

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City



SIXTEENTH CONGRESS
First Regular Session

H. No. 3017

Introduced by Representative Estrellita "Ging" B. Suansing

EXPLANATORY NOTE

The role of the footwear industry in the country is important because from an ideal perspective, the industry should be capable of supplying our countrymen with decent slippers, sandals and shoes at affordable prices. Moreover, the industry can even aspire to compete on a consistent basis in the international market, obtaining much-needed dollar influx for the country in the process. But all these things would remain a remote possibility, if the government will not support our footwear industry.

A case in point is the Municipality of Talavera, Province of Nueva Ecija. It once was a pioneer and leader in the footwear industry in the Philippines. But it did not sustain its market position and trajectory for several reasons, one of them is the lack of support from the government.

Recently in 2012, the local footwear industry was reported to have registered a growth in its performance. It was even referred to as one of the country's 'sunrise' industries. This was precipitated by the growing demand in the domestic and international markets.

But still there is much to be desired and the only way to catapult this industry to the desired level of fame and consistency is if our government will formulate policies for its betterment.

This bill seeks to establish a National Footwear Training Academy, under the direct supervision and control of the Secretary of Department of Trade and Industry (DTI). Among other goals, the Academy is also envisioned to provide the highest quality of training and research in the field of footwear production and its related downstream industries.

Further, the bill provides for a list of objectives with the ultimate goal of producing top-notch individuals with high standards in the art of footwear making. All these would materialize in the confines of the Academy which would be preaching excellence in every endeavor of the student.

The bill also bestows legal powers to the Academy appertaining to a juridical person, such as but not limited to suing and be sued, entering into contracts, holding real and personal property as may be necessary for a mandated purpose, and the like.

The bill also provides that the Academy shall establish a program to award grants and/or technical assistance to eligible entities that have submitted applications for the purpose of supporting the local footwear industry.

Further still, the bill mandates the Land Bank of the Philippines to put up a Local Footwear Industry Modernization Credit Facility and Loan Package Window which shall provide low interest loans for local footwear manufacturers and suppliers.

Since the sustenance of the local footwear industry is at stake, the passage of this bill is earnestly sought.


Rep. ESTRELLITA "GING" B. SUANSING
1st District, Nueva Ecija

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H. Bill No. ____

Introduced by Representative Estrellita "Ging" B. Suansing

AN ACT
ESTABLISHING A COMPREHENSIVE PROGRAM TO REVIVE THE LOCAL
FOOTWEAR INDUSTRY IN THE COUNTRY, ESTABLISHING THE NATIONAL
FOOTWEAR TRAINING ACADEMY (NFTA), AND APPROPRIATING FUNDS
THEREFOR

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

SECTION 1. *Short Title.* - This Act shall be known as the "*Local Footwear
Industry Competitiveness Act of 2013*".

SEC. 2. *Declaration of Policy.* - The State recognizes the indispensable role of
the private sector in national economic growth. As such, it is the policy of the State to
encourage the growth of private enterprises and to provide incentives for needed
investments, especially to local entrepreneurs. Further, the State shall encourage the
growth of creativity in local businesses.

Towards these ends, the State shall exert efforts to promote sustainable growth
for the country's local industries by building a business environment conducive to the
development of creativity, ingenuity, and innovativeness.

Particularly, the State shall provide the mechanisms to maintain, update, and
improve the scientific knowledge, technical skill, and competence of production workers
in the local footwear industry. In line with this thrust, the State shall give priority to
research and development in the footwear industry and shall promote, as far as
practicable, the use of local resources to promote international competitiveness and
local employment.

SEC. 3. *Establishment of a National Footwear Training Academy (NFTA).*

- There is hereby established and created a National Footwear Training Academy (NFTA), hereinafter referred to as the "Academy", under the direct supervision and control of the Secretary of the Department of Trade and Industry (DTI), which is envisioned to provide the highest quality training and research in the field of footwear production and its related downstream industries.

The Academy shall be a training institution committed to the pursuit of excellence through the provision of education, training, technology transfer, and research and development (R&D) in the field of footwear. The Academy shall maintain a proactive environment wherein the latest methods and technologies in footwear production and tanning are applied to provide state-of-the-art and comprehensive training to develop the competitiveness of manufacturers in local footwear production.

SEC. 4. *Objectives.* - The Academy shall be established to serve the following objectives:

a) To train and make competitive footwear manufacturing companies, entrepreneurs, footwear distributors, suppliers, and various stakeholders in the footwear industry and its related downstream industries;

b) To serve as the primary training institution in the country in footwear production and manufacturing that will provide the enabling mechanisms to revive and make the industry competitive;

c) To train key players in the footwear industry and provide them with the latest footwear production technologies and methods;

d) To serve as a Center for Excellence in the provision of comprehensive and state-of-the-art training and technical assistance;

e) To serve as the primary research, arm of the government in footwear science and manufacturing and serve as an authoritative source of information;

f) To upgrade quality standards and cost efficiency in the production of footwear.

SEC. 5. *Powers and Functions.* - The Academy shall have all legal powers appertaining to a juridical person, particularly the following:

a) to sue and be sued;

b) to enter into contracts;

c) to hold real and personal property as may be necessary for its mandated purposes;

d) to mortgage, lease, sell, transfer, convey, and otherwise dispose of its real and personal property;

e) to solicit and receive public and private donations and contributions related to footwear production and manufacturing;

- f) to accept and receive real and personal property by gift, devise, or bequest;
- g) to levy and collect minimal dues and fees from its trainees for its services;
- h) to adopt a seal and to alter the same;
- i) to have offices and conduct its affairs in the Metro Manila area and elsewhere;
- j) to make and adopt by-laws and rules and regulations not inconsistent with the laws of the Philippines; and
- k) to do all such acts and things as may be necessary or proper to carry into effect and promote the purposes for which it was organized.

The seal and emblem of the Academy shall be kept in its national office.

SEC. 6. *Personal Conduct of Students and Faculty* - The National Footwear Training Academy (NFTA) is a training and research institution that strives to maintain a safe and healthy environment to promote learning in a professional and competitive setting. Trainees are expected to exercise tolerance and to respect and celebrate differences among individuals. At no time shall the Academy tolerate:

- a) Harassment of any kind;
- b) Racial, religious or sexual slurs;
- c) Inappropriate language;
- d) Damage to property; and
- e) Any action which jeopardizes the comfort, safety or health of others

SEC. 7. *NFTA Academic Board*. - The Academy shall have an Academic Board composed of the Administrator, the Dean of the Corps of Professors, the Head Training Officer, and the Heads of the Departments.

The Administrator and Head Training Officer of the Academy shall be appointed by the President of the Republic of the Philippines.

The Academic Board shall have the power to confer certificates and diplomas to all trainees, upon the satisfactory completion of the approved course of studies, under such rules and regulations as the Secretary of the Department of Trade and Industry may prescribe.

Such other diplomas as may be needed in the future shall be conferred, provided that the Academic Board shall determine the corresponding academic degrees in consonance with the needs of the footwear industry in the country. The Academy shall develop courses and the necessary expertise as the need arises.

SEC. 8. *Sources of Funds*. - The funds of the National Footwear Training Academy shall be derived from dues and assessments, donations, bequests, contributions of its students and trainees, and income from conventions, seminars, corporate trainings, and other fund raising activities.

SEC. 9. Technical Assistance and Grants. - The Academy, subject to the approval of the Secretary of the Department of Trade and Industry (DTI), shall establish a program to award grants and/or technical assistance to eligible entities, enterprises, entrepreneurs, and corporations that have submitted their application for the purpose of assisting key players in the footwear industry, upgrade or modernize their facilities, production methods, and technologies.

The Academy shall require from the proponents the following information:

- a) A description of the product lines of the intended beneficiary of the technical assistance grant;
- b) A description on how the technical assistance grants will improve quality of production and products manufactured by the intended beneficiary; and
- c) Any additional information that the Academy may require, consistent with the provisions of this Act.

SEC. 10. Local Footwear Industry Modernization Credit Facility and Loan Package. - The Land Bank of the Philippines (LBP) is hereby mandated to formulate a Local Footwear Industry Modernization Credit Facility and Loan Package Window which shall provide low interest loans for local footwear manufacturers and suppliers seeking to improve and modernize their production facilities, equipment, and services in order to revive and make competitive the local footwear industry in the country.

Within six (6) months from the date of effectivity of this Act, the Land Bank of the Philippines is mandated to formulate the necessary guidelines, procedures, and requirements for the various stakeholders to avail of the Local Footwear Industry Modernization Credit Facility and Loan Package Window, as mandated under this Act.

SEC. 11. Appropriations. - There is hereby appropriated the amount of Thirty Million Pesos (Php30,000,000) for the construction and establishment of the National Footwear Training Academy (NFSA) which shall be incorporated in the General Appropriations of the Department of Trade and Industry (DTI).

Thereafter, the improvements, personnel expense, and other necessary expenses for the operation and maintenance of the Academy shall be included in the annual General Appropriations of the DTI.

SEC. 12. Implementing Rules and Regulations (IRR). - Within six (6) months from the date of effectivity of this Act, the Department of Trade and Industry (DTI) shall promulgate the implementing rules and regulations necessary to implement the provisions of this Act.

SEC. 13. Repealing Clause. - All laws, decrees, executive orders, rules and regulations, or parts thereof not consistent with the provisions of this Act are hereby repealed or modified accordingly.

SEC. 14. *Separability Clause.* - If any provision or part of this Act, or the application thereof to any person or circumstance, is held unconstitutional or invalid, the remainder of this Act shall not be affected thereby.

SEC. 15. *Effectivity Clause.* - This Act shall take effect fifteen (15) days from the date of its publication in the Official Gazette or in at least two (2) newspapers of general circulation.

Approved,