

# PMTLAI General Membership Meeting

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April 26, 2019

Grand Ballroom 1, Okada, Manila City

**ASSISTANT SECRETARY MARY JEAN T. PACHECO**





The question I ask myself like almost every day is: 'Am I doing the most important thing I could be doing?' Unless I feel like I'm working on the most important problem that I can help with, then I'm not going to feel good about how I'm spending my time. And that's what this company is.

— *Mark Zuckerberg* —

**AZ QUOTES**

# OUTLINE

1. LSPH TEN COMMITMENTS
2. PHILIPPINE QUALITY AWARD 2019 CYCLE
3. WORLD BANK DOING BUSINESS 2020  
STRATEGY: TRADING ACROSS BOARDERS
4. 2<sup>ND</sup> LSPH CONFERENCE AND EXHIBITION



# I. THE TEN COMMITMENTS OF THE PHILIPPINES LOGISTIC SERVICES SECTOR

# 1

## COMMITMENT #1

We recognize supply chain management, particularly logistics as a necessary component of any competitive business. We shall give **priority to initiatives that will realize our vision of a globally competitive logistics service sectors** that enable business to provide its customers with the right product at the right time in the right price and quality in a reliable manner.

## UPDATES

1. Focus: Reduce Logistics Cost
2. Improve Logistics Efficiency Indicator Results. Survey ongoing
  - ✓ Time
  - ✓ Cost
  - ✓ Reliability
3. Improve Logistics Performance Index Ranking by 2020
4. Investments in the logistics services sector

# 2

## COMMITMENT #2

We shall not make for ourselves any additional step that will be burdensome to businesses. We shall **cut red tape and eliminate corrupt practices**. We shall prioritize automation, streaming and decentralization of the permit issuance process and reportorial requirements across government agencies that deal with trade facilitation, transport, logistics and supply chain.

## UPDATES

### Implementation of R.A 11032

- Streamlining of government services (3/7/20)
- Regulatory Impact Assessment
- Automation

# 3

## COMMITMENT #3

We shall establish a platform for **genuine dialogue between the public and the private sector** with the goal of realizing a globally competitive logistics services sector, ultimately leading to competitive supply chain and a competitive economy. Together we will collaborate on policies and regulations that are responsive to current and future industry requirement, consistent with the international standards and practices and continually foster the environment of innovation

## UPDATES

1. Conducted the 1<sup>st</sup> LSPH Conference and Exhibition
  - 3 meetings -Pre- LSPH Conference
2. High Shipping Costs/Port Congestion
  - 5 Meetings – Joint Administrative Order
3. Streamlining
  - 2 Meetings – Streamlining of Process PEZA/PPA/FTFB
4. Quality Assurance
  - 5 meetings-- Creation of Philippine National Standard for logistics- services sector
5. Capacity Building
  - 2 Meetings for Capacity Building initiatives

# 4

## COMMITMENT #4

We recognize the role the logistics services sector plays in ensuring ease of doing business. We shall abide by the provisions of Republic Act 11032, also known as the Ease of Doing Business Act. Government agencies shall **adhere to the standard processing times for issuance of permits and licenses**. The private sector, on the other hand, shall strictly comply with full requirements, above board, and also monitor compliance among government agencies.

## UPDATES

### Streamlining of procedures in FTEB, PPA, and PEZA

1. DTI FTEB, PPA, and PEZA agreed to reduce
  - Documentary Requirements
  - Processing Time
2. Explore Extending the validity of licenses/permits to reduce cost



# 5

## COMMITMENT #5

We shall encourage and **develop government investment commitments**, particularly in the supply chain and logistics services sectors, which will foster competitive business and improve quality of life in the Philippines

## UPDATES

Continued implementation of the **Roads Leveraging Linkages of Industry and Trade 'ROLLIT'** (DTI – DPWH Convergence Program)

# 6

## COMMITMENT #6

We commit to finding **long-term solutions** that address problems that affect the logistics services sector's ability to enable business competitiveness. These include high shipping costs, unnecessary fees and charges, management of empty containers, and concerns raised by the trucking sector, among others.

## UPDATES

1. Roadmap for the Logistics Services Sector
2. Clear Policy Guidelines through Draft Joint Administrative Order addressing high shipping costs, port congestion, and empty container mismanagement

# 7

## COMMITMENT #7

We shall adopt a **high standard of regulatory practices**. To this end, we will

- a) avoid conflicting functions and interests within government agencies responsible for the logistics services sector;
- b) amend or repeal unreasonable and outdated laws that cause undue burden to the sector; and
- c) align domestic policies with international agreements.

## UPDATES

1. Conducted Regulatory Impact Assessment (RIA) in partnership with World bank.
  - DTI/FTEB
  - PEZA
  - PPA
  - BPS
2. Need to identify laws, rules, regulations and issuances that are obsolete and redundant

# 8

## COMMITMENT #8

We shall foster a **culture of knowledge-sharing and benchmarking through the establishment of a Logistics Observatory**. This will make available data, information and knowledge resources for use by all stakeholders, allowing for effective decision-making. Through the Observatory, the private sector can optimize transport and logistics costs through the help of quantitative data, resulting in improved competitiveness and further integration into global value chains. At the same time, government agencies can utilize the Observatory to inform policies affecting trade facilitation and supply chain competitiveness

## UPDATES

1. Supply Chain and Logistics Observatory
  - Platform already developed March 2019 through technical support from the World Bank
  - Need to populate data
    - JAO requires terminal operators, container depot and shipping lines among others to provide data

# 9

## COMMITMENT # 9

We shall continue to **promote and encourage investments in infrastructure, in critical areas and strategic points in the country**, both from the public and private sectors, which will further facilitate the logistics service sector's ability to serve its customers. This includes development of a holistic and responsive transport network serving land, sea and air; supporting infrastructure such as **container depots, storage facilities, and logistics hubs**; and comprehensive ICT infrastructure systems that support the need for better visibility and trackability across the supply chain.

## UPDATES

- BOI to create a value proposition for key investment areas in the logistics service sector
- Investments by Shipping lines on container depots. Section 10 of the Draft JAO requires shipping lines to have their own container depot to ensure availability of space for empties.

## COMMITMENT #10

We shall **develop a competitive and future-ready logistics workforce** that will address the current and future needs of the logistics services sector. We will invest in the development of programs and policies that will allow those working in the sector to effectively fulfil their responsibilities to customers and stakeholders alike. We shall develop our people to be an indispensable tool for businesses both here and around the world. We shall also take the opportunity to increase awareness of the logistics service sector's role in economic development.

## UPDATES

1. CAPACITY BUILDING to address current gaps and future skills requirement of the logistics services sector
  - Meeting between TESDA and stakeholders to identify training gaps to address the current and future problems of the Sector.
2. Agreement: create a new training certification scheme for logistics services manpower starting with truck drivers



**"PEOPLE THINK INNOVATION  
IS JUST HAVING A GOOD IDEA  
BUT A LOT OF IT IS JUST  
MOVING QUICKLY AND TRYING  
A LOT OF THINGS."**

# PQA Core Values and Concepts

## MANAGING INNOVATION



JOIN THE PHILIPPINE QUALITY AWARD (PQA)  
AND GAIN EXCELLENCE IN INNOVATIVE MANAGEMENT



# INNOVATE DAILY



Join the Philippine Quality Award (PQA), the assessment program of the Department of Trade and Industry. All public and private agencies, banking, academic and business institutions, industry players, ex-im performers, and SMEs are invited to join the roster of PQA awardees from 2001 to the present.

Mentor-assessors stand ready to help you scale up the award categories:

- Commitment to Quality Management
- Proficiency in Quality Management
- Mastery in Quality Management
- Performance Excellence

DIRECT INQUIRIES TO PQA DTI AT

(632)890-4889

[www.pqa.org.ph](http://www.pqa.org.ph)

[pqa.org.ph@gmail.com](mailto:pqa.org.ph@gmail.com)





# Philippine Quality Award Program

*Achieving Performance Excellence and Organizational Sustainability through  
the PQA Framework*

# What you need to know about PQA?



- PQA promotes Performance Excellence which is an integrated approach for performance management



- PQA is the highest level of national recognition for exemplary organizational performance



- Patterned after the Malcolm Baldrige National Quality Award (MBNQA) of the US
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# What you need to know about PQA?

**Presidential Award** Mandated by law EO 448, 1997



**RA No. 9013**  
**Enacted on**  
**February 28, 2001**

[ REPUBLIC ACT NO. 9013 ]

AN ACT ESTABLISHING THE PHILIPPINE QUALITY AWARD IN ORDER TO ENCOURAGE ORGANIZATIONS IN BOTH THE PRIVATE AND PUBLIC SECTORS TO ATTAIN EXCELLENCE IN QUALITY IN THE PRODUCTION AND/OR DELIVERY OF THEIR GOODS AND SERVICES

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

**SECTION 1. Title.** – This Act shall be known and cited as the "Philippine Quality Award Act."





[L-R Row 1: Ms. Rosanna A. Urdaneta (TESDA), Dr. Aura C. Matias (UP-NEC), Dr. Zandra N. Maningas (Letran-Calamba), Ms. Maria Theresa S. Veloso (Thomson Reuters), Dr. Rose Marie O. Rosete-Liquete (NKTII), Executive Secretary Salvador C. Medialdea, President Rodrigo R. Duterte, Secretary Ramon M. Lopez (DTI), Secretary Fortunato T. Dela Peña (DOST), Secretary Silvestre H. Bello III (DOLE), Undersecretary Jesus Melchor V. Quitain (OSAP), Dr. Peter P. Laurel (LPU-B), Alex V. Buenaventura (LBP). Row 2: Mr. Jesus P. Ocampo, Jr. (MCFI), Dr. Guillermo P. Torres, Jr. (UM), Dr. Alexander R. Madrigal (DOST IV-A), Mr. Martin A. Wee (DOST-IX), Engr. Raul C. Sabularse (PCIEERD), Mr. Sisinio B. Cano (DOLE-XII), Dr. Luis Ma. R. Galingo (HAU), Mr. Ricky Thomas Dols (REPH), BGen. Benedicto C. Corona (City of Tarauan).

## **2015-2017 PHILIPPINE QUALITY AWARD CONFERMENT CEREMONY**

Heroes Hall, Malacanan Palace, Manila | 24 October 2018

# How will my company benefit?



**Outside perspective of organizations  
Strengths and Opportunities for  
Improvement**

**Thorough evaluation and review by  
experts & panel of assessors**



**Feedback Report to guide  
organization's quality  
& productivity Improvement**

**Performance Results achieved**



**Benchmark for exceptional  
management practices**

# PQA TIMELINE

**SUBMIT YOUR EDF NOW!!!**





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PQA Program |LinkedIn



[twitter.com/pqa\\_ph](https://twitter.com/pqa_ph)



[pqa.org.ph@gmail.com](mailto:pqa.org.ph@gmail.com)

# III. EASE OF DOING BUSINESS – Trading Across Borders

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# UPGRADES AND DOWNGRADES TRADING ACROSS BORDERS (2018 – 2019)

RANK FELL 5 NOTCHES FROM

**99**  
2018



**104**  
2019



Even if EODB SCORES increased.....

**69.39**



**69.90**



DATA CORRECTION ACCEPTED!

Import	Export
1. Packing List	1. Packing List
2. Invoice	2. Invoice
3. Bill of Lading	3. Bill of Lading
4. Customs Import Declaration	4. Customs Export Declaration
5. Certificate of Origin	5. Export License
6. Import Permit	6. SOLAS Certificate
7. SOLAS Certificate	

# TRADING ACROSS BORDERS (2011 – 2019)

ASEAN Economies		2019 (190)	2018 (190)	2017 (190)	2016 (189)	2015 (189)	2014 (189)	2013 (185)	2012 (183)	2011 (183)	Change e 2017- 2018	Change e 2011- 2018
1	Singapore	45	42	41	41	1	1	1	1	1	-2	-44
2	Malaysia	48	61	60	49	11	5	11	29	37	13	-11
3	Thailand	59	57	56	36	36	24	20	17	12	-2	-47
4	Lao PDR	76	124	120	108	156	161	160	168	170	-48	94
5	Vietnam	100	94	93	99	75	65	74	68	63	-6	-37
<b>6</b>	<b>Philippines</b>	<b>104</b>	<b>99</b>	<b>95</b>	<b>95</b>	<b>65</b>	<b>42</b>	<b>53</b>	<b>51</b>	<b>61</b>	<b>-5</b>	<b>-43</b>
7	Cambodia	115	108	102	98	124	114	118	120	118	-7	3
8	Indonesia	116	112	108	105	62	54	37	39	47	-4	-69
9	Brunei Darussalam	149	144	142	121	46	39	40	35	52	-5	-97
10	Myanmar	168	163	159	140	103	113	NDA	NDA	NDA	-5	-55

Source: 2019 Doing Business Report

# PERFORMANCE IN 2019 DOING BUSINESS REPORT



SUB-INDICATOR MEASURES		REFORM MEASURES		
		2019	Validation with PS	Difference
EXPORT	Time: Border compliance (hrs)	42	63	21
	Cost: Border compliance (USD)	456	140.36	315.64
	Time: Documentary compliance (hrs)	36	1.67	34.33
	Cost: Documentary compliance (USD)	53	35.38	17.62
IMPORT	Time: Border compliance (hrs)	120	82.08	37.92
	Cost: Border compliance (USD)	580	506.98	73.02
	Time: Documentary compliance (hrs)	96	1.08	94.92
	Cost: Documentary compliance (USD)	50	2.21	47.79
INDICATOR RANKING		104/190	64/190 + 40 notches	
EODB SCORE		69.90	83.36	
PHILIPPINE RANKING		124/190	117/190 + 8 notches	
PHILIPPINE SCORE		57.60	59.02	

# REFORMS

KEY REFORMS	IMPLEMENTING AGENCY
<p><b>Memorandum Order No. 2018-12-031:</b> Lifting of Suspension of Green Lane from the BOC Selectivity System</p>	BOC
<p><b>Philippine National Trade Repository</b> Memorandum 2019-01-024 Utilization of the PNTR (for all Custom Examiners)</p>	BOC, DTI
<p><b>Joint Administrative Order on High Shipping Costs</b></p>	BOC, DTI, DOTR
<p><b>Customs Memorandum Order (CMO) 13-2019</b> “Interim Guidelines on the Return of Empty Containers at the Port of Manila (POM) and Manila International Container Port (MICP)</p>	BOC
<p><b>Customs Memorandum Order (CMO) No. 5-2018</b> to simplify the accreditation process of importers and customs brokers</p>	BOC
<p>Memorandum by Customs Commissioner Rey Leonardo Guerrero dated 12 February 2019 “<b>Transfer of Empty Containers to Port of Batangas and to Subic Bay Freeport as Extension Ports of POM and MICP</b>”</p>	BOC

**LS  
PH**

**LOGISTICS SERVICES  
PHILIPPINES**

**CONFERENCE AND  
EXHIBITION 2019**

# 2<sup>ND</sup> logistics services philippines conference and exhibition

**WHAT:** Theme: Action: EndGame! (placeholder)

**WHERE:** PICC Reception Hall

**WHEN:** July 15-16, 2019

**WHY:** in time with the MSME Summit

**WHO:** Logistics Services Sector, MSMEs,  
e-tailers, etc



Thank You!

