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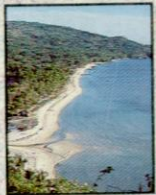
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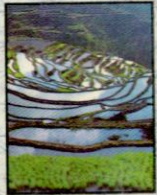
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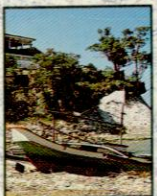
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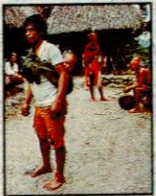
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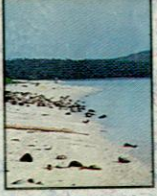
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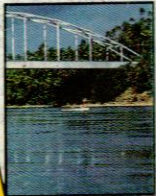
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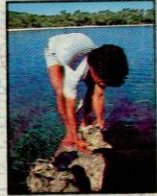
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President Fidel V. Ramos

COVER STORY

Making Entrepreneurship Happen in the 20 Priority Provinces

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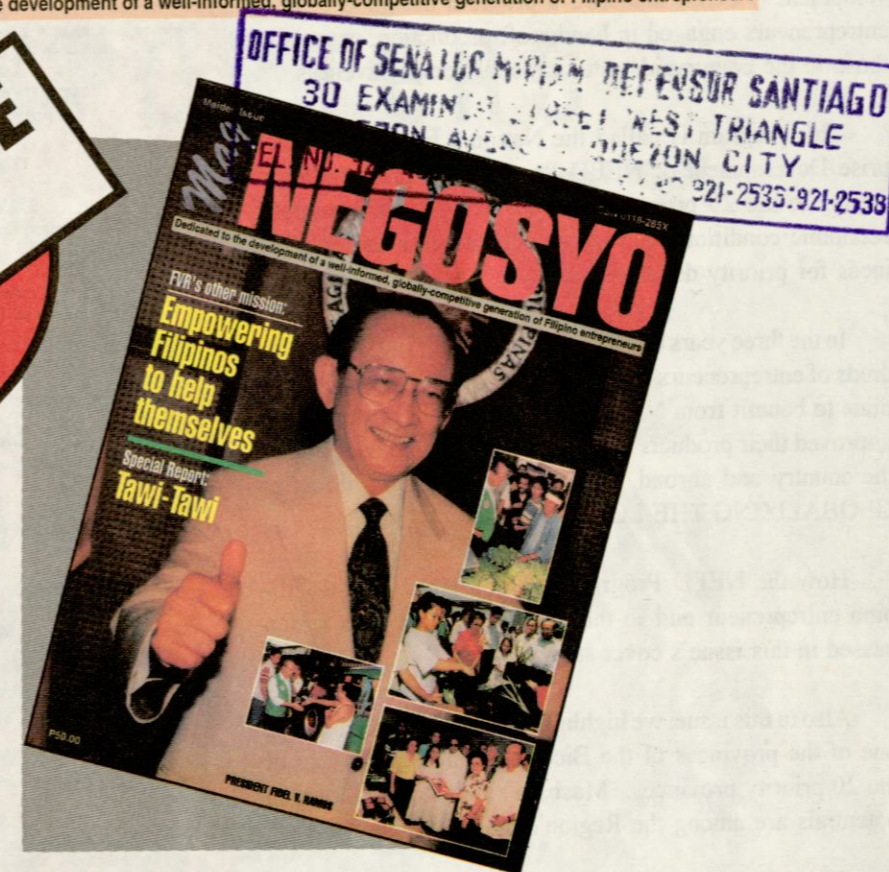
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EXECUTIVE PUBLISHER'S NOTE

In 1993, the Presidential Council for Countryside Development (PCCD) launched a program designed to help entrepreneurs engaged in handicraft production, especially those in the countryside, attain global competitiveness.

This program is called the National Economic Enterprise Development or NEED Program. Its primary target areas are the 20 provinces which, because of their poor economic conditions, have been identified as target provinces for priority development.

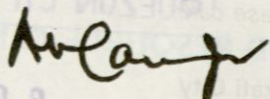
In the three years of the program's implementation, hundreds of entrepreneurs from these 20 priority provinces continue to benefit from NEED. A great number of them have improved their products and found markets in other parts of the country and abroad, realizing the program's thrust of GLOBALIZING THE LOCAL.

How the NEED Program effects changes in the Filipino entrepreneur and in the economy as a whole is discussed in this issue's cover story.

Also in this issue, we highlight the Province of Masbate, one of the provinces of the Bicol Region and also one of the 20 priority provinces. Masbate's industry and tourism potentials are among the Region's most promising.

We acknowledge with gratitude the assistance extended by the Development Bank of the Philippines for sharing with MagNEGOSYO its success stories on entrepreneurship development; the Department of Tourism for allowing us access to its photo bank, particularly of the 20 priority provinces; the Bureau of Export Trade Promotions, our agency in focus in this issue; and the Office of the Honorable Congressman Manny Villar (Las Pinas) for the success story on the French Baker.

Above all, we thank MagNEGOSYO readers, especially those who take time to write or call us. We continue to receive encouraging feedback on MagNEGOSYO, as well as feedback on the articles that you would like to see more of. While the former inspire us, the latter encourages us all the more to make MagNEGOSYO the magazine that you truly deserve.



Mag NEGOSYO

DEDICATED TO THE DEVELOPMENT OF A WELL-INFORMED, GLOBALLY-COMPETITIVE GENERATION OF FILIPINO ENTREPRENEURS

Published monthly by the Technology and Livelihood Resource Center, a government corporation under the Office of the President, Republic of the Philippines

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This issue of MagNEGOSYO was produced by the Project 101 Team of the Office of the Director-General, Technology and Livelihood Resource Center

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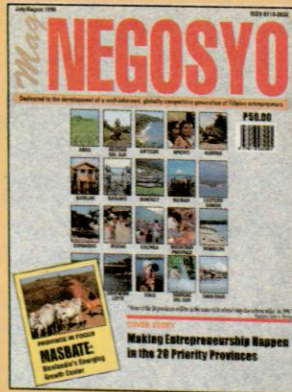
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THE COVER

The full economic development of the 20 priority provinces is one of the Ramos Administration's primary concerns. A strategy adopted to realize this is the promotion of entrepreneurship in these provinces. The National Economic Enterprise Development (NEED) Program is a flagship program of the Presidential Council for Countryside Development (PCCD), an agency under the Office of the President created in 1992 to advise on how to fast-track the development of the 20 priority provinces, among others. The tourist attractions in the 20 priority provinces which, together with their industries, present great potentials for entrepreneurial and business development are highlighted in the cover's montage of photographs. Masbate, being the Province in Focus this issue, is highlighted. Photos from the Department of Tourism.

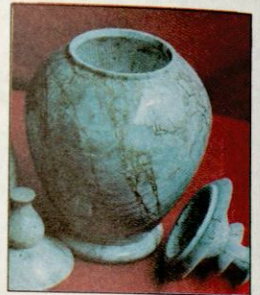
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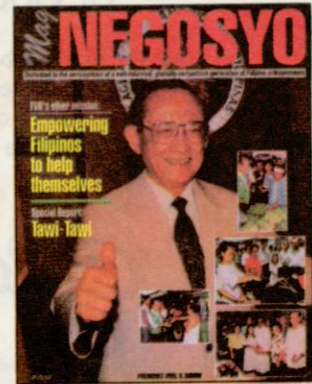
LETTERS

MagNEGOSYO TEACHES A LOT

I just want you to know that I am very thankful for having a magazine like this - MagNEGOSYO. It teaches a lot and gives so much inspirations to those who are planning to go into business and also to those who are already in.

I just want to request if you can feature "Stock Exchange Investing" and treasury bills. I'm very interested but I don't know anything about these. How much money do I need? Please include as much detail as you can provide so I can learn more of this. I'm sure a lot of your readers would also want to know about this.

Remilo G. Pingol
50 Mileguas St., 11th Avenue
Grace Park, Caloocan City



INFORMATIVE AND ENCOURAGING

We would like to congratulate MagNEGOSYO magazine on this laudable project. We believe that this reading material will inspire the entrepreneurial spirit of our small farmers and fisherfolk.

Rest assured that we will promote your magazine to our personnel and clients.

Salvador H. Escudero III
Secretary, Department of Agriculture

USEFUL REFERENCE

We are placing a year's subscription to MagNEGOSYO. We shall also include MagNEGOSYO in our Current Awareness Bulletin, a montly update of information materials and documents circulated to various trade and industry association, libraries and businessmen.

We are certain the magazine will be a useful reference and will generate wide interest among SMEs.

Minerva R. Fajardo
Director
Trade and Industry Information Center
Department of Trade and Industry

INSIGHTFUL

Congratulations to the Technology and Livelihood Resource Center for this MagNEGOSYO magazine! It is very informative and certainly gives an insight on the current business and investment environment in the country.

For Franklin M. Drilon
Senator
Atty. Oscar G. Yabes

ACCURATE AND INFORMATIVE

We are sure MagNEGOSYO will be a boost to the government's efforts of providing our citizenry with accurate and informative materials that would encourage people to appreciate what their government is doing for them.

Jesus S. Matubis, Jr.
Director IV
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Mayor Agnes V.S.T. Devanadera
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Please be assured once again of our continuing commitment to support your endeavors which are directed at improving the economic status of the poor among our people.

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Secretary, Department of
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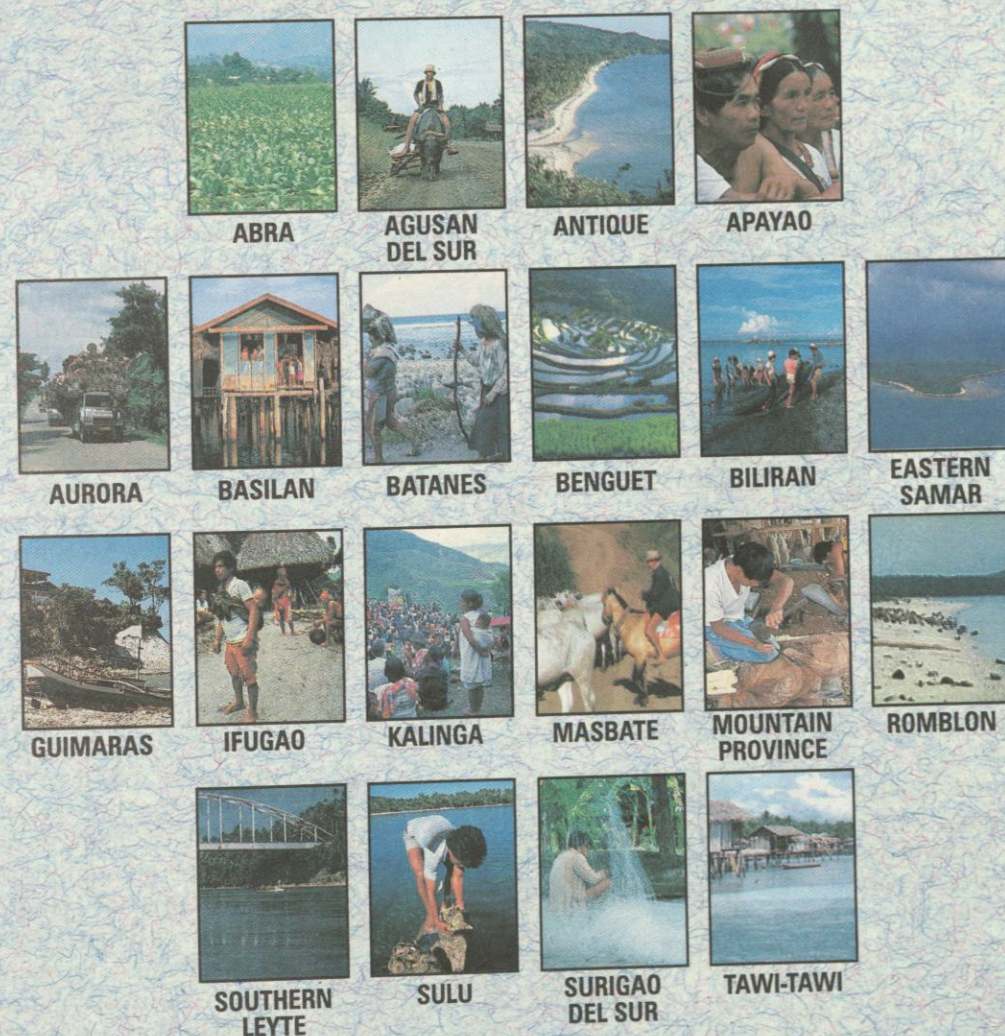


COVER STORY

The National Economic Enterprise Development (NEED) Program

Making entrepreneurship happen in the 20 priority provinces

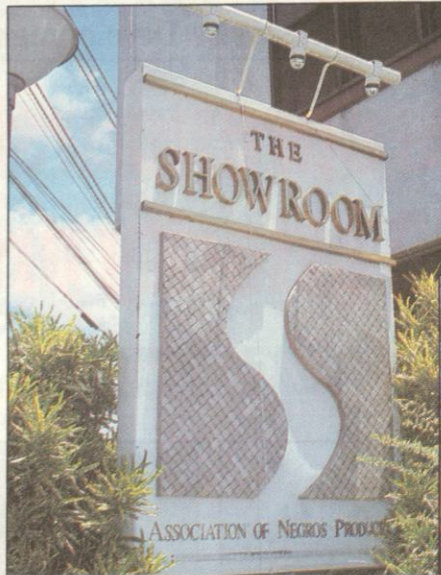
By C.V. Clarete



"None of the 20 provinces will be in the same state when I step down in 1998," declared President Fidel V. Ramos as he talked about the mandate of the Presidential Council for Community Development (PCCD).

PCCD was created by President Ramos on July 12, 1992 through Executive Order No. 6 with the mandate "to advise the President, national government agencies, local government units, private sectors including people's organizations and non-government organizations on how to fast-track the development of the countryside, specifically, the 20 priority provinces." Appointed chairman of PCCD was former Negros Occidental Governor Daniel L. Lacson, Jr. to whom the challenge to steer the depressed provinces to growth just like what he did to his province was posed. Having identified the provinces that would be the target beneficiaries of its programs, the Council initiated the drafting of the Provincial Master Development Plans for the initial 16 provinces in 1993.

Areas where development could be fast-tracked were then identified. Likewise, programs that would carry out the development imperatives for the provinces were created. These were: ACCESS, designed to inventory the existing and needed resources of target areas and to design a program that will provide these areas fast-tracked delivery of basic services and other resources; PRO-CREATE (Productive and Creative Agro-Technology), designed to identify the maximum potential for agriculture and aquaculture production and processing in the target areas, to source investment and marketing linkages for high-value crops and to source appropriate technology in order to promote the shift from traditional crops to high-value crops for greater agricultural production; and NEED (National Economic Enterprise Development), a program focused on handicraft production and food processing for export development and involving the identification of raw materials and skills potentials for enterprises in target provinces and initiating an integrated research and development program,



ANP is presently the Program Manager of the National Economic Enterprise Development, a program designed and patterned after ANP's own growth process for entrepreneurial development through handicraft and small-scale food production.



skills training, enterprise development and marketing network to maximize the use of these resources.

BEGINNINGS OF NEED

The involvement of the Association of Negros Producers (ANP) started when it was asked to become the volunteer program manager of NEED, having been instrumental in the economic turnaround of Negros Occidental. It can be recalled that amid the sugar crisis in the 1980s, the Negrenses had at first nowhere to go with the collapse of their major industry. But the combination of assistance and volunteerism enabled them to rebuild the province.



PCCD Chairman Daniel "Bitay" Lacson

Lacson challenged the trade organization to design a program that could replicate the ANP growth pattern and achieve in the 20 provinces what ANP achieved in Negros Occidental. A program was initially submitted by ANP to Lacson but it was not until August 1993 that the program took off the ground. Lacson told the ANP to kick off activities leading to the program. The ANP Consultative Meeting held in September 1993 became the venue for the kick-off activities. During the consultative meeting, ANP presented its program to the representatives of the governors from the different provinces. At the same time, they were asked to observe what could be part of the vision for the provinces. The representatives were later on requested to organize a Task Force for Handicraft Development with their respective provinces having multi-sectoral components. The involvement of entrepreneurs in the task force was advocated. Based on some criteria, the first ten provinces selected for participation in the program were identified. They were Aurora, Masbate, Abra, Benguet, Kalinga-Apayao, Mountain Province, Ifugao, Antique, Guimaras and Southern Leyte.

2nd Entre-Pinoy Convention and Local Study Mission

The countryside means business

A field team led by the product design specialist of the Design Center Philippines then visited the provinces, conducted inventories of available resources and skills potentials and identified existing as well as potential entrepreneurs. This was from November 25, 1993 up to December 31, 1993. Then product design clinics were conducted in the provinces with the assistance of the Provincial Task Force for Handicraft Development headed by the Provincial Governor. Products were analyzed and recommendations were given on their marketability. Analyses and recommendations were likewise made regarding the existing raw materials, skills, facilities and utilities that may be needed to assist entrepreneurs and would-be entrepreneurs in their production. The local entrepreneurs were given working inputs for their products. These activities were carried out up to February 1994.

Later on, a visioning and planning workshop was held with the visiting delegation of task force members and entrepreneurs. The workshop resulted in the identification of target products by each province, products which can be developed into world-class quality. The same products were likewise targeted for participation in a trade fair for all priority provinces that was to be held in October 1994.

Also in February 1994, the ANP was officially appointed by PCCD as the program managers of the NEED Program in the first 10 provinces. The program was officially launched on September 28, 1994, having received approval for a P1.3 million grant from the President's Social Fund.

RATIONALE OF THE NEED PROGRAM

The objectives of NEED could not be said more aptly and comprehensively than by Andres V. Sanchez, Jr., PCCD

(Continued on page 14)

BACOLOD — From the outside, it was a typical balmy Sunday afternoon at *Balay Kalinungan* (Hiligaynon for House of Peace), the retreat house of the University of St. La Salle. Inside, a cacophony of Cebuano and Muslim conversations filled the halls as NEED coordinators assisted the first delegates to the 2nd *Entre-Pinoy* Convention. Held from July 10 to 12, the convention had as its theme "The Countryside Means Business." It was organized by the Association of Negro Producers Foundation for Enterprise Development Inc. (ANP-FEDI).

Delegates to the convention included 244 entrepreneurs from 20 priority provinces of NEED together with 30 others endorsed by the Canadian International Development Agency (CIDA). CIDA earlier requested ANP-FEDI to institutionalize training programs and technical support for its beneficiaries in 23 cities and provinces in the country, namely, Aklan, Antique, Bohol, Cebu City, Cotabato City, Pampanga, Oriental Mindoro, Davao City, Iloilo, Leyte, Nueva Vizcaya, Zamboanga City, La Union, Tagum in Davao, Sulu, West Samar, Makati City, Quezon City, Taguig-Pateros, Mountain Province, Olongapo City, Marawi City and Zambales.

"Full of surprises," was how ANP-FEDI Executive Director Pat Tajanlangit assessed the preparations for the convention. First, there were delegates who were left behind by the ship. Then, there were those who arrived earlier than expected. "And to think that I don't like surprises," he quipped in the Ilonggo accent. Later on, he was kept busy by calls from the ANP-FEDI, the delegates, and even the caterers with whom he made sure that no pork is served. Meanwhile, Field Officer Johanna Divinagracia, gave an orientation on the house rules and schedule of activities. She also made arrangements to fetch the arriving delegates.

In the basement, NEED Consultant and former Philippine Design Center Senior Design Specialist Lorenzo Samiento meticulously reviewed each entrepreneur's product prototype. Afterwards, he would give recommendations on the redesigning and packaging of a product to give it added market value. In the next two days, the pace of activities would accelerate as more delegates arrived from their respective provinces. Finally, on Tuesday afternoon, seven 40-seater NN Tours buses transported the delegates to Goldenfield Garden Hotel, a 20-minute travel from *Balay Kalinungan*. With the help of other volunteers from the ANP-FEDI, the delegates were assigned their respective accommodations before they had dinner with ANP-FEDI President Millie Kilayko.

After the dinner, Kilayko, in a speech told them: "In two-and-a-half days, we will teach you what it took four-and-a-half years for the Negrenses to learn." She had come to the convention even if she had sprained her leg earlier. But as she confided to a small group: "Actually, my doctor prescribed bed rest for me; I may be physically well after three days but my mind will be sick worrying about the convention." The next two days of the convention proper saw industry experts giving updates and forecasts on their respective sectors as follows: Ma. Mediatrice Villanueva, Executive Vice President, ShelMed Cottage Treasures - abaca; Alexander Esguerra, President, Chamber of Handmade Paper - handmade paper; Manny

Melgar, General Manager, Phildansk International - bamboo craft and pottery; Nicolaas de Lange, President, Chamber of Furniture Industries - woodcraft; Cecilia Ramos, President, Meycauayan Jewelry Industry Association - semi-precious stones and jewelry; and, Antonio Sayo, President, Orient Food Manufacturing Corporation - food processing and packaging.

There were also lectures and workshops on various topics where delegates actively participated. The topics and their resource persons were the following: "Finding the Right Directions For Your Business" - Manny Melgar; "There's No Way To Go But To Export" - Nick Fontanilla, President, The Asia-Pacific Centre for Research, Inc.; "Different Types of Buyers and How To Negotiate With Them" - Ma Cecilia Gallaga, ANP; "Product Inspection and Quality Control" - Ana Bustamante, ANP; "How To Participate in Trade Fairs and Maximize Their Benefits" - Reena Gamboa-Pena, ANP; "Production Management for SMEs" - Dr. Herminia Fajardo; and "Government Programs and Support Services For Subcontractors" - Assistant Secretary Zenaida C. Maglaya, DTI.

"The pattern of individual discovery by you, entrepreneurs, brings forth the need to talk to one another as you organize yourselves into one strong association on the provincial level, and, eventually, closing ranks as industry sectors. The world is a wide market for emerging entrepreneurs (like you) to conquer but it would sit up and take notice as you come in full force," Kilayko told the delegates during the closing ceremonies.

With 17 of the 20 priority provinces having established their producers' associations and 10 of which have set up their own trade centers to showcase their products, Kilayko's statement that "the world would sit up and take notice as entrepreneurs come in full force" is not a remote possibility. The convention's theme "The countryside means business" has never been truer than today and with it has evolved a dynamic group of emerging Filipino entrepreneurs. As if Kilayko's speech was not enough inspiration, PCCD Chairman Daniel L. Lacson Jr., after challenging the entrepreneurs to "show the cynics that the economy, indeed, is beginning to pick up in the countryside," had this to say: "Tell the world that there is an emerging group that will pursue NIC-hood through entrepreneurship. Go back to your provinces and organize. For without an organization, your chances of success will be nil."

Lacson's words echoed in the convention hall, loud enough for the entrepreneurs to hear and take to heart.

From the outside, it was another typical balmy afternoon like the first day of the convention. Inside, a cacophony of Tagalog, Visayan and Muslim dialects filled the halls of the Goldenfield Garden Hotel as the 274 delegates from across the country prepared to go back to their respective provinces and cities. In contrast to the first day, the flurry of activities this time was not on what the NEED coordinators and ANP volunteers can do for the entrepreneurs but rather what the entrepreneurs will set out to do once they are back home. One thing is certain; they are ready to prove not only to the rest of the Philippines but to the world that "the countryside means business."

- REA GAMBOA



A GALLERY OF ENTRE-PINOYS

By REA Gamboa and LE Espinosa

**ABRA: Romeo Balbin, Jr.**

When Romeo Balbin Jr. was 19 years old, his father told him: "*Magnegosyo ka nang maaga. Ngayon pa lang, mag-isip ka kung anong raw materials ang meron dito sa atin dito at doon mo i-base ang negosyo mo.*"

The father must have known what he was saying then because he himself was a frequent observer and participant of trade fairs and training seminars. While the elder Balbin was into bamboo craft furniture, Balbin Jr. was into the processing of pure sugarcane vinegar. "*Wala pang nakagawa ng purong sugarcane vinegar dito sa Abra sa kabila ng pagkakaroon ng maraming sugarcane plantation dito,*" he said.

With P100 borrowed from his father and P50 from his piggy bank, he bought sugarcane juice from the farmers in the nearby barrio and began the fermentation himself. For the first two months, he grossed a whopping P20,000. Romeo Balbin, Jr. is in his third year of Business Management at the Divine Word College of Bangued. While he learns business theories in school, he credits his business knowhow to the NEED Program.

"*Natulongan ako ng NEED tungkol sa practical business management, marketing at kung papaano makipag-negotiate sa mga retailers,*" he explains. With initial success back home in Abra, Balbin, Jr. is set on introducing his product to the Metro Manila market within the year.

AGUSAN DEL SUR: Vivian Ebol

When the jewelry shop where 27-year-old Vivian Ebol worked as a sales agent could no longer cope with the job orders, she borrowed P15,000 from her husband, bought gold from local traders, and subcontracted jewelry making to a goldsmith. After three months, her P15,000 grew to P40,000 which she used to open a shop in her kitchen on March 28, 1992.

Although Vivian herself mixes the gold and conceptualizes the design, she "pirated" the goldsmith who manufactured her previous orders to execute her concepts. The teachers, housewives and office ladies who used to be her customers became her sales agents. She keeps abreast with design and product development trends with her regular attendance in NEED training, seminars and design clinics.

As the business expanded, Vivian's husband, Dodong resigned from his work to help with the gold mixing. "*Ngayong kaming dalawa na sa negosyo na 'to, mas madaling maayos ang mga problema dahil may katulong na ako,*" she revealed. Today, with 14 goldsmiths and a shop located in San Francisco, Agusan del Sur, Ebol's Rovian Goldsmith has an asset base of P1.8 million. Recently, the couple had a 800-square meter house built for P1.1 million. They also acquired a family car to bring their four kids to school — private school, that is. "*Mas maganda ang maging entrepreneur kaysa maging empleyado o maging salesman. Nakakatulog ka na sa kapwa mo, ang pera pa mismo ang lalapit sa 'yo,*" Vivian discloses.

**ANTIQUA: Hermelita Sanchez**

"*Dati, habos hindi ko mapag-aral ang akong mga anak pero ngayon, lahat sila ay nakatapos na at nakapagpapatayo pa kami ng bahay na konkret,*" said Hermelita Sanchez as she recalls how her life was before she went into business.

Sanchez, or Aling Miling, as she is called, beams with pride as she relates that all her children are professionals now. The eldest is a police captain, followed by an engineer and then a marine engineer. One is a computer programmer and another one, a teacher. She is not only proud that they are

all professionals now; she is even prouder that they assist her in trade fairs, especially in negotiating with buyers.

In 1989, Aling Miling was weaving mats from abaca. She was earning very little then. Later, when she learned that she could expand her product lines, she did so. To her surprise, she netted P70,000 when she joined a trade fair. Otherwise, her sales averaged from P70,000 to P80,000 monthly.

Aling Miling's first participation in trade fairs was with NEED in 1995. To prepare for the trade fair, she attended the seminars on pricing and costing, marketing and product development. She is elated about the developments in her business. She says, "*Masayang-masaya kami sa mga pangyayari, kaya patuloy pa rin ang pag-attend namin ng mga seminars ng NEED para madagdegan pa ang aming kaalaman.*"

BATANES: Irene Gonzales

The children were coming one after another to couple Marcelino and Irene Gonzales. They had difficulty in making both ends meet. She relates how financial difficulties led her into business: "So we can have money to buy rice, I untangled the threads of my old knitted sweaters, wove them into baby shoes, bonnets and gloves and either sold or bartered the finished items to pregnant women."

While Marcelino's earnings from casual jobs took care of the rent of their house, Irene's income from weaving caps, visors and baskets using rice stalks, amorseco stems, and wild vines answered for the food and their children's school expenses. The children were then in high school and college.

Irene herself, already in her 40s, enrolled in BSE Education at the St. Dominque College in their place. At one point, she could not pay for her tuition and the Dean called her to the office. Taking pity on her, the Dean told her: "Okay, from now on, you don't need to pay for your tuition; just weave baskets for us and we'll be the ones to sell them."

In 1987, at age 43, Irene graduated from St. Dominque. But she says it was through the NEED seminars that she learned more about her business. "NEED gave my business the needed direction. Aside from getting additional orders through trade fairs, I also learned about product design, financial management. Most importantly, I got exposed to different types of people and in the process, I developed my personality."

Surely, Irene Gonzales finds her new role as an entrepreneur truly rewarding.

**APAYAO: Hoyt la Cuesta**

Leaving Apayao to "gamble" on his future in Manila, Hoyt la Cuesta shined shoes, sold cigarettes and cleaned buses and cabs while studying AB Public Administration at the University of Manila. His first entrepreneurial venture was buying antiques from Vigan and selling these in Manila so he can study law.

As life in Manila was getting chaotic and as his aging father wished, la Cuesta returned to Apayao. Government service being the only viable source of income, he augmented his salary earnings as government employee by trading lumber. He used his profits from the latter to acquire a franchise from the Department of Environment and Natural Resources for the cutting and replanting of rattan on a given area. He used the rattan wood for his furniture business and sold whatever was not used. With his street-smart entrepreneurial skills, la Cuesta's business gained ground as more and more orders for his rattan furniture poured in. Although new technologies that will speed up the manufacturing processes are still wanting, nevertheless she was able to upgrade his production area.

When Apayao was declared a province autonomous from Kalinga on August 1, 1995, President Fidel V. Ramos appointed Batara Laot as governor and la Cuesta as vice governor, putting him at an advantaged position to push for entrepreneurship in the province.

"The 100,000 or so population of the province are not that poor. But we cannot wait for private investors to come in. We have to bank on the business opportunities that we have in the province," la Cuesta says more from experience than anything else.

"*Kung walang NEED training, hindi ko sana nelaman ang tamang pagpapatakbo ng negosyo,*" said 49-year-old Divina Pabellano of Baler, Aurora.

"*Dati, pag-negricing at costing ako, hindi ako nakakasaguro sa resulta. Pero ngayon, hindi na ako nakulugi at pati management ng personnel, kabisado ko na.*"

**AURORA: Divina Pabellano**

Widowed in 1987, Pabellano was forced to send her three children to school all by herself. She worked in Saudi Arabia for three years as a seamstress. In 1991, she attended a seminar on handicrafts sponsored by the Department of Trade and Industry.

Then she started making baskets, blinds and planters made from rattan, bamboo, runo and coco twigs. In the beginning, she was selling only 100 to 200 pieces a month.

From an initial capital of P5,000, Pabellano's Handicraft now has an asset base of P100,000. Today, her monthly capacity ranges from 600 to 1000 pieces. She finds NEED's Design Clinics very helpful. "They are the best. I have not only increased my production capacity; I have also improved the quality of my products," she says.

As it is, her life has become even better. Her two sons have graduated from college with degrees in Computer and Marine Engineering. Her only daughter, who assists her in monitoring the quality of her products, will be finishing Pulmonary Therapy next year.

"*Akalan mo, ang tangi ko lang hinhangad ay mapagtapos sila. Ngayon, patuloy pa rin ang negosyo ko kahit graduate na sila,*" she said. It looks like she has been blessed not only with successful children but also a growing business.

BASILAN: Caridad Enebrad

Mother of the Year 1995 awardee Caridad Enebrad despised the sight of young housewives idling time away in gossip and picking the lice from each other's heads while their husbands toiled in the fields. Instead of confronting and nagging them about it, Nanay Caring herself went to the provincial Department of Science and Technology (DOST) to explore possible livelihood projects for the women of Maloog San Jose, Lamitan in Basilan.

With a coconut-leaves-and-bamboo hut as the working area, Nanay Caring led 23 women in producing as much as 3,000 packs of 25-gram banana chips daily. Sold at P1.50/pack, profits reached P5,000 a day or P150,000 a month. For a year? You do the arithmetic. "*Baka sabihin mo nagsisisingaling ako,*" as Nanay Caring says bashfully. Today, Nanay Caring is 68 and yet she still keeps herself abreast with new technologies and trends on product development and business management through the seminars that the Department of Trade and Industry and NEED would conduct regularly. With her open-minded attitude towards change, there is no turning back as profits continue to pour in. Today, the Sampaguita Rural Women's Association boasts of a fully-equipped concrete-floored and tin-roofed production area where members produce as much as 8,000 to 10,000 banana chips, banana crackers, golden peanuts, and peanut brittle daily for three distributors in Metro Manila and two in Gen. Santos City. Profits, which now equal seven times its annual capital of P25,000, are used to further expand the business.

"*Importante talaga ang maging bukas ang isip sa mga bagong ideya. Para malaman na rin namin kung ano pa ang dapat idagdag sa negosyo. Ito kasi ang isa sa mga paraan para maitaas ang antas ng iyong produkto. At habang maraming bumibili, marami rin kaming matutukulan,*" she discloses.



BILIRAN: Bariis Farmers' Multi-Purpose Cooperative

The residents of Barangay Bariis, a municipality on the eastern coast of the new province of Biliran depended on marginal fishing and the quarterly sales of copra from the cocoland they either own, lease, or serve as farmhands. Because there was no available market for their excess products, the coconut farmers produced just enough for their own consumption. The town's youth, on the other hand, sought low-paying jobs in urban areas, after graduating from elementary or high school.

In July 1991, 35 farmers pooled P3,500 and formed the Bariis Small Coconut Farmers Organization. Two months later, the organization was registered with the Cooperative Development Authority as Bariis Farmers' Multi-Purpose Cooperative (BAFAMCO). It joined the trade fairs and design clinics under the NEED program in 1994.

Today, BAFAMCO has a total asset of P1.8 million. The cooperative markets the farm produce. The farmers have diversified into banana intercropping and engaged in handicraft and livestock production. The housewives have started to earn too, as BAFAMCO enjoined them in processing *nata de coco*, *atchara*, banana crackers, and fish *polvoron*. Aside from trading, marketing, and food processing, BAFAMCO is also engaged in productive and provident lending. "We are very thankful for the NEED program helping the people in the countryside," says Shirley Buban, Livelihood Enhancement Committee chairman.

Recently, a Cooperative Training Center was constructed with the labor and materials donated by the members. It now serves as a training and workshop center where government agencies such as the Department of Labor and Employment and the Department of Trade and Industry conduct seminars to further enhance the cooperative member's business know-how.

BENGUET: Maxi Pili

"Kung isusulat mo pala lahat ng mga gastos mo, tapos ibabawas mo sa benta mo, saka mo pa lang malalaman kung kumita ka o nalugi. Kasi, tagabaryo lang kami kaya hindi kami nagre-record ng gastos; basta nagbenta lang kami," says Maxi Pili, a producer of woven bags, wallets, backpacks and beltbags from Benguet.

Maxi is a member of the Benguet Producers Association which has successfully demonstrated that all is not lost even after the June 1990 earthquake destroyed their farms and water systems.

In December that year, Maxi organized a group of women and sought the assistance of the Department of Trade and Industry (DTI) in teaching them how to weave commercial items of high value. At first, their market was limited in Benguet. In 1994, Governor Jaime Panganiban and DTI endorsed them to NEED and things were never the same again.

"Dati, doon lang sa community naka-concentrate ang utak namin. Nang sumali kami sa trade fairs, nalaman namin na puwede palang mabenta ang produkto namin sa Baguio at Manila," says Maxi.

Today, Maxi subcontracts her jobs to more than 20 men and women in her community. The number is expected to increase when she expands her product lines to blankets, bedsheets and pillows.

"Pag nakakatulong ka hindi lang sa iyong pamilya kundi pati na sa community, nagiging exciting ang negosyo. Ang mga problema ay nagsisilbing challenges para lalong mapaganda ang mga produkto," Maxi declares, a statement well-said by a budding entrepreneur.



EASTERN SAMAR: Antonio Daiz

Instead of grieving over the disastrous effects of the monstrous tidal wave that hit their town in 1992, Antonio Daiz, 49, turned to the tropical seashells that abound the Eastern Samar seas.

With the P2,000 calamity assistance from the Department of Social Welfare and Development (DSWD), Daiz bought glue and contracted his neighbors to gather the shells; trained the divers' wives in crafting the seashells into wall clocks and decoratives and paid them for the finished products. He also employed other neighbors to sell the shellcraft items at the Guinan public market.

After DTI endorsed him to join the NEED program in 1994, Daiz reports that he now nets as much as P12,000 to P13,000 a month. He supplies Manila-based exporters with shellcraft items such as wall clocks, fashion accessories and mirrors. He also supplies the Matias' Fashion boutique in Manila with P30,000 worth of semi-finished fashion accessories every month. Recently, Daiz exported directly to Taiwan some P247,000 worth of hotpads, used to protect tables from heat.

He laments, though, his town's lack of electricity, "In one trade fair, I have lost out to the shellcraft producers of Cebu. Their products are cheaper because they have electricity to run equipment which, in turn results in lower production costs. On the other hand, we have no electricity. My subcontractors have to do it manually, resulting in higher labor costs," explained Daiz. Despite this, Daiz claims that the provincial government is always ready to support them, adding: *"Malaki ang pasasalamat ko sa NEED at sa aming provincial government. It is inspiring to know that they know we can do it. And we did it!"*

When Rudy Balbidades joined the NEED Trade Fair at the SM Megamall in Manila last October 1995, he expected nothing more than a good sale from his coconut shell craft products. He did get a good sale, and an unexpected bonus - the NEED Technopreneurship Award for ingenious invention, a cutter and polisher in one for cocoshell craft making.

Balbidades is the proprietor of Johndansan, one of the biggest cocoshell craft enterprises in Guimaras. Johndansan is now making various items out of coco shells. He started the business as a hobby with a capital of P5,000.

How to cope with the demand for his products during peak seasons posed problems for him that he thought of a device that would make production more efficient and convenient. The result is the cutter and polisher in one.

Balbidades' invention has boosted his production capacity. Sales from his products likewise increased by 200%. The award and the exposure he got from participating in the trade fair have encouraged him to pursue his plans which include diversifying into coco tiles and combining coco furnitures with metal.



GUIMARAS: Rudy Balbidades

IFUGAO: Gabriel Carbonel



Introduced to the NEED program in 1995 through the Department of Trade and Industry (DTI), Carbonel and 14 other entrepreneurs from Ifugao formed the Maphod Ifugao Multi-Purpose Producers' Association (MIMPA) in March 1996. *"Kailangan magtulong-tulong tayo bago tayo matulungan,"* Carbonel stressed.

Carbonel's Dugong Handicraft used to earn P5,000 to P7,000 annually. Now, he earns as much as P25,000 to P30,000 a year in net profits. He reveals that the NEED design clinics and trade fairs have a lot to do with the increase in profits. He says, *"Mapaganda ko ang aking mga produkto. Nalaman ko na ang produkto, basta quality ang paggawa, hahanapin at bibihin talaga ng tao."*

Carbonel now employs five permanent workers carving Christmas decors, serving trays, wall decors and other handicrafts from native Ifugao wood. With his profits, he was able to build a 14 ft. x 35 ft., two-story concrete production area and to buy a passenger jeep to deliver his products.

He continues to encourage MIMPA to seek for the active support of the provincial government in promotions, financing and sourcing raw materials. And he continues to dream: *"Ang gusto ko lang ay maangang ang pamumuhay ng aking pamilya at ng aking pamayanan,"* Carbonel confides.

KALINGA: Antuza Refalda



Five years ago, it took a month for one or two cases of Antuza Refalda's vinegar to move from the grocery shelves. Today, demand for her products in supermarkets averages 100 cases a month.

Wine production is the main source of income of the residents in Refalda's locality. Refalda capitalized on the wine that didn't make the grade as this was thrown away by the wine makers. *"Sayang naman, sabi ko. Kaya, pinag-aralan ko sa DTI ang pag-process ng vinegar. Binili ko 'yung excess wine nila at ako mismo ang nag-ferment nito,"* she relates.

Seeing the potentials of her business, NEED marketing specialists advised Refalda to develop spicy vinegar varieties and to enhance its packaging with abaca twine. With that and the help of her husband who resigned from the military service to help her in the business, Refalda netted P20,000 monthly, a far cry from the P250 that they used to earn from their coffee trading business. As their vinegar business flourished, the Refaldas also acquired a passenger jeepney for the delivery of the product to supermarkets, built a warehouse and modernized their operations with the mechanical bottle washer. She hopes to include soy sauce in her production line, upgrade her factory, acquire more modern equipment and add her 10-man production team.

Refalda stresses that product development must go hand and hand with proper business attitude. *"Huwag ka lang mawalan ng pag-asa,"* she advises fellow small-scale entrepreneurs. *"Tulad ng naranasan ko, isa o dalawang kahon lang dati, nahihirapan pa ako. Pero, kailangan pala talagang pag-aralan kung papaano mabigyan ng karagdagang value ang produkto mo. Meet customer requirements. Gumawa ka ng paraan para makatulong sa mga ibang tao,"* Refalda concludes.

MOUNTAIN PROVINCE: Josephine Say-awen

Never had Josephine Say-awen imagined that the macrame friendship bands and belts she was selling on the streets of Manila and Mountain Province since 1990 would find their way to the Duty-Free Fiesta Shopping Center at Ninoy Aquino International Airport three years later.

Her initial orders from Duty Free ranged from 500 to 700 pieces a month. Eventually, the orders increased. When she and her children could no longer cope with the increasing demand for her products, she thought of involving the women in her neighborhood. She taught them how to make the macrame bands and belts and, later on, subcontracted the jobs to them. For each friendship band that she sold to Duty Free at P35, she would give the women P20.

On ordinary days, Josephine averaged P15,500 monthly in gross sales. But during the October 1994 Trade Fair, she sold as much as P20,000 and P48,000 the next year.

With her sights set on expanding her product lines, Josephine invested her profits in one high-speed sewing machine for belts and two knitting machines for pullovers, blouses, bonnets, and other knitwear.

At the rate she is doing, Josephine has really made the right decision to go into business.

ROMBLON: Angel Moral



A woodcarver since he was 11 years old, Angel Moral was devastated when his P700,000 marble processing plant in Angeles City was buried in lahar in 1991. Without

any other option, he returned to Romblon, Romblon. Determined to start all over again, he put up a marble-quarrying business under the business name Romblon Dimension Stone Corporation. With 10 quarrypersons doing the job manually, his production output earned him P20,000 a month.

But for Moral, that was not enough. "The demand for marble is very high *basta may quality ang pagkagawa mo. Pero bago ka makaachieve ng quality, kailangan mong imoderize ang iyong equipment. Kailangan mo ng financing para ma-increase mo ang iyong production at mabawasan ang wastage,*" he stated.

Moral has found the answer to his problems through the Romblon Producers Association. He said that the NEED program managers have stressed to them that to achieve their objectives, they have to strengthen their association.

"That is why right now, we're focusing on how we can work as a team. This way, maybe our needs can be addressed. Once we have met our financing needs, then we can slowly get out of supplying raw materials and go into large-scale production of finished marble products for export," he said, baring his plans.

Hopefully, all these plans of Moral will materialize especially with intervention from NEED.

SULU: Kimar Halud

Thirty six year-old Kimar Halud never regretted that he attended the 2nd NEED *Entre-Pinoy* Convention in Bacolod City on his way to the Ninoy International Airport in Manila to fetch his wife. Before the three-day convention was over, he had established contacts with abacacraft entrepreneurs.

When he returns home, he plans to supply the other provinces with abaca which abounds in Jolo. He also would like to design a mechanized abaca stripper to improve the quality of abaca processing in his province.

Halud was referred to the NEED Program by the *Tanjuh-sug*, a Tausug religious group that was recently transformed into a cooperative. It was the same group who taught him that to improve oneself, one should also improve his financial status.

Before he learned about the NEED Program, he augmented his income as a government employee by making squid balls and processing coffee. His four children served as his assistants in the small business.

With support from NEED, he is confident that he can carry out his plans. Says Halud: "The NEED Program has given me the confidence to go into a business of a bigger scale. I would like to concentrate on abaca and let my wife take over the squid balls and brewed-coffee business when she comes home."

Halud believes that if the government addresses the entrepreneurs' need for skills and technology training and also financing, then entrepreneurship can truly contribute to the economic upliftment of the people. He sees this already happening through NEED.

MASBATE: Edwin Returan

Edwin Returan, manager of New Blooms Enterprise is an agriculture chemist whose natural love for orchids and ornamental plants found expression in a plant food formula he invented in 1987. The new WIN COFACTORED PLANT FOOD is a three-in-one plant food blended from nitrogenous, phosphoric and potassium-based materials and enhanced by natural extracts of malunggay (*Moringa oleifera*). The product is environment- and user-friendly. Its use in orchids and ornamental plants results in luxuriant blooms and foliage. Edwin is the recipient of the NEED-PCCD Mid-term Excellence Award as Model Entrepreneur.

"NEED is one of the organizations which have continuously supported me. It was a big help specially in the promotion by building the image of the product to export quality," he explains. Edwin also credits the Department of Science and Technology -Region V, the Department of Trade and Industry and the Design Center of the Philippines for helping him popularize the product to orchid-growers of Masbate and nearby provinces.

Although Edwin still awaits the release of his product's registration from the Patent Office, he is very optimistic that his product will soon gain recognition in other countries.



SOUTHERN LEYTE: Felix Arbiol



From the way Mang Felix steers the potters wheel and transfers the slab of clay into graceful vases and other pottery items with his bare hand, one realizes he has been doing this craft for a long time. He first worked with clay when he entered a formal training course given by Japanese experts at the Provincial Ceramics Center at Maasin in 1978. Two years later, he took the place of the Japanese trainer and taught his *kababayans* the art of pottery-making. Although he was happy with his job, he had to leave to take on the challenge of having his own pottery business. He made flower pots and vases in the local market like Maasin and Baybay with a capital of P800. Today, Mang Felix needs P150,000 to expand his business and meet the orders of his customers. He has 50 workers. His pots and jars are priced from P20 to 100.

It was not only the Design Center of the Philippines which helped him design his ceramics products. Through the NEED fairs, Mang Felix was exposed to a wider market. His biggest order was worth P30,000. Problems like transportation has kept him from getting more orders. Freight from Maasin to Manila costs P45 plus the risk of breakage is also great. He hopes that one day, he could be able to transport his goods and prevent them from any damage.

Credibility and craftsmanship. These two criteria are recognized by the *Entre-Pinoy* Convention held quarterly and participated in by the different provinces. In July last year, Mang Felix bagged the Mid-Term Excellence Award for being a model entrepreneur. On that same year in October, he also added another feather to his cap by winning the *Entre-Pinoy* Award.

TAWI-TAWI: Musa Salingan



Musa Salingan, 60, had been weaving pandan leaves into baskets, food covers and hats, a craft handed down to him by his forefathers. He markets them in Bongao, Tawi-tawi, Metro Manila, Zamboanga and Cotabato. He sells each hat for P120 in Tawi-tawi and for P200 in Manila. He earns as much as P30 to P50 a piece, and averages P1,500 a month in sales from his pandan wares. Sometimes, he grosses much more than that. Salingan recalls grossing some P30,000 during the trade fair in October 1995, held in line with the solar eclipse festivities.

Salingan eagerly participated in the recently-concluded 2nd Annual NEED *Entre-Pinoy* Convention held in Bacolod last July 10-12. It was the first time he participated in such a convention. He brought his pandanwares, unmindful of the long days and nights he had to spend on the ship to Bacolod. He may have lugged the same pandanwares home, but Salingan is a lot wiser now. "I will hire five to seven additional workers to upgrade production from the present 50 pieces monthly. Also, I will expand my product line to include pans, placemats and other housewares," he said.

If there is one thing that qualified Salingan to the NEED program aside from his craft, it is his openness to new ways of improving his business. Through the seminars that NEED conducted, he got a better grasp of the market, its needs and demands and how he can better serve these needs and demands. Despite his age, he continues to face up to the challenges of improving his product, expanding his market linkages and eventually reaching out to the global market.

SURIGAO DEL SUR: Dominic Morilla

Ten years from now, 28 year-old Dominic Morilla sees himself as an exporter of woodcraft lampshades, candle holders, flower vases and bottle tops. To him, becoming an exporter is not only a dream; most of all, it is a challenge and it is this kind of challenge, he says, that makes being an entrepreneur exciting.

Morilla had worked as a trader for Nuvan Woodcraft since 1987 when he graduated from high school. The opportunity to put up his own business came when Nuvan Woodcraft encountered production problems.

"When Nuvan could no longer cope with orders from customers, I decided to put up my own shop. But it was not that easy as I thought. I started with only two workers-myself and a 'pirated' woodcrafter. With the P80,000 I borrowed from my father-in-law, I bought a wood molder, then a chainsaw the next year and, after another year, a welding machine," he narrated.

But he discloses that what helped him tremendously were the NEED Design Clinics and Product Development Seminars.

At present, he employs four regular woodcrafters and his plant is equipped with complete equipment. He also bought a second-hand owner-type jeepney which he uses to deliver orders to his customers.

One who knows how to use profits wisely, he has invested a large part of them in a small drugstore in the capital town of Tandag while he saves the rest for the construction of his own house. It seems that this early, Morilla knows one rule of owning a business: managing finances well.

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A worker in Apayao Vice Governor Hoyt la Cuesta's furniture shop applies the finishing touches to the multi-level shelf made of rattan.

(Continued from page 9)

Executive Director and Technology and Livelihood Resource Center Director-General. Says Director-General Sanchez: "While the 20 priority provinces are rich in resources and have a huge labor force, they have a high incidence of poverty which is a paradox. And one reason for this is that the provinces remain a supplier of raw materials. Why, because it is more convenient for the people to just cut trees, catch fish, grow plants and others. Because there is very little value-added in these activities, entrepreneurship is very weak. By strengthening entrepreneurship, there will be more value-added. For instance, more employment is generated thereby resulting in prosperity for the people and, consequently, there is less migration. This is the essence of the NEED Program, among others."

That the countryside has been chosen as pilot target areas for enterprise development through PCCD's NEED Program is understandable. In a speech delivered in December 1993, President Ramos cited the crucial need to develop the countryside. He said, "The countryside is where the willing hands are and where the bountiful seeds of development may

be found. And from the countryside comes our food, our raw materials for manufacturing or raw materials for producing export products. The countryside, therefore, is our last frontier for progress. And to keep pace with our fast-changing society and our fast-growing neighbor countries, we must utilize the resources of our countryside to the fullest."

POTENTIALS OF TARGET PROVINCES

If there is anyone who can attest to the abundant resources and existing potentials of the priority provinces, it is no other than Marketing Specialist Lorenzo Sarmiento. Sarmiento, who was trained and later employed at the Design Center of the Philippines, has noted that there is indeed an abundance of raw materials and skills in the provinces. However, producers were hampered by the lack of marketing for their products, products which showed greater potentials for export. Moreover, people have to be motivated into producing items other than the traditional ones.

Through NEED, if there is an abundance of raw materials in a certain province but it is without skills, prospective producers can go to prov-

inces where the desired enterprises are already flourishing. The result is networking in terms of skills transfer.

He has also observed that while beauty is inherent in some of the products and degree of craftsmanship is acceptable, there is existing weakness in design. With the NEED program, products can now be packaged according to market; thus, giving assurance that there would be buyers for the product.

The NEED Program proves that the seeds of growth and development must start from the province itself. Skills development must not be relied upon Manila. Instead, there should be decentralization which, in a way, means empowerment of the people concerned. This also results in deurbanization, another thrust of the government.

As a result of efforts to develop enterprises in provinces, families are now in the transition stage. Sarmiento says it is a matter of educating them about entrepreneurship instead of traditional occupations.

MODERATE SUCCESS

Sarmiento has seen the moderate success achieved so far by the NEED Program in the 20 provinces. In Abra, for instance, where economic activities revolve in the most basic fishing and farming, people have discovered the business potentials of mango trees which abound in the province. People are now producing dried mangoes and supplying the Baguio market where the product is very much in demand.

In Antique, red sugar, now packaged differently and labelled accordingly, has been selling better than before. It was a similar experience in Kalinga where vinegar, a traditional product, was packaged beautifully with a woven material. Since then, it has also been selling well.

Aurora, which is abundant in forest as well as other agricultural

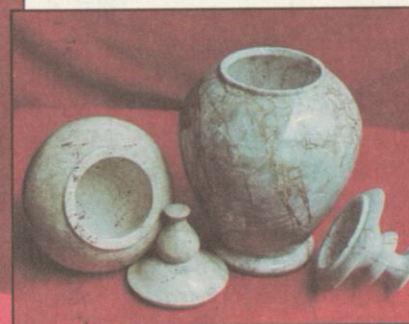
products like herbs and *sabutan* and where people have skills for certain crafts, is also fast becoming a beehive of economic activities. An example of a craftsman-turned-entrepreneur from the province is Benny Cayetano. Demand for his hand-made paper has not only grown. By training workers from other communities to whom he has subcontracted some of his jobs, he is, in effect, transferring skills to them.

In Basilan, it was a case of transforming a hobby into a business. Through the intervention of NEED, the packaging of soap made from coconut oil and fruit essences was improved. The soap-makers are now supplying not only the local market, but also Zamboanga and Cebu.

In Benguet, people have proved that they are open to other possibilities considering that their identified weakness is their refusal to go beyond what is existing. Mary's Cogon and the Kabayan Women's Development are two of the enterprises assisted by NEED. Mary's Cogon is already producing birdhouses, baskets and Christmas decors for export. Kabayan Women's Development, on the other hand, is ready for export and is just waiting for the right product. Used to making only simple items, it has diversified into other products.

In Guimaras, it was also a case of a craftsman-turned-entrepreneur. Rodolfo Balbidades, owner of Johndansan's Furniture and Crafts, almost gave up his craft. Prior to NEED, there were no buyers of his products even as he joined trade fairs. With new designs, he found a new market for them. His production capacity has also increased.

Another province blessed with rich natural resources that have not been fully explored and developed is Romblon. Mention of Romblon immediately makes anyone think of marble which is aplenty in the province. Other abundant yet unexplored



In Romblon, NEED launched the transformation of marble dust into export quality handicraft products. This provided anew source of income and at the same time eliminated pollution hazards.

raw materials are *buri*, red and white clay and shark's oil. Through the NEED Program, a project called "Integrated Development of Marble Dust" was launched in the province. Under the project, potential products for development were classified either for local consumption or export. Another interesting result of the program is that marble dust, a waste product of the famous material from the province, is also being utilized and developed into products. Aside from providing a new source of income for people, the transformation of marble dust into marketable products also eliminates hazards of pollution.

Another ongoing program in Romblon is the integrated development of *buri* and *pandan* leaves of a different variety. Potential products using the materials have been identified so far and training for the making of the products is ongoing.

Southern Leyte, for its part, has developed successful entrepreneurs like Felix Arbiol who has won the *Entre-Pinoy* Award. Arbiol is the proprietor of Asuncion Ceramics. Originally, Arbiol was using terracotta as raw material. Through the NEED Program, he has been making other

items using indigenous materials like red clay. He has joined two trade fairs so far and received sizeable orders.

In Sulu, one bamboo grower now makes items like tiles, panels and other architectural components and has been getting orders from Manila. It was a case of repositioning a product and finding market for the new one.

CONCRETE RESULTS OF NEED

The initial concrete results of the NEED Program, in particular in the first 10 provinces, can be gauged from the following: a total of 70 entrepreneurs/enterprises were given product assistance; about 3,095 individuals were provided employment; and, most of all, the entrepreneurs from the 10 provinces were able to generate earnings amounting to P9,799,511.14 in cash sales, booked orders and sales under negotiation as a result of their participation in a five-day trade fair at the SM Megamall in Manila a year after.

In January 1995, the program was implemented in the remaining 10 provinces and by July of the same year, all the entrepreneurs from the 20 provinces being assisted by NEED gathered for the First *Entre-Pinoy* Convention. The convention was prepa-

ratory to the market encounter in October which was again held at the SM Megamall. During the market encounter, the Second NEED Trade Fair, majority of the enterprises coming from the 20 provinces and assisted by the NEED Program participated. The fair generated total sales of P22.7 million, a performance surpassing the previous year's record. As incentive, those who delivered exemplary performance during the program period received cash awards as seed funds for their future expansion.

Beyond the actual sales and booked orders, one good result of the Second NEED Trade Fair was the extension of the program by another year. This was premised on the fact that the products developed by the participating entrepreneurs showed strong market potentials. Also, the volume of booked orders has to be realized and delivered lest it affects the realization of goals for the provinces concerned and the country, in general.

The program was later extended by another year. In his letter to President Fidel V. Ramos, PCCD Chairman Daniel L. Lacson, Jr. reiterated the clamor among the 20 priority provinces to extend the program by another year "to facilitate further the immersion of export-ready entrepreneurs into the export market; assist beginners in the development of their enterprises; and establish or enhance existing producers associations in each priority area".

Thus, to sustain the assisted industries, the program aimed to adopt the following: facilitate the building up and strengthening of producers associations in the 20 provinces that will carry on the task of sustaining provincial activities after program phase out; ensuring negotiations/delivery of booked orders and sales under negotiation through continuous monitoring and follow-ups by both the program coordinators and DTI representatives in the provincial level; establishment of a permanent

and viable showroom accessible to buyers which will be designated as a venue for booking orders to ensure continuous transactions between buyers and producers; and conduct of follow-on activities particularly trainings that the entrepreneurs would need for the upgrading of their production and operation.

In regard to training, activities/modules have been divided into three categories, namely, Export Development Program; Basic Enterprise Development Program; and Association Management Program.

Three years after it was conceived, the NEED program continues with its mandated task of eradicating poverty in the 20 priority provinces.

As of the time of the report to the President, seven out of the 20 provinces have produced goods and products with export potentials and are, therefore, identified as priority targets of the Export Development Program: Tawi-Tawi, Southern Leyte, Aurora, Sulu, Romblon, Abra and Antique. The rest of the provinces will undergo the Basic Enterprise Development Program. For the Association Management Program, eight provinces were classified as having potential existing associations. These are Southern Leyte, Basilan, Benguet, Guimaras, Sulu, Romblon and Aurora. The ANP was mandated to continue performing coordinative and managerial activities to ensure the smooth progress of the program especially the establishment of viable trade centers.


To date, NEED has provided technical and financial assistance to entrepreneurs from the 20 provinces.

Individual entrepreneurs and enterprises who have delivered exemplary performance during the two-year period of the program were given citations as well as cash incentives that could serve as seed funds for future expansion of their businesses.

Three years after it was conceived, the NEED program continues with its mandated task of eradicating poverty in the 20 priority provinces. Its directions are clear. By June 1966, trainings and study missions on a per region basis shall have been conducted and, come October, another trade fair with all the provinces participating shall have been conducted. Finally, by the end of the year, retail trade centers in identified key areas like Zamboanga, Davao, Baguio, Manila and Tacloban shall have been established for most of the 20 provinces as beneficiaries.

IMPACT ON PEOPLE

Indeed, NEED has touched the lives of many, in particular, the entrepreneurs in the 20 target provinces. This was evident when Magdaleno Roque, Jr., Biliran entrepreneur, apparently addressing President Fidel V. Ramos said: "Before, we were mere spectators to your vision of Philippines 2000; now, we are suddenly aware of our being part of this grandiose program."

Upon the creation of the PCCD, the President had said: "None of the 20 provinces will be in the same state when I step down from office in 1998." By all indications, PCCD is succeeding in making this come true. That the provinces could even be new growth centers is, in fact, not a remote possibility. Through its programs, especially the NEED, PCCD continues to sow the seeds of entrepreneurship—the engine of economic growth—in the provinces. It has laid the necessary groundwork for the provinces to grow and prosper and achieve President Ramos' vision for them. 

Roberto and Teresita Hernandez

Reaping the fruits of successful entrepreneurship



She was a former saleslady at her aunt's modiste supply store in Divisoria and he was an employee in a factory of baby items owned by an Indian national. They were both college graduates. Hard work, perseverance and *palabra de honor* paved the way for Roberto and Teresita Hernandez' success in their baby items manufacturing business.

Named after their two eldest children, Bobby and Daisy Home Industry had its first home in the crowded area of Balut, Tondo. Baby clothes, quilted sheets and baby bags were some of its products.

Like a baby learning his first steps, the couple had to learn the ropes and earn a few bruises along the way. Lack of capital meant relying solely on the trust of their Chinese supplier who gave them raw materials on credit.

Teresita recalls, "We never issued any checks then. Our word of honor served as our collateral." She adds that they had to pay their creditors the supplies they got earlier before they could be given new ones. There was so much pressure on them then because payments were due only a few days after they were given the credit.

Yet, the business survived and soon enough, from its old location in Tondo, the business found its new home, a two-storey apartment in Buendia (now Senator Gil Puyat Avenue), Makati. Six to eight workers

plus four machines occupied the second floor of the apartment, while the ground floor was converted into a restaurant with Teresita operating it.

The business is a partnership between the couple. While Roberto is in charge of maintaining the shop, taking down orders and collecting payments, Teresita supervises the production, packaging and delivery of the products.

She is always on the lookout for new designs and concepts to improve their baby items. "Whenever there are new designs of imported items, I would get ideas by improving on them a little and utilizing local materials. I knew that the ordinary consumer would not be able to afford those imported items but I wanted to provide them the same design at a lower price. Therefore, we priced our products affordably while maintaining good quality," explains Teresita.

She attributes the success of their business to a number of factors, saying that a college diploma was not that essential. "*Kahit na mababa ang pinag-aralan mo, maaari kang magtagumpay kung ikaw ay masipag, matiyaga at gayundin, may palabra de honor. Napakahalaga ng huli; hindi ka dapat sumira sa anumang pinag-usapan, lalong lalo sa mga pinagkakautangan,*" Teresita advises.

Another plus factor to their success is their relationship with workers. Teresita says she works with them and

treats them like they are her children. She even joins them in leisure activities like going to the movies.

Knowing that greater opportunities await them, the couple decided to expand the business. In 1988, their plans for expansion materialized with the Development Bank of the Philippines granting them an initial loan of P1.25 million. The couple used the loan to purchase a residential factory site in Mandaluyong, and as working capital. The increase in production had necessitated a bigger space and the 260 sq.m. lot and two-storey factory in Mandaluyong were just what they needed. By then, they already employed 100 workers and had 45 machines in operation.

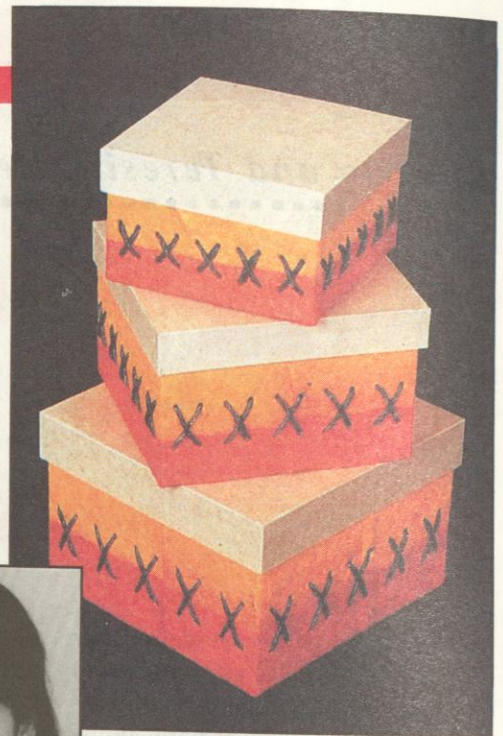
Two years after, an additional P963,000 loan was granted to them by DBP, enough to cover a month's raw material inventory for the production of quilted sheets. But their greatest accomplishment that year was a citation from the DBP as Most Outstanding Entrepreneur of the Year.

Today, Roberto and Teresita Hernandez are still managing Bobby and Daisy Home Industry, reaping greater success as entrepreneurs. They are examples of entrepreneurs who adhered to work values and did not consider lack of a college diploma as a hindrance to success. M

(Condensed from Development Barker, July-September 1994; Development Bank of the Philippines)

Ruby Antonio

Model Entrepreneur of Camarines Sur



Ruby Antonio gets design ideas from reading, nature and the events that happen around her.

When Ruby Antonio of Naga City made her first set of boxes some five years ago, all she wanted was a container for everything that did not have a proper place in the house and seemed to be lying everywhere — hairpins, clips, pencils, etc.

A housewife, she had a passion for designing. Thus, she would design multi-colored handmade paper boxes with nature-inspired leaves, petals and twines whenever her daughter and two sons were in school.

Ruby and husband Jun, one of Naga City's prominent surgeons, often entertained guests from Manila-based pharmaceutical companies. While her cooking impressed the guests, her boxes attracted them more. They noticed the impeccable craftsmanship and creative designs. At first, they thought the boxes were imported. When she told them that she made the boxes herself, they wanted to buy them right there and then.

What she did was to gift them with some of her creations. As expected, the guests showed them off to their officemates in Manila. Soon enough, she was getting orders by fax from her 'first customers.'

With P5,000 as initial capital, she bought the materials she needed and buckled down to business.

That P5,000 initial capital has grown to an asset base of P700,000 today. What started as a hobby has

now become the BRY (*pronounced Bree*) Handicrafts, employing 105 workers and subcontractors who produce boxes, picture frames, office accessories, novelty items and stationeries. The products are made from recycled paper and other indigenous materials. BRY Handicraft products are well-received in the market and have now found their way to the United Kingdom, France, Belgium, Portugal and Taiwan.

But more than the good sales receipts from her products, Ruby cherishes the award she received from the House Special Committee on Entrepreneurship as **Model Entrepreneur of Camarines Sur** for "*unselfishly sharing spirit of enterprise and ingenuity of business stewardship thus providing a shining example to the Filipinos in breaking new grounds of economic sufficiency and generating opportunities for resource and human development in the pursuit of entrepreneurial excellence.*"

In an interview with **MagNEGOSYO**, Ruby reveals her secrets of success to other entrepreneurs and would-be entrepreneurs:

1. **Develop self confidence.** Believe that you can really make it. Say to

yourself, "*Walang imposible. Kung nagagawa nila, bakit hindi ko magagawa?*"

2. **Think of yourself as a buyer.** Before going into business, analyze the product. Imagine yourself as a buyer and ask yourself, "*Bibilhin ko ba ito?*" If you think of yourself as the owner of the product, you won't understand what they want and need. Feel the viability of the product. If there is a demand, pursue the business. If there is none, find out why; analyze the market.

3. **Learn, learn and learn.** One major handicap I had was my lack of export know-how. To solve this, I read materials on export in the libraries of the Naga Chamber of Commerce and Industry and the Department of Trade and Industry. I also did not know how to negotiate with buyers. While I am a commerce graduate, I was afraid I may not be able to speak English well and communicate with foreign buyers. In one

fair, however, I observed how others would negotiate. I realized that what is important in negotiating is that you can compute.


4. **Maintain high-quality standards.** What I do is a projection of myself. I put a high premium on quality, that is why most of my buyers tell me that what attracts them to my products is quality. I make it a point to train people before I subcontract my products to them. I stress to them my standards of quality and as another policy, I ask them to pay for outputs that I reject so they will become conscious of quality.
5. **Don't get into loans when you are just starting.** It is better to start small rather than go into financ-

ing. Feel the market first and don't make your prices too high. Set a good business record first because it will be the basis of lending institutions. If you have a good record and you have made a name, they will be the ones to approach you and offer financing.

6. **Cultivate your talent.** Talent can be developed. I do a lot of thinking to have good ideas and research on what could be good designs. I get design ideas from reading, nature and things happening around me. When you are used to it, creative ideas just come easily.
7. **Welcome competition.** It is a challenge to do better. Nobody wants competition; but actually, it is for

the better. Therefore, deal with it positively. You just have to take it.

8. **Finally, go for a business where your interest lies.** It is the best path for an entrepreneur to take. "*Kahit pagod na pagod ka na sa trabaho, gaganahan at masisiyahan ka sa ginagawa mo.*"

BRY Handicrafts is still based in the Antonio residence at 2nd Street, corner Socorro, Sorabella Subdivision, Concepcion Grande in Naga City. It can be contacted through telephone number (05421)756759 and fax number (054)811-2189. Entrepreneurs who would like to succeed might as well take Ruby's secrets of success to heart. After all, she is a model for entrepreneurial excellence. - **REA Gamboa** 



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Porferia Bersamin

InterAide - NBA's 1995 Entrepreneur of the year

Welcome Porferia Bersamin or *Aling* Porferia to her neighbors, InterAide Neighborhood Business Association's, choice for Entrepreneur of the Year in 1995. InterAide, a France-based NGO which aims to help uplift the quality of northern suburbs of Manila, chose *Aling* Porferia over 49 other entrepreneurs from the area. These entrepreneurs range from photo shop operators, tricycle assemblers, *balut* dealers, *carinderia* operators to other kinds of enterprises.

How *Aling* Porferia won over the rest is another interesting and inspiring story. *Aling* Porferia is a *sari-sari* store owner. From the looks of it, however, someday she may yet be the owner of a chain of grocery stores. Already, she is showing signs of a successful entrepreneur. For one, she knows the importance of serving her customers well and, most of all, serving them with a smile. This is confirmed by her friends and customers who say that her pleasant attitude while at work and in life, in general, are her greatest assets in running her business. She has been described as not only "always smiling" but full of energy, always busy with something in her store. It seems that idleness has no room in her life.

Although being a *sari-sari* store operator was not her teenage dream,



Aling Porferia perhaps realized the potential of the business. A native of Barugo, Leyte, she wanted to become a nurse until she met a boy in high school who would later become her husband. In marrying her high school sweetheart, she gave up her dream of becoming a nurse and decided to just settle with him in Catbalogan, Samar. They would not be together for the rest of their lives, however, as he died sometime in the 70s.

In 1977, she and her children set sail for Manila. They first settled in Monroy, Navotas. It was a struggle, she said, as she did not have a job right away. Also, she was just a high school graduate.

But she knew life had to go on. Most of all, she had to raise her chil-

dren all by herself. She lost no time in looking for a source of income. She found one by washing the clothes of some families in the neighborhood, charging each family P80 a month. Although her earnings were meager, she was, nonetheless, able to send her children to school, including a son who graduated with a degree in criminology. Sadly, however, the son died even before he could help her fend for the family. She continued to serve the laundry requirements of her neighbors.

While doing so, her sights were set on something else, though.

She wanted to run a convenience or *sari-sari* store. And so, from her earnings as a laundrywoman, she saved regularly until she had P1,800, enough to serve as seed money for her dream convenience store. Initially, she only sold rice, candies and other goodies. But she was beginning to build a base of regular customers despite the few items that she sold. The reason, as a neighbor would whisper, "*Mahusay na pakikisama sa lahat.*"

Riding on the regular patronage of her store by her customers, *Aling* Porferia embarked on expanding her line of products. To secure the necessary capital, she joined a so-called *paluwagan* so she could borrow P7,000. With the amount, she was able to buy more items for her store, such as canned

goods, cigarettes and softdrinks. Business continued to be good.

Because she had a good credit record, Aling Porferia was later on considered for assistance by InterAide. She was granted an initial loan of P1,000 after undergoing orientation seminars on entrepreneurship. Knowing that she can only avail again of another loan if she establishes a good credit record, Aling Porferia made it a point to pay her amortizations on time.

Today, she is on her eighth loan availment. If granted and in all likelihood, it will be, considering her highly-satisfactory credit record, the amount will be 15 times higher than her initial loan. The InterAide manager assigned to Aling Porferia's area revealed that her application will likely be granted. She also had very good words to say about her.

Already, Aling Porferia thinks and acts like a professional entrepreneur. She is taking the risk by borrowing a bigger amount and collateralizing her loan with her personal assets - a colored TV and betamax. This is matched by her current capital in the amount of P25,000 and her savings with InterAide now totalling P45,000. The amount is kept in trust in a savings account with her and InterAide as account holders. For all these, Aling Porferia has won the "Top Saver Award" for March 1996.

Aling Porferia's determination to improve her life made her embark on a sari-sari store business. She did not stop there; she sought to expand it. She also knew that she had to save, use her funds wisely, invest them so they will grow and later on, use these as additional capital. As a borrower, she knew her responsibility-to pay her dues on time so she can keep the trust and confidence of her creditors. She knows well that maintaining a good credit standing is important if she would like to avail of additional capital in the future.


Her foresight will certainly work to her advantage. She revealed plans of going into a bigger venture, bigger than her sari-sari store - a friendly neighborhood mini-grocery.

Aling Porferia is approaching age 70 yet she has no plans of retiring lest "madali ang buhay ko," she says.


Her efforts have paid off well. She is not only financially stable, with some little luxuries in life like a bigger refrigerator, washing machine, nice furniture and others. She has also earned the love, respect and admiration of her neighbors.

When asked about the secret of her success, Aling Porferia says that "sipag at tiyaga" has kept her smiling while going through "the ups and downs, the heartaches and headaches" that have come her way. She added that success is not farfetched for those who are "matapat sa hanapbuhay."


This high school graduate knows what she is saying because it has been proved true in her experience as a successful, budding entrepreneur. She surely is deserving of InterAide's "Entrepreneur of the Year" award. - CV Clarete M



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Johnlu Koa



Baking the bread of the '90s

By Neri Olemos

From being a nondescript business professor at the UP College of Business Administration, Johnlu Koa practiced what he preached and became one of the most successful young businessmen in the country today. The secret, it seems, is a combination of good education, marketing know-how and a good nose for opportunities and ideas.

French Baker in 1988 took the bread and bakeshop industry by storm. Koa's bakeshop successfully and unexpectedly staged a coup and captured the taste of the previously monay- and pan de sal-loving Filipino consumers. From a single store in SM City Annex in 1988, it now has 12 branches all over Metro Manila and more shops to open in key cities of the country. In such a short time, Koa was able to establish a strong market presence and has refined the Filipino's taste for bread. After French Baker, bread will never be the same again for Pinoys.

Koa's family owned Honeybread Bakeshop which was established in 1979. He had been with the family business since 1980. While still in UP, he would wake up early to deliver bread to the stores before going to his classes. It was in 1988 that he decided to leave the academe to start on his own business.

"My wanting to put up a business," he says, "stems from the fact that there are so many opportunities lying around, especially in the bread business." He helped the bread in-



dusty mature by making previously unaffordable and unpopular varieties of bread within reach to many people. He has introduced variety, quality, freshness and affordability in his products.

Aside from product superiority, what further contributed to French Baker's success is the locational advantage it enjoys by 'piggybacking' on the development and expansion of malls and shopping centers in the country. Koa brought the bakeshop within reach to the young and upwardly mobile generation of Filipinos.

With French Baker sales and earnings hitting an all-time high and well deserved recognition coming from the Philippine Marketing Association, and a beautiful wife and baby at his side to boot, what more can a man ask for?

Indeed at 37, Johnlu is the envy of many young people in the country today. But beyond this, he epitomizes the new breed of entrepreneurs of the '90s: educated and a "generalist," skilled and knowledgeable in the production process of the trade he specializes in, and armed with the marketing know-how to help catapult a business opportunity to phenomenal success.

How many academics can turn themselves into business legends? Not many. But Johnlu Koa will surely be at the top of the list.

*The above article was reprinted from **Small Business**, the official publication of the House of Representatives Special Committee for the Generation of a Million Small Enterprises.*

- The editor

New life for farming from low-soil input technology

By Jorge Zamora



With the dwindling tracts of good, arable land haunting them, farmers are pushed into engaging in other businesses to sustain their needs. This is not at all that bad, says the Technology and Livelihood Resource Center, as it opens new horizons for farmers.

Only, it doesn't alter the fact that it was the lack of good farming soil that pushed them into this circumstance.

On top of it, farmers are saddled with exorbitant prices of soil inputs such as fertilizers and pesticides.

This has prompted government agencies to look for ways to help the farmers. One of the techniques that are now in use is alley cropping, according to documentation at the TLRC's *Technobank*.

Alley cropping is simply the planting of food crops between rows of leguminous shrubs and trees, the leaves of which are slashed at regular intervals to supply nutrients to the soil.

It is a low-input soil management technology that can promote farming where farmers cannot afford expensive inputs and where increasing pressure on land does not favor the age-long shift cultivation.

Alley cropping retains the basic features of bush fallow and can easily be adopted by resource-poor farmers in tropical countries such as the Philippines.

The shrubs and trees in alley farming provide green manure or mulch for companion food crops; thus, plant nutrients are recycled from deeper soil layers.

An important advantage of alley cultivation over the traditional shift-cultivation and bush fallow systems is that the cropping and fallow phases can take place at the same time on the same land thereby allowing the farmer to cultivate for a longer time without returning the land for bush fallow for renourishment.

Among the criteria for selecting shrubs and trees for alley cropping are heavy foliage, roots that go deep, easy eradication if necessary, quick

regeneration after pruning, and ability to provide useful by-products.

Leguminous plants and shrubs are preferred to non-legumes because of their ability to fix atmospheric nitrogen and the planting is usually done four meters apart in rows. Fast-growing shrubs such as *Leucaena*, *Leucocephala* and *Gliricidia Sepium* require pruning once in two months.

Research has established that alley cropping is a dependable alternative to the traditional system as it retains the basic principles of traditional agriculture, while introducing very reliable improvements M

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Why hens lay poor-quality eggs

Chicken virus can now be detected, but ...

By Jorge Zamora

The good news is, modern science now makes it possible to detach the presence of the leukosis virus in chickens.

The bad news is, this development remains a mote in the eyes of the *Pinoy* chicken farmer.

What is the leukosis virus? It is, in simplest terms, the bane of the avian world, a bird disease that leaves hens laying poor-quality eggs.

According to documentation at the Technology and Livelihood Resource Center's TechnoBank, a system known as Elisa - for Enzyme-linked Immunosorbent Assay, has been developed in the United States to isolate and neutralize the virus. The microscope alone is inadequate for observing the presence of specific antigens in the virus.

Through Elisa, molecules responsible for stimulating the production of specific antidotes by the immunological system of the infected chickens can be detected.

The test begins by attaching a lab-developed antibody to the walls of a test well. When the sample tested for leukosis virus is added to the wells, any antigen molecules for leukosis virus present will attach themselves to the immobilized antibodies.

The next step is to add a solution containing antibodies that have

attached chemically to a particular enzyme. These antibodies link up with the antigen so that each antigen molecule is sandwiched between two antibody molecules. Antibodies which do not find any antigen to attach themselves to are washed out of the wells.

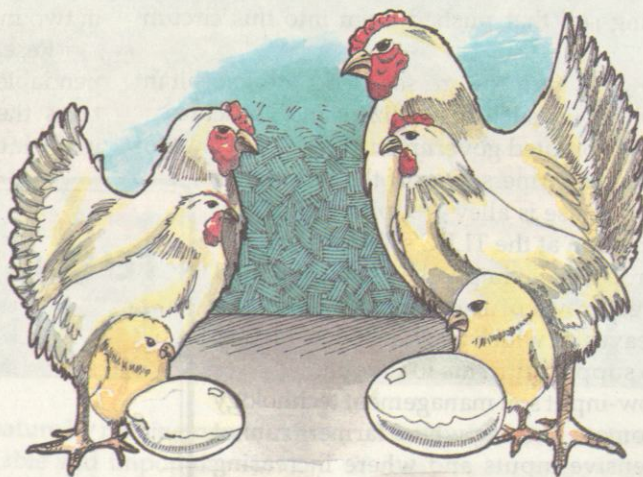
Then a chemical is added to the mixture. The enzyme immediately proceeds to hydrolyze the substance. The extent of the hydrolysis that takes place depending on the quality of the enzyme in the wells, determined by the amount of leukosis antigen present. A change in color in the wells shows how much hydrolysis has taken place.

This will tell whether the sample is positive or negative for leukosis.

Because of the technical complexities in the test, agricultural extension workers of the Department of Agriculture are better prepared to conduct the tests to help farmers protect their poultry.

This is an added function of DAR field technicians but it is worth the cost or effort to upgrade the quality of field extension services - and ultimately that of the chicken in the market.

It could mean more profits for the farmers.



What's food for the gods is food of life for *Dinoys*

By Cecille Comanda Nieva



What's food for the gods is the food of life for Filipinos trying to scratch a hand-to-mouth existence in these hard times.

That's because mushrooms, five-star delicacies, are the cheapest source of protein available to the folks.

The *tao* in the countryside harvest it under bamboo grooves after a thunderstorm. It is easy to grow. In fact, it grows anywhere, according to documentation at the Technology and Livelihood Resource Center.

Any farmer can grow *kabute*. All he needs is rice straw and two meter-long poles, according to the TLRC's *Technobank*.

The two poles are stuck upright into the ground, and the space in

between laid down with straw that has been soaked two or three days in a tub of water.

The straw is layered between the two poles in an orderly manner. When the spread is about 8 to 10 centimeters high, it is tamped down by walking on it and then watered. The water may be mixed with common garden manure sifted to remove the solids or with cow dung.

Next, mushroom spawn, which may be procured at the Bureau of Plant Industry or from any mushroom grower, is sprinkled on the bed. The seeds must be sown up to about 8 cms. from the edges, and then sprinkled again with water.

A second layer of water-soaked straw is then laid on top of the first;

the process of tamping down and watering is repeated, after which the bed is again sown with mushroom spawn.

Several layers should be made in the same fashion until the heap comes up to the height of the two poles. The topmost bed is then watered, and overlaid with one more layer of straw perpendicular to the other layers.

Finally, the entire mount is covered with an opaque plastic sheet or woven coconut palm leaf.

Harvesting can commence after about 15 days, with one such multiple bed yielding about 5 kilos of mushrooms a month. If more harvest is desired, the size of the bed and layers must be made bigger or more beds added in a row. **M**

Caustic soda from banana bark

Sudsy boost for soap-making

By Antonio Ma. Nieva

Soap-making, a Third World cottage industry, is usually saddled by the lack of a reliable source of caustic soda, one of its main ingredients.

Oil, another ingredient for soap-making, could be sourced from locally available nuts and seeds, chief among them being neem seeds.

Availability of caustic soda, however, remains a problem. Consequently, locally made soap with imported caustic soda is often costlier than imported soaps.

The only way to reduce the cost of home-made soaps is to find substitutes for imported caustic soda.

One such, according to the Technology and Livelihood Resource Center, may be obtained from the banana plant.

The extraction process of caustic soda from banana bark is also very simple, the TLRC assures. The outer bark of the plant is removed and crushed between two steel plates or thick wooded planks (on a small scale they may be hammered).

During this process, the liquid content of the bark will be removed and thereafter the bark may be dried in the open sun for about 10 days.

When completely dry, and almost brittle, the bark is burned preferably on a cement floor and the white ash that is obtained is sieved and stored. This is caustic potash, a good substitute for caustic soda which can be used for making soap.

Among the wood or plant kinds of ash, the banana burnt ash is found to be highly caustic. The soda thus made can be used only for making laundry soap and not toilet soap.

To make lye, bore a hole at the bottom of an earthen pot and mount the pot on a stand. Put some straw inside the pot to act as filter.

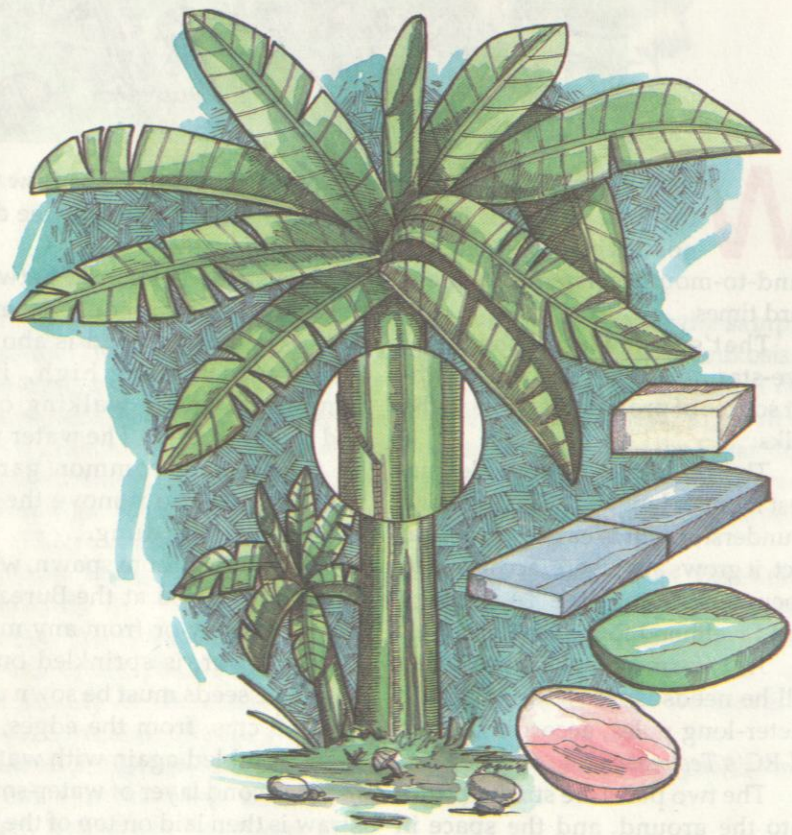
Fill the pot with banana ash, scoop a hole in the middle and fill it with water. Add more water ev-

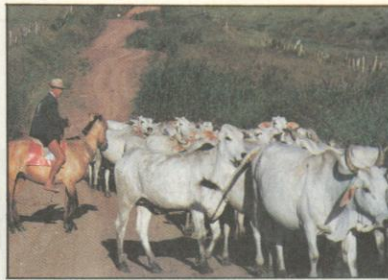
ery day as the ash absorbs the water.

The lye will drip through into the bucket placed below the pot. Continue this process for about three weeks. Then drop a small raw potato into the lye in the bucket.

If the potato floats, the lye is ready to use. If does not, give it more time. Be very careful in handling the lye as it can burn your skin like caustic soda.

In soap-making use the lye in the same way caustic soda is used. **M**





MASBATE

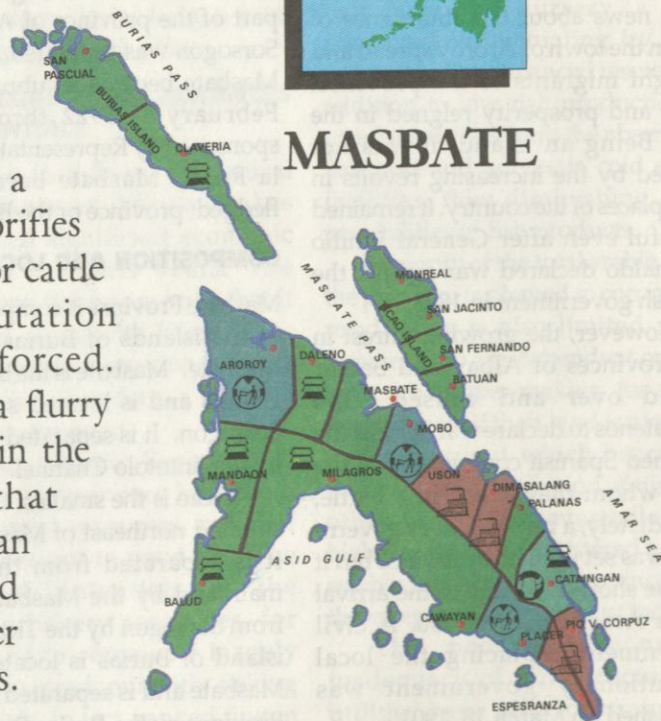
Bicolandia's emerging growth center

By C.V. Clarete and Rochelle EA Gamboa
Photos by REA Gamboa

Masbate, one of the six provinces comprising the Bicol Region, has always been known as the cattle country of the Philippines. Held annually since 1993, Rodeo Masbateno is a colorful event that glorifies Masbate's role as a major cattle producer. This reputation continues to be reinforced. However, there is now a flurry of economic activities in the province, activities that promise to turn it into an emerging and diversified growth center like other places in the Philippines.



MASBATE





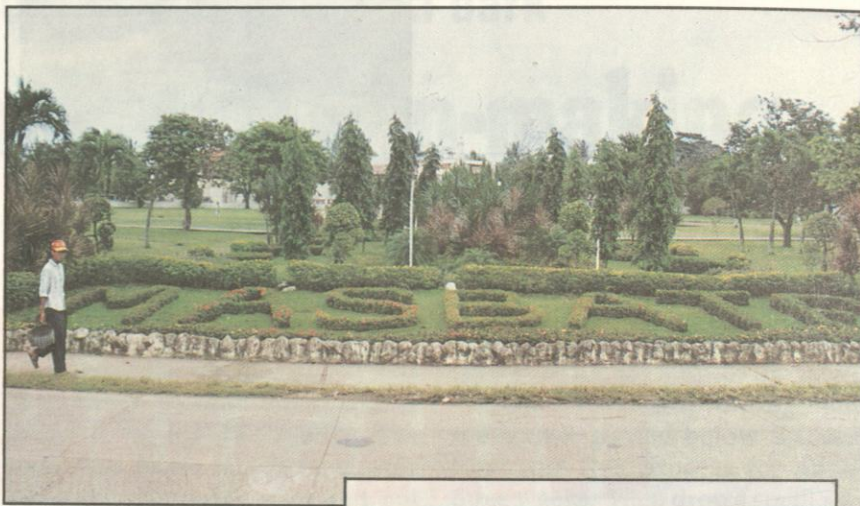
ORIGINS OF THE PROVINCE

The history of Masbate dates back to 1569 when the three islands of Ticao, Burias and Masbate were first explored by Captain Luis Enriquez de Guzman, then by Captain Andres de Ibarra and, later on, by other Spanish military officers stationed here in the Philippines.

Legend says the province got its name by accident. Spaniards exploring the province asked a woman who was preparing a native cacao beverage for the name of the place. Because the woman did not understand what the Spaniards were saying and thought they were asking her what she was doing, she answered, "*Mas bati*," meaning to beat more. The name stuck and became official since Spanish chronicles of the 17th and 18th centuries referred to the place as such.

The natives learned not only religion but also commerce from the Spaniards. It is said that many enterprising families who engaged in commerce during the time prospered. Economic activities further increased when news about the abundance of gold in the town of Aroroy spread and brought migrants to the province. Peace and prosperity reigned in the area. Being an island, it was not affected by the increasing revolts in other places of the country. It remained peaceful even after General Emilio Aguinaldo declared war against the Spanish government in 1898.

However, the growing unrest in the provinces of Albay and Samar spilled over and caused the Masbatenos to declare war against the stationed Spanish commander in the place whom they killed in a battle. Immediately, a revolutionary government was set up in the province but it became short-lived due to the arrival of the Americans in 1900. A civil government replacing the local revolutionary government was established on March 18, 1901.



A typical day at the town plaza (above) and the public market (right) in Masbate, Masbate



Masbate and Sorsogon used to be part of the province of Albay. When Sorsogon was separated from Albay, Masbate became a subprovince. On February 1, 1922, through a bill sponsored by Representative Pablo de la Rosa, Masbate became a full-fledged province of the Bicol Region.

COMPOSITION AND LOCATION

Masbate Province is composed mainly of the islands of Burias, Ticao and Masbate. Masbate is the biggest of the islands and is located southwest of Sorsogon. It is separated from Panay by the Jintotolo Channel.

Ticao is the smallest island and is situated northeast of Masbate Island. It is separated from the Masbate mainland by the Masbate Pass and from Sorsogon by the Ticao Pass. The island of Burias is located north of Masbate and is separated from Albay Province by the Burias Pass.

Masbate is divided into 21 municipalities, 15 of which are found in the mainland, including Masbate, the capital town; four in Ticao Island and two, in Burias Island. The municipalities are divided into three congressional districts. Those found in the islands of Burias and Ticao belong to District I; the mainland municipalities of Mobo, Masbate, Baleno, Aroroy, Milagros, Mandaon and Balud, comprise District II; and the rest, belong to District III. The National Census and Statistics Office (NCSO) listed 552 barangays in Masbate in 1992.

The provincial capital of Masbate is located in the center of 15 mainland municipalities, with Mobo as the nearest municipality. Esperanza and Balud are the two farthest municipalities. Only two municipalities, Mandaon and Milagros, are within the 30 kilometer radius of the



provincial capital. As a whole, the municipalities are situated at an average distance of 61 kilometers from the provincial capital.

LAND AREA AND TOPOGRAPHY

Masbate has a total land area of 404,770 hectares or 4,407.7 square kilometers with the mainland occupying 81.5% of the total expanse and the two other islands sharing 18.5% of the total. Milagros, with its land area of 565.4 sq.km., is considered the biggest both in the province and in the region. Second in size is Aroroy with an area of 440.4 sq. km.

General terrain of the province is rugged with very limited expanse of level land and relatively broad bands of lowlands and undulating hills. In each of the islands, the rugged topography is concentrated in the northern part and gradually gives way to hills and rolling areas in the south, southeast and southwest. Mainland Masbate is mountainous with numerous streams and rivers. Except for two transverse valleys, the island is extremely rugged and mountainous with several peaks like Mts. Simbajan, Unree and Bagulipat. The interior surface is defined by rolling hills and plains covering 10 to 300 hectares. The narrowness and topography of the province contributes largely to the occurrence of numerous short rivers that serve as the drainage channels for ten basin areas.

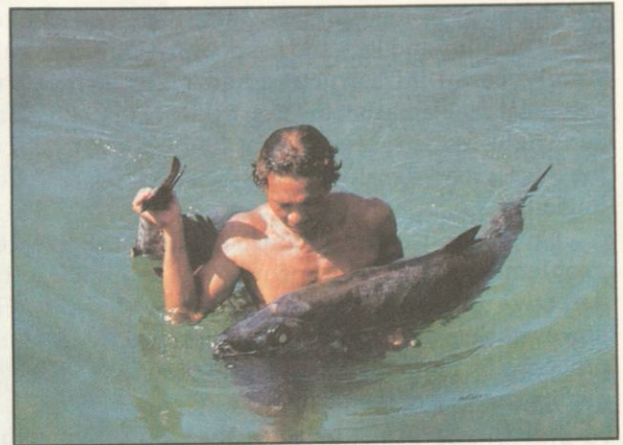
A large portion, 89.2%, of the province's land is highly recommended for pasture or forest-land use. Other types of land are best used as salt beds and fishpond areas and can also be planted to mangrove species like *nipa*, *bakawan* and palms. These types of land occupy 4.2% of the total land area. Different soil types exist in the province and studies show that coconut has very high productivity ratings in all types. Lowland and upland

rice also thrive well in certain soils. As of 1990, some 209,052 hectares or 51.6% of the total land area are used as grasslands and shrublands. Half of this area is used as pasture areas for cattle, the rest as grasslands and shrublands. Land for agricultural production, totalling 172,372 hectares, accounts for 42.6% of the province's land area and could be considered as the second most predominant use. More than half is planted to coconut while the rest, to various crops, particularly corn. The rest of the agricultural land is used for the propagation of *palay*.

EXISTING CONDITIONS, RESOURCES AND POTENTIALS

Despite the abundance of natural resources, however, the province has not achieved significant economic growth in the past years. The economic conditions are such that it is classified, along with 19 others, as one of the poorest provinces in the country, and therefore, a priority area for development.

Governor Emilio Espinosa, Jr. admits that the province is, indeed, rich in natural resources, but that these are not put to good use. The commercial potentials of the province's fishery resources, for instance, have remained largely untapped. A predominantly fishing province, it is, in fact, ranked first in



fish production in the Bicol Region with 267 barangays from 21 municipalities all located along the coast. It has a coastline of 968 kilometers and covers 4,03.6 sq. km. of marine waters. As of 1991, fishery production in the province was significantly low with marine fisheries making up 16% of the total and the rest coming from inland fishing.

One explanation for the not-so-significant performance in the marine fisheries sector is the low production capacity for fingerlings of an existing fish farm and nursery, a factor attributed to fluctuating fry occurrences and tight financial resources. In addition to low fish production, the province suffers from the absence of a fish port and adequate cold storage facilities, thus diminishing export possibilities of fish products.

Majority of the total arable land in the province is planted to coconut; yet, production is also limited. A few families who are dependent on copra and coco lumber-making for a living are fortunate if their land is planted to hybrid coconut which bears more fruits for a shorter period of time than other varieties. Nevertheless, the highest number of registered business establishments in the province are in the category of the coconut industry.

The poor conditions and inadequacy of infrastructure and utilities have also constrained the



development of the province. Intra-, as well as inter-island mobility and lack and/or poor conditions of water supply, social infrastructure and other facilities are perennial problems that the Department of Public Works and Highways addresses. As of 1992, the province had the lowest road density among the six provinces of the Region.

Governor Espinosa confirms that the greatest problem hindering the province's growth are the defective infrastructure and support facilities. He, however, says that his administration is addressing the problems by implementing several programs to deliver quality services to the people.

But the governor believes that his province has natural advantages that can be exploited to make it grow and prosper. He explains, "Masbate's greatest advantage for development is its strategic location, being at the center of the Philippine archipelago. It has abundant coconut, livestock and aquamarine resources which are regularly shipped out to four provinces and six major cities of Luzon and Visayas where trading and commercial linkages have been established. Metallic and non-metallic materials also abound in the province and remain untapped. These are gold, copper, limestone, guano, rock phosphate, copper, silver, lead and manganese."

KEY GROWTH AREAS

With such natural advantages, key growth areas where investments are being promoted have been identified by the provincial government.

Mobo, Uson, Dimasalang and Pio V. Corpuz are being targeted for coco coir and coco oil production. While coco coir production is yet to be promoted in some municipalities, it is already proceeding at a fast pace in Masbate through the firm Mic Mai Coco. One of the by-products of coco coir is coir fiber which has already been identified as a potential export product, thanks to continuing research and development efforts which resulted in the discovery of other new industrial product lines with equally bright market possibilities primarily in the US and Japan where coir is currently used in making mattresses and insulation pads. This is based on a study made by the Food and Agricultural Organization's (FAO) Inter-Governmental Group on Hard Fibers (IGHP).

The bright future of coco coir is confirmed by Provincial Trade and Industry Director Edgar Ramos who says, "The prospects for increasing world usage of various kinds of coir fiber over the present level have been explored by various international agencies. Research and

MASBATE FAST FACTS

Located in the Bicol Region of the Philippines, Masbate is one of the Region V provinces. With Masbate as capital town, it has 21 municipalities and 551 barangays. It is divided into three congressional districts.

POPULATION	: 599,915		
No. of Households	: 14,407	Male-Female ratio	: 103:100
Rural-Urban ratio	: 3:1	Labor Force	: 55.52%

TOTAL LAND AREA	: 404,769 ha.
Land classification	: Forest land - 141,385 ha. Alienable and Disposable - 263,384 ha.
Land use	: Agricultural - 172,372 ha. Residential, commercial & industrial - 172,372 ha.

POTENTIAL INDUSTRIES : Agri-based manufacturing, fish processing, mining and allied industries, tourism.

MAJOR PRODUCTS : Copra and other coconut products, marine and aquaculture, cattle and other livestock, metallic and non-metallic minerals.

AGRICULTURE PRODUCTION

COCONUT - There are 91,388 ha. of coconut farms containing 16.2 million trees. Copra production is 57,171 MT of which 37% were exported. PALAY - Rice hectareage expanded by 2,068 hectares from 39,167 hectares in 1991 to 41,235 hectares in 1992, but production fell by 123,550 cavans from 1,117,450 cavans in 1991 to 993,900 cavans in 1992. CORN - Area planted to corn decreased by 16,335 hectares from 62,420 hectares in 1991 to 45,905 hectares in 1992. Production likewise fell from 459,700 cavans in 1991 to 318,100 cavans in 1992. CATTLE - The period 1988-1992 shows a drastic reduction in the cattle population of the province. From 112,128 in 1988, cattle population reversed to 64,215 in 1992. CARABAO - Fluctuations characterized carabao population through 1989-1992: from 85,031 down to 45,570 heads. LIVE-STOCK AND POULTRY. The province has 126,640 hogs; 53,715 goats; and 530,360 chicken.

FISHERY PRODUCTION : In 1992, reported marine aquatic production was 303,826.8 MT, hiked by 258,545.09 MT from 45,281 MT in 1989.

MANUFACTURING & PROCESSING PRODUCTION : Principal products manufactured are handicrafts, crabmeat, and meat. The province has a tradition for producing furnitures and handicrafts.

MINING AND QUARRYING PRODUCTION : Mineral reserves include gold (42.8M - 1991). Mining operation is located in Aroroy. Major company/operator is Atlas Mining Corporation. Annual production and value is 2,374 kg average.

TRADE AND SERVICES

EXPORTS - Principal goods shipped out of the province are cattle, copra and marine products. Principal export markets are Manila, Cebu, Legaspi. Foreign markets include Japan, United States and Taiwan.

IMPORTS - Principal goods entering the province are beverages, construction materials, and ready-to-wear garments.

COMMERCIAL AND INDUSTRIAL ESTABLISHMENTS - Registered establishments are 1,053 with the highest number belonging to the copra industry.

INFRASTRUCTURE & SERVICES : The province is served by a network of roads, sea ports and a commercial airport offering scheduled passenger and cargo services. Piltel (with international and domestic direct dialling) telephone services, online banking services, postal and courier services and other communications facilities. Power supply, now available in most towns, has vastly improved.

BANKS : China Bank, Development Bank of the Philippines, First Allied Development Bank, Land Bank of the Philippines, Philippine National Bank, Rizal Commercial and Banking Corporation and United Coconut Planters' Bank.

TELECOMMUNICATIONS : Piltel Telephone, RCPI, and PT&T.

TRANSPORTATION

Land : The province is 400 km. from Manila. It is accessed through a ferry via Bulan, Sorsogon. Bus terminals are located in the capital town and in all municipalities.

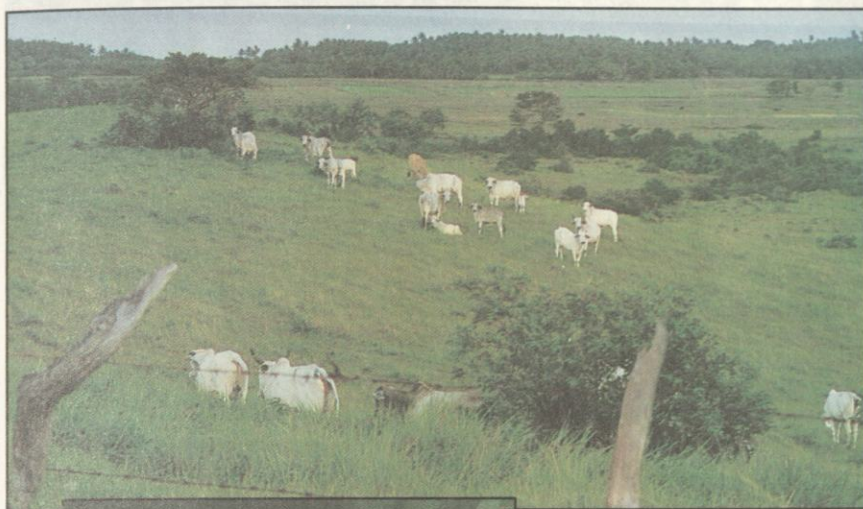
Air : Moises D. Espinosa, Sr. Airport accommodates daily PAL flights.

Sea : The principal seaport is the Masbate port. Shiplines calling into the port include William Lines (WG&A) and Sulpicio Lines. Other seaports are in Cataingan, Placer, San Jacinto and Claveria. Shorter inter-island routes are covered by 36 smaller vessels of passenger or passenger/cargo types, net gross tonnages and full load capacities.

KEY OFFICIALS

- Emilio R. Espinosa, Jr., Governor
- Rainier B. Butalid, Vice Governor
- Vida Espinosa, Representative, 1st District
- Luz Clea R. Bakunawa, Representative, 2nd District
- Fausto L. Seachon, Representative, 3rd District
- Juan P. Sanchez, Municipal Mayor of Masbate
- Edgar Ramos, Provincial Trade and Industry Director
- Ted Ngkaion, President, Masbate Chamber of Commerce and Industry

Sources : Presidential Council for Countryside Development
Masbate Socio-Economic Profile, 1991-1992



Cattle raising and fattening (above), and coco coir production (left) are Masbate's key growth areas.

its mark and has become an important source of cattle both for fattening and source of meat for transport to Cavite, Batangas and Metro Manila. At present, the production technology for cattle has been fully developed and has contributed to more or less stabilized production volume over the years.

Governor Espinosa adds that entrepreneurial activities in the sector lie in the promotion of intensive feedlot-fattening technology through cooperative-based contracting by which farmer-beneficiaries will be provided with financial and technical support as well as training for the start-up of income-generating projects especially in rice and corn-producing municipalities. To date, a provincial master plan that will involve farmers in the cooperative-based cattle-fattening program is in the drawing board.

Governor Espinosa explains the mechanics: There will be a specified growing period for the contract fattening operation. The farmer shoulders the total feed cost which includes roughage and feed concentrates. He also provides for the cattle house and other inputs. The cooperative, on the other hand, will provide the feeder stocks, medicine, implants and the mineral requirements of the cattle. Then, once the cattle reaches a certain marketable weight, the cooperative pays the farmer per kilo for every additional weight gained during the production.

The project is among those envisioned by the provincial administration to create employment for more people from the province. But employment is only one of the benefits of the cooperative-based project. Other advantages of the scheme compared with the traditional open grazing system are: one, it will increase the value-added of the cattlestocks in the province; two, fat-

development as well as market promotion have also been undertaken for the possible expansion of existing markets and the creation of new markets both for coir fiber and fiber-based exports."

But, Ramos adds that among the existing industries in the province, the cattle industry has the greatest potential to contribute to the economic growth in the province, it being the trademark and a major source of livelihood.

He further explains, "It is shipped out of the province to Pampanga and Batangas that when fattened, slaughtered and processed becomes an expensive commodity. The cattle population of Masbate has suffered a drastic reduction from the '80s to the '90s due to the instability of the peace and order situation and also poor pasture management. But excellent management, advanced technologies added with the

operationalization of a Triple-A slaughterhouse would improve the quality of beef and beef products, boosting the industry as a whole."

As singled out by the governor, the cattle industry is currently being given considerable support and attention. Some places in the province are ideal areas for cattle raising. For instance, the mountain ranges and hills that form the extensive highlands and valleys from Aroroy and Baleno in the north, Mandaon and Milagros in the west to Cawayan and Placer in the south are pasturelands. The islands of Burias and Ticao are also suited to cattle raising.

Aside from extensive pasturelands, a climate that provides a perennial supply of rainfall to continuously regenerate the pasture areas makes the province an ideal place for cattle raising and fattening. The province has, in fact, established



tening period is shorter, thereby increasing productivity and profitability; and, three, the maximum utilization of the land resource system because of the use of rice hay and other agricultural wastes as feed materials. On the whole, the net benefit that can be gained from the project is that the beef requirements of the country can now be adequately met considering that the commodity is being imported. It will strengthen the supply base of cattle and eventually may set the stage for the establishment of a meat processing plant in the province. Still another benefit is that it can contribute to lessening the environmental degradation in the province.

Another priority program of the province is in the area of fishery. The Masbate Fishery Development Project is the province's answer to the urgent need for a more productive but sustained utilization of the province's fishery resources. The project involves, among others, the development of fishery-related processing activities like prawn and fish processing, putting up of additional ice plants and salt making. Target date for implementation of the sub-activities is this year. Governor Espinosa is optimistic that this can be carried out after various fishermen's associations were extended technology, equipment and financial support in 1994 and 1995 thereby generating the targetted improved productivity.

Another sector looked at as teeming with entrepreneurial opportunities is mining. Masbate is considered one of the richest in mineral resources in the country and is a premier producer of gold. To date, there are 185 existing mines in the province with 33 being operated by Atlas Consolidated Mining in Bari-is, Aroroy and 94 by Masbate Gold Field. Among the minerals mined in these places are gold, silver, copper, quartz and manganese.



The cattle industry flourishes in Masbate because of several factors: a perennial supply of rainfall that continuously regenerates pasture areas, the availability of wide grasslands and an established cattle production technology.

Various types of clay are also abundant and these have already been explored for brick-making, tiles and pottery.

PROSPECTS IN MARBLE

Recently, the Department of Environment and Natural Resources confirmed the presence of a large reserve of marble, enough to last at least 50 years of mining operation. The vast marble reserve has remained largely untapped due to the lack of facilities and technical knowledge in marble quarrying and processing. At present, there are only two dealers of marble products in the province, Burias Pebbles and Marble Supply and E Romblon Supply. These dealers have been buying finished items from Romblon and Bulacan where there are processing plants. Among the 20 provinces where marble reserves have been identified, only six have processing plants, Masbate not included.

The situation will change, however, once the proposed marble processing plant becomes operational. The processing plant, along with the identification of reserve sites as *Minahang Bayan* and the organization of *Minahang Bayan* cooperatives, were projects initiated last year by Masbate

Mayor Juan P. Sanchez. As planned, the first two years of operation will be devoted to the production of slabs and tiles of various sizes, items which are deemed most saleable. Marble by-products such as chips, dusts and scraps will be utilized. Marble scraps, for instance, will be sold to mothers and out-of-school youth who will be taught to process them into novelty items such as paper weights, ash trays, figurines, flower vases, furniture and fixtures. On the third year and onwards, the plant shall serve as a common service facility to the cooperative. To date, the cooperative has 120 members who are the only ones authorized to quarry in the *Minahang Bayan*.

If the province's vast marble reserves are explored, it is because of the large but yet unmet demand for marble. The country's marble industry is currently serving barely 50% of the uses and applications for products. Nevertheless, domestic consumption of marble products has increased considerably. In fact, only 33.3% of the 24,000 metric tons exportable worked marble products found their way to the export market with the rest serving the requirements of local construction projects.



Fanning the flames of entrepreneurship in Masbate

Governor Emilio Espinosa, Jr.

Governor Emilio Espinosa's career in government started in 1952 when he was elected provincial board member. He was only 30 then. Four years later, he became provincial board secretary. In 1958, he was elected representative of the province and in 1962, he was re-elected to the position. In 1966, his career in government took a different turn when he was appointed by the late President Ferdinand Marcos as Secretary of Labor and later on, as Presidential Executive Assistant. In 1976, he ran for the post of governor in Masbate and won. He served as governor for two years until he was elected representative to the Interim Batasang Pambansa in 1978. In 1980, he was again elected governor, seeking re-election and winning the position once again in 1988. He is now serving his third term as governor.

Governor Espinosa recalls the situation in the province when he was re-elected in 1988: unstable peace and order, degraded natural resources, vast yet unexplored mineral resources, lax agro-industrial development and limited access to basic services and economic opportunities - the very conditions that lodged Masbate among the country's poorest provinces.

Referring to himself as a farmer by profession (aside from being a lawyer) and having spent almost all his life in Masbate, Governor Espinosa knew in his heart the richness of his province. Immediately after assuming the governor's post, he then set off to reverse the situation by undertaking programs aimed at providing livelihood opportunities and promoting the establishment of business enterprises utilizing the province's natural resources. These programs include: the creation of the Provincial Livelihood Committee to provide financing, business technology information and training to the prospective entrepreneurs; the establishment of the Technology and Livelihood Development Center (TLDC); the intensification of animal dispersal program through the local agricultural offices; the expansion of resource management projects which grant loans to cooperatives; and the allocation of P8.3 million from the

20% Economic Development Fund (EDF) for livelihood projects of the basic sectors.

Such efforts seem to have paid off. Statistics show that investments in the province grew by 600% from 1990 to 1994. The growth is also evident in the expansion of power, communication and banking services.

But Governor Espinosa has other dreams for his province and the people. He says: "My vision for Masbate is to improve the quality of life of my people."

Acknowledging the role of the government in improving the living conditions of the people, he nevertheless appeals to his fellow Masbatenos "to cooperate with the government in our pursuit for growth and prosperity." He is also encouraging them to form organizations for a much stronger stand and "to be more aggressive in the implementation of your respective programs." He is aware that if Masbate prospers today, then it is the next generation of Masbatenos who stands to benefit. He, therefore, tells them: "Let us pass on to the next generation a better Masbate."

At 73, Governor Emilio Espinosa exudes that youthful exuberance and energy that has kept him active all throughout his stay in public office. He knows that declassifying Masbate as one of the country's poorest provinces is a tall order. But already, the province is showing signs of economic progress, giving him enough consolation.

But there is more than consolation that he feels in seeing that the quality of life of his constituents is improving. He says that he derives a sense of fulfillment from the latter.

He hastens to add, "I believe that each man, when given a privilege and an opportunity, should create a vision of what is the best possible life for his fellowmen. For a political leader, the happiness of his people is his self-fulfillment."

As governor of the province of Masbate, it is a mission that he intends to fulfill with the support of his family - wife Maria Fe and children Nanette and Karla. - *REAGambo* **M**

Demand is seen to further increase in the future. In Masbate alone, average marble product consumption is 45 sq. m. per user or an average of 335 sq. m. annually. By the year 2000, the province's total demand for marble products is projected to reach 24,046 square meters or 1,630 metric tons. Potential local markets for the products are the nearby provinces of the Bicol Region, Samar, Leyte, Capiz and Aklan where total demand is seen to reach 601,161 sq. m. or 40,550 metric tons in four years.

With increased production capacity for marble, Masbate will see more of its marble products finding their way to countries like Japan, US, Europe, Taiwan, the rest of Asia and member-countries of the North America Free Trade Agreement (NAFTA). Of these countries, the biggest importer is Japan, accounting for about 50% of total export value.

POTENTIAL KEY GROWTH SECTORS

Other key growth areas where investments are being promoted and have been identified by the local government are: Mobo and Cataingan (slaughterhouse); Masbate (marblecraft, leathercraft and meat processing); Cataingan, Balud, Mandaon, Milagros, Baleno and Claveria (ice plant and cold storage facilities); Dimasalang (fish processing and canning); Masbate and Dimasalang (lapu-lapu culture); Aroroy (jewelry, shellcraft and noodle making); and Placer (forest-based processing).

Likewise considered potential key sectors are transport, communication, real estate, tourism, banking, financing and other service sectors.

TOURISM

Tourism is definitely a sector that offers bright prospects for the province. Because it lies outside the tourist mainstream, Masbate provides investors unique opportunities to develop tourism sites - although



relatively unknown, like its white sand and coral beaches, picturesque islands, mysterious caves and splendid waterfalls.

To date, a prospective Japanese investor has expressed interest in converting Deagan Island into a golf course. The island boasts of an airstrip, clubhouse, fishing ground and white coral coastlines. Another potential tourist spot is the Dacu Beach Resort located in Mobo town, a 15-minute ride from the capital town of Masbate.

The development of Deagan Island and Dacu Beach Resort together with the annual Rodeo Masbateño Festival are the three priority tourism projects of the province, according to Moises Espinosa, Jr., chairman of the Tourism Development Council.

First held in 1993, Rodeo Masbateño could very well be the tourism come-on of the province, much like the very popular Moriones, *Ati-Atihan*, Grand Cañao or other local festivals. The rodeo is held every April. The 1994 event was a combination of the rodeo proper and an Agri-Aqua Country Fair where Masbate was joined by other provinces from the region. This year's event was organized by the private ranch owners from the province in coordination with the provincial government. It drew a sizeable crowd with a dozen teams participating, mostly livestock handlers from local *haciendas* and school teams like the UP at Los Baños, Central Luzon State University, Xavier University and Araneta University.

There is a great possibility that the event will draw bigger audience in the future. For one, there are now more concrete efforts to promote the event, such as publicity in coordination with the Department of Tourism (DOT). To encourage more people to go into the sport, there are plans to formally organize the Rodeo Association of the Philippines before the next rodeo is held next year. The

Masbate's road network, which has already eased the movement of people and goods within the province, continues to be upgraded.



Rodeo Masbateño, Inc. is spearheading such efforts and considered possible incorporators are the teams which participated in this year's event and in the past years. If the plans materialize, a bigger and more colorful rodeo next year and in the years to come can be expected. Surely, the event can generate income for the province and even reinforce Masbate's title as the Philippines' cattle country.

BULLISH OUTLOOK FOR THE LOCAL ECONOMY

While the province's full potentials are still being explored, Governor Espinosa already expresses satisfaction about current developments in his province. When asked how he feels about many Masbateños turning entrepreneurs, he answers: "Of course, I am happy with the upward swing of enterprise development in the province. There is now a total of 284 new business firms registered with the DTI."

He is even more bullish about his province especially "with the Philippine economy on a sustained upswing." He foresees an expanding local market with a need for consumer goods and services just waiting to be

tapped. He sees the effects of the economic momentum in neighboring provinces trickling down to Masbate.

"Increased demand in neighboring provinces for primary and semi-processed inputs as well as manufactured goods are opening even more doors for Masbate-based businesses," he declares.

He cites the initiatives and accomplishments of his administration in the following areas: increasing the household income; stimulating agro-industrial development; protecting the environment; and facilitating access to resources, basic services and economic opportunities.

The governor's positive outlook of the province is shared by Ted Ngkaion, president, Masbate Chamber of Commerce and Industry, who said that "the revitalized business atmosphere in Masbate is due mainly to improvements in infrastructure and basic services."

Ngkaion describes the recent developments in the province: "Transportation facilities continue to be upgraded as road networks are being improved; national and international direct dialling telephone systems have been installed; three



The Masbate TLDC: paving the way towards countryside entrepreneurship

Linda Amar, a 38-year old schoolteacher from Masbate, makes it a point to go to Manila when the school year is over and visit the Technology and Livelihood Resource Center (TLRC).

What makes Linda travel all the way from Masbate to Manila? She answers, "There is a great treasure of business ideas at TLRC. It may sound like a cliché; but I earn a lot from what I learn!"

This summer, however, Linda will just have to take one jeepney ride from Balud, in Southwest Masbate to get to what she calls "a treasure of business ideas."

Heeding President Ramos' call for the mobilization of the entire citizenry towards self-help and self-reliance, the provincial government of Masbate, along with the Masbate Socio-Economic Development Coordinating Council (MASEDECO) and the TLRC, recently signed a memorandum of agreement that will bring the latter's services to the grassroots level. The MOA paved the way for the establishment and operation of the Masbate Technology and Livelihood Development Center (TLDC).

TLRC Director-General Andres V. Sanchez, Jr. explains the MOA, "While TLRC shall assist in supplying the TLDC with technology information materials, training, and in packaging feasibility studies, it shall be MASEDECO which shall manage the TLDC, mobilize local resources, organize beneficiary groups and conduct livelihood courses and technology fora or Technofora. For its part, the provincial government will initiate the promotion of countryside development and facilitate the cooperation of every Masbateño and sectoral group in the province," he adds.

The TLDC Building on Capitol Drive, Masbate, houses an audio-visual training room and the




Technobank, a specialized technology library of various livelihood publications and video courses on viable industries in the province. Video courses will be shown regularly and training will be conducted by Manila-based resource persons.

Those who are unable to go to Capitol Drive, can just wait for the *Technovan* which will be

going around Masbate, even its remotest *barangays*, showing livelihood film features that could inspire townfolks to involve themselves in entrepreneurial activities. Most importantly, TLDC will provide access to credit assistance and financing opportunities for small- and -medium-scale projects.

"TLRC has committed P10 million worth of financial assistance for identified technology-based livelihood projects," Director-General Sanchez further discloses.

Seven viable investment areas in Masbate were identified by the various provincial government agencies and non-governmental organizations that make up the TLDC Board of Trustees. These are cattle production and meat processing, coconut diversification, cutflower production, mango production and processing, marine and aquaculture products, gemstone processing, jewelry-making and minor forest product-based handicrafts.

The "branching" of TLRC in Masbate was welcomed highly by MASEDECO Chairman and TLDC Manager Moises Espinosa, Jr. "Now, every Masbateño has the opportunity to be technologically equipped, self-reliant, empowered and globally-competitive," he says. He also expresses hopes that with improved quality of life, every Masbateno entrepreneur will be able to contribute to the socio-economic progress of the province. - REAG 



REPRESENTATIVE VIDA V. ESPINOSA:

Entrepreneurship will lead Masbate to growth and progress

When Representative Vida V. Espinosa of Masbate's First District was asked how she felt about Masbate's classification as one of the country's poorest provinces, she cordially replied, "I had no way to disbelieve or deny it; I had to go along with the reality. I admitted that my province really needs further development to be at par with its more developed counterparts. As one of its representatives, it was a challenge on my part. But, just the same, I resolved that I would do the tasks mandated to me by the people to the best of my ability."

Taking the challenge, Representative Espinosa first analyzed the greatest advantage of the province that can be exploited to make it grow and prosper.

Masbate, an island separated from mainland Bicol, is rich in agriculture and marine resources. The islands of Ticao and Burias are surrounded by sea water. She says that the mere fact that the province's seawaters are infiltrated by fishermen coming from other provinces, using illegal means of fishing like trawl, *hulbot-hulbot* and others proves the potentials of the industry. Recently, she became aware that Masbate is turning to be a lucrative ground for the seaweeds business, a good development because it will reinforce the fishpond business. She noted that some entrepreneurs are planning to establish a fish-processing and canning industry. But among the existing business activities/enterprises in the province, she considers the cattle and coco industries as having the greatest potentials since these are the major industries of the province. She has observed, though, that people are not yet fully aware of the commercial viability of coconut and cattle.

She explains: "Coconut alone, by its products, could generate employment. For instance, the dust taken from its husk could be converted to fertilizer which can then be made into abaca which, in turn, can be used in making roof. The shells could also be useful as raw materials for the handicraft and *lawanit* industries. The cattle industry is not only a good source of beef and other dairy



products but also of leather which can reinforce the shoe manufacturing industry. With fishing, we can go into fish processing and canning."

Despite the province's potentials and advantages, Representative Espinosa admits that there are problems that hinder its rapid growth. She cites insurgency as the greatest problem since it has affected not only cattle but agricultural productivity. Because of insurgency, people are not free to work in their farms. The number of cow heads has also decreased significantly. She describes insurgency as "like a mushroom that grows out of the spoils of poverty."

Another hindrance to the province's development is the ignorance of the people. People, according to her, are not aware of the value of the environment. She said they do not know how to explore properly the rich natural resources of the province.

She believes that an answer to insurgency is the government's speedy implementation of the agrarian reform program, including the relocation of the urban poor. They should also be provided with sources of livelihood; consequently, preventing the upsurge of criminality in the slum areas. She has been informed that the poor people from her province living in the slum areas do not want to be called squatters in their own land while "aliens" live in luxury.

As a representative, she is thinking of some legislations that could streamline existing measures aimed at alleviating people's poverty. The measures could be in land reform, fishing, education and related areas. She would also like to encourage training on technology and livelihood industries and through cooperatives, NGOs and LGUs, people will realize the existing opportunities in the province.

Representative Espinosa's vision of Masbate is "one that is economically stable, playing a major role in an industrialized nation and where people could enjoy a good quality life in a peaceful and ecologically-balanced environment." To attain this vision, she believes it is important to develop people, train them to become entrepreneurs, conduct livelihood programs and others.

"We need men and women with positive attitude," she stresses.

So far, she has initiated the rehabilitation of farm-to-market roads, particularly those located in Batuan, San Fernando, San Jacinto, Monreal, Claveria and San Pascual. To Representative Espinosa, infrastructure is intimate to the attainment of economic growth.

She is happy to note that many are turning entrepreneurs, saying that such development can erase the stigma of the province's being categorized as one of the poorest in the country. At present, she would like to initiate programs on entrepreneurship for the youth, such as cooperative management and other skills training.

As the Masbateños take the road to progress, Representative Espinosa is appealing to them to cooperate with the government and be willing to take on sacrifices.

She has the following message to her constituents: "In order to emancipate ourselves from this state of poverty, let us strive harder. 'Let us have faith in the Divine Providence we can withstand the rigors of trials and attain our goals. In this time of national hardship, let us also practice frugality.'"

YOU CAN DO IT



courier companies have just set up shop in the capital town; and two cable TV companies have just included Masbate among its areas of coverage."

At present, banking services are being provided by seven banks, all operating in the capital town. These are DBP, Land Bank, PNB, RCBC, China Bank, UCPB and First Allied Development Bank.

Prospects for growth of the province are made even brighter with its inclusion in the National Economic Enterprise Development (NEED) Program of the Presidential Council for Countryside Development (PCCD). As a beneficiary of the NEED Program, Masbate entrepreneurs are emerging, making Governor Espinosa doubly optimistic about the province's future.

On Masbate's participation in NEED, he says: "The introduction of the NEED Program opened the investors' eye to the resources the province has to offer. It created the way for them to establish industries making use of raw materials in abundance in the province. In effect, it triggered other investors and small-scale businessmen to venture into similar industries. Government, for its part, supported people's organizations and the basic sectors through technical and financial assistance."

A vision for Masbate

Having served Masbate and even the national government in several capacities since he was first elected as board member in 1952, Governor Espinosa, a lawyer by profession, states his vision for Masbate: "To improve the quality of life of my constituents by the year 1998."

To attain this vision, he says his administration is implementing the following programs: Social Reform Agenda to address the concerns of the basic sectors and alleviate poverty;



As existing business firms expanded at a fast pace, new businesses continue to proliferate in and around the Masbate capital.

Fourth Country Programme for Child Survival, Protection and Development and Municipal Science and Technology Assistance Program to develop the capability of the LGUs on the formulation of study facilities for science and technology projects.

Government assistance not withstanding, he says the success of government projects and programs cannot be defined by government alone but in equal partnership with the people. "I believe that a meaningful commitment coupled with aggressive action and support of the people to government's efforts would push for the development of the province," Espinosa adds.

He continues, "In our quest for development, I have this appeal to my fellow Masbatenos. Cooperate with the government in the pursuit of government undertakings. Form organizations for a much stronger stand and be aggressive in the implementation of programs."

To the new entrepreneurs in Masbate, he says: "Keep on working. Polish your craft continuously to serve as role models to the lazy and

unproductive ones. This way, you will contribute to the generation of livelihood and employment opportunities for your *kababayans* and, in the end, to the growth of the province."

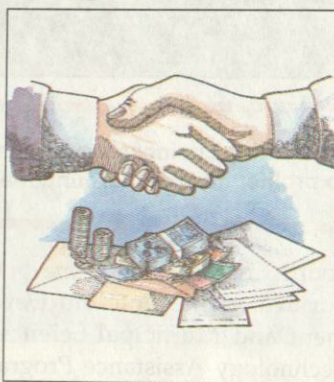
He says that being one of the so-called poorest provinces, most of the national government's programs are focused on them and, thus, the province's goal of total development is gradually being realized.

Time was when the province seemed hopeless due to a number of factors. Today, Masbate glimmers with bright hopes. It is a case where various sectors are joining hands to fully explore and utilize the natural advantages and strengths of the province. The enterprising spirit of the residents, their willingness to learn, as evidenced by their participation in NEED activities and, most of all, their desire to grow and expand their businesses, show entrepreneurship is very much alive in the province. Entrepreneurship together with other positive factors are fuelling the growth of Masbate and its transformation to a prosperous, progressive province. **M**

TLRC's funding programs and services help make your business dreams come true.

Thousands of micro-, small- and medium-scale entrepreneurs continue to benefit from TLRC's funding programs and services for technology- and livelihood-oriented ventures.

Avail of TLRC's funding services for technology-oriented projects. Loan purposes include capital build-up; modernization through equipment acquisition, and facilities and operations upgrading of export-oriented businesses; utilization and commercialization of new or improved appropriate and commerciable technologies; anchor agro-industrial operations; and post-harvest and processing projects.



TLRC's livelihood development funding services are aimed to help the poor help themselves. Loans are conducted through local government units (LGUs), non-government organizations (NGOs) and cooperatives.

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**Bank on TLRC's funding assistance programs and services.
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For technology-oriented projects, contact:

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Technology Funds Assistance Group**
Technology and Livelihood Resource Center
Sen. Gil J. Puyat Avenue Extension, Makati City
Tel.: 895-9811 loc. 400
Fax : 899-5538; 895-22512

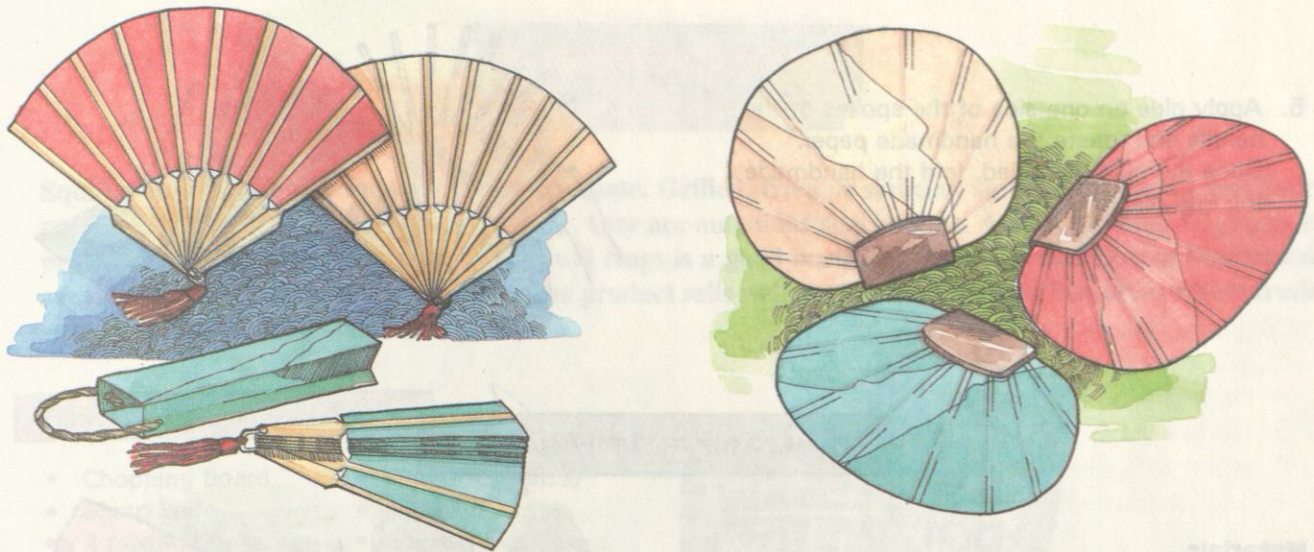
For LGUs, NGOs or cooperatives with a heart for the poor, contact:

**The Group Manager
Livelihood Funds Assistance Group**
Technology and Livelihood Resource Center
Sen. Gil J. Puyat Avenue Extension, Makati City
Tels.: 899-5537; 895-9811 loc. 500



TECHNOLOGY and LIVELIHOOD RESOURCE CENTER

YOU CAN DO IT



JAPANESE AND SHELL-TYPE FANS

The fan or *abaniko* has been a part of the Filipina's wardrobe accessories for ages because of its practical and aesthetic uses. These days, the handmade paper fan is very popular especially among teenagers. They even have these "personalized." But, why buy when you can make your own? Just follow these simple steps. You can choose between the Japanese or the Shell-type Fan.

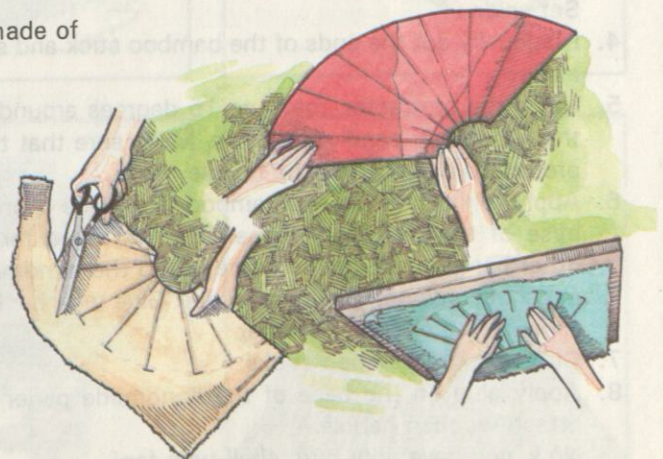
How to make Japanese-type fan

Materials

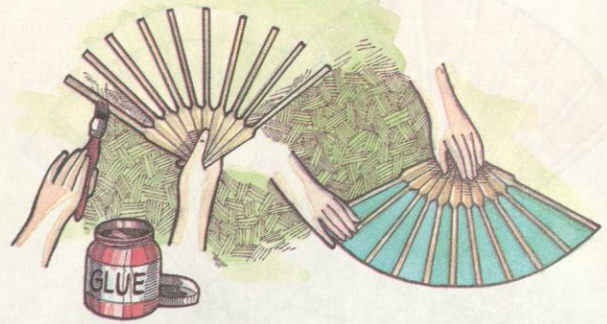
- a. Scissors
- b. Paint brush
- c. White glue
- d. Handmade paper
- e. Die cut
- f. Bamboo
- g. Handle or spokes made of bamboo

Procedure

1. Place the handmade paper on top of the die cut.
2. Press the handmade paper firmly to form the mold.
3. Cut the handmade paper based on the shaped half circle.
4. Fold the handmade paper according to the lines. Folding should be done in an inward-outward manner.



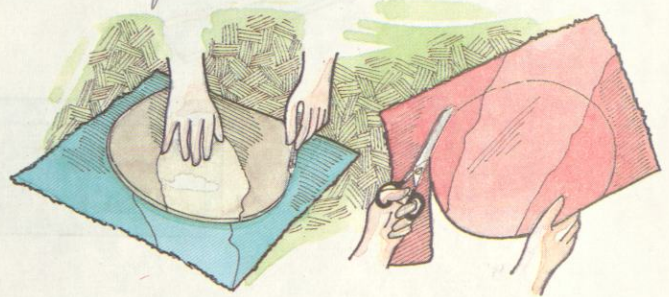
5. Apply glue on one side of the spokes of the handle and paste the handmade paper. Once the glue has dried, fold the handmade fan into pleats.



How to make Shell-type fan

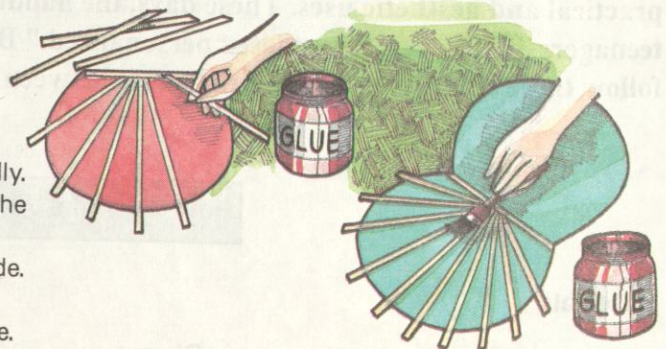
Materials

- a. Handmade paper
- b. Cardboard pattern for shell-type fan
- k. 13 bamboo sticks
- d. White glue
- e. Paint brush
- g. Pencil
- h. Scissors
- i. Wooden handle
- j. Protractor



Procedures

1. Fold the center of the handmade paper horizontally. Trace the pattern here. Make sure that the base of the pattern is properly aligned to the folds.
2. Cut the handmade paper following the pattern made. Remember not to cut it into two.
3. Mark the base of the handmade paper in the middle. Set aside.
4. Diagonally cut the ends of the bamboo stick and set it aside.
5. Using the protractor, measure 15 degrees around the handmade paper. Mark this. Make sure that the protractor is placed at the middle mark.
6. Apply white glue on the bamboo and place it on the base of the handmade paper. Do the same for the other bamboo sticks and paste it into the handmade paper according to the marks made. Glue together both sides of the handmade paper.
7. Cut the extra bamboo sticks.
8. Apply glue on the base of the handmade paper and attach wooden handle.



Now, you have your own shell-type fan!



SQUID RINGS

Squid rings are popular for their delectable taste. Grilled, fried or sauteed, squid rings do not lose their nutrients during the cooking process; hence, they are nutritious snack items. A pack of about 50 grams is priced at between P30 to P50. Making squid rings is a good business venture for families in the coastal areas where fresh squid are priced low. The product sells well in cities and other urban areas where fresh squid is as expensive as chicken meat.

Equipment / Utensils

- Chopping board
- Sharp knife
- 2 mixing bowls
- Casserole
- Frying pan
- Turner (*Siyanse*)
- Strainer
- Paper towels
- Polyethylene bags
- Heat sealer

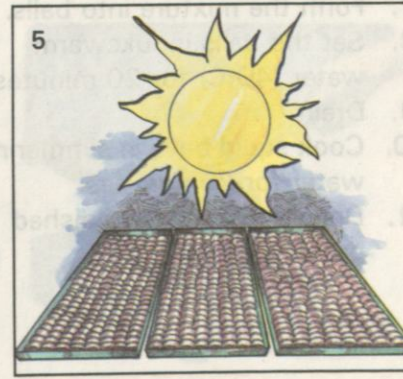
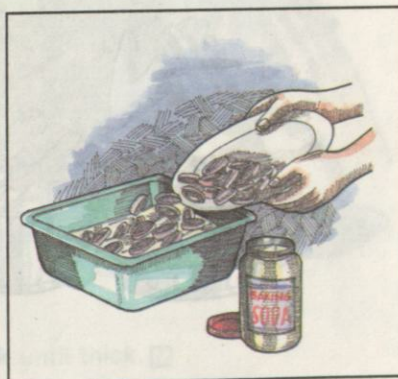
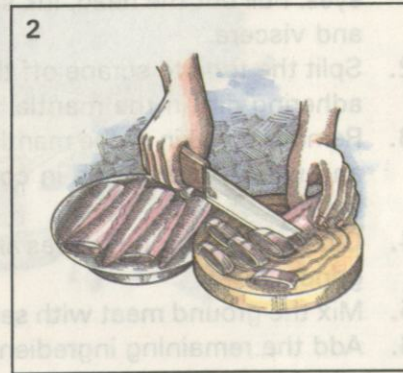
Ingredients

- 1 kilo squid
- 4 tablespoons baking soda
- 6 cups water for the baking soda solution
- 5 cups water for soaking



Procedure

1. Clean the squid by cutting off the tentacles above the eyes. Pull out the head, ink sac, viscera. Remove the skin. Wash and drain.
2. Soak the squids in hot water for 2 to 3 minutes. Slice into thin rings. Set aside.
3. Prepare the baking soda solution. Dissolve 4 tablespoons of baking soda in 6 cups of water. Soak the squid rings in baking soda solution for 4 hours.
4. Wash the squid rings. Soak these in 5 cups of water for 1 hour.
5. Remove the squid rings from the soaking solution and after 1 hour, sun-dry for 2-3 hours.
6. When the squid rings have dried, they are ready for cooking or packaging.
7. Squid rings must be deep-fried when cooked. Make sure that the heat is just enough so as not to burn the squid rings.
8. To keep the squid rings fresh and crispy, pack in polybags and seal with a heat sealer.



SQUID BALLS

Ingredients

- 500 grams minced squid meat
- 1 1/2 cup cornstarch
- 4 tablespoons refined sugar
- 2 tablespoons salt
- 5 tablespoons chopped onion
- 1 1/2 tablespoons chopped garlic
- 1 tablespoon MSG
- iced water

Procedure

1. Wash the squid thoroughly. Cut off the tentacles above the eyes. Pull out the head, ink sac and viscera.
2. Split the tube to scrape off the adhering dirt in the mantle.
3. Remove the skin of the mantles and wings, then wash in cold water.
4. Cut the mantles into cubes and grind.
5. Mix the ground meat with salt.
6. Add the remaining ingredients and mix well.
7. Form the mixture into balls.
8. Set the balls in lukewarm water (40°C) for 20 minutes.
9. Drain.
10. Cook squid balls in simmering water for 20 minutes.
11. Drain and cool the finished product.

M



FISH BALLS

Do you know that fish balls are among the most sought-after snack foods, especially by *balikbayans*? Fish balls are not only profitable; these are easy to make, too. Try this do-it-yourself recipe at home. Fish balls may be sold either fried or ready-to-cook.

Equipment / Utensils

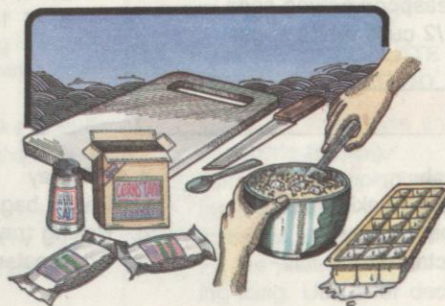
- Burner
- Casserole
- Chopping board
- Colander
- Frying pan
- Knives
- Measuring cup
- Measuring spoons
- Mixing bowls
- Trays
- Turner

Ingredients

- 1/2 kilo fish meat
- 3 tablespoons all purpose flour
- 1 tablespoon baking powder
- 1 1/2 teaspoon salt
- 1/3 cup water

Procedure

1. Remove fish scales, viscera and innards, and wash thoroughly in clean water. Separate meat from skin and bones.
2. Chop fish meat and mix with salt vigorously in one direction. Add little by little flour and baking powder diluted in water. Form into balls. Soak balls in iced water for a few minutes.
3. Drop into boiling water. When balls float, they are already done. Deep fry.



Sauce for fried fish balls

Ingredients

- 3/4 cup water
- 1 tablespoon vinegar
- 1/2 cup sugar
- 1 piece crushed hot pepper
- 1 tablespoon cornstarch
- 1 tablespoon soy sauce
- dash of MSG

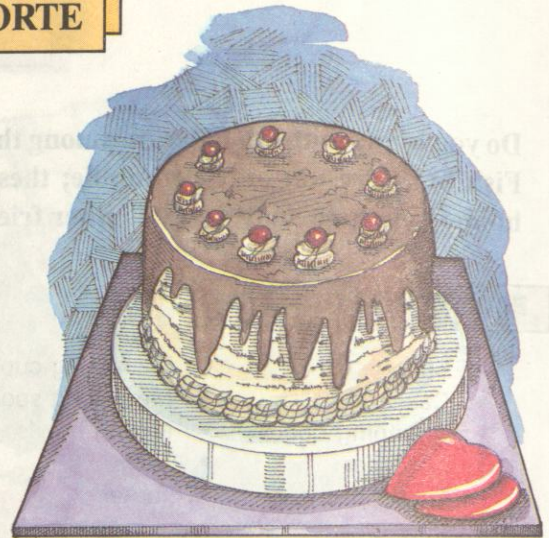


Procedure

Mix ingredients in a sauce pan and cook until thick. **M**

CAPPUCCINO TORTE

Not all of the beautifully-created cakes we see in bakeries and coffee shops are that hard to bake. There are only more steps to follow in baking them. Take the *cappuccino torte*, for example. It is made up of four different layers - the *meringue*, at the base; the torte composed of the chocolate sponge cake; the icing and the topping. Try the following simplified steps in baking the *cappuccino torte*. It is great as a gift and an additional source of income.



Ingredients

I. To make the *meringue*, you will need the following :

- a. 1/2 cup egg white
- b. 1/8 teaspoon cream of tartar
- c. 2 tablespoons white sugar
- d. shortening

- d. 1 1/2 teaspoons salt
- e. 1 1/2 cups water
- f. 1/2 cup cocoa
- g. 3/4 cup cooking oil
- h. 8 pcs egg
- i. 1/2 teaspoon cream of tartar
- m. shortening

- c. 1/2 cup water
- d. 1/4 cup butter
- e. 1/2 cup peeled walnut

II. For the chocolate sponge cake

- a. 2 1/4 cups sifted cake flour
- b. 1 teaspoon baking soda
- c. 1 1/2 cups white sugar

III. For the icing

- a. 1/4 cup cocoa
- b. 1 1/2 cups whipped cream

IV. For the chocolate topping

- a. 1/2 cup cocoa
- b. 1/2 cup white sugar (refined)
- c. 1/4 cup butter
- d. 1/2 cup water
- e. 1/3 cup milk
- f. 12 pcs cherries

Tools

- a. Brush
- b. 2 round baking pan
- c. 2 mixing bowl
- d. Electric mixer

- e. Flat tray
- f. Pastry bag
- g. Baking tray
- h. Egg beater

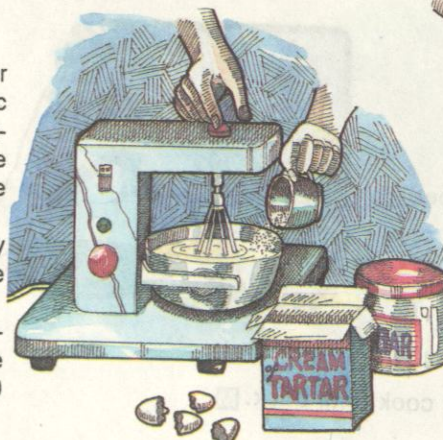
- i. Rubber scraper
- j. Oven
- k. Lazy Susan
- l. Cake tray

- m. Spatula
- n. Freezer
- o. Pot
- p. Stove

Procedure

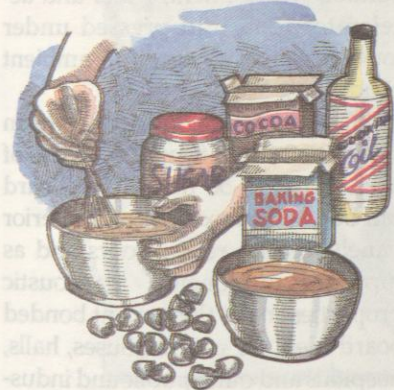
I. MERINGUE

1. Mix the egg white and cream of tartar in a mixing bowl by using the electric mixer. Gently add the sugar to the mixture. Remove from the mixer once the mixture rises. This is now the egg white mixture. Set aside.
2. Place some shortening on the flat tray and put the egg white mixture in the pastry bag.
3. Form the egg white mixture into spirals and place it on the flat tray. Bake the mixture in an oven heated to 150 °C. When done, set aside.



II. CHOCOLATE SPONGE CAKE

1. Separate the egg yolk from the egg white. Place these on two different bowls.
2. Mix the egg yolk with the flour, cocoa, baking soda, 3/4 cup of sugar, butter and water. Mix all of these ingredients using the egg beater until creamy. Set aside.
3. Using the electric mixer, mix egg white with the cream of tartar. While mixing, gradually pour the remaining sugar until it rises.
4. Fold-in the egg yolk mixture to the egg white mixture. Folding-in is done by slowly scraping the bottom of the bowl with a rubber scraper, then lifting it up. This way, the mixture at the base of the bowl will be at the top. Do this until all of the mixture is folded-in.
5. Put shortening in two baking pans and pour the folded-in mixture. Place the pan in the baking tray and mold bake for 10 minutes at 170 °C.
6. Set aside to cool.



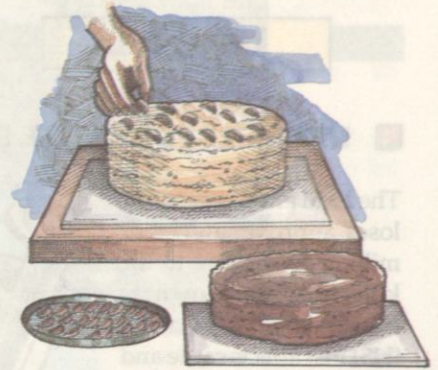
III. ICING

1. Combine whipped cream and cocoa and mix the combination using the electric mixer.
2. Slowly pour water into the mixture while mixing.
3. Mix until creamy, then set aside.



IV. TO MAKE THE TORTE

1. Spread the butter on the cake tray.
2. Place the meringue on the cake tray and spread butter at the top.
3. Place the chocolate sponge cake upside-down on the meringue and then transfer to the lazy Susan.
4. Put icing to the chocolate sponge cake using the rubber scraper. Make sure that the icing is equally spread. Then, sprinkle with chopped walnut.
5. Place the sponge cake upside down to make the second layer of the torte.
6. Put icing on top of the second layer and also at the side of the torte.
7. Put inside a freezer to harden.



V. CHOCOLATE TOPPING

1. Blend milk, cocoa, sugar and water in a pot.
2. Melt in low flame.
3. When melted, mix with butter. This will be the chocolate topping.



VI. PUTTING CHOCOLATE TOPPING ON THE CAPPUCCINO TORTE

1. Get the frozen torte and pour the chocolate topping.
2. Spread the topping equally by using the spatula. Let the topping drip to create a design on the torte.
3. Fill the pastry bag with the remaining icing. Use it for decorating the top and the sides of the torte. Place cherries on top to serve as added decor.



LOCAL

■ NEW CURE FOR CATTLE DISEASE DEVELOPED

The local animal industry loses approximately P17 million a year due to the killer disease known as Hemorrhagic septicemia (HS) that affects cattle and carabaos. But with the new Mabs, an antibody that is injected to affected animals to fight the bacteria known as *Pasteurella multocida* Group B, Hemorrhagic septicemia can be avoided.

Florita Maslog, along with other researchers from the National Institute of Molecular Biology and Biotechnology said that the onset of HS in animals can be easily detected by the use of 'nasal swabs.' This detection method has been proved fast, highly sensitive and can be done even in the fields.

Other local vaccines that are likewise effective and are less costly are now available.

For more information, contact: UP Los Banos, tels. 2894, 2567 and 3604.

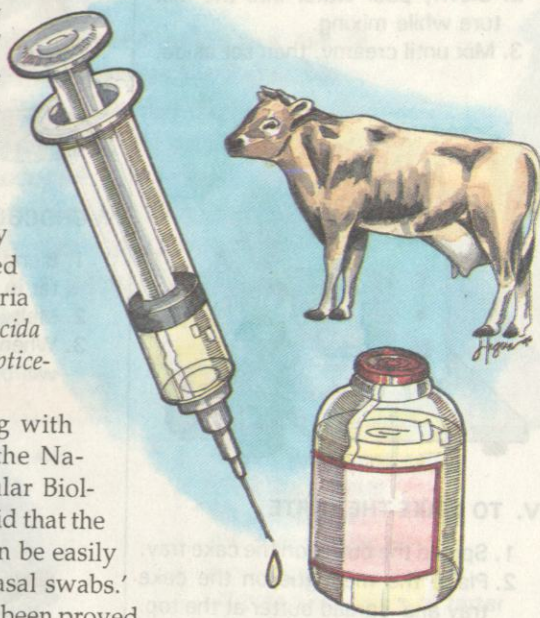
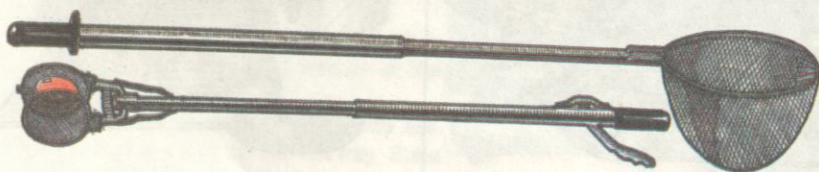
■ EASY PICKING WITH PORTABLE FRUIT-PICKER

There's no need to crane your neck, break your bones and fall off a tree! There's an easier and better way to harvest fruits without injuring yourself and damaging your harvest.

The portable fruit-picker, invented by Juanito Sy, is "simple, mechanical, lightweight and durable

with a unique grabbing mechanism." It comes in three different lengths: 7, 8 and 9 feet long. A longer one up to 19 feet long is also available upon request.

Available at Syguro Products, 150 National Road, Alabang, Muntinlupa. Tel. Nos: 0918-8201-973 or 842-30-30.



■ CEMENT BONDED BOARDS FROM RATTAN WASTES ARE BETTER CONSTRUCTION MATERIALS

Cement bonded boards from rattan wastes are becoming popular as construction materials. The rattan wastes, such as strands, splinters, shavings or their combinations, are bonded with cement, water and accelerator then cold pressed under low pressure and cured at ambient conditions.

Cement bonded boards come in panels of 2 ft. x 8 ft. and thickness of from 8 mm to 50 mm. The board can be used as exterior and interior panels, ceiling roofs, floors and as furniture components. Its acoustic properties make the cement bonded board ideal for movie houses, halls, hospitals and other public and industrial buildings. This environment-friendly product can be cut, installed easily, nailed, and painted with the use of ordinary hand tools.

In addition to being cheaper than ordinary construction materials, cement bonded boards are resistant to termites, fire, water, vermin and rot. Equipment for its manufacture is also available locally.

Contact Manuel Bello, Director, Forest Products Research and Development Institute, College, Laguna, tel. (094) 2360; 2377; 2586; and fax no. (094) 3630.

More than just casinos

PAGCOR helps create income opportunities in depressed areas.



There is more to the Philippine Amusement and Gaming Corporation than just casinos, than just affording gaming and leisure activities. Among the many roles it plays and the many tasks it performs, PAGCOR helps fund livelihood projects to make life a little better for people in depressed communities.

In the last six years, at least 82 livelihood projects were

financed by the President's Social Fund, to which a big portion of casino income goes. These have given hundreds of families, whose lives are among the millions PAGCOR has touched, not only a source of income but also renewed hope and confidence in themselves to become useful and productive citizens. Because, in more ways than one, PAGCOR matters. And PAGCOR cares.



Philippine Amusement & Gaming Corporation
Responding through Responsible Gaming

NEW PRODUCTS AND PROCESSES

■ RUDYLLAND: YOUR ONE-OF-A-KIND PLAYGROUND

Family bikes, bump vehicles, spinny tandems and a long list of other fun vehicles especially made for children have been invented by a Filipino, Dr. Rodolfo Lopez. Called Rudylland, the Community Playground, these vehicles were designed with "fun and safety" in mind. Lopez is a member of the Filipino Inventors Society and is a recipient of international awards such as the 18th International Trophy for Quality from France in 1989 and the European Gold Star for Corporate Image in 1990.

His sample inventions such as the Spinny Trike, an all-directional, chainless, feet-pedaled tricycle, and the Spinny Tandem, a tandem-type quadricycle, have been endorsed by the United States Consumer Products Safety Commission. Lopez encourages those who want to earn extra income to have a Rudylland in their own area. Rudylland uses structural materials that are locally available.

Interested entrepreneurs may contact Dr. Rodolfo L. Lopez at 2230-C Singalong St., Malate, Manila, tel: 525-8375.



INTERNATIONAL

■ REARING TECHNIQUE IN SHRIMP LARVICULTURE

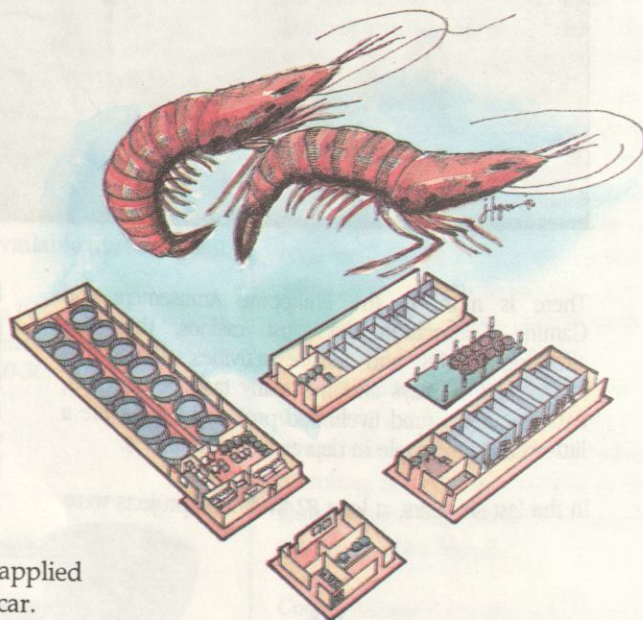
There is an alternative larval rearing technique that exclusively uses micro-particulate feeds as replacement for algae. It is combined with a procedure based on the absence of water exchange up to PL-1 (open circuit) or the use of a biological filter (closed circuit) up to PL-5. This is the result of studies made by INFREMER and COFREPECHE FRANCE AQUACULTURE.

There are separate units for each hatchery with each one designed to reduce pathological risks and ensures efficient sanitary procedure. The larval unit itself is divided into four separate compartments consisting of two rectangular U-shaped larval rearing tanks, each equipped with an aeration system.

This new and simple technique provides shrimp farmers lower investment and production costs aside from giving greater and consistent results. It has been applied on a commercial scale in New Macedonia and Madagascar.

Source: INFOFISH International

Compiled by LE Espinosa



I.T. solutions for national and local government agencies

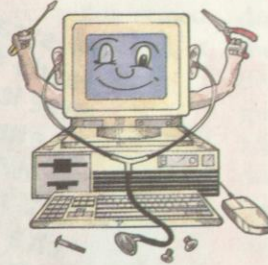
TLRC provides I.T. solutions that will enhance and modernize your services delivery systems. For a more responsive public service. To your clients, constituents, and the nation as a whole.

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Government agencies, like the Securities and Exchange Commission, have modernized their records management operations through TLRC's help. Today, SEC can provide fast and easy retrieval of vital corporate records.

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Your information systems are as good as your computer equipment. If you are having problems maintaining your microcomputers and printers, let TLRC handle them for you.

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Why spend an enormous amount for systems development? At government affordable rates, TLRC can provide IT consultancy services to help you identify, develop or implement information systems.

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Improve productivity. Enhance career opportunities. Empower your staff through TLRC's training courses on the latest office automation tools. Conducted daily at TLRC, or at client's site, upon request.

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TECHNOLOGY and LIVELIHOOD RESOURCE CENTER

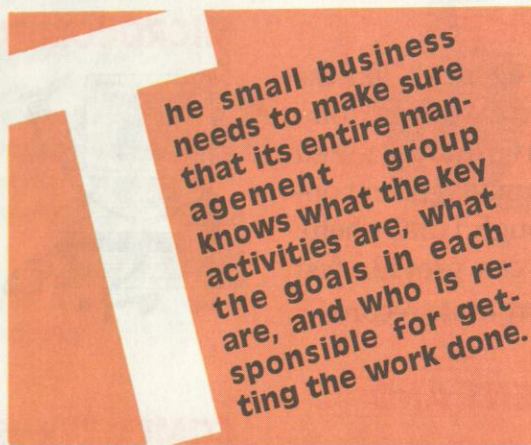
WHAT THE SMALL BUSINESS NEEDS*

Peter Drucker, foremost management expert and author cites the requirements of managing a small business: "The small business needs organized and systematic management even more than the big business. It does not need large central staffs or elaborate procedures and techniques in many areas. In fact, it cannot afford neither large staffs nor elaborate procedures. But it does need management of a high order."

The small business needs strategy.

It cannot afford to be marginal, meaning, barely within a lower standard or limit of quality. Yet, Drucker continues, herein lies its perennial danger. Therefore, he advises, it must think through a strategy which gives it distinction, find its specific ecological niche (in business, a situation or activity specially suited to one's capability or specialization) in which it has an advantage and can therefore withstand competition. This specific niche may be leadership in a distinct market, whether it is defined by geography, consumer needs or consumer values. The strategy may lie in a specific excellence, such as a capacity to give service. Or it may lie in a specific technology.

To summarize, Drucker says that the first requirement in managing a



small business is to ask and answer the question "What is our business and what should it be?"

The small business organizes and structures the top-management tasks.

At most, the small business needs one full-time top manager who does nothing else but manage the business. There are also those where the top manager also carries some functional responsibilities and usually should do so. But, stresses Drucker, this makes it all the more necessary for the small business to identify the key activities which are needed to attain the objectives of the business and to make sure that they are being assigned to somebody else, otherwise key activities will not be done at all.

He has observed, however, that most small businesses think that they know what the key activities are and that they take care of the key activi-

ties. What usually happens is that nobody pays much attention to them and as a result, they are neglected. He says that the need is rarely for more staff. Instead, it is for a little thought, a little organization, and a simple reporting and control system - no more than a checklist, perhaps - to make sure that the work is actually being done.

In effect, according to Drucker, this means that even a small business needs a top-management team. Most of its mem-

bers will be engaged in top-management tasks part-time and their primary duties are likely to be functional. Therefore, the small business needs to make sure that its entire management group knows what the key activities are, what the goals in each are, and who is responsible for getting the work done.

One must remember that the small business has limited resources, most of all, of good people. Therefore, concentration is essential to it, he advises. And unless the key activities are clearly identified and assigned as responsibilities, there will be diffusion of resources rather than concentration.

Also, the small business needs to pay special attention to making the top man effective. His load is

* From the book, "Management" by Peter F. Drucker, foremost management expert and author of several books, including "Small is Beautiful."

likely to be heavy even if he is free from functional tasks. He will certainly be under relentless pressures from all kinds of demand, says Drucker.

It is important that the key activities that can be assigned to the top man be identified, with the assignment based on what the individual excels in. The top man, for his part, should structure his job so as to have time for two tasks which nobody else can carry. He has to have time for the key people in the company. But he also has to have time for the "outside" - the market, the customer, the technologies. He has to make sure that he does not become desk-bound.

Because of its size, a major strength of the small business is the ability of the top man to know every one of the key people well. This, however, requires time, unstructured time or time without a specific agenda.

It is important that the top man has time for "outside." He needs time to keep himself informed about the market, on new opportunities, on changes that affect the business. He needs time to evaluate or assess the business and ask: "And what should our business be?" This does not require many hours, says Drucker but it does require systematic, purposeful work that is different in character from the daily operating routine.

The small business needs its own control and information system.

Because its resources are limited, it has to make sure that its resources are deployed where they bring in results. Likewise, its ability to get additional resources is limited and, therefore, it needs to make sure that it will not outrun its financial base. Drucker's advice: to know well in advance

when and where its financial needs will increase. A small business, he says, cannot afford to find itself in a liquidity squeeze and with a sudden demand for more money.

Because information is a vital tool in business, the small business also needs to know the major changes in its environment. It depends for its success on "its preferred position in a small ecological niche," therefore, it has to be well-informed about any possibility of changes in this niche.

"The small business needs to know the major changes in its environment."

Druckers says the usual accounting information is not enough. The small business needs to know where each of its key people is positioned, whether he is assigned to "results" or "problems"; the productivity of its scarce resources - the people, capital, raw materials and supply; how business is distributed among its customers. Regarding the latter, the small business should study if, first, it depends for its business on two or three large customers while the rest is splintered among many hundred small ones; and, second, to what extent it is vulnerable.

The small business needs - but usually does not have - financial and economic information. While small businesses today are likely to have the conventional accounting figures, few, however, know their cash flow and even fewer are in a position to forecast tomorrow's cash needs. They all know and, according to Drucker, should know their receivables. But he noted that they do not, as a rule, know whether their customers, distributors and dealers are building up their inventories of the company's products. They need, therefore, a little information about the ultimate market for their goods; that is, consumer purchases from the dealers.

Drucker says the small business needs very few figures, most of which are easy to obtain. But the figures the small business needs the most to be managed are not, as a rule, figures the ordinary accounting model provides. Instead, they are figures which "relate the present condition of the company and the present deployment of its key resources to anticipated future developments," both to identify opportunities and ward off danger.

As a final word, Drucker says the small business cannot afford "big management" if that means an abundance of staff, of procedures, and of figures. But, it needs first-rate management. It needs to restructure the top-management job precisely because it cannot afford an elaborate top-management structure.

Strategy, organized and systematic top-management tasks and its own control and information systems. These, according to Peter Drucker, are what the small business needs. Entrepreneurs who would like their small business to succeed and grow may as well think about this. M

FINANCING YOUR BUSINESS*

A lot of Filipinos want to start their own business. In the provinces, folks want to start in their own backyard. Poultry and piggery are common endeavors for additional income. In metropolitan areas, the business-minded like to have their own sari-sari store, small bakery, parlor or even a small restaurant. But the problem is usually the lack of financing for these ventures.

In recent observations, common people and unschooled persons are more enterprising and risk-taking. They sell all sorts of commodities that are essential for the market and some just sell anything in the sidewalks because they are happy, and they earn more money than those working in offices or in factories.

And yet such market vendors or street hawkers have no formal business training. They normally obtain their capital from community money lenders and from other financial sources with high interest rates. Such money lenders offer the "five-six" scheme. (That is, a P1,000 loan is paid daily for 30 days at P40 a day. This is equivalent to P1,200. So, the interest earned by the money lender is P200 a month. This is 20 percent per annum). Despite the high cost of borrowing money, market vendors seem to be able to sustain their daily micro business operations. Only, it is rather unfortunate that they do not know how to secure their funds from cheaper sources.

For the common tao, cooperatives are the best sources of funds

with very minimal interest. Other good sources of funds are the non-government organizations (NGOs) and some government institutions. However, preparation of several documents as requirements in loan applications has been discouraging to many. This should not be.

Cooperatives for micro business

A credit cooperative usually charges 1 percent interest plus a nominal service charge. The cost of borrowing P1,000 is only about P12 to P15 a month. This is extremely low com-

pared with the P200 monthly interest from a 5/6 loan. Another advantage is that the more a member borrows from his cooperative, the higher the patronage refund or dividend he gets. In a cooperative, a portion of the net savings is returned to

the members in the form of interest payments for their savings and share capital, and a patronage refund for those who patronize their cooperative.

Successful cooperatives have been responsible for the economic and social upliftment of the rural people in all countries.

Market vendors and other micro businesses can easily put up their own credit cooperatives. They only need 15 members and P2,000 share capital to start with. Credit cooperatives are effective in driving away usurers or loan sharks. With cheap and fast loans, cooperatives can help the "unfortunate" people put up micro businesses.

Other sources of funds

There are government and non-government organizations that extend both financial and technical assistance to small entrepreneurs. We have three leading institutions: PNB, DBP, and LBP. They have their own programs for small and medium-scale enterprises. In the case of the NGOs, there are numerous organizations that extend financial assistance to small enterprises, such as the Meralco Foundation, Philippine Business for Social Progress and others and foreign governments, through various assistance programs.

Entrepreneurs who are not really hard up, can put up a business with

**Funds play
an important role
in a business.
Proper funding
is needed to start
a business.**

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*Condensed from book, *Entrepreneurship*, by Feliciano Fajardo; National Book Store, publisher.

their own funds. They may borrow from friends, relatives and, ultimately, from financial institutions. Here are some possible sources of funds:

1. Short term financing (one year or less)

(a) **Trade credit.** Goods are delivered to retailers on consignment basis. This means they have to pay for the goods within 30 to 90 days. Such a credit line applies to retailers with good reputations or have established business relations.

(b) **Promissory note.** This is a written pledge by a borrower to pay a certain sum of money to a lender at a specified future date. Such a loan entails interest.

(c) **Unsecured bank loans.**

Commercial banks grant unsecured short term loans to their customers at interest rates that vary with their credit ratings. Borrowers with high ratings get lower interest rates.

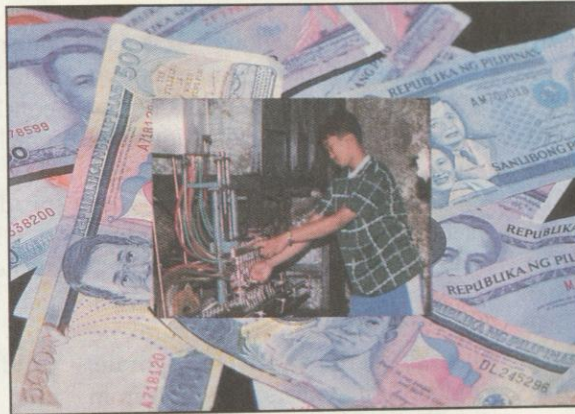
(d) **Commercial paper.** This is a short-term promissory note issued by big corporations. Commercial paper is secured only by the reputation of the issuing corporation. There is no collateral involved. Big firms with excellent credit reputations can easily raise large amounts of money from financial institutions.

2. Long-term financing (more than one year)

(a) **Commercial Loans.** Many firms finance their long-range activities from loans borrowed from banks and other financial institutions. These require collateral such as land, equipment and machinery. Terms of payments are indicated in the agreements.

(b) **Stocks.** These are certificates of

ownership. A stock certificate is classified as common and preferred. Holders of common stocks can elect directors and can decide major corporate actions. Preferred stockholders, on the other hand, have no voting rights. They have priority in claiming the profits and



assets if the corporation is dissolved. In general, only an established corporation can sell additional stocks to the public to finance their business projects. In the stock market, additional financing is usually raised through an IPO (Initial Public Offering).

(c) **Bond.** This is a certificate of indebtedness. It pledges to repay a specified amount of money with interest. The certificate indicates a maturity date. Big corporations issue bonds to raise funds for their business activities. Bondholders have the first claim on the assets of the issuing corporation in case it goes bankrupt.

It would be best to consult your local banker and ask for a personal recommendation for your financing needs. Other sources of financial advice are the NGOs or government institutions, who are now more friendly.

Still, in the final analysis, financial management is more important than sourcing your finances.

The needs of financial management

Funds play an important role in a business. Proper funding is needed to start a business. Without adequate source of funds we can never start anything. In other enterprises, the need for proper funding is always a problem. In the growth of an enterprise, money should be manipulated and used wisely. If one is not careful enough, the business might fail.

Elements of good financial management

1. Financial priorities according to your organization's needs
2. Controlled and planned spending
3. Sufficient funds available anytime
4. Efficient use of these funds

How to develop a financial plan

Financial planning is needed in any business organization. It is a method for gaining and using money.

Three steps in financial planning

1. Establishing objectives. To establish an objective, use the SMART (Specific, Measurable, Attainable, Realistic, Time-framed) method.
2. Budgeting. An outlined program of disbursement and income in a specified period of time. Income is derived from projected sales and expenses from both fixed and variable costs of operation of the business.
3. Identify the sources of funds. In identifying sources of adequate funds, there are four types of financing a business enterprise:
 - a. Income from sales
 - b. Owner's money and sale of shares of stock
 - c. Borrowing from other financial institutions, friends or relatives
 - d. Sales of property of the enterprise

Why good product design is important

By Mari R. Cedeno

Imagine how many products there are in the market to choose from. For an entrepreneur, this becomes a problem. He has to think of what product to make and sell or how to improve his existing line. At the back of his mind, he knows that a big, wide market lies out there so he must be able to come up with a product that will sell because it is something that fills people's needs or because it possesses the qualities people look for in a product.

But just how does one meet the last criterion? Well, we all know that apart from quality, price or utility, what attracts a prospective buyer to a product is the visual composition of the product or, simply put, its design.

Product design and development are very important in a manufacturing business since the design of a product oftentimes determines its marketability or acceptance in the market. And, marketable products are not just products of creative minds; they are also the results of intensive market research and study. It is important that before one manufactures or mass-produces a product, he must first conceptualize and plan the product well. With today's stiff competition in the market place, a product design must stand out. The design of a product can spell its acceptance by the customer - either it is attractive or it lacks appeal.

Technically-speaking, product design is "a plan of an object or item to be manufactured, conceived in the mind, and illustrated with a set of

drawings or instructions." It is usually the output of a creative person or a designer who relays his design through written specifications, reports, detailed working illustrations, scale models (miniatures) or full-sized prototypes (models on which later stages are based or judged).

Design comes in different forms; i.e., environmental, architectural, industrial, interior and even corporate. Product design covers everything from the conception of an idea to the end product, explains the creative director of a Makati-based company that is into graphic design, photography and print advertising. It does not only apply to new products but also product innovations. It includes, among others, package design.

Product development, on the other hand, refers to the process in which new products are analyzed and modified as to their coherence with existing products or markets. In other words, the new product must relate to the existing market such that it has new features, new technology or new brandname and this way, increase the company's hold in the market.

The importance of product design and development is such that in big and established companies, research and development (R&D) is a regular function carried out by departments or divisions. R & D efforts are usually aimed towards the formulation of new products as well as the improvement or modification of old ones to respond to

changing needs and resources. Smaller companies, for their part, conduct market research to find out market needs and other information that can help them identify product opportunities.

By understanding what consumers want, one can design products suitable to their needs. Those who will venture into designing a product are advised "to be systematic; to gather all information and resources together; and to research, observe the market, study the competition and experiment on how to position the product."

When designing, the following elements and guidelines must be considered:

1. **Function or utility.** A good design reflects the use or function of the product and tells buyers right away that it is meant to do a certain function.
2. **Cost.** A good design is one that is priced just right vis-à-vis its production costs.
3. **Components (or materials used).** Focus on your particular market segment and choose components more appropriate and practical to your designs.
4. **Quality or the attributes conforming to customers' specifications measured primarily through customer satisfaction.** During the planning stages of your design and later in its production, check your product against a standard of quality through a process called quality control.

Quality control can be done in three ways: by random selection and examination of the product for defects and compliance to design specifications (sampling); by product inspection during the early stages of production for deviations from product specifications; and, by subjecting products to tests for durability and market suitability.

A knowledge of the basic elements of design can certainly help beginners in the process of creating new product designs. Just the same, a designer, whether an amateur or a professional, should always keep abreast with the market, create designs that customers and not himself would want or prefer. Once one knows what the market wants, then designing products will come really easy.

A knowledge of the basic elements of design can certainly help beginners in the process of creating new product designs.

Other helpful and easy tips: Just let ideas flow naturally. Engage in some pre-designing rituals; i.e., go

nature-tripping, browse over magazines. Do just about anything to start the flow of the creative juice then grab the momentum. Put down ideas on paper or feed them into a computer. Ask for assistance; i.e., ask someone to visualize or sketch the idea for you if you cannot or consult for product design and development consultants or agencies.

On the whole, the best way to come up with a good product is to consider, first and foremost, the needs of would-be end-users. Most of all, begin with a good design. And, a good design is a result of careful planning, intensive research and proper execution. With all these things in mind, one can rest assured that his product will be favorably accepted by the market. □

Pag-IBIG Fund - Responding to its Members' Needs

In 1993, in one of the labor forums regularly conducted by the Fund, a suggestion was raised: "Why doesn't the Fund grant loans that would help its members put up their own businesses?" And in the early part of 1994, the Fund launched the Pag-IBIG Livelihood Loan Program.

The Livelihood Loan Program aims to provide financial/credit assistance to promote small business/livelihood ventures and income-generating projects among Fund members who organize themselves into cooperatives, duly registered with the Cooperative Development Authority (CDA). Every qualified member of the cooperative may avail of a maximum loan of P75,000.

For this loan program, the Fund has appointed the Land Bank of the Philippines to act as implementor. Using LBP's Countryside Credit Delivery Network with its extensive



Vudtrasco's jeepneys bought from their livelihood loan

regional and field offices nationwide, the program aims to sufficiently reach the rural areas and effectively impart its objective to reach down to the grassroots level of our society and help them uplift their standard of living through membership with the Pag-IBIG Fund.

The first beneficiary of the Livelihood Loan Program is the Visayas United Drivers Transport Cooperative (VUDTRASCO), a transport cooperative based in Cebu. The group was able to borrow P189,000 from Pag-IBIG for the construction of an auto repair and machine shop which exclusively serves its members' jeepneys. Aside

from the repair shop, VUDTRASCO also purchased six jeepneys and rehabilitated four. All these from the aggregate loan of only three qualified members.

"Malaki ang naitulong sa aming ng Pag-IBIG. Kung dati sampu lang ang miyembro ng Pag-IBIG sa kooperatiba, ngayon 120 na. And we expect membership to increase once the second batch of loan applicants have received their loan," says Antonio Climaco, VUDTRASCO president.

The Pag-IBIG Livelihood Loan Program is a prime example of the Fund's commitment to continuously assist its members with their basic needs. This, coupled with the newly launched Pag-IBIG City concept truly affirms the Fund's unyielding commitment to uplift the standards of Filipino living. And it shall continue to do so as long as there is a Filipino family who desires a decent roof over its head or a means to improve his lot.

Bureau of Export Trade Promotions

Created through Executive Order No. 313, the Bureau of Export Trade Promotions (BETP) under the Department of Trade and Industry (DTI) is tasked with "formulating and implementing plans, programs, projects and strategies to develop, expand and diversify Philippine exports." It is composed of three groups, namely: Product Research and Strategy; Market Strategy and Consultancy; and Trade Information and Assistance.

SERVICES OFFERED

The BETP offers trade information services, export trade facilitation, accreditation of exporters and market product consultancy to exporters, entrepreneurs, domestic producers, academe/students, other government agencies, trade associations and the general public.

TRADE INFORMATION SERVICES

The Philippine Trade and Investments Information Network System or PHIL-TINS is an on-line trade information system with databases that include Philippine export and import statistics, world demand, target market's import statistics, trade updates, foreign buyers and their products of interest, product profiles, market guides and assistance packages available to exporters. The system provides a centralized facility for the storage and retrieval of timely information on trade and investments.

The BETP extends front-line services to exporters and would-be exporters and assists in expediting export transactions and in resolving export trade-related complaints through the Export Assistance Network (EXPONET).

SPECIALIZED TRADE LIBRARY

The bureau has a library with a comprehensive collection of periodicals, trade magazines and journals, monographs and books on international trade specifically focused on product and market information is available to the public.

TRADE PROMOTION MATERIALS AND PUBLICATIONS

BETP also provides its publics regular information and promotions materials, such as product catalogues, exporter manuals, product/market guides, product profiles and trade statistics.

TRADE OPPORTUNITY REPORTS

These are regular listings of prospective foreign buyers of Philippine products and services.

EXPORT TRADE FACILITATION

The BETP extends front-line services to exporters and would-be exporters and assists in expediting export transactions and in resolving export trade-related complaints through the Export Assistance Network (EXPONET).

ACCREDITATION OF EXPORTERS

BETP accredits exporters who wish to avail of incentives under the Export Development Act of 1994.

MARKET PRODUCT CONSULTANCY

The BETP Country Desk Officers of the America, Europe, Japan/Australasia, Middle East/Africa/Africa/NICs and ASEAN/Asian countries are ready to assist exporters in their search for updated market information. Product officers are also available for consultations on product development and sectoral dialogues on the country's export winners.

Special projects for the export winners are also being undertaken by BETP to upgrade skill management and factory levels. Some of these are the Crafts and Production Center, training assistance to the furniture industry through the Furniture Industry Board, establishment of a packaging center and a mass communication program for export winners in selected target markets.

To eliminate red tape, cumbersome export procedures and other causes of delay and to accelerate export growth, the One-Stop Export

Documentation Center (OSEDEC) was established. It brings under one roof the Bureau of Customs and other government agencies to facilitate the application, processing and approval of export documents.

FUNCTIONS

The Bureau's basic functions, namely, information, facilitation and marketing, are carried out through the three groups.

Product Research and Strategy Group. The PRSG is responsible for programs related to providing assistance in identifying product/market niches to tap. It assists in the formulation of the sectoral strategies geared towards the development of exports; and undertakes product specific research studies that are market-based to identify trends and prospects that exporters could easily tap. The PRSG also assists in the preparation of trade policy positions relating to product specific matters.

Market Strategy and Consultancy Group. This group is responsible for activities and programs related to the development of specific markets for the country's export products. It conducts special research studies that exporters can use in penetrating and/or expanding markets for their products; assist in the formulation of strategies geared towards specific market developments; and assists in the preparation of negotiation positions that require specific market knowledge.

Trade Information and Assistance Group. The TIAG is responsible for the programs related to the delivery of effective information and facilitative services to Philippine exporters and buyers.

INTERVENTIONS

The Bureau seeks to address problems encountered or likely to be encoun-



tered by exporters. In the past, local exporters were adversely affected by excessive tariff rates and uncompetitive exchange rates. To address these concerns, dialogues and consultations were held between the private sector and the government through the BETP. As a result, the government was able to increase the competitiveness of the exchange rate and reduce the tariffs for packaging and other raw materials.

Support to exporters is also provided by the Trade Group. Among the accomplishments of the group last year are the following: strengthening of the interaction between the government and private sectors through the Export Development Council and Export Development Act; contributed inputs for the formulation of appropriate reforms in government policies such as the simplified and accessible financing schemes for micro, cottage and small exporters; conduct of productivity trainings and technological innovations; establishment of the one-stop export documentation centers.

Training programs on product development including design and technology were organized and held through the BETP to upgrade the quality of exports and meet global standards. Lastly, the Philippine Trade and

Investment Information Network Systems intended to intensify information networking was finally put in place.

PROGRAM OF ACTION FOR 1996

Statistics-wise, the volume of Philippine exports has been growing consistently since 1991 at an annual average rate of 20%. The 15 export winners are electronics, garments/textiles, processed food, marine products, furniture, seaweeds/carageenan, metal products,

gifts/housewares (basketwork and holiday decors), costume jewelry/fine jewelry, ceramics, marble, information technology (IT), construction services, professional services; and floriculture. Classified as the 12 emerging/strategic industries were: footwear/leathergoods; special steel; copper products; fertilizer; carbon/acetylene black, security papers, industrial tree, explosive and pyrotechnics products, oleochemicals, fresh fruits (e.g. banana, mango), petrochemicals and other services (e.g. health care, biotechnology).

For 1996, the Trade Group under the BETP is targeting the following: achieve a 25% annual export growth from 1995 towards a US\$50 billion exports in the year 2000. To achieve said target, the group has laid out the following strategies/action plans: 1. intense focus on the 15 export winners; 2. expansion of export product base to include the 12 emerging strategic industries; 3. increased market presence; 4. strengthened policy support to exporters; 5. strengthened export enterprise; and, 6. strengthened internal human resources complement.

Looking at the above export promotion plan prepared by the Trade Group, it can be said that the Bureau of Export Trade Promotion has been effectively carrying out its mandated tasks. - *LE Espinosa* M

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The *Media Communications Group* of TLRC has developed multi-media packages to disseminate livelihood technologies to its users through television, radio and print.

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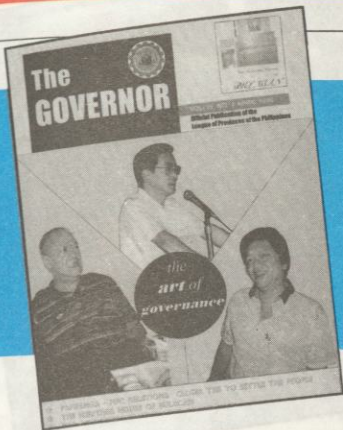


MCG also provides *media-assisted learning programs* combining the use of its technology/livelihood information packages and actual hands-on sessions, *dubbing services* for requesting groups and *library services* through its Technobank Department. Free viewing of various video instructional courses are held at the Technobank Library daily (Mon. to Fri.) from 9 a.m. to 5p.m.

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TECHNOLOGY and LIVELIHOOD RESOURCE CENTER



League of provinces quarterly publication out

Kudos to the League of Provinces of the Philippines for the first issue of its quarterly publication, **The Governor!**

In the words of the League's president, Bulacan Governor Roberto Pagdanganan, **The Governor** will hopefully "strengthen the provinces' linkage with one another for wider latitudes in resource sharing, joint programs and local autonomous governance."

For its cover story, the maiden issue featured three of the League members and their respective provinces: Davao Governor Prospero S. Amato (Davao's Program of Work is Man), Negros Occidental Governor Rafael L. Coscolluela (Hope for Sugarlandia) and Abra Governor Vicente Valera (The Spirit of a Province).

Nursery and resource center to rise in Leyte

Agriculture gets a boost in Leyte as the provincial government prepares a 47-hectare lot for the establishment of a Nursery and Resource Center.

Governor Remedios L. Petilla is banking on the assistance of the Department of Agriculture and the Visayas State College of Agriculture for the successful implementation of this project. The Center's main thrust will be "high value agricultural production and related technological research." The center will be a big support to farmers in the 41 municipalities of the province and will also ensure food security for all Leytenos, according to Governor Petilla.

Positive business developments in Antique

By Ma. Livia "Honey Girl" S. de Leon

Antique's long-time problem of blasting and other illegal fishing methods may finally come to an end. The provincial government, under Governor Jovito Plameras, Jr., is proving to be successful in convincing its fisherfolk to go into the more lucrative culture and farming of seaweeds.

The high demand and attractive prices for seaweeds, specially the dried, semi-refined natural grade *carrageenan* (a seaweed derivative used as stabilizer for food products and gelling agent for pharmaceutical and other products) have enticed a lot of Antiquenos in the islands of Caluya and Panagatan. *Carrageenan* commands prices of from P80 to P100 per kilogram in the market today. There is growing demand from both the local and foreign market.

To intensify the development of this industry, the provincial officials of Antique have initiated fund-sourcing for the establishment of a processing facility, estimated to cost around P7 million through the Presidential Council for Countryside Development (PCCD). The proposed plant will have the capacity to convert 80,000 tons of raw seaweeds into 150 tons of *carrageenan* per year.



Meanwhile, in the sugar sector, something "nice and sweet" is also happening.

The province has just opened up a corridor for investors and businessmen who may be interested in the sugar business as it sees a potential in the *muscovado* or brown sugar

which is making a comeback in the market. The *muscovado* or brown sugar is rich in sucrose, carbohydrates, protein, minerals and amino acids, making it highly-nutritious and a complete food in itself.

The increasing popularity of *muscovado* sugar, specially among diners and food outlets, has encouraged Antique's local government officials to revive the province's sugarcane lands, milling plants and other processing facilities which were abandoned for other crops and products when the sugar industry suffered a severe slump in world market prices during the 1980's.

The Antique Federation of Cooperatives, in cooperation with the Provincial Government and with the assistance of the Department of Trade and Industry, is at the forefront in promoting the *muscovado* variety of sugar as well as in convincing sugarcane farmers about its present-day industrial viability.

Governor Plameras is confident that reviving the production of *muscovado* sugar in Antique has been a right decision. He revealed that they have already received assurances of a standing order for *muscovado* of about 15,000 metric tons per cropping year from foreign buyers alone. To ensure quality, existing equipment will be upgraded and workers will be trained on the latest processing and packaging methods in sugar production. Likewise, capital financing for millers and sugarcane producers, from foreign investors who have expressed interest in the export trade is now being made available through the local cooperatives.

This Department welcomes news materials on entrepreneurial development initiatives or activities from local government units. Pls. send your materials to: MagNEGOSYO Editorial Office, LGU Department, 3rd Floor, TLRC Bldg., Sen. Gil Puyat Avenue, Makati City.

- The Editor

Retail Trade Liberalization: Opening up the economy to the world market



For over 40 years now, the local retail industry has been protected by Republic Act 1180 enacted during the era of nationalist protectionism, a time when the consensus was that "alien dominance of Philippine retail trade is so strong and the Filipino position in the business is so weak that it could no longer be shifted to Filipino hands except through legislative means."

But with the growth of international trade, the old order of nationalist protection is gone and has been displaced by a new order of economic liberalization. Like other countries which have taken steps to liberalize their economies, the Philippines has for its part and in line with its vision of attaining the status of a newly-industrializing country (NIC) by the year 2000, undertaken policy reforms aimed at opening the economy to the global market.

Among these policy reforms is the Retail Trade Liberalization Act. If enacted, the bill will allow foreign nationals to engage in retail ventures in two levels: First level - 100% foreign ownership for retail activities capitalized at P10 million; and, Second level - 40% foreign ownership for retail activities capitalized at at least P500,000 but not over P10 million.

Sponsored in the Senate by Senators Sergio Osmena III and members of the Committee on Trade and Commerce, the bill argues that retail trade

liberalization will not adversely affect Filipino-owned SMEs because of the protective safety net provided by the minimum floor capital of P500,000. If ever, foreign competition will only be confined in large scale retail trade activities capitalized at at least P10 million while those below the P10 million benchmark will still be effectively controlled by Filipinos.

A study conducted by the Private Investment and Trade Opportunities-Philippines (PITO-P) showed that foreign direct investments has become a major source of financial inflows to developing countries. Aside from the provision of capital, it has also brought improvement in technological and managerial standards, an increase in labor productivity, and better access to export markets.

The study also showed that Gross Domestic Product (GDP) shares of countries which have liberalized their retail trade sector earlier, such as Thailand and Singapore, are much higher than countries which liberalized later, such as Korea and Malaysia. A common pattern among countries studied (except Indonesia) is that all of them have liberalized and continue to liberalize foreign ownership laws in the retail trade sector.

The assumption is that the overall economy, driven by industrial development, provides the market with expanded retail trade. A stronger economy means that consumers are

less concerned with survival and that they are able to pay for a wide variety of consumables. Such driven economy, therefore, creates a ready market for retail ventures.

Overall, proponents of the bill believe that liberalizing the retail trade law will attract foreign investments in retail trade.

On the other hand, the Philippine Retailers Association (PRA) and the Philippine Association of Supermarkets, Inc. (PASI) expressed apprehension that retail trade liberalization could lead to the displacement of local retailers from the market and result in greater unemployment. Moreover, the influx of foreign goods could worsen the trade deficit, the groups said. However, they stressed that they are in favor of controlled or phased liberalization, with various restrictions and limitations on foreign investments.

Yet, in one of the economic policy papers published by the Philippine Exporters Confederation (Philexport) and The University of Asia and the Pacific, economist Carla Marie Grino of the Institute of International and Strategic Studies said that while liberalization may cause market shares to shift, this does not necessarily translate into lower sales and decreased employment. Instead, according to Grino, the gains of liberalization are multi-faceted. These are as follows:

Enhanced competition and efficiency

The presence of foreign retailers will give the market a wider variety of high quality and more affordable products. Liberalization is expected to stimulate more service innovation. It will also prepare local firms for gaining stronger footholds in the global market. With greater competition among retailers, the distribution of goods will become more efficient and cost-effective; thus, improving the competitiveness of other enterprises, especially small- and medium-scale ones.

Lower prices

Competition among retailers will push commodity prices down, as value for money will be emphasized.

Inflow of foreign capital

The entry of foreign capital, through tie-ups or joint ventures, will add to the capital resources of domestic retailers.

Technology transfer

The wider use of technology such as the bar coding system, electronic data interchange, point of sale as well as information technology-based systems will provide retailers with a more efficient inventory management system. Having a clearer idea of fast-moving items will allow retailers to save on funds tied up in stored merchandise. It would also provide retailers better information about consumer preferences resulting in better services.

Positive employment effects

Foreign firms will most likely avail of the country's low labor costs, thus absorbing more Filipino workers. Despite advances in automation, labor will continue to play a crucial role as retailing is a service where direct personal contact with the customer is important. A competent personnel, and the introduction of new technol-



With a stronger economy, consumers are able to pay for a wide variety of goods. Statistics from the Department of Trade and Industry on the total number of single proprietorships registered in January to June 1996 show 86 are capitalized at over P10 million, 42 are capitalized at P5 million - P10 million, 360 at P1 million - P5 million and 42,156 at less than P1 million.

Enhanced access to export markets

By using local products to sell in their chains worldwide, foreign retailers could provide a channel for Philippine products. Small- and medium-sized enterprises with no marketing arms abroad can utilize the global network of bigger, more established foreign retailers.

Increased government revenues

Foreign entry will result in greater number of retail establishments. Increased tax collection from more retail channels would increase government revenues.

Favorable impact on tourism-related sectors

The increased number of stores and wider variety of services and goods brought about by foreign retailers can help the Philippines compete more effectively as a destination for tourists and business travelers. By 2005, the Asia-Pacific region's tourism revenues are expected to exceed US\$2 trillion. Retail trade liberalization offers the Philippines a chance to capture part of the market.

Most local retailers, therefore, according to Grino, will not be facing competition from foreign department stores and supermarkets. Instead, foreign retailers will compete with larger local retailers who have the resources and expertise to withstand the competition. In conclusion, she said that the policy of limiting business to Filipinos in such a large, diverse and non-strategic sector as retail trade is no longer applicable in the context of a growing global market and international competition. She further said that RA 1180 goes against this trend of globalization.

Both the Senate and the House of Representatives are scheduled to deliberate on the proposed liberalization of the Retail Trade Act when the 10th Congress resumes in July 1996. Classified as priority, the proposed bill is scheduled for enactment before the Asia Pacific Economic Cooperation (APEC) Manila Summit opens in November this year. - REAG

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"If we will not take them, who will?" replied 26-year old Gia Veloso Catindig, chairman of Tagbakin Agro-Industrial Multi-Purpose Cooperative (TAIMC). "I believe in development, livelihood training development. In this kind of work, one is given a rare chance to help the disadvantaged. It cannot be a futile effort."

TAIMC was set up in 1991 primarily to help the disabled and their dependents mostly residing in Quezon City and Metro Manila who were referred to the Department of Social Welfare and Development (DSWD). She learned that some of the disabled have lost the drive to really work hard just like other normal persons because they have become more dependent on the trainings and job placements the DSWD provided.

"Our biggest problem was that the people we are trying to help sometimes resented the help simply because they knew the DSWD would refer them to jobs, anyway, if the current one proves unsatisfactory. Some even felt others owed them something because they belonged to a sector with lesser opportunities. This is what we are trying to change—that helplessness exacerbated by a dole-out mentality," said Gia.

"We want a group that will provide livelihood thrusts and allow them later to go mainstream," she explained. These four thrusts are skills training, technology transfer, livelihood, employment and value redirec-



tion. There are spiritual exercises and strong emphasis on positive attitude towards work. In addition to standard skills, training consists of market research, product development, research and development management, human resource management, entrepreneurial values and various disciplines that complement the total self-development program.

To carry out its objectives, TAIMC tapped the Development Bank of the Philippines (DBP) Quezon City Branch for funds. In 1994, DBP, through its Window III Lending Program extended a P409,300 loan to the cooperative to finance the manufacturing of folders as well as other operating expenses. Registered with the Cooperative Development Authority (CDA) on September 27, 1991, the TAIMC is now composed of 120 members engaged in the production of school and office supplies.

Workers who are under normal employment conditions are hired on a per piece or per day basis depending on their workmanship. They work on folders, boxes, bags and envelopes

which are made of bookbinding board, paperboards and glue. Production capacity is estimated at 41,512 pieces of folders a month. Output is increased mainly by employing other workers from different squatter areas at Liwanag and Feria Compound Purok Office, Diliman, Quezon City whom they have trained earlier.

The TAIMC is planning to form satellite cooperatives for its livelihood technology transfer program that can go into projects related to what they are doing now. TAIMC has already financed the purchase of sewing machines for a satellite cooperative specializing in conference bags manufacturing on a purchase order (PO) basis.

The concept of satellite cooperative is similar to forming a network of self-reliant manufacturers and sub-contractors who are members of the mother cooperative. As a result, the decentralized network expands and multiplies. The members develop a concern for the cooperative and, simultaneously, enjoy the fruits of their labor.

The rehabilitation task is a challenge to Gia and the other officers, namely Jose Dennis Villareal, Yolanda Moreno, Lourdes Flores and Baby Arevalo. But they are undaunted. They know they can count on the tenacity of the members who refuse to give up when the going gets extra tough. TAIMC offices are located at Blk. 5, Lot 6, A. Bonifacio St. New Capitol Estate, Batasan Hills.

The above article was condensed from the DBP Development Banker, International Version, January-March 1996 - The Editor ☐

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To qualify, the project must be included among the export winners identified in the Medium

Term Philippine Export Dev't. Plan like agriculture and resource-based products (carrageenan and seaweeds, marble tiles, etc.); consumer products (ceramics, furniture, etc.); industrial products (subcontracted electronic/metal components); and international services (computer software, construction/professional services).

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