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COMMITTEE MEETING ON HOUSE MEASURES

COMMITTEE	MEASURES		SUBJECT MATTER	ACTION TAKEN/DISCUSSION
	NO.	PRINCIPAL AUTHOR		
Creative Industry and Performing Arts (Special Committee)	HR 2137	Rep. De Venecia	Inquiry into the state of the Philippine publishing industry and other related industries	<p>The Committee, chaired by Rep. Christopher de Venecia (4th District, Pangasinan), will deliberate further on the issues raised relative to House Resolution 2137 in its next meeting.</p> <p>At the outset, Rep. De Venecia remarked that over the past decade, the publishing and print media (PPM) industry has been disrupted by the emergence of digitally-published reading materials. Then the COVID-19 pandemic happened, which all the more proved difficult for the industry to stay afloat. Rep. De Venecia said that despite these problems, the publishers and authors should maintain the quality of their work. At the same time, he cited the importance of protecting their intellectual property rights and providing them the much-needed government support.</p> <p>In today's meeting, resource persons from the government and the private sector gave their respective presentations and comments on marketing issues and opportunities, intellectual property rights issues, and regulations affecting the industry. They are from the Departments of Foreign Affairs (DFA), Trade and Industry (DTI), and Information and Communications Technology (DICT); Intellectual Property Office of the Philippines (IPOPHL); DTI-Board of Investments (BOI); National Book Development Board (NBDB); Philippine Educational Publishers Association (PEPA); Filipinas Copyright Licensing Society, Inc. (FILCOLS); and United Print Media Group, Inc. (UPMG).</p> <p>DFA Assistant Secretary Eduardo Martin Meñez informed the body of the efforts being undertaken by the DFA in promoting Philippine literature abroad and providing institutional support for Filipino authors and publishers.</p> <p>According to Meñez, the Philippine foreign service posts abroad have pursued individual efforts in promoting Philippine literature through the publication of Filipino-authored books overseas; translation of Philippine books into foreign languages; holding of book launches; and participation in international book fairs.</p> <p>Meñez added that the Philippine Consulate General in New York, USA has partnered with Penguin Classics, an international publishing house based in the USA, for the publication of the late Nick Joaquin's literary works. (Nick Joaquin was a Filipino writer who was conferred the title of National Artist for Literature.)</p>

<p>Continuation... Creative Industry and Performing Arts (Special Committee)</p>				<p>Moving forward, Meñez said that the DFA will continue to facilitate the participation of government agencies, publishers, and authors in international book fairs and markets. He added that the DFA is providing assistance to NBDB for the latter's participation in the Frankfurt Book Fair in Germany, which will take place from October 20 to 24. Meñez disclosed that the Philippines' participation this year is a step forward in its intention to bid for the Frankfurt Book Fair Guest of Honor in 2025. (The Frankfurt Book Fair is the world's largest and oldest trade fair for books and related contents.)</p> <p>To further promote Philippine literature abroad, Meñez suggested that additional funding should be allocated for the translation of Philippine books in languages of countries where there is a demand for such and that publishers should explore e-book publishing as an opportunity for expansion. He further explained that the translation of Philippine books encourages cultural diplomacy, spreads understanding of the Philippine culture, and allows penetration of the international market particularly in countries with large readership such as Germany, China, Japan, and South Korea.</p> <p>Rep. De Venecia underscored the importance of forging bilateral agreements with countries where Filipino-authored books have a niche in order to expand its place in the global market.</p> <p>DTI-Competitiveness and Innovation Group (DTI-CIG) Technical Staff Ivan Bernardo presented the impacts of the COVID-19 pandemic on the global and local publishing and print media industry. He said that global restrictions due to the pandemic resulted in the disruption of the industry's supply chain. In the local publishing and print media industry, the book publishing sector recorded revenue losses of about P3.6 billion; and the printing sector had a 53% drop in sales due to the pandemic.</p> <p>Bernardo, however, pointed out that prior to the pandemic, the PPM industry was already being affected by such issues as copyright infringement, diminishing relevance of newspapers, lack of technical workers, local printers' dependence on imported paper, weak global contribution, and declining print advertising industry. Nevertheless, amid the challenges faced by the PPM industry, Bernardo said that industry players have pivoted towards emerging channels such as digital publishing and social media for more engagement with consumers.</p> <p>On the lack of skilled workers in the PPM industry, Rep. De Venecia said that the industry could work with the Technical Education and Skills Development Authority for the training of more people to produce more skilled workers.</p> <p>DICT Legislative Liaison Division Chief Elias Omar Sana underscored the importance of internet connectivity as foundation for digitalization, which</p>
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<p>Continuation... Creative Industry and Performing Arts (Special Committee)</p>				<p>can be useful for the PPM industry. To ensure an accessible and quality digital connectivity in the country, Sana said that the DICT is implementing the National Broadband Program and Free WiFi for All Program, establishing the National Government Data Center, and providing scholarship and trainings on ICT to qualified beneficiaries.</p> <p>NBDB's Chair Dante Francis Ang II opined that the PPM industry is in distress which can be attributed to the following: import-export disparity, wherein there are more books imported into the country than Filipino-authored books being exported abroad; copyright and intellectual property issues; high cost of raw materials especially paper; and low readership.</p> <p>The Chair asked the BOI to study the viability of the country manufacturing its own paper requirements for the local production of books or if it will be cheaper to just import the raw materials with the DTI negotiating for the best trade deals.</p> <p>On intellectual property rights issues, PEPA President Paolo Sibal and FILCOLS Executive Director Alvin Buenaventura stressed the need to protect the intellectual property rights of the publishers and the authors. They specifically objected to the Department of Education's (DepEd) use of the authors and publishers' contents in publishing its books and manuals, which has become prevalent during this pandemic, without the latter's permission under the guise of "fair use."</p> <p>The IPOPHL in its Memorandum Circular 2020-024 defined "fair use" as the "use of a copyrighted work for criticism, comment, news reporting, teaching including multiple copies for classroom use, scholarship, research, and similar purposes."</p> <p>Sibal also expressed concern about House Bill 7946, which seeks to mandate publishers participating in the Public Schools Textbook Program to allow the conversion of textbooks, in part or in full, to digital formats to be made available and accessible to all public school students. Sibal said that the proposed law does not mention about just compensation for authors and publishers. He suggested instead the establishment of an online based subscription library with a minimal fee that will go to the authors and publishers.</p> <p>DepEd's Bureau of Learning Resources Director Ariz Delson Acay Cawilan said that the Department will closely coordinate with FILCOLS, PEPA, and NBDB to address the issue. Likewise, DepEd's Legal and Legislative Affairs Director Rhoan Orebia said that there is a need to strike a balance between protecting the rights of the copyright owners and promoting the interest of the public.</p> <p>On the part of IPOPHL-Bureau of Copyright and</p>
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<p>Continuation... Creative Industry and Performing Arts (Special Committee)</p>				<p>Other Related Rights, its representative lawyer Jeremy Bayaras said that his agency recognizes the need to promulgate guidelines on “fair use” that will address the issue raised by the private sector. He disclosed that the IPOPHL is now in the process of crafting such guidelines.</p> <p>Hearing the sentiments of the stakeholders on the matter, the Chair instructed the Secretariat to arrange an informal meeting to thresh out the issues on intellectual property rights. The meeting will be participated in by the IPOPHL, Department of Justice, DepEd, FILCOLS, and PEPA.</p> <p>Meanwhile, DTI-BOI representative Remedios Lim discussed the incentives granted under the Corporate Recovery and Tax Incentives for Enterprises (CREATE) law, or Republic Act 11534, which may also benefit the publishing and print media industry.</p> <p>While the stakeholders welcomed the incentives under RA 11534, UPMG President Barbie Atienza requested more government support through the following: value-added tax (VAT) exemption on the purchase of paper and ink as well as for advertisers; corporate income tax reduction from the existing 25% to 15%; tax exemption during a crisis; and the institutionalization of news and current affairs subject in schools.</p> <p>Also during the meeting, Rep. De Venecia sought clarification on the earlier comment of Lim that books are classified as mass media, therefore, book publishing companies are covered by the foreign ownership limits imposed on mass media companies. He asked which law should be specifically amended to remove the limits to the entry of foreign investments into the PPM industry.</p> <p>The NBDB answered that the Committee may consider amending RA 7042 or the Foreign Investments Act of 1991, particularly the provision on Foreign Investment Negative List.</p> <p>Under RA 7042, the term Foreign Investment Negative List refers to “a list of areas of economic activity whose foreign ownership is limited to a maximum 40% of the equity capital of the enterprise engaged therein.”</p> <p>The DTI-BOI promised to study the possibility of amending the Foreign Investment Negative List to remove the PPM industry from its coverage.</p>
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