# Government Policy Support Mechanisms for the Growth of Technology-Based Entrepreneurship, Startups and SMEs in the Philippines

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"We are aware that everywhere in the world, there are many new categories of innovation and many industries are ripe for disruption."

### PDP 2017-2022: Chapter on Science, Technology and Innovation (STI)



"Technology adoption allows the country's firms and people to benefit from innovations created in other countries, and allows it to keep up and even leap frog obsolete technologies. This can lead to significant improvements in the productivity of firms in agriculture, industry, and services."

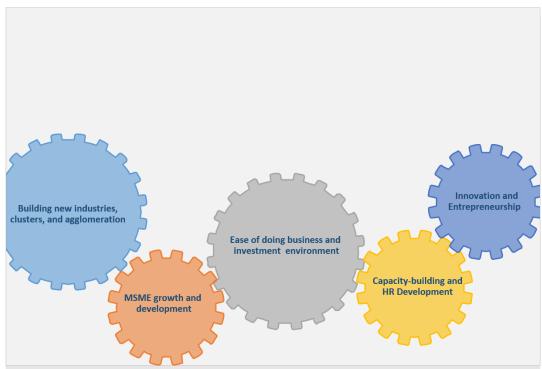
### Market Pull vs. Technology Push



### Innovation-Led Industrial Strategy (i3s)



The resurgence of the manufacturing sector puts the Philippines in a better position to build an Industry 4.0 ecosystem.



Five Major Pillars (i3s) underscore the importance of innovation in view of the fourth industrial revolution.

### 13s - Three Major Strategic Actions



Establish i<sup>3</sup> zones or parks without walls, where universities and industrial hubs could work together and collaborate on innovation initiatives.

(Photo Credit: http://investvine.com/philippine-free-zone-investments-surge-89/phil-economc-zone/)



Use fiscal and non-fiscal support to promote local manufacturing of key products that are heavily imported like pharmaceutical products or medical devices.

(Photo Credit: https://www.fin24.com/Entrepreneurs/Resources/Make-the-most-of-govt-incentives-20140801)



Continue the collaboration with the industry, academe, other government agencies and stakeholders in building the inclusive innovation ecosystem.

Photo Credit: http://www.telecommutenews.com/current\_telecommuting\_news/government-video-conferencing-collaboration-report-released/

### Innovation-Led Industrial Strategy (i3s)



"It is in innovation that entrepreneurs can create their unique selling proposition and business models with added value leading to higher income propensity."

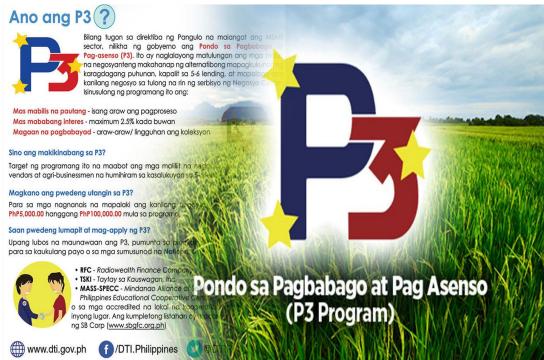
- DTI Secretary Ramon M. Lopez

### Startup Programs and Support

### Lending Program for Micro Entrepreneurs



DTI launched the Pondo sa Pagbabago at Pag Asenso or P3 program, a lending program aimed at providing affordable funds to micro entrepreneurs.



Priority and emerging industries, start-ups and technology innovation from the 30 poorest provinces will also be prioritized.

### DTI Kapatid Mentor Me Project









Mentor ME (micro entrepreneurs) program where large corporations provide coaching and mentoring to MSEs on different aspects of business operations

Adopt-an-SSF (Shared Service Facility) program provides access to SSFs in their community

Inclusive Business (IB) model linking MSEs to large companies' value chains

## DTI Startup Ecosystem Development Program (SEDP)



Five-point program developed by DTI as the industry cluster program (as defined by PDP 2011-2016) to foster interenterprise linkages among MSMEs and strengthen collaborative networks.

## DTI Startup Ecosystem Development Program (SEDP)



### **QBO Innovation Hub**

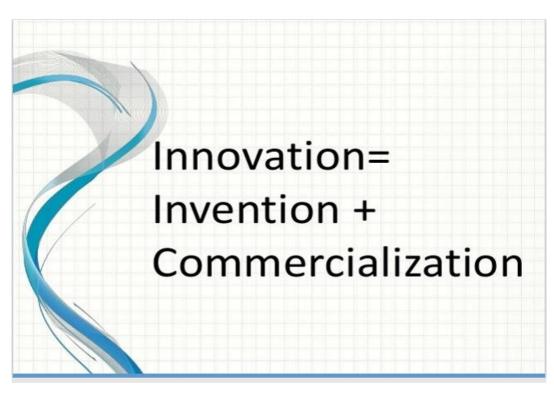


Department of Trade and Industry (DTI) through its Export Marketing Bureau (EMB) and IdeaSpace Foundation (IdeaSpace), the leading early stage technology incubator and accelerator in the Philippines signed an MOU on August 8, 2016 to establish the QBO Innovation Hub at the DTI International Building, Sen. Gil J. Puyat Avenue, Makati City for startups and innovation entrepreneurs.

### Scaling Up and Dispersing Opportunities

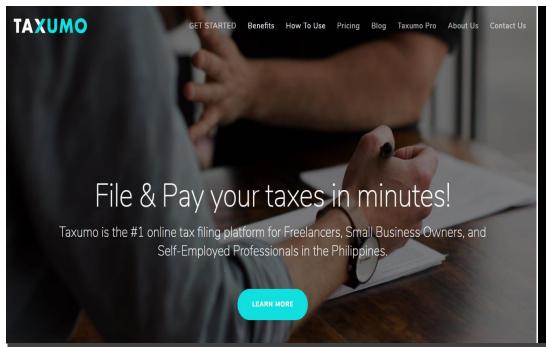


The Board of Investments IPP include further emphasis on innovation-driven and job-generating businesses.



Commercialization of new and emerging technologies and products of DOST or government-funded R&D under RA 10055.

### Some Startups Registered with BOI







#### **NXTLVL Agri Technology Inc**

We are a Philippine agritech company that develops modular hydroponic farms

Agriculture

### Platform for Innovation and Invention



Co-working spaces and innovation centers serve as business incubators for start-up entrepreneurs during the early stage of development.



Fablabs or makerspaces Platform for innovation and invention, providing stimulus for local entrepreneurship\*. (DTI Bohol Fablab)

### Commercialization of R&D

Covers commercialization of new and emerging technologies and products of DOST or government-funded R&D, such as, but not limited to:

- Agricultural biotechnology tools
- Disaster mitigation/prevention hardware or software
- Hardware or software for increasing agricultural productivity
- Mechanized means for natural resources conservation
- Portable technologies
- **\display** Hardware or software for the prevention of disease outbreaks
- Remote monitoring devices or systems
- Professional services for remote sensing
- Hardware or software for the upgrading of local industries
- Photonics and Nanotechnology
- ❖ Natural Health Products





An innovation-led growth model enables technology-based entrepreneurs, startups, and MSMEs to scale-up and become competitive in the long run. This might be the equalizer that levels the playing field among small and large firms."



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