

Inclusive innovation industrial strategy of Philippines

Department of Trade and Industry, Philippines
<http://innovate.dti.gov.ph/>

In support of President Rodrigo Duterte’s Zero+10-Point socio-economic agenda, the Department of Trade and Industry (DTI) is implementing the Inclusive Innovation Industrial Strategy (i³S)¹ which aims to grow innovative and globally competitive manufacturing, agriculture, and services industries, while strengthening their linkages in the global value chain to achieve an inclusive and sustainable growth that generates more opportunities for employment and entrepreneurship in the country.

i³S envisions the government to act as the facilitator in addressing the most binding constraints in preventing the industries from growing. It aims to create globally competitive and innovative industries through (1) building an innovation and entrepreneurship ecosystem that will help in forming new industry clusters; (2) removing obstacles to growth that will allow the Philippines to attract more investments; (3) strengthening domestic supply chain to encourage inclusivity and promote self-sufficiency; and (4) deepening the participation of the industries in global and regional value chains to maximize economic benefits.

The i³S is based on six strategic actions aimed at pursuing coordination with other government agencies, industry, and academe:

- Embrace Industry 4.0: Embrace Industry 4.0 technologies to make our industries more competitive with manufacturing as a major driver of industrial development and inclusive and sustainable growth.
- Innovative SMEs & Startups: Promoting the development of more innovative MSMEs and startups.

- Integrate Production System: Integrating our production system by linking manufacturing with agriculture & services, address gaps in our domestic supply chain, and deepen our participation in GVCs.
- Ease of Doing Business: Improving our infrastructure by streamlining & automating regulatory processes and investing in digital & other physical infrastructure including power & logistics.
- Upskill/Reskill Workforce: Building our human capital, upgrade and reskill and equip our workforce with new digital skills to prepare them for future production.
- Innovation and Entrepreneurship Ecosystem: Build our innovation and entrepreneurship ecosystem through strong collaboration between government, academe, and industry, pursue more market-oriented research & acceleration of research commercialization.

The current innovation strategy that is being pushed for by the DTI has both domestic and export market orientation, emphasizing the need for Filipino entrepreneurs to capitalize on the consumer market of the country while linking it to the regional hubs.

The DTI, through the BOI, identified the following emerging & strategic clusters as priority industries: (a) auto & auto parts, (b) electronic manufacturing service, (c) aerospace parts and aircraft maintenance, repair & overhaul, (d) chemicals, (e) Shipbuilding & ship-repair, (f) furniture, garments, creative industries, (g) Tool & Die, Iron & Steel, (h) Construction, (i) IT-BPM & E-Commerce, (j) Transport & Logistics, (k) Tourism & (l) Agribusiness.

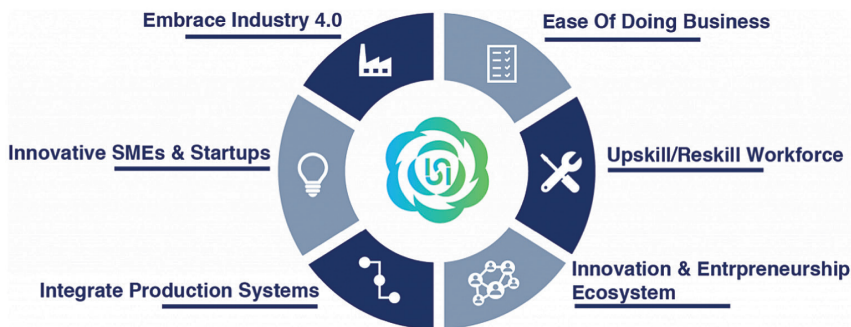


Figure 1: Strategic actions of the inclusive innovation industrial strategy

¹ Asec. Aldaba’s Concept Note: DTI Research Project on Innovation and Industry 4.0 in the Philippines, pp. 14–18.

Inclusive Filipinnovation and entrepreneurship roadmap

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In line with i³S, the DTI, in cooperation with the Department of Science and Technology (DOST) formulated the Draft Inclusive Filipinnovation and Entrepreneurship Roadmap (IFER). The draft roadmap has the following elements: (1) Innovation Policy and Commercialization; (2) Entrepreneurship Program and Making MSMEs Competitive; (3) Government-Academe-Industry; (4) Industry Clusters for Growth; (5) Skilled Workforce and; (6) Funding and Finance.

Below are the major recommendations gathered during the workshops on strengthening innovation and entrepreneurship in the country:

Establishment of regional inclusive innovation hubs

Through the establishment of Regional Inclusive Innovation Hubs will support and fill-up the local industry needs be established across the Philippines, as these will connect the players, networks, and stakeholders within the Inclusive Innovation and Entrepreneurship Ecosystem.

The hubs will also function as organic platforms for the emergence of local champions and leaders and will be the medium in organizing, expanding, and mobilizing local communities of innovators and entrepreneurs. More importantly, hubs shall collectively serve as the corner stone of i³S and will play a vital role in economic transformation.

Development of human capital towards innovation and entrepreneurship

To reach this state of culture, programs to improve MSME competitiveness and innovation upscale their performance, and provide technology adoption skills shall be undertaken. Likewise, support programs for start-ups that would encourage the growth of mentors, advisors, incubators, accelerators, and professional services shall be pushed.

Moreover, HRD shall be more focused on innovation, with experts and researchers in government, education, and industry sectors working closely together on research and development collaborations and technology transfer training programs for our current workforce to further boost our creative talent pool.

Government–Academe–Industry convergence

Above all, and to sustain innovation and entrepreneurship efforts, the strong convergence and coordination between and among the government, academe, and industry stakeholders should be strengthened. This shall be done through the revival of the Filipinnovation council composed of the different stakeholders from the three sectors. From there, more technical collaborations may be established that would pave the way for shared facilities, relevant market-oriented research, more job-ready graduates, and entrepreneur-specific training programs. The linkage would also lead to more responsive curricula by our education sector to align with the needs of the industry.

Global Innovation Index 2021

The 2021 edition of the Global Innovation Index (GII) presents the latest global innovation ranking of 132 economies, relying on 81 different indicators. While tracking the most recent global innovation trends in the new Global Innovation Tracker, this edition also focuses on the impact of the COVID-19 pandemic on innovation.

The Global Innovation Index 2021 is published by the World Intellectual Property Organization (WIPO), in partnership with the Portulans Institute and with the support of our corporate partners: the Brazilian National Confederation of Industry (CNI), Confederation of Indian Industry (CII), Ecopetrol (Colombia), and the Turkish Exporters Assembly (TIM).

The GI 2021 is calculated as the average of two sub-indices. The Innovation Input Sub-Index gauges elements of the economy that enable and facilitate innovative activities and is grouped in five pillars: (1) Institutions, (2) Human capital and research, (3) Infrastructure, (4) Market sophistication, and (5) Business sophistication. The Innovation Output Sub-Index captures the actual result of innovative activities within the economy and is divided in two pillars: (6) Knowledge and technology outputs and (7) Creative outputs.

For more information, access:

https://www.wipo.int/edocs/pubdocs/en/wipo_pub_gii_2021.pdf