



MSME Development in the Philippines

Overview of Philippine MSMEs

Definition:

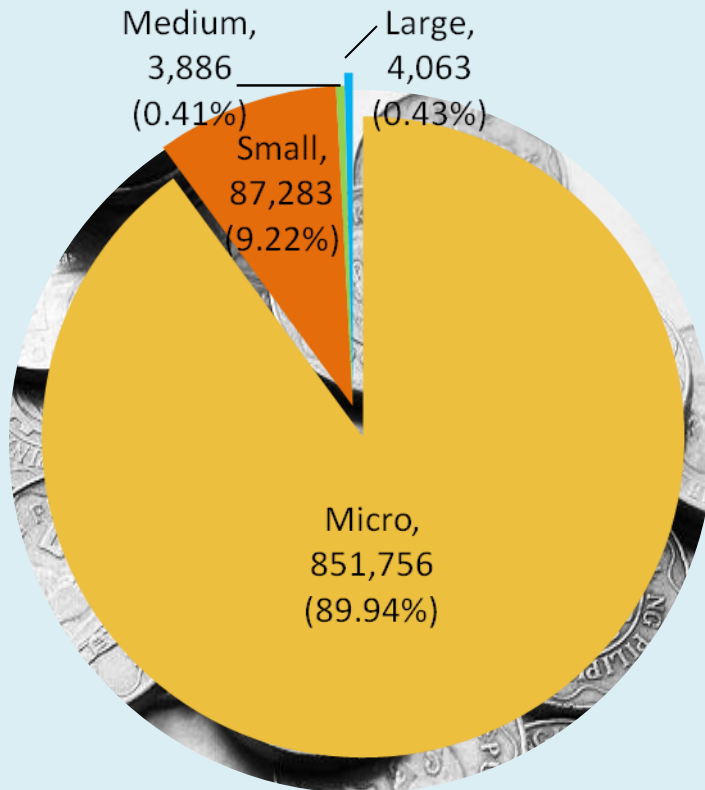
- The Magna Carta for MSMEs defines MSMEs (using asset size) as follows:

Micro: Up to Php 3,000,000

Small: Php 3,000,001 – 15,000,000

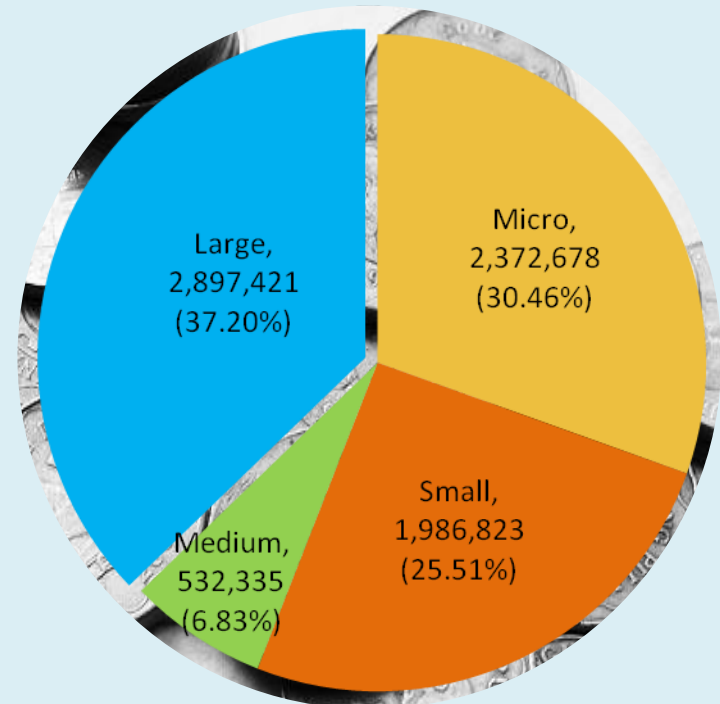
Medium: Php 15,000,0001 – 100,000,000

Overview of Philippine MSMEs



Total: 946,988

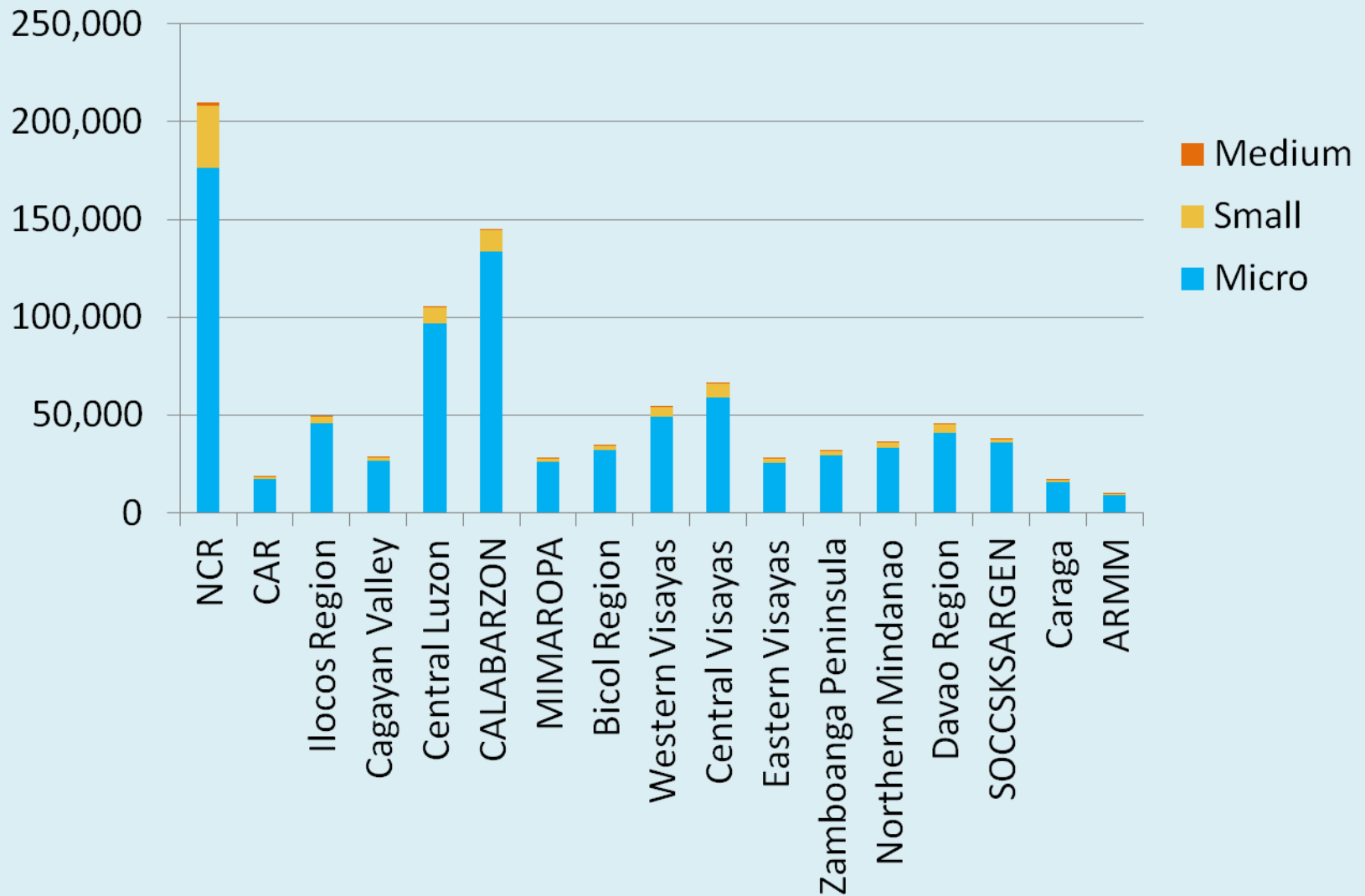
Distribution of establishments
by enterprise size



Total: 7,789,257

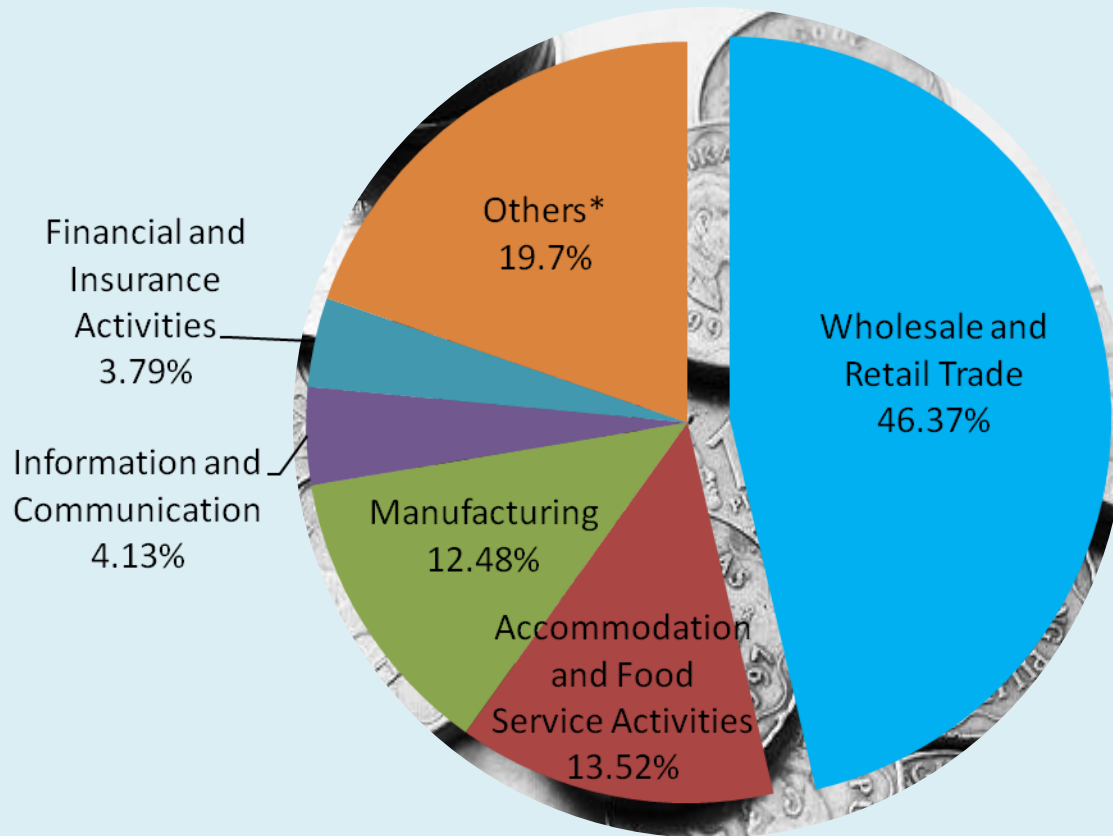
Distribution of enterprises by
total employment

Overview of Philippine MSMEs



Distribution of MSMEs by region

Overview of Philippine MSMEs



Distribution of MSMEs by industry

*Others include:

- Agriculture, Forestry and Fishing
- Mining and Quarrying
- Electricity, Gas, Steam and Air Conditioning Supply
- Water Supply; Sewerage Waste Management and Remediation Activities
- Construction
- Transportation and Storage
- Real Estate Activities
- Professional, Scientific and Technical Activities
- Administrative and Support Service Activities
- Education
- Human Health and Social Work Activities
- Arts, Entertainment and Recreation



Initiatives that Help Boost MSMEs

MSME Development Plan

Strategies:

- (1) Promoting a Business Enabling Environment
- (2) Enhancing Access to Finance
- (3) Enhancing Access to Markets
- (4) Improving Productivity and Efficiency



Business Environment

Magna Carta for Micro, Small and Medium Enterprises

One of the main provisions of the Magna Carta is the creation of the **Micro, Small and Medium Enterprise Development (MSMED) Council**.



Members: DTI, DA, DILG, SB Corp., representatives from the MSME, women, and youth sectors

Advisory Unit: Secretary of DOST, Governor of BSP, President of LBP, President of DBP, Director-General of NEDA, President of CIC, representatives from the labor sector, private banking sector, microfinance NGOs, and UP ISSI

Task Forces: Inclusive Finance, Integration of Services, E-commerce, Global Value Chains

Business Environment

R.A. 9178: Barangay Micro Business Enterprise (BMBE) Act

It encourages the formation and growth of BMBEs (or micro enterprises) by granting them incentives and other benefits (i.e., exemption from income tax, exemption from minimum wage).

Qualified to register:

- Enterprise with asset size of up to Php3M
- Enterprise engaged in production, processing or manufacturing of products, including agro-processing
- Enterprise engaged in trading
- Enterprise engaged in services, excluding those rendered by anyone, who is duly licensed by the government after having passed a government licensure exam, in connection with the exercise of one's profession (e.g., accountant, lawyer, doctor, etc.)

Business Environment

R.A. 10644: Go Negosyo Act

Promotes “ease of doing business and facilitate access to services for MSMEs”

through the **Negosyo Centers**

- Business registration assistance
- Business advisory services
- Business information an advocacy
- Monitoring and evaluation

184

**Negosyo Centers
launched**

(as of 15 June 2016)

Luzon - 103

Visayas - 42

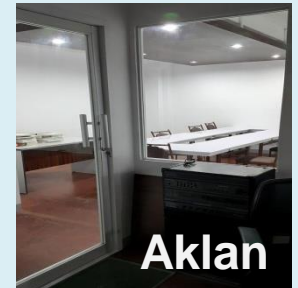
Mindanao - 39



Davao del Norte



Butuan



Aklan

Business Environment

Philippine Business Registry

The system allows sole proprietorships to register their business names with DTI, get or validate their existing tax identification number (BIR), and employer registration numbers (SSS, Philhealth and Pag-Ibig) through the web-based DTI Tellers.



Access to Markets

Trade Fairs



Access to Markets

Doing Business in Free Trade Areas

It aims to **increase access to data and guidance** through preferential tariffs, market information in partner economies, market expansion, etc.



Productivity and Efficiency

Shared Service Facilities

The project provides **machinery, equipment, tools, systems, accessories and other auxiliary items, skills and knowledge** under a shared system to improve the competitiveness of MSMEs.



Dough mixer/kneader



FabLab, Bohol



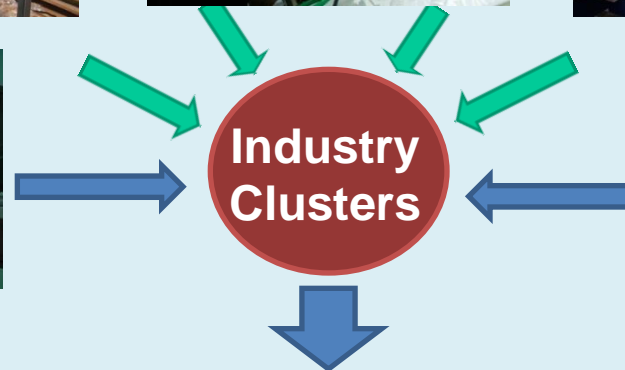
Decorticating machine



Embroidery machine



Handloom



Higher productivity

Access to better technologies

Higher levels of innovation and creativity

Improved market access

Productivity and Efficiency

SME Roving Academy

It is a continuous learning program for the development of MSMEs to enhance competitiveness and increase contribution to the country's GDP and total employment.



How to Start a
Business | Masinloc,
Zambales

Skills Training on
Bayong Making |
Maitum, Sarangani



Skills Training on
Finishing for Bamboo
Products and Furnishing
| Caba, La Union



Skills Upgrading
Training on Meat
Processing | Cervante,
Ilocos Sur



2015 Adivay Product
Development Booth | La
Trinidad, Benguet



Enhancing industry competitiveness to develop and expand exports, generate investments and create jobs:

■ **Industry focus**

■ **Private sector active involvement**

■ **Convergence**



Processed rubber



Coco coir



Coffee



Cacao



Tourism support industries




Processed fruits and nuts



MSMEs and ICT

MSME Development Council

Task Force on E-commerce



The task force aims to provide MSMEs access to comprehensive and focused support for tapping business opportunities and expanding markets through innovative and effective promotion of MSMEs and their products.

Objectives:

Establish the role of Negosyo Centers in e-commerce capacity development of MSMEs.

Improve MSMEs' access to information on e-commerce.

Encourage MSMEs to engage in e-commerce through available online platforms/marketplaces.

SME Roving Academy


ICT-related training

SMERA offers training related to ICT, such as:

- Expanding Business through E-commerce
- Putting your Business Online
- ICT Solution Project
- CC Boot Diskless System

Negosyo Center

PLDT Smart SME Nation



Through PLDT Smart SME Nation, existing DTI Negosyo Centers will have Smart Wifi connectivity and will be fitted with a video monitoring security solution. Under PLDT's collaboration with the DTI, SMEs will gain more access to community and digital trainings and specialized talks organized by PLDT Smart SME Nation and DTI throughout the year.

Contact us!



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