. Past statistics shown that Philippines has moved towards a tiger macro economy but is losing presently the race from other countries, who are now finishing it with a win in there hands (Composano 1993). This paper did not intend to convey that the Philippines situation is hopeless, but it will serve as a drive for an economic growth where the Philippines, with rich natural and human resources, can still cope with the path to progress economy.

A number of studies dealt with entrepreneurship, its contribution and importance, creation and development, factors and success, support and promotion; however, the main effort to many economies is to nurturing and sustaining MSMEs (Micro, Small, and Medium Enterprises) as a backbone of strengthening an economy of a less developed country where maximizing its capacity (natural resources) and capability (human resources) as a big contributor towards the aimless struggle to economic recovery.

The global market for developed countries concentration is on big capitalists. They provide an enormous contribution to boost the economy of the developed country to a wider limit that made them untouchables. Looking at the bigger picture, however, of a developing country, micro economic businesses are more noticeable flagships to a nation's development and progress.

This paper realizes the nurturing process of Philippine entrepreneurship, focusing on MSMEs as a strategy where sustaining the dynamic process from a developing country perspective towards reaching to the major economic players of the world. To date, MSMEs keep Filipinos going towards a better tomorrow. The following specific objectives of the paper are (1) analyze the emerging Philippine economy at its modern times, (2) review beneficial contributions of MSMEs for developing countries and (3) discuss the role of various governmental agencies in supporting Philippines MSMEs.

**ENTERPRISE, ENTREPRENEURSHIP AND ENTREPRENEUR IN
EMERGING PHILIPPINE ECONOMY (Please see The Philippine MSME Development
Milestone in Perspective DTI – SME Development Plan 2004 - 2010)**

The number of poor people in the world is increasing constantly, because the world population has grown so significantly. Political upheavals, natural disaster, smaller tragedies and economic recession have continued to threaten stability of every people in the world.

According to bridges.org 2002, “The best hope for breaking the poverty cycle in many developing countries and disadvantaged communities is the importance of entrepreneurship and the needs of crucial sector like MSMEs must be understood to frame an effective and sustainable approach to modern development aid.” Based on the study of Global Entrepreneurship Monitor (GEM 2000), almost 150 million people are engaged in some forms of entrepreneurial activities. Enterprise development comes in variety of sizes, range of services, line of products and amount of contributions to an economy where a number of entrepreneurs are growing in significant relations to economic growth and poverty reduction. Entrepreneurship is often the backbone of the developing world that offers employment opportunities to millions of people. Developing Filipinos as entrepreneurs has become an important part of international and national development planning and strategies. A long decade of attempting to introduce changes in the world’s economic systems seeks to understand better ways of uplifting the lives of underprivileged people.

Entrepreneurial activities are beneficial for developing countries in two folds: (1) Micro level – employment generation and (2) Macro level – increases a nation’s economic growth. The World Bank, United Nation, OECD, APEC, AFTA, ASEAN and other international and regional associations spend an enormous amount of efforts and money in supporting entrepreneurial endeavors. They work together to improving the balancing of bilateral and multilateral initiatives for fostering a global MSME partnership worldwide through infrastructure development, financial aid, legal and regulatory support, business incubation, and educational assistance for developing countries, who believe that their knowledge of entrepreneurial activities is still somewhat limited.

Historically, the Chinese and the Arab community are the known traditional entrepreneurs who continue to embrace the opportunities and have a positive attitude towards entrepreneurship from a home-based business ideas, emergence of family businesses and conglomerate firms. It is a matter of attitude that could maximize business potentials and build a stronger business. Things change from one country to another for the better where other nations overtake Philippines economically. They continue to attract foreign investments where Philippines have failed to do so. What can

be the worst scenario than to know that the Philippine business sector cannot provide adequate employment for Filipino people? The solution behind the problem is that many Filipinos have gone abroad in search for better opportunities, but not all Filipinos have found these opportunities in foreign lands. To keep the national economy afloat, overseas remittances of Filipino workers abroad are being supported.

According to Ruane (2003:1) (see Table 1), in Philippine settings MSME sector looks very good on paper specifically the government support for this sector but “in reality it is clear that the government’s intention to assist MSME is far from genuine.” Composano (1993:51) states: “The development in the Philippines is not, and ultimately, will not be a mere function of government initiative, but more importantly, of the courage and commitment of Filipinos, singly or in groups, to take risks and forge new economic and social directions.” Compared to other Asian economies, Philippine MSMEs are generally below-average performers. All of these inefficiency and economic recession have both encouraged an effort in promoting the entrepreneurship from a small start towards creating a much larger enterprise.

Table 1
MSME Contributions of Selected ASIAN Economies

	Philippines	South Korea	Japan	China	Malaysia	Thailand	Indonesia
No. of Establishment	99.6%	99%	99%	99%	94%	98%	99.99%
Employment	69.9%	78.7%	88.6%	75%	40%	55.8%	99.4%
Value Added	32%	47%	56.7%	68%	26%	Not reported	63.11%

Source: SME Plan 2004-2010

According to former President Fidel V. Ramos, to address the country’s foreign debts and inadequate supply of foreign exchange, the focus should be on the following (1) investments, (2) exports, (3) tourism, and (4) overseas worker’s remittances. The first three areas of concentration lie in the Filipino people initiatives to find opportunities for self-employment where entrepreneurship will play an important role in the economic recovery (Composano, 2003).

In the Philippines, study of Tecson, Valcarcel and Nunez (1990) reported a significant role of supporting entrepreneurial activities in the country. The institutional environment in the Philippines is moderately supportive in the creation and development of enterprises. Both government and non-government agencies are making steps to strengthening entrepreneurship.

PHILIPPINE MSME SECTOR

Schumacher (1999) argues that the essence of economics is from the heart where self-sufficiency and back-to-basics thinking would redefine the globe for talents; enterprising people will emerge as a catalyst for dynamic participation to contributing big to the nation’s economy.

MSMEs are any business activities or enterprises whether engaged in industry, agribusiness, services and regardless of whether it is single proprietorship, partnership, cooperative or corporation whose assets and number of employees correspond to the following:

Table 2
SIZE OF BUSINESS

TYPE	NO. OF EMPLOYEES	CAPITALIZATION
MICRO	1-9	Less than -3,000,000
SMALL	10-99	3,000,001 – 15,000,000
MEDIUM	100-199	15,000,001 – 100,000,000

(Value of assets, inclusive entity's office, plant and equipment are situated)
Source: BSMED (Department of Trade and Industry) as of 16 January 2003

MSMEs sector is considered as being the backbone of the Philippine economy. This sector comprises about 99.6% of all the registered firms nationwide (see Table 3), employs 69.9% of the labor force and continues to grow at a faster rate (see Table 4), contributes 32% to the economy (see Table 5 and 6), helps ensure a more equitable distribution of income, disperses economic activities to the countryside and serves as a potent force in the war against poverty and unemployment as it constitutes nearly 100% of total business establishments in the Philippines (SMED June 2004). As Ofreneo (2003) stated: "They are the economy's leading generator of jobs, especially for majority of the workforce who cannot be absorbed by the bigger enterprises." It is the engine for a globally competitive Philippine economy. The statistics are summarized and identified by industry classification (subdivided by size) as shown in Table 3:

Table 3
Number of Establishments by Sector and Size Distribution

PCIC	Establishments									
	Micro	(%)	Small	(%)	Medium	(%)	Large	(%)	Total	(%)
Agriculture, forestry & fishing	1,956	(46.1)	2,014	(47.4)	124	(2.9)	153	(3.6)	4,247	(100.0)
Mining	216	(62.4)	100	(28.9)	14	(4.0)	16	(4.6)	346	(100.0)
Manufacturing	108,986	(88.0)	12,627	(10.2)	988	(0.8)	1,194	(1.0)	123,795	(100.0)
Utilities	485	(41.8)	483	(41.6)	99	(8.5)	94	(8.1)	1,161	(100.0)
Construction	1,530	(55.0)	1,037	(37.3)	105	(3.8)	111	(4.0)	2,783	(100.0)
Commerce	415,924	(95.6)	18,469	(4.2)	408	(0.1)	300	(0.1)	435,101	(100.0)
Finance	17,791	(75.8)	5,477	(23.3)	84	(0.4)	109	(0.5)	23,461	(100.0)
Ownership of housing & real estate	34,527	(88.3)	3,928	(10.0)	299	(0.8)	361	(0.9)	39,115	(100.0)
Private services	92,500	(89.5)	10,237	(9.9)	318	(0.3)	244	(0.2)	103,299	(100.0)
Government service	70,034	(89.5)	7,390	(9.4)	484	(0.6)	376	(0.5)	78,284	(100.0)
Total	743,949	(91.7)	61,762	(7.6)	2,923	(0.4)	2,958	(0.4)	811,592	(100.0)
%		91.7%		7.6%		0.4%		0.3%		100%

Unit: Establishment, (2001) Source: NSO

Table 4
Number of Employees by Sector and Size Distribution

PCIC	Establishments									
	Micro	(%)	Small	(%)	Medium	(%)	Large	(%)	Total	(%)
Agriculture, forestry & fishing	8,077	(4.9)	47,745	(29.2)	16,740	(10.2)	90,942	(55.6)	163,504	(100.0)
Mining	1,029	(4.9)	3,049	(14.4)	2,128	(10.1)	14,897	(70.6)	21,103	(100.0)
Manufacturing	353,415	(23.0)	309,952	(20.2)	136,648	(8.9)	734,088	(47.9)	1,534,103	(100.0)
Utilities	2,152	(2.8)	14,509	(18.9)	14,124	(18.4)	46,140	(60.0)	76,925	(100.0)
Construction	6,848	(4.6)	26,928	(18.2)	13,843	(9.3)	100,472	(67.8)	148,091	(100.0)
Commerce	1,109,473	(67.1)	350,368	(21.2)	55,184	(3.3)	137,925	(8.3)	1,652,950	(100.0)
Finance	74,175	(29.2)	97,782	(38.5)	11,458	(4.5)	70,469	(27.8)	253,884	(100.0)
Ownership of housing & real estate	103,153	(25.1)	92,936	(22.6)	41,199	(10.0)	173,926	(42.3)	411,214	(100.0)

Private services	307,369	(39.8)	230,866	(29.9)	41,909	(5.4)	191,602	(24.8)	771,746	(100.0)
Government service	186,194	(29.8)	183,527	(29.4)	66,125	(10.6)	188,600	(30.2)	624,446	(100.0)
Total	2,151,885	(38.0)	1,357,662	(24.0)	399,358	(7.1)	1,749,061	(30.9)	5,657,966	(100.0)
%	38.0%		24.0%		7.1%		30.9%		100%	

Unit: Men employed, (2001) Source: NSO

Industries' concentration of the MSMEs is more on traditional product groups, namely: food industry, organic and natural products, marine products, wearbles, leather goods, home furnishing, construction materials, electronics, information technology services, and motor vehicle parts and components (Pearl 2 – State of the Sector Report 2003). They are considered as the “revenue stream industries”, with high export possibilities and strong domestic demand.

Table 5
Value added (Census) by SMEs and Size Distribution

	1983	%	1993	%	1998	%
Micro	1,381		11,013		16,086	
Small	5,891		44,754			
Medium	4,687	8.3	31,283	10.1	69,338	
Large	44,801	78.9	223,111	71.9		
Total	55,379	87.2	299,148	82.0		
Share of SME	11,959	21.1	87,050	28.1		

Note: The total amount is for enterprises with more than 10 employees
Source: NSO, Census of Establishments (Manufacturing)

Table 6
Sales Generated by SMEs (Census) and Size Distribution

	1983	%	1993	%	1998	%
Micro	1,859		24,707		31,672	
Small	20,369		152,531			
Medium	13,630	8.4	79,006	9.6	1,641,583	
Large	127,092	78.0	590,665	71.8		
Total	161,091	86.4	822,202	100.0		
Share of SME	35,859	22.0	231,539	28.2		

Note: The total amount is for enterprises with more than 10 employees
Source: NSO, Census of Establishments (Manufacturing)

The Philippine MSMEs sector concentrates mainly in five regions of the Philippines: NCR, Region 4, Region 3, Region 7, and Region 11 while MSMEs are evenly distributed to the 11 other regions of the country. The National Capital Region is the main focus of wide range opportunities for expanding the growth of MSMEs and employment generation (see Tables 7 and 8).

Table 7
Breakdown of Business Establishments by Size and Region (2000)

Regional Division	Total	Percentage Share of Total	Cottage	Small	Medium	Large
National Capital Region (NCR)	196,491	23.9	167,208	26,440	1,384	1,459
South Tagalog Region (Region 4)	144,530	17.6	135,526	8,088	431	485
Central Luzon Region (Region 3)	87,383	10.6	81,866	5,140	190	187
Central Visayas Region (Region 7)	49,179	6.0	44,466	4,247	220	246
South Mindanao Region (Region 11)	35,885	4.4	32,830	2,795	127	133
Other 11 Regions	307,492	37.5	285,844	20,456	718	474
Total	820,960	100.0	747,740	67,166	3,070	2,984
Share of the 5 Regions	533,250	65.0%	61.8%	69.5%	76.6%	84.1%

Source: "Establishments in the Philippines in 2000," NSO

Table 8
Breakdown of Employment by Size of Enterprise and Region (2000)

Regional Division	Total	Percentage Share of Total	Cottage	Small	Medium	Large
National Capital Region (NCR)	2,364,533	40.1	549,796	703,159	193,801	917,777
South Tagalog Region (Region 4)	925,625	15.7	370,807	191,900	68,778	294,140
Central Luzon Region (Region 3)	488,644	8.3	234,451	122,236	30,675	101,282
Central Visayas Region (Region 7)	400,483	6.8	129,075	108,931	30,364	132,113
South Mindanao Region (Region 11)	326,376	5.5	129,867	74,909	18,670	102,930
Other 11 Regions	1,396,525	23.7	751,104	321,092	74,398	249,931
Total	5,902,186	100.0	2,165,100	1,522,227	416,686	1,798,173
Share of the 5 Regions	4,505,661	76.3%	65.3%	78.9%	82.1%	86.1%

Source: Source: "Establishments in the Philippines in 2000," NSO

The Philippine government undertook the foremost measure of setting up the Magna Carta for Small and Medium Enterprises (SMEs) or Republic Act 6977. This Act is the landmark legislation, which reflects the current policy to foster a dynamic SME sector. The law is guided by the three principles in setting the pace for SME, namely: (1) Minimal set of rules and simplification of procedures and requirements, (2) Participation of private sector in the implementation of SME policies and programs, (3) Coordination of government efforts, and (4) Decentralization.

The *Barangay* Micro Business Enterprise Act of 2002 or Republic Act 9178 was enacted micro-enterprises as well as the informal sector through incentives to local government registered *barangay* micro-enterprises: (1) Exemption from income tax, (2) reduction in local taxes, (3) Exemption from payment of minimum wages, (4) Financial support from government financial institutions, and (5) Technology assistance from government agencies. These are the avenues in the thrust of MSME development in the Philippines for reducing poverty through an enterprise creation.

STRENGTHENING PHILIPPINE ENTREPRENEURSHIP

As regards developing the Philippine Entrepreneurship, President Gloria Macapagal Arroyo stated clearly: "We want to mobilize capital at the grassroots level by continuing to promote entrepreneurship and the development of MSME's. This is central

to our struggling working class, who have the entrepreneurial zeal but who need a boost to move into the middle-class. By focusing on this activity, we aim to generate one or two additional jobs per enterprise per year. There are currently over 800,000 SME's scattered all over the Philippines. As such, resources and efforts directed to enlarge them and the Micro-enterprises will certainly make a meaningful impact on the economy" (Joint Meeting of the Philippine Chamber of Commerce and Industry and Makati Business Club 22 July 2004).

How do we change the mindset of Filipinos towards establishing their own business than fleeing the country to find jobs and hope for a better tomorrow? The answer to such question is to instill an entrepreneurial spirit and build an environment in the country that will allow Filipinos to reach their greatest potentials as human beings, with a strong support from public and private sectors. Typical Filipinos see their future as having a secured employment to sustain stability and security rather than engaged in entrepreneurial venture, which is somewhat uncertain and risky.

The formal institutional environment in the Philippines is highly supportive of the formation and growth of MSMEs. Co (2003) argues, however, against this status quo. She states (p. 99): "It is observed that there are no formal feedback mechanisms to evaluate the effectiveness of the programs and services provided for MSMEs. The closest to a formal evaluation process are the occasional meetings with collaborating agencies and/or with the beneficiaries. The institutions themselves admit this deficiency but offer no solution to it." This may reflect inefficient information dissemination methods of the government and private sector with Filipino entrepreneurs. In this case, the government has paid a special attention to programs and policies and has to establish firmly, based on the SME Development Plan 2004 to 2010. This is a clear roadmap for the future direction of MSMEs in the Philippine economy.

To encourage the development in the Philippine MSMEs, the following government bodies are created and responsible in promoting the importance of the sector in the country:

- *The Bureau of Small and Medium Business Development* which initiates and implements programs and projects addressing the specific needs of MSMEs in areas concerning entrepreneurship and institutional development, productivity improvement, organization, financing and marketing. This agency also formulates policies and strategies geared towards the advancement of MSMEs.
- *The Regional Operations Group*, which is the front-line service provider in the areas of investment and export promotion through the provision of direct firm and industry level advisory services in business management, productivity, finance, marketing and organization.
- *Small and Medium Enterprise Development Council*, which oversees the creation and promotion of an environment conducive to the development of MSMEs through the establishment of adequate support mechanisms.
- *Small Business Guarantee and Finance Corporation*, whose roles are to develop and promote various types of financing for small enterprises, including loan guarantee for qualified small enterprises. Source: Strategy Paper for SME Development in the East ASEAN Growth Area (EAGA)

One of the key areas of the government's action plan is "insulating the domestic economy from external shocks through the mobilization of resources to promote and

develop SME's as a flagship program." (Former Secretary Mar Roxas – DTI 2003). There is a need for greater entrepreneurial spirit and sense of competition with foreign capital among local business people. The Philippine entrepreneurial strategy prioritizes the following: (1) Narrowing the focus by identifying priority sectors, (2) promoting mutually beneficial linkages among small and large firms, (3) strengthening technology, research and development initiatives, (4) bolstering human resource development, and (5) improving access to finance. Government bodies are working collaboratively to ensuring the effectiveness of these activities.

The National SME Agenda, also known as *SULONG Pinoy*, has been carried out through the orchestrated efforts of key players on the various components of SME development; human resource development and entrepreneurship training, market development, product development and technology intervention, advocacy for enabling environment and financing.

Former Budget and Finance Secretary Salvador M. Enriquez Jr. said that the keys to successful entrepreneurial activity are creativity, industry, courage, leadership, honesty, passion, contact and most of all money. Access to financing has always been a major problem for an enterprise creation. The Philippine Stock Exchange and other governmental bodies encourage the growth of Microfinance services and other alternative sources of funding and credits at a favorable rate. Private banks, governmental financial institutions and non-government groups provide the financing to insure enterprise creation. They provide as little as PHP 5,000 and as much as PHP 100 million to single proprietorships, partnership, and corporations that need a start-up capital for an enterprise. These developments could signal the beginning of a new direction for Filipino entrepreneurs, a new hope for national economic progress and a new challenge for Filipino products to compete in the global marketplace.

CONCLUSION

Entrepreneurship, its significance in the developing country needs to be put to work effectively. Different scholars may vary in their views towards entrepreneurship in the Philippine setting due to guidelines, which are not initiated and as well as not executed effectively to making a contribution to the Philippine economy. It may be an individual phenomenon for many, but enterprise creation depends its life to all the stakeholders where their role is vital for entrepreneurial success. They have to do more than what has been established to become globally competitive.

Philippines has a huge entrepreneurial potential to become a global player. The paper strongly suggests that MSMEs need to be harnessed in every economic aspect and business landscape of development and growth. The Philippines has optimistic views of economic recovery for the country as its people are vital to the prosperity of the world economy. A developing country needs to create the conditions in which entrepreneurs can build successful businesses. A promotion of productive interactions and relations among academic, government, industry and people to foster an entrepreneurial environment that will enhance Filipino creativity and intelligence is a path that needs to be directed.

It is very significant for our understanding how entrepreneurship can aid economy, how economy can support entrepreneurship, and how these two elements will

be beneficial to all. MSMEs could play a significant role in putting the Philippines alongside with other developed or developing economies in the world.

REFERENCE

- ADB Country Strategy and Program Update 2003-2005, Philippines, October 2002.
- Agbon, M. B. (2004), "Small and Big Business Interaction through Industry Clustering" Russian Federation, Moscow, June 7-9.
- APEC Small and Medium Enterprise Ministerial Meeting - Joint Ministerial Statement "Strengthening AN APEC Entrepreneurial Society" Chiang Mai, Thailand, 7-8 August 2003
- Ariff, M. and Abubakar, S. (2003), "Strengthening Entrepreneurship in Malaysia." http://www.mcpa.org/programs/program_pdfs/ent_malaysia.pdf.
- Camposano, Jorge A. (1993). *Innovative Entrepreneurship – The Philippine Perspective 1st Ed.*, Manila: Made M' Printing Services.
- Co, M. (2003), "An Analysis of the Formal Institutional Factors Affecting Entrepreneurship in a Developing Country: Lessons for Africa." *The Small Business Monitor* 1(1).
- De Dios, E.S. (2000), "The Boom-Bust Cycle (Will it ever end?)" In *The Philippine Economy: Alternatives for the 21st Century*, ed. D. Canlas and S. Fujisaki. Manila: Institute of Developing Economies, Japan External Trade Organization.
- Global Entrepreneurship Monitor (GEM). *Global Entrepreneurship Monitor 2000 Executive Report*.
- G8 Action Plan: Applying the Power of Entrepreneurship to the Eradication of Poverty. Sea Island - Summit 2004.
- Joint Meeting of the Philippine Chamber of Commerce and Industry and Makati Business Club, 22 July 2004
- Kantis, Ishikida and Komori (2002), "Entrepreneurship in Emerging Economies: The Creation and Development of New Firms in Latin America and East Asia." Inter-American Development Bank.
- Medium Term Philippine Export Development Plan (MTEPDP) 2001-2004. National Statistics Office
- Ofreneo, R. E. (2003), "Micro, Small or Medium: Which is Which?" *Laborem Exercens Manila Times*: 7 May. www.manilatimes.net
- Pearl 2 Accelerating Enterprise Development Sectoral Enhancement Strategic Planning Workshops. Pearl 2: September 24, 2003.
- Philippine SME Best Practices, ASEAN 2003.
- Philippine SME Development Plan Proposal 2004 – 2010.
- Programs & Services for Micro, Small and Medium Enterprises (September 2004), Bureau of Small and Medium Enterprise Development and Japan International Cooperation Agency
- Ruane, M.M., "Filipino SMEs: Survey and Empirical Analysis (Research in Progress)." Presented at the International Conference in E-Business Quito, Ecuador, 17-19 November 2003.

Schumacher, E. F. (1999). Small is Beautiful, Economics As If People Mattered. Hartley & Marks Publishers.

SMED Council Strategic Planning, April 1998.

Strategy Paper for SME Development in the East ASEAN Growth Area (EAGA) Supporting Entrepreneurship in Developing Countries: Survey and Inventory. Bridges.org, 7 May 2002.

Tecson, G. L., Valcarcel and Nunez (1990). "The Role of Small and Medium Scale Industries in the Industrial Development of the Philippines. ADB, 313-413.

The Bologna Charter on SME Policies (adopted on 15 June 2000). Organization for Economic Co-operation and Development (OECD).

www.adb.org

www.dti.gov.ph/pttc

APPENDIX A

Summary of Regional Industry Development Focus

National Capital Region:

- Transaction Support (as trading hub) and Market Development Service Center of SMEs
- Satellite Centers to support the trade
- Micro-enterprise development

Region 3:

- Regional Center to Support Growth corridor Programs (W and North Corridors)
- Rationalization of the Furniture Industry Center
- Rationalization of the Jewelry Training Center – concept to expand structure to include all fashion Accessories, Gifts, House wares – modeled and linked to Cebu FAME.
- Rationalization of the Marble Industry Center

Region 11:

- Agro-processing and Food processing Center (focusing on fruit and vegetables)

Calabarzon:

- Development of the Support Industries Linkage Development Center
- Rationalization of ACSTETSME and the Los Baños Handicraft Center
- Support/linkage Services for Agri-trade (Food Terminal Center in Batangas)

Region 6:

- Development of Agro-processing/ Business Support Services for Fisheries Products
- Techno-management services on Mango Production/process technologies

Region 7:

- Satellite Food Processing Center
- Furniture Center
- Gift, House wares, and Fashion Accessories Center

Source: SME Development Plan 2004-2010