

EXECUTIVE ORDER NO. 227 [A]

Establishing a New Product Development Committee

WHEREAS, Palau, as a small island developing economy, is constrained by a number of factors including a small domestic market, geographical dispersion of islands within territorial boundaries, narrow resource base, vulnerability to external shocks, heavy dependence on external trade and foreign assistance; and

WHEREAS, a sustainable economic development growth path require [sic] a strong private sector operating under institutional arrangements that encourages productive private investment; and

WHEREAS, the tourism industry offers the greatest potential to support sustainable economic development but the type of tourism development and the effects on the Palauan culture and natural environment present real threats; and

WHEREAS, diversifying the economy is necessary in order to minimize the adverse impacts of poor economic performance associated with each sectors of the economy; and

WHEREAS, developing other sectors of the economy that have the potential to support sustainable economic development require expanding Palauan production and participation as well realizing higher returns on existing resources; and

WHEREAS, continuing balance of payment imbalance associated with substantial importation of goods and the lack of a cohesive import substitution strategy is limiting the productive use of available resources; and

WHEREAS, resource constraints require that economic development strategy should be to maximize the *value added* of each sector of the economy that contribute to sustainable economic development; and

WHEREAS, for each dollar spent domestically, mechanisms should be in place to ensure that a large portion of the expenditure remain in Palau and in turn generate a greater income *multiplier effect*.

NOW, THEREFORE, by virtue of the authority vested in me as President, pursuant to the Constitution and the laws of the Republic of Palau, it is hereby ordered that there be, and hereby is, created a New Product Development Committee (NPDC) with the powers, duties and characteristics described below.

1. **Composition.**

- a) The Committee shall be composed of the following:
 - One member form the National Development Bank of Palau;

- One member from the Palau Chamber of Commerce;
- One member from the Palau Community College;
- One member from the Ministry of Commerce and Trade;
- One member from the Ministry of Finance;
- One member appointed by the President.

2. **Powers and Duties of NPDC.** The NPDC shall have the following powers and duties:

- a) Identify potential new products for investment promotion in line with the Republic's economic development strategy framework;
- b) Review and develop standards including regulatory authority to ensure product quality for implementation;
- c) review and recommend marketing strategies for the promotion of *made in Palau* products for implementation;
- d) Identify and serve as conduit for technical assistance regarding new product development; and
- e) Reveiw and establish policies and procedures for new product development and privatization

3. **Meetings.**[sic] The NPDC shall meet no later than December 20, 2004 and shall thereafter meet at least monthly.

4. **Administrative Support** - [sic] Administrative support for the NPDC shall be provided by the Office of the President, Ministry of Finance and other government agencies in the Executive Branch, as appropriate.

5. **Annual Report** - [sic] The NPDC shall issue quarterly and annual reports to the President delineating the progress of the NPDC in pursuing the duties of the Committee as set forth herein.

6. **Term of the NPDC** - [sic] The NPDC shall remain in existence until terminated by the President.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 7th day of Dec., 2004, at the State of Koror, Republic of Palau.

/s/

Tommy E. Remengesau, Jr.
President of the Republic of Palau