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MR. GOVERNANCE



Metro Manila Development Authority Chairman **Bayani F. Fernando** has gained a reputation as a super governor bent on imposing his political will to solve the national capital's problems of congestion, squatting, traffic, garbage, sidewalk vending, crime and grime. If he succeeds, he becomes a strong bet for president in 2010.

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CHOCO DE FRUTA

INGREDIENTS:

CAKE

2 1/2 cups all-purpose flour
2 tsp baking powder
1 tsp baking soda
1 tsp salt
2 1/2 cups sugar
1 cup MAGNOLIA GOLD BUTTER, unsalted
4 pcs eggs
1 1/2 cup cold water
1 cup cocoa powder
1 tsp vanilla

BUTTER ICING:

1 1/2 bars MAGNOLIA GOLD BUTTER, unsalted
3/4 cup MAGNOLIA FRESH MILK
1/2 cup sugar

PROCEDURE:

Pre-heat oven to 325F. Grease and line 3-9" round pan. Set aside. Sift together flour, baking soda, baking powder and salt. Set aside. Combine cocoa powder, cold water and vanilla. Set aside. Cream Magnolia Gold Butter and sugar until light and fluffy. Add eggs one at a time, beating well. Add dry ingredients alternately with cocoa mixture. Mix until smooth. Pour mixture into prepared pans. Bake for 30 minutes or until done.

BUTTER ICING: Cream Magnolia Gold Butter along with sugar. Beat until light and fluffy. Add milk slowly. Mix until Magnolia Gold Butter icing is smooth, shimmery and spreadable. Set aside.

ASSEMBEY: Frost first layer of chocolate cake with Magnolia Gold Butter icing evenly. Place another layer of cake and frost again. Do the same for the last layer and frost the sides as well. Top with assorted slices of fresh fruits (apple, strawberry, kiwi, mangoes, etc.). Brush fresh fruits with glaze* and watch your cake dazzle.

*for the glaze: equal parts of Magnolia Best Fruits Strawberry Jam and hot water and 2 tbsp Magnolia Gold Butter.

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COVER STORY
Super Governor
By Antonio S. Lopez 4

Doing the right thing in Marikina
By Chairman Bayani Fernando 10

Manila A City of Man
By Imelda Romualdez Marcos 26

BUSINESS
San Miguel sells Australia assets, goes into energy 28

Telecom war: Globe grows faster than PLDT
By Nick Legaspi 32

PLDT to spin off, list ICT unit
By Vic S. Lopez 38

ENERGY
The third oil shock 40

CENTERPIECE
Blame China and India 42

Energy crisis: The world is running out of time 44

HEALTH
Addicted to nicotine
By Louie Cruz 46



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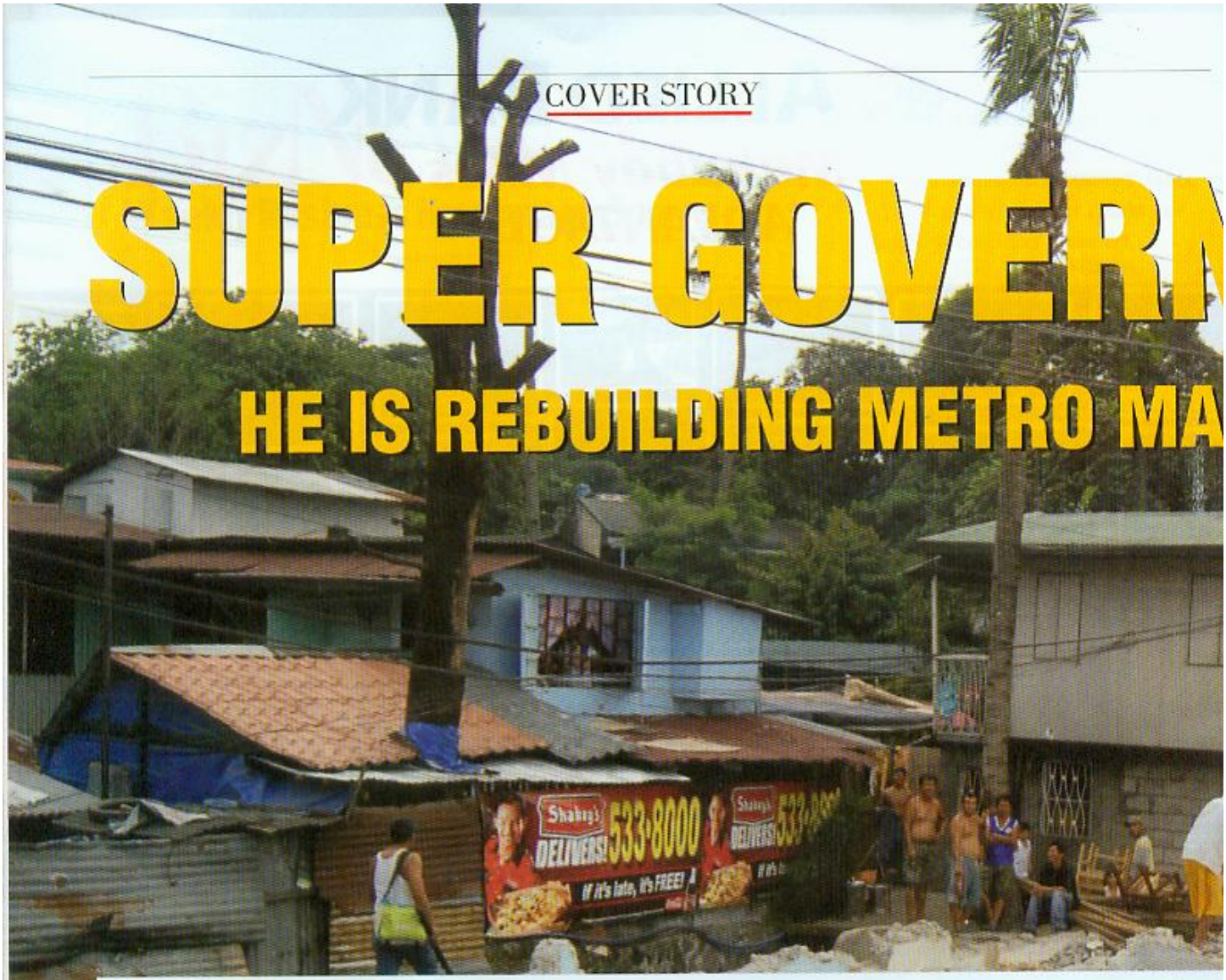
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SUPER GOVERN

HE IS REBUILDING METRO MA



By ANTONIO S. LOPEZ

To appreciate Bayani F. Fernando's passion about cleanliness and order, one has to understand his attitude about water.

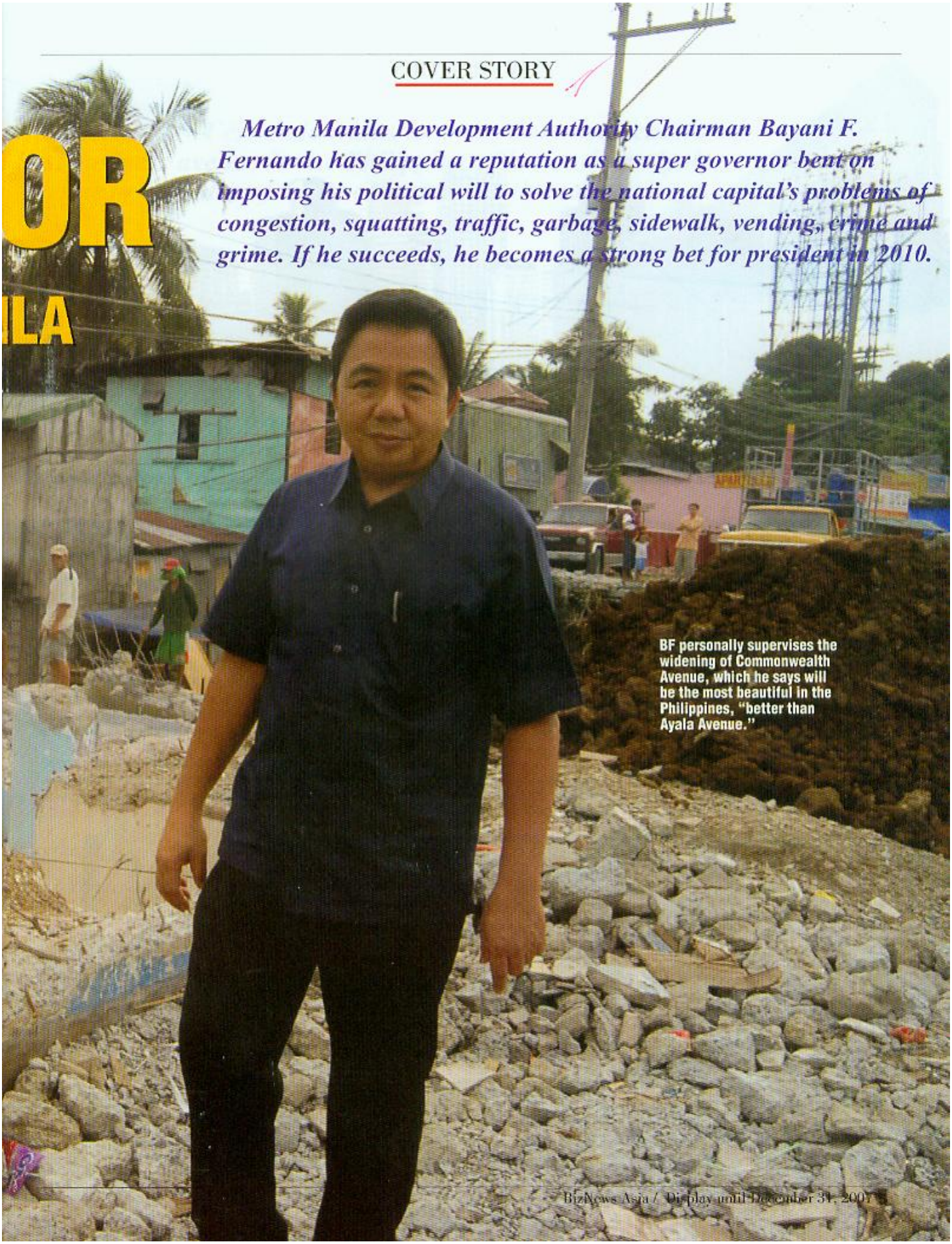
"Eighty percent of Metro Manilans have never experienced having clean, fresh water," he laments.

Not having water, they also have little idea what cleanliness means. Nor that cleanliness brings order. Nor as the schoolbook rhyme says," "cleanliness is next to godliness."

Bayani or BF, 61, has always been attracted to water—fresh, clean water. As a lad of 17, he saved enough money to build his own flat-bottomed boat and explore, with a friend, the length and breadth of the Marikina River, which extends from the mountains of Montalban and descends 40 kilometers down to San Mateo, Marikina and then Pasig, where it drains into the Pasig River. During the river cruise, BF saw garbage left and right, squatter colonies, and factories dumping their effluence into the river.

OR
ILA

Metro Manila Development Authority Chairman Bayani F. Fernando has gained a reputation as a super governor bent on imposing his political will to solve the national capital's problems of congestion, squatting, traffic, garbage, sidewalk, vending, crime and grime. If he succeeds, he becomes a strong bet for president in 2010.



BF personally supervises the widening of Commonwealth Avenue, which he says will be the most beautiful in the Philippines, "better than Ayala Avenue."



COM

The experience left a lasting impression on him. "He vowed to clean the river someday," recalls Bayani's elder sister, Ligaya, a writer of books. "I said to myself I am going to make the river beautiful," says Bayani now.

It would take time. He had to earn money first. Fresh with an engineering degree from Mapua, Bayani borrowed P16,000 from a bank, using the title to the family house and lot, to start his own business—steel fabrication.

He became so good at it his BF Metal Corp. became at one time one of the Top 600 taxpayers in the Philippines.

"Bayan," as his wife, Marides Carlos Fernando, the mayor of their hometown of Marikina City calls him, is right about water. Water, or more specifically, dirty water, is the world's No. 1 killer. The biggest killers of man are malaria and diarrhea. Worldwide, three million die yearly from malaria and diarrhea, both of which are water-borne. About 2.6 billion people, 40% of mankind, lack improved sanitation services, for lack of clean water.

So what does the chairman of the Metro Manila Development Authority (MMDA) do?

Bayani decides to bring order and cleanliness to the national capital region. He calls his campaign "Metro Gwapo"—beautiful metropolis.

Simply stated, "Metro Gwapo" means six things—no obstructions, no litter, no decay, no diseases, no stink, no discourtesy.

The idea, explains Chairman Fernando, is "to increase livability" by having safety, efficiency, and accessible amenities and pleasant surroundings.

"Metro Gwapo," BF elucidates, is the

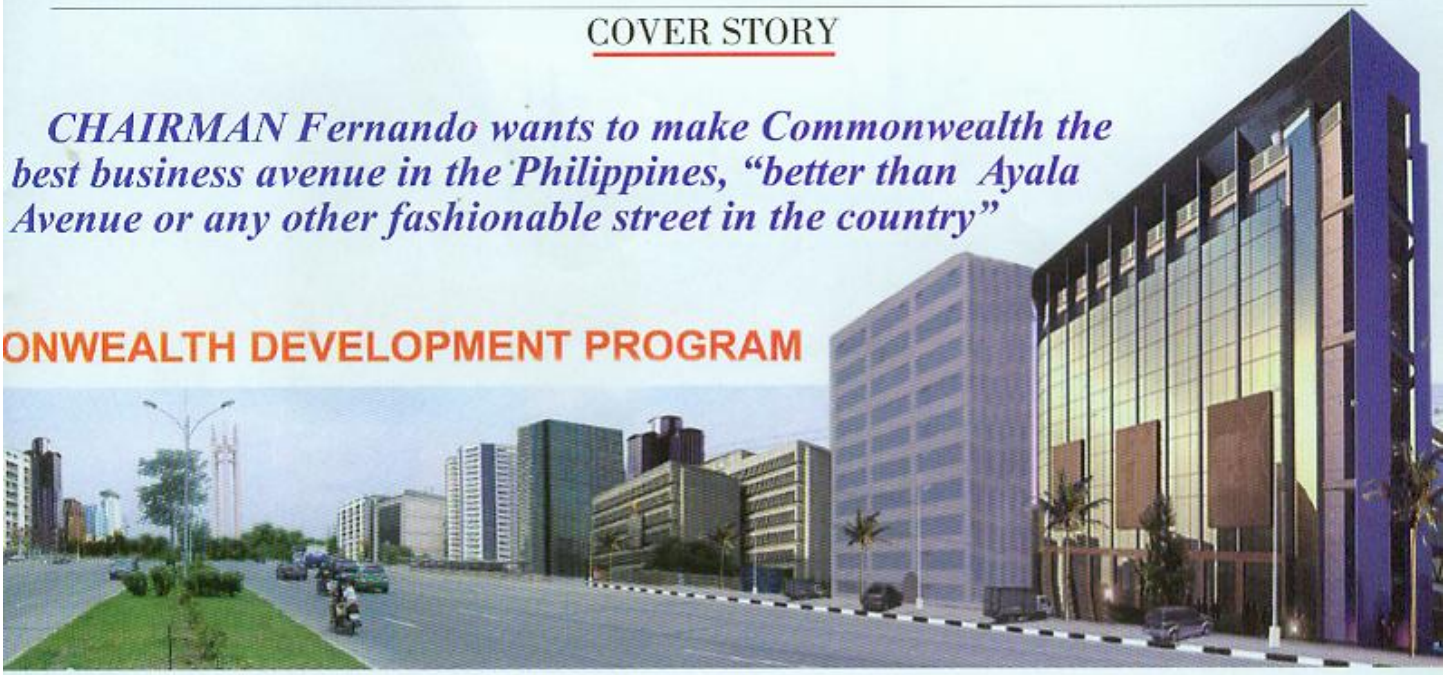
Bayani Fernand

1. **Know your objective and resources.**
2. **Draw a plan to the last bolt and the last man.**
3. **Sell your plan.**
4. **Deploy as much proper tools for the job. (Let the tool do the job).**
5. **Make sure every man has his orders.**
6. **Give comfort to every man.**
7. **Make sure everyone is doing his share.**
8. **When things go wrong and you're pressed for time, don't do it alone. (Let the organization help you to**



CHAIRMAN Fernando wants to make Commonwealth the best business avenue in the Philippines, "better than Ayala Avenue or any other fashionable street in the country"

ONWEALTH DEVELOPMENT PROGRAM



guide to leading

keep task in line. The organization is bigger than you may think.)

9. **Change plan or abort mission if the job cannot be done, but get prior clearance from whoever gave you the order.**
10. **When in doubt—report.**
11. **When the job is done—report.**
12. **If you succeed, let everyone know. If you fail, let me the first to know.**

Our resources or constraints men, equipment, materials, facilities, money, information, and time.

blueprint for the physical transformation of Metro Manila, by cleaning it literally, and ridding it of squatters, sidewalk vendors, grime and crime, paying particular attention to the city's rivers and riverbanks. Major infrastructure has to be rebuilt or built.

To improve traffic flow, BF removed intersections and imposed U-turns. The concept is so controversial motorists love—and hate—BF in equal measure. Without the U-turns, he says, "traffic would be much worse."

To clean the city, he improved garbage collection. Residents caught dumping garbage into the metropolis' waterways are fined, if not arrested.

To clear the waterways, he removed the squatters. To widen roads, he removed obstructions, even if they are multi-story buildings that are literally cut in half in many places. Sidewalk vendors are also driven away, their wares thrown into the garbage dump. People drinking on sidewalks and without shirts are arrested.

BF is building a highway right inside UP (see page 24).

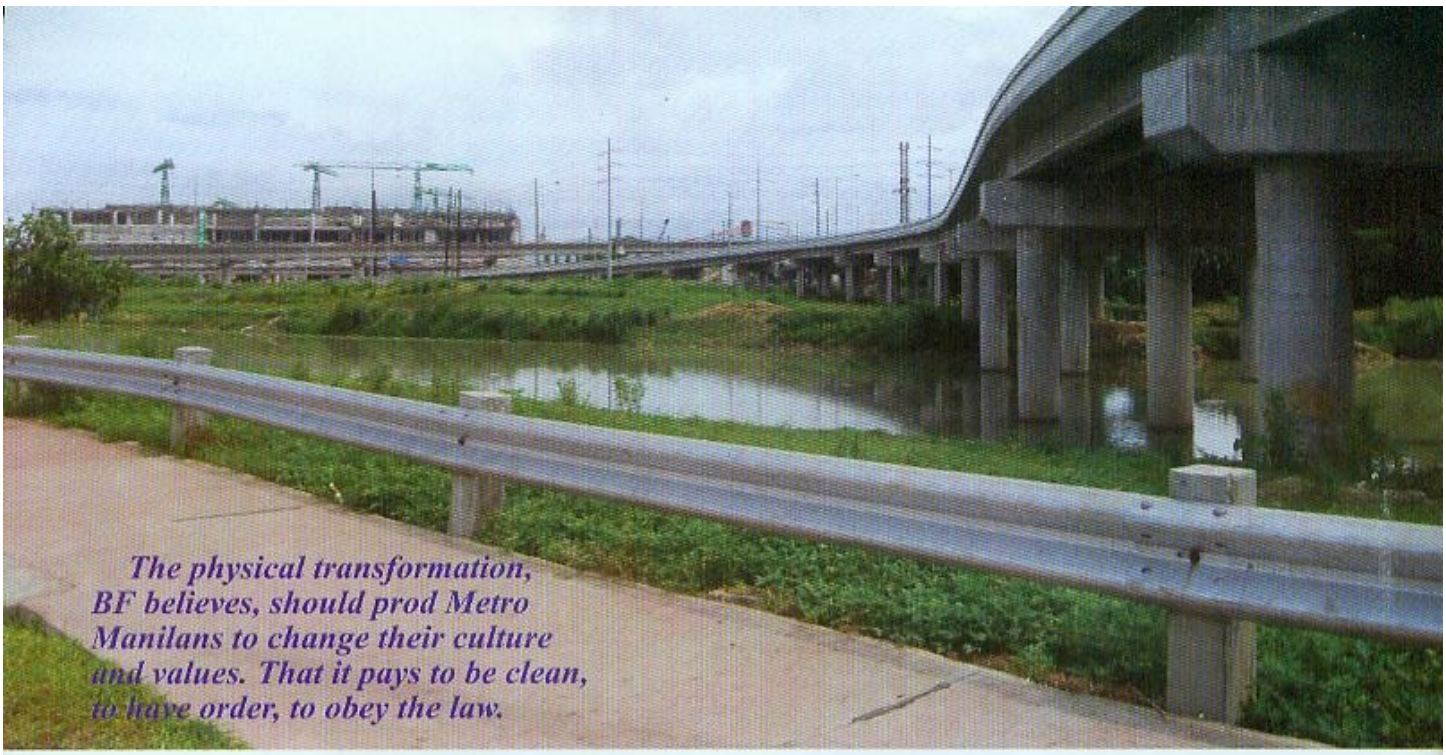
BF's measures have been so draconian he has been called names—a tyrant, a dictator, anti-poor. He calls it "political will".

BF is effective. Once building owners and vendors hear about his presence in the vicinity, they make themselves scarce. The Iglesia ni Cristo on Commonwealth Avenue—which BF has widened into 16 lanes—volunteered to withdraw its perimeter fence, without BF asking for it.

Today, Commonwealth Avenue is a showcase of what a modern highway should be. Motorists have a clear, unobstructed view hundreds of meters away and can



BAYANI has undertaken a massive beautification of Metro Manila hoping that doing so would attract investors and make the metropolis a better place to live in.



The physical transformation, BF believes, should prod Metro Manilans to change their culture and values. That it pays to be clean, to have order, to obey the law.

actually drive for as fast as 100 kph. Before BF, the avenue was a picture of bedlam.

With Metro Gwapo, the capital becomes a better place to live in and—for doing business.

Most importantly for Bayani is the social transformation or cultural reorientation towards what he calls "urbanity, civic and social responsibility".

Basic to urbanity is keeping oneself clean, having one's surroundings clean, and having clean values, as in integrity.

Bayani had practice in cleaning a city with Marikina. (See page 10). He was mayor for three terms or nine years (from 1992 to 2001) of the once sleepy old (founded in 1630) shoe town east of Manila.

As fate would have it, his inaugural was greeted with water. It rained. The town hall was flooded. Bayani made a mess of his brand new Made-in-Marikina shoes as he strode into a makeshift platform under a canopy to take his oath.

Bayani is the third Fernando to become mayor of Marikina. (See pages 14 and 22). The first was a certain Don Santiago Fernando in 1844 and in 1850. The second was his father, Gil Fernando, Bayani's father, who was a three-time hizzoner of the town, in 1947, 1948 to 1951, and in 1955 to 1959.

A lawyer and an orator, Gil Fernando was stalwart of the Liberal Party not only in Marikina but in the entire Rizal province to which the town belonged. Gil was the Yale and Harvard-educated lawyer and 1944 bar topnotcher, and who was Jovito Salonga's campaign manager when he made his first try in politics as a congressman in Rizal's second district.

After Bayani, a fourth Fernando succeeded him, wife Marides who has carried on BF's legacy of good governance and even improved on it.

The floods on his inaugural convinced BF to attend to the town's biggest problem. Sure the town was beautiful, nestled as it is between the hills of Quezon City and the foothills of the Sierra Madre. But it had no amenities conducive to doing business.

BF set about building a good drainage system for Marikina. For that, he raised tax rate, by 200%, so high even his own mother, who owned a hardware store, complained. He rebuffed his Mama, telling her it's time to play even with the government. BF went on to build a decent drainage system—quivalent to P37.2 kms of roads. The town's tax collection increased, and made quantum leaps so that by the time he left the mayorship, the town had become a city.

As mayor, BF banned shirtless men, getting drunk on the sidewalk. He relocated the town's squatters and banned new ones from setting up shanties in the city. He asked a local candy factory to make specialized candies that were given to school kids.

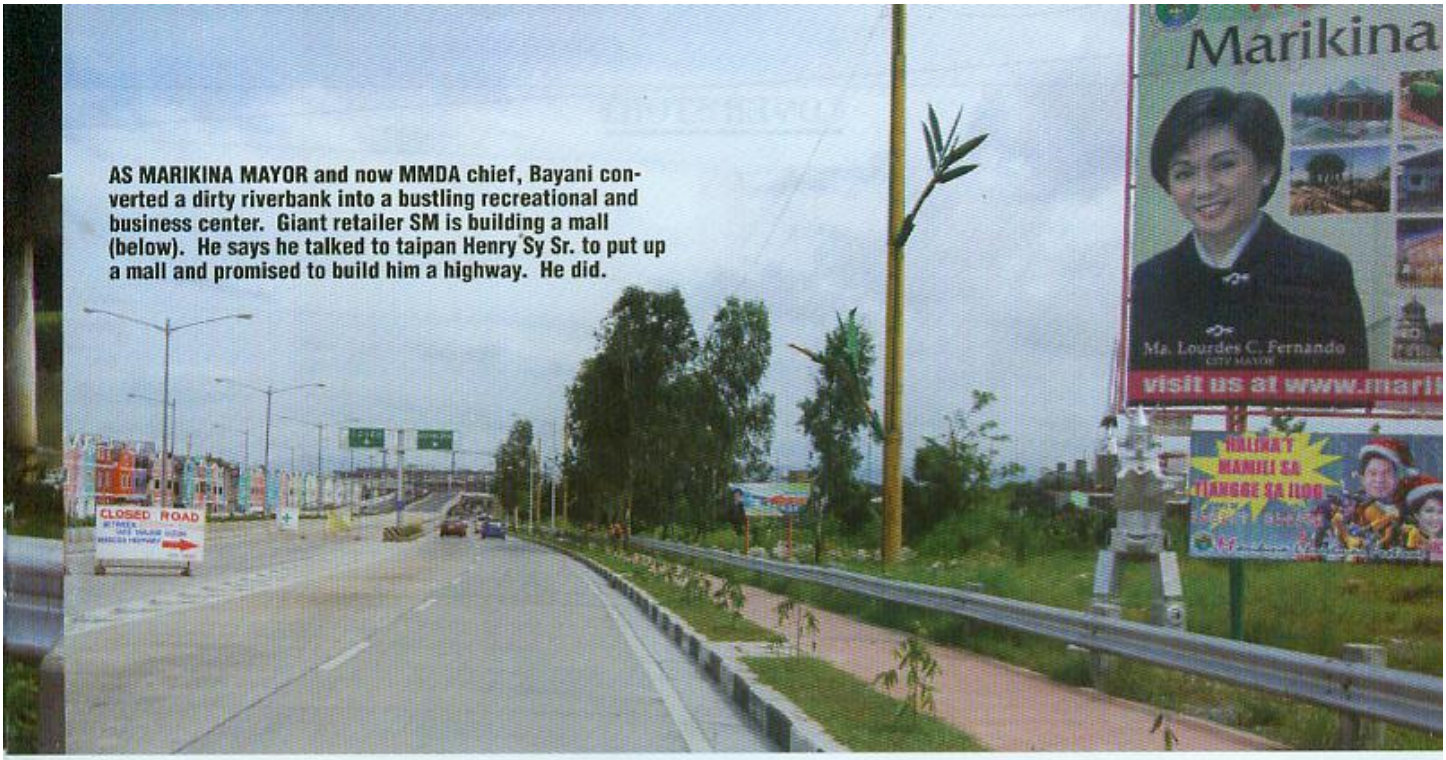
The candies had wrappers which said "munting basura, ibulsa" (small litter, you pocket). In no time, Marikina's notoriety as a place of squatters, crime and dirt disappeared. The city became a model of urban planning and good governance.

What BF did so impressed President Arroyo that she appointed him chairman of the Metro Manila Development Authority, with cabinet rank, so he could replicate what he did in Marikina in the entire metropolis.

Metro Manila is the political, cultural, economic, social and urban system to spur growth and all sectors sharing the benefits of development. Where Metro Manila goes, the rest of the nation goes, so the saying goes.

Under BF's Metro Gwapo program, cleanliness, beautification and infrastructure development projects are geared towards





AS MARIKINA MAYOR and now MMDA chief, Bayani converted a dirty riverbank into a bustling recreational and business center. Giant retailer SM is building a mall (below). He says he talked to taipan Henry Sy Sr. to put up a mall and promised to build him a highway. He did.



the improvement of the Investors' Corridor, Seven Major Roads and the PGMA Workers' Inn or Gwapotel, giving emphasis on the smooth flow of traffic, clear and clean sidewalks and waterways; safe and flood-free roads for the safety of motorists, commuters and pedestrians; improved landscape; urban face-lifting of structures along major corridors; regular monitoring of the garbage collection system through the Door-to-Door scheme for clean and orderly surroundings; and development of open spaces, including the allocation of designated loading and unloading bays and parking spaces.

Consequently, with Metro Manila becoming a more livable environment for all its residents as well as its visitors comes a corresponding social reorientation.

The physical transformation, BF believes, should prod Metro Manilans to change their culture and values. That it pays to be clean, to have order, to obey the law.

As for the displaced sidewalk vendors, BF believes they should put up their own businesses, using as collateral their properties whose value has increased because of BF's physical improvements.

Explains BF: "People are inspired to work in an environment conducive to fair play and competition that is anchored on the principles of hard work and productivity. They are inspired to study in an environment where there is a myriad of intellectual challenges to excel in their respective fields, where they know they are governed by a responsive and firm leadership anchored on the principles of good governance within a safe metropolis supported by a world-class infrastructure that can influence the development of areas beyond its geographical boundaries."

The long-term task that began last year should be completed in 2010, the end of Arroyo's presidency.

BF is enthusiastic with the results of Metro Gwapo. "There is now more order and discipline in the streets, among pedestrians, commuters and drivers.

Although it is far from perfect, many agree it has improved with the increased garbage collection and unclogging the waterways and sewers, among other grounds covered. Many areas are still congested, but the main roads and highways have become orderly," he gloats.

He adds: "We have even provided the very impetus to empower the poor but skilled, the President's *Trabaho, Trabaho* workers in particular, to compete for survival, almost on the same footing with the rest of the population.

The bottomline is to ensure that every Metro Manilan is given equal opportunity to develop himself and partake of the social, economic and political opportunities."

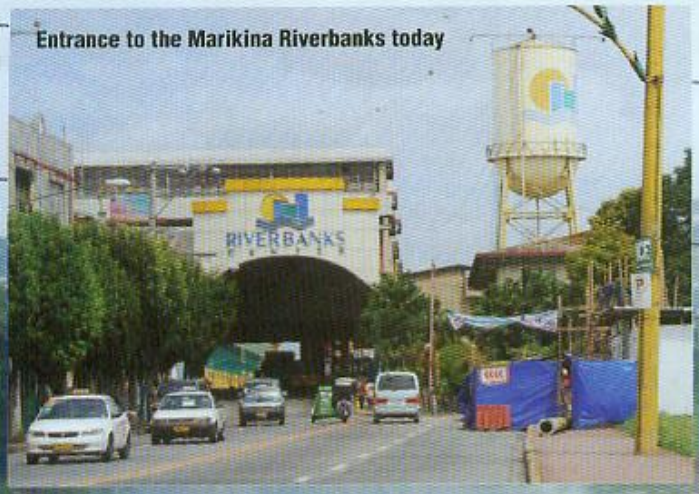
MMDA General Manager Roberto Nacianceno says Metro Manila's problems are easy to lick—provided the manager is one imbued with technical and political skills.

"The chairman (Bayani) is one such technical person," he points out. "And he has the political skills to navigate through the bureaucracy and knows how it works."

Indeed, Bayani is the first MMDA chief (among seven) to be able to convince the 17 cities and towns of Metro Manila to endorse a unified master plan for the national capital region. "The framework document integrates the development plans of the 17 LGUs. It rationalizes land use among the 17," says Bayani.

What is BF's most endearing quality? Mayor Marides does not hesitate to give an answer: "He loves his country so much."

Could the man whose name means "nation" and "hero" at the same time be the leader his country needs at this time?



Entrance to the Marikina Riverbanks today

A river runs through it

Doing the right th

By BAYANI FERNANDO
MMDA Chairman

(Speech before the Asian Development Bank, July 13, 2006)

I would like to thank you for trusting me to discuss a topic such as "doing the right thing" and allowing me to also share with you how we beat, at MMDA and earlier, in Marikina City, the challenges in service delivery.

I hope that telling our story would give you all a fresh definition "Doing the Right Thing"– either as a method of Overcoming Challenges in Service Delivery or as *something one has to do while Overcoming* Challenges in Service Delivery.

While Marikina flourishes under Mayor Maria Lourdes Fernando's term, its growing community continues to demand added services, amenities and all other assistance from its local government not so much because services are wanting but because residents are aware that better levels of service are forthcoming.

At the onset, among the right things that we endeavored for the Marikina local government was to regain public trust and confidence . We have thereafter gifted Mariqueños a government that knows its territory, works to solve problems and carries out the work at high levels of efficiency and effectiveness.

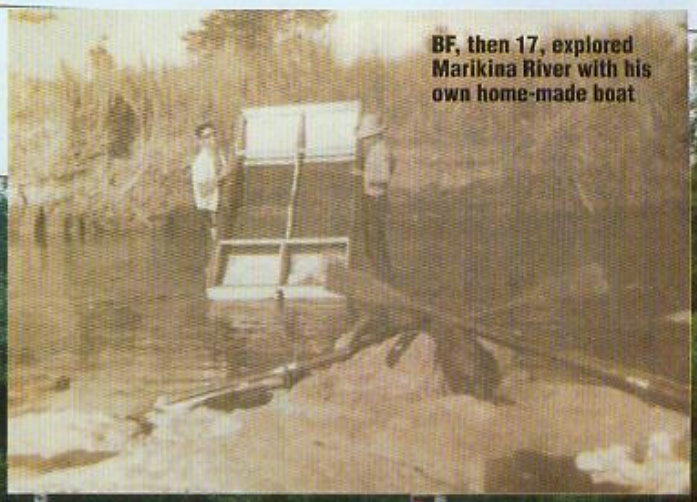
From a 3rd class municipality known *only for its shoe industry, Marikina City is* now a 1st class address that has been recognized by local and international governance award-giving organizations.

Marikina's roads, including its sidewalks, are now mostly flood-free and easily walkable.

The Marikina River is now a showcase, not so much for river rehabilitation and waterfront amenities, but more so for the political will and concerted government action to remove unsafe squatters' homes from its banks.

The city market and all others in Marikina City are now models for other local public markets as Marikina's markets are clean, all-weather and with ample parking areas. Safe food is ensured by the city's food laboratory located right at the marketplace.

The city emergency and rescue service that responds in 5 minutes is thrice faster



BF, then 17, explored Marikina River with his own home-made boat

ing in Marikina

than North America's 911. Marikina is also "green" even beyond the riverside areas. The whole city is a nursery. City Hall's Tree Spade machine transfers, on request, full-grown species with high survival rates.

The city also is able to collect and dispose its waste efficiently and cheaply; it has the lowest per person trash collection cost in Metro Manila.

The 1st right thing

I could go on and on about Marikina but all those good things about the city lead us back to one, initial move that we did right for the city. We passed a local ordinance that declared all materials that do not belong in sidewalks as common garbage that must be disposed of as such.

Garbage or litter and merchandise were thus regularly collected from the sidewalks and brought to the city dump.

Early in my term as chairman, the MMDA also passed a similar ordinance for metro-wide application that had the support from the local chief executives who make up the Metro Manila Council.

Obstacles that must be overcome

Such action brought about much resistance from the affected parties and the public at large. Resistance included lawsuits.

While long-drawn litigation may easily be considered as obstacles in managing territories, our court battles gave the Marikina government it's day in court that it deserves. Our numerous victories served but to strengthen our stand that rule of law and order always prevails over the greed exhibited by encroachers of public space and the resultant chaos and disarray.

That we have succeeded, by now, in convincing the great majority of residents of Marikina and also Metro Manila, that it is for the common weal and the public good that sidewalks must be recovered from a greedy few and returned for the use of all and that we continue to win all our court cases should serve as evidence that passing that ordinance on garbage on the sidewalks was the right thing to do.

Also, it was the first right thing to do because it gave the local government the legal basis for its action; perhaps, more importantly, it gave the local government an opportunity to show its constituents that they are under governance by rule of law. We are hopeful that, ultimately, all Metro



BAYANI AND MARIDES ARE singularly proud of the city they built from grime and crime.



BAYANI and Mayor Marides dine. With them is BF's sister Ligaya

Manilans will abide by all rules as their way of showing support for a government that knows its job and does it well.

The protection of all public spaces–roads and sidewalks, and riverbanks and other easements—through law enforcement must remain a persisting priority of government, be it local or national, if inroads are to be achieved in such areas as anti-squatting, traffic improvement, flood-defense, sanitation and public health, and disaster mitigation, among others. This priority will exempt all urban and emerging urban centers from the many deficiencies that now beset Metro Manila and the newer metro areas.

Central to the concept of clearing of sidewalks is its value in maximizing limited road space to enable better traffic management. Added road space make for faster traffic. Clear sidewalks allow pedestrians and commuters to move about freely and safely. With authorized parking areas and public transport terminals, in addition to those provided by private business, road clearing is key to our search for safe mobility.

The world-wide crisis of high fuel consumption and resultant degraded urban air quality has much earlier been acted on by Marikina City through its Bikeway project, a 66-kilometer network constructed through a World Bank grant.

This local bikeways network will form part of the MMDA's Metropolitan Bikeways Program or *Metro Padyakan* whose aim is to provide a safe thoroughfare for non-motorized transportation in limited-access/dedicated secondary roads that will interconnect the 17 towns and cities of Metro Manila. These roads shall be for the exclusive use of bicycle-riders and walkers.

Estimated at 200 kilometers and with about 500 intersections, an added benefit of this bike- and walk-ways program is the opening up or the improvement of the accessibility of the affected roads to economic opportunities in addition to some form of urban renewal that will be brought about by better traffic conditions.

Illegal structures on riverbanks and bridges hamper maintenance of critical drainage facilities and equipment. While considered as water polluters, residents

experience serious social dislocation, severe congestion and low sanitation as well as the continuous threats of both floodwaters and demolition.

With shelter services as one of its mandated functions, the MMDA is working with national housing agencies and LGUs to remove some 70,000 illegal settler-families from Metro Manila's waterways. It goes without saying that relocated families from danger zones now enjoy improved quality of life in their new homes

Congestion is both a root problem and an outcome in the urban setting. With rapid population growth in both formal and informal communities, encroachment of easements and other public space, and personal financial difficulties are being manifested by blighted neighborhoods with their run-down housing structures, inadequate utilities, congestion and an ambience of hopelessness and even hostility.

Our ongoing *Pook na Bulok, Negosyo di Papasok* program is a neighborhood regeneration program initially focused on the frontage of blighted areas along the so-called "investors' route".

With support from LGUs and beneficiaries, MIA and Domestic Roads, Quirino and Lawton and Andrews Avenues, Ayala and Buendia and Nagtahan now sport clean and clear sidewalks and easements with improved vista, visibility and accessibility. Distressed housing structures have also been fixed and repainted.

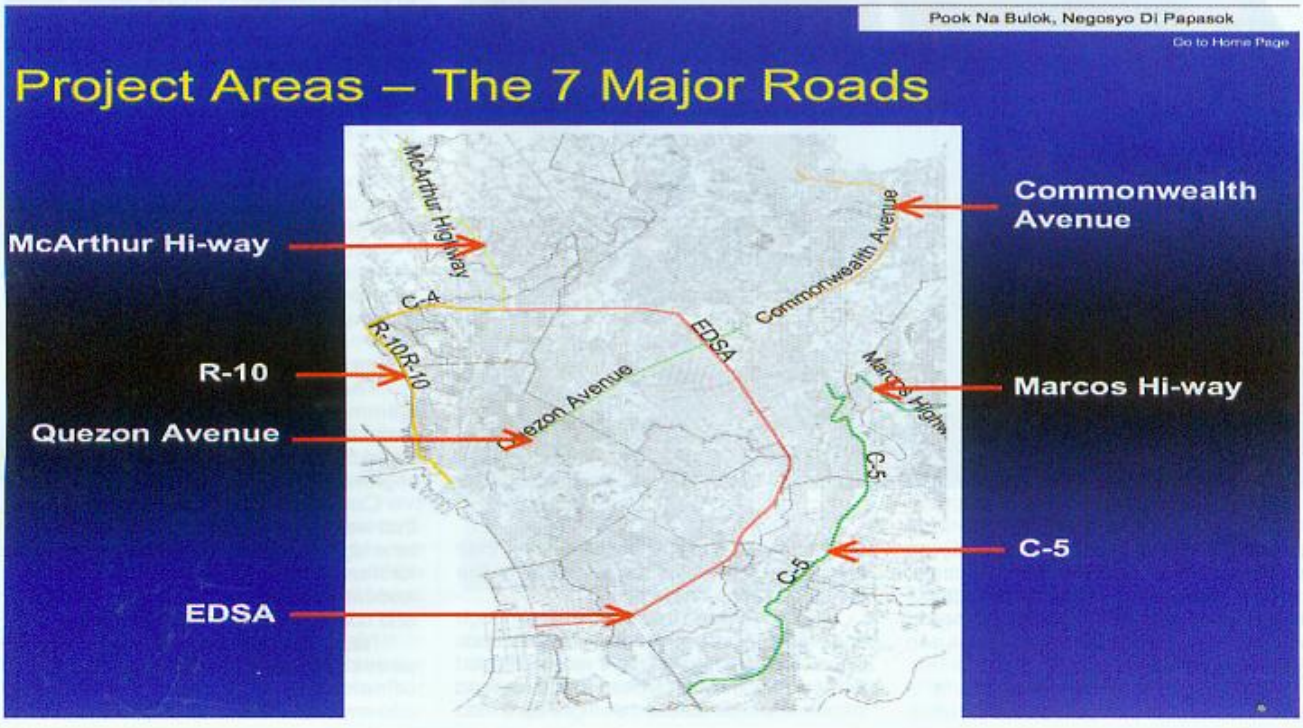
Pleasant and livable environments that have proven to be conducive to small business enterprise have thus been

WHAT IS METRO GWAPO

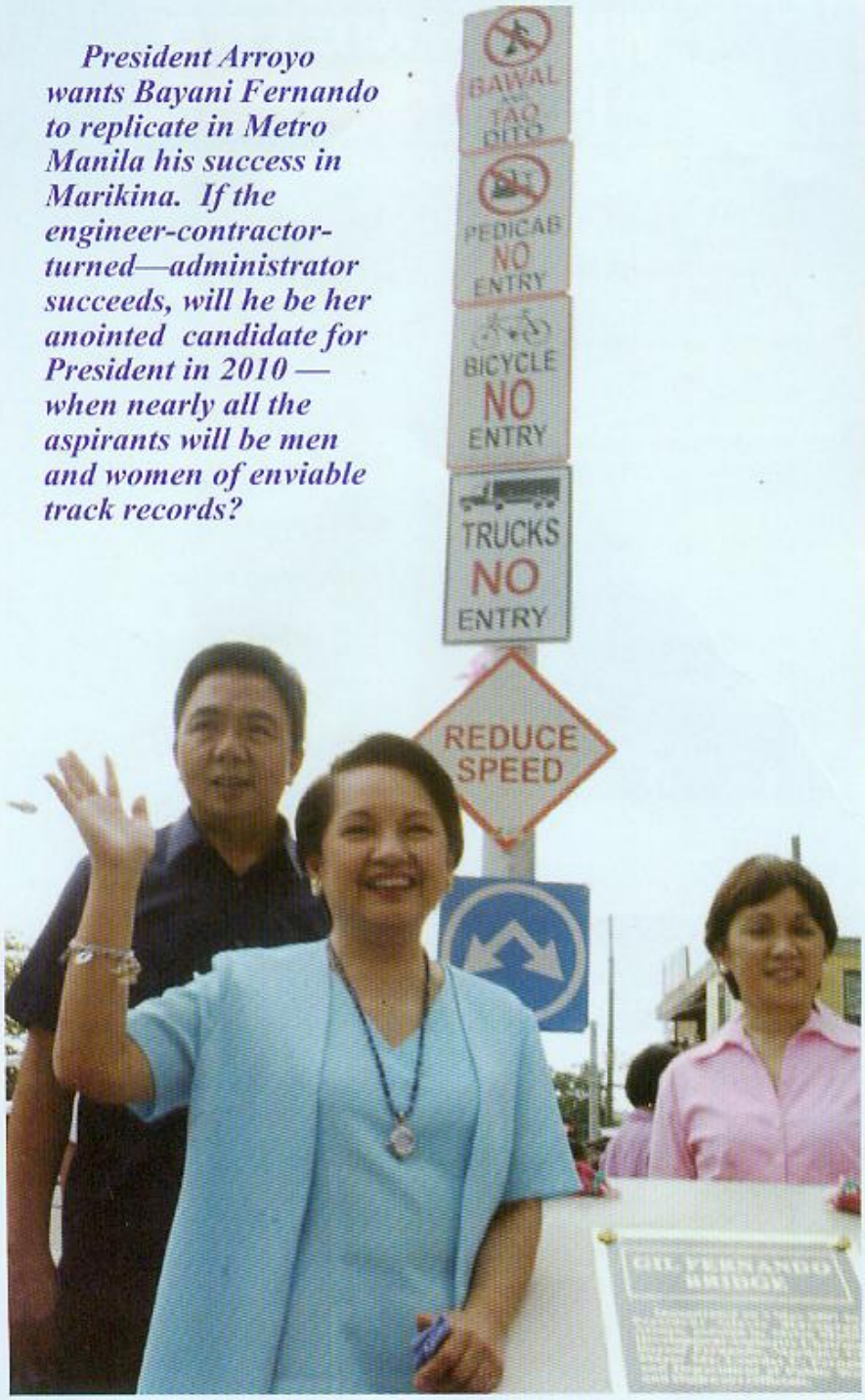
TAO GANADO

1. WALANG SAGABAL - LANSANGAN AY LIGTAS, MABILIS, WALAG NAKAKAINIS
2. WALANG KALAT – WALANG KUYAGOT, WALANG BASURA
3. WALANG POOK NA BULOK – MAGANDA, HINDI NAKAKATAKOT
4. WALANG SAKIT - HANGIN, TUBIG AT PAGKAIN AY MALINIS
5. WALANG MABAHO – KANAL AT SAPA MALINIS
6. WALANG BASTOS – MAY URBANIDAD
7. KAISA...THE METRO WAY

- Street Nomads Care Program
- Sidewalk Dwellers Inventory And Relocation
- Waterways Dwellers Relocation
- Pook na Bulok, Negosyo Di Papasok
- PGMA Worker's Inn
- Metro Padyakan
- EDSA Organized Bus Route
- Seven Major Roads
- C5/Kalayaan Elevated U-Turn
- Flood Mitigation in Metro Manila
- Metro Safe Program



President Arroyo wants Bayani Fernando to replicate in Metro Manila his success in Marikina. If the engineer-contractor-turned—administrator succeeds, will he be her anointed candidate for President in 2010 — when nearly all the aspirants will be men and women of enviable track records?





BAYANI: Clockwise, from left, with President Arroyo and Mayor Marides, his father Gil Fernando taking his oath as

recreated from formerly decaying neighborhoods along Metro Manila's major roads. Most importantly, residents in these project areas now exhibit a fresh sense of community and more positive and productive attitude.

In the light of these projects, it is essential that public officials pause to reflect on the results and responsiveness of their programs and projects, as well as the doability of their future plans.

Having realized that there is not enough and there will not be a surplus of public funds in the very near future, I have recommended to the President that limited funds for road infrastructure be focused on significant road projects. Improvements need to be responsive, realizable and palpable.

[Sometime after my appointment as MMDA Chairman, the President has also charged me with the technical supervision of the projects of the DPWH in the NCR.]

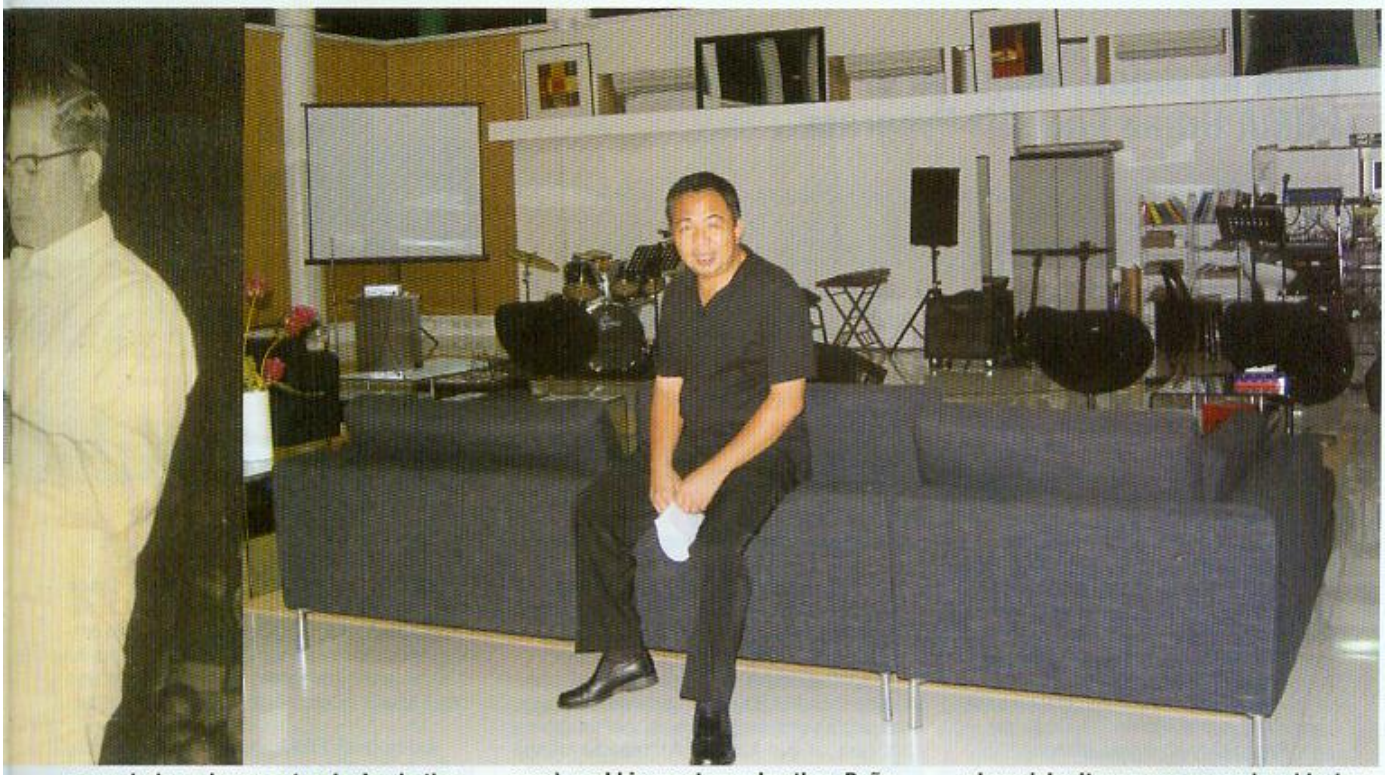
By planning projects in this manner, government is assured that the impact of these projects on the lives of Metro Manilans is evident and expeditious. MMDA's current 7 Major Roads Project, that is also a component of our *Metro Guapo* program, also aims to maximize the use of our limited road network.

Seven major roads

These 7 major corridors are: Commonwealth Avenue, EdSA, Radial Road 10, Quezon Avenue, Circumferential Road 5, Marcos Highway and MacArthur Highway.

Our priority is Commonwealth Avenue that we are expanding to a well-lighted, 8-lane high-speed clear way and where street furniture and amenities that are standard and critical components for road user safety and convenience are being installed.

New, well-located footbridges reduce pedestrian deaths. Waiting sheds and urinals are for commuter safety and convenience. Gantries and signs are for



mayor during a brownout; relaxing in the sprawling living room of his Marikina home ("This is where I contemplate," he says), and his great grandmother, Doña Josefa Tuazon Flores Ferrer, who belonged to the landed Tuazon family but whose inheritance was squandered by her son-in-law who turned out to be a communist and was buried in red coffin.

highly visible way-finding information. At emergency bays, motorists can park their defective vehicles for a maximum of 3 tow-free hours for trouble-shooting.

Standard-sized sidewalks and median fences make for safe and easy walking. And loading and unloading bays will eliminate illegal terminals and unauthorized passenger pick-up and discharge.

The component thoroughfares of the 7 Major Roads Project is government's response to the clamor of residents for a fast, safe and reliable road network that will bring them to and from their workplaces, schools, and other destinations.

Without the use of formal feedback mechanisms such as the Citizen Report Card, we continue to rely on broad-based public and inter-agency consultations and correspondence with Metro Manila residents to obtain feedback on our plans and programs.

Our agency ratings by professional survey groups, such as Pulse Asia, have reinforced that, so far, our feedforward-feedback mechanisms: the proposals we present and projects we undertake, and the reactions received, (while not always favorable) are in place.

Our website www.mmda.gov.ph is in place, albeit evolving. MMDA may be accessed via text messaging; the number is (0920) 938- 9861; also through mms after registering your account with Smart. To register: type "mms" space "on" and as soon as Smart confirms your registration, you can send your picture message reactions, reports, complaints to MMDA by sending them to "333".



Endorsing the CRC

I am happy to note that some Metro Manila LGUs and others in the rest of the country have employed the Citizen Report Card or CRC. Beyond its efficiency and relevance, the CRC's great selling point may well be its ability to imbue in public sector workers a stronger sense of public trust.

Among the services and amenities that government can offer, nothing beats its ability to give citizens that feeling that theirs is a government that listens to and perceives the expressed needs of its constituents.

In like manner, smart public agencies can learn from and be heartened from genuine citizen feedback of productive criticism and popular wisdom.

To the designers of the CRC from Bangalore, and to the ADB officers and their partners in developing the e-learning tools on CRC and continuous improvement and benchmarking techniques go my heartfelt congratulations and best wishes that use of these methods and techniques would extend far and wide so that public agencies may design truly responsive programs and perform delivery of public services with direction and dedication.

Pook na Bulok, Negosyo di Papasok
PGMA Urban Facelift Program

Neighborhoods along Metro Manila's main roads have not been spared from congestion and dilapidated structures that neither invite business activity nor pleasant community interaction. These pockets of blight are the target of the Pook na Bulok, Negosyo di Papasok PGMA Urban Face-lift Program.

This is the program that has given a new look and also new lives for the residents of eight local government units in Metro Manila, as well as in Bacoor, Cavite, where MMDA is presently extending assistance toward road and sidewalk and traffic improvement:

- Manila–Aguado, Altura, PSG Nagtahan, Aurora Boulevard,-R.Magsaysay, Osmeña Highway, Paco, Malate, Port Area, PUP
- Pasay City–Taft Avenue, Harrison, Buendia, CCP Complex
- Makati City–EdSA/Estrella, Kalayaan, Ayala flyover, Guadalupe
- Pasig City–Ortigas, Marcos Highway, E. Rodriguez;
- Parañaque–Roxas Boulevard/ Baclaran, Palanan, San Antonio Valley, Macapagal Avenue;
- Caloocan–EdSA/Monumento, Bagong Barrio
- Navotas–Dagatdagatan Avenue
- Marikina City–Cainta boundary

This urban face-lift program entails:

- clearing of frontages or delanteras to accommodate commercial activity;
- recovery of easements and clearing sidewalks to improve overall mobility;
- minor repair and repainting of structures;
- creation of parking space to improve commercial viability and
- landscape and lighting improvements.

Complementing these activities are

- information and education campaigns and community relations;
- law enforcement; and
- partnerships with the affected communities and LGUs, and private business and professional groups such as some chapters of the United Architects of the Philippines.

There are now livable and walkable and socially re-oriented neighborhoods in the



completed project sites.

7 major roads improvement project

MMDA envisions to replicate these neighborhood regeneration projects in the rest of the seven major roads of Metro Manila, the improvement of which comprises another major program of the MMDA called the 7 Major Roads Development Project.

Aside from EDSA, the other major roads in the metropolis are:

- Commonwealth Avenue
- Radial Road 10

Trabaho, Trabaho – Programa ng Pangulo

MMDA is chief implementor of the President's access-to-jobs and roadside maintenance program—"*Trabaho, Trabaho*– Programa ng Pangulo"—for which close to 8,000 men and women have been hired, trained and deployed over the last 16 months. MMDA has recruited out-of-school youths, jobless heads of families and even ex-convicts who have difficulty finding employment—that is, anyone and everyone who needs a job and wants to work.

The first *Trabaho* word stands for the three-month employment on road maintenance that comes after regimented training to inculcate discipline and work ethics, as well as to teach new skills and develop capacities. The second *Trabaho* is a form of charging, a strong plea that they work well and make the best of the job opportunity given them. While the program is a form of emergency employment, workers who exhibit commendable performance and good work habits are absorbed for longer-term employment in the MMDA.





- Circumferential Road 5
- Quezon Avenue
- Marcos Highway and
- MacArthur Highway

The project packages for Commonwealth Avenue Development, covering some 10 kms. from Elliptical Road to Regalado Avenue, are in various stages of construction, which entails road widening, drainage and sidewalk improvement, lighting and provision of street furniture.

Detailed engineering and fund sourcing was done by the MMDA for the ongoing development of R-10 by the DPWH.

The development of Quezon Avenue, Marcos Highway, MacArthur Highway, and R-10 have similar scopes of work – road widening, geometric and sidewalk improvements and installation of street furniture.

Package 1 (from Monumento to Bautista St., eastside) and Package 2 (from Monumento to R. Valenzuela Street) of the MacArthur Highway project was bidded out in June this year.

The reblocking of EDSA has been completed while the construction of footbridges, installation of street furniture and geometric and sidewalk improvements continues in all of its 22.91 kilometer-project site.

On C-5, from C.P. Garcia to Alabang below the viaduct, there will also be new footbridges and street furniture and geometric improvements. A new alignment that will link the SLEX to the NLEX, as mentioned by the President in her last SONA, will necessitate use of lands within UP Diliman.

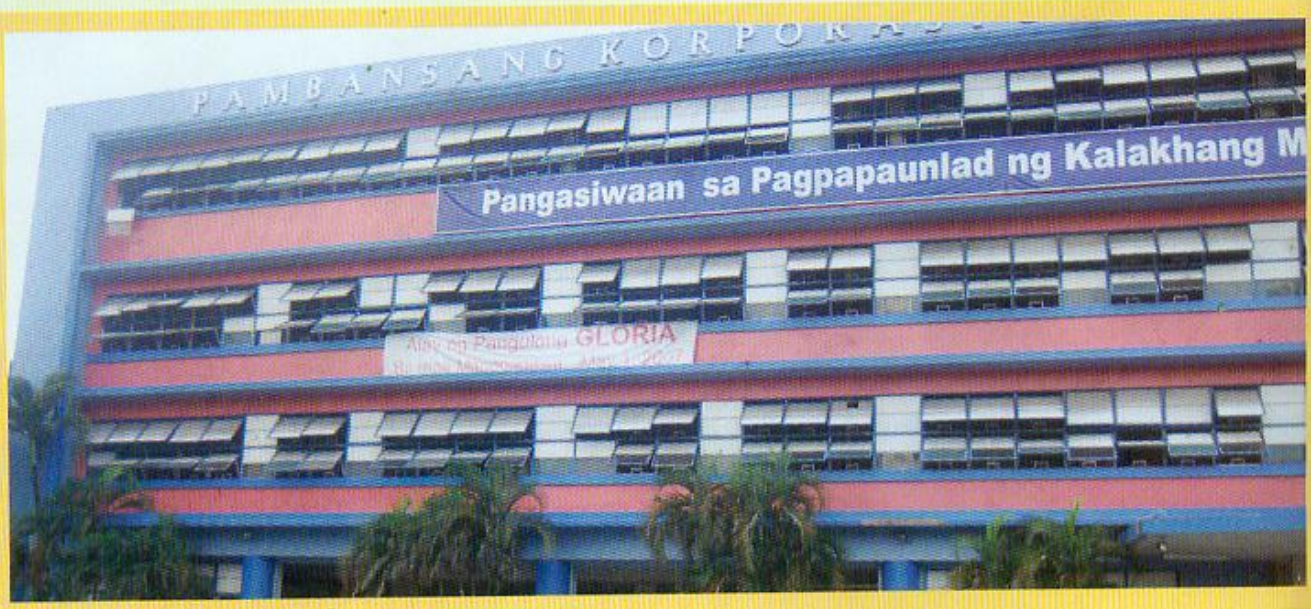
At C-5 and Kalayaan, an elevated U-turn is about to be built in lieu of a more massive, more expensive infrastructure that would also require longer construction time.

Sidewalk Dwellers Inventory and Relocation Program

MMDA's Sidewalk Dwellers Inventory and Relocation Program addresses the presence of over 11,000 squatter families living on the sidewalks, rights-of-Way of public works projects and in danger zones. MMDA strongly believes that these occupants of substandard dwellings must be moved to safe locations just as sidewalks and all public spaces must be protected from all forms of obstructions and encroachments for general public safety and convenience.

With the help of local government officials and housing agencies, MMDA has resettled families from Araneta Avenue, E. Rodriguez, R. Magsaysay Boulevard and Commonwealth Avenue.



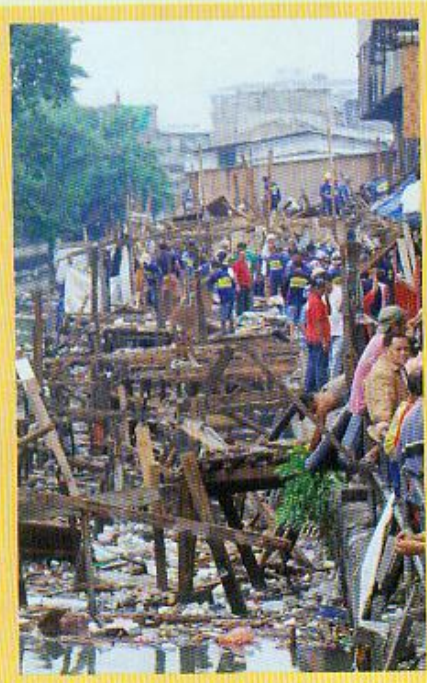


MMDA's Gwapotel

MMDA'S GWAPOTEL (Port Area), which President Gloria Macapagal Arroyo opened last Labor Day, is the country's first workers' inn. It responds to the need to provide shelter to workers employed in Metro Manila but who have to spend long hours of travel to and from their homes. Even as the national government's mass transportation projects have brought about faster travel time, high transportation costs take a huge chunk off a worker's pay.

Housed in the former National Power Corporation's main office on Bonifacio Drive at Port Area, GWAPOTEL contains bed-bath-shop facilities, including an off-street vendors' market, that is now a lively food court that provides the food and some toiletry requirements of the mens' and ladies' dorm occupants on the upper floors.

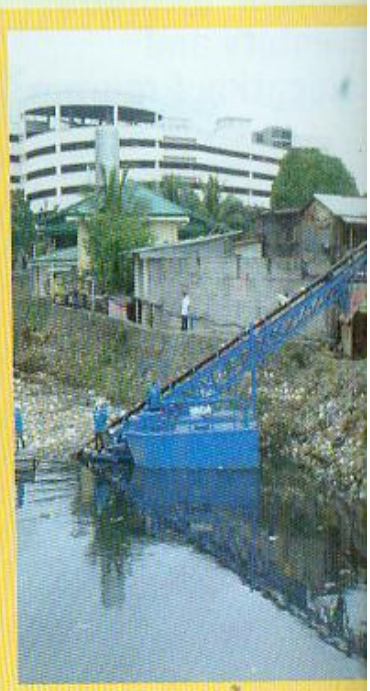
As of end of August, GWAPOTEL Port Area has accommodated over 40,000 transients, counting more males than females. They include ordinary workers–who are the target beneficiaries of the GWAPOTEL scheme— as well as applicant seamen, ship passengers, some convention delegates, cab and PUJ drivers, call center employees and even regional government personnel transacting official business in Metro Manila.

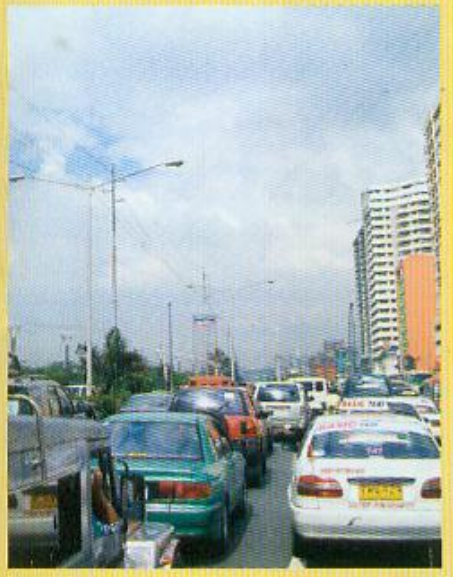


Waterways Dwellers Relocation Program

In formulating its Waterways Dwellers Relocation Program, the MMDA learned that of the more than 70,000 squatter families in Metro Manila's waterways, 2,000 live in structures that are on water with the remaining 68,000 living on the banks and easements. Like sidewalk squatters, these waterways dwellers must be moved to safe settlements because their presence in these danger zones also hampers the effective maintenance of natural waterways that are an integral part of the metropolis' flood-defense infrastructure.

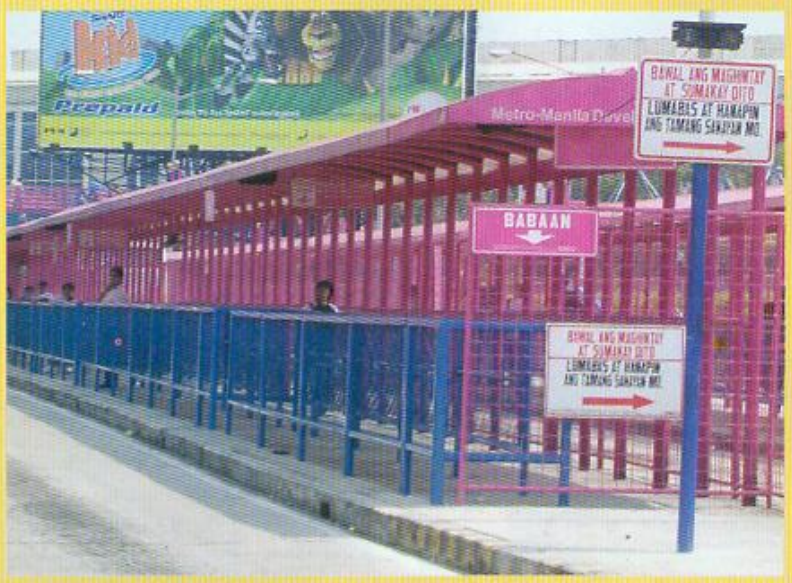
By clearing waterways and easements of these fragile dwellings the program also eliminates these symbols of abject poverty that are both stimuli for and hotbeds of socio-political unrest and criminality. Thus, the program also amplifies the potentials of waterways for alternative transport while stopping the degradation of the environment.





MMDA Traffic Academy

Since its establishment in 2004, the MMDA Traffic Academy has trained over 1,600 traffic enforcers, road rescue and other field personnel in basic and advanced traffic management and leadership development. Of late, LGUs in adjoining provinces have also requested traffic management courses for their own traffic management personnel.



Metropolitan Road Rules Enforcement System

Through the Metropolitan Road Rules Enforcement System or MRRES, Traffic Violation Receipts are being converted into digital form within a TVR database that facilitates processing and, also, the tracking of lapsed TVRs. The MMDA is now also able to access the LTO contractor's database for traffic violation and vehicle registration data. And with payment of traffic fines at Metrobank branches that does away with possible violator-traffic enforcer collusion, the MRRES may as well be MMDA's flagship anti-graft and corruption program.

Metro Flood Defense Program

The Metro Flood Defense Program involves the construction of new flood control structures, as well as round-the clock operation and monitoring and year-round maintenance of pumping stations and drainage facilities. Flood control personnel may also be contacted at MMDA's Metrobase 2/7 by simply calling 1-3-6 to receive reports of and respond to flooding incidents.

The program has helped reduce the number of flood-prone areas in Metro Manila (50% since the turnover of personnel and equipment from DPWH to MMDA) and there is faster dissipation of flash floods. Despite the bad press that it gets about flooding in the metropolis, MMDA believes that there are more passable roads in Metro Manila even during rainy days, barring the abnormal volumes of rainfall and overbanking of waterways that have also beset other parts of the country and the world.



MMDA Organized Bus Route

The MMDA Organized Bus Route or OBR aims to improve the operation of buses on EDSA by regulating the dispatch of buses from designated terminals.

The unified and regulated dispatch of buses based on well-monitored passenger demand at bus stops helps lessen the number of half-filled buses plying EDSA while increasing travel speed for all types of vehicles. Increased bus driving speed, in turn, will also allow shorter turn-around time at strategically located bus stops, passenger loading and unloading will be made systematic, queuing up for bus rides will make for disciplined commuters and, in the end, passengers can enjoy reliable bus service. Bus operators are able to reduce costs, particularly on fuel and maintenance, thus, increasing their net profits.



BF inspects
a steel plant
in Japan



BAYANI'S PARENTS: Remedios and two-time Mayor Gil Fernando



BF tags along only child Tala, campaigning, 1995





BAYANI, above, two, shows the gaze and stance that conveyed authority and power early on. Right, Bayani with his sisters Ligaya, Dalisay and Patria (back row). Ligaya says her brother got his passion for cleanliness and fastidious ways from their parents who were both a stickler for order, discipline and cleanliness.



BF AND MARIDES WEDDING: From left, Filomena Carlos, Remedios, Meneleo Carlos and Gil Fernando, 1982



MARIDES improved on BF Fernando's work in Marikina



THE MMDA headquarters in Makati: Running a megapolis

ALCALDE OR CAPITAN			
1822	Don Eusebio de la Paz	1860	Don Victorino Victorino
1823	Don Juan Gregorio	1861	Kapitan Claudio de la Cruz
1824	Don Jose Ignacio	1862	Capitan Reducindo Desiderio
1825	Don Francisco Asuncion	1863	Kapitan Mateo Guevara
1826	Don Eusebio de la Paz	1864	Kapitan Mateo Guevara
1827	Don Francisco Santos	1865	Heneral Joaquin del Solar Y Ybañez
1828	Don Santiago Sausa	1866	Kapitan Mateo Guevara
1829	Don Isidro Desiderio	1867	Kapitan Manuel Guevara
1830	Don Toribio de Guzman	1868	Kapitan Manuel Guevara
1831	Don Manuel de los Santos	1869	Kapitan Manuel Guevara
1832	Don Hipolito Perez	1870	Kapitan Rufino Santos
1833	Don Esteban de la Paz	1871	Kapitan Rufino Santos
1834	Don Tomas Urbino	1872	Kapitan Zacarias (KARIAS) Bernardo
1835	Don Rafael Bernardo	1873	Heneral Manuel McCrohom
1836	Don Isidro Desiderio	1874	Kapitan Monico Guevara
1837	Don Damian Urbino	1875	Kapitan Monico Guevara
1838	Don Mariano Guevara	1876	Kapitan Esteban de la Paz
1839	Don Hipolito Guevara	1877	Kapitan Esteban de la Paz
1840	Don Gregorio Rojas	1878	Kapitan Esteban de la Paz
1841	Don Jose Jacinto Domingo	1879	Kapitan Esteban de la Paz
1842	Don Tomas Urbino	1880	Don Florentino Ongsayco
1843	Don Mariano Mendoza	1881	Don Florentino Ongsayco
1844	Don Santiago Fernando	1882	Don Florentino Ongsayco
1845	Don Anselmo Asuncion	1883	Don Apolonio Desiderio
1846	Don Manuel Guevara	1884	Don Apolinario Desiderio
1847	Don Faustino de la Paz	1885	Don Jose Guevara
1848	Don Gabino de la Paz	1886	Don Jose Guevara
1849	Don Gregorio Roxas	1887	Don Jose Guevara
1850	Don Santiago Fernando	1888	Heneral Antonio Malto
1851	Don Rufino Mendoza	1889	Don Vicencio de la Cruz
1852	Don Fermin Victorino	1890	Don Rufino Santos
1853	Don Esteban Urbino	1891	Don Laureano Guevara
1854	Don Pedro Urbino	1892	Don Laureano Guevara
1855	Don Pedro Urbino & Tomas de la Paz	1893	Heneral Federico Ochando
1856	Don Pedro Urbino	1894	Don Remigio Victorino
1857	Don Rufino Mendoza	1895	Don Domingo Victorino
1858	Don Casimiro Teodoro	1896	Don Domingo Victorino
1859	Don Benedicto Santos		

CHIEF EXECUTIVES		
Claudio Cruz	Governadorcillo	1861
Vivencio Cruz	Presidente	1889
Laureano (Moy) Guevara	Presidente	1891-1892
Heneral Federico Ochando	Presidente	1893
Remigio Victorino	Presidente	1893-1894
Domingo Victorino	Presidente	1895-1896
		1904-1905
Pablo Dancel	Presidente	1906-1907
Vicente Gomez	Presidente	1900-1903
		1923-1925
Ceferino Legaspi	Presidente	1908-1909
Isabelo Mendoza	Presidente	1910-1911
Catalino S. Cruz	Presidente	1912-1918
Eugenio Mendoza	Presidente	1919-1922
Jesus Villalon	Presidente	1926-1928
Wenceslao C. de la Paz	Presidente	1929-1937
Enrique de la Paz	Mayor	1945
Juan Chanyungco	Mayor	1938-1945
		1952-1955
Gil Fernando	Mayor	1945-1951
		1956-1959
Osmundo de Guzman	Mayor	1960-1975

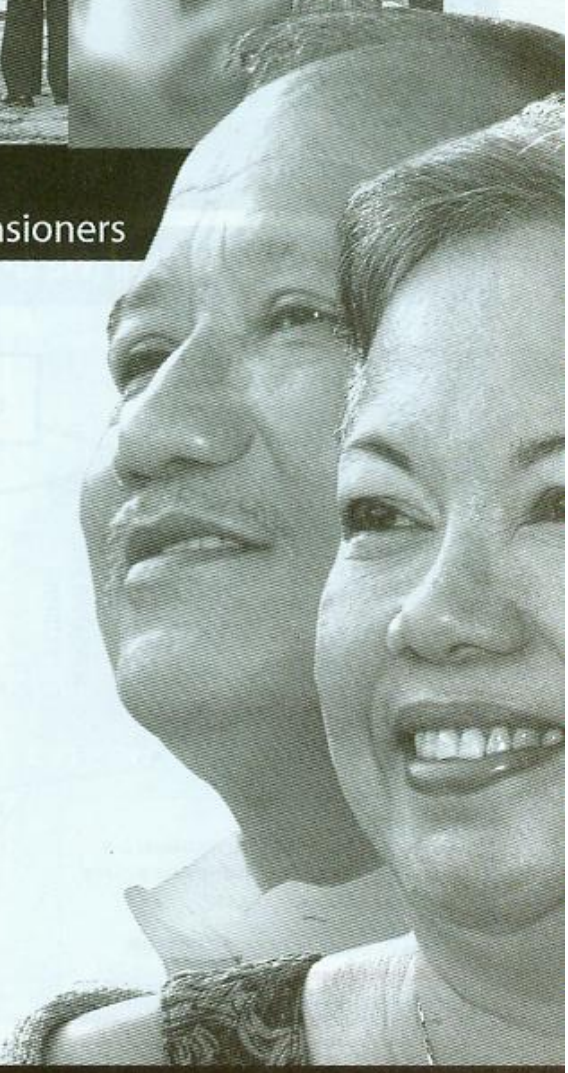
"Para ka daw nag-bakasyon pag nag-retire. Oo nga."

Pagtulungan Nating Tuparin Ang Mga Pangarap N'yo.



Ramon at Nati, GSIS Pensioners

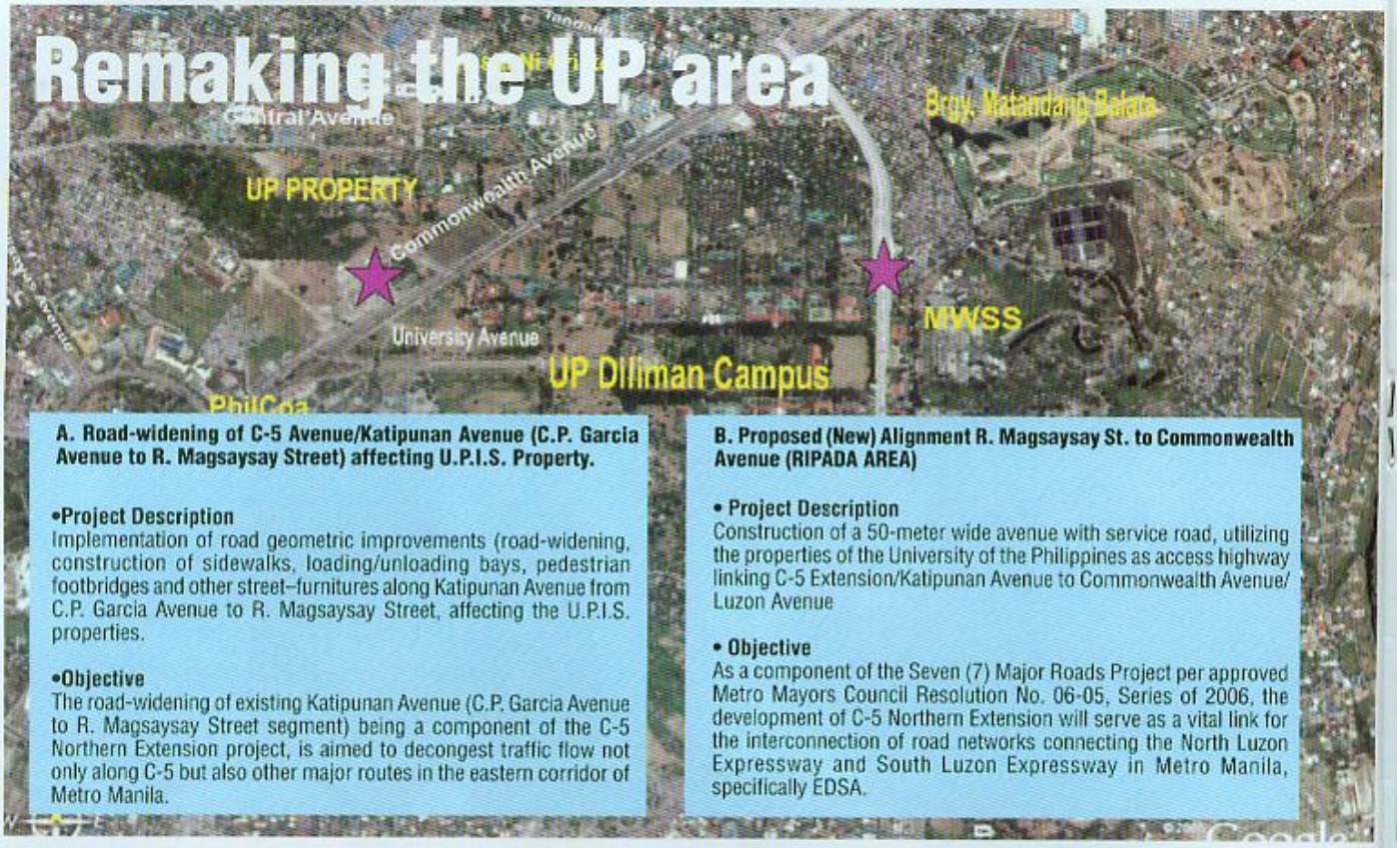
Sabi ng iba, malungkot daw ang retirement.
Sabi ng iba mahirap daw.
Sabi naman ng iba para 'tong bakasyon.
Yun dapat. Ilan taon ka ring kumayod at nagpawis.
You deserve it. Pero nasa sa 'yo na rin 'yan e.
Kami ni Misis, enjoy na enjoy sa retirement.
Hindi malungkot. Hindi rin naghihirap.
Para ngang bakasyon. Malaking tulong ang
buwan-buwang pensyong natatanggap namin
sa GSIS. Pero ang pinakamalaking bagay
d'yan ay dahil magkasama kami ni Misis.
Pensyonado. Hindi tensyonado.
Salamat sa GSIS.



Government Service Insurance System
GSIS - Kahit Saan, Kahit Kailan Maaasahan

Log on to www.gsis.gov.ph or visit your nearest GSIS Office for more information or email us at gsismail@gsis.gov.ph

Remaking the UP area



A. Road-widening of C-5 Avenue/Katipunan Avenue (C.P. Garcia Avenue to R. Magsaysay Street) affecting U.P.I.S. Property.

•Project Description
Implementation of road geometric improvements (road-widening, construction of sidewalks, loading/unloading bays, pedestrian footbridges and other street–furnitures along Katipunan Avenue from C.P. Garcia Avenue to R. Magsaysay Street, affecting the U.P.I.S. properties.

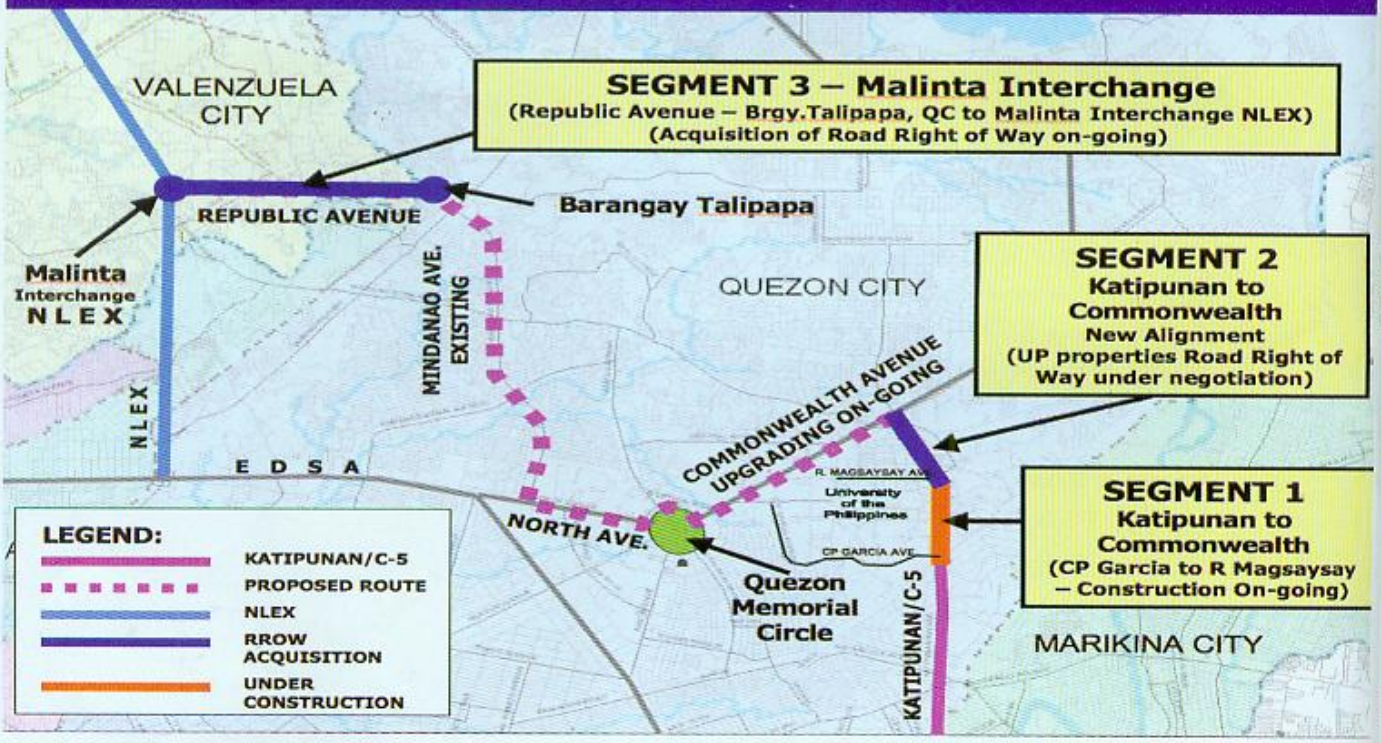
•Objective
The road-widening of existing Katipunan Avenue (C.P. Garcia Avenue to R. Magsaysay Street segment) being a component of the C-5 Northern Extension project, is aimed to decongest traffic flow not only along C-5 but also other major routes in the eastern corridor of Metro Manila.

B. Proposed (New) Alignment R. Magsaysay St. to Commonwealth Avenue (RIPADA AREA)

• Project Description
Construction of a 50-meter wide avenue with service road, utilizing the properties of the University of the Philippines as access highway linking C-5 Extension/Katipunan Avenue to Commonwealth Avenue/ Luzon Avenue

• Objective
As a component of the Seven (7) Major Roads Project per approved Metro Mayors Council Resolution No. 06-05, Series of 2006, the development of C-5 Northern Extension will serve as a vital link for the interconnection of road networks connecting the North Luzon Expressway and South Luzon Expressway in Metro Manila, specifically EDSA.

NLEX-SLEX Connection (via C-5 extension)

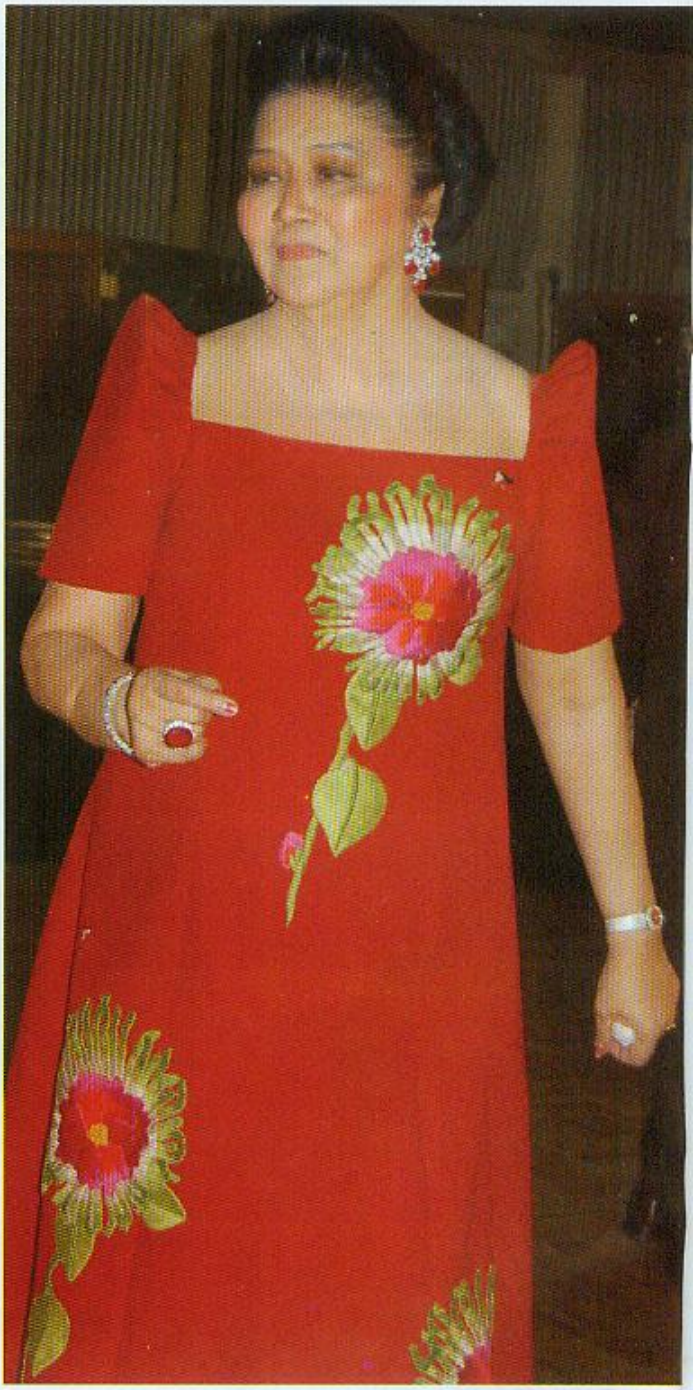



SEGMENT 2
Proposed (New) Alignment
R. Magsaysay St. to Commonwealth Avenue (Traversing UP Property)
Features:
1.0 km length (R. Magsaysay St to Commonwealth) and 40 meters width with 10 meter service road
Two way road (8 lanes with 4 lanes at each side)
With provision for center island
With provision for sidewalk (one side only)
1 footbridge
U-turn Slot
Commonwealth Avenue
BRGY. MATANDANG BALARA
Capitol Hill Golf and Country Club
UP DILIMAN
ORIGINAL PROPOSED BY MNTC = 76,735.13 sqm
MMDA PROPOSED LAYOUT = 53,563.67 sqm
Decreased in Area of coverage by: = 23,171.46 sqm
Shopping Center
UP Infirmary
Protestant Church
Sampaguita Dormitory
Catholic Church
Molave Dormitory
Yakal Dormitory
International Center
R. Magsaysay
Romulo Hall
College of Engineering
NCTS
College of Law
MNTC/ORIGINAL ALIGNMENT


SEGMENT 1 -
C.P Garcia Avenue to R. Magsaysay St.
Features:
1.0 km length (C.P Garcia Ave to R. Magsaysay St.) and 32 meters width
Two way road (6 lanes with 3 lanes at each side) Katipunan Avenue
With provision for center island and sidewalk
3 footbridges
U-turn slots
Loading/ Unloading bays
R. Magsaysay
Romulo Hall
College of Law
NCTS
College of Engineering
UP Lagoon
Main Library
Sunken Garden
College of Economics
MWSS
Bonifacio Hall
Narra Dorm
College of Home Economics
UP Observatory
University Registrar Office
UP-IS
Pansol
C.P. Garcia
Google

MANILA

A City of Man



By IMELDA ROMUALDEZ MARCOS

(Excerpts from speech she delivered in 1975 when she took over as governor of Metropolitan Manila. BF says the original concept of redeveloping Metro Manila into a city of man came from the First Lady).

Manila is as old as the Pasig River, which begins in the mountains east of the city and is fed by the many streams that lace the land around before it flows into one of the great bays of the world.

Manila's people are heirs to many cultures and traditions, drawing from those who came and went upon their shores. From a remote outpost of colonial empire, Manila grew into one of the most cosmopolitan cities of the Orient. Then, in the Second World War, Manila was razed by the contending Japanese and American armies, with a degree of devastation equal only to the agony of Warsaw.

Matching the destruction of homes and buildings, roads and bridges, was a devastation of the human spirit. A demoralized people, who had lost one million of its number, began its desperate struggle for survival.

The problems of Manila today are at root those of a city risen from the ruins of war, rebuilt with the meager resources of a nation newly born.

Metro Manila is not unique in its problems; there are problems that it faces in common with other great cities. A city will always be the crown of human collective life, the centerpiece of a people's aspirations. The city invested human civilization, having first risen as a sanctuary from barbarism. Its death spells the death of a people or a civilization.

We know, too, the pressures on the city—any city. All ambitious and adventurous young men and women from the provinces migrate to the city, seeking the fulfillment of their dreams. But since success is not guaranteed for all, congestion, slums, even the breakdown of services, become the norm. Population and size determine the character of a city; if the space is too small and the people too many, there cannot be adequate facilities for all. Consequently, there comes poverty, crime, dirt, and finally the collapse of morals and of the spirit.

Our goal for Metropolitan Manila is to rebuild it into a city of man. Our policy combines the motivation of people and the application of planning and technology.

There are problems, which bear directly on our daily lives—on top of the crises we share with other great cities. Manila's problem of space alone shocks the imagination. Comparative statistics show that while Tokyo, one of the largest and most industrialized cities of the world, has 28 persons per hectare, Metropolitan Manila has 78. We have a total resident population of 7.5 million, and our daytime population may well be a half million more.

In Metropolitan Manila, we're responsible for one-fifth of the nation's population—a congested one-fifth that nevertheless produces 90% of the national revenue.

The very assumption that the best opportunities are to be found in Metropolitan Manila aggravates our problems. Until the country has other urban centers to offer comparable opportunities, we must expect continued—even heightened—rural migration to the city. I am told that since I became governor in November 1975, an additional 180,000 rural migrants have moved to the metropolis.

When with humanity, hesitancy and awe I accepted a popular draft to be Governor of Metropolitan Manila, I felt three priority problems of the metropolis to be a matter of survival. These were floods, a perennial problem of dismaying proportions; public transport and traffic, for productive movement and circulation; and garbage collection, for sanitation and beautification. My staff and I felt that other problems were secondary until we could do something about these three problems, to prevent the city's death and decay. We have geared our efforts accordingly, without losing sight of succeeding priorities.

Our traffic problem is related to land transport in Metropolitan Manila, where about 57% of the country's vehicles operate over only 2.8% of the country's entire road network.

Garbage disposal has been a problem in Manila for years, not only because of inefficient collection and shortsightedness, but especially, for lack of motivation.

As part of our health and sanitation services, we must improve our markets and slaughterhouses, which are incredible carriers of diseases. Seventy percent of the average Manilan's medical bill can be traced to food-borne diseases.

In addition, more than half of the patients in our hospitals should not be confined at all.

Decongestion of Metro Manila will also involve expansion of our land area—by radical reclamation that will open up more than 4,000 hectares on Manila Bay from the Cultural Center complex all the way to Sangley Point in Cavite City; and by logical expansion on our peripheries; such as southward toward Tagaytay City or eastward toward the Pacific Ocean.

On these new lands we shall have centers for conventions, for trade, for government, for sports and recreation, as well as for settlement and new industries. To further decongest our city, we shall have a new international airport away from the center of the metropolis, and we may similarly relocate the Manila piers.

We consider housing to be just one component of the problems of human settlements. While we shall continue upgrading sites and services, we shall also make it possible for families of modest means to build homes relevant to their needs and their environment by developing a simple technology that uses our own materials.

We are encouraging more neighborhood parks and recreation and community centers, enough open spaces and breathing room for a city that will otherwise be stifled in steel and stone.

The physical problems of Metropolitan Manila are formidable. But their solutions are, in the final analysis, simple: in the sense that we need only to program our resources toward that end. But to give a metropolis and its people a motivation, a will, a normal dimension to achieve, is much harder. For in this matter, we are dealing with the human mind, the human heart, which must be given a purpose, a meaning, and, above all, comparison.

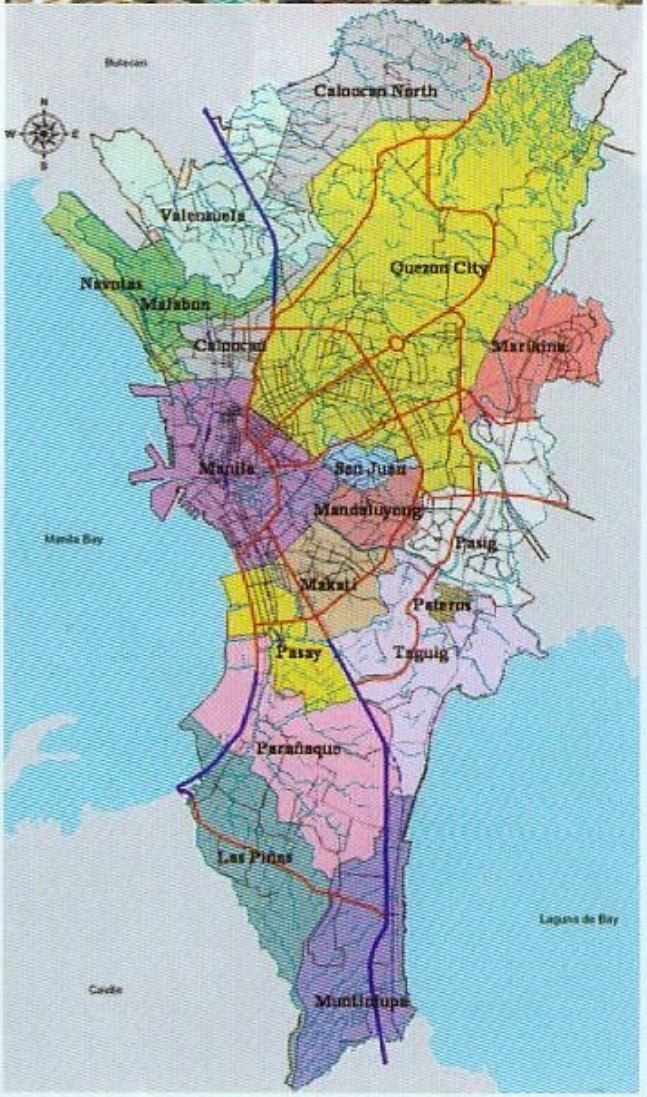
We are concerned, above all, with the moral tone of Metropolitan Manila. It would be easy enough to have a viable city, a city that produces and consumes, and a city that exists solely on its economic advantages. But must we be content only to have a center of business and industry, while the air is polluted, space congested, and culture and leisure neglected? We would have an eviscerated city, such as we have now.

The salvation lies in rediscovering our shared humanity, to find in ourselves the motivation, the will, and the necessary act of civic spirit. We must recapture the spirit of community—the moral bond—that tied together the crude rural folk and frontiersmen who built the first cities in human history. We must once more give the city the heart it needs in order to function. To do this, we shall need money, to be sure. But, above all, we shall need one another.

To provide only for man's abode is not enough. For man lives in two worlds—the material and the spiritual—and we damage ourselves as well as the material world when we ignore one for the other. Not only is it inhuman to exist in one world or one dimension; it is unworthy of the extraordinary create that is man.

And so, as we build our cities, as we rehabilitate our habitat, we must set before our eyes their human purpose. Our settlements should no longer stand as random aggregations of population, as expressions of power or manifestations of wealth, but as habitations of that nobility, generosity and sociability which have made man the wonder of creation.





The future is a world of cities, and the earth will be a global city. But while man lives and will increasingly live in cities, cities do not yet live for people. Ours is the task to rebuild and design our cities as authentic settlements for man, within which he may attain the full splendor of his being.

Our dream for Manila is to create a city of man. Our hope for the world is to make our earth the city of humanity. ■

San Miguel sells Australia



SMC President Ramon S. Ang and Chairman and CEO Eduardo Cojuangco Jr.

"We are redefining our company and paving the way for San Miguel to enter into high-growth businesses. In so doing, we are restructuring our company, taking the necessary portfolio actions to better reshape our company and position it for enhanced financial performance and growth"—SMC President Ramon Ang

San Miguel Corp., Southeast Asia's largest food and beverage group, is withdrawing its investments in Australia as it focuses on more profitable businesses at home, beginning with energy.

San Miguel's fund-raising activity, mainly through the sale of overseas assets, is also generating handsome profits for the conglomerate. For instance, Tokyo-based Kirin Holdings Co. Ltd. has announced its purchase of National Foods Ltd. from San Miguel for $2.6 billion.

San Miguel acquired National Foods, Australia's leading dairy manufacturer, in 2005 for $1.5 billion, the Philippine conglomerate's biggest acquisition. NFL later absorbed Australian juice maker Berri Ltd., which San Miguel bought in 2004 for $120 million.

Thus, the sale of NFL (including Berri) to Kirin for $2.6 billion will give San Miguel a profit of $980 million or 60.5% based on the original acquisition price.

Earlier, SMC said in a disclosure to the Philippine Stock Exchange (PSE) that it had signed an agreement to sell its Tasmania-based brewer J. Boag & Son to Australian publicly listed alcoholic beverages firm Lion Nathan Ltd. for about $300 million.

SMC originally paid $96 million to acquire J. Boag and Sons in 2004. The divestment gave SMC a profit of $204 million or 212%.

Kirin, which has a 19.9% stake in San Miguel, also owns 46% of Lion Nathan.

The $2.9 billion that is being raised from the divestment of its Australian assets is more than three times the $750 million that San Miguel plans to invest in non-allied businesses. The amount represents about 10% of SMC's resources.

In addition, San Miguel hopes to generate P25 billion next year with the listing of the shares of San Miguel Beer, now a separate company.

assets, goes into energy

Top 10 Corporations in sales 2006

Rank	COMPANY (in P'000)	SALES	PROFITS	ASSETS	LIABILITIES	EQUITY
1	San Miguel Corporation	249,650,000	10,170,000	349,584,000	197,055,000	152,529,000
2	Petron Corporation	212,818,309	5,943,945	85,420,963	54,684,205	30,736,758
3	Manila Electric Company	190,148,000	13,379,000	158,132,000	113,078,000	45,054,000
4	National Power Corporation	175,117,882	89,998,568	1,117,552,066	1,061,904,344	55,647,722
5	TI (Philippines), Inc.	169,954,055	5,041,102	72,555,564	55,556,250	16,999,314
6	Pilipinas Shell Petroleum Corporation	156,930,158	4,122,771	55,732,266	37,707,046	18,025,220
7	Philippine Long Distance Telephone Company	133,641,000	35,319,000	241,892,000	137,369,000	104,523,000
8	SM Investments Corp.	88,730,395	15,241,163	227,073,264	96,181,917	130,891,346
9	JG Summit Holdings, Inc.	86,062,467	8,696,836	220,366,936	129,875,717	90,491,219
10	Philippine Associated Smelting and Refining Corporation	81,250,570	3,032,132	27,799,082	47,804,502	(20,005,420)

Source: PSE

Domestic beer sales boost 9-month net profit 15% to P7.07B



Consolidated Net Income up 15% to P7.07B

In Billion Pesos	2007	2006	Change
Net Sales	P169.70	P 157.70	8%
Inc. from Operations	12.30	14.30	-14%
Net Income	7.07	6.17	15%
EBITDA	21.20	19.50	9%
EPS	2.24	1.96	

Beer Domestic sustains volume and revenue growth

In Billion Pesos	2007	2006	Change
Net Sales	P 31.20	P 29.10	7%
Inc. from Operations	8.59	6.54	31%
Volume	119.90	113.30	6%

Beer International restructing efforts reaping gains

In Million US Dollar	2007	2006	Change
Net Sales	$ 235.90	$ 217.90	8%
Inc. from Operations	4.29	(3.33)	229%
Volume	42.70	43.40	-2%



GSMI's domestic liquor and exports drive sales

In Billion Pesos	2007	2006	Change
Net Sales	P 9.49	P9.28	2%
Inc. from Operations	0.54	0.80	-32%
Net Income	0.33	0.36	-9%
Volume	21.40	20.20	6%

Foods' businesses benefit from higher volumes and favorable prices

In Billion Pesos	2007	2006	Change
Net Sales	P 43.50	P 40.80	7%
Inc. from Operations	1.76	1.53	15%

Packaging affected by weak demand from beverage customers

In Billion Pesos	2007	2006	Change
Net Sales	P13.70	14.60	-7%
Inc. from Operations	0.37	1.63	-78%

National Foods sustains revenue growth even as High Dairy ad juice costs persist

In Million AU Dollar	2007	2006	Change
Net Sales	$ 1,459	$1,341	9%
Inc. from Operations	63.5	103.0	-38%

Source: SMC













Top 10 in profits 2006 (in P'000)

Rank	Company	PROFITS
1	National Power Corporation	89,998,568
2	Philippine Long Distance Telephone Company	35,319,000
3	Mirant (Philippines) Corporation	17,019,977
4	First Philippine Holdings Corp.	15,468,000
5	SM Investments Corp.	15,241,163
6	Ayala Corporation	14,467,625
7	Manila Electric Company	13,379,000
8	Mermac, Inc.	11,836,809
9	San Miguel Corporation	10,170,000
10	Globe Telecom, Inc.	9,802,283

Source: BNA Research

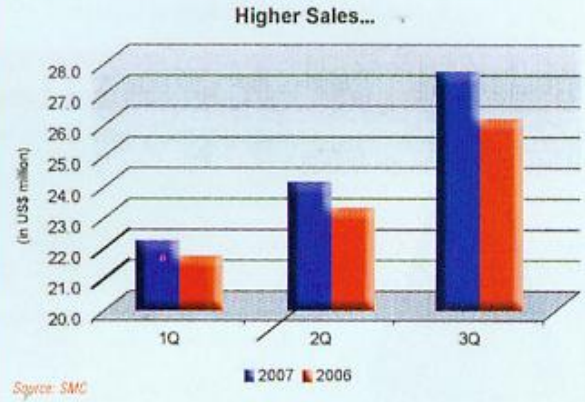
Top 10 in assets 2006 (in P'000)

Rank	Company	ASSETS
1	National Power Corporation	1,117,552,066
2	Metropolitan Bank & Trust Company	536,007,446
3	Bank of the Philippine Islands	458,248,000
4	San Miguel Corporation	349,584,000
5	Equitable PCI Bank, Inc.	320,819,837
6	Banco de Oro Universal Bank	279,608,514
7	Philippine Long Distance Telephone Company	241,892,000
8	Philippine National Bank	241,654,195
9	SM Investments Corp.	227,073,264
10	JG Summit Holdings, Inc.	220,366,936

Source: BNA Research

Consolidated operating income amounted to P12.3 billion, down 14% from the same period last year, with a first-quarter drop of 24% and a first-half fall of 19%. The decrease was mainly due to much lower than expected operating income performance of National Foods, San Miguel's Australian dairy and juice unit, which was hit by high costs of dairy raw materials and imported juice concentrates amid tight supply in the wake of a prolonged drought.

Beer International reaps gains



Source: SMC

SMC will thus have a huge cash hoard of P152.6 billion—P25 billion from the San Miguel Beer IPO and the proceeds of the divestment in Australia, based on an exchange rate of 44 to the dollar.

San Miguel announced its plans to go into energy and other new businesses like infrastructure, utilities, mining and property during the company's annual stockholders' meeting.

"We are redefining our company and paving the way for San Miguel to enter into high-growth businesses. In so doing, we are restructuring our company, taking the necessary portfolio actions to better reshape our company and position it for enhanced financial performance and growth," according to SMC President Ramon Ang.

He adds: "We believe growth and returns can be increased through continued focus and investment on San Miguel's advantaged core businesses.

Therefore, following a strategic review of our Australian portfolio, we have decided it would be in the best interests of our shareholders to look into the sale of the business."

New engines of growth

SMC Chairman and CEO Eduardo M. Cojuangco Jr. sees the new businesses as San Miguel's new "engines of growth."

"If you've been an investor in San Miguel for very long, you would know that what we've been doing to change your company is not entirely a break with the past, but a continuation of it," he notes. "For nine years, we have been adding and subtracting, planting and pruning until we had businesses that made sense together, businesses that were more productive and profitable because they had things to share."

Examples of "adding and subtracting" are Coca-Cola Bottlers Philippines and Del Monte Foods, which SMC acquired, only to be disposed of—generating cash for San Miguel's war chest.

"Planting and pruning" may include the spin-off of SMC's flagship domestic beer unit, which accounted for 70% of operating income for the period January-September 2007, and 18% of consolidated net sales.

SMC plans to list San Miguel Beer by the first quarter of 2008 to raise up to P25 billion—one more source of capital for investments in new businesses.

Power (both generation and transmission) fits nicely into Cojuangco's criteria of "productive and profitable" businesses.

Three companies in the energy business—Manila Electric Co. (Meralco), First Gen Corp. and Aboitiz Power Corp.—show why the power generation and distribution business has attracted San Miguel's attention.

The Lopez-controlled Meralco, the country's biggest power distributor, posted a net profit of P2.8 billion for the first nine months of 2007, reflecting a 370.1% increase from P596 million a year ago. Revenues grew by 15.5% to P155.89 billion from P134.97 billion.

Return on sales, at 1.8%, was lower than SMC's 4.2%, but the profit and revenue growth rates are much faster, indicating the growing demand for electricity because of the booming economy.

During the same nine-month period, Aboitiz Power's net income surged by 45% to P2.4 billion from P1.6 billion, as consolidated revenues grew by 25% to

Top 10 in equity 2006 (in P'000)

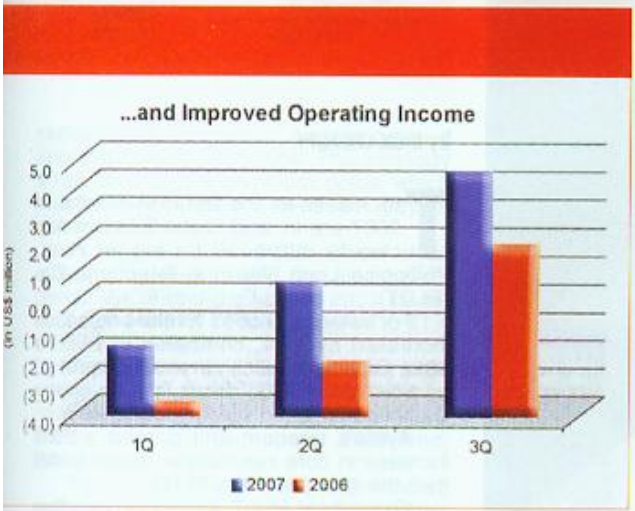
Rank	Company	EQUITY
1	San Miguel Corporation	152,529,000
2	SM Investments Corp.	130,891,346
3	Philippine Long Distance Telephone Company	104,523,000
4	JG Summit Holdings, Inc.	90,491,219
5	Philippine Telecommunication Investment Corporation	66,405,332
6	First Philippine Holdings Corp.	64,098,000
7	Metropolitan Bank & Trust Company	61,953,478
8	National Power Corporation	55,647,722
9	Globe Telecom, Inc.	50,696,655
10	Bank of the Philippine Islands	45,750,000

Source: BNA Research

Top 25 in liabilities 2006 (in P'000)

Rank	Company	LIABILITIES
1	National Power Corporation	1,061,904,344
2	Metropolitan Bank & Trust Company	474,053,968
3	Bank of the Philippine Islands	412,498,000
4	Equitable PCI Bank, Inc.	277,918,806
5	Banco de Oro Universal Bank	257,361,546
6	Philippine National Bank	218,389,624
7	San Miguel Corporation	197,055,000
8	Citibank N.A.	195,682,955
9	Rizal Commercial Banking Corporation	166,200,807
10	Union Bank of the Philippines	163,351,922

Source: BNA Research



P8.1 billion from P6.5 billion. That's a return on sales of 29.6%.

First Gen, the Lopez group's power producer, reported a 50% increase in net income to P100 million for the first nine months of 2007. Revenues grew by 8% to $800 million (P35.2 billion at 44 to the dollar).

SMC, through subsidiary San Miguel Energy Corp., is bidding for the 25-year concession of the National Transmission Corp. (TransCo), together with US private equity firm Texas Pacific Group (TPG) and Malaysian utility firm Tenaga Nasional Berhad.

The auction has been scheduled for Dec. 12.

TransCo holds the transmission systems of state-owned National Power Corp., which are considered more profitable and less costly to maintain than Napocor's generation assets.

But San Miguel is also interested in acquiring Napocor's generation plants that are being put on the auction block. It participated in the bidding for the 600-megawatt coal-fired power plant in Batangas. The Power Sector Assets & Liabilities Corp. (PSALM), which is handling the privatization of Napocor's assets, has declared the Calaca Holdco Inc. consortium headed by French Suez-Tractebel S.A. as winner, with an offer of $786.5 million.

SMC, through San Miguel Energy Corp., has teamed up with US-based Avenue Asia, an asset management group, to bid for the government's 60% stake in geothermal power producer PNOC Energy Development Corp. (PNOC-EDC). The government stake is valued at about $1.3 billion.

During the first nine months of 2007, SMC posted a consolidated net income of P7.07 billion, up 14.6% from P6.17 billion in the same period in 2006. The profit included a one-time gain of P870 million from the sale of SMC's stake in Coca Cola Bottlers Philippines to Atlanta-based The Coca Cola Company.

However, operating income dropped by 14% to P12.3 billion, due mainly to lower earnings of National Foods Ltd. (NFL) caused by the prolonged dry spell in Australia, the subsidiary's domestic market.

Consolidated revenues for the nine-month period amounted to P169.7 billion, up 8% from P157.7 billion. This gives San Miguel a return on sales of 4.2% for January-September 2007.-

SMC says domestic beer sales, which grew by 7% in terms of net sales and by 6% in terms of volume, were the main profit driver for the first nine months of 2007. The P7.07-billion profit included a final gain of P870 million from the sale of the local Coke bottler to Atlanta-based The Coca-Cola Company at the beginning of the year, and net of consolidated financing charges of P4.73 billion.

Beer, hard liquor and domestic food businesses continued to show encouraging results, while Australian dairy firm National Foods continued to feel the impact on margins of the dry spell in Australia, San Miguel said.

Consolidated operating income amounted to P12.3 billion, down 14% from the same period last year, with a first-quarter drop of 24% and a first-half fall of 19%. The decrease was mainly due to much lower than expected operating income performance of National Foods, San Miguel's Australian dairy and juice unit, which was hit by high costs of dairy raw materials and imported juice concentrates amid tight supply in the wake of a prolonged drought.

International beer operations sustained profitability for the fourth consecutive month, driven by robust North and South China operations. Sales revenue ended 8.0% higher year-on-year. The operating income of $4.3 million was a turnaround from an operating loss in the same period in 2006.

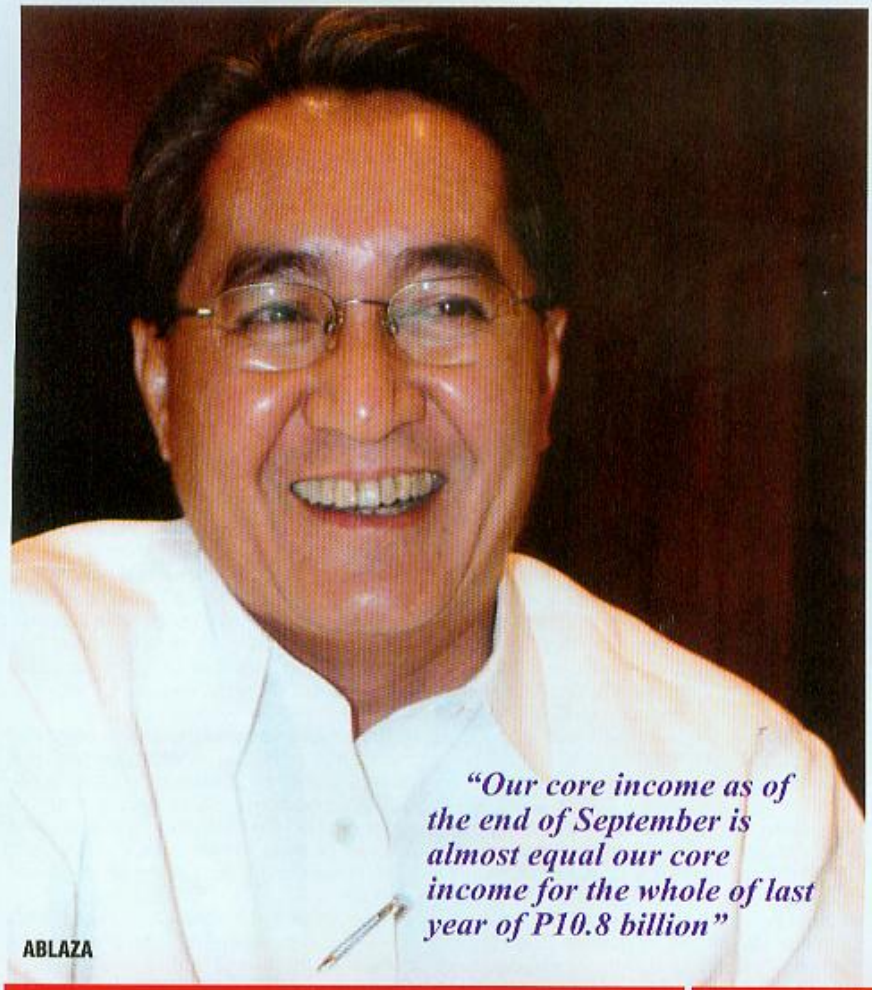
Liquor unit Ginebra San Miguel Inc.'s three-quarter sales volume grew 6.0%, driven by domestic sales and exports. Revenue came in at P9.5 billion, up 2.0% from P9.28 billion.

San Miguel Food Group's revenue rose 7.0% to P43.5 billion from P40.8 billion, yielding an operating income of P1.76 billion, up 15% from P1.53 billion. In the third quarter alone, sales increased by 8.0%.

On the other hand, San Miguel Packaging Specialists Inc. continued to bear weak demand from beverage customers. Thus, revenue declined by 7% to P13.7 billion from P14.6 billion, while operating income fell 78% to P370 million from P1.63 billion.

Analysts forecast full-year net income to increase by 7.8% to P11.4 billion from P10.6 billion in 2006, which was 17% higher than P9.03 billion earned in 2005.—***Nick Legaspi***

Telecom war: Globe g



ABLAZA

Comparative performance (Januar

	GLOBE TELECOM	PLDT
Growth rate		
Wireless revenues		
Wireline revenues		
Core income		
Wireless subscribers		
Capex		
Strategy		

Source: BNA research

By NICK LEGASPI

The results for the first nine months of 2007 are in, and Globe Telecom has clearly outpaced its bigger rival, Philippine Long Distance Telephone Co. (PLDT).

For instance, Globe's wireless revenues increased by 12%, compared to PLDT's 10%. Globe's wireline revenues improved by 6%, while PLDT fixed line revenues declined by 1%.

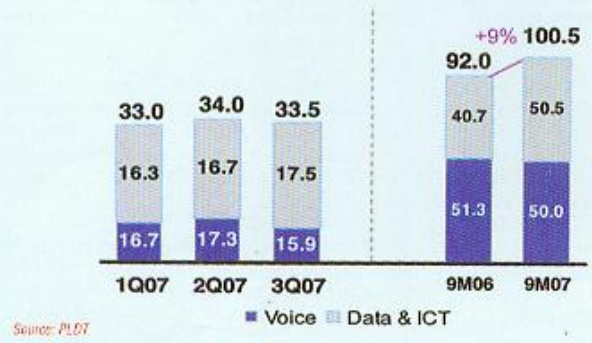
Ayala's telecom unit posted a 20% increase in core net income, much faster than the 13% posted by PLDT.

Globe beat PLDT, even in subscriber growth—33% year-on-year, against PLDT's 16.9%.

Of course, PLDT is way ahead when it comes to absolute numbers. It's net income for January-September 2007 amounted to P26.2 billion, more than twice Globe's P10.5 billion.

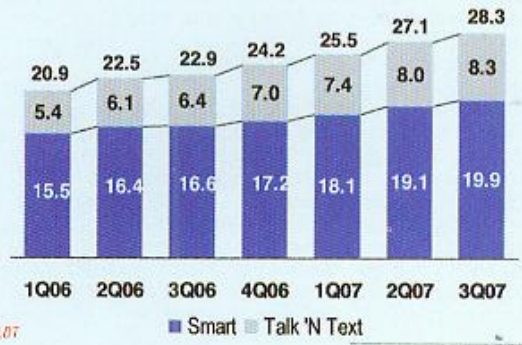
The telecom industry leaders employ the same strategy—debt reduction—to

Service revenues (billion pesos)



Source: PLDT

Smart & Talk 'N Text subscribers



Source: PLDT

rows faster than PLDT

September 2006-2007)

PLDT	Globe
10%	12%
-1%	6%
13%	20%
16.9	33%
P14.5B Debt reduction	P9.1B Debt reduction

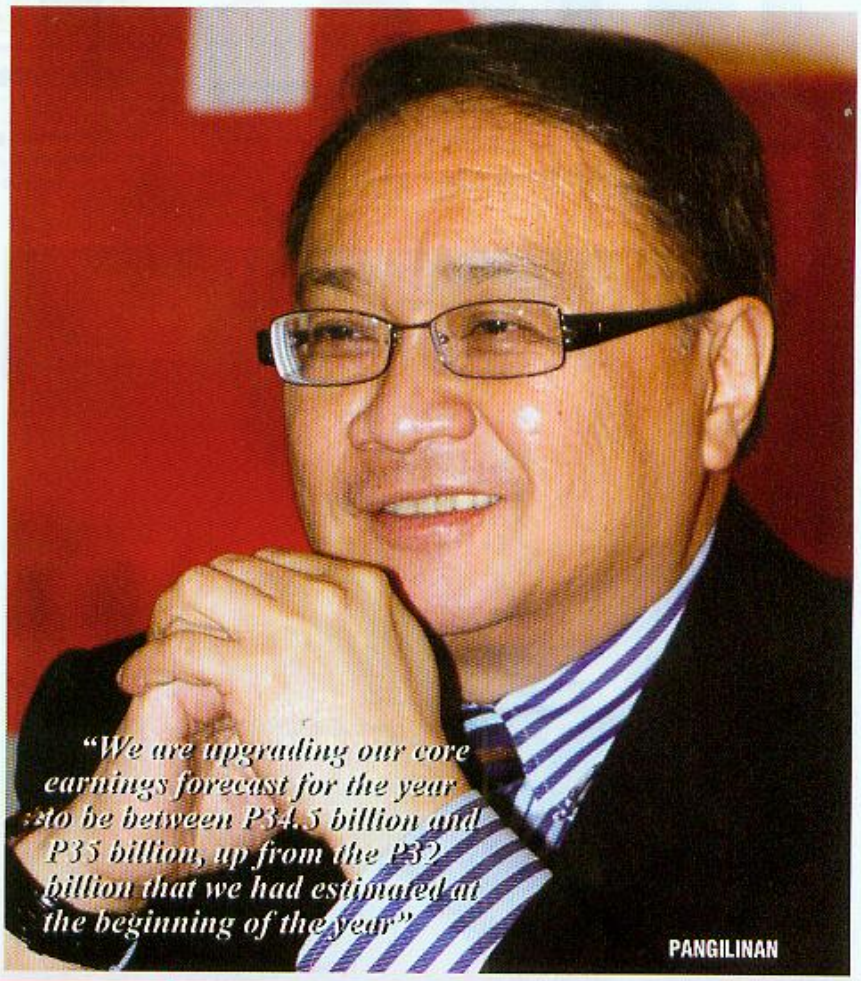
reduce non-operation expenses and improve their bottom line. The strategy takes advantage of the weak dollar, which means fewer pesos are needed to pay off dollar obligations.

PLDT paid down $206 million of its outstanding debt during the nine-month period. As of end-September 2007 its net debt stood at $1.1 billion compared to $1.4 billion a year ago.

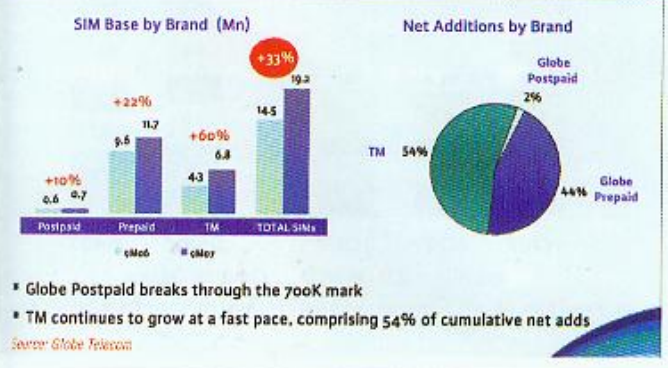
On the other hand, Globe prepaid $300 million of outstanding obligations. Thus, its debt level went down by 23% to P31.93 billion as of end-September 2007 from P41.34 billion a year ago.

The two companies are expected to maintain the same strategy to achieve their profit goals for the year.

"The sustained strength in our core numbers and our sturdy underlying fundamentals, as manifested in our robust nine months' numbers, point to another year of record-high core profitability," notes PLDT Chairman Manuel V. Pangilinan. "In that light, we are upgrading our core earnings forecast for the year to be between P34.5



Good momentum across all brands



- Globe Postpaid breaks through the 700K mark
- TM continues to grow at a fast pace, comprising 54% of cumulative net adds

Source: Globe Telecom

Sustained value creation through strong results



Source: Globe Telecom

Sustained growth for wireless business



- Growth in revenues YoY remains strong at 12%, double last year's level of 6%
- EBITDA growth remains at double digits at 10% YoY

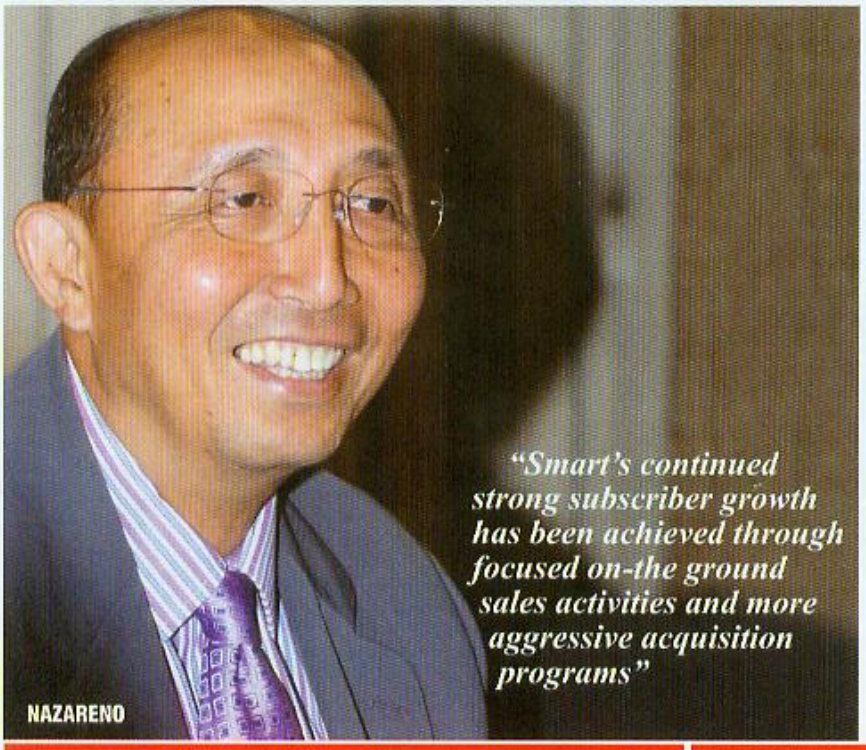
Source: Globe Telecom

Broadband driving wireline revenue growth



- Wireline revenues grew 6% YoY, within which broadband revenues doubled vs last year's level
- Broadband subs up 150% YoY to 109k with average monthly ARPU of Php 1,171

Source: Globe Telecom



billion and P35 billion, up from the P32 billion that we had estimated at the beginning of the year."

In 2006, PLDT's net income amounted to P31.5 billion.

Globe President and CEO Gerardo Ablaza is also optimistic that 2007 will be a banner year for the company. "Our core income as of the end of September is almost equal our core income for the whole of last year of P10.8 billion," he points out.

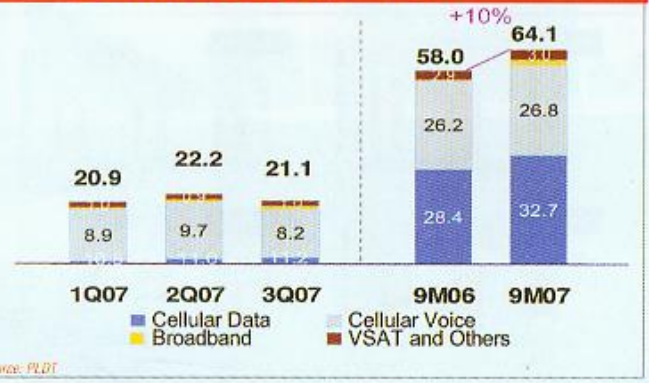
According to Delfin Gonzales, Globe's chief finance officer, a P13-billion net income for 2007 is "highly achievable." He cites the buoyant economy and cheaper handsets, making mobile phones more affordable to more people.

PLDT

PLDT's consolidated revenues, which totaled P100.5 billion, up by 9% from P92 billion despite the 9% appreciation of the peso vis-á-vis the US dollar during the first nine months of 2007. The peso appreciation impacted the growth of service revenues by almost 4%, owing to the linkage to the US dollar of 38% of PLDT's consolidated revenues.

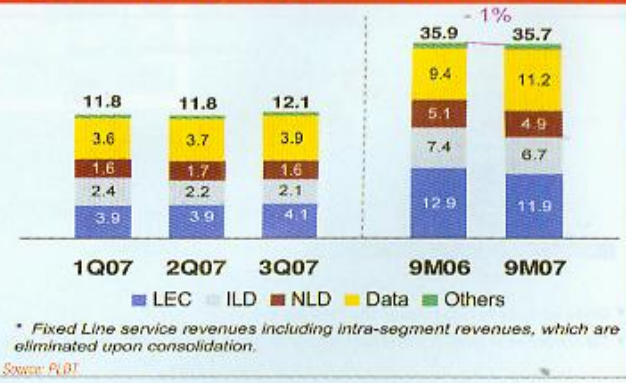
At the same time, provision for income tax increased by over 300% or about P10 billion to P13 billion as the PLDT group's effective tax rate rose to 33%.

Wireless service revenues (billion pesos)



Source: PLDT

Fixed line service revenues and EBITDA (billion pesos)*



* Fixed Line service revenues including intra-segment revenues, which are eliminated upon consolidation.

Source: PLDT

Consolidated financial highlights: YoY comparisons

(In Php Mn)	9Mo7	9Mo6	YoY Growth
Service Revenues	47,153	42,517	11%
EBITDA	30,451	28,192	8%
EBIT	17,717	16,097	10%
Non-Operating Charges	3,147	2,348	34%
NIAT	9,692	9,309	4%
Core NIAT	10,537	8,812	20%
EBITDA Margin	65%	66%	

- Wireless and wireline revenues grew 12% and 6% respectively, leading to higher EBITDA
- EBITDA margin fell slightly to 65% as increases in marketing, staff costs, and services tempered revenue growth
- Net income grew 4% even with a 10% increase in income tax
- Core income (which excludes one-time impact of early bond redemption, forex and MTM gains/losses) up 20% YoY

Source: Globe Telecom

Consolidated financial highlights: QoQ comparisons

(In Php Mn)	3Q07	3Q06	Growth	2Q07	QoQ Growth
Service Revenues	15,532	14,070	10%	16,012	-3%
EBITDA	9,509	9,248	3%	10,519	-10%
EBIT	5,160	5,154	-	6,250	-17%
Non-Operating Charges	314	223	41%	452	-30%
NIAT	3,267	3,550	-8%	3,838	-15%
Core NIAT	3,159	2,669	18%	3,705	-15%
EBITDA Margin	61%	66%		66%	

Source: Globe Telecom

Consolidated EBITDA (earnings before interest, taxes, depreciation and amortization) improved by 4% to P62 billion while EBITDA margin was at 62%.

Consolidated free cash flow remained robust at P36 billion in the first nine months of 2007, with consolidated capital expenditures of P14.5 billion during the period.

PLDT expects capital expenditures to reach P25 billion by end-2007 as a result of the better-than-expected take-up of cellular and broadband subscribers.

PLDT's board of directors has approved the acquisition of the fixed line business of its subsidiary, Pilipino Telephone Corp. to allow Piltel to concentrate its resources on its wireless business (Talk 'N Text) and, at the same time, bring together the PLDT group's local exchange carrier businesses to derive operating efficiencies.

Piltel's 40,415 fixed line subscribers will benefit because of the upgrades being undertaken by PLDT on its own fixed line infrastructure. PLDT has been managing Piltel's fixed line business since July 2001 under a facilities management agreement.

PLDT's consolidated wireless service (Smart Communications and Piltel) revenues rose to P64.1 billion for the first nine months of 2007, 10% higher than the P58 billion realized in the same period last year. Cellular data revenues grew by 15%, voice revenues by 3% and wireless broadband revenues surged by 205%.

The PLDT group's total cellular subscriber base grew by 4.1 million to 28.3 million from end-2006. Smart recorded net additions of approximately 2.7 million subscribers while

Talk 'N Text added about 1.4 million subscribers to end the first nine months of 2007 with 19.9 million and 8.3 million subscribers, respectively.

"Smart's continued strong subscriber growth has been achieved through focused on-the ground sales activities and more aggressive acquisition programs," according to Napoleon L. Nazareno, PLDT president and CEO. "We are also addressing usage levels through a segmented approach that allows us to offer tailor-made promotions to specific sectors of our subscriber base."

Smart's wireless broadband service—*SmartBro*—has grown its wireless broadband subscriber base to over 259,000 at the end of September 2007, adding nearly 138,000 new subscribers in the first nine months of 2007, a growth of about 114%.

Smart now has 2,678 wireless broadband-enabled base stations providing high-speed Internet access to over 625 cities and municipalities all over the Philippines.

Wireless broadband revenues grew 205% to P1.7 billion in the first nine months of 2007 from P554 million a year ago. *SmartBro* is an integral part of the PLDT group's strategy to be at the forefront of "broadbanding" the country.

Fixed line service revenues amounted to P35.7 billion in the first nine months of 2007, down from P35.9 billion last year, mainly on account of the stronger peso.

PLDT explains that dollar-linked revenues arising from the local exchange and international long distance (ILD) businesses continue to be adversely impacted by the appreciation of the peso. Otherwise, fixed line revenues would have reported an increase of P1.5 billion or a growth rate of 3% year-on-year.

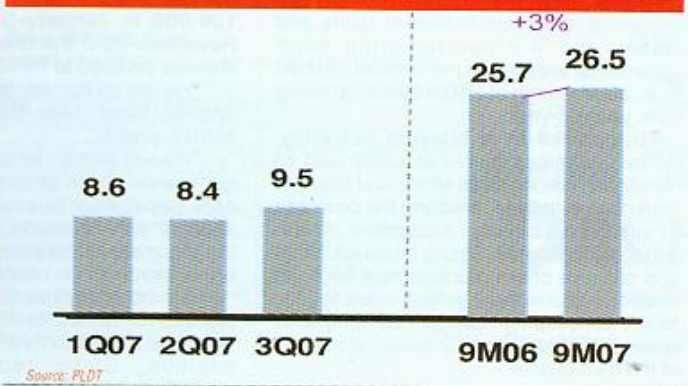
Retail DSL continued to grow as broadband subscribers reached approximately 230,000 at the end of September 2007, representing net additions of over 96,000 subscribers in the first nine months of the year.

During the first nine months of 2007 more than 600 employees in the fixed line business lost their jobs under PLDT's manpower rightsizing program. As of end-September 2007, the fixed line business had just over 8,000 workers.

PLDT Group: 9months Financial summary

	9M07	9M06	% Y-o-Y
Service Revenues	P100.5bn	P92.0bn	9%
EBITDA	P62.0bn	P59.4bn	4%
EBITDA Margin	62%	65%	
Income Before Tax	P40.0bn	P29.5bn	36%
Core Net Income	P26.2bn	P23.2bn	13%
Core EPS	137.30	124.98	10%
Reported Net Income	P26.5bn	P25.7bn	3%

Reported net income (billion pesos)



Source: PLDT

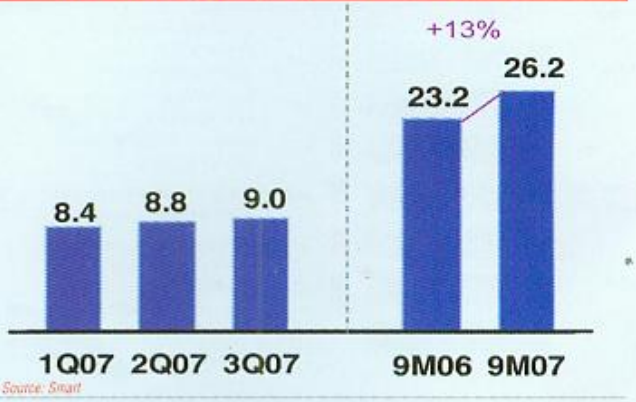
Enhancing shareholder returns



• Shareholder return at 28%, with the special dividend and 19% rise in share prices since beginning of year up to the end of the 3rd quarter

Source: Globe Telecom

Core net income (billion pesos)



Source: Smart

ePLDT, the group's information and communications technology arm, reported service revenues of P7.4 billion for the first nine months of 2007, a 96% increase from the P3.8 billion revenue achieved last year.

This was driven by the continued growth in call center revenues through ePLDT Ventus and the consolidation of SPi Technologies Inc., after its acquisition in July 2006. Despite their significant growth, ePLDT's revenues were likewise adversely impacted by the strong appreciation of the peso since approximately 86% of its service revenues are denominated in US dollars.

Globe

Globe Telecom continued to deliver robust top-line growth, sustaining record performance and profitability levels from the first half of this year. Consolidated service revenues for the first nine months of 2007 stood at a new high of P47.2 billion on the back of 12% and 6% revenue growth from its wireless and wireline businesses.

Profitability remained strong with margins at 65%, bringing EBITDA and EBIT to P30.5 billion and P17.7 billion, respectively.

Net income stood at P9.7 billion for the period ended, up 4% year-on-year despite one-time charges related to the early repayment of Globe's $300 million notes. Stripping out the impact of foreign exchange and mark-to-market gains and losses and the non-recurring bond redemption costs, core net income climbed to an all-time high of P10.5 billion, growing 20% year-on-year.

Supported by a buoyant economy, Globe's wireless business continued to benefit from strong sales efforts and targeted marketing initiatives, enabling the business to sustain double-digit subscriber growth across all its brands. Strong gross additions and effective churn management kept net additions above the 1 million mark for the fourth consecutive quarter, bringing total wireless SIM base to 19.2 million at the end of the third quarter.

The company hopes to end the year with 20 million mobile subscribers. "We intend to further expand our mobile business by tapping the provincial masses," Ablaza avers. "Globe might be able to add two million subscribers by year-end, reaching about more than 20 million."

On the wireline front, broadband continued to be the driving force, with its subscriber base doubling versus last year's to reach 109,000 contributing a total of P846 million in revenues.

"We are encouraged by the record performance of our wireless business, and are very excited by the rapid growth of our broadband business," says Globe's Ablaza.

PLDT's core net income of P26.2 billion for January-September 2007 is more than twice Globe's net income of P10.5 billion, but Globe's profit growth is faster—20%, against PLDT's 13%

Globe's CEO expects the broadband business to provide the company with the impetus for growth, especially after the number of subscribers grew by 150% to 109,000 in January-September 2007. Revenues from the broadband business likewise doubled to P846 million.

"We are on our way to broadband being another billion peso business this year," Ablaza asserts.

"We will remain focused on enhancing our brands' value proposition, investing in new capacities to sustain growth and improve service quality, and transforming our processes to be attuned to the needs of our customers," he relates.

The company has sustained its highly popular unlimited text messaging, bulk voice, and discounted SIM offerings. In addition, Globe recently launched "Phonetastic," a group plan for three which includes a regular postpaid plan with a monthly service fee of only P500 and two extension plans at P250.

For overseas Filipino workers and their families, Globe launched an OFW

Family Pack, which bundles a local SIM for the Philippine-based family and a roaming SIM for the overseas-based member for only P120.

On the broadband side, Globe has expanded its suite of packages to include a 512 kbps data connection for only P995, which can be upgraded to include a wireless landline for an additional P300.

On the infrastructure side, the company continued to make significant investments in capacity and network quality, spending P9.1 billion in capital expenditures in January-September 2007, up 5% from P8.66 billion last year.

Investments for the fourth quarter this year will focus on wireless broadband.

"We have to catch up on the wireless broadband, where we are currently using the 3G technology in the near term," according to Ablaza. "The delay is largely due to the reconfiguration of the overall design of the 3G network to make it more appropriate for broadband. This involves mainly increasing capacity."

"We are also exploring other technologies for wireless broadband other than 3G," he adds.

Globe's board of directors has declared a special dividend of P50 per common share payable to shareholders of record as of Nov. 20, 2007. A total of P6.6 billion in dividends will be paid on Dec. 17, 2007. This would bring total dividends paid out this year to P15.3 billion, including the regular dividends.

"With improved market position, record profitability and strong cash flows, we believe that a special payout was warranted, not only to bring us closer to our target capital structure, but also to enhance the returns of our valued shareholders," Ablaza relates. — ***With reporting by Vic S. Lopez***

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PLDT to spin off, list ICT unit

By VIC S. LOPEZ

Philippine Long Distance Telephone Co. (PLDT) is looking at the possibility of spinning off ePLDT, the telecom giant's information and communications technology (ICT) unit, by the second quarter of 2008.

In addition, PLDT Chairman Manuel V. Pangilinan said the spin-off would be followed by the listing of 10%-25% of the new ICT company's shares in the stock exchange. "The PSE (Philippine Stock Exchange) requirement is a minimum of 10% of the company's total outstanding shares, but we will offer more," he added.

He said the new company, which will be called SPPI Global Solutions Inc., would have a market capitalization of $250 million.

ePLDT operates two business lines—call center through ePLDT Ventus and outsourcing through SPI Technologies Inc. Ventus and Spi account for 80% of PLDT's ICT business; the remaining 20% comes from data business, including online gaming, and the Netopia Internet café chain, which will remain with the parent company.

Ventus is the only 100% Filipino-owned business process outsourcing (BPO) company in the country that competes against US global outsourcers that have set up subsidiaries in the Philippines. Its primary target is the US, which accounts for roughly 95% of Ventus' revenues.

SPi is a leading global BPO provider with numerous locations across the United States, Europe, and Asia, with over 150 global clients and 6,900 employees worldwide.

During the first nine months of 2007 ePLDT reported service revenues of P7.4 billion, a 96% increase from the P3.8 billion revenue achieved in the same period last year.

This was driven by the continued growth in call center revenues through *ePLDT Ventus* and the consolidation of SPi Technologies, which PLDT acquired in July 2006.



"The PSE requirement is a minimum of 10% of the company's total outstanding shares, but we will offer more"—PLDT Chairman Manuel V. Pangilinan

Despite their significant growth, ePLDT's revenues were adversely impacted by the strong appreciation of the peso since approximately 86% of its service revenues are denominated in US dollars. ePLDT would have reported a 113% growth in revenues if the peso had remained stable year-on-year.

Based on the nine-month results, ePLDT's revenues now account for 7% of the PLDT Group's consolidated revenues.

Earnings before interest, taxes, depreciation and amortization (EBITDA) grew 46% to P803 million in the first nine months of 2007 from P551.5 million in the same period in 2006.

EBITDA margin declined to 11% due to the 9% appreciation of the peso, which reduced revenues by P633.8 million, the higher compensation and benefits costs associated with new employee incentive schemes and the extended lead time required to effect an orderly migration of SPi's medical and other transcription business from the United States to Asia, particularly the Philippines.

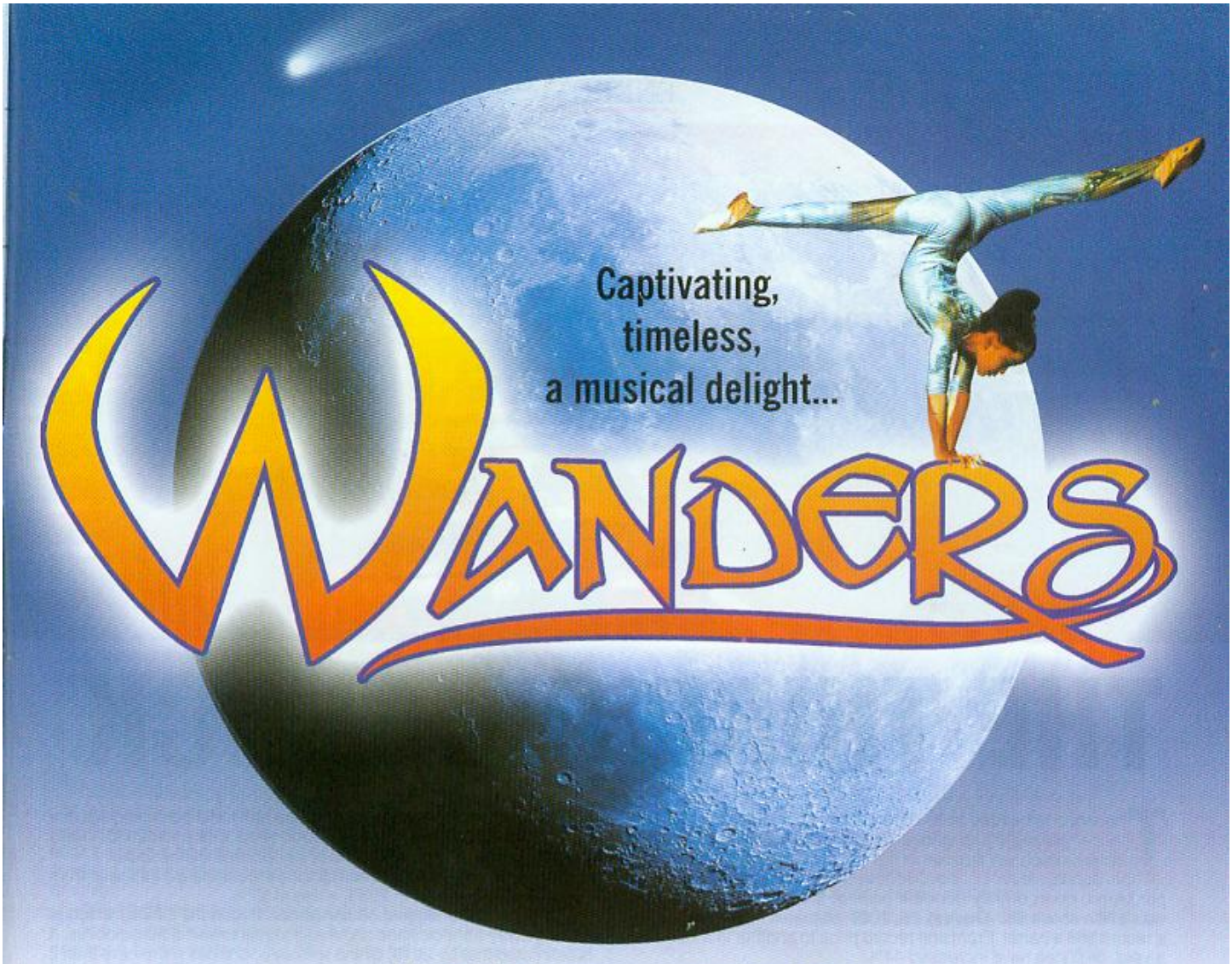
ePLDT Ventus operates seven facilities with combined seats of over 5,800 and an employee base of over 6,300. Consolidated call center revenues increased 23% to P2.4 billion as it continued to expand its client base and improve capacity utilization.

SPi, on the other hand, generated revenues of P4 billion in the first nine months of 2007, of which 37% came from its publishing business, 39% from its healthcare unit and another 24% from its legal vertical.

Its recent acquisition of Springfield Service Corp. a US-based medical billing and accounts receivable management service provider, is expected to boost its healthcare business as it completes its revenue cycle management offering.

"We continue to foresee strong growth in our outsourcing business and, to this end, are in the process of increasing our sales organization," says"Ray C. Espinosa, ePLDT president and CEO."'"We have also developed and adopted new technology applications in SPi to reduce dependence on licensed solutions."

"In addition, we are managing the functional integration of SPi and Ventus around certain areas where we can benefit from shared services," he relates."'These initiatives have resulted in an improving EBITDA and profit picture for SPi starting this third quarter which should continue on to the rest of this year and 2008." ■



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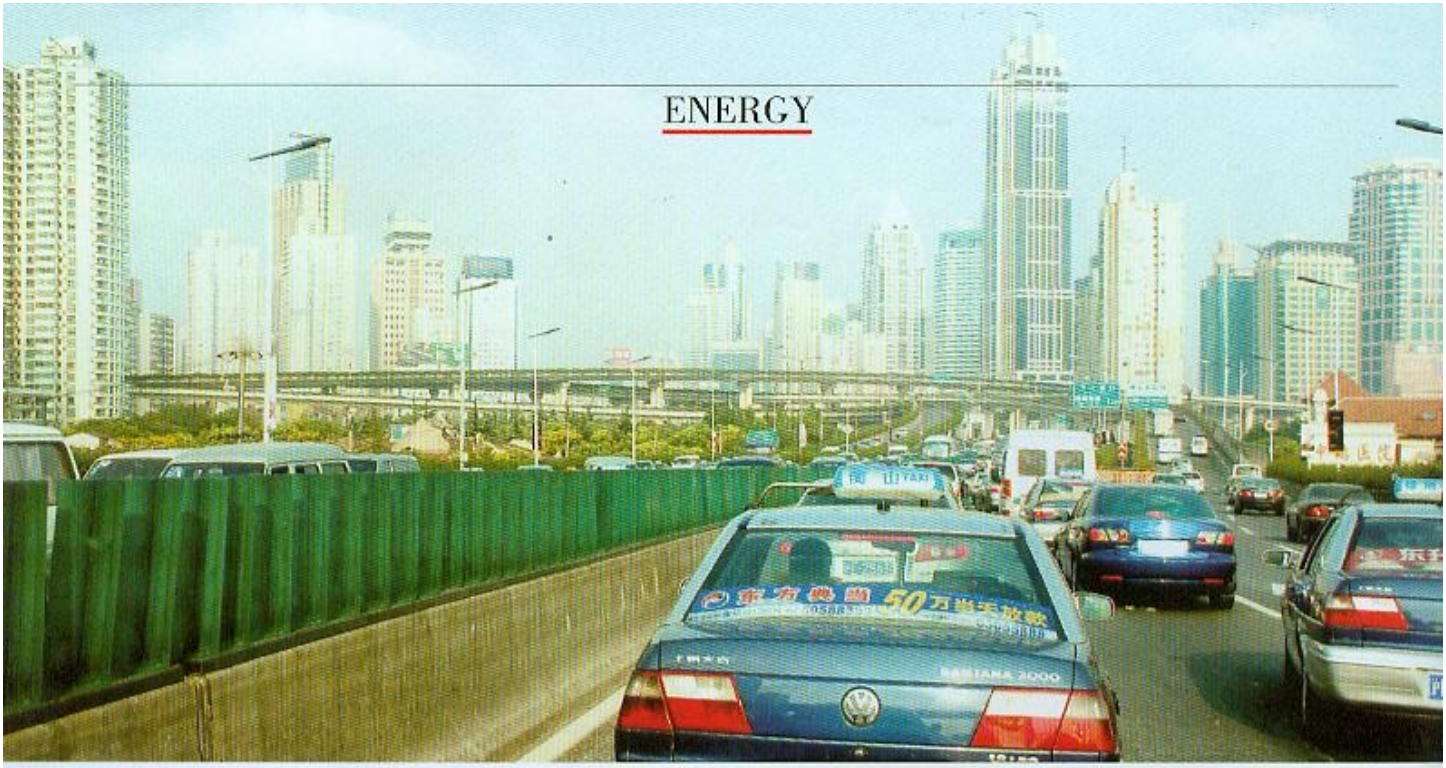
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THE THIRD OIL SHOCK

The world is headed to its third energy shock in 30 years. This is symbolized by oil prices reaching the threshold $100 per barrel, which will happen in the next few weeks.

On Sunday, Nov. 11, the Oil-Price.Net quoted crude at $96.20 per barrel, down slightly from the peak of $98.62. A month ago, it was a little above $80. On Aug. 25, 2006, oil prices hit what was then a record $68 a barrel. From one record price to another in a little over a year, oil prices have increased 44%.

The forecast is that within a year, oil will reach $125.06 per barrel.

To be sure, oil has yet to reach its historic inflation-adjusted high, reached April 1980 in the aftermath of the Iranian revolution when it jumped to $101.70 a barrel in today's dollars. Also, oil is still cheaper than your bottled water and for that matter, your cup of Starbucks coffee, which is atrociously priced at P110 and yet cannot run your car or your generator.

This oil shock will hurt poor countries badly and the poorest Filipinos the most.

This early, industrialist Raul Concepcion is suggesting rationing of food—to enable the poor to cope, and more transparency in the way domestic oil price increases is approved, to enable the rich and the middle class to cope. There is no sense nor science to the way local oil prices are adjusted. Even if an oil company wants to reduce its prices, it has to get government approval. Why? Blame the Oil Deregulation Law.

The Department of Trade keeps saying gasoline prices have an impact of only half a percent on consumer prices. That's a lie, if you go to market, vegetables are priced about P60 and above a kilo. They were about P45 a year ago.

The two previous oil shocks were driven by supply interruptions from the Middle East. This third shock is driven by demand for oil by huge energy users like China, India, the United States and the Middle East. Oil demand next year is projected at 88 million barrels, up 2.4% from 2007.

The International Energy Agency predicts that the world's energy needs will increase by well over 50% in 2030 over today. China and India together will account for 45% of this increase in global primary energy demand. Net oil imports of China and India combined will rise from 5.4 million barrels per day in 2005 to 19.1 mbpd in 2030. That's more than the combined imports of the US and Japan today.

Consequently, world carbon dioxide emissions will increase from 27 Gt in 2005 to 42 Gt in 2030, a rise of 57%.

The US is the biggest oil consumer. Second is China, which is shifting away from bicycles and mass transit towards automobiles. It is estimated that by 2010, China will have 90 times more cars than it had in 1990. Automobile sales are rising at 19% per year. By 2030, China oil imports will equal that of the US. China will overtake the US as the world's biggest CO_2 emitter this 2007. India becomes the third biggest emitter in 2015.

The IEA warns that although production capacity of new fields is expected to increase over the next five years, "it is very uncertain whether it will be sufficient to compensate for the decline in output of existing fields and meet the projected increase in demand." A supply crunch in 2015, involving an abrupt escalation in oil prices "cannot be ruled out."

On the supply side, being blamed are refinery bottlenecks in the US, a weak dollar (which is down 8% against the euro), geopolitical threats in the Middle East, the war in Iraq, violence in oil producer Nigeria, and attempts by Venezuela and Russia to increasingly control their oil resource, thus driving away foreign oil investment.

In China and India in the past ten years, 300 million Chinese and 100 million Indians crossed the poverty line to middle class. How do you think they did that? By consuming so much oil. China's biggest oil producer last week became the world's most valuable company. Its IPO made it a $1-trillion company. China has acquired interest in oil exploration and production in Russia, Kazakhstan, Venezuela, Sudan, West Africa, Iran, Saudi Arabia and Canada. China gets 58% of its oil imports from the Middle East.

The *New York Times* says "at the root of the stunning rise in the price of oil, up 56% this year and 365% in a decade, is a positive development: an unprecedented boom in the world economy." Oil prices have more than quadrupled since 2001.

The *Washington Post* estimates that "oil consumers are paying $4

billion to $5 billion more for crude oil every day than they did just five years ago, pumping more than $2 trillion into the coffers of oil companies and oil-producing nations this year alone." Some $700 million a year are flowing to the oil-producing countries.

NYT says "Demand from China and India alone is expected to double in the next two decades as their economies continue to expand, with people there buying more cars and moving to cities to seek a way of life long taken for granted in the West."

In China, demand for oil has been so huge shortages, rationing and long lines became a daily occurrence. The government had to increase domestic pump prices by 10% last Oct. 31.

Japan shows the way to wean away from heavy reliance on oil. Though it imports almost all of its oil needs, it now imports 16% less oil than it did in 1973, estimates the *Washington Post*. But it more than doubled the size of its economy. Japan now accounts for nearly half of total world solar power generation. The US share is just 15%. The adoption rate for the less energy-consuming fluorescent light bulbs is 80%. The US is 6%.

Japan's Toyota is the biggest producer of hybrid cars and its Corolla and Camry hybrids are hot sellers everywhere.

Brazil is another country that shows the way to adapting to the oil crisis. About 80% of its gasoline is ethanol-based. The shift to sugar-based ethanol transport fuel made Brazil a net oil exporter for the first time.

Over the long term, the only way for oil prices to collapse is if the world's major economies collapse. After the 1997 Asian Crisis, crude prices nosedived by half, from $20 to $10 a barrel.

Oil consumption in the United States, where gasoline is far cheaper than in Europe, has jumped to 21 million barrels a day this year, from about 17 million barrels in the early 1990s.

If the Chinese and Indians consumed as much oil for each person as Americans do, the world's oil consumption would be more than 200 million barrels a day, instead of the 85 million barrels it is today. No expert regards that level of production as conceivable.

More realistically, global demand is expected to rise to about 115 million barrels a day by 2030, a level that is likely to tax the world's ability to pump more oil out of the ground. Already, the world is running on a limited cushion of spare capacity; any interruption in supplies, whether from hurricanes or armed conflict, causes prices to spike.

"We don't have any shock absorbers," David Goldstein said.

For oil companies, high prices have set off a frenzied search for new sources around the world. After a long lull in investments through most of the 1990s because of low prices, major oil companies have invested billions of dollars to bring in more supplies.

The trouble is that these big new developments take a long time, and companies have been hobbled by higher costs. The cost of drilling rigs, for example, the basic tool of the trade, has doubled in recent years. Analysts say it will take time, but new supplies will eventually work their way to market.

Supplies have also been hampered by political tension in the Gulf, the war in Iraq, devastating hurricanes in the oil-producing Gulf of Mexico, production difficulties in Venezuela and violence in Nigeria's oil-rich province. Many of these geopolitical factors have contributed to a political risk premium variously estimated at $25 to $50 a barrel. Recently, in just nine weeks, oil jumped from $75 to $95 a barrel for little apparent reason.

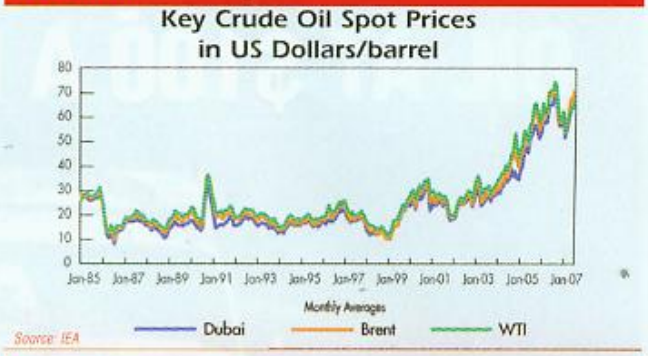
"Fifty-dollar-a-barrel oil seems so far away at this point," said Thomas Bentz, a senior energy analyst at BNP Paribas in New York, citing a figure that seemed an impossibly high price for oil only a few years ago. "Oil will stop rising when we see demand destruction. We haven't seen that yet."

When will it happen? Veterans of the oil business, having lived through booms and busts, say no one should count on oil rising forever. Economic slowdowns in China or the United States—or especially, in both—would probably send prices tumbling.

It happened a mere decade ago, after the Asian financial crisis sent economies there into a tailspin. Global oil prices fell by half, from $20 a barrel to $10, in months.

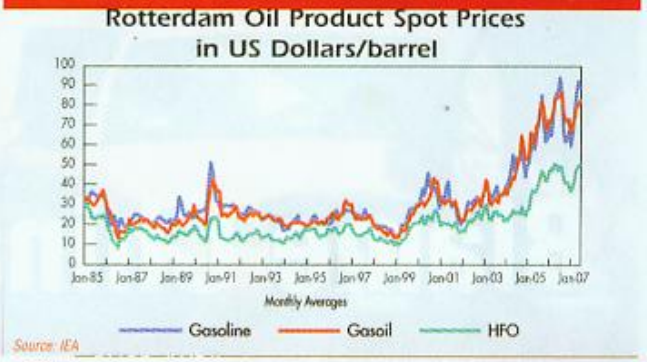
"It would be a big mistake to think the laws of supply and demand have been abolished," Daniel Yergin said. —***Tony Lopez***

Crude oil



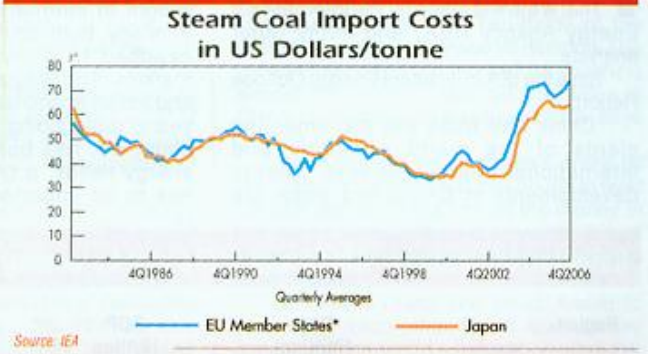
Source: IEA

Petroleum products



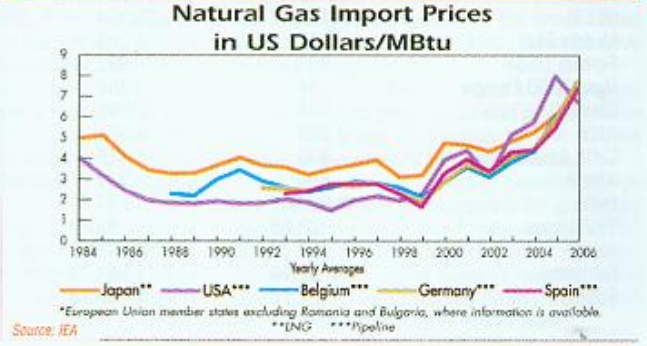
Source: IEA

Steam coal import costs in US dollars/tonne

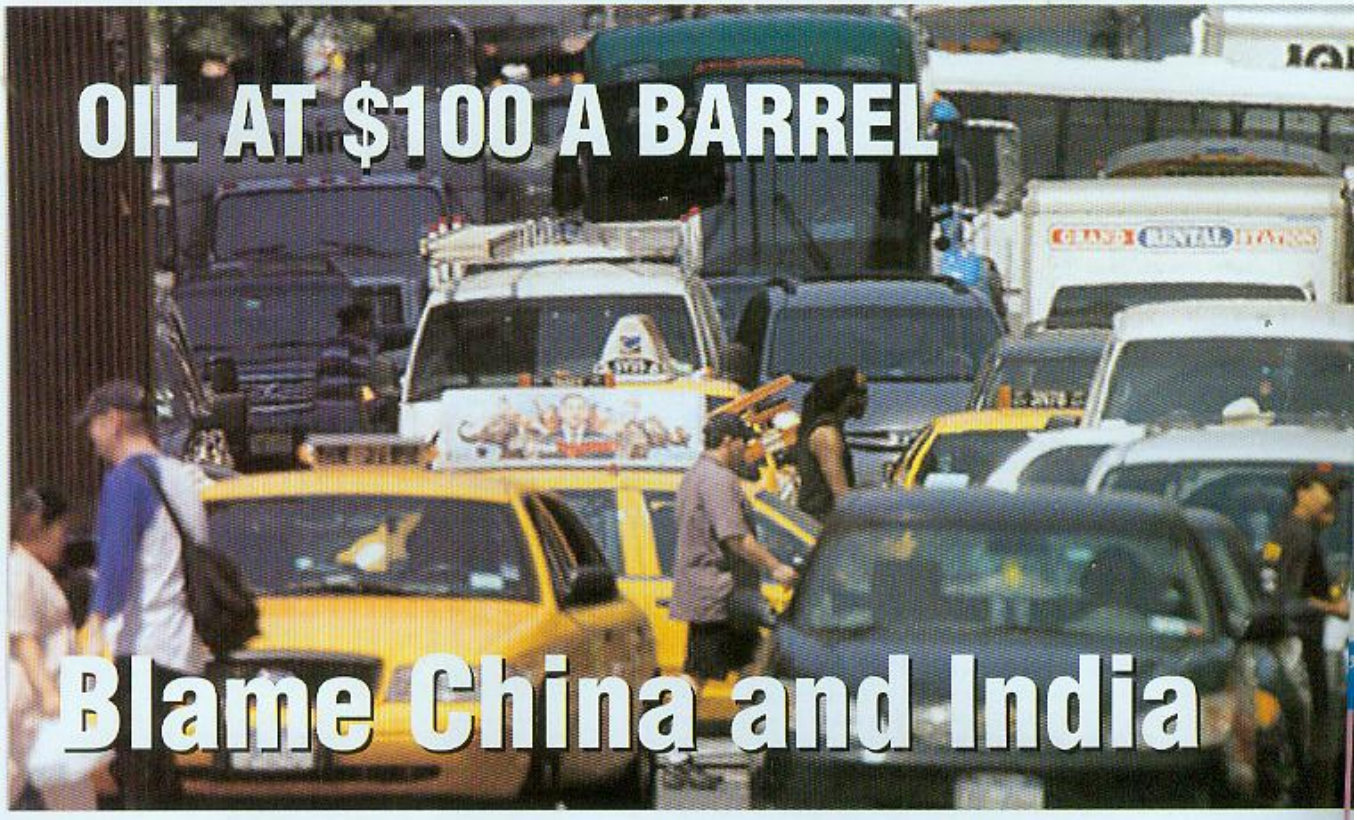


Source: IEA

Natural gas



Source: IEA



OIL AT $100 A BARREL

Blame China and India

If crude oil hits $100 per barrel and it will—blame China and India.

That is the line taken by the International Energy Agency (IEA) and many other analysts.

Says the IEA in its latest Energy Outlook Report:

"China and India are the emerging giants of the world economy and international energy markets. Energy developments in China and India are transforming the global energy system by dint of their sheer size and their growing weight in international fossil-fuel trade. Similarly, both countries are increasingly exposed to changes in world energy markets. The staggering pace of Chinese and Indian economic growth in the past few years, outstripping that of all other major countries, has pushed up sharply their energy needs, a growing share of which has to be imported. The momentum of economic development looks set to keep their energy demand growing strongly. As they become richer, the citizens of China and India are using more energy to run their offices and factories, and buying more electrical appliances and cars."

China and India are the world's biggest countries in terms of population. China has 1.3 billion people; India 1.09 billion. Together, they account for 35% of mankind.

China has GDP (value of domestic

Selected Indicators: China and India will be among the world's biggest energy users as they overtake countries ri

Region	Pop. (Million)	GDP (Billion 2000$)	GDP (PPP) (Billion 2000$)	Energy Prod. (Mtoe)	Net Imports (Mtoe)	Total Primary Energy (Mtoe)
World	6,432	36,281	54,618	11,468	-	11,434
OECD	1,172	28,394	30,321	3,834	1,813	5,548
Middle East	187	786	1362	1,496	-979	503
Former USSR	285	525	2,099	1,551	-565	980
Non-OECD Europe	54	152	428	63	43	105
China	1,311	2,098	8,057	1,641	124	1,735
Asia	2,080	1,974	7,089	1,114	199	1,286
Latin America	449	1,620	3,193	680	-168	500
Africa	894	731	2,069	1,088	-475	605
India	1,094.58	644.10	3,362.05	419.04	121.60	537.31
Philippines	83.05	93.73	379.61	24.2	20.42	44.69
Japan	127.76	4,994.13	3,473.78	99.77	438.98	530.46
Germany	82.46	1,961.79	2,169.43	134.5	214.47	344.75
France	62.70	1,430.13	1,695.97	136.89	143.3	275.97

Source: IEA



economic production) of $1,890 billion and GDP in purchasing power parity (the purchasing power of that economic production) of $7,842 billion, and electricity consumption per capita of 1,781 kwh. India has GDP of $644 billion,GDP (PPP) of $3,362 billion, and electricity consumption per capita of 480 kwh. These are IEA figures. By 2010, China will be the world's largest energy consumer, predicts the IEA, overtaking the United States.

Producers, exporters and importers of crude oil

Producers	Mt	% of World total
Saudi Arabia	507	12.9
Russia	477	12.1
United States	310	7.9
Islamic Rep. of Iran	216	5.5
People's Rep. of China	184	4.7
Mexico	183	4.6
Canada	151	3.8
Venezuela	151	3.8
Kuwait	139	3.5
United Arab Emirates	134	3.4
Rest of the World	1484	37.8
World	3936	100.0

2006 data

Exporters	Mt
Saudi Arabia	364
Russia	253
Islamic Rep. of Iran	132
Nigeria	119
Norway	115
Mexico	100
Venezuela	97
United Arab Emirates	97
Kuwait	84
Canada	84
Rest of the World	733
World	2178

2005 data

Importers	Mt
United States	582
Japan	213
People's Rep. of China	127
Korea	115
Germany	112
India	99
Italy	95
France	84
Netherlands	62
Spain	60
Rest of the World	709
World	2258

2005 data

Source: IEA

cher than them today

Elec. Cons. (TWh)	CO_2 Emissions (b) (Mt of CO_2)	Elec. Cons./Pop (kWh/ capita)
16695	27136	2596
9800	12910	8365
558	1238	2980
1199	2303	4209
167	263	3086
2363	5101	1802
1343	2591	646
761	938	1695
503	835	563
525.93	1147.46	480
49.73	76.42	599
1,051.90	1214.19	8233
586.41	813.48	7111
483.23	388.38	7707

The Philippines has a population of 85 million, GDP of $94 billion, GDP (PPP) of $380 billion, and electricity consumption per person of 599 kwh.

By 2025, according to Goldman Sachs, China will be the second richest country, after the US; India will be fifth, after the US, China, Japan and Germany.

Therefore, China and India will have an energy consumption similar to that of Germany, at least, in 20 years. Germany has today a population of 82.46 million, GDP of $1,962 billion, GDP (PPP) of $2,169 billion, and per capita electricity consumption of 7,111 kwh.

Conceivably thus, the energy consumption per capita of China will increase by 299%, from 1,781 kwh to 7,111 kwh; that of India will surge by 1,381%. China currently consumes14% of the world's electricity supply; India 3.2%. The US eats up 24.2% of total electricity at present; Japan 6.3%; Germany 3.5%, and France 2.9%.

Already, China consumes more electricity than Japan, Germany and France combined. Can you imagine how much China will consume two decades from now on the way to becoming the world's second richest nation? This explains why China is not just buying oil, not just buying oil fields, not just buying oil companies; it might even resort to virtually buying oil countries.

IEA predicts that China's primary energy demand will more than double from 1,742 million tons equivalent in 2005 to 3,819 Mtoe in 2030—an average annual rate of growth of 3.2%.

In 2005, US primary energy demand was more than one-third larger. In the period to 2015, China's demand will grow by 5.1% per year, driven mainly by a continuing boom in heavy industry.

Transport's oil demand almost quadruples between 2005 and 2030, contributing more than two-thirds of the overall increase in Chinese oil demand. The vehicle fleet expands seven-fold, reaching almost 270 million. New vehicle sales in China exceed the US by around 2015, says the IEA.

Analysts say Saudi Arabia's entire oil production may not even be enough to feed China's needs. China has all the money in the world to buy the oil it wants. It has reserves of $1.4 trillion, the world's biggest cash hoard.

So expect China and Saudi Arabia to cozy up to each other. Saudi Arabia today is not only the world's biggest oil producer and exporter. It is also the world's biggest exporter of industrial-grade 9/11-type terrorists. And China remains to this day, the world's biggest exporter of the most viable type of communist insurgency, which is alive in the Philippines.

So the oil crisis is not just about money; it is also about geopolitics and global power play. This year, according to IEA, China became the world's biggest polluter.

So if I were a senator, I would advise my senatorial colleagues to go easy investigating all those China deals—ZTE-NBN, Northrail, agriculture, mining, CyberEd, etc. China doesn't need to bribe us to bag those deals. We need China more than China needs us.—***Tony Lopez***

Looming energy crisis: Time is

A global energy crisis—demand outstripping supplies, coupled with environmental destruction—is looming, and a worldwide effort and cooperation is needed before time runs out.

The first casualties are the poor. For households, energy becomes an issue of concern with increasing energy prices. This especially affects lower-income groups in industrialized and developing countries.

The United Kingdom has had a fuel poverty strategy since 2001 that recognizes that fuel poverty is caused by a combination of low income, lack of energy efficiency measures and unaffordable energy, especially for the elderly.

For developing countries without fossil fuel reserves, the security of supply is an even more pressing problem, according to the UN Global Environmental Outlook Report No. 4 (GEO 4).

This affects the poorer population groups, because transport and food prices are affected most.

Rural areas are especially vulnerable, as are small and medium enterprises that often cannot cope with the volatility of oil prices. Rises in energy prices also result in macro-economic losses, indirectly affecting human well-being, the GEO 4 says.

In OECD countries, although oil intensity is already decreasing, an increase of $10/barrel is estimated to result in 0.4% in lost GDP in the short term.

For the poorest countries, estimates are about a 1.47% GDP (gross domestic product) loss per $10 rise per barrel, estimates the GEO 4 reports.

Some of the lowest-income countries suffer losses of up to 4% of GDP.

Although total energy consumption has increased since 1987, progress has been made in using energy more efficiently. Energy consumption per unit of GDP dropped since the 1980s, reflecting the rising importance of the service sector, and information and communication technologies, which use less energy to create wealth than do heavy industries.

Investments in energy efficiency have proven to be economically and environmentally beneficial. Improved energy efficiency can also be attributed in part to the outsourcing of some production activity, relocating energy use and its impacts in other parts of the world.

The fragmenting and damaging of wilderness areas, increasing air pollution, pipeline leaks and oil transport spills all pose important environmental and health threats. There is increasing recognition of the human health costs of fossil fuel combustion.



The primary scarcity facing the planet is not of natural resources or of money, but time. Investment now being made in energy-supply infrastructure will lock in technology for decades, especially in power generation. The next ten years will be crucial, as the pace of expansion in energy-supply infrastructure is expected to be particularly rapid.

The energy sector is a major carbon dioxide (CO_2) emitter. The United States emits 23% and Canada 2.2% of global energy-related GHG (greenhouse gases) emissions. Fossil fuel combustion accounts for 98% of total US CO_2 emissions.

From 1987 to 2003, CO_2 emissions from fossil fuels in North America increased 27.8%, and per capita emissions per unit of GDP remain high relative to other industrialized regions. The transport section is a major emitter of GHGs; in 2005, it accounted for 33% of total US energy-related CO_2 emissions. An emerging issue is the rise in emissions from air travel.

China and India are the emerging giants of the world economy and international energy markets. Energy developments in China and India are transforming the global energy system by dint of their sheer size and their growing weight in international fossil-fuel trade.

The challenge for all countries is to put in motion a transition to a more secure, lower-carbon energy system, without undermining economic and social development.

Vigorous, immediate and collective policy action by all governments is essential to move the world onto a more sustainable energy path. There has so far been more talk than action in most countries.

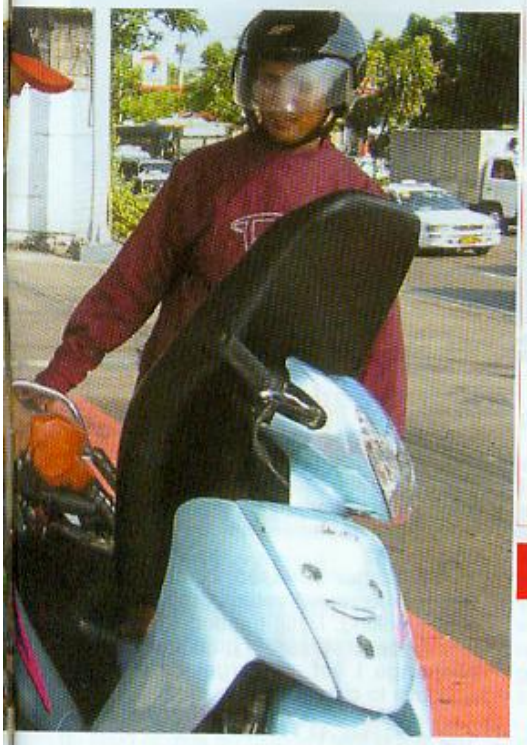
The global increase in energy demand amounts to 6%, making it all the more urgent for governments around the world to implement policies to curb the growth in fossil-energy demand and related emissions.

Although new oil-production capacity additions from greenfield projects are expected to increase over the next five years, it is very uncertain whether they will be sufficient to compensate for the decline in output at existing fields and keep pace with the projected increase in demand. A supply-side crunch in the period to 2015, involving an abrupt escalation in oil prices, cannot be ruled out.

Rising CO_2 and other greenhouse gas concentrations in the atmosphere, resulting largely from fossil-energy combustion, are contributing to higher global temperatures and to changes in climate. Growing fossil-fuel use will continue to drive up global energy-related CO_2 emissions over the projection period.

Urgent action is needed if greenhouse-gas concentrations are to be stabilized at a level that would prevent dangerous interference with the climate system.

running out



Exceptionally quick and vigorous policy action by all countries, and unprecedented technological advances, entailing substantial costs, would be needed to make this case a reality. Government action must focus on curbing the rapid growth in CO_2 emissions from coal-fired power stations – the primary cause of the surge in global emissions in the last few years.

The primary scarcity facing the planet is not of natural resources or of money, but time. Investment now being made in energy-supply infrastructure will lock in technology for decades, especially in power generation. The next ten years will be crucial, as the pace of expansion in energy-supply infrastructure is expected to be particularly rapid.

The most cost-effective approach will involve market-based instruments, including those that place an explicit financial value on CO_2 emissions.

Given the scale of the energy challenge facing the world, a substantial increase is called for in public and private funding for energy technology research, development and demonstration, which remains well below levels reached in the early 1980s. The financial burden of supporting research efforts will continue to fall largely on IEA countries. ■

Refinery capacity, net exporters and net importers of oil

Crude Distillation Capacity	kb/cd	% of World total
United States	17 287	20.1
Former USSR	7 740	9.0
People's Rep. of China	**7 200	8.4
Japan	4 670	5.4
India	2 980	3.5
Korea	2 580	3.0
Germany	2 430	2.8
Italy	2 320	2.7
Saudi Arabia	2 100	2.4
Canada	2 020	2.3
Rest of the World	34 765	40.4
World	86 092	100.0

2006 data

Net Exporters	Mt
Saudi Arabia	424
Russia	335
Islamic Rep. of Iran	140
Venezuela	131
Norway	124
Nigeria	115
Kuwait	114
United Arab Emirates	102
Mexico	88
Algeria	75
Rest of the World	576

2005 data

Net Importers	Mt
United States	634
Japan	253
People's Rep. of China	142
Germany	120
Korea	100
France	94
India	90
Italy	80
Spain	80
Netherlands	48
Rest of the World	588

2005 data

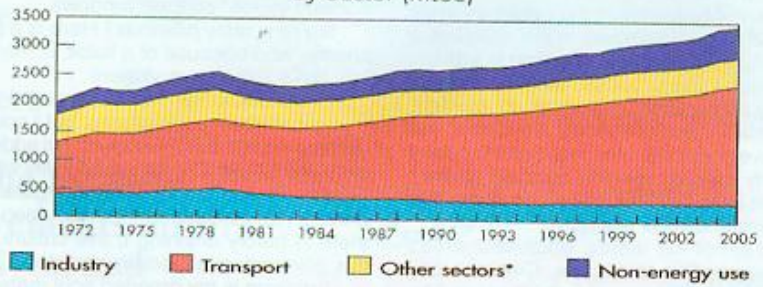
*Crude oil and petroleum products.
**Does not include unlisted small teapot refineries which are estimated at between 200 and 500 kb/cd (1000 barrels per calendar day).

Source: IEA

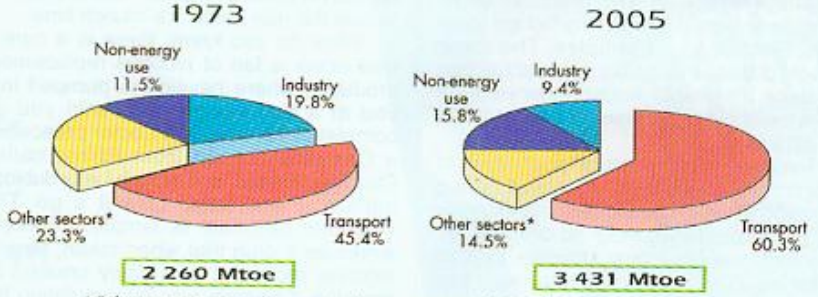
Total final consumption by sector

Oil

Evolution from 1971 to 2005 of Total Final Consumption by Sector (Mtoe)



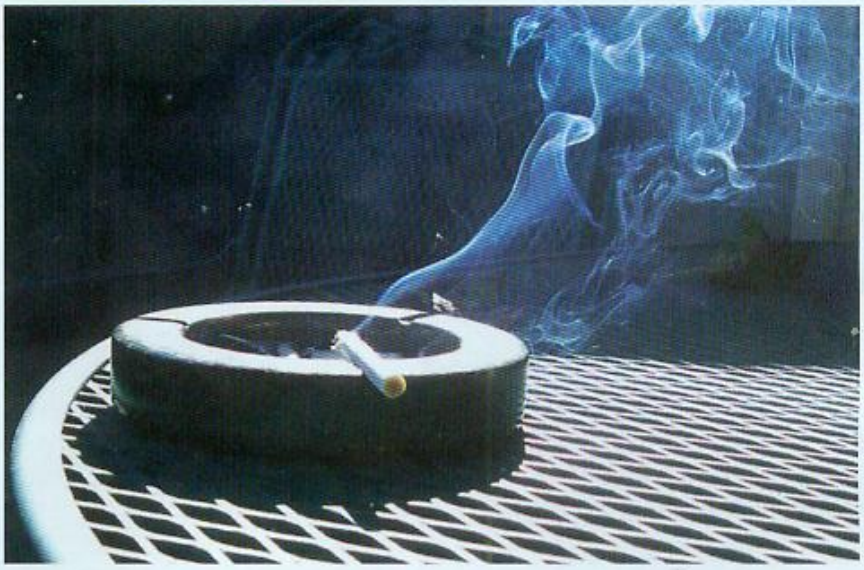
1973 and 2005 Regional shares of total final consumption*



*Other sectors comprises agriculture, commercial & public service, residential and non-specified.

Source: IEA

Addicted to nicotine



By LOUIE CRUZ

Given: I have been smoking for decades and for the longest time, honestly did not care that I did. Last month, over at the smoker's corner stashed far from the night's central event, a corporate publicist asked if I ever thought of wanting to quit.

"Whatever for?" I replied in all incredulity. Why would I ever want to give up this lifelong companion, unfailingly loyal to the core, artificial and fleeting though its pleasures may be? Like alcohol, nicotine has long declared itself vital to my system.

But a couple of weeks ago, during a routine trip to the doctor, I was forced to seriously begin considering the hideous side of this habit. And at this point especially, I admit: it far outweighs the pleasant.

Take dining for example. I've long been a food connoisseur, a chef and and gourmand as it may. I take great care in fusing and feasting on flavors—except too many times the desire to smoke comes between even the most delectable of bites.

I can no longer count the instances when I've had to excuse myself in the middle of a delightful dinner and conversation to light up. And when I do get back in time for desert, I usually need to step out again. By the time my nicotine need is sufficed, the dinner and talk have gone cold. Meetings and interviews similarly halt and resume because of me: I feel like a fugitive, trying to slip in and out as inconspicuously as can be.

I cannot sit inside enclosed areas without needing to escape. Cinemas and airplanes are like gas chambers to me. The only flights I can sit still in are domestic ones, and even then my hands are shaking when I get off.

The exertion of any physical effort whatsoever is plain torture. Any flight of stairs feels like the Incan temples. The mere thought of broken elevators sends shivers up my spine. I seriously would rather miss an entire week of revelry than be forced to take my flat's stairs.

Even worse is this nagging sensation of a doom self-channeled. It comes during coughing fits and days when I can literally feel my air passages weighed down by tar. It reminds me of gloomy statistics I would rather not hear, of emphysema rates and surges in lung cancer cases. I am neither irrational nor innocent. I know what smoking does to the body. I'm spit-firing my lungs to a slow burn and peppering the whole thing with poison. It is not a pretty picture.

Just as nauseating is the polite tolerance I get from non-smokers. The looks of concern and subtle patronization. Ever since indoor smoking in public places was declared illegal, I've felt like an outcast. I've had to squeeze into the most demeaning of smoking areas for a fix, and endure nasty looks from people I accidentally (or not) blow smoke into. I wait for the day when establishments would start plastering notices that read "No Pets and Smokers Allowed Inside" on their windows.

Isn't the irony hilarious? Here is a party animal, who because of a habit, is made to feel like a pariah everywhere.

Backtrack to my first statement. I have thought of quitting sometimes, but I couldn't get past the fact that I'm hooked. I'm addicted, clear and simple. The idea of living life without nicotine is akin to a life without organs. The craving has embedded itself too deep, and there is hardly anything I, this culture, and this government especially, can do.

Smoking is my dreaded soul mate.

But like I said, I did drop by my physician's office. I'm not all for self-destruction just yet. It was a routine check-up, but he knew as well as I did: it was time to face the real battle. It's crunch time.

What do you know, there is a cure. I was never a fan of nicotine replacement products, where nicotine is pumped into you at a decreasing ratio until you go completely tar-free. The doctor prescribed a Canadian brand from Pfizer called Champix instead, and though I was dubious initially, I agreed to give it a go. The scientific rationale is simple. Champix works as a drug that when taken, targets nicotine receptors previously created by smoking. Champix acts by simulating the effect nicotine has on the body, at the same time blocking the receptors. The result is a reduction in craving and withdrawal symptoms. The reward and reinforcement trap produced by smoking is then shattered. I like Champix basically because it does not deliver any more nicotine in your body as a replacement. It's a piece of genius.

My doctor stressed, of course, that Champix alone will not magically make me stop smoking. I still needed to assert to myself that I wanted to quit, and with this challenge I set my target date to say goodbye to cigarettes forever.

I am now on my first week of treatment. The aim is that I should be able to build up the dose so that my body is perfectly used to the medicine before my target date. I am taking a 0.5mg dose after meals daily, which will gradually increase to 1mg twice everyday, or according to what my doctor says. Yes, I have to regularly see my physician—social appointments are now just as important as my medical ones. Counsel and medication go hand in hand in this quest to a new life minus my expensive smoking addiction.

I do feel that my urges have come fewer and far between while on Champix, but the bigger miracle is that I don't act upon them. I cannot smoke while taking Champix. From hereon it's me, my decision, my doctor and the drug.

In 12 weeks I may be able to completely banish smoking. My doctor says that some patients need to continue treatment for up to 24 weeks, but with amazing results. Twelve weeks doesn't sound too long, compared to the decades I've accumulated as a smoke vacuum.

Just imagine, I haven't touched a cigarette for three days now. Even I am still in shock but in a very happy state of shock. Who knows, maybe alcohol will be the next to go. Well, one day at a time and I will be finally released and be free again! ■

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ECONOMIC INDICATORS

	2000	2001	2002	2003	2004	2005	2006	2007	
I. OUTPUT								*January - March*	
A. Real GNP growth	4.8	2.3	4.2	6.0	6.9	5.3	6.1	6.3	6.6
B. Real GDP growth	4.4	1.8	4.4	4.9	6.2	5.0	5.4		
C. Per Capita GNP (current prices: USD)	1007.3	967.3	1019.9	1043.6	1120.7	1253.0	1469.8	336.4	386.0
D. Per Capita GNP (constant prices: USD)	726.4	725.7	741.3	768.9	805.4	831.5	864.8	204.5	213.0
E. Savings Rate	22.74	22.95	23.11	26.15	27.59	27.01	27.36		
II. PRICES (2000 = 100)								*January - June*	
A. CPI Philippine (all items, ave. % change)	4.0	6.8	3.0	3.5	6.0	7.6	6.2	7.0	2.6
of which: Food, Beverages & Tobacco	1.6	4.7	2.3	2.2	6.2	6.5	5.5	5.9	3.0
Non-food	6.4	8.8	3.8	4.6	5.8	8.7	6.9	8.0	2.3
B. Core Inflation (2000=100)	4.0	7.4	3.5	3.4	5.7	7.0	5.5	6.0	2.9
III. MONEY AND INTEREST RATES									
A. Money (End-of-Period)								*February*	
1. Domestic Liquidity (M3, P B)	-	1669.0	1845.7	1922.6	2119.3	2338.1	2638.4	2332.7	2855.3
(% Change)	-	-	9.3	4.2	10.2	10.3	21.4	9.7	22.4
								May	
2. Base Money (P B)	399.5	445.5	468.0	498.3	592.9	653.6	795.7	663.8	831.3
(% Change)	32.5	11.5	5.0	6.5	19.0	10.2	21.7	16.3	25.2
3. Net Credits fr the Mon. System (P B)	-	2359.9	2460.8	2601.9	2846.7	2803.1	2986.4	2669.0	2854.4
(% change)	-	-	4.3	5.7	9.4	-1.5	6.5	-2.4	6.9
of which: Private (Nominal, P B)	-	1670.9	1693.4	1746.4	1846.0	1843.0	1961.6	1811.0	1884.9
% Change	-	-	1.4	3.1	5.7	-0.2	6.4	0.8	4.1
								November	
4. Total Loans Outstanding KBS (P B)	1451.5	1399.2	1432.7	1487.7	1525.9	1539.4		1574.6	1681.8
% Change	7.2	-3.6	2.4	3.8	2.6	0.9		2.1	6.8
								May	
5. Non-Performing Loans KBS (P B)	245.8	281.9	245.1	245.5	227.0	153.7	117.4	145.5	107.0
As % of total loans	15.1	17.3	15.0	14.1	12.7	8.2	5.7	7.6	5.3
B. Interest Rates (% p.a., average)									
								January - July	
1. T-bills 91 days	9.86	9.86	5.43	6.03	7.34	6.36	5.35	5.34	3.16
2. Time Deposits (all maturities)	8.51	9.53	5.32	6.41	6.43	5.26	4.94	5.18	3.14
3. Bank Ave. Lending Rates (all maturities)	10.86	12.40	8.90	9.48	10.07	10.15	9.71	9.84	8.90
IV. EXTERNAL SECTOR								*January - March*	
A. Current Account Balance (USD M)	-2225	-1774	-279	288	1628	1984	5022	1153	1823
(as % of GDP)	-2.9	-2.4	-0.4	0.4	1.9	2.0	4.3	4.3	5.8
								January - May	
B. Trade Balance (USD M)	-5971	-6265	-5530	-5851	-5684	-7773	-6955	-1256	187
								January - May	
C. Export (Goods; USD M)	37347	31313	34403	35339	36794	40263	46158	18958	20421
(% Change)	9.1	-16.2	9.9	2.7	9.8	3.8	14.6	17.7	7.7
								January - May	
D. Imports (Goods; USD M)	43318	37578	39933	41190	44478	48037	53113	20214	20608
(% Change)	7.7	-13.3	6.3	3.1	8.0	8.0	10.6	9.5	2.0
								January - May	
E. Investments, Net (USD M)	3225	849	1029	672	-1647	2189	-1858	1324	139
of which: Net Direct Investments	2115	335	1477	188	109	1665	2242	567	638
Net Portfolio Investments	-553	1027	746	562	-1713	3475	2744	1667	376
								January - June	
F. Overall BOP Position (USD M)	-509	-202	810	115	-280	2410	3769	2040	3199
								July	
G. Total Foreign Assets BSP (USD M)	15063	15692	16365	17063	16226	18494	22967	21274	27683
(In months of imports of goods & services)	3.5	4.0	4.0	4.1	3.6	3.8	4.3	4.1	5.1
								March	
H. External Debt (USD M)	51206	51900	53645	57395	54846	54186	53367	55304	54046
								January - April	
I. External Debt Service Ratio (in %)	12.54	14.49	15.81	15.68	12.89	12.61	11.36	12.03	10.67
								January - July	
J. Peso-Dollar Rate (P/US$) Period Average	44.194	50.993	51.604	54.203	56.040	55.086	51.314	52.049	47.462
(% Appreciation/Depreciation)	-11.55	-13.33	-1.18	-4.80	-3.28	1.73	7.35	5.58	9.77
End-of-Period	49.998	51.404	53.096	55.569	56.267	53.067	49.132	51.624	45.611
(% Appreciation/Depreciation)	-19.37	-2.74	-3.19	-4.45	-1.24	6.03	8.01	8.66	13.18

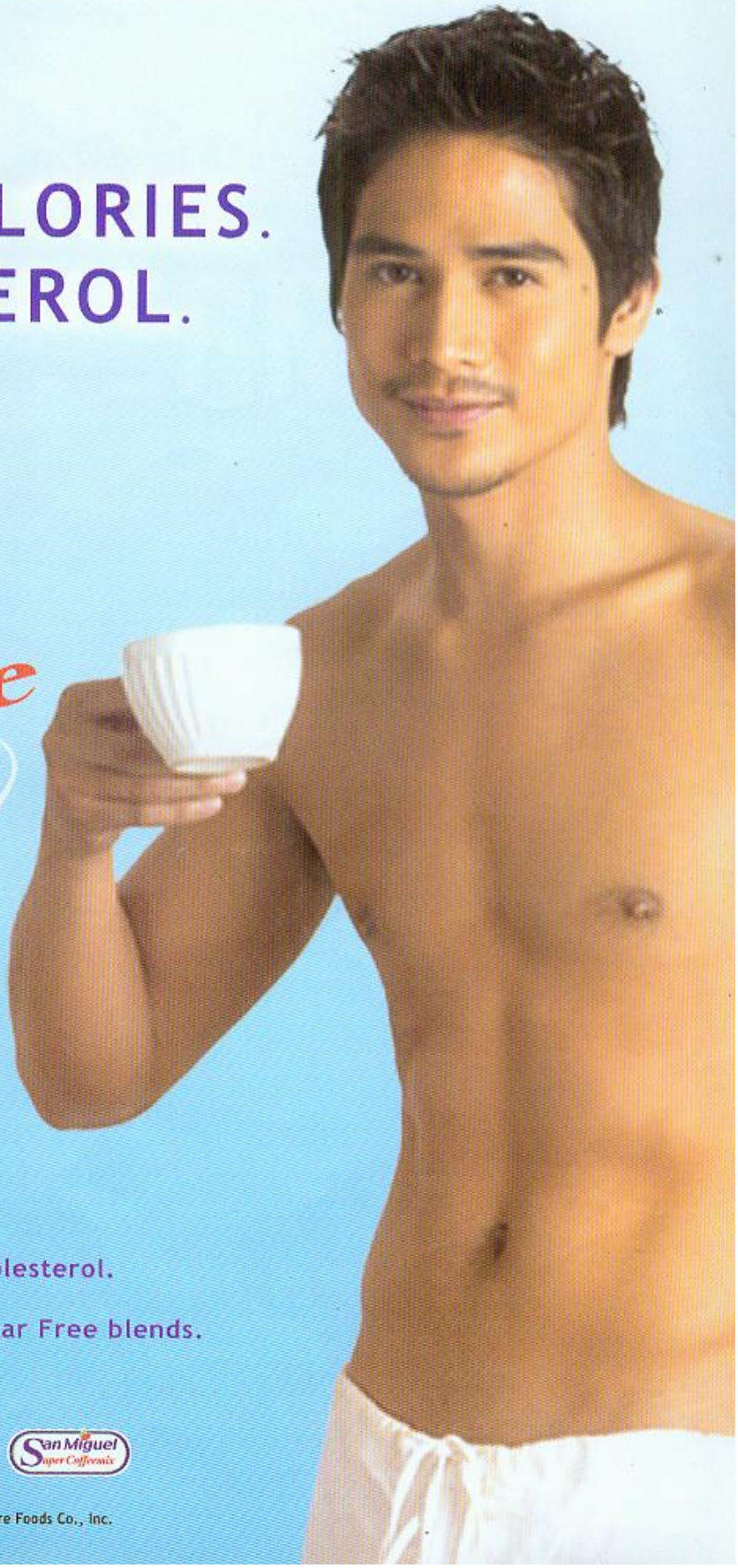
[1] National income figures are as of May 2004.
[2] Gross savings (net national savings plus depreciation) as percent of GNP in current prices; per NSCB.
[3] Includes Land Bank of the Phil. (LBP) & DBP (Feb. 1996)
[4] Peso and Foreign accounts excluding transactions of local banks' foreign office and interbank loans.
[5] Averages on date of issue.
[6] Beginning January 2000, the conceptual coverage of the Balance of Payments Manual 5th Edition (BPM5) was adopted. Corresponding 1999 figures were revised accordingly to allow comparability with 2000 figures.
[7] BOP figures are computed based on the revised accounting methodology, computed as the change in BSP-NIR. Beginning January 2000, this corresponds to the change in the NIR that is purely due to economic transactions excluding the effects of revaluation of reserve assets and reserve-related liabilities, gold monetization and SDR allocation.
[8] Includes Reserve Position in the Fund.
[9] External Debt service burden as percent of current account receipts
[10] Data based on Foreign Trade Statistics of NSO
[11] Adjusted NSO data to exclude aircraft procured under operational lease agreement amounting to $45 million and $136 million for 1997 and 1998, respectively. For 1997, of the $1,110 million worth of aircraft imported under capital lease agreement, only $644 million were accounted for in the NSO figures, thus $466 million have to be added to imports.
[12] Represents official figures for end-December 1999 per books of Treasury Department.
n.c. Not comparable with 1999 data.
[p] Preliminary
[r] Revised to reflect data updates.

Source: BSP

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