

07 October 2019

REP. WESLIE T. GATCHALIAN
Chairperson
Committee of Trade and Industry
House of Representatives
Constitution Hills, Quezon City, Philippines 1126

Dear Representative Gatchalian:

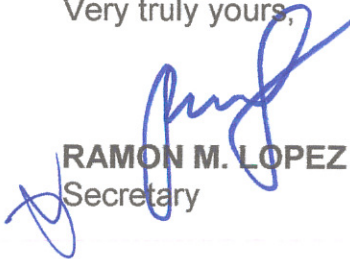
We are pleased to submit the Department's comments and recommendations on House Bill No. 2055, entitled:

“An Act Requiring Grand Malls in the Metropolis to Provide ‘Free Internet Access or Service’ to Shoppers and Customers Throughout the Time of their Business Hours and Providing Guidelines Therefor”

This is without prejudice to the Department’s submission of additional comments.

With my best regards.

Very truly yours,


RAMON M. LOPEZ
Secretary



OFFICE OF THE SECRETARY

DTI Position on

House Bill No. 2055

“An Act Requiring Grand Malls in the Metropolis to Provide ‘Free Internet Access or Service’ to Shoppers and Customers Throughout the Time of their Business Hours and Providing Guidelines Therefor”

The Department recognizes the objective of the bill to include the provision of free internet access as part of the corporate social responsibility (CSR) of our grand malls in the country. The proposed measure reinforces the verity of the internet as a significant tool towards achieving a developed, innovative and digitized economy.

Having free internet service for customers in shopping malls enhances one’s shopping experience due to convenience, mobility, and productivity that it brings. People can shop and at the same time do other things such as answer emails while waiting for their turn behind the counter, or search for alternative products online before making a purchase decision. Additionally, the provision of free internet may be considered as a marketing strategy by malls to entice shoppers to go and stay there longer, thereby increasing their customers’ propensity to spend.

The DTI is of the view that malls should only be encouraged to provide free internet service to their patrons inasmuch as the proposal is favorable to their businesses and could be part of the establishments’ goodwill. In fact, free internet access to customers are currently being provided by some malls.

CSR, on the other hand, is a business approach that contributes to the country’s sustainable development by delivering economic, social and environmental benefits for all stakeholders.¹ Essentially, it is a voluntary pursuit of corporations/companies to address pressing concerns that cause direct or indirect effects relevant to the nature and conduct of their business activities and dependent on their capacity to undertake such.

Moreover, the setting-up of internet including its maintenance and measures to address security risks would require quite an investment. It may also result to unintended consequences, where instead of customer satisfaction, failure to meet the expectations of consumers on the provided service may turn to dissatisfaction and may even be a source of complaints against shopping malls.

Given the voluntary nature of CSR and the above mentioned considerations, the Department expresses reservations on the mandatory provision of free internet access or service by shopping malls to its shoppers and customers.

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Bureau of Trade and Industrial Policy Research

07 October 2019

Ref: BTIPR-102019-204

¹ [http://lexicon.ft.com/Term?term=corporate-social-responsibility--\(CSR\)](http://lexicon.ft.com/Term?term=corporate-social-responsibility--(CSR))