

Policy Environment for MSME Growth

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Micro, Small and Medium Enterprise Development Plan 2017-2022

MSMED
COUNCIL



MALACAÑAN PALACE
MANILA

FOREWORD



Micro, small and medium enterprises (MSME) play a crucial role in fulfilling our Ten-Point Socio-Economic Agenda that seeks to sustain the momentum of our current economic growth. Comprising 99.5% of business establishments, it provides opportunities for 4.8 million people and accounts for 61.6% of the country's total employment.

The MSME Development Plan 2017-2022 will ensure the further empowerment of rising entrepreneurs in the next five years through development strategies that will create globally competitive MSMEs that are regionally integrated, resilient, sustainable and innovative.

I am confident that the strategies outlined in this Plan will continue to accelerate the growth of our MSME sector, especially as we revive the Philippine manufacturing industry and welcome new developments brought about by ASEAN integration.

As the Philippines continues to make its presence felt in the ASEAN and global economies, I encourage our partners from both the public and private sectors as well as other stakeholders to remain committed in your unwavering passion to reform, improve and develop our overall business environment so that MSMEs may truly realize their potential as drivers of inclusive growth and development.


RODRIGO ROA DUTERTE

MANILA
May 2018

THE PRESIDENT OF THE PHILIPPINES



MSME Development Plan 2017-2022 Framework

VISION	More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth				
FOCUS AREAS	Business Environment		Business Capacity		Business Opportunities
STRATEGIC GOALS	Improved Business Climate	Improved Access to Finance	Enhanced Management and Labor Capacities	Improved Access to Technology and Innovation	Improved Access to Market
STRATEGIES	Simplify, standardize and harmonize MSME-related rules and regulations at all levels that will encourage MSMEs to tap the opportunities in macroeconomic policy, infrastructure development, trade deals, etc.	Streamline and simplify loan processes for MSMEs, creating the necessary enabling environment that encourages local banks and relevant financial institutions to reach MSMEs at the ground level while equipping MSMEs with knowledge and enticements to avail of formal financial channels.	Expand and strengthen human resource capacity of MSMEs through optimal application of a combination of mentoring, group training, field outreach, and online training; improve MSME knowledge base using gender and other parameters.	Support linkages between MSMEs and large corporations; develop inclusive business models and social enterprises; establish feasible domestic economic zones; make innovative technologies as well as sustainable and resilient practices more affordable, cost-effective, and accessible to MSMEs.	Strengthen value and supply chain linkages; make domestic and export market information such as market analysis, and directory of potential markets for matching and interaction, timely, accurate, inexpensive and available for MSMEs
CROSS-CUTTING STRATEGIES	Expand MSME Assistance Centers Promote Women and Youth Entrepreneurship		Strengthen the role of Local Government Units Maximize Opportunities in the Digital and Internet Economy		Promote Green Growth
ACTION PLANS (Policies, Programs, Projects)	<ul style="list-style-type: none"> Expedite delivery of MSME assistance services; Streamline business permit and licensing systems; Remove restrictions, provide incentives and promote job-creating investments; Reduce regulatory burden; and, Foster in all government entities a convergence mindset that recognizes the centrality of MSME dev't in achieving dynamic and inclusive economies. 	<ul style="list-style-type: none"> Streamline and simplify loan requirements and processes for MSMEs and cooperatives; Build capacities of financial institutions and cooperatives to provide business dev't assistance to MSMEs; Provide financial literacy trainings for MSMEs; Institute policies and programs for innovative financing; and, Develop, promote and expand alternative financial instruments to better serve MSMEs' financing requirements. 	<ul style="list-style-type: none"> Encourage and promote entrepreneurship and equal opportunities for all including women and youth; Enhance labor capacities through human resource development and gender sensitivity programs for MSMEs; and, Intensify advocacy and education campaigns on laws/policies relevant to labor and related policies. 	<ul style="list-style-type: none"> Expand facilities that MSMEs can share; Provide financing programs for equipment and machinery acquisition; Promote Philippine National Standards (PNS) by NGAs and its adoption by MSMEs; Develop internationally harmonized industry performance standards; Foster wider MSME clustering to achieve economies of scale via clustering models such as co-ops, "corporatives," nucleus farming, and other MSME collective mechanisms; and, Promote commercialization of technology and build capabilities to foster industry clustering. 	<ul style="list-style-type: none"> Maximize opportunities that expand access to existing and new markets presented by the ASEAN Economic Community and other preferential trading agreements Promote e-Commerce; Organize local and international marketing events, and, Design export programs.
INSTITUTIONAL SUPPORT	Generation and analysis of relevant information and sex-disaggregated data in implementation plans	Effective coordination and sharing among government agencies	Responsive, timely, and graft-free services of implementing agencies	Strategic sectoral monitoring and evaluation of implemented plans	Comprehensive budget allocation for all indicative programs/activities/projects

Government-wide Initiatives at a Glance

More globally competitive MSMEs that are regionally integrated, resilient, sustainable, and innovative thereby performing as key drivers of inclusive Philippine economic growth.

Strategic Goals

Improved Business Climate (Gov't MINDSET)

R.A. No. 9501: Magna Carta for MSMEs

R.A. No. 9178: Barangay Micro Business (BMBEs) Act of 2002

R.A. No. 10644: Go Negosyo Act

R.A. No. 10679: Youth Entrepreneurship Act

R.A. No. 9485: Anti-Red-Tape Act

Enhanced Business Name Registration System

EODB Law

Improved Access to Finance (MONEY)

R.A. No. 9501, Section 15: Mandatory Allocation of Credit Resources for MSMEs

Microfinance program for MSMEs such as "Pondo sa Pagbabago at Pag-aseenso" or P3 Program

Access of Small Entrepreneurs to Sound Lending Opportunities (ASENSO Program)

Credit Surety Fund Program (CSF)

Enhanced Management and Labor Capacities (MINDSET, MASTERY,

SME Roving Academy (SMERA)

KAPATID Mentor ME (KMME)

SME Online Academy

Skills Training for Employment/ Entrepreneurship Program (STEEP)

Gender-Responsive Economic Actions for the Transformation (GREAT) of Women

Productivity Toolbox (NWPC)

Improved Access to Technology and Innovation (MACHINES, MODELS)

Shared Service Facilities (SSF)

Small Enterprise Technology Upgrading Program (SET-UP)

Fabrication Laboratories

Food Innovation Center

Onelab

Improved Access to Market

Trade Fairs

Regional Interactive Platform for Philippine Exporters (RIPPLES)

Go Lokal

OTOP Hub

Brand Equity Development

APEC MSME Marketplace