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# The Economic Contribution of Copyright-Based Industries in the Philippines

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The Economic Contribution of  
Copyright-Based Industries in the Philippines  
**3**

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## Executive Summary

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The economic significance of copyright is generating interest as the role in national economic activity of non-material production factors, including the digital revolution, is gaining importance.

In the Philippines, the great potential of copyright in promoting the growth of Philippine industries must be realized, and the economic value for local development must be captured. To achieve this, it is essential to first ascertain the size and composition of the Copyright-Based Industries (CBI) in the country. Thus, the World Intellectual Property Organization (WIPO) with support from the Government of Japan has met the request of the Philippine Government to conduct this baseline study to provide benchmark information on the contribution of copyright industries to the national economy. This study specifically seeks to quantify the economic contribution of copyright and related rights industries to Gross Domestic Product (GDP), employment and trade; to examine and understand the role of copyright in selected copyright-based industries, and to propose policy and institutional interventions to encourage the growth and development of copyright-based industries in the country.

The study follows the WIPO Guide on Surveying the Economic Contribution of the CBI in identifying the relevant Philippine industries and estimating their value added share in GDP, employment and trade.

The main source of data analyzed in this study is from the National Statistics Office (NSO) which is mandated to undertake censuses and surveys of households and establishments. Value added and employment data are from the NSO's 2000 Census of Philippine Business and Industry (CPBI), with 1999 as the reference year, and covering large establishments (i.e., those employing 20 or more workers) only. Share in GDP is based on value added estimates in the CPBI.

According to the WIPO Guide, core copyright-based industries would not exist or would be significantly different without copyright, hence 100 percent of such industries' value added is considered as a copyright contribution to the national economy. To estimate the contribution of non-core copyright-based industries, copyright factors from the Singapore study have been adopted because Philippine-specific factors are not yet available.

Trade data in this study come from the Foreign Trade Statistics, an annual publication that provides import and export values of goods using the Philippine Standard Commodity Classification (PSCC), at the most disaggregated 7-digit level of classification. The share of copyright products in trade is calculated only in terms of physical goods and excludes royalties.

Based on the official statistics of the Philippine Government relating to large establishments, the total contribution of CBI to the GDP of the Philippines was estimated at 4.82 percent, of which 3.50 percent was by the core copyright-based industries, 0.96 percent by interdependent, 0.04 percent by partial, and 0.29 percent by non-dedicated support CBI. These CBI employ an estimated 317,000 workers which is approximately 11.1 percent of the total employed in large establishments, 8.81 percent of whom are in the core copyright-based industries, 1.4 percent in interdependent, 0.2 percent in partial, and 0.6 percent in the non-dedicated support industries. Taken together, copyright-based imports made up 9.18 percent of total Philippine imports in 1999, decreasing slightly to 7.67 percent in 2003. The level of exports also dropped from 18.18 percent in 1999 to 13.34 percent in 2003.

These results indicate the significant contribution of CBI to the economy of the Philippines, notably its potential for employment generation. For this reason, government intervention is highly recommended.

A policy to protect copyright and encourage creativity already exists. It is enshrined in the Philippine Constitution and in the principal law on the matter, the Intellectual Property Code of the Philippines (Republic Act 8293) which took effect on January 1, 1998. While additional legislative initiatives may help, they can take years to formulate and much longer for results to be achieved. On the other hand, steps can be taken immediately by government agencies to provide relevant information to help Philippine establishments.

The National Economic and Development Authority (NEDA), is primarily responsible for the formulation of continuing, coordinated and fully integrated social and economic policies, plans and programs. Its powers and functions are exercised by the NEDA Board. Chaired by the President of the Philippines with the Director General of NEDA as Vice-Chairman, the NEDA Board has as its members the Executive Secretary and Secretaries (heads) of the following departments: Finance, Trade and Industry, Agriculture, Environment and Natural Resources, Public Works and Highways, Budget and Management, Labor and Employment and Local Government. All of these departments are directly related to all the copyright-based industries covered by this study.

The National Statistical Coordination Board (NSCB) is chaired by the Director-General of NEDA. It is the main policy-making and coordinating body on statistical matters. Among its powers and functions, the NSCB is mandated to recommend executive and legislative measures to enhance the development and efficacy of the system; to allocate statistical responsibilities among government agencies by designating the statistics to be collected by them including their periodicity and content; to develop, prescribe and maintain an appropriate framework for improvement of statistical coordination and prescribe uniform standards and classification systems in government statistics. It may set up inter-agency committees to assist it in carrying out its activities.

The NSO is the major statistical agency responsible for providing general purpose statistics and undertaking censuses and surveys as may be designated by the NSCB.

Quality information must be systematically and regularly gathered and made available by NEDA and the NSCB through the NSO and other government agencies. The following recommendations can immediately be implemented:

- (1) Detailed data collection and classification must be undertaken to establish the size, composition, and changes in the copyright-based industries.
- (2) A direct question on the amount of copyright royalties and a separate tally of the results would also be useful. While the question is currently asked, the answers are subsumed under "Costs of non-industrial services carried out by others." The 2003 ASPBI now poses a specific, separate question on the costs of copyrights, franchises, etc., although the replies are not reported separately. However, a question on annual payments for the use of copyrights separate from other forms of intellectual property would be more useful. R&D expenditures would also be more relevant if the amount relating directly and only to current production was separated out.
- (3) The categories from the North American Industry Classification System (NAICS) must be taken into consideration by the technical working group under the NSCB to properly identify and classify digital products and services.
- (4) The Labor Force Survey must be utilized more effectively as it targets individuals rather than establishments as respondents. Since self-employed individuals produce copyright products and services, their number and contribution must be estimated.

- (5) With the release in 2007 of the International Standard Industrial Classification (ISIC) Revision 4 by the United Nations Statistics Division, and the fast-tracking of the ASEAN Standardization of the Classification System by the ASEAN Secretariat, the Philippine Statistical System must elevate the CBI to a higher-level classification to ensure proper collection of information on them and raise the awareness of their importance and economic contribution not only in the Philippines but in other countries as well.
- (6) The Securities and Exchange Commission must require corporations and partnerships to include information on payments made/received on account of royalties, including details of the name and location of the payee/payer and the amount in their annual financial statements. Industry associations or individuals should be encouraged to provide information when they register as businesses or professionals.
- (7) The NSCB must require the regular updating of CBI statistics identified here not only by the NSO but by other agencies such as the SEC, with the obligation to collate, organize and submit the data to the NSCB. To monitor enforcement and judicial actions effectively, data from enforcement agencies and courts, including historical information, must likewise be systematized.
- (8) The present report provides baseline information on the economic contribution of CBI in terms of value added, employment and foreign trade. NEDA must conduct further, regular studies on the CBI, in particular to establish copyright factors for the Philippines. Initially, the present survey could be repeated using the WIPO Guide or its updated version using new/older statistics for comparisons over time. Further studies should be built upon the WIPO Guide or its updated version to ensure comparability of data/results. At the same time additional parameters/measures could be incorporated to accommodate other information needed by policy-makers such as, for example, the social impact of CBI.
- (9) Again, it is necessary to underscore the need for a policy to provide funds or funding sources such as fees and charges for the specific purpose of carrying out the recommendations made here.
- (10) In order to monitor enforcement and judicial actions effectively, data from enforcement agencies and courts, including historical information, must be systematized.

In the short and medium term, programs for public awareness on copyright and its importance must be regularly undertaken. Private sector participation in the education of the public must be intensified. The program of integrating awareness of copyright at all levels of the educational system must be fully implemented.

In the medium and long term, laws and policies, including implementation of laws on copyright, must be periodically reviewed and upgraded taking into account the impact of CBI on the economy as shown by studies using government statistics, preferably including the informal sector.

## Introduction

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The economic significance of copyright is increasingly generating interest because of the growing importance in national economic activity of non-material production factors, including digital technology. Indeed, numerous country studies<sup>1</sup> have confirmed that copyright and related industries contribute significantly and increasingly to national comparative advantage and intellectual capital.

In the Philippines, this recognition appears in knowledge-based development strategies as well as in the establishment of policy and the organizational infrastructure for the enforcement of intellectual property rights. For instance, Republic Act 8047 or the Book Publishing Industry Development Act was passed in 1995, mandating the implementation of a National Book Policy and National Book Development Plan. A Book Publishing Development Month is celebrated, and the royalty tax on authors has been reduced from 20 percent to 10 percent. The Intellectual Property Code which was passed in 1997 took effect in 1998 and created the Intellectual Property Office. The WIPO Internet Treaties, Florence Agreement, Nairobi Protocol and other international commitments are complied with, while a Philippine reprographic rights organization and literacy coordinating council have been established. The National Statistics Office (NSO) is collecting statistics to document the importance of copyright-based industries by including questions on non-material inputs.

The great potential of copyright in promoting the growth of Philippine industries must be exploited, and the economic value for local development must be captured. For this to be achieved, it is essential to first ascertain the characteristics of copyright-based industries in the country. The World Intellectual Property Organization (WIPO) with support from the Government of Japan therefore met the request of the Philippines to conduct this study in order to provide benchmark information on the contribution of copyright products and services to the national economy.<sup>2</sup>

### 1.1. Objectives

The specific objectives of the study are: (1) to quantify the economic contribution of copyright and the related rights industries in the Philippines to Gross Domestic Product (GDP), employment, and trade, (2) to examine selected copyright-based industries to understand the role of copyright in each, and (3) to propose policy and institutional interventions to encourage the growth and development of copyright-based industries in the country.

The study focuses on GDP, employment, and trade as the main indicators of economic importance, inasmuch as growth and productivity are conventionally ascertained in these terms. Use of these indicators also enables comparisons with other industries and with other countries that will in turn help refine the methodology.

### 1.2. Methodology and Data Sources

The study follows the procedure in the WIPO Guide on Surveying the Economic Contribution of the Copyright-Based Industries (CBI) in (1) identifying the relevant Philippine industries and (2) estimating their value added share in GDP, employment, and trade.

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<sup>1</sup> State University of Campinas and WIPO (2002), Turku School of Economics and Business Administration (2003), NUS Consulting (2004), Siwek (2004), Allen Consulting (2001), Wall Communications (2004), IIPA (2005).

<sup>2</sup> The research team engaged for this study was composed of Emma C. Francisco, Loreli C. de Dios, and Erniel B. Barrios. Albert Tijam provided research assistance. WIPO provided experts, namely, Dr. Dimiter Gantchev, Acting Director, Creative Industries Division, WIPO Switzerland, and Dr. Jeremy Thorpe, Director, The Allen Consultancy Group, Australia.

The WIPO Guide separates copyright-based industries into four groups:

**Core copyright-based industries**, defined as those that are wholly engaged in the creation, production and manufacture, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter.

**Interdependent copyright-based industries** are industries that are engaged in the production, manufacture and sale of equipment whose function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter.

**Partial copyright-based industries** are industries in which a portion of their activity is related to works and other protected subject matter and may involve creation, production and manufacture, performance, broadcast, communication and exhibition or distribution and sales.

**Non-dedicated support industries** are industries in which a portion of their activity is related to facilitating broadcast, communication, distribution or sales of works and other protected subject matter, and whose activities have not been included in the core copyright industries.

To identify copyright industries, the Guide uses the International Standard Industrial Classification (ISIC) system, which describes and classifies all possible types of industries in a country, assigning codes to each for easy reference. The ISIC was adopted by the Philippine Statistical System as the Philippine Standard Industrial Classification (PSIC) scheme (1994 version), the most disaggregated descriptions of which are at the 5-digit level. The definitions of some sectors were modified to suit the Philippine environment.

The main source of data used in this study is from the National Statistics Office (NSO), the government agency mandated to undertake censuses and surveys of households and establishments. Value added and employment data are from the 2000 Census of Philippine Business and Industry (CPBI), which took 1999 as the reference year, and the 2003 Annual Survey of Philippine Business and Industry (ASPBI).

The major PSIC divisions that pertain to copyright and related industries are:

- Manufacturing
- Wholesale and Retail Trade
- Transport, Storage, and Communications
- Real Estate, Renting and Business Activities
- Other Community, Social and Personal Service Activities

The PSICs in each copyright-based industry corresponding to that of the WIPO Guide listing are given in Section 4 for core, Section 5 for interdependent, Section 6 for partial, and Section 7 for non-dedicated support industries.

The census or survey takes the establishment, defined as formally registered organizations at the Securities and Exchange Commission (SEC), as the unit of measurement. A distinction is made between “large” establishments, which have on average 20 or more employees, and “small” establishments, which have on average fewer than 20 employees. Only data for large establishments were used in the study for the reasons given in Section 1.3.

Economic contribution or share in GDP is taken from the value added estimates in the CPBI and ASPBI. Value added is calculated by the NSO as the sum of total revenue and capital expenditures on own account and change in inventory, less total costs net of indirect taxes, interest expense, depreciation, and bad debts.

The copyright-based industries however differ in the extent to which their activities are related to protected matter. According to the WIPO Guide, core copyright-based industries would not exist or would be significantly different without copyright; hence 100 percent of such industries' value added is considered as a copyright contribution to the national economy. The other categories show lower percentages.

To estimate the contribution of non-core copyright-based industries, copyright factors estimated by Chow *et al* for Singapore using the WIPO Guide were adopted as follows.<sup>3</sup>

**Box 1. Copyright factors**

CATEGORY	COPYRIGHT FACTOR (%)
<b>Interdependent Copyright Industries</b>	
1. TVs, radios, VCRs, CD and DVD players, electronic gaming equipment	35
2. Computers and equipment	35
3. Musical instruments	20
4. Photographic and cinematographic instruments	30
5. Photocopiers	30
6. Blank recording material	25
7. Paper	25
<b>Partial Copyright Industries</b>	
1. Apparel, textiles and footwear	0.4
2. Jewelry, costume jewelry	8.3, 42
3. Other crafts	42
4. Furniture and fittings, furnishings	8.3, 1.7
5. Household goods, china and glass	0.6
6. Wall coverings and carpets	1.7
7. Toys and games	42
8. Architecture, engineering, and surveying	8.3
9. Interior design	8.3
<b>Non-dedicated Support Industries</b>	
1, General wholesale and retail	5.8
2. General transportation	5.8
3. Telephony and Internet	5.8

*SOURCE: Chow Kit Boey, Leo Kah Mun, Lee Kee Beng, Ong Chin Huat, and Loy Wee Loon, Economic Contribution of Copyright-Based Industries in Singapore, prepared for IP Academy, October 2004.*

*Copyright factors are used to weight the portion of a specific industry that can be attributed to copyright or the level of dependence on copyright.*

While country-specific factors are not yet available, the Singapore factors provide an initial common basis for comparison among member countries of the Association of Southeast Asian Nations (ASEAN), a possibility that was mentioned at the ASEAN Working Group on Intellectual Property Cooperation, which plans to conduct a survey using the WIPO Guide. Countries will eventually need to determine their respective copyright factors based on evidence from their own CBI experiences.

<sup>3</sup>The study team planned to estimate copyright factors for the Philippines by conducting a survey of associations of copyright-based industries. However an extremely poor response rate rendered this impossible.

The NSO also compiles administrative reports from various sources which include foreign and local trade statistics that are based on bills of lading from seaports and airports. Trade data comes from the Foreign Trade Statistics, an annual publication that provides import and export values of goods using the Philippine Standard Commodity Classification (PSCC) at the most disaggregated or 7-digit level of classification. The share of copyright products in trade is reckoned only in terms of physical goods and excludes royalties.

### 1.3. Estimation Considerations

The PSICs whose descriptions matched those in the WIPO Guide were selected, either at the 3- or 4-digit level. The copyright-based industry categories thus consist of a combination of 3- or 4-digit PSIC codes; hence the corresponding information was combined to obtain that category's total value added and employment figures.

Furthermore, only data for large establishments were considered in this study, since only such establishments yield the required information on value added and are usually prioritized in sampling for both censuses and surveys. However, they are usually sampled on the basis of 3-digit PSICs; hence disaggregated sub-section data is rarely available. In contrast, small firms are sampled on the basis of their 4-digit PSIC, but the sampling design only allows the generation of selected information for such firms, and this is insufficient for the computation of value added. Nevertheless, large establishments comprise the majority of all relevant main industry groupings in terms of compensation, and, only with the exception of trade and other services, in the numbers employed.

#### Box 2. Share of large establishments in employment and compensation by sector

SECTOR	Share of Large Establishments (%)	
	Employment	Compensation
Manufacturing	69.9	90.4
Wholesale and retail trade	24.2	53.4
Transport, storage and communication	78.0	92.2
Real estate, rental and business services	63.3	76.8
Other community, social, and personal services	28.0	62.4

SOURCE: 2000 CPBI.

Data at highly disaggregated levels such as the 4- or 5-digit PSIC would be ideal because specific activities that are copyright-based are clearly identified. In general however these are published only when there are at least three establishments sampled under that PSIC level.<sup>4</sup> Data is thus mainly at the 3-digit PSIC level, and where 4-digit data were available, they came from the All Establishments table and did not include value added. Value added at the 3-digit PSIC of Large Establishments was therefore prorated on the basis of compensation shares of the applicable 4-digit PSICs in their 3-digit headings from the All Establishments table, except in the case of telecommunications, which used an estimate from an industry study. The following summarizes these shares:

<sup>4</sup>Due to budget constraints, the 2000 CPBI is a complete enumeration of large establishments only but does not identify their 5-digit PSIC. For small establishments, aggregation is not available at the 5-digit PSIC since there were very few establishments that could be used to reliably estimate output at this level.

**Box 3. Basis for proration of value added**

INDUSTRY and PSIC	PROXY VARIABLE	ESTIMATED SHARE
9220 News agency	Compensation share in 922 (motion picture, radio, TV, other entertainment) from All Establishments dataset	1.2%
9211 Motion picture and video production and distribution	Compensation share in 921 (motion picture, radio, TV, other entertainment) from All Establishments dataset	10.5%
9212 Motion picture projection	Compensation share in 921 (motion picture, radio, TV, other entertainment) from All Establishments dataset	10.7%
9213 Radio and television	Compensation share in 921 (motion picture, radio, TV, other entertainment) from All Establishments dataset	59%
9214 Dramatic arts, music, other arts	Compensation share in 921 (motion picture, radio, TV, other entertainment) from All Establishments dataset	3.5%
9219 Other entertainment activities, n.e.c.	Compensation share in 921 (motion picture, radio, TV, other entertainment) from All Establishments dataset	15.2%
9249 Other recreational activities	Compensation share in 924 (sporting and other recreational activities) from All Establishments dataset	80.6%
9232 Museums, preservation of historical sites and buildings	Compensation share in 923 (library and archives, museums and other cultural activities) from All Establishments dataset	27.2%
9234 Art galleries	Compensation share in 923 (library and archives, museums and other cultural activities) from All Establishments dataset	4.4%
642 Telecommunications	Employment share of radio/TV as a residual from the de Vera employment estimate in telephone services	9.8%
7494 Photographic activities	Compensation share in 749 (business activities, n.e.c.) from Large Establishments dataset	0.6%
7499 Other business activities n.e.c.	Compensation share in 749 (business activities, n.e.c.) from Large Establishments dataset	3.24%

*SOURCE: Computed from 2000 CPBI and de Vera (2002).*

Value added estimates from the 2003 ASPBI were tabulated as far as possible for purposes of comparison. However, only a few CBI could be directly compared owing to differences in sampling methodology and coverage between the CPBI and ASPBI. The CPBI sampled large establishments at the provincial level using 4-digit PSICs and sampled all establishments at the regional level using 3-digit PSICs, while the 2003 ASPBI sampled large establishments on the basis of their 3-digit PSICs; hence industry aggregations did not always correspond. In many cases, the latter reporting these 3-digit PSICs combined while insufficient data precluded proration of 3-digit PSICs into 4-digit level shares.

Estimates of copyright royalties would have been available but they are subsumed under Costs of Non-Industrial Services Done by Others in the 2000 CPBI. The 2003 ASPBI includes a specific, separate question on costs of intangible assets, which covers copyrights, patents, trademarks, franchises, goodwill, etc., as a whole. Aside from the lack of a breakdown, it is a stock or fixed asset and needs to be annualized. An attempt to obtain such average annual costs per industry was unsuccessful.

Both the CPBI and ASPBI also provide research and development cost figures, defined as amounts spent on any systematic and creative work undertaken to increase stock knowledge and the use of this knowledge to devise new applications. However, this does not indicate an industry's degree of dependence on copyright as publishing and motion picture production, which are obviously dependent on copyright, show very low R&D levels. Their impact on output is also cumulative and not confined to one year. Nevertheless these are reported on in Section 8.

For certain PSIC codes that appear under more than one category, only those in a category that had a higher copyright dependency were included. The latter was based on the Singapore estimates of copyright factors.

Finally, data was suppressed by the NSO when only 1 or 2 respondents were sampled. Hence some categories have been combined to comply with confidentiality commitments and stability of estimates.

#### 1.4. Additional Data Sources

Other data sources were:

- (a) The publication Top 7000 Corporations which provides firm-specific information on gross revenue for the copyright-based industries classified at the 5-digit PSIC. Their information is obtained from the SEC, which requires firms to submit their annual financial reports. Since the top 7000 corporations would already comprise about 70 percent of all business enterprises, the listing is useful. The main problem is that many multi-activity firms were classified under the activity which brought in the most revenue but actual revenue from copyright-based activity is not known.
- (b) The gathering of industry studies or profiles in publishing and printing, movie production, radio and television broadcasting, and software development, which allow for the inclusion of a background description of industry players, products/services, and markets in this study.
- (c) In the course of this study, a survey of copyright-based firms was attempted through sixty-three industry associations. Without sanctions for non-compliance, however, only seven replied, out of which only three were engaged in copyright-related business. Moreover they did not provide detailed information.
- (d) The NSO also conducts Labor Force Surveys every quarter, providing statistics on individual employment according to occupational categories, and which could therefore be a rich source of data on individual producers of copyright products and services such as artists, writers, composers, performers, photographers, programmers, and the like. Unfortunately the raw data tabulations are only at the most aggregated level and cannot be used for the study.
- (e) To provide an idea of the demand for copyright products and services, data on consumption patterns from the Family Income and Expenditure Survey (FIES) is used. The FIES is a nationwide survey of

households conducted every three years, the most recent being 2003. The sample makes use of the master sample of households for the Philippines maintained by the NSO. The survey gathers data on levels of family consumption by expenditure, sources of family income in cash or in kind, housing characteristics, and other household information. The 2003 round contained a total sample of 42,094 households.

Ideally, input-output (IO) tables enable a fuller understanding of the demand patterns that include the intermediate demand of other firms. However the most recent IO table for the Philippines takes 1994 as the reference year, but this may no longer provide realistic demand patterns because of substantial changes in the structure of the Philippine economy. A new benchmark table is still being constructed by the National Statistical Coordination Board (NSCB).

## 2. Policy environment

### 2.1. Framework

The Constitution of the Philippines declares the protection of intellectual property rights to be a state policy.

The Philippines is also a signatory to treaties relating to the protection of copyright and related rights as follows:

- (a) The Berne Convention for the Protection of Literary and Artistic Works (since 1951, with respect to the administrative provisions and since 1997, with respect to the substantive provisions).
- (b) The Convention Establishing the World Intellectual Property Organization (since 1980).
- (c) The Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organizations (since 1984).
- (d) The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement) (since 1995).
- (e,f) The Internet Treaties: The WIPO Copyright Treaty and The WIPO Performances and Phonograms Treaty (since 2002).

The Intellectual Property Code of the Philippines (Republic Act No. 8293, or the IP Code) echoes state policy: "The State recognizes that an effective intellectual and industrial property system is vital to the development of domestic and creative activity, facilitates transfer of technology, attracts foreign investments, and ensures market access for our products. It shall protect and secure the exclusive rights of scientists, inventors, artists and other gifted citizens to their intellectual property and creations, particularly when beneficial to the people, for such periods as provided in this Act. The use of intellectual property bears a social function. To this end, the State shall promote the diffusion of knowledge and information for the promotion of national development and progress and the common good. It is also the policy of the State to streamline administrative procedures of registering patents, trademarks and copyright, to liberalize the registration on the transfer of technology, and to enhance the enforcement of intellectual property rights in the Philippines." (Section 2)

To implement this declared state policy, the IP Code created the Intellectual Property Office which is mandated to hear and arbitrate in contested proceedings affecting intellectual property rights. Thus, the Director General who heads the Intellectual Property Office exercises original jurisdiction to resolve disputes relating to the terms of a license involving the author's right to public performance or other communication to the public of his/her work. Decisions of the Director General in such cases may be appealed to the Secretary of Trade and Industry. On the other hand, the Director of the Bureau of Legal Affairs of the Intellectual Property Office is vested with original jurisdiction in administrative complaints for violations of laws involving intellectual property rights where the total damages claimed are not less than P200,000 (two hundred thousand pesos) (approximately €3,400 or US\$4000) This mandate of the Bureau of Legal Affairs includes the power to grant provisional remedies in accordance with the Rules of Court, and to award damages, making it comparable with the jurisdiction of regular courts in civil cases for intellectual property rights violation. The decisions of the Director of Legal Affairs may be appealed to the Director General whose decisions, in turn, may be appealed to the Court of Appeals. From the Court of Appeals, a final appeal may be made to the Supreme Court of the Philippines whose decisions are final.

The Government has thus recognized the importance of intellectual property and deliberately made it a priority. More recently, in early 2006, the President in a policy statement reaffirmed that "protection of intellectual property rights is first and foremost in the interest of the Filipino people."\* In late 2006 she emphasized that "protecting and promoting intellectual property rights is a strategic and critical component

\* Statement rendered at the Luncheon for the National Committee for IPR (NCIPR) and private sector partners on 20 February 2006 at the Presidential Palace.

to the country's socio-economic development and the Government's efforts to raise the level of competitiveness of Philippine businesses."

The IP Code provides copyright protection to original literary and artistic works from the moment of their creation. Certain derivative works are also protected by copyright. The provisions on copyright are summarized in Annex C with a brief history of Philippine copyright law. Unlike past laws which required examination of copyright applications and registration for copyright to attach and to entitle the author to recover damages in case of infringement, the IP Code requires their deposit only to complete the collection of the National Library and the library of the Supreme Court of the Philippines. Deposit with either office is sufficient.

## 2.2. Policy Implementation

Largely as a reaction to the United States Trade Representative's (USTR) Special 301 process which placed the Philippines on the Watch List, the President created an Inter-Agency Committee on Intellectual Property Rights under the Office of the President. Chaired by the Secretary of Trade and Industry, the Inter-Agency Committee comprised 11 members, two of which were private intellectual property organizations, acting mainly as a forum for exchange of views particularly with respect to issues raised by the USTR during the annual Special 301 review process although some intellectual property rights (IPR) awareness seminars were conducted, these were limited by budget constraints.

In 1999 and 2000, the Director General of the Intellectual Property Office having been appointed to chair the inter-agency committee, set the focus for the inter-agency committee on enforcement by creating and empowering the sub-committee on enforcement chaired by the National Bureau of Investigation.

For its part, the Intellectual Property Office took the lead in non-enforcement related activities like policy formulation through legislation (the Optical Media Act and other IP laws) and adhesion to treaties (the Internet treaties and other IP treaties); information dissemination through seminars, workshops, overseas training of government and private sector employees; reaching out to businessmen, students (annual essay writing contests for elementary, high school, and university levels and painting contests for high schools were held up to 2004) and members of the academic sphere; introduction of the teaching of intellectual property rights at all levels starting with the specialized scientific high schools under the supervision of the Department of Science and Technology and the Department of Education, projects to provide transparency in government such as the database of IP cases at the Intellectual Property Office; the Regional Trial Courts and the Department of Justice. Projects to strengthen IP enforcement include the Handbook on IPR Enforcement and the Handbook for the Bureau of Customs, establishment of IP units in the Bureau of Customs and the National Telecommunications Commission.

When the inter-agency committee was abolished by the President in 2002, the Intellectual Property Office convened an Intellectual Property Enforcement Action Panel made up of a broader base coming from the public sector (enforcement and other agencies) and the private sector (academia, the business community, IP organizations).

In 2005 the Government formulated a strategic action plan to strengthen the intellectual property regime in the country, continuing the implementation of the policy contained in the constitution, the laws and the international agreements to which the Philippines is a party. The plan included institutional linkages and inter-agency coordination; sustaining enforcement; improving prosecution and adjudication; enhancing awareness and public education; institutional strengthening and capacity building; enhancing the policy environment and broadening international cooperation, intensifying public information and education, enforcing copyright protection of printed materials and implementing strategies such as copyright licensing and establishment of collection societies.

### 3. Copyright-based industries

A summary of the estimates of industry size in terms of employment, productivity, and economic contribution of all copyright-based industries is tabulated as follows, together with those of the broad economic sectors of agriculture and mining, manufacturing, and services. As only large establishments are covered, the aggregates may be slightly underestimated but patterns are likely to characterize each sector in its entirety since they are dominated by large firms. All together, CBI employed about 317,000 workers or 11.1 percent of the total employed in large establishments, and contributed P144 billion or 4.82 percent to GDP. Their value added share in GDP was much lower than that of industry and services, but exceeded that of agriculture, although the latter's value added is significantly understated since it consists mostly of small establishments or informal unorganized entities. Productivity was also much lower than in industry and services and lower than the national average. Their value added made up 26.7 percent of services and 15.5 percent of that of the major PSIC Divisions (manufacturing, wholesale and retail trade, transport and communications, business services, and other community social and personal services) under which they are classified.

Core copyright-based establishments made up 15.8 percent of all large establishments, employed 251,000 or 8.8 percent of the total, and provided P105 billion or 3.54 percent of GDP. They made up more than three-fourths (79.4 percent) of CBI employment, and about three-fourths (73 percent) of CBI value added. This is likely to be related to their high average productivity, which exceeded that of services, and came close to the national average.

**Table 1. Size and contribution of Philippine copyright-based industries**

Sector and Industry	Number of Establishments		Employment		Value Added (P000)	VA as % of GDP	Value Added per Employee (P000)
	Number	% of Total	Number	% of Total			
PHILIPPINES (Large Establishments)	28245		2853889		1226892217	41.0	430
Agriculture and mining	1213	4.3	149228	5.2	19668706	0.7	132
Industry	8664	30.7	1289290	45.2	668837212	22.5	519
Services	18368	65.0	1415371	49.6	538386229	18.1	380
<b>COPYRIGHT-BASED INDUSTRIES</b>			<b>316785</b>	<b>11.1</b>	<b>143537212</b>	<b>4.82</b>	<b>453</b>
Core	4466	15.8	251469	8.81	105450912	3.54	419
Press and literature	3541	12.5	177376	6.22	63407733	2.13	330
Music, theater, opera	252	0.89	23099	0.81	11726015	0.39	508
Motion picture and video	60	0.21	3022	0.11	2233413	0.08	739
Radio and television	138	0.49	12777	0.45	13629900	0.46	1067
Photography	19	0.07	1002	0.04	122461	0.004	122
Software and databases	322	1.14	27607	0.97	11444727	0.38	416
Visual and graphic arts	3	0.01	85	0.003	3837	0.0001	45

Advertising	134	0.47	6502	0.23	2882825	0.10	443
Interdependent			41085	1.4	28429503	0.96	692
Partial			6266	0.2	1059551	0.036	169
Non-dedicated support			17965	0.6	8597246	0.29	479
Copyright-based industries VA share in services: 27.2%							
Copyright-based industries VA share in major PSIC divisions D,G,I,K,O (manufacturing, trade, transport storage communication, business services, other community social and personal services): 15.8%							
NOTE: Agriculture includes forestry and fishing; industry consists of manufacturing, electricity gas and water, and construction; services consists of wholesale and retail trade, hotels and restaurants, transport, storage, communication, financial intermediation, real estate renting and business, private education, health and social work, and other community social and personal services.							

*SOURCE: Computed from 2000 CPBI.*

Of the core industries, the press and literature sector was the most significant contributor to GDP, bringing in 2.13 percent. Productivity was highest however in radio and television, which together with music, theater and opera, and software and databases, supplied over 1 percent of GDP. The rest contributed much less than 1 percent each.

Interdependent CBI contributed 0.96 percent of GDP; partial CBI share was 0.04 percent, and non-dedicated support industries accounted for 0.29 percent.

Some country estimates of the copyright industries' contributions to their GDP and employment are tabulated below. The coverage of copyright industries, estimation methods, and reference years differ across countries, except for the USA, Canada, or Latvia and Singapore, which also used the WIPO Guide. Nevertheless, the figures suggest that the Philippines is within the range of estimates, especially in view of the fact that it covers large establishments only. According to an IIPA (2005) survey, CBI generally account for 3-6 percent of overall economies, with both developed and developing countries exhibiting similar trends. In terms of employment share, however, that of the Philippine CBI is substantially higher relative to the rest.<sup>5</sup>

<sup>5</sup> Some experts suggest that developing countries' results may be overestimated, possibly because total GDP is underestimated to the extent that the informal or unorganized sector, which could comprise a significant proportion of less developed economies, is not accounted for. However in the Philippines, national income estimates theoretically also cover the informal economy, although not completely. For instance, the informal economy was estimated by E. de Guzman (2001) to comprise 43.4 percent of Gross National Product (GNP). In fact the value added approach does not include the informal sector because establishment-based statistics only cover formally-organized entities. Hence the real value added estimate for a particular copyright industry should also include its informal or unorganized content. This could also explain the strong positive correlation between value added contribution to GDP and *per capita* income and negative correlation with piracy rates, which was pointed out by J. Thorpe.



**Table 2. Comparative contributions of copyright-based industries to GDP and employment, by country**

Country (Year)	% Contribution to GDP	% Contribution to Employment
Philippines (1999)	3.54 (core; large only)	8.81 (core; large only)
Argentina (1993)	6.6 (all), 1.5 (core)	5.3 (all), 1.2 (core)
Australia (1999)	3.3 (all)	3.8 (all)
Brazil (1998)	6.7 (all), 4.59 (excl. telecom)	5.0 (all)
Canada (2002)	3.99 (core), 5.38 (all)	6.96(all)
Chile (1997)	2.0 (all)	2.7 (all)
European Union (2000)	5.3 (all), 3.99 (core)	3.1 (all), 2.02 (core)
Hong Kong (2001)	3.8 (creative)	n.a.
Japan (1998)	2.3 (core)	n.a.
Latvia (2000)	3.9 (all), 2.9 (core)	4.4 (all), 3.7 (core)
New Zealand (2001)	3.1 (all)	3.6 (all)
Paraguay (1992)	1.0 (incomplete)	3.3 (incomplete)
Singapore (2001)	5.7 (all), 2.85 (core)	5.8 (all), 3.64 (core)
United States of America (2002)	6.0 (core)	4.0 (core)
Uruguay (1999)	6.5(all); 3.3 (excl. telecom)	4.9 (all), 3.8 (excl. telecom)

*Sources: Siwek (2004); Media Group of the Business Research and Development Center, Turku School of Economics and Business Administration (2003), IIPA (2005), Wall Communications (2004); Allen Consulting (2001); NUS Consulting (2004); State University of Campinas and WIPO (2002).*

In Table 3 below, the total average productivity of all CBI was higher than the average for both the national and services sector.

Large core copyright-based industries employed 56 persons on average. Within the core, radio and television, music, theater and opera, and software and databases employed the highest number and had high value added per establishment, indicating that their operations depended mostly on human capital and were highly productive. On a per employee basis however, motion picture and video showed higher productivity than the latter two industries although average productivity in radio and television significantly exceeded all others.

Value added per worker was higher for interdependent and non-dedicated CBI relative to that of the core CBI or the national average, while for partial CBI, it was the reverse.

**Table 3. Average size and productivity of Philippine copyright-based industries**

Sector and Industry	Number of Establishments	Employment	Value Added (P000)	Employment per Establishment	Value Added per Establishment (P000)	Value Added per Employee (P000)
PHILIPPINES (Large Establishments)	28245	2853889	1226892217	101	43438	430
Agriculture and mining	1213	149228	19668706	123	16215	132
Industry	8664	1289290	668837212	149	77197	519
Services	18368	1415371	538386229	77	29311	380
<b>COPYRIGHT BASED INDUSTRIES</b>		316785	143537212			453
Core	4466	251469	105450912	56	23595	419
Press and literature	3541	177376	63407733	50	17905	330
Music, theater, opera	252	23099	11726015	92	46540	508
Motion picture and video	60	3022	2233413	50	37224	739
Radio and television	138	12777	13629900	93	98800	1067
Photography	19	1002	122461	53	6445	122
Software and databases	322	27607	11444727	86	35543	416
Visual and graphic arts	3	85	3837	28	1271	45
Advertising	134	6502	2882825	49	21514	443
Interdependent		41085	28429503			692
Partial		6266	1059551			169
Non-dedicated support		17965	8597246			479
NOTE: Value added and employment of interdependent, partial and non-dedicated support industries are at factored levels.						

SOURCE: Computed from 2000 CPBI.

## 4. Core copyright-based industries

### 4.1. Coverage

Core copyright-based industries are industries that are wholly engaged in the creation, production and manufacture, performance, broadcast, communication and exhibition, or distribution and sales of works and other protected subject matter.

The core copyright-based industries consist of:

- Press and literature
- Music, theatrical productions, opera
- Motion picture and video
- Radio and television
- Photography
- Software and databases
- Visual and graphic arts
- Advertising services
- Copyright collecting societies

The PSICs corresponding to those in the WIPO Guide for each core copyright-based industry are listed in the boxes below. It is noted that (a) distribution industries are included in the core, (b) several 3- or 4-digit PSICs are simultaneously classified under several copyright-based industries, and (c) some 3-digit PSICs are highly aggregated. A few industries are described in some detail in Section 9, i.e., press and literature, motion picture and video, radio and television, software and databases and advertising services based on available literature.

#### Box 4. Press and literature

Economic Activity	ISIC Rev 3.1	PSIC and Description
Authors, writers, translators	9214 7499	9214 Dramatic arts, music, and other arts activities 7499 Other business activities, n.e.c.
Newspapers	2212	2212 Publishing of newspapers, journals and periodicals 2230 Publishing and printing activities
News and feature agencies etc.	9220	9220 News agency activities
Magazines/periodicals	2212	2212 Publishing of newspapers, journals and periodicals 2230 Publishing and printing activities
Book publishing	2211	2211 Publishing of books, brochures, and other publications 2230 Publishing and printing activities

Cards, maps, directories and other published material	2219	2219 Other publishing
Pre-press printing and post-press of books, magazines, newspapers, advertising material	2221 2222	2221 Printing 2222 Service activities related to printing
Wholesale and retail of press and literature	5139 5239	51386 Wholesale of books, magazines and newspapers 5235 Retail sale of books, office and school supplies, including newspapers and magazines 71306 Renting of books, journals and magazines
Libraries	9231	9231 Library and archive activities

**Box 5. Music, theatrical productions, opera**

Economic Activity	ISIC Rev 3.1	PSIC
Composers, lyricists, arrangers, choreographers, writers, directors, performers and other personnel	9214 9219 9249	9214 Dramatic arts, music and other arts activities 9219 Other entertainment activities n.e.c. 9249 Other recreational activities
Printing and publishing of music	2213	2213 Publishing of music
Production/manufacturing of recorded music	2230	2240 Reproduction of recorded media
Wholesale and retail of recorded music (sale and rental)	5233 7130 5139	52335 Retail sale of musical instruments and records, tapes, and cartridges 71304 Renting of audio-video machines, tapes and records 51389 Wholesale of miscellaneous consumer goods n.e.c.
Artistic and literary creation and interpretation	9214	9214 Dramatic arts, music and other arts activities
Performances and allied agencies (bookings, ticket agencies, etc.)	9214	9214 Dramatic arts, music, and other arts activities 9249 Other recreational activities

**Box 6. Motion picture and video**

Economic Activity	ISIC Rev 3.1	PSIC
Writers, directors, actors	9214	9214 Dramatic arts, music, and other arts activities
Motion picture and video production and distribution	9211	9211 Motion picture and video production and distribution 9249 Other recreational activities

Motion picture exhibition	9212	9212 Motion picture, audio and video projection
Video rentals and sales, video on demand	7130	71304 Renting of audio-video machines, tapes and records
	9211	9211 Motion picture and video production and distribution 52335 Retail sale of musical instruments and records, tapes and cartridges
Allied services	2230	2240 Reproduction of recorded media

### Box 7. Radio and television

Economic Activity	ISIC Rev 3.1	PSIC
National radio and television broadcasting companies	9213	9213 Radio and television activities
Other radio and television broadcasters	9213	9213 Radio and television activities
Independent producers	7499	74999 Miscellaneous business activities n.e.c.
Cable television (systems, channels)	6420	64220 Transmission of radio and television broadcast
		92132 Television broadcasting and relay stations and studios including closed circuit television services
Satellite television	6420	64220 Transmission of radio and television broadcasts
		92132 Television broadcasting and relay stations and studios including closed circuit television services
Allied services	9213	9213 Radio and television activities

### Box 8. Photography

Economic Activity	ISIC Rev 3.1	PSIC
Studios and commercial photography	7494	7494 Photographic activities
Photo agencies and libraries	2222	2222 Service activities related to printing
	7499	7499 Other business activities n.e.c.
	9231	9231 Library and archive activities

### Box 9. Software and databases

Economic Activity	ISIC Rev 3.1	PSIC
Programming, development and	7221	7221 Software publishing

design, manufacturing	7229	7229 Other software consultancy and supply
Wholesale and retail of pre-packaged software (business programs, video games, educational programs, etc.)	5151	5160 Wholesale of computers, computer peripheral equipment and software 5273 Retail sale of computer software
Database processing and publishing	7240 7230	7230 Data processing 7240 Database activities and online distribution of electronic content 7330 Research and experimental development in information technology

**Box 10. Visual and graphic arts**

Economic Activity	ISIC Rev 3.1	PSIC
Artists	9214	92143 Individual artists activities
Art galleries and other wholesale and retail	9214	9232 Art galleries
Picture framing and other allied services	7494	74949 Photographic activities n.e.c.
Graphic design	9214 7499	92143 Individual artist activities 74999 Miscellaneous business activities n.e.c.

**Box 11. Advertising services**

Economic Activity	ISIC Rev 3.1	PSIC
Agencies, purchasing services	7430	7430 Advertising

**Box 12. Copyright collecting societies**

Economic Activity	ISIC Rev 3.1	PSIC
Agencies, purchasing services	7430	7430 Advertising

## 4.2. Economic Contribution of Core Copyright-Based Industries

The contribution of core copyright-based industries to the number of establishments, employment, and GDP for 1999 is summarized in the following tables. A column for GDP contribution from the 2003 ASPBI is included for CBI that is comparable with the 2000 coverage.

**Table 4. Size and contribution of core copyright-based industries**

PSIC	Core Copyright-Based Industry	Number of Establishments		Employment		Value Added Amount (P000)	1999 VA as % of GDP	2003 VA as % of GDP
		No.	% of total	No.	% of total			
	All Large Establishments	28245	100	2853889	100	1226892217		
	<b>Total Core</b>	4469	15.82	251469	8.81	105450912	3.54	
	Total excluding distribution	1148	4.06	86398	3.03	42579877	1.43	
	<b>Press and Literature</b>	3541	12.54	177376	6.22	63407733	2.13	
221*	Publishing	69	0.24	6721	0.24	3536545	0.12	0.10
222*	Printing and related services	331	1.17	16247	0.57	3934092	0.13	
223*	Publishing and printing	7	0.02	537	0.02	618719	0.02	
9220	News agency activities	S	0.001	29	0.001	126420	0.004	n.a.
7499*	Other business activities, n.e.c.	55	0.19	3399	0.12	661291	0.02	
(513)	Wholesale of household goods	414	1.46	31016	1.09	23388182	0.79	0.42
(523*)	Other retail trade of new goods in specialized stores	2665	9.43	119427	4.18	31142485	1.05	
	<b>Music, Theater, Opera</b>	252	0.89	23099	0.81	11726015	0.39	
9214*	Dramatic arts, music, other arts	17	0.06	922	0.03	368724	0.01	0.24
9219	Other entertainment n.e.c.	55	0.19	2624	0.09	1601315	0.05	(all 921)
9249	Other recreational activities	151	0.53	18765	0.66	9670264	0.32	
7130*	Renting of personal and household goods	29	0.10	788	0.03	85713	0.003	0.0008
	<b>Motion Picture and Video</b>	60	0.21	3022	0.11	2233413	0.08	
9211	Motion picture and video production and distribution	15	0.05	1607	0.06	1106171	0.04	0.24
9212	Motion picture projection	45	0.16	1415	0.05	1127241	0.04	(all 921)
	<b>Radio and Television</b>	138	0.49	12777	0.45	13629900	0.46	
9213	Radio and television activities	121	0.43	7829	0.27	6215629	0.21	
6422	Telecommunications – transmission of radio/TV broadcasts	17	0.06	4948	0.17	7414271	0.25	
	<b>Photography</b>	19	0.07	1002	0.04	122461	0.004	
7494*	Photographic activities	19	0.07	1002	0.04	122461	0.004	0.002
	<b>Software and Databases</b>	322	1.14	27607	0.97	11444727	0.38	
7220	Software consultancy and supply	10	0.04	674	0.02	298149	0.01	0.13
7230	Software development	30	0.11	1860	0.07	947084	0.03	(all 72)
7240	Data processing	37	0.13	9499	0.33	1717043	0.06	
7250	Database activities	3	0.01	946	0.03	142083	0.005	
(515)	Wholesale of machinery, equipment and supplies	242	0.86	14628	0.51	8340368	0.38	
	<b>Visual and Graphic Arts</b>	3	0.01	85	0.003	3837	0.0001	
923	Art galleries	3	0.01	85	0.003	3837	0.0001	
	<b>Advertising</b>	134	0.47	6502	0.23	2882825	0.01	
7430	Advertising	134	0.47	6502	0.23	2882825	0.01	0.07

NOTE: GDP was P2976.9M at current prices in 1999 and P4293M in 2003. Asterisks beside PSICs denote industries that are classified under multiple categories. PSICs in parentheses denote the distribution industries; a breakdown into 4-digit PSICs is unavailable. 100 percent value added is assumed for core.

SOURCE: 2000 CPBI, 2003 ASPBI and authors' calculations.

**Table 5. Average size and productivity of core copyright-based industries**

PSIC	Core Copyright-Based Industry	Number of Establish-ment	Employ-ment	Value Added	Employ-ment per Establish-ment	Value Added per Establish-ment (P000)	Value Added per Employ-ee (P000)
	All Large Establishments	28245	2853889	1226892217	101	43438	430
	<b>Total Core</b>	4469	251469	105450912	56	23595	419
	Total excluding distribution	1148	86398	42579877	75	37084	493
	<b>Press and Literature</b>	3541	177376	63407733	50	17905	330
221*	Publishing	69	6721	3536545	97	51254	526
222*	Printing and related services	331	16247	3934092	49	11885	242
223*	Publishing and printing	7	537	618719	77	88388	1152
9220	News agency activities	s	29	126420	103	454257	4391
7499*	Other business activities, n.e.c.	55	3399	661291	62	12023	195
(513)	Wholesale of household goods	414	31016	23388182	75	56493	754
(523*)	Other retail trade of new goods in specialized stores	2665	119427	31142485	45	11686	261
	<b>Music, Theater, Opera</b>	252	23099	11726015	92	46540	508
9214*	Dramatic arts, music, other arts	17	922	368724	54	21690	400
9219	Other entertainment, n.e.c.	55	2624	1601315	48	29115	610
9249	Other recreational activities	151	18765	9670264	124	64061	515
7130*	Renting of personal and household goods	29	788	85713	27	2956	109
	<b>Motion Picture and Video</b>	60	3022	2233413	50	37224	739
9211	Motion picture and video production and distribution	15	1607	1106171	107	73765	688
9212	Motion picture projection	45	1415	1127241	31	25050	797
	<b>Radio and Television</b>	138	12777	13629900	93	98800	1067
9213	Radio and television activities	121	7829	6215629	65	51369	794
6422	Telecommunications – transmission of radio/TV broadcasts	17	4948	7414271	292	437317	1498
	<b>Photography</b>	19	1002	122461	53	6445	122
7494*	Photographic activities	19	1002	122461	53	6445	122
	<b>Software and Databases</b>	322	27607	11444727	86	35543	415
7220	Software consultancy and supply	10	674	298149	67	29815	442
7230	Software development	30	1860	947084	62	31570	509
7240	Data processing	37	9499	1717043	257	46407	181
7250	Database activities	3	946	142083	315	47361	150
(515)	Wholesale of machinery, equipment and supplies	242	14628	8340368	60	34464	570
	<b>Visual and Graphic Arts</b>	3	85	3837	28	1271	45
9234	Art galleries	3	85	3837	28	1271	45
	<b>Advertising</b>	134	6502	2882825	49	21514	443
7430	Advertising	134	6502	2882825	49	21514	443

NOTE: Asterisks beside PSICs denote industries that are classified under multiple categories. PSICs in parentheses denote the distribution industries; a breakdown into 4-digit PSICs is unavailable. 100 percent value added is assumed for core.

SOURCE: 2000 CPBI and authors' calculations.

The core copyright-based industries as a whole contributed P105 billion or 3.54 percent of GDP in 1999. If the distribution industries are excluded, the GDP share is 1.43 percent. In 2003, the GDP contribution is shown only for directly comparable CBI, i.e., publishing, photographic activities, advertising, wholesale of household goods, and renting of personal and household goods, all of which dropped except in the case of advertising. Two other comparable CBI, news agencies and art galleries, do not have data for 2003 while the rest are not comparable owing to differences in coverage. A total comparable estimate for the core CBI in 2003 is thus not obtainable.

In the press and literature sector, other retail trade in specialized stores, wholesale of other goods, and printing and related services, in that order, had the highest number of establishments, the highest number of employees, and the highest value added. In addition, however, value added in publishing was close to that of printing. Excluding news agencies for which the data was extrapolated, publishing also registered the highest average employment while publishing and printing showed the highest average productivity per establishment and per employee. The high number of establishments in the sub-sectors reflects easy entry and competition.

In the music, theater and opera sector, other recreational activities headed all indicators except in the case of employee productivity which was led by other entertainment not elsewhere classified. Dramatic arts, music and other arts, however, suffered from a negative value added, which indicated that costs exceeded value of output. The sub-sector also employed an average of 11 persons per firm.

In the motion picture and video sector, motion picture projection firms were more numerous and employed the greater number but value added was similar to that of motion picture production and distribution firms. As a result the latter exhibited higher average size and productivity per establishment. However employee productivity was still higher in projection.

In the radio and television sector, radio and television had more firms and employees, but value added was higher in telecommunications, which therefore also showed substantially greater average employment and productivity levels.

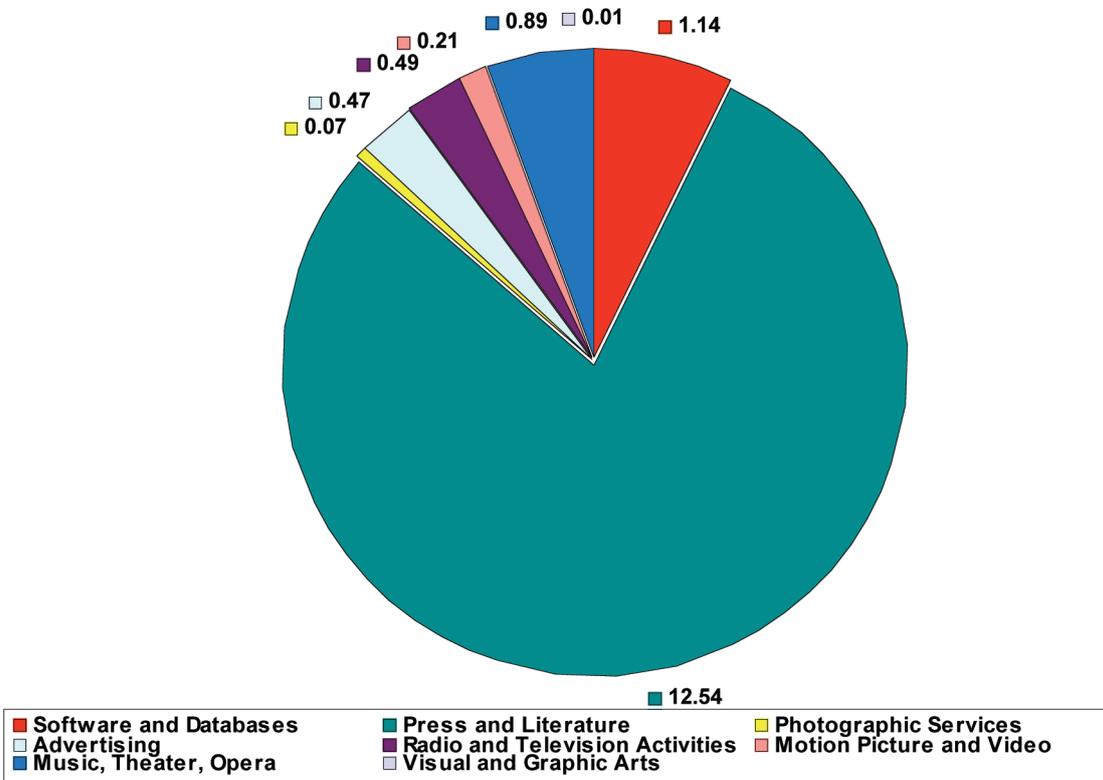
Among the software and databases, but excluding the wholesale sub-sector, data processing employed the most and contributed the highest total value added. However establishment productivity was higher, although only slightly, in database activities, which consisted of only three firms. Nevertheless, software developers were on average the most productive.

In the visual and graphic arts sector, there are few art galleries, employment figures are relatively low and average value added is also low. Photography businesses are more numerous and both employment and value added are higher, with correspondingly higher average productivity.

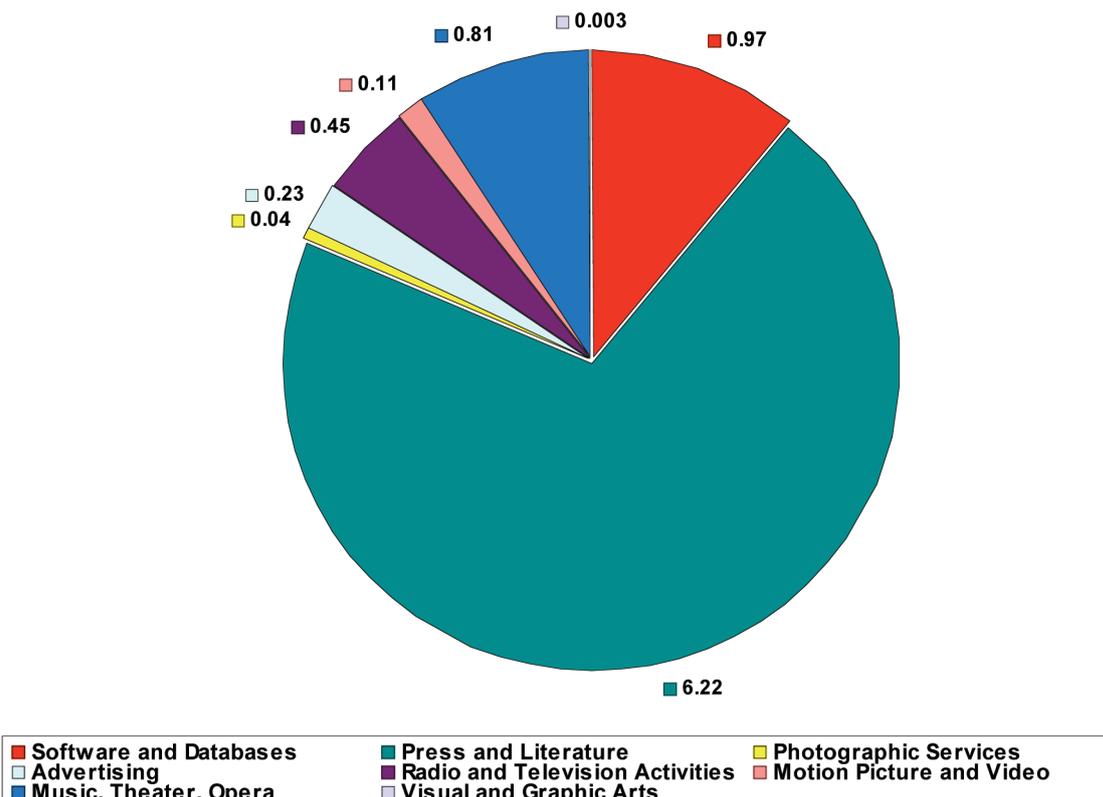
Advertising is also made up of numerous establishments, signifying a competitive structure, and contributes almost P3 billion in value added to the economy.

When comparing all core sub-sectors, the highest average productivity was recorded by telecommunications and publishing and printing (aside from news agencies) which brought in over P1 million each. Sub-sectors whose productivity greatly exceeded the national average were wholesale of household goods, motion picture projection, production and distribution, radio and television, software development, other entertainment, other recreational activities, publishing, and wholesale of machinery.

**Figure 1. Share of core copyright-based industries in the Philippines  
Number of establishments (percent)**

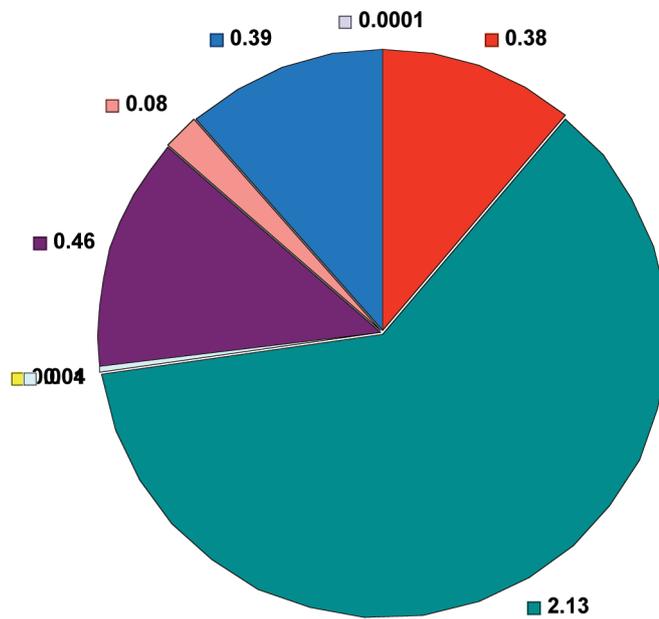


**Figure 2. Share of core copyright-based industries in Philippine employment (percent)**





**Figure 3. Value added share of core copyright-based industries in Philippine gross domestic product (percent)**



■ Software and Databases	■ Press and Literature	■ Photographic Services
■ Advertising	■ Radio and Television Activities	■ Motion Picture and Video
■ Music, Theater, Opera	■ Visual and Graphic Arts	

A list of establishments from the 2003 Top 7000 Corporations classified under the core copyright industry is found in Annex A, together with their gross revenues for 2002. This gives an indication of the magnitude of operations of the different companies and the industry leaders in certain sectors.

## 5. Interdependent copyright-based industries

### 5.1. Coverage

Interdependent copyright-based industries are industries that are engaged in the production, manufacture and sale of equipment whose function is wholly or primarily to facilitate the creation, production or use of works and other protected subject matter. They consist of the following:

#### Box 13. Interdependent copyright-based industries

Economic Activity: Manufacture, wholesale and retail (sales and rental) of:	ISIC Rev 3.1	PSIC
TV sets, radios, VCRs, CD players, DVD players, cassette players, electronic gaming equipment and other similar equipment	3230  5139  5233  7130	3240 Manufacture of television and radio transmitters, receivers, sound or video recording or reproducing apparatus and associated goods 51391 Wholesale of household-type appliances, except radio and television equipment 51393 Wholesale of radio and television, including parts and accessories 52333 Retail sale of household appliances 52334 Retail sale of radio and television, including parts and accessories 52339 Retail sale of household appliances, articles and equipment, n.e.c. 71303 Renting of electrical appliances 71304 Renting of audio-video machines, tapes and records
Computers and equipment	3000  5151    7123	3020 Manufacture of computers, computer peripheral equipment and accessories 5160 Wholesale of computers, computer peripheral equipment and software 52362 Retail sale of computers, peripherals and accessories 5271 Retail sale of computers 5272 Retail sale of computer peripheral equipment 7124 Renting of computers and computer peripheral equipment
Musical instruments	3692 5139  5233	392 Manufacture of musical instruments 51384 Wholesale of musical instruments, sporting goods and toys 52335 Retail sale of musical instruments and records, tapes, and cartridges
Photographic and cinematographic instruments	3320  5139	3320 Manufacture of optical instruments and photographic equipment 51383 Wholesale of photographic and optical goods

	5239 7129	52397 Retail sale of photographic equipment and supplies 7129 Renting of other machinery and equipment, n.e.c.
Photocopiers	3000  5159	30114 Manufacture of photocopying apparatus incorporating an optical system or of the contact type and thermo copying apparatus 51502 Wholesale of commercial machinery and equipment 5180 Wholesale of other machinery, equipment and supplies
Blank recording material	2429  5152 5233	24299 Manufacture of miscellaneous chemical products, n.e.c. 5170 Wholesale of electronic parts and equipment 52335 Retail sale of musical instruments and records, tapes and cartridges
Paper	2101 5149 5239	2101 Manufacture of pulp, paper and paperboard 51385 Wholesale of paper and paper products 5235 Retail sale of books, office and school supplies, including newspapers and magazines

## 5.2. Economic Contribution of Interdependent Copyright-Based Industries

The contribution of interdependent copyright-based industries to 1999 employment and value added figures is summarized below, including that of comparable CBI in 2003.

**Table 6. Economic contribution of interdependent copyright-based industries**

PSIC	Interdependent Copyright-Based Industry	Employment x factor		Value Added x factor Amount (P000)	VA per Employee (P000)	1999 VA as % of GDP	2003 VA as % of GDP
		No.	% of total				
	Total Large Establishments	2853889	100	1226892217	430		
	<b>Total Interdependent</b>	41085	1.4	28429503	692	0.96	
324	Manufacture of TV and radio receivers, sound or video recorders or reproducers, associated goods, photographic equipment	5831	0.20	4642637	796	0.16	0.07
300*	Manufacture of office, accounting, computing machinery	12098	0.42	6424447	531	0.22	
712*	Renting of other machinery and equipment	1173	0.04	306046	261	0.01	
392	Manufacture of musical instruments	133	0.005	26649	200	0.001	n.a.
332	Manufacture of optical instruments and photographic equipment	2495	0.09	577860	232	0.02	

(242)	Manufacture of other chemical products	8119	0.28	10745946	1324	0.36	
514	Wholesale of other intermediate products, waste and scrap	5226	0.18	2590217	496	0.09	0.06
210	Manufacture of pulp, paper and paperboard	6011	0.21	3115703	518	0.10	0.08

NOTE: GDP was P2976.9 million at current prices in 1999 and P4293 million in 2003. Asterisks beside PSICs denote industries that are classified under multiple categories. PSICs and values in parentheses do not have a 4-digit breakdown. PSICs that were already classified under the core are excluded, i.e., 513, 523, 515, 7130. Value added and employment figures were calculated assuming the Singapore factors.

*SOURCE: 2000 CPBI, 2003 ASPBI, and authors' calculations.*

Taken together, interdependent copyright-based industries contributed P28 billion or 0.96 percent of GDP in 1999, and comprised 1.4 percent of employees in large establishments. In 2003, the GDP shares of comparable CBI, i.e., radio and television manufacturers, pulp paper and paperboard makers, and wholesalers of other intermediate products, were lower than their respective 1999 shares.

Office, accounting and computing machine manufacturers employed the highest numbers. Manufacturers of other chemical products produced the highest total value added in both absolute and per employee terms, followed by manufacturers of office, accounting and computing machines and of television and radio receivers, sound or video recorders or reproducers.

Average employee productivity for the whole sector was substantially higher than the national average, and aside from the top three above, also covers pulp and paper manufacturers and wholesalers of other intermediate products.

## 6. Partial copyright-based industries

### 6.1. Coverage

Partial copyright-based industries are industries in which a portion of the activity is related to works and other protected subject matter and may involve creation, production and manufacture, performance, broadcast, communication and exhibition or distribution and sales. They consist of the following:

#### Box 14. Partial copyright-based industries

Economic Activity	ISIC Rev 3.1	PSIC
Apparel, textiles and footwear	1810 1721 1920 5131 5232	181 Ready-made garment manufacture 182 Custom tailoring and dressmaking 189 Manufacture of wearing apparel, n.e.c. 1721 Manufacture of made-up textile articles except wearing apparel 192 Manufacture of footwear 5131 Wholesale of textiles, clothing, footwear and leather goods 5232 Retail sale of textiles, clothing, footwear and leather goods
Jewelry and coins	3691 5139 5239	391 Manufacture of jewelry and related articles 51387 Wholesale of watches, clocks and jewelry 52396 Retail sale of jewelry, watches and clocks
Other crafts	9199 5239	9199 Activities of other membership organizations, n.e.c. 52392 Retail sale of art goods, marble products, painting and artists' supplies
Furniture	3610 5139 7130	360 Manufacture and repair of furniture 51392 Wholesale of household furniture, furnishings and fixtures 52331 Retail sale of home furnishing, furniture and fixtures 71302 Renting of furniture
Household goods, china and glass	2610 173 2029	2610 Manufacture of glass and glass products 173 Manufacture of knitted and crocheted fabrics and articles 2014 Manufacture of wood carvings Manufacture of wooden containers and wood wares 2018 Manufacture of wooden window and door screens, shades and Venetian blinds 2019 Manufacture of other wood products except furniture, n.e.c. Manufacture of rattan and cane containers Manufacture of articles of cork, straw and plaited materials 2029 Manufacture of products in bamboo, cane, rattan, and the like, and plaited materials except furniture, n.e.c.

	2899 5139  5233	2899 Manufacture of other metal products, n.e.c. 51394 Wholesale of chinaware, glassware, earthenware, wood wares, plastics, cutlery and utensils 51396 Wholesale of handicraft products 52332 Retail sale of chinaware, glassware, earthenware, wood wares, plastics, cutlery and utensils 52336 Retail sale of handicrafts
Wall coverings and carpets	1722 2109 5239	1722 Manufacture of carpets and rugs 2109 Manufacture of other articles of paper and paperboard 51395 Wholesale of wallpaper and floor coverings
Toys and games	3694 5139  5239	394 Manufacture of games and toys 51384 Wholesale of musical instruments, sporting goods and toys 52394 Retail sale of toys, gifts and novelty goods
Architecture, engineering, surveying	7421	7421 Architectural and engineering activities and related technical consultancy
Interior design	7499	74995 Interior decoration services
Museums	9232	9232 Museum activities and preservation of historical sites and buildings

## 6.2. Economic Contribution of Partial Copyright-Based Industries

The contribution of partial copyright-based industries to 1999 employment and value added is summarized below, including that of comparable CBI in 2003:

**Table 7. Economic contribution of partial copyright-based industries**

PSIC	Partial Copyright-Based Industry	Employment x factor		Value Added x factor	VA per Employee (P000)	1999 VA as % of GDP	2003 VA as % of GDP
		No.	% of total	Amount (P000)			
	Total Large Establishments	2853889	100	1226892217	430		
	<b>Total Partial</b>	6266	0.22	1059551	169	0.036	
172	Manufacture of other textiles	73	0.003	12924	176	0.0004	
181	Ready-made garment manufacturing	417	0.01	61726	148	0.002	0.002
182	Custom tailoring and dressmaking	35	0.001	3483	98	0.0001	0.0006 (182 to 189)
189	Manufacture of wearing apparel, n.e.c.	127	0.04	21604	171	0.0007	
192	Manufacture of footwear	72	0.002	9417	130	0.0003	
391	Manufacture of jewelry and related articles	562	0.02	158122	281	0.005	

360	Manufacture and repair of furniture	2705	0.09	483601	179	0.016	0.012
173	Manufacture of knitted and crocheted fabrics and articles	80	0.003	10825	135	0.0003	
201	Manufacture of wood and wood products except furniture	91	0.003	18436	203	0.0006	0.0006 (201 to 202)
202	Manufacture of products in bamboo, cane, rattan and the like, plaited materials except furniture; other wood products	30	0.001	4735	157	0.0002	
261	Manufacture of glass and glass products	31	0.001	18855	610	0.0006	0.0007
289	Manufacture of other metal products; metalworking service activities	152	0.01	36636	242	0.001	
394	Manufacture of games and toys	1749	0.006	180977	103	0.006	
742	Architectural and engineering, related technical consultancy	122	0.004	33939	279	0.001	0.008
9232, 9239	Museums, preservation of historical sites and buildings, other cultural activities	19	0.001	4270	225	0.0001	
NOTE: GDP was P2976.9 million at current prices in 1999 and P4293 million in 2003. PSICs that were already classified under the core are excluded, i.e., 513, 523, 7130, 7499. Value added and employment figures were calculated assuming the Singapore factors.							

SOURCE: 2000 CPBI, 2003 ASPBI, and authors' calculations.

Taken together, large, partial copyright-based industries employed 6,266 persons or 0.2 percent of the total employed in large establishments and contributed P1.1 billion value added or 0.04 percent of GDP. Roughly the same breakdown was seen in 2003 by directly comparable CBI, i.e., ready-to-wear garment manufacturers, furniture, and glass products manufacturers. Furniture makers employed the highest number of persons and added the greatest value to the economy, followed by games and toy manufacturers, and jewelry manufacturers. Average employee productivity of the whole sector was lower than the national average, owing mainly to glass manufacturing being the only industry that outstripped it.



## 7.2. Economic Contribution of Non-Dedicated Support Industries

The contribution of non-dedicated support services to employment and value added is summarized below, including that of comparable CBI in 2003:

**Table 8. Economic contribution of non-dedicated support industries**

PSIC	Non-Dedicated Support Industry	Employment x factor		Value Added x factor	VA per Employee (P000)	1999 VA as % of GDP	2003 VA as % of GDP
		No.	% of total	Amount (P000)			
	Total Large Establishments	2853889	100	1226892217	430		
	<b>Total Non-Dedicated Support</b>	17965	0.6	8597246	479	0.29	0.11
511	Wholesale on a fee or contract basis	681	0.02	280521	412	0.009	0.003
521	Non-specialized retail trade in stores	6404	0.2	1962247	306	0.07	0.03
601	Land transport operation	2678	0.09	557556	208	0.02	0.92
609	Other land transport	291	0.01	52230	179	0.002	0.0006
611	Sea and coastal water transport	1042	0.04	556444	534	0.02	0.01
620	Air transport	599	0.02	292018	487	0.01	0.03
634	Storage and warehousing	259	0.01	82903	320	0.003	0.0005
635	Tour and travel agencies and tour operators; tourist assistance, n.e.c.	281	0.01	81215	289	0.003	0.002
639	Other transport agencies	1250	0.04	401257	321	0.01	0.006
641	Postal and courier activities	189	0.01	33459	177	0.001	0.0007
612 to 613	Inland water transport and renting of ship with crew	47	0.002	13592	288	0.0004	
631 to 633	Support activities for land, water, and air transport	1602	0.06	325794	203	0.01	0.01
642	Telecommunications – telephony	2641	0.09	3958010	1498	0.13	n.a.
NOTE: GDP was P2976.9M at current prices in 1999 and P4293M in 2003. PSICs that were already classified under the core are excluded, i.e., 7250. Value added and employment figures were calculated assuming the Singapore factors.							

SOURCE: 2000 CPBI, 2003 ASPBI, and authors' calculations.

Non-dedicated support industries as a whole employed 0.6 percent of the total large establishment workforce, and contributed 0.29 percent to GDP in 1999. Telecommunications (telephony only) contributed substantially to value added and employment, while non-specialized retail stores employed the most workers. Land and sea transport added sizeable output as well. Owing to its considerable value added, telecommunications led the sector with a P1.5 million average labor productivity figure, and together with transport industries, raised the sectoral average value added per worker to beyond the national average.

The 2003 contribution to GDP for the whole sector should be comparable with the 1999 figure since the 3-digit PSICs from the ASPBI and CPBI are in full correspondence. However, the absence of data for telecommunications (telephony) is likely to substantially affect the total, rendering comparison difficult.

## 8. Indicators of Copyright Activity and Usage

Expenditures on research and development (R&D) were recorded under the 2000 CPBI, while the 2003 ASPBI added a question on the value of intangible assets per establishment. While it is recognized that these results do not provide accurate and complete estimates of copyright materials used or produced by copyright-based industries for reasons given in Section 1.3, they could indicate copyright activity in each industry.

**Table 9. R&D expenditures and value of intangible assets in copyright-based industries**

PSIC	Copyright-Based Industry	2000 R&D		2003 R&D		2003 Intangible Assets	
		Value (P000)	as % of Costs	Value (P000)	as % of Costs	Value (P000)	as % of Fixed Assets
	<b>ALL</b>	880373	0.077	2563136	0.2	5130632	0.6
	<b>CORE</b>	62339	0.015	333982	0.07	2073977	0.38
	<b>Press and Literature</b>						
221*	Publishing	2	0.00004	184259	2.3	9450	0.26
222*	Printing and related services	2238	0.024	841	0.012	102239	2.86
223*	Publishing and printing	138	0.044				
9220	News agency activities	Under 921					
7499*	Other business activities, n.e.c.			405	0.015	128	0.006
(513)	Wholesale of household goods	2480	0.002	36165	0.036	72316	1.26
(523*)	Other retail trade of new goods in specialized stores					342643	1.9
	<b>Music, Theater, Opera</b>						
9214*	Dramatic arts, music, other arts	Under 921		Under 921			
9219	Other entertainment, n.e.c.	Under 921		Under 921			
924	Sporting and other recreational activities			1446	0.011	92771	0.34
7130*	Renting of personal and household goods					70	0.15
	<b>Motion Picture and Video</b>						
921	Motion picture, radio, TV, other entertainment	2023		68771	0.37	11217	0.04
9212	Motion picture projection	Under 921		Under 921			
	<b>Radio and Television</b>						
9213	Radio and television activities	Under 921		Under 921			
642*	Telecommunications			6131	0.004	1346707	0.3
	<b>Photography</b>						
7494*	Photographic activities						
	<b>Software and Databases</b>						
7220	Software consultancy and supply	41447	9.06				
7230	Software development	10027	1.20				
7240	Data processing	133	0.008				
7250	Database activities						
(515)	Wholesale of machinery, equipment and supplies					95883	3.47
	<b>Visual and Graphic Arts</b>						

923*	Library, archives, museums, art galleries, other cultural activities	3851	3.27	3135	2.28	500	1.36
	<b>Advertising</b>						
7430	Advertising			32830	1.26	53	0.006
	<b>INTERDEPENDENT</b>	747476	0.20	2119703	0.54	1007882	0.91
324	Manufacture of TV and radio receivers, sound or video recorders or reproducers, associated goods, photographic equipment	9854	0.045	83049	0.21	36772	0.48
300*	Manufacture of office, accounting, computing machinery	44153	0.039	1732568	1.16	2067	0.013
712*	Renting of other machinery and equipment	0		2	0.0001	127	0.006
392	Manufacture of musical instruments	0					
332	Manufacture of optical instruments and photographic equipment	4551	0.12	13901	0.068	304	0.003
(242)	Manufacture of other chemical products	672598	0.80	259602	0.25	900139	2.6
514	Wholesale of other intermediate products, waste and scrap	57	0.00005	4170	0.009	15549	0.1
210	Manufacture of pulp, paper and paperboard	16263	0.065	26411	0.08	52924	0.22
	<b>PARTIAL</b>	65644	0.077	109411	0.075	855351	1.86
172	Manufacture of other textiles	13942	0.23	7188	0.04	18941	0.37
181	Ready-made garments manufacturing	1229	0.006	25462	0.09	132158	2.32
182	Custom tailoring and dressmaking	0		1058	0.01	1531	0.11
189	Manufacture of wearing apparel, n.e.c.	2126	0.031				
192	Manufacture of footwear	1263	0.038	2281	0.03	927	0.03
391	Manufacture of jewelry and related articles	7570	1.0	<u>23050</u>	0.3	784	0.04
360	Manufacture and repair of furniture	12577	0.15	8590	0.07	3361	0.10
173	Manufacture of knitted and crocheted fabrics and articles	4895	0.12				
201	Manufacture of wood and wood products except furniture	578	0.01	2945	0.03	257240	3.72
202	Manufacture of products of bamboo, cane, rattan and the like, plaited materials except furniture; other wood products	842	0.06				
261	Manufacture of glass and glass products	10650	0.2	519	0.006		
289	Manufacture of other fabricated metal products; metalworking service activities	2798	0.02	2655	0.006	440409	3.54
394	Manufacture of games and toys	166	0.03	Under 391			
742	Architectural and engineering, related technical consultancy	7008	0.18	35663	1.15		

9232, 9239	Museums, preservation of historical sites and buildings, other cultural activities						
	<b>NON-DEDICATED SUPPORT</b>	4914	0.002	40	0.00001	1193422	0.72
511	Wholesale on a fee or contract basis	0		40	0.001		
521	Non-specialized retail trade in stores	0				791405	3.98
601	Land transport operation	0				134732	1.0
609	Other land transport	0				108	0.01
611	Sea and coastal water transport	0				421	0.002
620	Air transport	770	0.003				
634	Storage and warehousing	0					
635	Tour and travel agencies and tour operators; tourist assistance, n.e.c.	0				464	0.15
639	Other transport agencies	1901	0.013			187977	6.22
641	Postal and courier activities	0					
612 to 613	Inland water transport and renting of ship with crew					27	0.1
631 to 633	Support activities to land, water, and air transport	2243	0.04			78288	5.23
NOTE: PSIC aggregations were not always identical between the CPBI and ASPBI since the latter included other 3-digit PSICs within certain groups. Asterisks beside PSICs denote multiple industry categories while those in parentheses denote the absence of 4-digit subcategories.							

SOURCE: 2002 CPBI and 2003 ASPBI.

Taken together, copyright-based industries spent P880 million on R&D in 1999 and P2.5 billion in 2003, an increase in both absolute terms as well as in proportion to total costs. Of this, interdependent CBI devoted the highest amounts of P747 million and P2.1 billion in 1999 and 2003 respectively, compared with P62 million and P334 million from core CBI, P65 million and P109 million from partial CBI, and P4 million and P40,000 in 1999 and 2003 from non-dedicated support industries respectively. At the industry level, manufacturers of office, accounting, and computing machinery were ranked as the highest spenders, followed by manufacturers of other chemical products.

Noting that intangible assets as estimated by the NSO encompass copyrights, trademarks, patents, goodwill, franchises and other forms, all CBI together invested P5.1 billion in 2003. Of these, core CBI recorded the most sizeable investments of P2.1 billion, relative to P1 billion from interdependent CBI; P855 million from partial CBI, and P1.1 billion from non-dedicated support industries. At the industry level, telecommunications and manufacturers of other chemical products outstripped all other sectors in purchasing.

## 9. Description of Selected Core Copyright-Based Industries

### 9.1. Press and Literature

Local book output figures may be obtained from the National Library records of International Standard Book Numbers (ISBN) which are assigned to every book, although copyright registration is an imperfect data source for copyright activity since it is not required by law (Bolasco 2004).

**Table 10. ISBNs issued**

	No. of ISBNs issued
1996	3770
1997	5093
1998	4326
1999	4803
2000	5083
2001	5663
2002	5193
2003	5570
2004	5139
2005	5429
2006	5713

Source: National Library, cited in [www.nbdb.gov.ph](http://www.nbdb.gov.ph)

In 2004, a total of 442 (270 renewal and 172 new) stakeholders registered with the National Book Development Board,<sup>6</sup> 65 percent more than the 268 registered stakeholders in 2003. This total is made up of 174 authors, 104 book publishers, 42 book printers, as well as three publishers of non-print information materials, 16 book importers, 51 book wholesalers, 36 book retailers, four importers of non-print information materials, seven retailers of non-print information materials (NBDB 2004).

Philippine book publishing is the most diverse, vibrant and innovative in Southeast Asia despite the absence of government support and multinational subsidiary initiatives. With an English-language base, artistic superiority, and capacity to articulate intellectual issues, Filipinos are expected to be the first to publish for the region (Bolasco 2004). Filipinos' excellent writing skills obtain them employment with top international publishing houses, such as McGraw-Hill and John Wiley, just as local book, comic book, and even animated cartoon illustrators are sought after internationally. The Philippines is thus a force to reckon with in the quality aspects of book publishing, i.e., quality of content and caliber of writing (Santos 2004).

<sup>6</sup> The NBDB was asked to formulate a National Book Policy and a National Book Development Plan. Among the declared objectives of the National Book Policy are the following: (a) to create conditions conducive to development, production, and distribution of books, especially acquisition, and adoption of state-of-the-art technology, equipment and machinery for book publishing, (b) to obtain priority status for the book publishing industry, (c) to promote the effective distribution of books in domestic as well as international markets through an efficient and reliable postal and transport delivery system, and (d) to foster the development of skills of personnel engaged in book publishing through in-service training programs and formal degree and non-degree book publishing courses in schools. These objectives are "developmental" in nature.

The National Book Development Plan is expected, *inter alia*, to tackle important issues confronting the book publishing industry, particularly those related to authorship and creative activity, marketing and distribution, printing, readership, and the library system.

Book publishers have varied capacities, but textbook publishing is their main activity: 70 percent of their output consists of school textbooks and general reference books, 27 percent consists of monographs, tracts and miscellaneous publications, 4 percent literary works and 3 percent consists of academic publications of universities and research institutions (Buhain 2005).

Book publishers produce different books for various small markets. Although this entails larger per unit development costs, the inability to take advantage of economies of scale and the production of attractive full color books at reasonable prices, the operative phrase is “books that different groups of people will want to read and which are accessible to them.” Of around 40-50 fully-fledged publishers, 95 percent are textbook publishers who produce for a captive market in basic education in both private and public schools, a result of Republic Act 8047 of 1995 that allowed the privatization of public school textbooks (Bolasco 2004).

Since the Department of Education opened its textbook program, private publishers have printed 45 million textbooks and teachers’ manuals in the last six years. Print runs for private schools can range from 50,000 to 80,000 per title although only 15 percent of the elementary student population and 45 percent of the secondary student population are taught in private schools. Research-based and professionally-written materials that meet the Philippine Elementary and Secondary Schools Learning Competencies encourage quality titles for public school use (Buhain 2005): the lifespan of a textbook program is five years. College textbooks, which were extensively photocopied by students owing to the Marcos reprinting decree, are now locally developed and published under the new copyright law. After textbooks, the romantic paperback is the bestseller, taking over from comic book readership. Several publishers are now active in the market. Romantic novels sell 20,000 copies per title every month, and at an average release of 20 titles, they can generate a monthly gross of P14 million (Bolasco 2004).

Trade books compete through sturdy printing and binding, good quality paper, attractive covers and illustrations, accurate top-rate image reproductions, and easy readability in terms of both typeface and ideas. Whereas it took three to five years to sell 1,000 copies of a locally-produced title a decade ago, 3,000-10,000 copies now sell in a year. These include the works of the finest and most prominent journalists in the country. Literature is still the standard fare of publishing houses since it always pays to publish good literature. Children’s books are enjoying the biggest growth, given the 22 million children under the age of 12, and the local writers and illustrators who are developing indigenous children’s storybooks (Bolasco 2004). The important population growth, large youth/student population, high literacy levels, and high numbers of overseas Filipinos all contribute to a large and growing market for books (Buhain 2005).

The industry is composed of four sectors classified according to specific lines of business: printers-publishers, technical and commercial printers, industrial/package/label printers and firms with printing presses. These sectors engage in pre-press and graphic design enterprises and have set themselves up as one distinct segment. According to the 2001 data of the National Statistics Office, there are 4,307 publishing and printing establishments in the Philippines. Based on average capital, 60 percent may be classed as small (P500,000), 35 percent as medium (from P500,000 to P5 million) and only 5 percent as large (over P5 million). The total worth of the industry is over US\$100 million. Many of the smaller printers operate one or two presses. 85 percent of the printing companies use offset, while 15 percent use letterpress, gravure and flexography (State of the Philippine Printing Industry, n.d.).

The commodities and services offered by the industry include: (1) publication printing: books, pamphlets, newspapers, periodicals, magazines, journals; (2) commercial printing: business and office forms, brochures, posters, envelopes, school annuals, promotional/advertising materials, calendars, business cards, greetings

cards; (3) security printing: document stamps, postage stamps, bank forms and passbooks, legal tender, examination booklets, question and answer sheets for state-sponsored tests; (4) office supply printing: sheets for computer printers, invoices, receipts, and other business forms; (5) special printing, e.g., packaging: folding cartons, boxes, containers; (6) software-related services: pre-printing services, such as typesetting, color separations, electronic stripping, image manipulations, graphic illustrations, internet services such as web design (State of the Philippine Printing Industry, n.d.).

The printing-publishing sector accounts for 70 percent of total industry sales. Firms in this group engage in the publication of various products such as books, newspapers, magazines, journals, periodicals and pamphlets. With the exception of newspaper publishers, this sub-sector usually subcontracts out to foreign commercial printers. Only 6 percent publish newspapers and periodicals, due to the high set up costs, huge capital investment requirements and the established dominance of such publications as the Manila Bulletin, Philippine Daily Inquirer and the Philippine Star (State of the Philippine Printing Industry, n.d.).

Print media includes about 34 daily newspapers (including broadsheets and tabloids), and more than 100 magazines and publications covering diverse themes (entertainment, leisure, sports, hobbies and recreation, business and trade, religion, fashion, cookery, specific market segments, health, travel, IT, agriculture, etc.) and are issued weekly, fortnightly, monthly, bi-monthly or annually. Provincial newspapers and regional publications are also available (US Commercial Service 2004).

The segment serving the book market, about 3 percent of the industry, has recently found more channels for increased production sales. Technical and commercial printers account for 10 percent of the market share but comprise the majority of firms (90 percent) in the industry. Such firms are primarily engaged in small to medium commercial jobs such as government forms, advertising brochures, office and school papers/forms, posters, calendars, business cards, greetings cards. They use the smallest range of printing equipment in terms of runs and number of printers. The wide range of commodities and services makes this the most fragmented sector. Technical and commercial printers largely serve the domestic market but they also compete with printers based in neighboring countries. They compete in a US\$50 million market. Industrial/packaging/label printers have a 20 percent market share. They are also characterized by small to medium printing jobs but are unlike technical and commercial printers in that they mainly serve the manufacturing industry's requirements. Companies with in-house printing technologies are big conglomerate multinational and local enterprises established primarily to service their own printing requirements (State of the Philippine Printing Industry, n.d.).

Generally, there is keen competition in the industry, characterized by numerous and diverse competitors, slow industry growth, high fixed costs, and lack of differentiation. For bigger companies, there are high strategic stakes and high exit barriers. The large number of firms is a strong indicator that there are no major entry barriers into the industry (Tullao and Habaradas 2001).

The supply capability of the firms and the overall competitiveness of the industry are dependent on the quality of human resources, capital resources, and technology used. In the newspaper and publishing sub-sector: there is a constant supply of writers and editors who are adept in both English and Filipino. Together with the creativity of those involved in illustrations, photography, layout and design, these editors and writers have contributed to the publication of several well-written newspapers and magazines. In the book publishing and technical and commercial printing sub-sectors, there is a lack of formal training of technical and managerial personnel in publishing and printing. In terms of authors: there is a pool of talented writers of literature in English but a dearth of Filipino authors in the technical fields, which explains the dependence of the country on foreign textbooks for the tertiary level. Firms are, therefore, faced with the option of

training people on-the-job or head-hunting skilled individuals from other printing companies. For pre-press operations, however, there are highly skilled personnel involved in performing tasks such as editing, proofreading, layout and graphic design (Tullao and Habaradas 2001).

In terms of technological capability, many newspapers and magazines have shifted to more modern methods; some are even able to sustain online editions. Many book publishers have already integrated the use of information technology, the Internet and desktop publishing. For the technical and commercial printing sub-sector, a weakness of many companies is the lack of hi-tech equipment since small firms rarely invest in new equipment, and prefer to utilize reconditioned machines usually discarded in other countries. Some of the bigger companies, however, have invested in new printing and pre-press equipment, and have adopted the latest in scanning technology, digital camera technology, desktop publishing, color management, computer technologies, direct-to-press digital printing, digital proofing, and computer-to-plate systems (Tullao and Habaradas 2001).

Large book publishing companies offer vertically-integrated services from handling of the manuscripts to post-press operations, to expand their markets. Periodical publishers offer special publications geared towards particular types of readers. Large technical and commercial printers offer pre-press to post-press services: while many lack the capital to upgrade their printing capabilities, small ones compensate for this by establishing networks with others to specialize in particular services (State of the Philippine Printing Industry, n.d.). Small printers with hardly any capital to upgrade their equipment account for over 90 percent of the printers in the Philippines. Globalization and the entry of foreign printers with new technologies (bringing in new norms of speed, workmanship and price) have threatened their existence. The availability of more cost-effective printing systems and technologies has forced many local printers to downsize their operations and concentrate on or specialize in services where they have better-established facilities and expertise (de la Cruz 2004).

Local publishers of books, brochures, musical scores, and other publications compete among themselves and also with foreign publishers for a share of the local market. Foreign book publishers compete through any of the following methods: (1) selling directly to major bookstores; (2) appointing an agent in the Philippines; (3) working with booksellers who receive orders from clients and import their clients' requirements; or (4) granting reprint rights. Local publishers of newspapers, journals and periodicals compete largely among themselves for a share of the domestic market, but also with publishers of foreign newspapers and magazines for certain segments of the market. Commercial printers mainly service the domestic market. Numerous and diverse competitors make for keen competition in the industry. The 4000 printing and graphic imaging companies are still increasing in number due to rapid development of pre-press technology and a reduction in the cost of computer hardware (State of the Philippine Printing Industry, n.d.).

## 9.2. Motion Picture and Video

Film, the newest among Philippine arts, is the most popular art form. The first movies were shown in the Philippines in 1897 while films were first shot locally in 1898. The first film was made in 1909 while the first sound film was made in 1933; numerous movie houses were also established between these dates. The government recognized the potential of film as a communication and information tool as early as 1909 (Bautista, 1995).

Filipinos however first made movies in 1919. The 1930s were a time of discovering film as a new art form using stories from theater and popular literature that assured the filmmaker of their appeal. Nationalistic films were also in vogue despite early restrictions that considered them as too subversive. The 1940s and

the Second World War brought a new sense of reality, as filmmakers ventured into the genre of the war movie. The 1950s were the golden years, a time when film-making matured and became more “artistic,” not because the film content improved but because cinematic techniques achieved an artistic breakthrough, including the use of color. This new consciousness was further encouraged by international recognition. The studio system, although producing film after film and venturing into every known genre, made the film industry into a monopoly that inhibited the development of independent cinema. The 1960s, though a time of positive changes, brought about an artistic decline in films and rampant commercialism. The notorious “bomba” (sexy films) were introduced and have been present on the film scene ever since. The 1970s and 1980s were turbulent years, bringing positive and negative changes, as films dealt with more serious topics of the chaotic Marcos regime; alternative cinema was also born. Action and sex films were more explicit. In the 1990s, a downturn seems to have taken place as genres, plots, characterization and cinematic styles either imitate popular American films or revert to the same old themes. Some films have been both commercial and critical successes (History of Philippine Cinema, n.d.).

Throughout the 1980s, the Philippines ranked among the top 10 film-producing countries in the world, although the industry was beset with many problems and the number of films was down from the 1971 peak of 251 to 139 in 1987, with 40 production companies (Garcia and Masigan 2001). While it has produced world class directors, talents, and titles, the industry’s survival is ironically in doubt. Some factors restricting the growth of the industry include escalating costs of film production, exorbitant taxes (amusement tax, culture tax, flood tax, and tax on raw materials), falling box-office receipts for domestic films, idiosyncratic film censorship, film piracy, the “star system” which entails large fees that eat up a big proportion (25 percent) of the budget, and cable TV (PIA 1998). In addition there is limited government support; interpersonal and inter-group conflicts in the cinema industry and dominance of the big players.

The film industry is composed mainly of three interdependent business sectors: 1) film production; 2) film distribution; and 3) film screening. Producers bankroll film production. In 1999, they produced a total of 140 films a year, making up a third of films shown, and making it the fourth largest cinema industry in the world. Most local producers also distribute their own films, while others enter into a distribution agreement with larger film companies. Distribution makes up the next phase in the film business. Film distributors fall into three categories: major (the large US companies),<sup>7</sup> independent (who distribute films of the majors and independent companies),<sup>8</sup> and local distributors.<sup>9</sup> Exhibitors<sup>10</sup> provide quality theaters, show the film according to timetables set by the distributors, provide additional in-house marketing, and seek theatrical opportunities – i.e., theaters act as a distribution channel for movies although they can still perform promotional activities. The industry also offers production or laboratory facilities and some new digital-oriented production houses with state-of-the art facilities (Garcia and Masigan 2001).

The commercial cinema industry alone provides employment for more than 75,000 people. It also generates more than P400 million annually for the government in the form of taxes. About 450,000 people directly benefit, including film producers and distributors (actors, directors, etc.), employees and workers in the theaters, and other related cinema businesses. The mainstay of the industry is the feature film, and primary outlets are theaters, followed by television and video venues. Foreign films have had a strong presence in

<sup>7</sup> As of 1998, consisted of Warner Bros., Viva (for 20th Century Fox, Paramount, Universal, Metro-Goldwyn-Mayer, and Dreamworks) and Columbia (for Columbia TriStar and Buenavista).

<sup>8</sup> As of 1998, consisted of Pioneer, Sky-Jemah (for Miramax), Viva (for 20th Century Fox, Paramount, Universal, Metro-Goldwyn-Mayer, and Dreamworks) and Columbia (for Columbia TriStar and Buenavista).

<sup>9</sup> As of 1998, consisted of Regal Entertainment, Viva, GMA, Star Cinema, Seiko, Solar, Millennium, OctoArts, MAQ, RS, Good Harvest, Neo, Falcon, Taurus, Starlight, Rainbow, Shangten, Scorpio, Starlight, Premier, Reyna, FPJ, RVQ, Diamond Harvest.

<sup>10</sup> As of 1998, consisted of SM, Ayala, Metro Manila Theater Association, Greater Manila Theater Association, and Robinson’s.

the domestic market since their unrestricted influx in the '70s and they continue to capture the attention of the Filipino audience (Garcia and Masigan 2001).

The process of filmmaking starts with the conceptualization of the story and scripts and translating them into a screenplay, then actual production or shooting of the film, post-production, and marketing and distributing the film to exhibitors take place. Film scripts are taken from award winning novels or written by script writers; competitions are also conducted to find the best stories. A director is hired to shoot the film and in the pre-production stage becomes involved with the producer in the hiring of the key technical crew members such as the cinematographer, sound engineer, lighting engineer, and other members of the production staff. Together with the producer, they identify the actors who will play the various roles. During the actual shooting, the makeup/prosthetic artists and the props staff are needed for continuity and visual impact. Post-production includes animators if needed and various technical engineers. Upon completion, the services of the press relations officer, the publicity writer, other merchandisers, and the stars themselves are used to market and promote the film extensively. Some companies have their own technical and production staff, and television networks to promote the film: independent producers subcontract most of the services (Garcia and Masigan 2001).

### 9.3. Radio and Television

As with other media, radio broadcasting in the Philippines was introduced by the Americans when the first radio station KZKZ was set up in Manila in 1922 and brought to the provinces in 1929. Pre-war radio programs were mainly for entertainment. After the war "maturation" took place focusing on information and education to bring relevance to the medium, marking the early foundations of development broadcasting. During Martial Law, government control of the media was legalized through the Broadcast Media Council (BMC) and the Kapisanan ng mga Brodkaster sa Pilipinas (KBP), a committee of media practitioners. BMC assists the Government in widespread dissemination of broadcast information and development broadcasting while KBP self-regulates and "standardizes" the broadcasting industry and encourages development broadcasting. (Medija, n.d.).

Broadcast media operators are split into: (1) commercial (private corporations, schools, civic institutions or independent business entrepreneurs) which are profit-oriented; (2) non-commercial (civic or religious organizations with specific target audiences for their programs); and (3) government (operated by a government agency, organization or state university), providing public service, information, cultural and educational programs to motivate and reinforce development activities and for disseminating information on government activities (Medija, n.d.).

Television was introduced in 1953 with the opening of DZAQ-TV Channel 3 by Alto Broadcasting System in Manila and it broadcast over a 50-mile radius. The station was later bought by the Chronicle Broadcasting Network which operated radio stations in 1956, leading to the birth of the ABS-CBN Broadcasting Network, the first radio-TV network as well as the first cross-media entity owned by one family. Subsequently, a second station DZXL-TV 9 was added and in 1960, a third station DZBB-TV Channel 7 of the Republic Broadcasting System, owned by Bob Stewart who also started with radio in 1950, was set up. The first provincial television stations were established in 1968 by ABS-CBN, supplemented by 20 radio stations located nationwide. Economic constraints forced a dependence on imported programs from three US networks — ABC, CBS, and NBC. The commercial thrust of Philippine broadcasting makes it unique in East Asia where the electronic media are government-controlled and operated. While this free enterprise made local broadcasting globally competitive, the same environment made it difficult to produce and broadcast public service and "development" oriented programs (Tuazon 2002).

According to the National Telecommunications Commission (NTC), broadcast media is currently comprised of about 372 AM radio stations, 580 FM radio stations, 223 TV stations (VHF and UHF), 27 TV relay stations, two pay TV stations, 58 TV translator stations, three TV stations operating at 40 GHz, 1373 cable stations (CATV), three Local Multipoint Distribution Systems (LMDS) stations, and eight Multi-Channel, Multi-point Distribution Systems (MMDS) throughout the Philippines (US Commercial Service 2004).

In 1998 the KBP Broadcast Media Factbook recorded 137 television stations nationwide of which 63 were originating, 50 relay, and 24 ultra high frequency (UHF) stations. Most TV stations are part of the five major TV networks — ABS-CBN Broadcasting Corporation, Associated Broadcasting Corporation, GMA Network, Inc., Intercontinental Broadcasting Corporation (IBC), Radio Philippines Network (RPN), and People's Television Network, Inc. The largest networks are ABS-CBN and GMA Network. Cable TV is technically not considered part of the broadcast TV industry (Tuazon 2002).

Satellite and cable technologies have made universal access to broadcast media possible. ABS-CBN television covers approximately 90 percent, with a network linked to the Pan American Satellite, which provides its programs to all cable operators and direct-to-home markets within the satellite's range. Through a cable TV system, it reaches the San Francisco Bay Area. Similarly, GMA Radio Television Arts Network reaches the entire country and Southeast Asia, Hawaii, Guam, Saipan, Canada, and the United States either through Mabuhay satellite or cable TV. Southern Broadcasting Network (SBN Channel 21) and Molave Broadcasting Network (Channel 23) were the first commercial stations to broadcast on the UHF band in mid-1992. SBN 21 features "global-oriented" programs from World TV, a local VHF channel, while Channel 23 carries MTV programming as received via satellite from Hong Kong's Star TV. Others that followed were Byers Communication's Channel 68, the first Pay-TV channel; Rajah Broadcasting TV 29, the first home shopping channel; and Radio Mindanao Network Channel 31, the first all-movie channel. The most phenomenal growth, however, has been in cable TV which was introduced in 1969, spurred by the satellite programming of ABS-CBN and GMA in 1991. Provincial community antenna TV (CATV) systems have been set up to receive broadcast signals from stations originating in Manila. Metro Manila is one of the most advanced urban centers in Asia with respect to cable TV, with two major cable systems, Skycable and Home Cable, offering 60 channels or more (Tuazon 2002).

Television stations are dependent on advertising and therefore on ratings for survival. This commercial orientation is evident in the content, 50 percent of which consists of musical variety shows, soap operas, and situation comedies. Programming is oriented toward urban interests, and many provincial stations function merely as replay or relay stations (Tuazon 2002).

#### 9.4. Software and Databases

Software development is defined as the process of understanding and detailing the requirements of a software user and translating these requirements or specifications into instructions for the computer to follow and initiate. Software development also involves testing and editing codes to make sure that specifications and their translations are correct, and in documenting and maintaining the program (CIDA 2004).

Software development has been undertaken in the Philippines since the 1970s, and the country has provided first-rate software development products and services to the US, Europe, Japan and Australia for more than two decades. The industry experienced a boom in the 1990s when foreign investors took advantage of local programming expertise, enabling the sector to generate US\$16 million in revenues in 1991. In early 2000 however a downturn was registered and local firms now need to find the right market

niche and upgrade both programming and project management capabilities (CIDA 2004). Size and scale<sup>11</sup> are lacking, the main problem being the inadequate number of companies. Nevertheless the country is one of the largest offshore destinations for Business Process Outsourcing (BPO) and the base for a US\$350 million offshore outsourcing software services sector (Computerworld 2003).

The local software development sector is estimated by BOI to consist of more than 300 companies employing an estimated 10,000 programmers, and offering a variety of services including analysis and design, prototyping, programming and testing, customization, reengineering and conversion, installation and maintenance, education and training of system software, middleware, and application software (CIDA 2004).

Software development covers three major product<sup>12</sup> categories, each geared to different markets: (i) applications software (addresses functional concerns across industries and includes word processors, database programs, web browsers, applications for drawing, painting and image editing, and communication programs), (ii) systems software (for operating systems or tools for software development), and (iii) middle ware (programs to mediate between applications and system software) (CIDA 2004). Philippine software development firms focus on systems and application development and maintenance of legacy applications (Computerworld 2003).

Software development companies rely on their internal R&D capabilities and resources for product development, and invest in R&D and in marketing the products they produce. Their primary sources of information for product development are their buyers' specifications and the Internet, as well as publications, designers, and trade fairs. They usually focus on a particular industry or vertical solution (e.g., banking and finance, insurance, manufacturing, etc.), or develop products that are cross-functional in nature, or technology-specific such as wireless/mobile applications (CIDA 2004).

Software services involve the contracting or outsourcing of work by companies (local and offshore) to a software development company, which develops, customizes or maintains a system based on the client's specific requirements. Another service is skilled manpower (programmers, systems analysts or project managers) assigned to a company, commonly known as body-shopping. Subcontracting software development is also the usual practice for large, complex projects, or offshore software companies, mostly based in the US (CIDA 2004).

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<sup>11</sup> The Philippines is classified as an Emerging Software Exporting Nation since it already has significant software export industries (i.e., in the US\$25-US\$200 million range) and small geographic clusters of successful enterprises (SMEs) of various sizes that are subsidiaries of multinational enterprises, or home-grown, independent software firms. Many tier 3 nations are unlikely to move to the next level because of their small size (which restricts their ability to grow) and other unfavorable conditions (political instability, stage of economic development, etc.) but they may break away to create a new second tier by 2010 thanks to a base of educated human capital that is useful for growth. These software export industries face a difficult challenge since (a) they are selling commodity skills in programming with little national specialization and differentiation, (b) they currently compete in global markets predominantly based on their relatively low wages, and (c) they compete in the services market on project-based contracts which can easily shift to other nations (Carmel 2003).

<sup>12</sup> Software products are further classified according to function and use, as follows: (a) general applications (includes word processing and databases and others commonly used in business), (b) custom vertical applications (includes customized banking and accounting systems), (c) development platforms (includes Oracle, SAP and SQL for use in developing databases or related structures in business or other applications), (d) development tools (includes C++, Visual Basic and Java used to create executable and other programs), (e) operating systems (includes Windows and Mac OS which interface with computer hardware and provide the platform for other programs to run), (f) utilities (includes virus protection and memory management which aid in the more efficient and secure operation of other programs).

## 9.5. Advertising Services

The Philippines is a brand-conscious market, hence advertising plays a significant part in promoting the sale of consumer goods. Most of the leading advertising agencies in the country are affiliated to international agencies. Over the years, advertising has gone beyond traditional tri-media (print, TV and radio) outfits to electronic billboards, web advertising, mass transit or public transport advertising, special events and product launches, direct marketing and other tools to promote products. For instance, local organizers put on trade shows and exhibitions catering to a wide variety of sectors in shopping malls, trade halls and convention centers. Although some advertisements utilize Western image models or concepts, other market segments are "localized" versions of product advertising and brand building (US Commercial Service 2004).

## 9.6. Copyright Collecting Societies

There are only a few collecting societies in the Philippines, the Filipino Society of Composers, Artists and Publishers (FILSCAP), which has been in operation for four decades, the Philippine Reproduction Rights Organization (PRRO) and the Publishers Representatives Organization of the Philippines (PROP) which are yet to start operations.

### **Filipino Society of Composers, Artists and Publishers (FILSCAP)**

FILSCAP is a non-stock, non-profit association of composers, lyricists and music publishers established in 1965 to administer public performances, mechanical reproduction, and synchronization rights granted by law to creators and owners of original musical works and provide a consistent income stream through creative licensing and the efficient collection and distribution of royalties.

Currently, it has over 800 local members. As a regular member of the Paris-based International Confederation of Societies of Authors and Composers (CISAC), which is the umbrella organization of all composer societies around the world, FILSCAP is recognized as the sole and official music copyright society in the Philippines.

FILSCAP represents the rights of local and foreign music copyright owners to whom application for a permission or license may be made by prospective performers, authorizes performances, mechanically reproduces and/or synchronizes copyrighted music in any manner or by any method. It also covers licensed radio and TV, hotels, restaurants, bars, music lounges, other entertainment outlets, retail establishments, concert producers, amusement parks, spas and salons, and internet sites. In 2006, FILSCAP collected 95 percent of its total billings of US\$1 million.

The process of licensing an establishment consists of FILSCAP sending out its monitoring staff to check if it is playing music on its premises, lists a sample of the songs being played and determines its floor area (for stores) or seating capacity (for restaurants). For radio and TV, FILSCAP records the transmission, transcribes the tape, identifies the music used, and checks these factors against its database. A report is generated to enable the licensing department to determine the license fee based on standard rates and to inform the establishment's owner of the need for a license in order to use the music legally.

Problems in Collective Management

#### a. Legal and Policy Issues

1. Judicial: It usually takes four to six years to litigate a case. Moreover, only three judges in the system specialize in IPR. Only one landmark decision on Intellectual Property law has been made.

2. Legislative: FILSCAP is proposing amendments to the Intellectual Property Law or RA 8293 as follows: (a) to provide criminal sanctions for violators in addition to their existing civil liability, in order to create a persuasive argument in the implementation of the law; (b) to set up a copyright tribunal under the auspices of the judiciary, to determine the amount of royalties due to the artists. It should have no limitations in jurisdiction, and cover all IPR areas; (c) to include the concept of Notice and Takedown, which is used in the context of websites; (d) to extend the rights period from 50 to 75 years, based on the US model; (e) to make available the right for public performances online.
3. Executive: Enforcement is a major problem. Guidelines or implementing rules and regulations for music that specify what is illegal and to provide for corresponding penalties are needed. An implementing agency or bureau similar to the Videogram Regulatory Board or the Movie and Television Review and Classification Board, is also needed for the music industry.

#### b. Perceptions and Difficulties with the Private Sector

When FILSCAP was first established, IPR was in its infancy in the Philippines. Only four establishments were licensed in the 1980s, and the numbers grew only after the enactment of Republic Act 8293. For most of the time the average person presumed that music was free; in fact some music users such as media and record labels felt that they were doing the composers a favor by popularizing their songs in public. It took more than three decades to convince local businessmen that music was not free, and even now some refuse to admit that music has any impact on their business.

In 1994 FILSCAP had its first breakthrough with a Memorandum of Agreement (MOA) with the Hotel and Restaurant Association of the Philippines (HRAP), many of whose members were hotel chains whose headquarters were in first world countries that already recognized IPR. In 1996 its first MOA with a media organization, Kapisanan ng mga Brodkasters ng Pilipinas, was signed although this did not prove effective because FILSCAP still has to deal with radio stations individually, and has licensed only 70 percent of FM radio stations.

FILSCAP then signed a licensing agreement with SM Prime Holdings in 2002. Following mediation by the IPO Director General in 2004, agreements were signed with GMA7 and ABS CBN in 2004. ABC5 followed in 2006. Ironically those hardest to convince are government TV stations.

A MOA was signed with the Bureau of Immigration and Deportation in 2005, stipulating that no foreign artists were to be issued with work permits unless their concert was given clearance by FILSCAP. Unfortunately the MOA has expired, and the BID is reluctant to renew this because of pressure from concert producers.

The longest stage in the licensing process is when FILSCAP asks to discuss requirements with individual establishments. Some businessmen completely ignore them, while others refer them to their legal representative. If the latter is well versed in IPR, the results are positive, but if he lacks experience with music copyrights, a long legal battle ensues. Fortunately FILSCAP has an excellent record and never loses on infringement cases.

Royalty payments are hampered by administrative requirements of businesses, which view the process as an additional burden. Incomplete returns are submitted as a consequence of this 'burdensome' requirement, e.g., ABS-CBN, which only provides first and fourth quarter payments. Nonetheless, there are also corporations such as GMA Network and SM Malls that are very cooperative, even creating their own compliance and monitoring divisions for music artists' rights.

### c. Operational Problems

FILSCAP faces a huge logistical challenge in implementing the law because it still lacks a national network. Dissemination of the appropriate information on licensing requirements and procedures is difficult.

Protracted litigation also needs to be dealt with since litigation time against smaller businesses continues beyond the average lifespan of their operations. Filing of cases is limited to big business, e.g., 30 cases are pending at present. To be cost-efficient, FILSCAP pesters violators into paying rather than suing them. A side issue in litigation is the interpretation of the law by the judiciary, as exemplified in the case against Philippine Airlines (PAL), wherein they argued that since PAL was in receivership, the court order of a *status quo* against the collection of fees for music played in its airplanes had to be followed.

The digital environment poses another challenge because new technologies are being developed while FILSCAP is not yet able to expeditiously monitor possible violations with the current technology. Technical protection measures, which limit the reproduction of downloaded music, should be installed for a more efficient monitoring capacity. A related difficulty is determining the location and nationalities of the operators of legitimate or illegitimate websites where music is being shared, uploaded or used in violation of the law.

Licensing presents another logistical difficulty. The transport sector – ships, buses, airplanes – and government television networks and radio stations, are not all yet fully licensed. Organizers of small operations such as events, campaigns, and functions do not apply for licenses. International concerts where Philippine songs are played and internationally-based Filipino artists perform are difficult to monitor. Indeterminate music is hard to trace for licensing.

### d. Organizational Problems

Governance is a problem if the Board does not actively participate in management. Recently however, the Board has taken an active role and upgraded and increased FILSCAP's collection capacity, e.g., an accounting unit was established in 2006 and an in-house accounting system is now in use in preference to external accountants who were not usually competent; software is being developed, and a comptroller will be hired.

Rapid management turnover, approximately every two years, results in an uncertain corporate direction that renders implementation of long-term plans difficult. The position of general manager was always contractual up to recent times, but his/her tenure is still at the discretion of the Board, which changes every two years.

### **Philippine Reproduction Rights Organization (PRRO)**

PRRO is a collecting society of authors and publishers. The National Book Development Board (NBDB) which is the government agency mandated by Republic Act No. 8047 or Book Publishing Industry Development Act of 1995 to "formulate policies, guidelines and mechanisms to ensure that editors, compilers and especially authors are paid justly and promptly royalties due them for reproduction of their works in any form and number and for whatever purpose," is encouraging membership in PRRO by all local and foreign copyright owners in the book industry. Local publishers and booksellers are also being urged to engage in joint ventures with their foreign counterparts. Major publishers and book industry associations have agreed to financially support the PRRO (IPO 2006).

To combat the widespread practice of illegal photocopying of textbooks by students, a scheme was proposed by industry stakeholders. Under this scheme, students will no longer need to photocopy major portions of books with copyrighted content as professors will prepare course packs to be distributed to them. These course packs will contain quality photocopies of copyrighted material on particular subjects. To benefit the authors and publishers, colleges and universities that use their textbooks will start collecting additional but minimal fees (at reasonable copy rates per page) from students during enrolment, which will form part of the royalties for the copyrighted material in the course packs. This scheme will provide students with access to copyrighted material and discourage book piracy, support local authorship, and encourage book publishing in the regions (Bookwatch 2005).

With a license issued by PRRO, colleges and universities can legally produce copyrighted material for course packs at reasonable prices for students and collect royalties on behalf of copyright owners. The PRRO is thus being urged to start negotiating copyright licenses with colleges and universities in 2007. PRRO should also establish partnerships with the Commission on Higher Education (CHED) and the Intellectual Property Office, as well as bilateral relations with other collecting societies or reproductive rights organizations in order to provide a wide array of foreign reference materials.

In 2006, the NBDB hosted the PRRO General Assembly and election of a Board of Trustees, and created a project team to function as an interim PRRO Secretariat. The project team developed a five-year PRRO Business Plan and proposed amendments to the Articles of Incorporation and By-Laws; increased PRRO membership to 400 authors, and facilitated meetings with the Copyright Licensing and Administration Society of Singapore (CLASS), the Association of American Publishers (AAP), and the Publisher Representatives' Organization of the Philippines (PROP).

The NBDB also organized a Forum on Intellectual Property Rights and Copyright with participants from the book industry, to celebrate the 10th Philippine Book Development Month.

## 10. Exports and Imports of Copyrighted Goods

The Philippines was a net importer of core copyright-based products in 1999 and 2003. Among them, books and other printed matter, followed by recorded media, made up the highest proportion of both imports and exports. However, all core copyright-based products together made up less than 1 percent of national trade in both years, with imports dropping and exports expanding in the 5-year period.

**Table 11. Exports and imports of core copyright-based products, 1999 and 2003 (US\$000)**

Category	Commodity Type	1999 CIF Imports	1999 FOB Exports	2003 CIF Imports	2003 FOB Exports
Press and literature	Books and similar printed matter	29,302	2,174	50,420	1,722
	Newspapers and other periodicals	4,475	890	4,239	679
	Printed cards, transfers	1,157	4,701	837	1,986
	Other printed matter	33,111	1,505	44,924	15,161
Music, theater, opera	Music printed or in manuscript, whether or not bound/illustrated	29	0	0	0
Motion picture and video	Cinematograph film, exposed or developed, whether or not incorporating sound track	1,266	941	1,615	22
	Recorded media	29,387	9,365	17,244	15,823
Photography	Pictures, designs and photographs	307	0	202	0
Software and databases	Video games used with television receivers and parts	2,693	1,107	802	945
Visual and graphic arts	Works of art, collectors' pieces and antiques	303	546	123	604
<b>TOTAL</b>		<b>102,030</b>	<b>21,229</b>	<b>120,406</b>	<b>36,942</b>
% of Philippines		0.31	0.06	0.28	0.10

Source of Basic Data: NSO, Foreign Trade Statistics, 1999 and 2003.

**Table 12. Exports and imports of interdependent copyright-based products, 1999 and 2003 (US\$000)**

Category	Commodity Type	1999 CIF Imports	1999 FOB Exports	2003 CIF Imports	2003 FOB Exports
TV sets, radios, similar equipment	Television receivers (including video monitors and video projectors), whether or not incorporating radio receivers	35,424	61,558	59,921	45,748
	Radio broadcast receivers, whether or not incorporating sound recording or reproducing apparatus or a clock	40,325	104,753	30,483	98,931

	Sound recorders or reproducers; television image and sound recorders or reproducers	24,232	7,676	27,510	6,325
	Telecommunications equipment, N.E.S.; and parts, N.E.S.; and accessories of apparatus falling within division 76	954,424	573,760	1,202,901	702,728
	Household type, electrical and non-electrical equipment, N.E.S.	44,909	24,662	71,950	19,075
	Household tools and appliances	749	1,947	496	2,170
Computers and equipment	Printing and bookbinding machinery, and parts thereof	44,914	381	46,410	274
	Typewriters and word processing machines	4,419	0	1,793	0
	Automatic data processing machines and units; magnetic or optical readers, machines for transcribing data	181,059	3,158,230	196,284	1,413,899
Musical instruments	Musical instruments, parts and accessories	5,318	386	4,650	198
Photographic and cinematographic instruments	Photographic apparatus and equipment, N.E.S.	46,692	4,357	27,089	11,149
	Photographic and cinematographic supplies	81,221	242	71,188	135
	Optical goods, N.E.S.	15,334	24,107	8,417	69,160
Photocopiers	Copying apparatus	12,745	22,262	10,710	58,424
Blank recording material	Unrecorded media	41,687	540	7,121	83,976
Paper	Paper, paperboard, and articles of paper pulp, paper or paperboard	359,898	72,348	389,588	71,260
	Office and stationery supplies, N.E.S.	31,360	768	28,514	724
TOTAL		1,924,710	4,057,977	2,185,025	2,584,176
% of Philippines		5.91	11.58	5.13	7.13

Source of Basic Data: NSO, Foreign Trade Statistics, 1999 and 2003.

Interdependent copyright-based products comprised a much larger proportion of total trade compared with core or even partial copyright-based goods, although both import and export figures dropped from 1999 to 2003. In absolute terms, however imports grew from US\$1924 million to US\$2185 million, mainly consisting of telecommunications equipment and parts. Export values decreased from US\$4057 million to US\$2584 million in the same period, this time made up mostly of automatic data processing machines and parts. Paper and paperboard products were the next most important group of imports while radio and television broadcast receivers were the next largest exports.

**Table 13. Exports and imports of partial copyright-based products, 1999 and 2003 (US\$000)**

Category	Commodity Type	1999 CIF Imports	1999 FOB Exports	2003 CIF Imports	2003 FOB Exports
Apparel, textiles, footwear	Fabrics, made-up articles of textile materials	552,428	171,698	612,342	194,377
	Trunks, suitcases, briefcases, camera cases and similar containers	14,177	153,876	10,797	61,682
	Articles of apparel and clothing accessories	55,490	1,190,940	58,944	1,283,299
	Footwear	61,199	70,920	53,360	36,234
Jewelry and coins	Jewelry, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious material	604	35,439	943	52,782
	Coins (other than gold coins), not being legal tender	135	0	450	0
Other crafts	Molded/carved artworks	108	16,584	124	16,861
	Artificial flowers, plants	2,709	4,585	1,369	3,936
	Art and basketwork from plaited material	140	84,509	278	69,427
Furniture	Furniture and parts thereof	62,890	354,221	47,882	278,101
Household goods, china, glass	Wood manufactures, N.E.S.	9,035	128,591	9,473	131,161
	Glass	33,827	14,707	36,145	36,528
	Glassware	48,473	7,539	55,862	6,117
	Household equipment of base metal, N.E.S.	20,411	29,038	21,151	24,519
Wall coverings, carpets	Floor coverings, etc.	5,262	4,539	4,162	4,703
Toys and games	Toys, parts and accessories	46,123	23,815	23,182	14,659
	Games, equipment and parts	11,123	70	24,197	103
Architecture, engineering, surveying	Plans and drawings for architectural, engineering, industrial, or similar purposes	37,594	0	10	0
TOTAL		961,728	2,291,071	960,671	2,214,489
% of Philippines		2.46	6.54	2.26	6.11

Source of Basic Data: NSO, Foreign Trade Statistics, 1999 and 2003.

Partial copyright-based products were exported and imported widely, with total values relatively constant between the two years under review. Exports made up a larger proportion of the national total than imports, and consisted mainly of articles of apparel and clothing accessories. Inputs into these fabrics and made-up textiles in turn comprised the bulk of imports. Furniture and parts were another major export, although in much lower magnitudes compared with garments.

Together, all copyright-based imports made up 9.18 percent of total Philippine imports in 1999, decreasing slightly to 7.67 percent in 2003. The proportion of exports also dropped from 18.18 percent in 1999 to 13.34 percent in 2003.

## 11. Consumer Demand for Copyright-Based Products

An idea of consumer demand for particular copyright products may be obtained from the 2003 FIES for certain expenditure items reproduced below. These are based on household consumers. In the earlier FIES rounds, expenditures on telephone bills and phone cards were minimal and not separately tabulated. As Table 14 shows, nominal expenditures on key copyright-related items geometrically increased as income deciles increased (where deciles start with the poorest). Average expenditures on phone cards exceeded those on books by a wide margin, just as telephone bills were high compared with the other items. Expenditures on tickets to shows and musical instruments, although still low on average, were significant for households in the tenth decile relative to total expenditures. The expenditure on digital video entertainment has remained at the same low level for the last two decades.

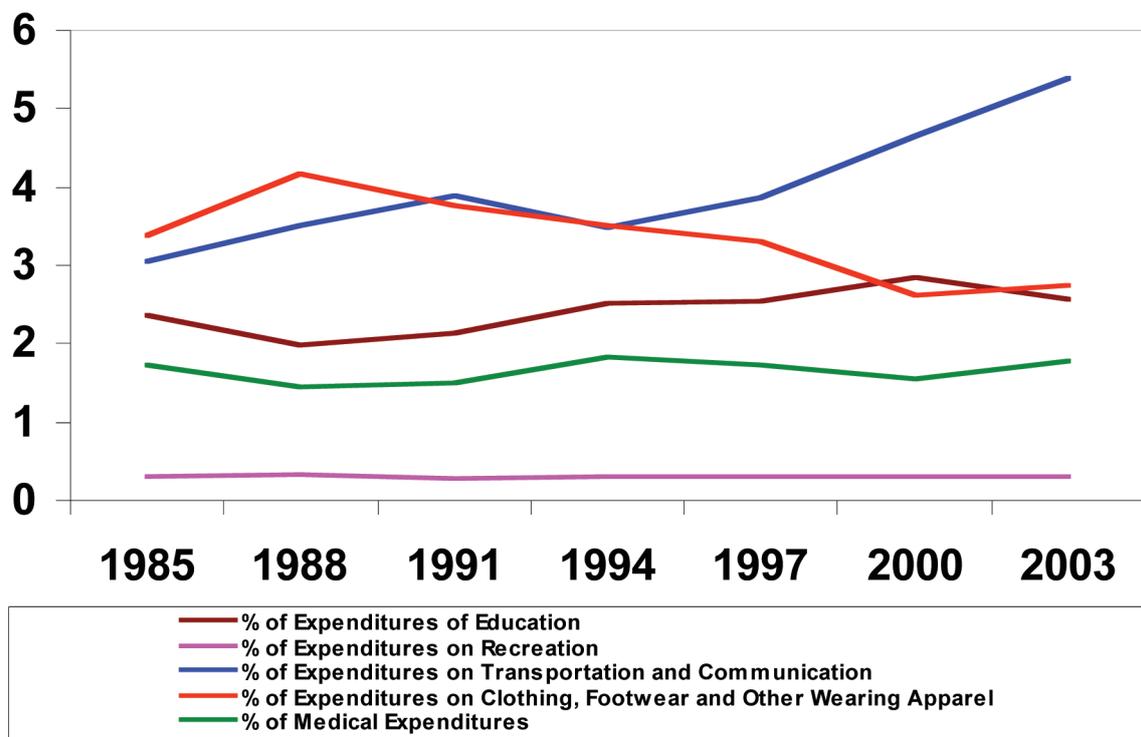
**Table 14. Average household expenditures on some copyright-related items, 2003**

Income Decile	Nominal Expenditures (Pesos)						
	Total Expenditure	Telephone Bills	Phone Cards	Books	Musical Instruments	Tickets to Shows	Audio-Visual Equipment
First	28,899	5	11	3	0	2	16
Second	43,932	14	29	7	1	5	68
Third	55,502	24	98	13	1	7	118
Fourth	66,653	42	218	22	1	9	202
Fifth	80,863	86	439	47	1	13	259
Sixth	98,932	160	805	69	2	20	379
Seventh	120,746	353	1,494	117	3	26	498
Eighth	152,128	677	2,515	221	4	42	645
Ninth	203,985	1,683	4,090	436	13	68	900
Tenth	385,241	6,224	8,083	1,196	105	166	1,685
TOTAL	123,691	927	1778	213	13	36	477

Source : National Statistics Office, 2003 Family Income and Expenditures Survey.

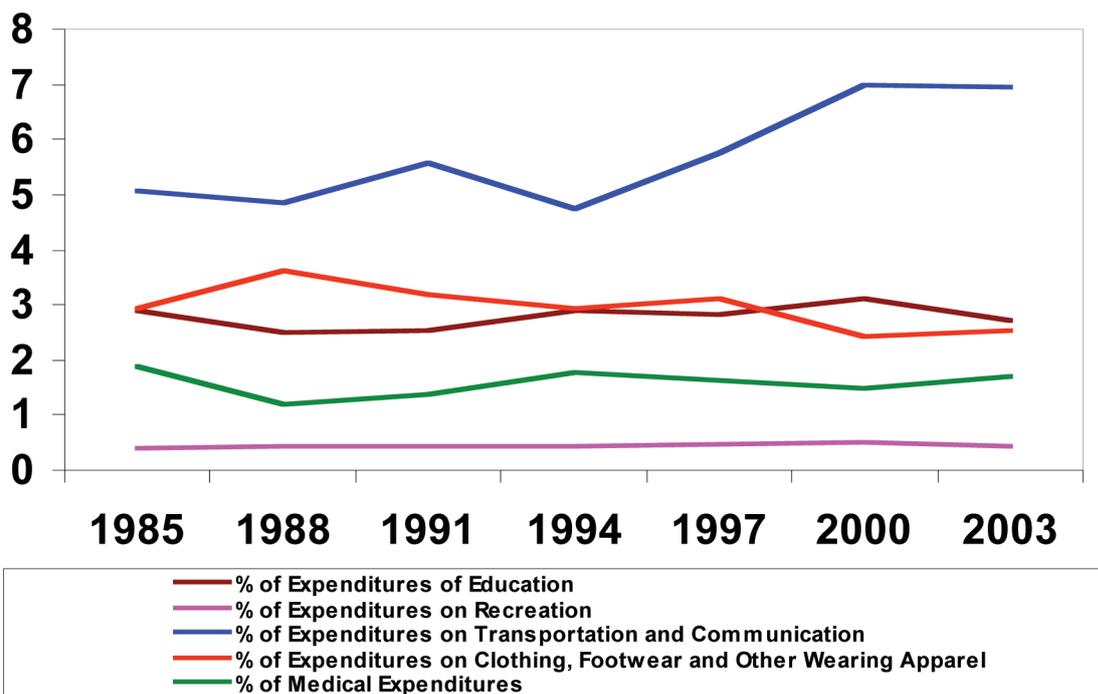
The nominal total expenditure of households increased from 1985 to 2003. This is also true for other expenditure groups like education, recreation, transportation and communication, clothing, footwear and wearing apparel and medical expenditures. Among the major expenditure items related to copyright, those pertaining to transportation and communication showed a continuously increasing trend (see Figure 4). From barely 3 percent of total expenditures in 1985, expenditures on transportation and communication grew to 5.38 percent of total expenditures in 2003. This is explained by the expansion of the customer base for cellular telephones that have benefited significantly from developments in digital technology over the past decade, as well as the diversification of the public transportation system that makes households in urban centers like the National Capital Region (NCR) more mobile (see Figure 5). Telecommunications has grown as a result of strategic marketing efforts among the key players and is expected to grow further in the coming years. Expenditure on education stayed around 2.5 percent of total expenditure from 1985 to 2003, while expenditure on recreation barely changed at 0.31 percent. Expenditure on wearing apparel and footwear has gradually declined to 2.75 percent of the total expenditures in 2003. Medical expenditure barely changed at 1.78 percent of the total.

**Figure 4. Share of total expenditures of households by type (Philippines)**



Source: NSO, 2003 Family Income and Expenditures Survey.

**Figure 5. Share of total expenditures of households by type (National Capital Region)**



Source: National Statistics Office: 2003 Family Income and Expenditures Survey.

## 12. Recommendations to Strengthen Copyright-Based Industries

The results of this study show the significant contribution of copyright-based industries to the economy of the Philippines, notably its potential for employment generation.

For this reason, government intervention is highly recommended. The policy to protect copyright and encourage creativity already exists. It is enshrined in the Philippine Constitution and in the principal law on the matter, the Intellectual Property Code of the Philippines (Republic Act 8293) which took effect on January 1, 1998. While additional legislative initiatives may help, they can take years to formulate and much longer for results to be achieved. On the other hand, steps can be taken immediately by agencies of the government to provide relevant information to help Philippine copyright-based industries.

The National Economic and Development Authority (NEDA), created by Article VII Section 9 of the Philippine Constitution, is primarily responsible for the formulation of continuing, coordinated and fully integrated social and economic policies, plans and programs. Its powers and functions are exercised by the NEDA Board. Chaired by the President of the Philippines with the Director General of NEDA as Vice-Chairman, the NEDA Board has as its members the Executive Secretary and Secretaries (heads) of the following Departments: Finance, Trade and Industry, Agriculture, Environment and Natural Resources, Public Works and Highways, Budget and Management, Labor and Employment, and Local Government. All of these Departments directly relate to all the copyright-based industries covered by this study.

The National Statistical Coordination Board (NSCB) is chaired by the Director-General of NEDA. It is the highest policy-making and coordinating body on statistical matters. Among its powers and functions, the NSCB is mandated to recommend executive and legislative measures to enhance the development and efficiency of the system, to allocate statistical responsibilities among government agencies by designating the statistics to be collected by them including their periodicity and content, to develop, prescribe and maintain an appropriate framework for improvement of statistical coordination and prescribe uniform standards and classification systems in government statistics. It may create inter-agency committees to assist it in the exercise of its functions.

The NSCB does not engage directly in any basic data collection activity. The National Statistics Office (NSO) is the major statistical agency responsible for providing general purpose statistics and undertaking censuses and surveys as may be designated by the NSCB.

Quality information must be systematically and regularly gathered and made available by NEDA and the NSCB through the NSO and other government agencies. While this study is not designed to determine the impact of copyright enforcement on the economic contribution of copyright, it underscores the need for quality information that would ultimately serve planning and monitoring purposes.

1. One recommendation pertains to the basic aspect of establishing the size, composition, and changes in CBI, i.e., detailed data collection and classification. Censuses with complete enumeration at the 5-digit PSIC level are the most useful. Next come surveys that use a consistent sampling method and identify firms at the 5-digit level. If there is only one respondent at this level, rather than suppressing the data, the firm should be given a code to protect its identity but the information should be made available upon request.
2. A direct question on the amount of copyright royalties and a separate tally of the results would also be useful. While the question was asked by the 2000 CPBI, the answers are subsumed under "Costs of

non-industrial services done by others.” The 2003 ASPBI now asks a specific, separate question but it is about the total value of intangible assets that encompasses copyrights, trademarks, patents, franchises, etc., with no breakdown available. Moreover, regarding assets there is a need to annualize their costs, hence a question on annual payments for the use of copyrights separate from other forms of IP would be more useful. R&D expenditures would also be more relevant if it can be established which amount relates directly and only to current production.

3. With the rapid and continuous emergence of numerous digital products and services brought about by developments in information technology, it is also crucial to identify and classify them properly. A technical working group under the National Statistical Coordination Board is already undertaking this. Inasmuch as the new digital products and services originate from the United States, it is suggested that the categories from the North American Industry Classification System (NAICS) be taken into consideration. Some examples are shown in italics in the list below taken from the NAICS:

**Box 16. Categories from the North American industry classification system (NAICS)**

**51 Information**

- 511 Publishing Industries (except Internet)
- 5111 Newspaper, Periodical, Book, and Directory Publishers
- 51111 Newspaper Publishers
- 51112 Periodical Publishers
- 51113 Book Publishers
- 51114 Directory and Mailing List Publishers
- 51119 Other Publishers
- 511191 Greeting Card Publishers
- 511199 All Other Publishers
- 5112 Software Publishers
- 512 Motion Picture and Sound Recording Industries
- 5121 Motion Picture and Video Industries
- 51211 Motion Picture and Video Production
- 51212 Motion Picture and Video Distribution
- 51213 Motion Picture and Video Exhibition
- 512131 Motion Picture Theaters (except Drive-Ins)
- 512132 Drive-In Motion Picture Theaters
- 51219 Postproduction Services and Other Motion Picture and Video Industries*
- 512191 Teleproduction and Other Postproduction Services*
- 512199 Other Motion Picture and Video Industries
- 5122 Sound Recording Industries
- 51221 Record Production
- 51222 Integrated Record Production/Distribution
- 51223 Music Publishers
- 51224 Sound Recording Studios
- 51229 Other Sound Recording Industries
- 515 Broadcasting (except Internet)
- 5151 Radio and Television Broadcasting
- 51511 Radio Broadcasting
- 515111 Radio Networks
- 515112 Radio Stations
- 51512 Television Broadcasting
- 5152 Cable and Other Subscription Programming
- 516 Internet Publishing and Broadcasting
- 517 Telecommunications
- 5171 Wired Telecommunications Carriers*
- 5172 Wireless Telecommunications Carriers (except Satellite)*
- 517211 Paging*
- 517212 Cellular and Other Wireless Telecommunications*
- 5173 Telecommunications Resellers*
- 5174 Satellite Telecommunications*

5175 *Cable and Other Program Distribution*  
5179 *Other Telecommunications*  
518 *Internet Service Providers, Web Search Portals, and Data Processing Services*  
5181 *Internet Service Providers and Web Search Portals*  
518111 *Internet Service Providers*  
518112 *Web Search Portals*  
5182 *Data Processing, Hosting, and Related Services*  
519 *Other Information Services*  
51911 *News Syndicates*  
51912 *Libraries and Archives*  
51919 *All Other Information Services*

54 Professional, Scientific, and Technical Services

5411 *Legal Services*  
54111 *Offices of Lawyers*  
54112 *Offices of Notaries*  
54119 *Other Legal Services*  
541191 *Title Abstract and Settlement Offices*  
541199 *All Other Legal Services*  
5412 *Accounting, Tax Preparation, Bookkeeping, and Payroll Services*  
541211 *Offices of Certified Public Accountants*  
541213 *Tax Preparation Services*  
541214 *Payroll Services*  
541219 *Other Accounting Services*  
5413 *Architectural, Engineering, and Related Services*  
54131 *Architectural Services*  
54132 *Landscape Architectural Services*  
54133 *Engineering Services*  
54134 *Drafting Services*  
54135 *Building Inspection Services*  
54136 *Geophysical Surveying and Mapping Services*  
54137 *Surveying and Mapping (except Geophysical) Services*  
54138 *Testing Laboratories*  
5414 *Specialized Design Services*  
54141 *Interior Design Services*  
54142 *Industrial Design Services*  
54143 *Graphic Design Services*  
54149 *Other Specialized Design Services*  
5415 *Computer Systems Design and Related Services*  
541511 *Custom Computer Programming Services*  
541512 *Computer Systems Design Services*  
541513 *Computer Facilities Management Services*  
541519 *Other Computer Related Services*  
5417 *Scientific Research and Development Services*  
54171 *Research and Development in the Physical, Engineering, and Life Sciences*  
54172 *Research and Development in the Social Sciences and Humanities*  
5418 *Advertising and Related Services*  
54181 *Advertising Agencies*  
54182 *Public Relations Agencies*  
54183 *Media Buying Agencies*  
54184 *Media Representatives*  
54185 *Display Advertising*  
54186 *Direct Mail Advertising*  
54187 *Advertising Material Distribution Services*  
54189 *Other Services Related to Advertising*  
5419 *Other Professional, Scientific, and Technical Services*  
54191 *Marketing Research and Public Opinion Polling*  
54192 *Photographic Services*  
541921 *Photography Studios, Portrait*  
541922 *Commercial Photography*  
54193 *Translation and Interpretation Services*  
54199 *All Other Professional, Scientific, and Technical Services*

**56 Administrative and Support and Waste Management and Remediation Services**

561 Administrative and Support Services

5611 Office Administrative Services

5612 Facilities Support Services

5613 Employment Services

56131 Employment Placement Agencies

56132 Temporary Help Services

56133 Professional Employer Organizations

5614 Business Support Services

56141 *Document Preparation Services*

56142 Telephone Call Centers

561421 *Telephone Answering Services*

561422 *Telemarketing Bureaus*

56143 Business Service Centers

561431 Private Mail Centers

561439 Other Business Service Centers (including Copy Shops)

4. Another source of data that should be utilized more effectively is the Labor Force Survey that targets individuals rather than establishments as respondents. At present the information is reported at the most aggregated level of the Philippine Standard Occupational Classification scheme, which limits its usefulness for this study. However since self-employed individuals also produce copyright products and services, their number and contribution must be estimated.
5. The United Nations Statistics Division (UNSD) International Standard Industrial Classification (ISIC) Revision 4, which all countries are expected to adopt, will be released in 2007. This is the best opportunity for the Philippine Statistical System to give due importance to the contribution of the CBI, that is, by elevating these sectors to a higher-level classification. This will ensure proper collection of information on the copyright and other intellectual property-based industries whose contribution to the Philippine economy is expected to grow in the coming years.
6. The Secretariat of the Association of Southeast Asian Nations (ASEAN) is fast-tracking the ASEAN Standardization of the Classification System. This provides an excellent opportunity to include the foregoing proposals in order to raise awareness of the importance and economic contribution of copyright-based industries, not only in the country but throughout the ASEAN region.
7. The Securities and Exchange Commission (SEC) requires corporations and partnerships to submit annual financial statements. This requirement should include information on payments made/received on account of royalties, including details of the name and location of the payee/payer and the amount.
8. The national Government should require the regular updating of copyright industry statistics identified here not only by the NSO but by all other agencies such as the SEC, with the obligation to collate, organize and submit the data to the NSCB. Industry associations or individuals should be encouraged to provide information when they register either as businesses or individuals.
9. The present report provides baseline information on the economic contribution of CBI in terms of value added, employment and foreign trade. A detailed survey of CBI must be undertaken to establish or validate copyright factors. Further surveys/studies on the impact of CBI should also be conducted regularly. Initially, the present survey could be repeated using the WIPO Guide or its updated version using new/older statistics for comparison over time. Further studies should be built upon the WIPO Guide or its updated version to ensure comparability of data/results. At the same time additional parameters/measures could be incorporated to accommodate other information needed by policy-makers such as, for example, the social impact of CBI.

10. It is necessary to underscore the need for a policy to provide funds or funding sources such as fees and charges for the specific purpose of carrying out the recommendations made here.
11. To monitor enforcement and judicial activities effectively, data from enforcement agencies and courts, including historical information, must be systematized.

**Programs for public awareness on copyright and its importance must be systematically implemented.**

Private sector participation in the education of the public must be intensified. For example, collecting societies may pursue an information program to address the failure to pay performance and recording royalties. Alliances must also be built between chambers of commerce and industry and copyright collecting societies.

While the Intellectual Property Code meets international standards for protection, aside from optical disc legislation and implementing rules for border control, current enforcement strategies must be sustained and actions intensified. In the medium and long term, laws and policies, including the implementation of laws on copyright, must also be periodically reviewed and improved taking into account the impact of CBI on the economy as shown by studies using government statistics, and preferably including the informal economy.

Other broad recommendations are as follows:

1. The use of administrative remedies must be promoted, to reduce the burden of enforcement and adjudication agencies.
2. Accountability and transparency must be institutionalized. As a potentially effective tool for this to be realized, the database must be fully utilized by enforcement agencies and the courts.
3. Creative policy responses must be conceived to the “structural”<sup>13</sup> or built-in demand for pirated goods, brought about by low incomes, high price differentials between genuine and fake products, and consumer attitudes and technology. Price differentials must be addressed through an innovative pricing policy such as offering products at affordable levels. In a parallel move, the costs of buying and selling pirated products must be increased. Fines must also be increased in both civil and criminal cases, and imprisonment should be mandatory in criminal cases.
4. Taxes applied to certain copyright sectors are affecting them adversely. This is the complaint of the motion picture industry, on which are imposed an amusement tax, a culture tax, a flood tax, and a tax on raw materials. This adds to their high production costs and should be reviewed for possible rationalization.
5. Collective management must be supported and the strategy replicated where possible.

As the results of this study show, CBI have a sizeable contribution to make to the national economy. It is incumbent upon policy makers and regulators to take the steps needed for the country to reap the full benefits of copyright.

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<sup>13</sup> USAID-AGILE, IPR Diagnostic Report, September 2001.

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## Annex A

### Corporations Classified under the Core Copyright Industry, 2002

CORPORATION BY CORE COPYRIGHT SUBSECTOR	2002 Gross Revenues (in PhPM)
<b>PRINTING</b>	
Clarito Enriquez and Sons Corporation	139
Alliance Media Printing, Incorporated	293
Banner Plasticard, Incorporated	568
Business World Publishing Corporation	198
Consolidated Paper Products Incorporated	180
Diwa Scholastic Press Incorporated	67
FEP Printing Corporation	1,189
Foremost Printer's Equipment and Supply, Incorporated	38
Monica Publishing Corporation	190
Mount Banahaw Wood Industries, Incorporated	53
PDS Philippines, Incorporated	73
Philippine Daily Inquirer Incorporated	2,378
Philstar Daily, Incorporated	1,455
Pioneer Offset Printing Incorporated	42
PLim Investments, Incorporated	35
Printwell, Incorporated	851
Rowell Lithography and Metal Closure, Incorporated	225
SD Publications, Incorporated	331
Directories Philippines Corporation	1,154
Pilipino Star Printing Company, Incorporated	370
<b>PUBLISHING</b>	
Bookhaven, Incorporated	1,214
Papercon (Philippines) Incorporated	485
Sysco Paper Corporation	148,661
Vibal Publishing House, Incorporated	508
Vision Tapes and Cable Corporation	70
Manila Bulletin Publishing Corporation	2,588
Sterling Paper Products Enterprises, Incorporated	240
Summit Publishing Company, Incorporated	262
<b>DRAMATIC ARTS, MUSIC, OTHER ARTS ACTIVITIES</b>	
Sony Music Entertainment (Philippines), Incorporated	201
Star Recording, Incorporated	170
Wolfpac Communications, Incorporated	75

<b>MOTION PICTURE AND VIDEO PRODUCTION</b>	
Production Village Corporation	216
Star Cinema Productions, Incorporated	220
Unitel Productions, Incorporated	189,401
Viva Productions, Incorporated	334
Viva Television Corporation	665
Straight Lines International, Incorporated	80
United Productions, Incorporated	249
Viva Entertainment, Incorporate	583
Creative Programs, Incorporated	341
Studio 23, Incorporated	421
Telecom's & Computer Technologies, Incorporated	56
<b>RADIO AND TELEVISION</b>	
GMA Marketing and Productions, Incorporated	185
Manila Exposition Complex, Incorporated	101
Television and Production Exponents, Incorporated	398
ABC Development Corporation and Subsidiary	639
Manila Broadcasting Company	639
Nachi Pilipinas Industries, Incorporated	127
Radio Mindanao Network, Incorporated	321
<b>PHOTOGRAPH AND MOTION PICTURE PROCESSING</b>	
Columbia Global Photo Sales Corporation	381
Kameraworld, Incorporated	249
Roadrunner Network, Incorporated	189
<b>COMPUTER AND RELATED ACTIVITIES</b>	
<b>DATA PROCESSING</b>	
Dataone Asia Philippines, Incorporated	557
Delfin Hermanos, Incorporated	126
Diversified Financial Network Incorporated	37
EDS Electronic Data Systems (Philippines), Incorporated	188
Equitable Computer Services, Incorporated	226
General Telephone System, Incorporated	61
Infocom Technologies, Incorporated	379
Integrated Computer Systems, Incorporated	499
Inter Par Philippines Resources Corporation	53
Microsoft Business Solutions (Philippines) Incorporated	207
Primeworld Digital Systems, Incorporated	441
Quorum Lanier Philippines Incorporated	215
SM-Equicom Computer Services, Incorporated	466
Southbend Management Services, Incorporated	49
SPI Technologies, Incorporated	353
The Thomson (Philippines) Corporation	317
Topbest Printing Corporation	67

<b>SOFTWARE CONSULTANCY AND DEVELOPMENT</b>	
AMA Computer College, Incorporated - Binan	100
Content Sciences, Incorporated	768
Headstrong Philippines, Incorporated	438
Formsmaster Computer Paper, Incorporated	43
IBM Solutions Delivery, Incorporated	224
Misys International Banking Systems, Incorporated	584
Uniserv Systems International, Incorporated	325
Weserv Systems International, Incorporated	213
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Ayala Systems Technology, Incorporated	197
Basic Advertising, Incorporated	246
Campaigns and Grey, Incorporated	182
Consolidated Broadcasting System, Incorporated	177
Publicis Spark, Incorporated	207
ADTX Systems Incorporated	58
Herex International Corporation	39
Standout Service Contracting Corporation	50
WPP Marketing Communications, Incorporated	277
Datacraft Communication Systems, Incorporated	223
<b>ARCHITECTURAL AND ENGINEERING ACTIVITIES</b>	
Globe International Distributor Center Incorporated	76
Fluor-Daniel, Incorporated-Philippines	1,040
HMC Incorporated	126
Kakudai (Philippines), Incorporated	38
New Panay Agri-ventures Development, Incorporated	112
Parsons Brinckerhoff Philippines, Incorporated	236
Aurotech Systems (Philippines), Incorporated	213
C and E Corporation	192
Camp Marketing and Development, Incorporated	47
Daewoo Engineering and Construction Co, Ltd.	200
DDT Konstract Incorporated	90
Fujitsu Telecoms Systems Philippines, Incorporated	102
Glasprint Enterprises, Incorporated	62
Informatics Holdings Philippines, Incorporated	66
Kansai Paint Philippines, Incorporated	122
Li and Fung (Philippines) Incorporated	107
M+W Zander (Philippines) Incorporated	179
MalIncorporatedoat, Incorporated	120
Nesic Philippines, Incorporated	355
One Four One, Incorporated	45
Oriental Toolmaster Corporation	76

Pacific Consultants International Asia, Incorporated	412
Philippine EDS Techno-service, Incorporated	186
Raytheon-Obasco Overseas Limited	1,683
Taikisha Philippines, Incorporated	410
Teradyne Philippines Limited	521
Vsl Philippines Incorporated	240

*Source: Top 7000 Corporations, 2003.*

## Annex B

List of Commodities by Copyright Industry Category			
TYPE	COPYRIGHT-BASED INDUSTRY	Philippine Standard Commodity Classification Code (PSCC)*	
CORE	Press and Literature	892	Printed Matter
		8921	Books and similar printed matter
		8921200	Children's picture, drawing/coloring books
		8921300	Maps and charts in book form
		8921401	Globes
		8921409	Other maps and hydrographic, similar charts of all kinds, not in book form
		8921600	Dictionaries and encyclopaedias, and serial installments, not in single sheets
		8921901	College and high school textbooks including technical and scientific books
		8921902	Textbooks, workbooks and supplementary readers for the elementary grades
		8921903	Prayer books, bibles, and other religious books
		8921904	Catalogues in book form
		8921905	Booklets, brochures, pamphlets and leaflets, not in single sheets
		8921906	Educational, technical, scientific, historical and cultural books other than those of sub-item 892
		8921909	Other books, brochures and similar printed matter, N.E.S., not in single sheets
		8922	Newspapers and other periodicals
		8922100	Newspapers, journals and periodicals, appearing at least four times a week
		8922901	Newspapers, new issues, other than appearing at least four times a week
8922902	Comic magazines, new issues, other than appearing at least four times a week		

			8922903	Magazines (excluding comic), reviews and other periodicals, new issues other than four times a week
		8924		Printed cards, transfers
			8924101	Transfers (decalcomanias), vitrifiable
			8924102	Industrial transfers (decalcomanias), other than vitrifiable
			8924109	Transfers (decalcomanias), N.E.S.
			8924201	Picture postcards
			8924202	Christmas and other greeting cards
			8924209	Other printed/illustrated postcards; printed cards with personal greetings, etc.
		8928		Other printed matter
			8928101	Paper or paperboard labels, of all kinds, printed, other than those of sub-item 8928103
			8928102	Paper or paperboard labels of all kinds, not printed, other than those of sub-item 8928104
			8928103	Labels that form part of packaging for jewelry or for small objects of personal adornment or for art
			8928301	Stock, share and bond certificates and similar documents of title; cheque forms; stamp-impressed paper
			8928302	Unused postage, revenue and similar stamps of current or new issue in the country for which they are destined
			8928303	Banknotes
			8928304	Stamped envelopes, letter cards, postcards and the like
			8928400	Calendars of any kind, printed (including calendar blocks)
			8928600	Trade advertising material, commercial catalogues and the like
			8928901	Anatomical, botanical, etcetera, instructional charts and diagrams
			8928902	Printed cards for jewelry or for small objects of personal adornment or for articles of personal use
			8928909	Other printed matter, N.E.S.
CORE	Music, Theatre, Operas		8928500	Music printed or in manuscript, whether or not bound/illustrated
			8986100	Magnetic tapes, recorded, of a width not exceeding 4mm
			8986300	Magnetic tapes, for reproducing phenomena other...
			8986700	Magnetic tapes, recorded, of a width exceeding 6.5mm
			8986709	Other recorded magnetic tape with width exceeding 6.5mm

			8987102	Gramophone (phonograph) records, other than for language study
			8987903	Discs for laser reading systems, recorded, for reproducing sound only
CORE	Motion Picture and Video	883		Cinematograph film, exposed or developed, whether or not incorporating sound track
			8831003	Cinematograph film, exposed and developed, whether or not with sound track, width 35mm or more
			8831009	Other cinematograph film, exposed and developed, whether or not with sound track, width 35mm or more
			8833009	Cinematograph film, exposed and developed, whether or not incorporating or consisting of sound track, N.E.S.
		898		Recorded media for reproducing phenomena
			8987908	Recorded media for reproducing representation of instruction
			8987909	Other sound or similar recorded media (including video tapes), N.E.S.
CORE	Photography		8928700	Pictures, designs and photographs
CORE	Software and Databases	8943		Video games used with television receiver and parts
			8943101	Video games used with television receiver
			8943108	Parts, N.E.S. of sub-item 8943101
			8987901	Recorded computer magnetic discs and diskettes
			8987902	Discs for laser reading systems, recorded, for reproducing...
			8987904	Recorded computer media for laser reading systems (e.g., CD-ROM)
			8987905	Discs for laser reading systems, recorded, other than those classified in sub-items 8987901 to 898
			8987906	Cards incorporating a magnetic strip, recorded
			8987907	Other recorded media for reproducing phenomena other than sound or image
CORE	Visual and Graphic Arts	896		Works of art, collectors' pieces and antiques
			8961100	Paintings, drawings and pastels, by hand
			8961201	Collages and similar decorative plaques, of cork/wood
			8961202	Collages and similar decorative plaques, of base metal
			8961209	Collages and similar decorative plaques, of other materials
			8962000	Original engravings, prints and lithographs
			8963000	Original sculptures and statuary, any material
			8964000	Postage/revenue stamps, stamp-postmarks, first day covers, postal stationery and others

			8965001	Specimens for scientific purposes
			8965002	Collection and collectors' pieces of numismatic interest
			8965009	Collections and collectors' pieces of zoological, botanical, etc. interest, N.E.S.
			8966000	Antiques of age exceeding one hundred years
INTERDEP	TVs, radios, other audio-video, electronic game equipment	761		Television receivers (including video monitors and video projectors), whether or not incorporating radio
		762		Radio broadcast receivers, whether or not incorporating sound recording or reproducing apparatus or a clock
		763		Sound recorders or reproducers; television image and sound recorders or reproducers
		764		Telecommunications equipment, N.E.S.; and parts, N.E.S.; and accessories of apparatus falling within division 76
		775		Household type, electrical and non-electrical equipment, N.E.S.
INTERDEP	Computers and Equipment	726		Printing and bookbinding machinery, and parts thereof
		7511		Typewriters and word processing machines
		7511	7511301	Automatic typewriters
			7511302	Word-processing machines
			7511501	Electric typewriters, weighing not more than 12 kilograms (excluding case), new
			7511502	Used or rebuilt electric typewriters weighing not more than 12 kilograms (excluding case)
			7511601	Used or rebuilt electric typewriters, N.E.S.
			7511602	Other electric typewriters, N.E.S.
			7511801	Non-electric typewriters weighing not more than 12 kilograms (excluding case), new
			7511802	Used or rebuilt non-electric typewriters weighing not more than 12 kilograms (excluding case)
			7511901	Used or rebuilt non-electric typewriters, N.E.S.
			7511909	Other non-electric typewriters, N.E.S.
		752		Automatic data processing machines and units; magnetic or optical readers, machines for transcribing data
INTERDEP	Musical Instruments	8981/2/9		Musical instruments, parts and accessories
		898		Musical instruments and parts and accessories thereof; records tapes, and other sound or similar recording
			8981301	Upright pianos
			8981302	Grand pianos
			8981303	Pianos other than upright and grand
			8981501	Violins

			8981503	Guitars
			8981504	Ukuleles
			8981506	Harps not including Aeolian harps
			8981509	Other string musical instruments, N.E.S.
			8982100	Keyboard pipe organs; harmoniums and similar keyboard instrument
			8982202	Mouth organs (harmonicas)
			8982301	Brass wind instruments
			8982309	Other wind musical instruments, N.E.S.
			8982400	Percussion instruments (e.g. drums, xylophones, cymbals, castanets, etc.)
			8982500	Keyboard instruments, sound is produced/amplified
			8982600	Musical instruments, N.E.S., sound is produced/amplified
		89829	8982901	Musical boxes
			8982902	Fairground organs, mechanical street organs, musical saws and other musical instruments, N.E.S.
			8982903	Decoy calls; whistle call horns and other mouth-blown sound instruments
			8989001	Strung back for upright pianos
			8989009	Parts and accessories for pianos, N.E.S.
			8989011	Parts and accessories for musical instruments of items 89815 (excluding those played with a bow)
			8989012	Parts and accessories for musical instruments of items 89821
			8989013	Parts and accessories for musical instruments of items 89825 and 89826
			8989014	Metronomes, tuning forks and pitch pipes of all kinds
			8989015	Mechanisms for musical boxes
			8989016	Musical instrument strings
			8989017	Parts and accessories for musical instruments played with a bow, other than string musical instruments
			8989019	Other musical parts and accessories, N.E.S.
INTERDEP	Photographic and Cinematographic instruments	881		Photographic apparatus and equipment, N.E.S.
		882		Photographic and cinematographic supplies
		884		Optical goods, N.E.S.
INTERDEP	Photocopiers	7513		Copying apparatus
		7513	7513100	Electrostatic photocopying apparatus operated by reproduction directly onto copy
			7513200	Electrostatic photocopying apparatus operated by reproduction via intermediate copy

			7513300	Non-electrostatic photocopying apparatus incorporating optical system
			7513400	Non-electrostatic photocopying apparatus of contact type
			7513500	Thermo-copying apparatus
INTERDEP	Blank Recording Material	8984		Unrecorded media
			8984100	Magnetic tapes for sound recording/similar recording other phenomena, 4mm wide or less
			8984101	Computer magnetic tapes for sound recording or similar...
			8984109	Other magnetic tapes for sound recording or similar...
			8984300	Magnetic tape for sound recording/similar recording other phenomena, more than 4mm wide but not more than 6.5mm
			8984301	Computer magnetic tapes for sound recording or similar...
			8984309	Other magnetic tapes for sound recording or similar...
			8984501	Magnetic computer tapes widths of 1/2 inch [12.7mm] or wider, prepared, unrecorded
			8984502	Magnetic tapes for sound recording or similar recording of...
			8984509	Other magnetic tapes for sound/similar recording width exceeding 6.5mm
			8985101	Computer magnetic discs and diskettes, unrecorded
			8985109	Other magnetic discs, unrecorded
			8985900	Prepared, unrecorded media, N.E.S.
			8985901	Compact discs (CD) media
			8985903	Cards incorporating a magnetic stripe
			8985909	Other unrecorded media, N.E.S.
INTERDEP	Paper	64		Paper, paperboard, and articles of paper pulp, of paper or of paperboard
		895		Office and stationery supplies, N.E.S.
	Ink	532		Dyeing and tanning extracts, and synthetic tanning materials
		533		Pigments, paints, varnishes, and related materials
PARTIAL	Apparel, textiles, footwear	65		Fabrics, made-up articles of textile materials
		652		Cotton fabrics, woven (not including narrow or special fabrics)
		653		Fabrics, woven, of man-made textile materials (not including narrow or special fabrics)
		654		Other textile fabrics, woven

		655		Knitted or crocheted fabrics (including tubular knit fabrics, N.E.S., pile fabrics and open-worked fabrics), N.E.S.
		656		Tulles, lace, embroidery, ribbons, trimmings and other small wares
		657		Special yarns, special textile fabrics and related products
		658		Made up articles, wholly or chiefly of textile materials, N.E.S.
		831		Trunks, suitcases, briefcases, camera cases and similar containers
		84		Articles of apparel and clothing accessories
		85		Footwear
PARTIAL	Jewelry and coins	897		Jewelry, goldsmiths' and silversmiths' wares, and other articles of precious or semi-precious material
		961		Coins (other than gold coin), not being legal tender
		885		Watches and clocks
PARTIAL	Furniture	821		Furniture and parts thereof
PARTIAL	Household goods, china, glass	635		Wood manufactures, N.E.S.
		664		Glass
		665		Glassware
		697		Household equipment of base metal, N.E.S.
PARTIAL	Wall coverings, carpets	659		Floor coverings, etc.
PARTIAL	Toys and games	8942		Toys, parts and accessories
		8942	8942101	Wheeled toys designed to be ridden by children (e.g., tricycles, scooters, etc)
			8942102	Dolls' carriages and parts
			8942108	Parts, N.E.S., of wheeled toys designed to be ridden by children
			8942200	Dolls representing only human beings
			8942301	Garments and accessories, footwear and headgear, of dolls representing only human beings
			8942309	Other parts and accessories of dolls representing only human beings
			8942401	Electric trains including tracks, signals and other accessories
			8942403	Reduced-size (scale) model assembly kits excluding of sub-item 8942401
			8942404	Parts, N.E.S. of sub-item 8942403
			8942409	Other construction sets and constructional toys, of plastic
			8942411	Parts, N.E.S. of sub-item 8942409
			8942412	Other construction sets and constructional toys, other than...
			8942501	Toys representing animals/non-human creatures, stuffed

			8942502	Parts, N.E.S. of sub-item 8942501
			8942503	Toys representing animals/non-human creatures, other than stuffed
			8942504	Parts, N.E.S. of sub-item 8942503
			8942601	Toy musical instruments and apparatus
			8942608	Parts, N.E.S. of sub-item 8942601
			8942700	Puzzles (toys)
			8942901	Toys, made up in sets/outfits, N.E.S.
			8942902	Parts, N.E.S. of sub-item 8942901
			8942903	Toys and models, incorporating motor, N.E.S.
			8942904	Parts, N.E.S. of sub-item 8942903
			8942909	Other toys, N.E.S.
			8942911	Parts, N.E.S. of sub-item 8942909
	Toys and games	8943		Games, equipment and parts
			8943301	Billiard chawks
			8943302	Billiard tables
			8943309	Other articles and accessories for billiards
			8943501	Other games, coin-/disc-operated machines, used, in cafes, funfairs, etc
			8943508	Parts, N.E.S. of sub-item 8943501
			8943700	Playing cards
			8943901	Mahjong, chess, checkers and similar game sets
			8943902	[Bowling alleys], pool and similar tables for indoor games
			8943903	Equipment for bowling, pool and similar table games except billiards
			8943904	Darts and dartboards
			8943905	Bowling requisites of all kinds (e.g., automatic bowling alley...)
			8943909	Equipment for parlor, table and funfair games for adults or children, N.E.S.
			8943911	Parts, N.E.S. of sub-item 8943909
PARTIAL	Architecture, engineering, surveying		8928200	Plans and drawings for architectural, engineering, industrial, or similar purposes
PARTIAL	Other crafts	8991		Molded/carved art
		8991	8991101	Worked capiz shells and articles (including articles obtained by molding), N.E.S.
			8991102	Handbags of shell
			8991109	Other manufactures of animal shell (including articles obtained by molding), N.E.S.
			8991112	Worked bone (excluding whale bone) and art (including art obtained by molding), N.E.S.
			8991114	Worked mother-of-pearl (excluding whale bone) and art (including art obtained by molding), N.E.S.
			8991119	Other animal carving material, N.E.S., and art, N.E.S., except imitation jewelry
			8991902	Art of unhardened gelatin, N.E.S., and worked, unhardened gelatin in shape (not rectangular)

			8991903	Worked vegetable carving materials (including corozo) and articles, N.E.S.
			8991904	Worked jet, mineral substitute for jet amber, meerschaum and other mineral carving material and art
			8991905	Molded/carved art, N.E.S., of wax, stearin, natural gums, and other molded/carved art, N.E.S.
	Other crafts	8992		Artificial flowers, plants
		8992	8992101	Artificial flowers, foliage/fruit and parts, of plastics
			8992102	Artificial trees and plants, of plastics
			8992103	Art made of artificial flowers, foliage/fruit (other than artificial trees and plants), N.E.S.
			8992901	Artificial flowers, foliage/fruit and parts, of materials other than plastics
			8992902	Artificial trees and plants, of materials other than plastics
			8992903	Art of artificial flowers, foliage/fruit, of materials other than plastics
	Other crafts	8997		Art and basketwork from plaited material
		89971	8997101	Baskets and basket ware containers, of vegetable plaited material
			8997102	Handbags, wallets, purses and similar art, of vegetable plaited material
			8997103	Abaca hemp coasters
			8997104	Coasters of other vegetable plaited material
			8997105	Abaca hot pads
			8997106	Abaca placemats
			8997107	Buri placemats
			8997108	Pandan placemats
			8997111	Placemats of other vegetable plaited material
			8997119	Other basketwork and art from plaited material goods-89973, 89974, 89979
			8997121	Basket and basket ware containers, from plaited material (except vegetable) goods of 89973, 89979
			8997122	Handbags, wallets, purses and similar art from plaited material (except vegetable) of 89973, 89979
			8997129	Other basketwork and other art from plaited material/goods-89973,89964 or 89979, except of vegetables

\* PSCC is the nomenclature used in recording and classifying traded goods. 7-digit PSCCs are the most disaggregated level of classification.

Source: National Statistical Coordination Board, Philippine Standard Commodity Classification.

## Annex C

### Brief History / Overview of Philippine Copyright Law

The United States Copyright Act of 1909, providing for a term of 28 years for copyright, was adopted in the Philippines during the American occupation through Act 3134 (Copyright Law of the Philippine Islands) approved on March 6, 1924, giving equal rights to citizens of the United States. After the Philippines gained its independence and became a republic, Proclamation 2819 was issued by US President Harry S. Truman on October 21, 1948 granting reciprocal rights to citizens of the Philippines citing reciprocal rights granted to United States citizens under Act 3134 and Republic Act 76 approved by the Philippine Legislature on October 21, 1946. Registration, preceded by examination, was required for copyright to exist. The requirement of examination and registration was removed by Presidential Decree No. 49 (Decree on Intellectual Property), approved on November 14, 1972, which declared that copyright exists from the moment of creation although registration and deposit of the work continued to be required before the copyright owner was entitled to recover damages in an infringement suit. The current law, Republic Act No. 8293 (Intellectual Property Code of the Philippines) maintains that copyright exists from the moment of creation and requires deposit of a work only to complete the collection of the National Library and the Library of the Supreme Court of the Philippines.

The IP Code provides copyright protection to original literary and artistic works from the moment of their creation. Certain derivative works are also protected by copyright.

Works are protected by the sole fact of their creation, irrespective of their mode or form of expression, as well as of their content, quality and purpose. However, for the purpose of completing the records of the National Library and the Supreme Court Library, two complete copies or reproductions of the work shall be deposited within three weeks after the first public dissemination or performance of the work by authority of the copyright owner. All copies deposited shall become the property of the Government and shall be open to public inspection.

Each copy of a work published or offered for sale may contain a notice bearing the name of the copyright owner, and the year of its first publication, and, in copies produced after the creator's death, the year of death.

Literary and artistic works include:

- (a) Books, pamphlets, articles and other written works
- (b) Periodicals and newspapers
- (c) Lectures, sermons, addresses, dissertations prepared for oral delivery, whether or not produced in writing or other material form
- (d) Letters
- (e) Dramatic or dramatic-musical compositions; choreographic works or entertainment in mime shows
- (f) Musical compositions, with or without words
- (g) Works of drawing, painting, architecture, sculpture, engraving, lithography or other works or art; models or designs for works of art
- (h) Original ornamental designs or models for articles of manufacture, whether or not able to be registered as an industrial design, and other works of applied art;
- (i) Illustrations, maps, plans, sketches, charts and three-dimensional works relating to geography, topography, architecture or science
- (j) Drawings or plastic works of a scientific or technical character
- (k) Photographic works including works produced by a process analogous to photography; lantern slides

- (l) Audiovisual and cinematographic works and works produced by a process analogous to cinematography or any process for making audio-visual recordings
- (m) Pictorial illustrations and advertisements
- (n) Computer programs
- (o) Other literary, scholarly, scientific and artistic works

Ornamental designs or models for articles of manufacture may also be protected as industrial designs under the IP Code but protection as such is not required for copyright to subsist. Topography or layout designs of integrated circuits are protected under the same provisions of the IP Code on industrial design. However, there is no indication in the IP Code that topography or layout designs of integrated circuits are ornamental designs that may be protected by copyright.

The following **derivative works are protected** by copyright:

- (a) Dramatizations, translations, adaptations, abridgements, arrangements, and other alterations of literary or artistic works
- (b) Collections of literary, scholarly or artistic works, and compilations of data and other materials which are original by reason of the selection or coordination or arrangement of their contents

These derivative works are protected as new works provided that they do not affect the force of any subsisting copyright used or any part thereof, or be construed to imply any right to such use of the original works, or to secure or extend copyright in such original works.

In addition to the right to publish granted by the author, his heirs or assignees, the publisher shall possess a copyright consisting merely of the right of reproduction of the typographical arrangement of the published edition of the work.

The following are **not protected** by copyright:

- (a) Any idea, procedure, system, method or operation, concept, principle, discovery or mere data as such, even if they are expressed, explained, illustrated or embodied in a work
- (b) News of the day and other miscellaneous facts having the character of mere items of press information
- (c) Any official text of a legislative, administrative or legal matter as well as any official translation thereof
- (d) Any work of the Government of the Philippines. However, prior approval of the Government is required for the exploitation for profit of such works. The Government may impose conditions such as the payment of royalties.

No prior approval is required for the use of any purpose of statutes, rules and regulations, and speeches, sermons, addresses, and dissertations, pronounced, read or rendered in courts of justice, before administrative agencies, in deliberative assemblies and in meetings of a public character. However, the author of such speeches, lectures, sermons, addresses, and dissertations shall have the exclusive right of making a collection of his works.

The Government is not precluded from receiving and holding copyrights transferred to it by assignment, bequest or otherwise. The publication or re-publication by the Government in a public document of any work in which copyright is subsisting shall not be taken to cause any abridgement or annulment of the copyright or to authorize any use or appropriation of such work without the consent of the copyright owners.

**Copyright or economic rights** consist in the exclusive right to carry out, authorize or prevent the following:

- (a) Reproduction of the work or a substantial portion thereof
- (b) Dramatization, translation, adaptation, abridgement, arrangement or other transformation thereof
- (c) The first public distribution of the original and each copy of the work by sale or other forms of transfer of ownership
- (d) Rental of the original or a copy of an audiovisual or cinematographic work, a work embodied in a sound recording, a computer program, a compilation of data and other materials or a musical work in graphic form, irrespective of the ownership of the original or the copy which is the subject of the rental
- (e) Public display of the original or a copy thereof
- (f) Public performance of the work
- (g) Other communication to the public of the work

Copyright in a work of architecture includes the right to control the erection of any building which reproduces the whole or a substantial part of the work in its original form or in any form recognizably derived from the original. However, the right does not include the right to control the reconstruction or rehabilitation in the same style as the original of a building to which the copyright relates.

The private reproduction of a published work in a single copy, where the reproduction is made by a natural person exclusively for research and private study does not require the authorization of the author, except as follows:

- (a) A work of architecture in the form of a building or other construction
- (b) An entire, or substantial part, of a book or a musical work
- (c) A compilation of data and other materials
- (d) A computer program
- (e) Any work where the reproduction would unreasonably conflict with a normal exploitation of the work or would unreasonably prejudice the legitimate interests of the author

The following do **not** constitute **infringement** of copyright provided the work is not used in a manner which conflicts with the normal exploitation of the work and does not unreasonably prejudice the right of the owner's legitimate interest.

- (a) The recitation or performance of a work, once it has been lawfully made accessible to the public, if done privately and free of charge or made strictly for a charitable or religious institution or society
- (b) The making of quotations from a published work if they are compatible with fair use and only to the extent justified for the purpose, including quotations from newspaper articles and periodicals in the form of press summaries provided the source and the name of the author, if appearing on the work, are mentioned
- (c) The reproduction or communication to the public by mass media of articles on current political, social, economic, scientific or religious topics, lectures, addresses and other works of the same nature, which are delivered in public if such use is for information purposes and has not been expressly reserved provided that the source is clearly indicated
- (d) The reproduction and communication to the public of literary, scientific or artistic works as part of reports of current events by means of photography, cinematography or broadcasting to the extent necessary for the purpose

- (e) The inclusion of a work in a publication, broadcast, other communication to the public, sound recording or film, if such inclusion is made by way of illustration for teaching purposes and is compatible with fair use provided that the source and name of the author, if appearing in the work, are mentioned
- (f) Recordings made in schools, universities, or educational institutions of a work included in a broadcast for the use of such schools, universities or educational institutions provided that such recordings must be deleted within a reasonable period after they were first broadcast and that such recordings may not be made from audiovisual works which are part of the general cinema repertoire of feature films except for brief excerpts of the work
- (g) The making of ephemeral recordings by a broadcasting organization by means of its own facilities and for use in its own broadcast
- (h) The use made of a work by or under the direction or control of the Government, by the National Library or by educational, scientific or professional institutions where such use is in the public interest and is compatible with fair use
- (i) The public performance or the communication to the public of a work, in a place where no admission fee is charged in respect of such public performance or communication, by a club or institution for non-profit-making charitable educational purposes only
- (j) Public display of the original or a copy of the work not made by means of a film, slide, television image or otherwise on screen or by means of any other device or process provided that, either the work has been published, or, that the original or the copy displayed has been sold, given away or otherwise transferred to another person by the author or his successor in title
- (k) Any use made of a work for the purpose of any judicial proceedings or for the giving of professional advice by a legal practitioner

**Fair use** of a copyrighted work for criticism, comment, news reporting, teaching including multiple copies for classroom use, scholarship, research, and similar purposes is not an infringement of copyright. In determining whether the use made of a work in any particular case is fair use, the factors to be considered shall include:

- (a) The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit-making educational purposes
- (b) The nature of the copyrighted work
- (c) The amount and substantiality of the portion used in relation to the copyrighted work as a whole
- (d) The effect of the use upon the potential market for or value of the copyrighted work.

Decompilation, which is the reproduction of the code and translation of the forms of the computer program to achieve inter-operability of an independently-created computer program, may also constitute fair use.

The reproduction in one back-up copy or adaptation of a computer program is permitted without authorization of the author or other owner of the copyright in a computer program where the copy or adaptation is necessary for:

- (a) The use of the computer program in conjunction with a computer for the purpose and to the extent for which the computer program has been obtained
- (b) Archival purposes, and, for the replacement of the lawfully-owned copy of the computer program in the event that the lawfully-obtained copy of the computer program is lost, destroyed or rendered unusable.

No copy or adaptation shall be used for purposes other than those given above, without prejudice to the application of fair use whenever appropriate.

Independent of the economic rights or the grant of an assignment or license, the author has the following **moral rights**:

- (a) To require that the authorship of the work be attributed to him, in particular, the right that his name, as far as practicable, be indicated in a prominent position on the copies, and in connection with the public use of his work
- (b) To make any alterations to his work prior to, or to withhold it from, publication
- (c) To object to any distortion, mutilation or other modification of, or other derogatory action in relation to, his work, which may be prejudicial to his honor or reputation
- (d) To restrain the use of his name with respect to any work not of his own creation or in a distorted version thereof

Moral rights may be waived in a written instrument except where the effect of the waiver is to permit another: (1) to use the name of the author, or the title of his work, or otherwise to make use of his reputation with respect to any version or adaptation of his work which would substantially tend to injure the literary or artistic reputation of another author because of the alterations made in the work, or, (2) to use the name of the author with respect to a work he did not create.

When an author contributes to a collective work, his right to have his contribution attributed to him is deemed waived unless he expressly reserves it.

In the absence of a contrary stipulation at the time an author licenses or permits another to use his work, the necessary **editing, arranging or adaptation** of his work for publication, broadcast, use in a motion picture, dramatization, or mechanical or electrical reproduction in accordance with the reasonable and customary standards or requirements of the medium in which the work is to be used shall not contravene the author's moral rights. Also, the **complete destruction of a work** unconditionally transferred by the author shall not be deemed to violate moral rights.

An author cannot be compelled to perform his contract to create a work or for the publication of his work already in existence but he may be liable for damages for **breach of contract**.

During his lifetime and for 50 years after his death, the author or his heirs shall have an inalienable right to participate up to the extent of 5 percent of the **gross proceeds of every subsequent sale or lease** of an original work of painting or sculpture or of the original manuscript of a writer or composer, except prints, etchings, engravings, works of applied art, or works of similar kind wherein the author primarily derives gain from the proceeds of reproductions.

**Performers, producers of sound recordings, and broadcasting organizations** enjoy rights under the law.

**Performers** have the following exclusive rights:

- (a) The right to authorize the broadcasting and other communication to the public, and the fixation of their performances
- (b) The right to authorize the direct or indirect reproduction of their performances fixed in sound recordings, in any manner or form

- (c) The right to authorize the commercial rental to the public of the original and copies of their performances fixed in sound recordings, even after distribution of the performances by or pursuant to authorization by the performer
- (d) The right to authorize the making available to the public of their performances fixed in sound recordings, by wire or wireless means, in a way that members of the public may access them from a place and time individually chosen by them
- (e) The right to authorize the first public distribution of the original and copies of their performance fixed in the sound recording through sale or rental or other forms of transfer of ownership.

Once the performer has authorized the broadcasting or fixation of his performance, these exclusive rights shall no longer apply but he shall be entitled to **additional remuneration** of at least 5 percent of the original compensation he received for the first communication or broadcast of the performance **for every subsequent communication to the public or broadcast** of the performance by broadcasting organizations, unless otherwise provided for in the contract.

**Performers may agree** under contract **to terms and conditions more favorable** for them in respect of any use of their performances

**Producers of sound recordings** have the following exclusive rights:

- (a) The right to authorize: (i) the direct or indirect reproduction of their sound recordings in any manner or form, (ii) the placing of these reproductions on the market and (iii) the right of rental or loan
- (b) The right to authorize the first public distribution of the original and copies of their sound recordings through sale or rental or other forms of transferring ownership
- (c) The right to authorize the commercial rental of the original and copies of their sound recordings, even after distribution by them or pursuant to authorization by the producer.

A **single equitable remuneration** for the performer or performers and the producer of the sound recording shall be paid by the user to both the performers and producer of the sound recording if a sound recording published for commercial purposes, or a reproduction of such sound recording, is used directly for broadcasting or for other communication to the public, or is publicly performed with the intention of making and enhancing profit. In the absence of any agreement, the performers and the producer shall enjoy an equal share.

**Broadcasting organizations** have the exclusive right to carry out, authorize or prevent any of the following acts:

- (a) The re-diffusion of their broadcasts
- (b) The recording in any manner, including the making of films or the use of video tape, of their broadcasts for the purpose of communication to the public of television broadcasts of the films or video tapes
- (c) The use of such records for a new transmission or for a new recording

The exclusive rights given to performers, producers of sound recordings and broadcasting organizations shall not apply to:

- (a) The use by a natural person exclusively for his own personal purposes
- (b) Using short excerpts for reporting current events

- (c) Use solely for the purpose of teaching or for scientific research
- (d) Fair use of the broadcast for criticism, comment, news reporting, teaching including multiple copies for classroom use, scholarship, research, and similar purposes taking into account factors that shall include:
  - (i) The purpose and character of the use, including whether such use is of a commercial nature or is for non-profit-making educational purposes
  - (ii) The nature of the copyrighted work
  - (iii) The amount and substantiality of the portion used in relation to the copyrighted work as a whole
  - (iv) The effect of the use upon the potential market for or value of the copyrighted work.

## Annex D

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### List of Laws

#### Current Laws

Intellectual Property Code of the Philippines (Republic Act. No. 8293)

An Act prescribing the Intellectual Property Code and establishing the Intellectual Property Office, providing for its powers and functions, and for other purposes

Effective Date: January 1, 1998

E-Commerce Law of the Philippines (Republic Act No. 8792)

An Act providing for the recognition and use of electronic commercial and non-commercial transactions, penalties for unlawful use thereof, and other purposes

Effective Date : July 3, 2000

Optical Media Act of 2003 (Republic Act No. 9239)

An Act regulating optical media, reorganizing for this purpose the Videogram Regulatory Board, providing penalties therefor, and for other purposes

Effective Date: March 2, 2004

#### Previous Laws

Act No 3134 Copyright Law of the Philippine Islands approved on March 6, 1924, adopted the US Copyright Law of 1909 and gave citizens of the United States equal rights

Republic Act 76 an Act to Repeal Laws or Provisions of Laws Granting Rights to American Citizens, Corporations, and Associations, unless they Affect Rights already Vested under the Constitution or Extended by Treaty, Agreement or Convention with the United States of America approved on Oct 21, 1946

Republic Act 422 (January 6, 1950) authorized the President to reorganize the executive department and thereby the Bureau of Public Libraries was mandated to conduct examination of copyright applications

Presidential Decree 49 (Nov 14, 1972) Decree on Intellectual Property – abolished the requirement of examination and registration by providing that copyright exists from the moment of creation although the failure to deposit with the National Library prevents the recovery of damages in an infringement suit

Presidential Decree 285 (September 23, 1973) amended by Presidential Decree 1203 ( Sept 27, 1977) and PD 400 (March 1, 1974) – authorized the compulsory licensing or reprinting of educational, scientific or cultural books and materials as a temporary or emergency measure whenever the prices thereof became so exorbitant as to be detrimental to the national interest; and to provide effective controls or safeguards against any abuses of the rights of foreign or domestic authors and publishers and so as not to deprive them of the returns on their works or investments.

– repealed by Republic Act No 8293 (Intellectual Property Code of the Philippines, 1998)

## List of abbreviations used

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<b>ASEAN</b>	Association of Southeast Asian Nations
<b>ASPBI</b>	Annual Survey of Philippine Business and Industry
<b>BMC</b>	Broadcast Media Council
<b>CBI</b>	Copyright-Based Industries
<b>CPBI</b>	Census of Philippine Business and Industry
<b>FIES</b>	Family Income and Expenditures Survey
<b>FILSCAP</b>	Filipino Society of Composers, Artists and Publishers
<b>GDP</b>	Gross Domestic Product
<b>GNP</b>	Gross National Product
<b>IP Code</b>	Intellectual Property Code of the Philippines or Republic Act No. 8293
<b>ISBN</b>	International Standard Book Number
<b>ISIC</b>	International Standard Industrial Classification
<b>KBP</b>	Kapisanan ng mga Brodkaster sa Pilipinas
<b>NAICS</b>	North American Industry Classification System
<b>NBDB</b>	National Book Development Board
<b>NCR</b>	National Capital Region of the Philippines (The country's capital is considered the country's major commercial, financial and educational center and the heart of its national government. It is comprised of thirteen (13) cities, namely: Caloocan, Las Piñas, Makati, Malabon, Mandaluyong, Marikina, City of Manila, Muntinlupa, Parañaque, Pasay, Pasig, Quezon and Valenzuela; and four (4) municipalities, namely: Navotas, San Juan, Pateros and Taguig)
<b>NEDA</b>	National Economic and Development Authority
<b>NSCB</b>	National Statistical Coordination Board
<b>NSO</b>	National Statistics Office
<b>PSIC</b>	Philippine Standard Industrial Classification
<b>PSCC</b>	Philippine Standard Commodity Classification
<b>QPSPI</b>	Quarterly Survey of Philippine Business and Industry
<b>SEC</b>	Securities and Exchange Commission
<b>UNSD</b>	United Nations Statistics Division
<b>WIPO</b>	World Intellectual Property Organization
<b>WIPO Guide</b>	WIPO Guide on Surveying the Economic Contribution of the Copyright-Based Industries

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### **Emma Cariño Francisco**

Emma C. Francisco was the first Director General and was responsible for setting up the Intellectual Property Office of the Philippines. As such, she promulgated the first (at least eight) major sets of rules and regulations and several office orders to institutionalize personnel mechanisms and office procedures utilizing information and telecommunications technology to attain transparency in government service. She served the only 7-year term (1998-2004) in that position, the rest being 5-year terms. Prior to becoming Director General, Attorney Francisco was the last Director of the Bureau of Patents, Trademarks and Technology Transfer (1996-1997). During her service in the Government, Attorney Francisco spearheaded legislative work which led to the enactment of the Intellectual Property Code of the Philippines (1998), the Law on Topographies of Integrated Circuits (2001), the New Plant Variety Protection Law (2002), the Optical Media Act (2003), ratification of the substantive provisions of the Berne Convention (1997), ratification and implementation of the Patent Cooperation Treaty (2001), ratification of the two WIPO Internet Treaties (2002). Mrs. Francisco was also a delegate to the Diplomatic Conference which adopted the WIPO Internet Treaties, 1996, Chairman, ASEAN Working Group on Intellectual Property Cooperation (AWGIPC), 1997 to 1999, Co-Chairman, ASEAN-EU *ad hoc* Experts' Group on Intellectual Property, 1997 to 1999, Philippine Representative, Asia Pacific Economic Cooperation-Intellectual Property Experts Group (APEC-IPEG), Chairman, ASEAN Working Group on Intellectual Property Cooperation (WGIPC) – Patents Expert Group, Head of Delegation, Patent Law Treaty (PLT), 2000, Head of Delegation, TRIPS Council Review, 2001, Chairman, Presidential Inter Agency Committee on Intellectual Property Rights (PIAC IPR), 1999 to 2000, during which she initiated the creation of the PIAC-IPR sub-committee on enforcement. When the Inter-Agency Committee was abolished, Mrs. Francisco convened the IPR Enforcement Action Panel (IP-REAP), 2002, a body with a broader base consisting of enforcement agencies, business and professional organizations, academia and other government agencies, to help ensure the continuity of coordination among public and private institutions concerned with intellectual property rights. The first major output of IP-REAP was the Handbook on IPR Enforcement.

Attorney Francisco arbitrated more than three hundred contested intellectual property cases. She likewise successfully mediated the cases between the Filipino Society of Composers, Authors and Publishers and the two leaders in the Philippine broadcasting industry which led to the signing of two separate agreements which form the basis for payment of royalties in the music industry.

She is the founding chairman of the Intellectual Property Professors and Researchers Organization of the Philippines (IP-PRO Phil) Inc. Now, as was the case prior to her joining the Government, Attorney Francisco practices law including commercial, civil and criminal litigation, taxation, with particular emphasis on intellectual property. Apart from her law practice and IP consultancy, Mrs. Francisco is a resource person in national, regional and international circles. She gives lectures in various national fora including the Institute of Judicial Administration attended by judges and other members of the judiciary, and the Mandatory Continuing Legal Education required by the Supreme Court of the Philippines for lawyers who wish to remain in good standing (abreast of changes).

Born on November 5, 1956, married with four children aged 19, 20, 22 and 24, Attorney Francisco obtained her college and law degrees from the University of the Philippines.

**Loreli Cataylo de Dios**

Mrs. de Dios is an economist with extensive research experience covering the Philippines and the rest of Asia under consultancy contracts with local and international institutions. She has undertaken projects for the Asian Development Bank (ADB), the Secretariat of the Association of Southeast Asian Nations (ASEAN), the United States Agency for International Development (USAID), and the European Commission, among other contracting agencies. These have dealt with trade and other policy issues, trade facilitation, regional integration, intellectual property rights, industry performance, as well as systems improvements and economic databases.

Mrs. de Dios has additional capabilities in project management including those with political reform objectives and was instrumental in establishing the institutional arrangements for international cooperation in one program and in the passage of critical legislation in another. She is also currently connected with the Center for the Advancement of Trade Integration and Facilitation.

Mrs. de Dios obtained her A.B. (1976) and M.A. (1983) in Economics from the School of Economics, University of the Philippines-Diliman.

**Erniel B. Barrios**

Mr. Barrios is a statistician whose research interests are the Spatio-Temporal Models, Nonparametric Bootstrap, Rural Development, Sustainable Development and Mining Business and Consumer Rights.

He is currently the Chairman of the Technical Committee on Survey Design of the National Statistical Coordination Board. He has held various academic positions in the School of Statistics of the University of the Philippines-Diliman, is a published author, and attended international and local conferences.

Mr. Barrios received his BS Statistics from the University of the East in 1985, his MA (1987) and PhD (1990) in Statistics at the University of the Philippines-Diliman. He finished Post-Doctoral Research in Bio-Economics at the University of Washington in 1997.

**Albert P. Tijam, Jr.**

Mr. Tijam is a junior researcher, with related research experience as Social Projects Assistant with the USAID-Winrock-Alliance for Mindanao Off-Grid Renewable Energy (AMORE) Program, and as a Supervising Legislative Staff Officer II at the House of Representatives Electoral Tribunal.

Mr. Tijam obtained his BA Public Administration degree at the University of the Philippines-Diliman. He is currently an MA History student at the same university.