SPECIAL ISSUE: FELICIANO R. BELMONTE JR.

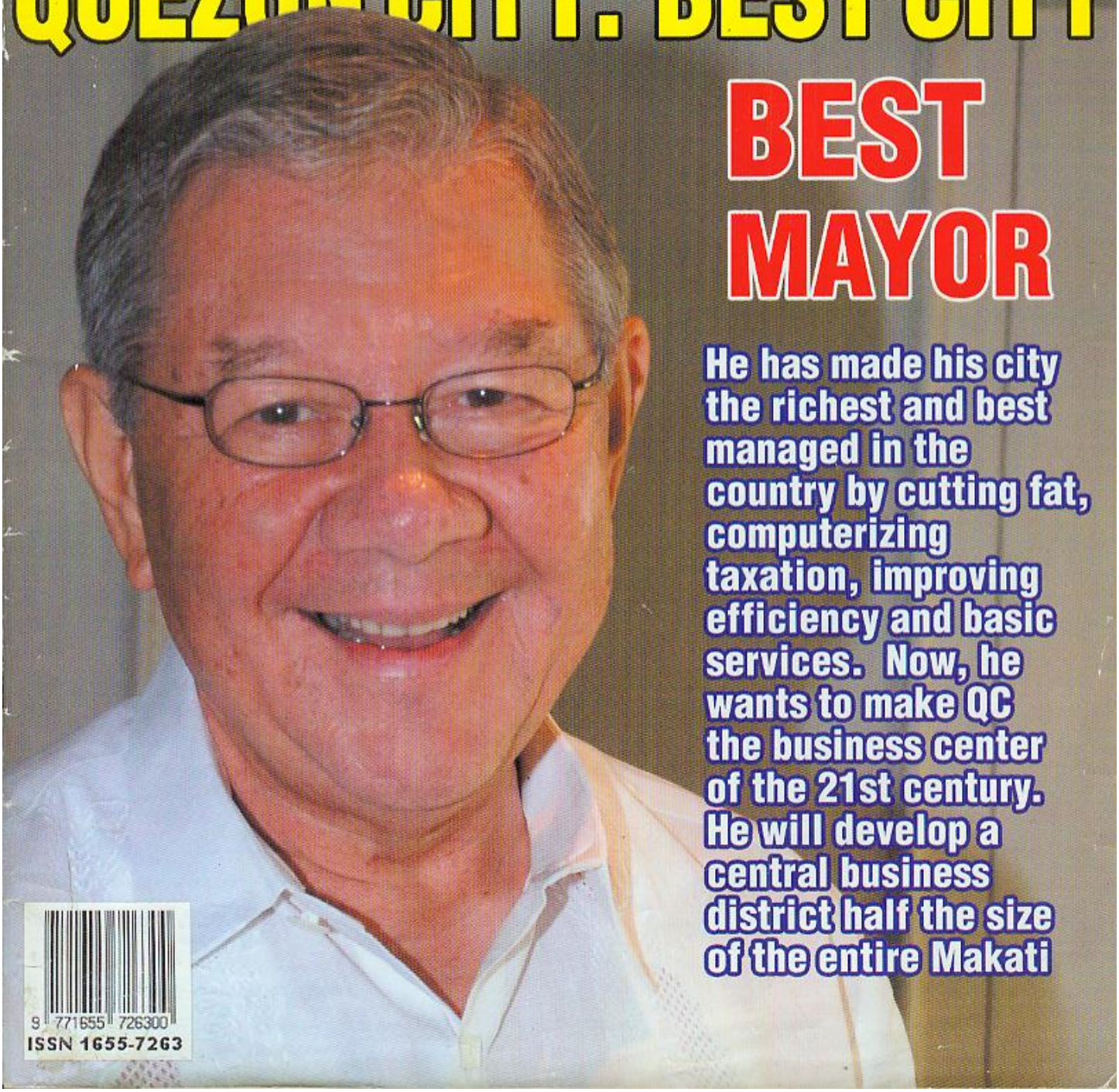
Weekly Business Newsmagazine

ISSN 1655-7263

BizNews Asia

May 14 - 21, 2007 Vol. 5 No. 17 P100

QUEZON CITY: BEST CITY



BEST MAYOR

He has made his city the richest and best managed in the country by cutting fat, computerizing taxation, improving efficiency and basic services. Now, he wants to make QC the business center of the 21st century. He will develop a central business district half the size of the entire Makati

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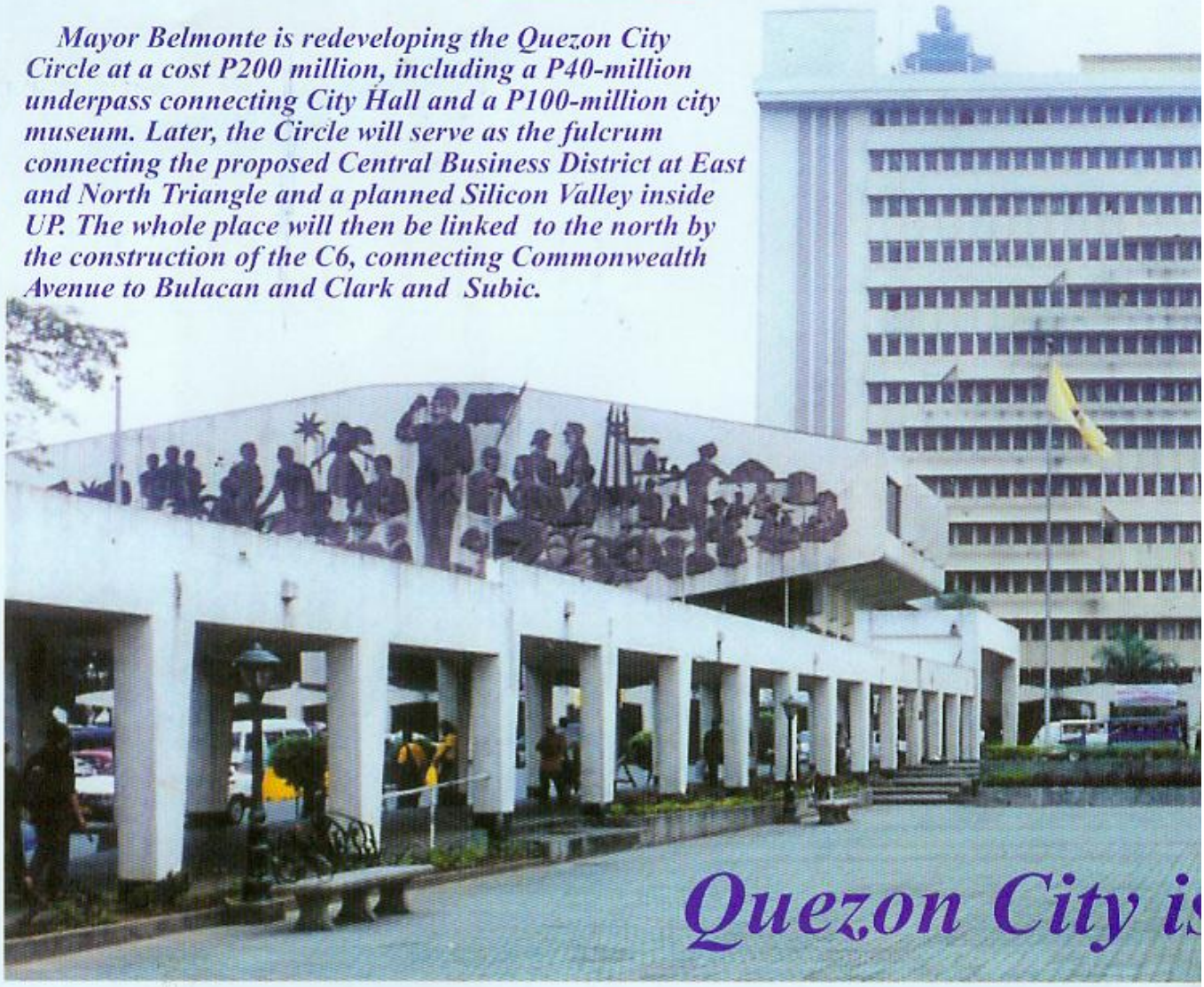
Mayor Belmonte is redeveloping the Quezon City Circle at a cost P200 million, including a P40-million underpass connecting City Hall and a P100-million city museum. Later, the Circle will serve as the fulcrum connecting the proposed Central Business District at East and North Triangle and a planned Silicon Valley inside UP. The whole place will then be linked to the north by the construction of the C6, connecting Commonwealth Avenue to Bulacan and Clark and Subic.



Quezon City is

Says: Belmonte: "I am lucky to be mayor at a time when the global trend is that cities have become the center of economic competition. Cities are now the new nations, able to source for themselves investments, business opportunities and resources. In the Philippines, more progressive cities like Quezon City are igniting the engines of growth. Competition becomes easier now that we have put our "house" in order."

When Belmonte was first elected mayor in 2001, Quezon City was the most financially distressed local government unit in Metro Manila and perhaps, throughout the country. It had chalked up debt of P1.25 billion to the Land Bank and payables to various contractors of P1.4 billion. The general fund was negative, overdrawn by P10 million.

In just two years, Belmonte licked the deficit, produced huge operating surpluses and profits. Almost overnight, the country's most bankrupt LGU became the most profitable and the richest city. Record revenues have enabled the mayor to embark on the biggest infrastructure spending any mayor in the archipelago has ever undertaken.

In six years, Belmonte has spent P8 billion on infra—roads, bridges, concreting of dirt roads, and most importantly, schools. At least P1.5 billion went to school buildings.

Now the mayor is undertaking the most ambitious project of all—converting some 340 hectares of open land into a modern Central Business District that will rival, if not better those of Makati City and emerging Taguig.

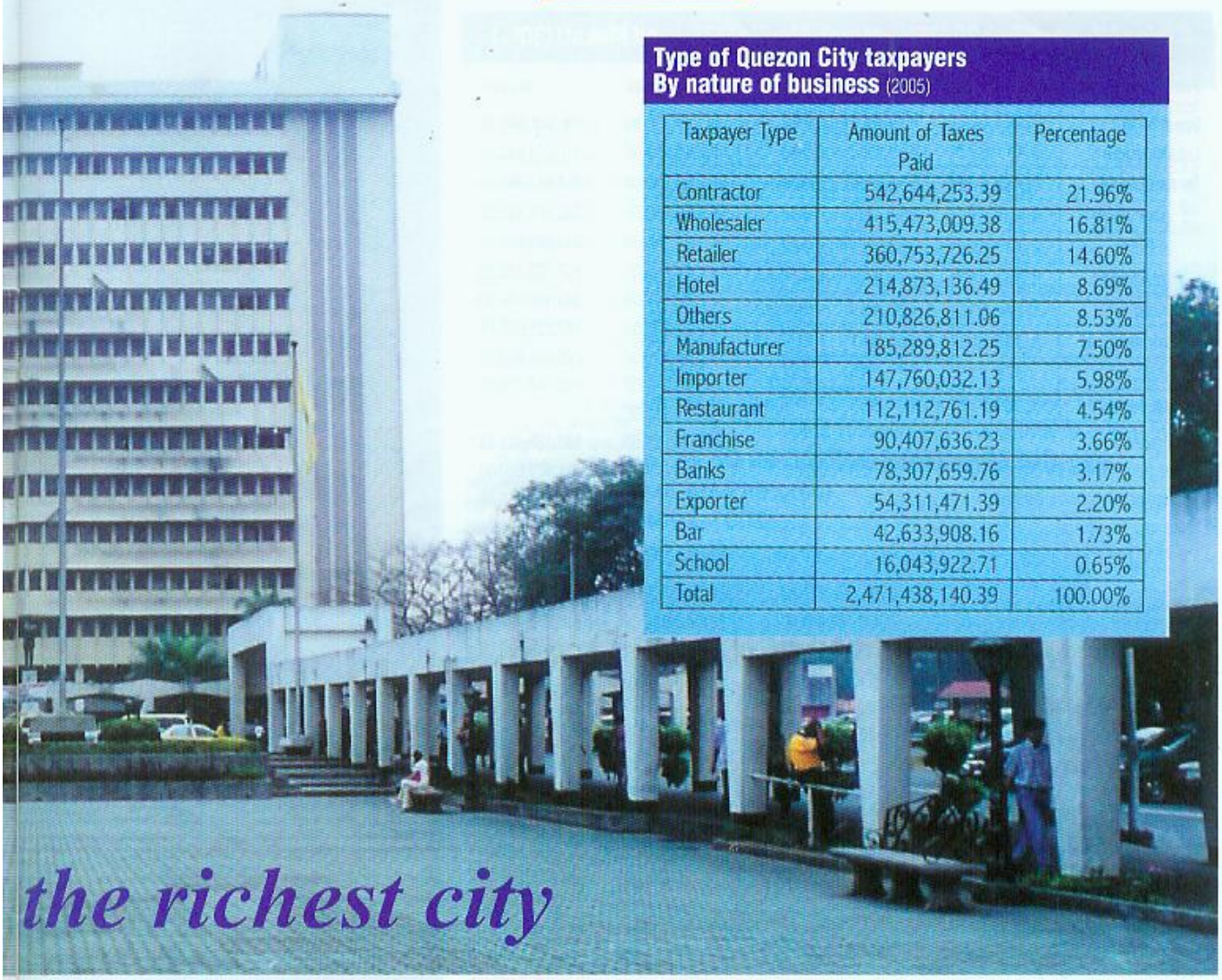
The core of the CBD will be the East Triangle (99.2 hectares), North Triangle, (96.4 hectares), and Veterans Memorial (55 hectares) for a total of 250 hectares.

Another 90 hectares are in nearby state University of the Philippines.

It is not difficult to see why QC's CBD project is viable.

Most of the 340 hectares have just one owner, the government. They are contiguous allowing for savvy planning and synchronized development. Big developers and the country's richest tycoons will be involved. Jaime Augusto Zobel de Ayala, Henry Sy Sr., Andrew Tan, Lucio Tan, and even John Gokongwei Jr. to name some. Gokongwei, thru Robinsons, has leased 15 hectares but it is under litigation.

The support amenities are there—green parks like the Ninoy Aquino Park and the La Mesa Dam Park; two huge malls by SM and Ayala of venerable Ayala Corp.; present and proposed high-rise and hotel projects by other taipans like Lucio Tan and Andrew Tan; the best schools in the land, UP and Ateneo, plus a number of exclusive colleges; the best medical facilities in the land—St. Luke's, Lung Center, Kidney Center,

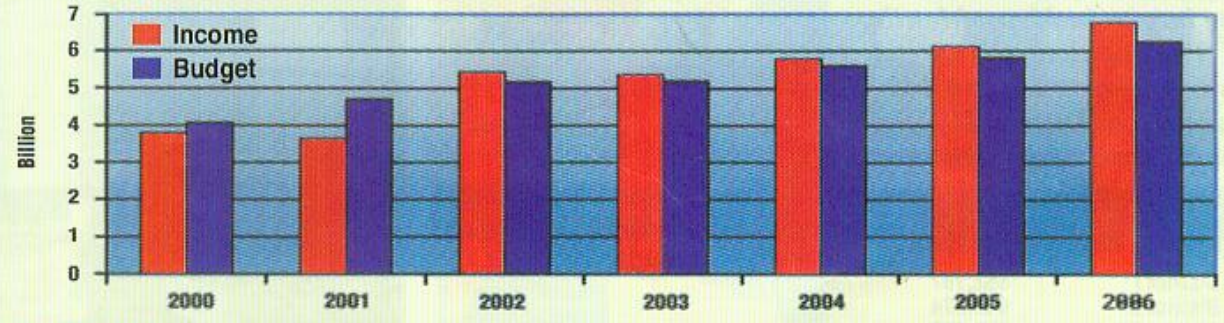


the richest city

Type of Quezon City taxpayers By nature of business (2005)

Taxpayer Type	Amount of Taxes Paid	Percentage
Contractor	542,644,253.39	21.96%
Wholesaler	415,473,009.38	16.81%
Retailer	360,753,726.25	14.60%
Hotel	214,873,136.49	8.69%
Others	210,826,811.06	8.53%
Manufacturer	185,289,812.25	7.50%
Importer	147,760,032.13	5.98%
Restaurant	112,112,761.19	4.54%
Franchise	90,407,636.23	3.66%
Banks	78,307,659.76	3.17%
Exporter	54,311,471.39	2.20%
Bar	42,633,908.16	1.73%
School	16,043,922.71	0.65%
Total	2,471,438,140.39	100.00%

Comparative chart of income vs. budget (amounts are in pesos) **2000-2006**



Source: Quezon City Hall

	2000	2001	2002	2003	2004	2005	2006
Income	3,788,687,846.13	3,641,861,947.53	5,437,610,094.36	5,357,400,183.41	5,788,143,099.97	6,113,936,672.11	6,759,720,728.50
Budget	4,070,000,000.00	4,700,000,000.00	5,175,000,000.00	5,200,000,000.00	5,600,000,000.00	5,820,000,000.00	6,250,000,000.00

A tale of three cities: QC (35% return), Manila (17%) and Makati (30%)

Particulars	Quezon City	Manila	Makati
Income	**7,376,391,780.00**	**7,119,823,858.00**	**6,320,342,864.75**
Local sources	5,828,214,960.00	5,103,606,479.00	5,810,054,849.16
Tax revenue	5,240,530,690.00	4,438,344,332.00	5,264,943,985.16
Real property	2,299,519,760.00	1,889,166,686.00	2,462,986,843.28
Business taxes	2,635,229,130.00	2,351,070,156.00	2,513,988,823.49
Other taxes	305,781,800.00	198,107,490.00	287,968,318.39
Non-taxes revenue	587,684,270.00	665,262,147.00	545,110,864.00
Regulatory fees	304,124,060.00	269,796,183.00	187,575,606.84
Service/user charges	122,166,900.00	166,311,490.00	66,601,993.32
Receipts from eco. ent.	30,658,620.00	185,458,341.00	105,744,778.21
Toll fees	-	9,913.00	-
Other receipts	130,734,690.00	43,686,220.00	185,188,485.63
Shares from national tax collections	1,548,176,820.00	1,156,140,434.00	431,979,800.00
Extraordinary receipts/grants/aids	-	500,000.00	26,608,118.85
Loans and borrowings	-	-	51,700,096.74
Inter-local transfer	-	859,576,945.00	-
Expenditures	**4,796,002,210.00**	**5,902,084,336.00**	**4,416,865,605.91**
General public services	2,764,148,010.00	801,830,405.00	1,636,072,067.29
Edu., cult., & prop. Control	832,113,490.00	754,146,733.00	881,115,126.08
Health, nutrition & pop. control	275,109,320.00	747,184,078.00	353,789,575.37
Labor & employment	1,624,500.00	-	-
Housing & community dev't.	13,097,220.00	809,548,846.00	-
Soc security/Soc service & welfare	71,418,140.00	120,279,629.00	18,076,862.34
Economic services	128,907,610.00	780,166,232.00	516,149,711.01
Debt servicing	-	122,322,825.00	788,799,714.27
Other purposes	709,583,920.00	1,776,605,588.00	222,862,549.55
Excess (deficit) of income over expenditures	**2,580,389,570.00**	**1,217,739,522.00**	**1,903,477,258.84**

Source: SE Databank—Bureau of Local Government Finance

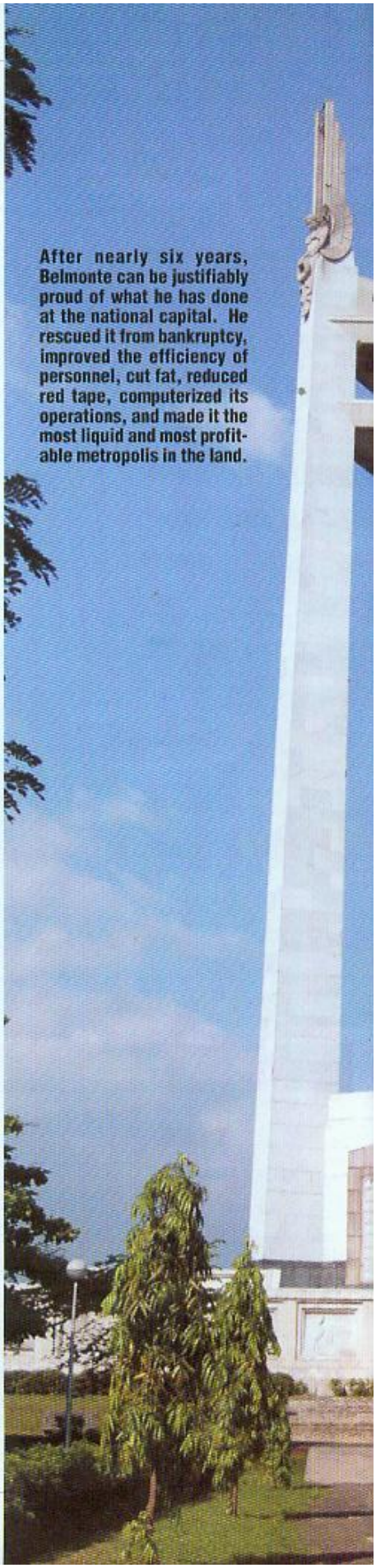
Quezon City has a population of 2.2 million, the largest in Metro Manila. The population is spread over four districts and 142 barangays. District II is the most densely populated area.

Population distribution, by District

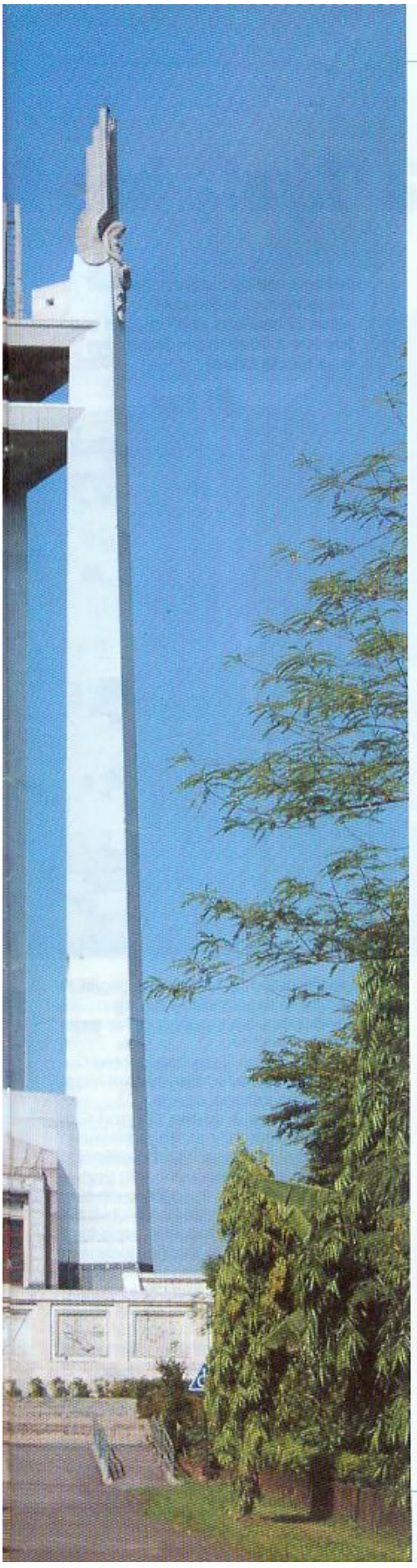
District I	**382,167**
District II	**942,074**
District III	**267,568**
District IV	**397,610**

Data as of 2000 Census; bigger today





After nearly six years, Belmonte can be justifiably proud of what he has done at the national capital. He rescued it from bankruptcy, improved the efficiency of personnel, cut fat, reduced red tape, computerized its operations, and made it the most liquid and most profitable metropolis in the land.



Heart Center, and the Children's Hospital. There is too, mass transport, thanks to three major LRT/MRT lines. The proposed MRT 7 will also run thru the area. Finally, there is central location.

"We are equi-distant from north, south and east of Metro Manila," Belmonte points out.

Belmonte spent P1.54B for school buildings
2001-July 2006

	Number of Buildings	Number of Classrooms	Project Cost (in pesos)
Elementary	29	458	884,984,006.12
High School	19	329	585,987,339.48
For competition	6	100	71,736,332.69
Grand total	54	887	1,542,707,678.29

Source: QC The Belmonte Administration 2001-2006

The CBD will double up as an ICT center. Already, Quezon City has more than 65 call centers and BPO (business process outsourcing) companies, the most number of any city. No wonder, Belmonte calls it "the ICT Capital of the Philippines".

Presently, the North, East Triangle and Veterans properties are mostly barren, with 68% reserved for institutional use, 11% for parks, 9% for squatters (more than 15,000 families), 6% transit depot or terminals, and 5% vacant lot.

By institution, the biggest owners are: National Housing Authority 83 ha. or 33%; Veterans Memorial 54.6 ha. or 21.8%; PHHC 22.7 ha. or 9%; MRTC 16 ha. or 6.4%; Paramount Holdings 11.9 ha. or 4.8%; Lung Center 12.1 ha. or 4.8%; Bangko Sentral 9.7 ha. or 3.9%; NSDB 7.5 ha. or 3%; SSS 5.7 ha. or 2.3%; Napocor 5.2 ha. or 2.1%; Pagasa 5.3 ha. or 2.1%; BIR 1.9 ha. or 0.8% and POEA 2 ha. or 0.8%.

Compare the QC CBD's 250 ha. to the other CBDs in Metro Manila: Makati 200 ha., Ortigas 105 ha., Alabang 25 ha., Eastwood 16 ha., Bonifacio 206 ha.

The CBD will be just 80 kms from the Clark International Airport, the emerging aviation hub of the Philippines, and Subic, the famous former American deep—water port.

Indeed, the World Bank has called the QC CBD "the center of gravity of Metro Manila".

No wonder in this May's election, Belmonte has virtually no opponent. So he spends most of his time monitoring the city's major infrastructure projects, attending to the needs of his constituents, and trying to make Quezon City very competitive for doing business.

Consistently since 2002, the Commission on Audit and the Dept. of Finance has regarded Quezon City as the local government unit (LGU) with the highest net income in the Philippines. For four straight years, the city produced a budget surplus averaging P282 million annually.

Investments in a better life

These resources are now being parlayed into the development and transformation of Quezon City.

The people of Quezon City are now enjoying the fruits of more than P8 billion worth of infrastructure investments. These are investments to make people's lives better—through safer communities, through more productive environments because people and vehicles can move faster and more conveniently to destinations, and through more pleasurable and healthy surroundings.

Throughout his administration, Belmonte has been investing in **LIFE**:

L ivelihood and entrepreneurship, which mean investments in productivity that lead to enterprise creation and job generation.
I nfrastructure development, which redounds to investments in the physical transformation of the city, improving the overall environment for business and almost all aspects of community life.
F iscal and financial management, which is continuing investments in strengthening governance and management capacity.
E ducation, which represents significant initiatives in knowledge creation and expansion.

Says the Mayor, "I did not aspire to be a mayor simply to look good while in office. I have heard a man say that the first task of a leader is to keep hope alive. I want to go beyond that. I am working to make hope happen. I want the ensuing reality to endure for many years to come by investing in the future."

Collection performance for 2006 (NCR)

	Quezon City	Makati	Manila
Real property tax	3,063.9	3,721.6	3,001.5
Business tax	3,330.5	2,952.9	2,550.7
Fees and charges	640.6	341.4	440.5
Economic enterprises	22.9	7.5	177.9
Local source	7,057.9	7,023.4	6,170.6
IRA	1,700.7	468.5	1,264.4
Total	8,758.6	7,491.9	7,435.0

Pioneering in many areas

The trademarks of Belmonte's style of management have been:

• Efficiency

Prudence and judiciousness in the use of resources.

• Innovation and the setting of precedents

It is under the mayor's leadership that Quezon City achieved many firsts:

- First to computerize revenue collection and assessment function
- First to grant to barangays (community-level local government unit), full fiscal control over their share of real property tax collections
- First to institutionalize citywide citizen participation in governance thru the City Development Council
- First urban center to implement the Solid Waste Management Act
- First to use Clean Development Mechanism (CDM) as biogas-reduction strategy and revenue generation mechanism from waste
- First LGU to manage an advanced computer training center
- First to enact a Gender and Development Code for the protection of women and children

Effective fiscal management

Belmonte is best known for his fiscal management acumen.

Among his first moves as QC mayor was to revitalize tax collection. His focus on computerization has instituted efficiency and service innovations that has made taxpaying easy, accurate and less prone to graft.

The city government developed a database system that now contains around 400,000 real property units with capability to record payments, and the capacity to service 20,000 taxpayer transactions a day.

The mayor was bold enough to pursue needed resource-saving and revenue-generating strategies that other politicians may steer clear off as unpopular moves.

Early on in his first term, he let lapse the contracts of about 3,000 casuals whose services were no longer needed by the city government. The city also raised business taxes considerably, to make QC rates closer to the tax rates in neighboring cities.

According to Belmonte, these were sacrifices that had to be made in order to realize the vision of a "Quality Community."

Now, his administration is further tapping the benefits of technology, principally, Geographic Information Systems, to create new revenue sources, to ensure a continuously increasing revenue base for the city.

Participative governance

Belmonte is an advocate of participative governance.

The management policies and strategies of SB:

- Barangay captains are being trained to become effective "little mayors" in their respective localities
- Like Mayor SB, they are trained to become good fiscal managers by the city's giving them full fiscal control over the barangay share of the real property taxes, and teaching them to properly account and budget these;
- Since 2002, P1.81B real property tax shares has been remitted to the barangays
- They regularly attend management and public administration seminars thru a tie-up with UP's National College of Public Administration

Moreover, Quezon City is the only local government unit with a regularly functioning Local Development Council. It was organized and launched for the first time under his administration. The CDC meets regularly, with the full complement of 142 barangay captains, 50 representatives of NGOs and POs, 4 congressmen and the chair of the City Council's Appropriations Committee.

Innovations in environmental management

Quezon City has been accorded the accolade the 2nd Cleanest and Greenest City of the Philippines, according to the country's Dept. of Environment and Natural Resources.

When Belmonte first assumed office in 2001, he was astounded by the staggering cost of garbage collection, which even reached as high as P80 million a month. He directed the study and implementation of a package clean-up system, to replace the corruption-prone and contractor-influenced "per-trip" system. This resulted in a much cleaner city, with 500 tons less garbage a day, at a collection cost that was P20 million a month less.

Once the scene of tragedy, the Payatas open dump has been converted into a controlled waste facility and has been recognized by the DENR as a model and pioneering disposal facility. It is now implementing a biogas reduction project using the Clean Development Mechanism under the Kyoto protocol.

Urban transformation strategies

Among the first dramatic transformations in Quezon City under the Belmonte administration happened in Novaliches which now has its park complete with a fully lighted fountain and promenade areas.

Concreting and widening of streets, development of inter-linking roads, rationalization of traffic and discipline of pedestrians relieved years-old traffic problems in the area.

Comments one resident, *"Ang dami nang mayor ang dumaan pero walang nangyayari sa Novaliches. Ngayon pa lang, kay SB."* ("We have had so many other mayors in the past, but no progress ever took place in Novaliches. It is only now, under Mayor Belmonte.")

Other redevelopment efforts have taken place in the Tomas Morato Avenue areas, Metro Cubao and the other northern portions of the city.

Belmonte's administration has inspired such confidence in the private sector that

Ayala has

TriNoma will be the most high-end shopping mall in Quezon City while 37 hectares of UP campus will become a Science and Technology Park (photo below)



The Ayala group of Makati has begun to pour heavy investments in Quezon City.

In a way, this is a strategic move and a major policy direction.

For years, Ayala Corp. has ignored Quezon City despite the fact that a fifth of Metro Manila is in the national capital.

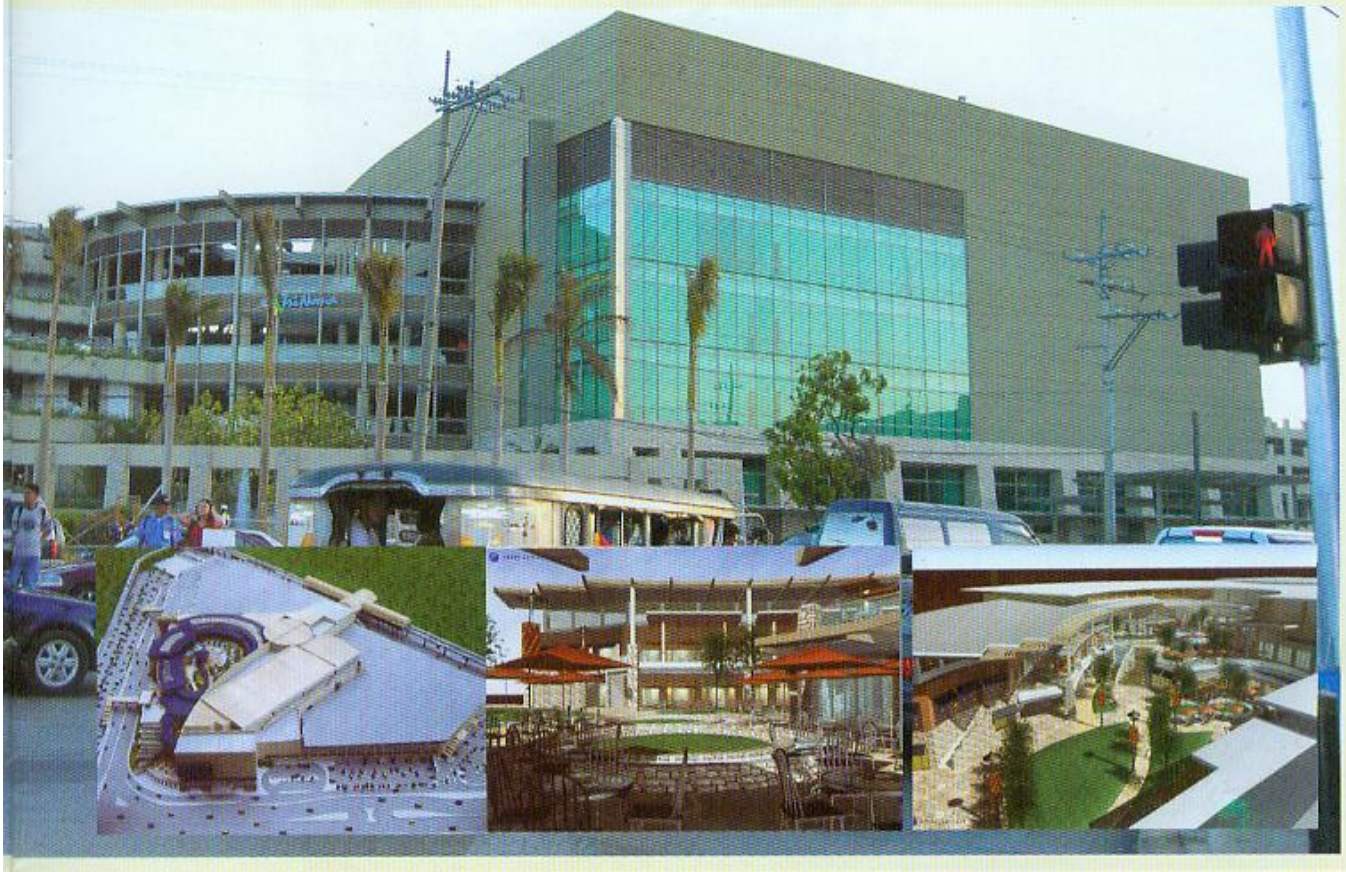
Then, Ayala put up the Quezon City Sports Club apparently as an experiment. The club didn't have the high brow appeal of a Makati or an Alabang club.

Unfazed, Ayala got the right to develop what used to be the Capitol Golf Club. It put up Ayala Heights. Later, it went into mid-market residential housing, like Ferndale and Montgomery.

Then Ayala stole the thunder from its rivals by making UP to agree to put up an incubation laboratory for technological breakthroughs and inventions. After years of trying, the incubation project is still trying.

In any case, Ayala moved into the next stage—convince the UP management to put up what is called a Science and Technology

riNoma, a UP Science and Tech park



Park. So far, not much science and not much technology is being planned. Firm are plans to put up call center and BPO buildings.

And quite possibly, a hotel and a commercial center. After all, 37.5 hectares of contiguous land are very hard to find in congested Metro Manila these days. Except in Quezon City.

Still, say the Ayala people, the 40 hectares of the UP campus are envisioned "as a university-based catalyst for technological innovation along the lines of the Stanford-based Silicon Valley corridor."

Quezon City is the best bet of Ayala for a massive and sustainable residential and commercial development in the national capital region.

Ayala has only now 54 hectares in Makati and 44 hectares of Fort Bonifacio. So getting 37 hectares of prime developed land in Quezon City becomes really a big deal.

Outside of Quezon City, Ayala's biggest venture is in Canlubang. Here it has 1,969 hectares. But then Canlubang, if you are in Quezon City, is simply too far, to consider as a business district. Alabang, much nearer, has yet to take off as a business center.

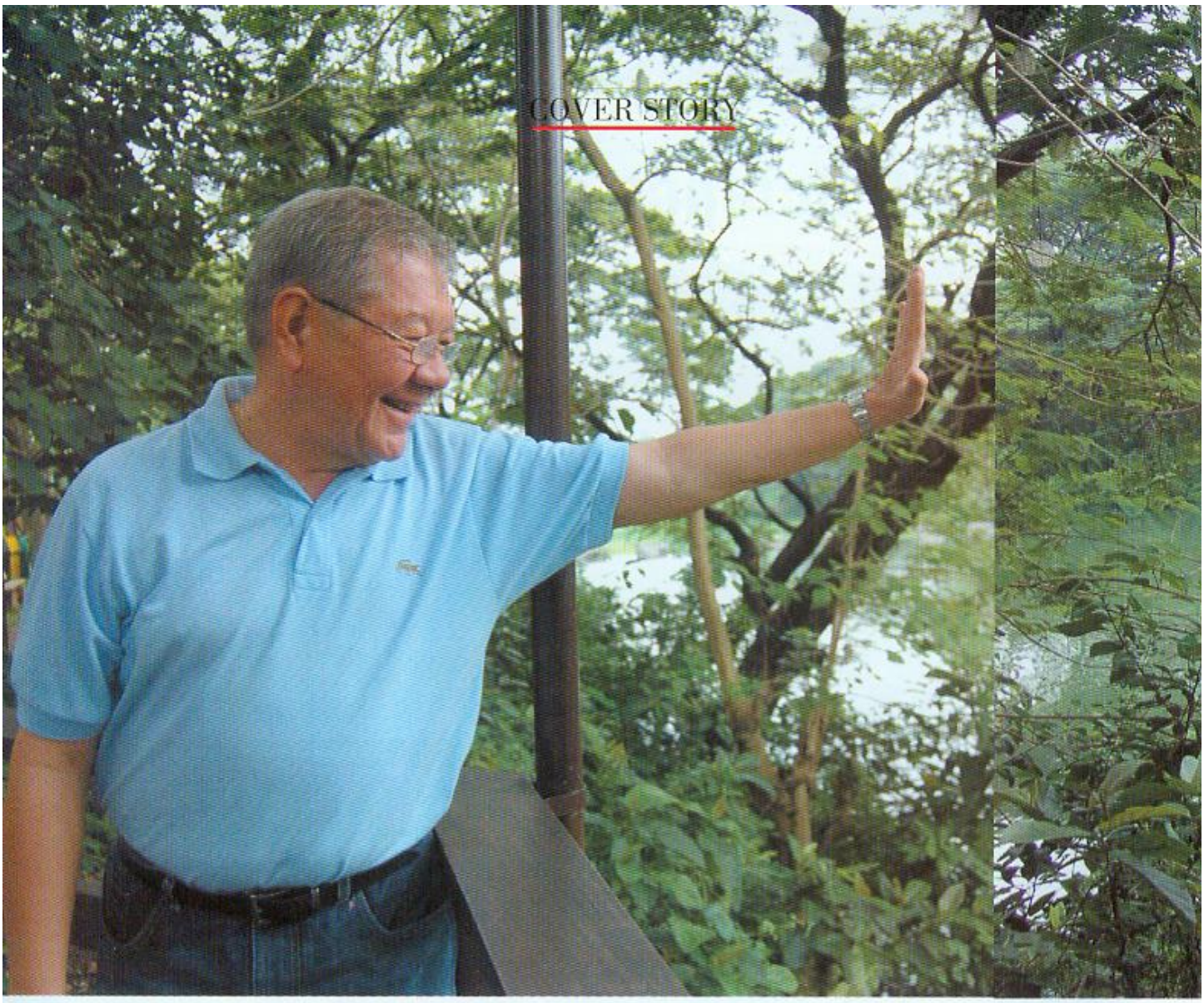
Ayala is proud of what it has done with what it calls—TriNoma, "the preferred mall of Northern Metro Manila".

TriNoma, says Mayor Belmonte helps improve the cityscape and introduces healthy competition in the city's thriving consumer and retail markets.



He explains: "It adds another growth node to spreading expanses of urban renewal in many parts of the city, further adding to the attractions offered by Eastwood City, Araneta Center, the SM Malls and the Timog-Morato-Quezon Blvd. areas.

"It shall be a trigger to major developments in the North Triangle, where we are encouraging the rise of a mixed-use Central Business District," concludes Belmonte. ■



investments in private developments have grown exponentially since SB took office.

These are evident in the rise of new shopping malls, wide-scale real estate developments, office buildings especially those for business process outsourcing.

Investors are finding Quezon City to be a most cost-effective location, with the most expansive lands still available for broad-scale development.

Meanwhile, Belmonte has received the following awards and citations:

- Stanvac Journalism Award from the National Press Club in 1957
- Outstanding Congressman of the 9th, 10th and 11th Congress
- Gintong Ama Awardee in 1993
- Paul Harris Fellow of the Rotary Club of Manila
- Model Filipino Awardee of the World Family Institute in 1994
- Outstanding Alumni (Lyceum of the Philippines)
- Benedictine Centennial Awardee (San Beda College)
- The Outstanding Filipino in Government Service of the Philippine Jaycees and Insular Life Philippines, 2002
- 2003 Most Outstanding City Mayor (Local Government Leadership Awards)
- Huwarang Pilipino Awardee for Local Governance (Huwarang Pilipino Foundation)
- CEO Excel Awards for Communications Excellence in the Government Sector, 2006

His governance of Quezon City further resulted in:

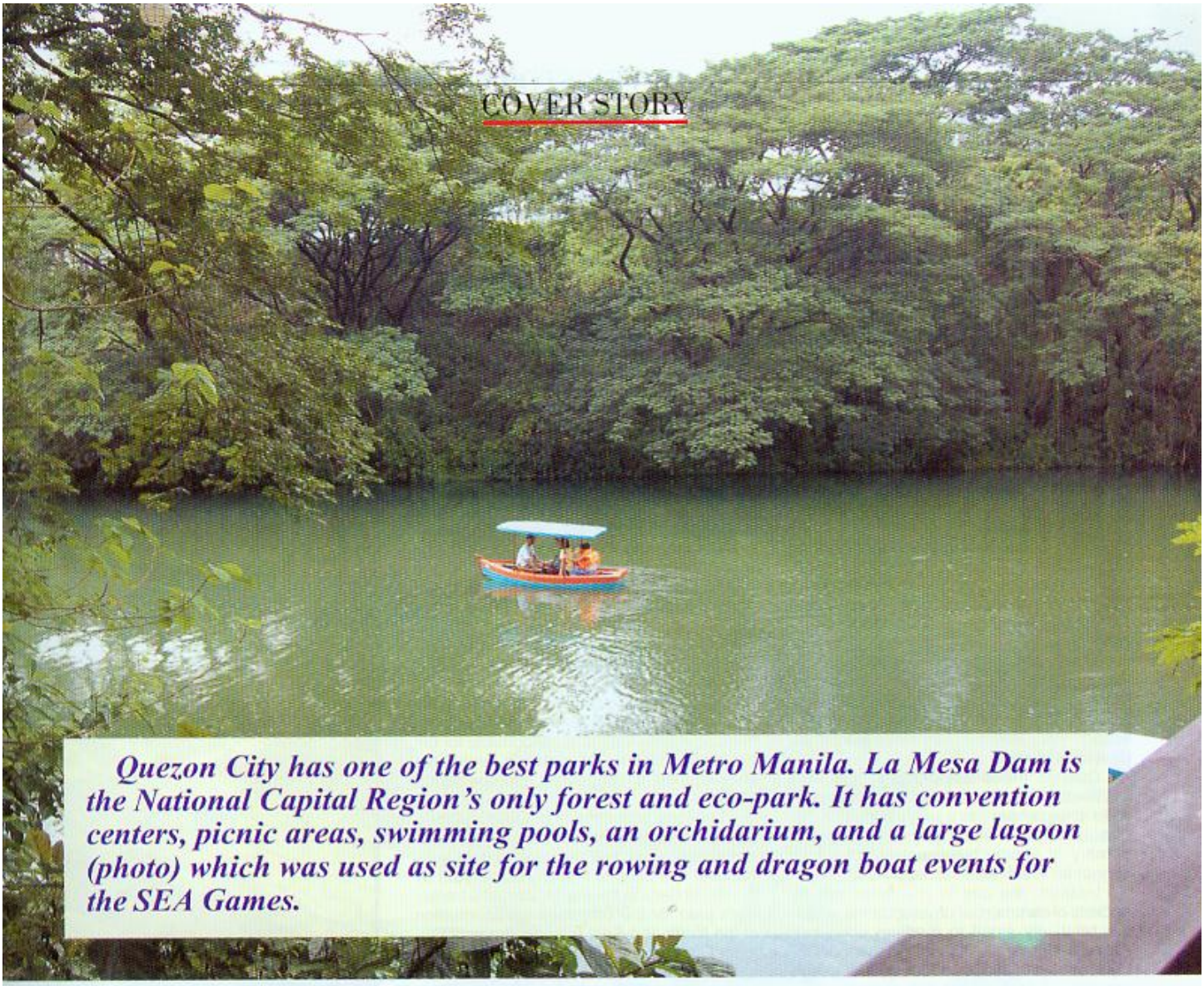
- 2003 Gawad Galing Pook Award for Effective Fiscal Management (Galing Pook Foundation)
- 2005 Gawad Galing Pook Award for Outstanding Government Program, Molave Youth Home (Galing Pook Foundation)
- "Most business-friendly city" awardee for 2003, 2004 and Hall of Famer in 2005 (Philippine Chamber of Commerce and Industry)
- DILG Model of Good Governance citation (Dept. of Interior and Local Government)
- 2003 Livable Community Award (Metrobank Foundation)
- 2003 Kabalikat sa Pabahay Award for the Local Government Unit with the Most Number of Community Mortgage Programs (Housing and Urban Development Coordinating Council)

Belmonte, shows that a deep commitment to work and a profound understanding and concern for others are important ingredients to success as a public servant.

Born in Manila on Oct. 2, 1936 to Court of First Instance Judge Feliciano Belmonte, Sr. and his wife Luz, he imbibed the important values of public service from his parents. He attended elementary school in Baguio City and high school in San Beda College.

He went to law school at the Lyceum of the Philippines while working as a young reporter at the *Manila Chronicle*. He continued to receive academic recognition even after he became a public official.

The University of Baguio conferred upon him an honorary doctorate in management.



Quezon City has one of the best parks in Metro Manila. La Mesa Dam is the National Capital Region's only forest and eco-park. It has convention centers, picnic areas, swimming pools, an orchidarium, and a large lagoon (photo) which was used as site for the rowing and dragon boat events for the SEA Games.

Subsequently, he was honored as an Outstanding Alumnus of the Lyceum of the Philippines and was given the Benedictine Centennial Award of San Beda.

As a reporter covering the Manila Police Dept. and the Commission on Elections, Belmonte was exposed early to the socio-economic and political problems of the country. These influenced his decision to serve the public, an ambition he fulfilled in various capacities.

Belmonte started his career in government service in the 1960's when he served as Presidential Staff Assistant of then President Diosdado Macapagal, special assistant to the Secretary of Finance, special assistant to the Commissioner of Customs and executive assistant of the Central Bank of the Philippines.

He temporarily retired from government service during the martial law years.

But when Corazon Aquino assumed the presidency in 1986, she tapped Belmonte to head various government-owned corporations that were on the brink of bankruptcy. He was appointed president and general manager of the Government Service Insurance System and The Manila Hotel, chairman of the National Reinsurance Corp. of the Philippines, member of the board of directors of the San Miguel Corp. and the Philippine Long Distance Telephone Co..

Most significantly, Belmonte became president and CEO of the Philippine Airlines. It was under his able leadership when PAL registered an unprecedented profit of P1.2 billion, enabling it to pay all its obligations without borrowing a single peso or even firing a single employee despite the pressures from competition.

A public servant with unquestionable integrity and moral values, Belmonte has proven his outstanding character and responded to the needs of the people who have placed their trust in him. He has maintained an unblemished reputation.

Thrice elected Congressman of the 4th District of Quezon City (virtually unopposed in his second and third run), he was able to serve both as House Minority Leader and House Speaker of the 11th Congress, a feat only Belmonte has done.

During his incumbency as a legislator, he authored and co-authored major bills such as the General Appropriations Act (R.A. 7845, 8174, 8250 and 8522), the Act Providing for a Dual System of Education (R.A. 7686), An Act Increasing the Bed Capacity of the East Avenue Medical Center (R.A. 8374) and Joint Resolution No. 1—Salary Upgrading of Government Officials and Employees otherwise known as the Salary Standardization Law.

Belmonte shown even brighter in the public eye when he was chosen and entrusted to lead the prosecution panel in the impeachment case of President Joseph Estrada and the rest, as they say, is history.

Belmonte is well-known as "Mr. Serbisyong Bayan" among his constituents due to the numerous programs he initiated and completed.

His credentials as a private citizen had been equally impressive. ■

Why QC is the next best CBD

Quezon City is the capital city of the Philippines. Some 2.4 million reside in its land area of over 16,112 hectares. Labor abounds with an employable force of more than one million.

It has one of the most dense clustering of government offices, specialized health centers and hospitals, educational and research institutions, media and entertainment centers, as well as recreational and shopping malls.

The city serves as a transport hub, being the gateway to Metro Manila, both from the north (e.g., provinces of Bulacan and Pampanga) and from the east (province of Rizal). Two major mass transport lines traverse the city.

Despite these advantages, business activities in the city have not been harnesses to amalgamate into a single cohesive district. Unlike in Makati, Manila or Pasig, a primary or central business district (CBD) cannot be identified in Quezon City.

Instead, the city is characterized by pockets of commercial developments, which are relatively small to medium size, e.g. Araneta Center at Cubao, Eastwood City Cyberpark at Libis, etc. This type of developments is at constant risk of continuous adjustment or prone to change in focus and character to accommodate vagaries of demand, instead of creating a market.

A CBD in Quezon City can stimulate synergy in the business environment of the city, project growth and encourage further investments. It can also propel collaboration among businesses and allow investors to perceive and define better the character of nodal developments.

The rationale for a Quezon City CBD is clear. First, these areas contain some of the few remaining large parcels of land in Metro Manila.

Second, these are easily accessible from all directions since major transportation and transit routes border it: North and East Avenues, EDSA, and Quezon Blvd. Moreover, the North Triangle serves as the main depot of the Metro Star Transit (MRT). The construction of MRT3 and MRT7 will potentially increase passenger traffic by almost two million passengers per day.

Third, the immediate environment is ripe for supporting CBD development, with existing regional retail centers (SM City and soon the North Triangle Commercial Center), thriving commercial businesses along the major routes and adjacent West Avenue, growing number of major government facilities, and surrounding residential communities.

Fourth, an integrated open space network is available such as the presence of the Ninoy Aquino Parks and Wildlife and Quezon City Memorial Circle, which are strategically located and rich in historical and cultural importance.

And finally, the development of a CBD in QC will help ease the metropolitan jobs-housing imbalance that is responsible for the extreme and tidal commuting flows that characterize metropolitan transportation patterns.

The local government of Quezon City is taking the leadership in developing the subject areas, which will be based primarily on the best use of land. The city is assisted by the World Bank in the preparation of a framework plan for the proposed transformation of the North and East Triangle Areas of Quezon City into a CBD.

On April 20, 2006, the draft CBD framework plan was presented to QC Mayor Feliciano Belmonte Jr. and other QC officials to provide the initial results of analysis of economic, land use and physical environment and social feasibility of the study and obtain guidance from the mayor on the study approach and methodology.

This first draft already incorporates the inputs of the mayor on the CBD framework plan.

Belmonte has also requested the team to help prepare the draft executive order for the proposed creation of a tripartite commission to oversee the development process of the QC-CBD.

Objectives

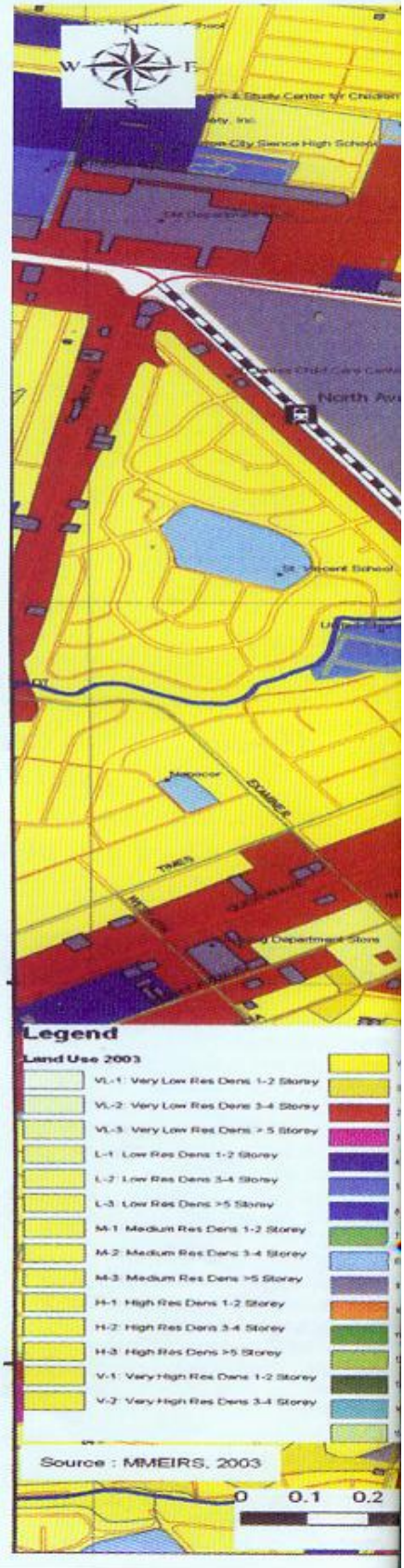
The main objectives of the framework plan are to:

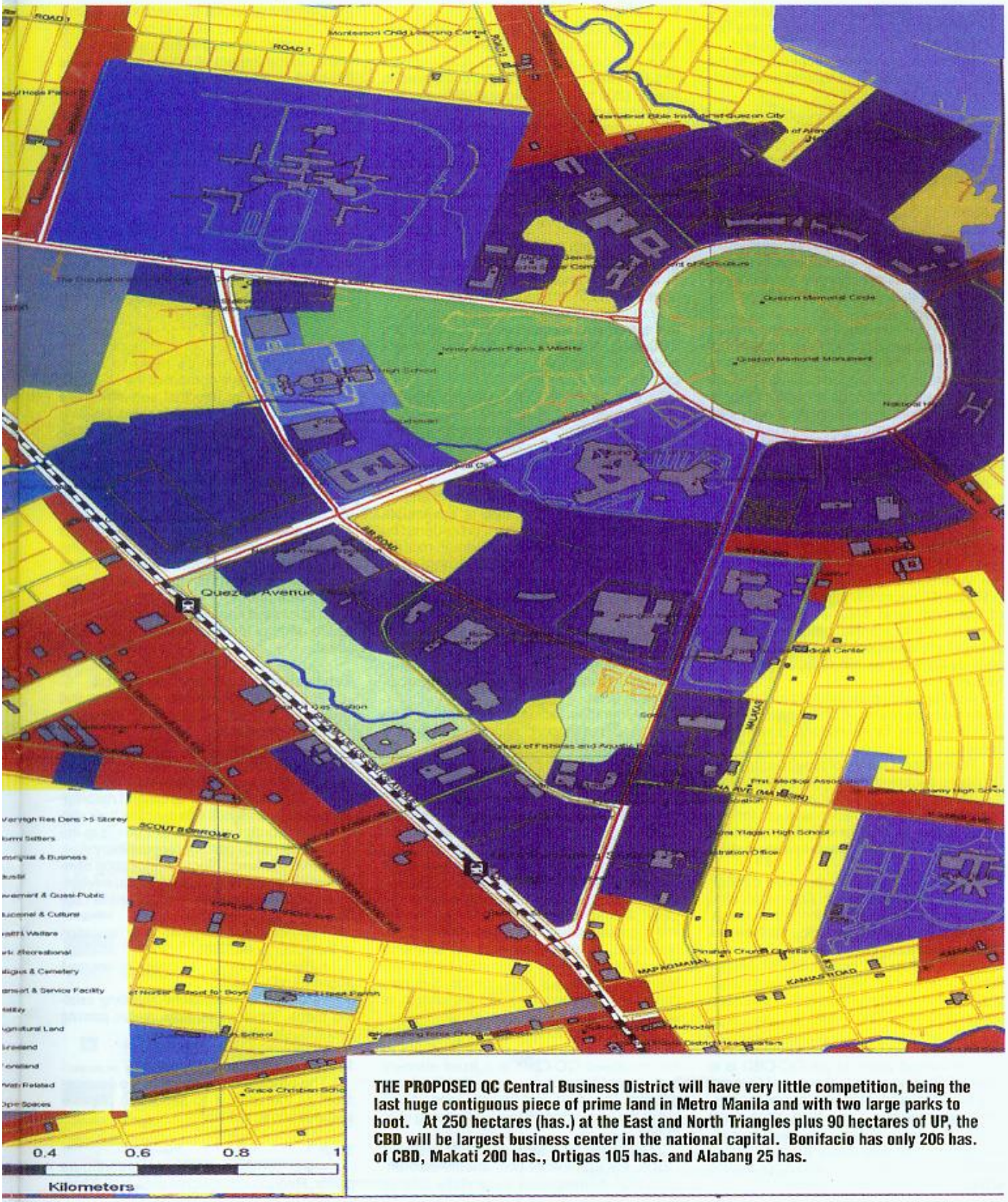
a) Define the character of the CBD;

b) Develop an urban design framework for the CBD;

c) Determine the target market for the CBD, and the strategies for reaching and convincing that market;

d) Determine the policies, incentive





THE PROPOSED QC Central Business District will have very little competition, being the last huge contiguous piece of prime land in Metro Manila and with two large parks to boot. At 250 hectares (has.) at the East and North Triangles plus 90 hectares of UP, the CBD will be largest business center in the national capital. Bonifacio has only 206 has. of CBD, Makati 200 has., Ortigas 105 has. and Alabang 25 has.



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 coroa 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.

ASSEMBLY: 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.

PURE CREAMINESS. PURE PLEASURE.



plans and programs, and other tools that the city government needs, to support the development and growth of this CBD; and

e) Provide preliminary evaluation of the technical, financial, and institutional feasibility of the CBD.

The QC-CBD framework

Part of the strategy for the QC-CBD is to take both the external (metropolitan and national) and internal (Quezon City) perspectives. The Population Density Statistics of 2000 shows that the center of population in Metro Manila is Quezon City; however, the core of CBDs is located in Ortigas, Pasig and Makati. This implies that a high proportion of the working population in Metro Manila resides in Quezon City but is mostly employed elsewhere.

Within Quezon City, the population density and economic growth are high in the northeast area while the south, center and triangle areas have lagged behind. The QC-CBD, therefore, provides an opportunity to relieve pressure in these high density and fast growing areas.

It will also result in the efficient use of public infrastructure, traffic decongestion and improvement in environmental (air) quality, urban renewal and increase in revenue/tax base for the local government.

The proposed QC-CBD covers a total area of 250.6 hectares: North Triangle (96.4 hectares), East Triangle (99.2 hectares) and the Veterans Memorial Medical Center (VMMC) (55 hectares). These represent 2% of the total land area of Quezon City. Through a presidential proclamation, the entire North and East Triangles were originally designated as the Quezon Memorial National Park.

A subsequent presidential proclamation reserved more than half of the national park (119.9 hectares) for the national government center.

Thereafter, a series of presidential proclamations excluded substantial portions from the national park and national government center properties and reserved them for other purposes (mainly for other government agencies and specialized health institutions).

The VMMC was also reserved through a presidential proclamation. At present, 68% of the area is allocated for institutional use. Approximately 42% is owned by the National Housing Authority (NHA).

The area has a population of 15,144 families (informal settlers). It generates employment of approximately 40,700 based on building gross floor area.

Overall vision

The overall vision of the QC-CBD is to have a CBD that asserts the role of Quezon City in the metropolitan and national economy and recognize it as a high value asset which (a) contributes and provides resources for local development; (b) presents a model urban environment; and (c) promotes urban renewal and development.

Key elements

The key elements of a CBD, which are present in the proposed QC-CBD, are:

• Regional scale/role: QC-CBD covers 250 hectares, which is bigger compared to Makati (200 ha) and Ortigas (105 hectares). Its estimated net commercial mixed use area of 91 hectares is comparable to Makati (143 hectares) and Ortigas (87 hectares).

• Core of high quality business and mix of support, residential and other activities: The QC-CBD is unique and competitive. It has large commercial potential because:

• It is adjacent to EDSA, which is a major thoroughfare in Metro Manila;

• The lead health and education establishments are located in the proposed CBD area. About 25% of education institutions in Quezon City specifically those catering to tertiary education can be found within the CBD area. Also, 10 of the 61 major private and public hospitals in Quezon City are located in the CBD;

• It is near the existing North Triangle retail cluster;

• It has a residential base in the vicinity;

• It has an IT-friendly environment; and

• It has recreational areas and existing parks.

• Transit based-regional access and internal circulation: The area is accessible from all directions because it is bordered by major transportation and transit routes: North and East Avenues, EDSA, and Quezon Boulevard. It has existing bus and jeepney routes that connect Quezon City to the rest of Metro Manila and Luzon.

The North Triangle serves as the main depot of the Metro Rail Transit (MRT). The planned construction of MRT3 extension and MRT7 will further enhance accessibility to the area.

• Amenities including recreation: The area also has existing national park and is proximate to the Quezon City Circle.

Other elements that need to be in place include:

• Property management, preferably stakeholder-based management. Options include: (a) Joint venture agreement with each property owner with development coming from the master plan; (b) long term MOA with each property owner allowing the use of relevant portions of the property for the CBD; and (c) tripartite commission involving representatives from the office of the president, NHA and the city government. The commission will be chaired by the QC Mayor. Whoever will take charge, it is proposed that it allows freehold disposition of assets.

• Market-based flexible design. The significant presence of government offices in the proposed QC-CBD is a fixed element that should be part of a cohesive land use mix that enhances and unlocks land values but at the same time allows for pursuing civic duties.

Given the long-term nature of realizing CBDs, the framework plan should also ensure that development essentially follows the plan but provides for market flexibility.

One issue that needs to be considered if government decides to maintain land ownership is the impact of leasehold (vis-á-vis freehold in privately developed CBDs) on its market.

• Freehold-based property market. Freehold is necessary to attract a residential market, a critical component of CBD, which accounts for approximately 25-50% of total CBD gross area.

It is also necessary to acquire initial development cash flow to avoid or reduce subsidies. Without freehold, only retail markets and selected office markets are likely to be developed.

A mix of freehold and leasehold disposition could be realistic given legal constraints.

Key issues

Three major issues need to be addressed in the development of the QC-CBD:

• Presence of informal settlers—there are approximately 15,000 families residing in the area. Informal settlements are located in Sitio San Roque, Sitio San Isidro, DENR property and along North Avenue, Botanical Garden, NIA Road, and BIR Road.

• Legal encumbrances—32% of the area (80 hectares) are encumbered.

• Transport integration—existing roads are not sufficient to facilitate internal integration. Also, the proposed location of the MRT7 station seems not to support the CBD per current plan.

It is located near SM City Annex whereas the optimal location would be at SM Annex 3.

Requirements for initiating development

The following are the some activities that should be considered to initiate full development of the areas:

• Land consolidation and adjustment. Some government institutions are occupying land areas more than what they would need. Consolidating the lands and reconfiguring their boundaries can optimize their use.

• Additional entry and exit points to improve internal circulation/accessibility.

• Phased and selective relocation of informal settlers; enhance residential environment; improve informal settlers onsite conditions.

• Selective reconfiguration or relocation of institutional facilities.

• Reconfiguration of parks to improve access and visibility.

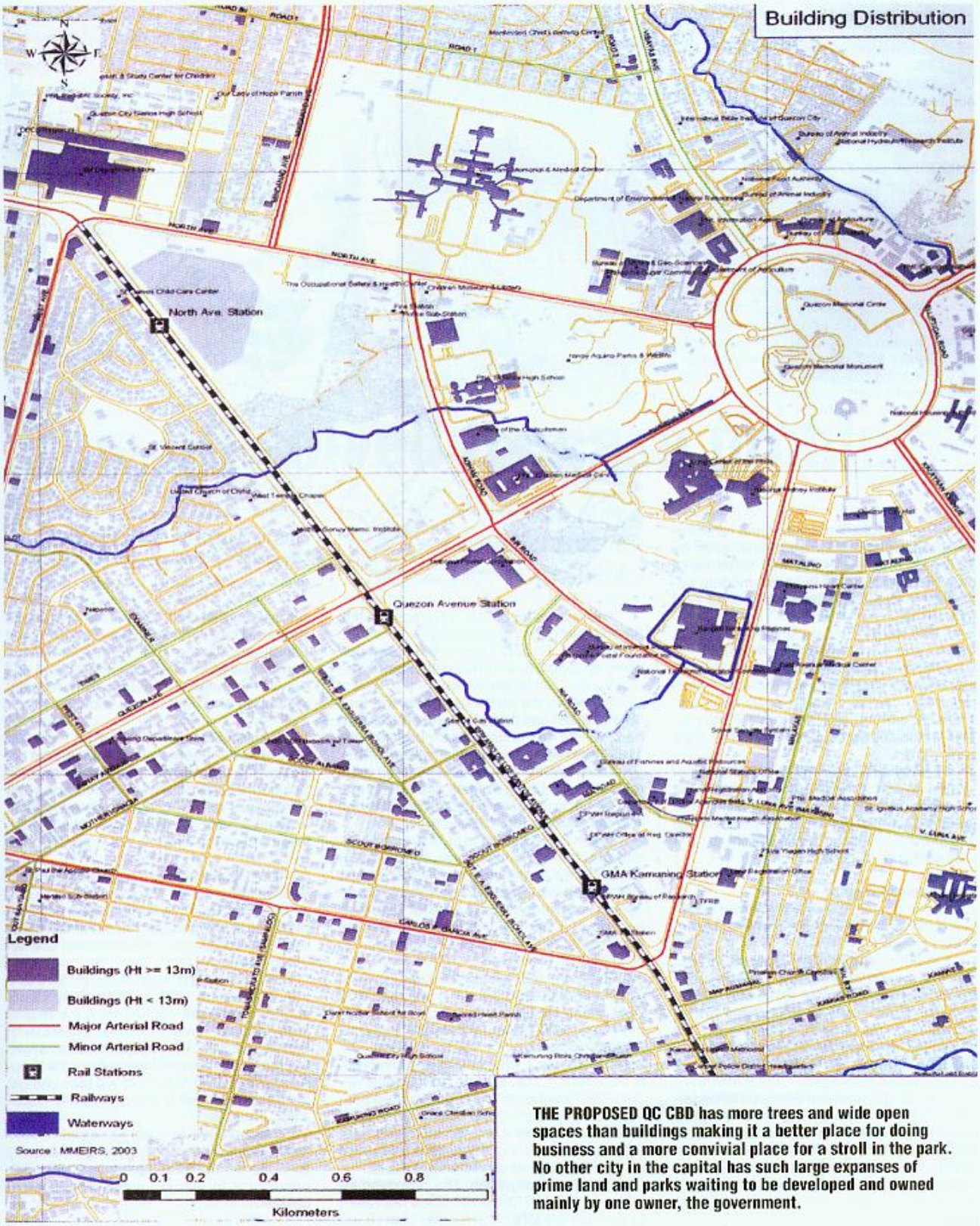
• Phased development including existing plans, legal constraints, value priming and infrastructure requirements.

Suggested development approach

The proposed approach to the development of the area is to sequence physical and economic activities:

Stage 1

- Consolidate land and reconfigure parks: Reduce institutional area by 3.3 has.



THE PROPOSED QC CBD has more trees and wide open spaces than buildings making it a better place for doing business and a more convivial place for a stroll in the park. No other city in the capital has such large expanses of prime land and parks waiting to be developed and owned mainly by one owner, the government.

(1%), park area by 1% (1.6 has.), and use vacant lands of 13.2 has. (5%) to accommodate commercial/mixed use area of 18 has. (7%);

- Extend Mindanao Avenue to EDSA as additional access road to the area, and
- Encourage private sector to pump-prime economic activities

Stage 2

- Further consolidate land and reconfigure parks: Decrease institutional area by 27.4 has. (11%), park area by 6.2 has. (2%), and informal settlements area by 3.4 has. (1%) to accommodate additional commercial/mixed use area of 37 has. (14%);
- Build additional road network to improve internal circulation, e.g. opening of a new road from EDSA passing through BIR Road, Quezon Ave. and Ninoy Aquino Parks and Wildlife; and exiting at North Avenue;
- Enhance sidewalks of new road network to make roads pedestrian-friendly; create small park in between Bangko Sentral ng Pilipinas and National Kidney Institute; and
- Redevelop the area facing the QC Memorial Circle

Stage 3

- Further consolidate land and reconfigure parks: decrease institutional area by 72.6 has. (29%) and informal settlements area by 4.9 has. (2%) to accommodate additional commercial/mixed use area of 77.3 has. (31%)
- Extend new road (Stage 2) (to pass VMMC and exit at Mindanao Avenue)

After completing Stage 3 (estimated time frame is 10 years), the total net commercial/mixed use area would be 91 hectares. The park area is reduced from 11% to 8%. This would still be consistent with the city's zoning plan.

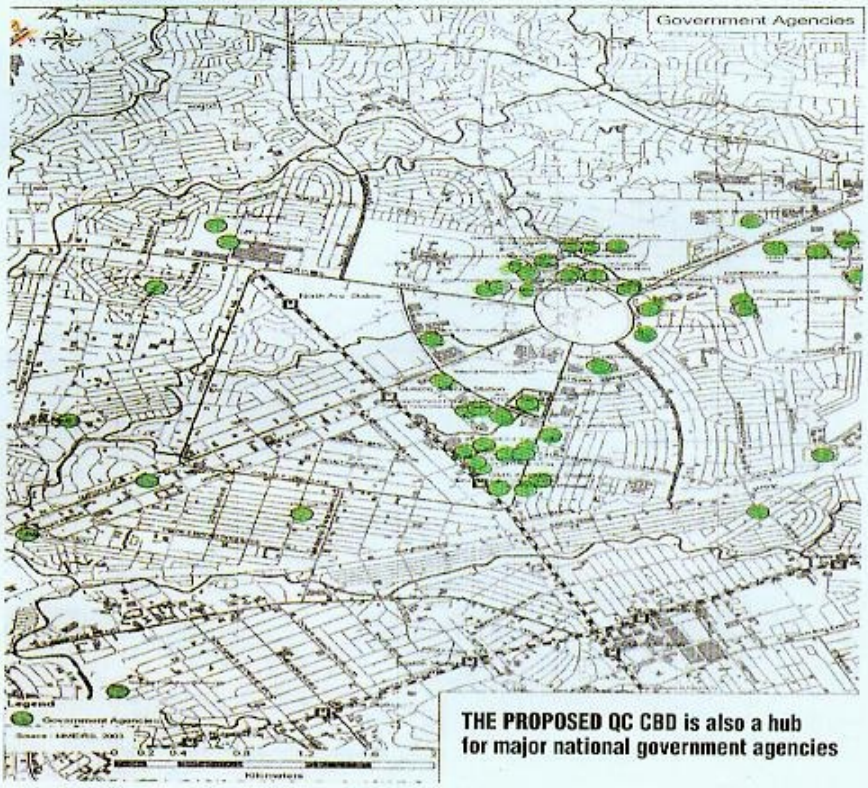
The key ingredient to the gradual implementation of the development plan would be value priming; i.e., develop initially the areas adjacent to thriving commercial areas and provide enabling environment for private sector participation.

Recommendations

The following are some initial recommendations on how to address the bottlenecks:

• Informal settlers. The options include (a) on-site land sharing and Medium Rise Building (MRB) housing; (b) in-city relocation using CMP and LGU counterpart for land development and third party source for housing and on-site development financing; and (c) relocation to nearby cities with fair compensation packages.

The QC government will need to undertake (a) land inventory; (b) mobilize LGU counterpart resources and possibly from sale of CBD lots; (c) initiate beneficiary selection for the relocation and in-city housing program; and (d) broaden participation and political support from stakeholders including NHA.



THE PROPOSED QC CBD is also a hub for major national government agencies

The options for on-site development and resettlement are the following:

Option 1: No reduction in land area currently occupied by informal settlements. The current site will be improved.

Following the MRB approach, the total MRBs, which can be built a land area of 23.3 has., will be 485 units accommodating only 11,650 families (assuming 24 families/MRB).

Thus, around 3,500 families need to be relocated, requiring around 146 MRBs and 7 to 24 hectares of land (assuming 500 and 150 families/hectare, respectively).

Option 2: Reduction in land area with informal settlements land area from 23.3 to 15 hectares. Improving onsite conditions (with MRB) will require larger offsite development of around 15-51 has. of land (assuming 500 and 150 families/hectare, respectively); 318 MRBs offsite will need to be built.

The total cost associated with on-site development/resettlement is estimated at P8.4 billion for Option 1, which is equal to the value of 28.1 hectare of land (assessed P300M/hectare).

For Option 2, total cost is approximately P8.6 billion. This is equal to the total value of 28.7 hectares. The reduced area scenario; however unlocks 8.3 hectares of CBD area available for commercial/mixed use, the value of which is equivalent to 41% of on-site and off-site development costs.

Transport integration. The proposed location of the MRT7 station does not seem to support the CBD per current plan. It will be located near SM City Annex 1 while the preferred location would be at the corner of Mindanao Avenue and North Avenue. The integration of MRT stations (MRT 2, 3 and 7) will enhance pedestrian environment leading to and from transit stations.

Legal encumbrances

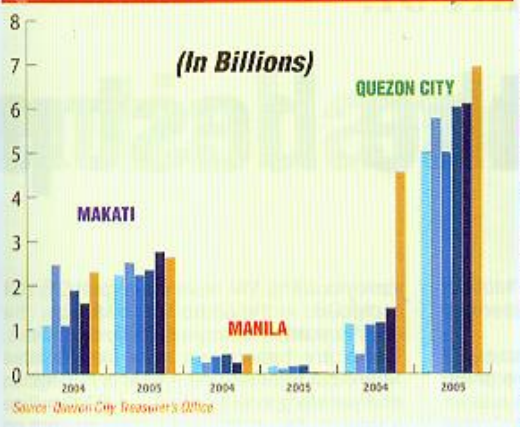
Several options can be considered but the preference is for the issuance of a presidential proclamation declaring the project site as a mixed used development, and effectively assigning control and management of the area to the tripartite commission.

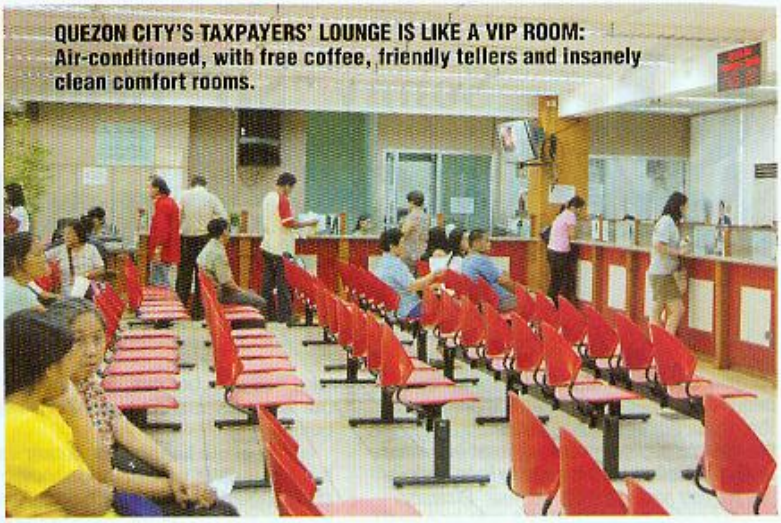
The Belmonte team has drafted the executive order for the president to: (a) Form a "Tripartite Commission" to spearhead the planning and management of the QC-CBD; and (b) declare the area for mixed use development.

Alternative options include; (a) joint venture agreement with each property owner with development coming from the master plan; and (b) long term memorandum of agreement with each property owner allowing the use of relevant portions of the property for the CBD; whoever will take charge, it is proposed that it allows freehold disposition of assets.

Freehold is necessary to attract a residential market, accounting for approximately 25-50% of total CBD gross area. It is also necessary to acquire initial development cash flow to avoid or reduce subsidies. ■

Quezon City leads the major Metro Manila cities in income





QUEZON CITY'S TAXPAYERS' LOUNGE IS LIKE A VIP ROOM: Air-conditioned, with free coffee, friendly tellers and insanely clean comfort rooms.

How QC solved its cash problem

In July 2001, Quezon City was bleeding in red ink. It had a negative cash balance of P10 billion. Claims for payment totalled P1.4 billion. The metropolis owed the banks P1.25 billion. It couldn't remit GSIS premiums of its employees. The police force could not be paid their allowance. Transactions were not being recorded in the city's books of accounts.

The city had 7,000 casual employees. The city budget was P4.7 billion, but revenue was short by P970 million in 2001.

Mayor Sonny Belmonte's solution to the financial loophole: Collect taxes. To collect, one must have the proper machinery.

So the city went about computerizing the city's records. It seems the city's assessors and examiners had been engaged in an entirely new profession—*dentista*. They pulled out taxpayers' tax records and made them a private file. They collected the taxes and the city government knew little about it.

City Treasurer Victor Endriga removed the *dentistas*. And he stayed after office hours, well into midnight. His mission—retrieve the index card files kept in the drawmers of examiners, photocopy them, and store them with safety locks. That was to ensure there would be no more *dentistas*.

A private computer firm encoded all real property tax payment records and over 440,000 tax declarations. Then all the index cards were burned. No more *dentistas*.

In the meantime, Mayor Belmonte let go of the 7,000 contractual workers. He put a stop to the overpricing of supplies which are now purchased on immediate-need basis. And he began paying the city's payables.

Having cleaned up house, Belmonte went after his taxpayers, by adopting the following initiatives:

- A presumptive income approach to make tax declarations more realistic;
- Random examinations of books of business firms;
- Door-to-door verification of unlicensed establishments;
- Reshuffling (thru raffle) of revenue examiners to avoid familiarization with taxpayers;
- Discounts to taxpayers paying in advance or on time;
- Dispatch of timely and regular demand letters to delinquent taxpayers;
- Realignment of tax rates. Quezon City has had the lowest tax rates among its peer cities in Metro Manila.

Belmonte built a VIP lounge for taxpayers where they could sip coffee in airconditioned comfort while waiting for their turn to be assessed or to pay taxes.

Before that, recalls Dr. Endriga, City Hall was like a wet market. People were going around in circles, like walking thru a gaunlet and navigating a bureaucratic labyrinth.

Endriga used the carrot-and-stick approach in dealing with his revenue examiners.

"Top performers are given free trips to say, Hong Kong," he relates, "with their original wife." And Top Ten are given commendations. "It's a morale booster," he chuckles.

For those who fail to make the grade, woe to them. "They are put in the freezer," Endriga points out. "They cannot get out of the office."

Many of those reforms were commonsensical. But the results made a legend out of Quezon City. Almost overnight, it became the richest city in the Philippines.

In 2005, Quezon City chalked up total revenue of P6.94 billion, an increase of 13% from 2004's P6.095 billion.

The P6.94 billion is P921 million more than Manila's P6.095 billion revenue in 2005, and P1.17 billion more than the P5.768 billion income of Makati, supposedly the country's premier business district.

In 2004, Quezon City was also the richest city, with income of P6.05 billion, P1.09 billion more than Manila's P4.996 billion, P188.69 million more than Makati's P5.907 billion for the same year.

Belmonte's reputation as an able and honest executive preceded him at Quezon City.

Mayor Belmonte was prepared to confront the challenges when he assume office.

His most immediate and pressing concern was where to get the money to finance the operations of the city government.

Compounding his problem was the expected shortfall of P970 million in tax collection to meet the P4.7 billion 2001 budget.

Belt tightening measures

Exercising a strong political will, Mayor Belmonte did not renew the contract of over 7,000 casual employees. He was aware of the heavy political cost his decision entailed.

He validated and prioritized all claims for payments and systematized the program of expenditures.

No renovations of improvements in the offices of the city government were made, particularly in the office of the mayor.

Office supplies were purchased on an immediate-need basis and paid promptly.

In less than a year, the city government was able to reduce the P970 million budget deficit to less than P100 million. It was able to pay P900 million of the inherited accounts payable, even as it paid on time its current obligations. ■

Sonny "SB" Belmonte Jr.

"QC has the best po

*(Quezon City Mayor Feliciano "Sonny" Belmonte Jr. talked for two hours to **BizNewsAsia** Editor-in-Chief Tony Lopez last week at his Quezon City Office. The interview capped many hours of interview with the mayor who toured the BNA team to Belmonte's various projects around the city last year. Excerpts:)*

How is your campaign for reelection?

Well, as a candidate I have no serious opponent. As a mayor all of the plans here are on track.

What are your priorities as mayor?

I'd like to divide my term into three segments. The first term really was putting the house in order. This was mainly financial management and having continuity in the good finances which included paying off payables and bank debts and so forth.

The second term addressed the competitiveness of Quezon City with respect particularly to infrastructure development. And during this period, the first and second period, we spent approximately P8 billion in terms of infrastructure, roads bridges and drainage, having a cleaner city, and construction of more than 1,000 schoolrooms which alone cost over a P1 billion. Most of our schools are four-story, 18-classroom building.

Part of our fiscal management is to give the barangays money or their share of the real property tax to them. It has always been kept by the city. From 2003 to 2006, I gave them P2 billion. Previous mayors kept the money and put up a long process to release it to the barangays. Before the end of this month, we will release more P500 million to the 142 barangays. The barangays are big. Several of them have in excess of 50,000 voters.

In the third period, we have several prestige projects. For instance, we have allocated P400 milion to fix up the 200-bed Quezon City General Hospital and P200 million to develop the Quezon City Circle. We plan a very wide walkway inside and a P100-million city museum. There is no museum here in Quezon City.

We are trying to locate a new cemetery with a columbarium in the Payatas area. In the 5-ha. Quezon City Hall compound, we want to get rid of the six one-storey buildings from Imelda's time and put up a nine-storey building. We have the largest City Hall compound in the entire Metro Manila.

We want to be more socially responsive. There are barangays here like Payatas where our total income a year is P20 million and yet we spend as much as P200 million a year to fix up the road systems, put up high schools. In Novaliches alone, we spent close to P1 billion to fix the roads and put up high schools.

Any other social projects?

We have a very nice social program which is microfinancing. We organized the people. We made certain agreements with certain financial institutions, cooperatives and rural banks. We have provided no-collateral credit to about 20,000 people, mostly women. They start off with about P5,000 and go all the way to P90,000, to put up stores and small businesses. Our exposure is close to P200 million, coming from five or six lending institutions. We are just intermediating it. Repayment rate is every high, more than 95%. We are using the Grameen System.

Another social project is our Quezon





THE PHILIPPINES' biggest tycoons are making a stake in Quezon City, from left: Ayala's TriNoma, Henry Sy's SM North and The Block, Andrew T

tential among the cities"

City Polytechnic University in Novaliches with a campus behind SM North EDSA.

And it used to be just a small voc-tech outfit. But we have now made it into a full-pledged university with several four-year courses without losing any of the voc-tech courses.

But we made them into a ladderized system so that a guy could build up credits for a bachelor's degree. Or can stop after one or two years and have a meaningful job in ventures that require skill and a degree of expertise. It has now 4,000 students.

Included in our complex there is a P5 million ICT facility donated by the South Korean government to the Philippine government through TESDA,which turned it over to Quezon City for management.

We keep it open to anybody because it's a national facility. But in fact since it's in the heart of Quezon City, most of the people going there are from Quezon City. We teach mainly animation.

Incidentally, every Quezon City government employee will be given a course using computers, for free, in the facility. About 2,000 of them have signed up. The city government will pick up the bill.

What are you preparing Quezon City for?

We have two basic programs going on now. One is to make this an ICT capital. We do have a lot of call centers and BPOs. All the major names are here?

Another area is medical tourism. We are fortunate to have four government specialty hospitals—Lung Center, Heart Center, Children's Hospital, and the East Avenue Medical Center.

Incidentally, we have also entered into a contract with a foreign company to harvest the methane gases from our Payatas facility and to be turned into power. Pangeaia, an Italian company, is a pioneer in this kind of work. They have done this already in Italy and other parts of the world. And it's the first such facility in the country. We hope to make money in terms of the Kyoto Protocol by selling greenhouse gas credits.

How is Payatas garbage dump today?

We used to handle 1,500 metric tons. We reduced it to 1,300 tons thru the assiduous use of reduce, re-use and recycle formula. A lot of things are getting recycled. There has been a marked reduction also in the amount of garbage produced with the city.

They say the population of Quezon City doubled under your terms?

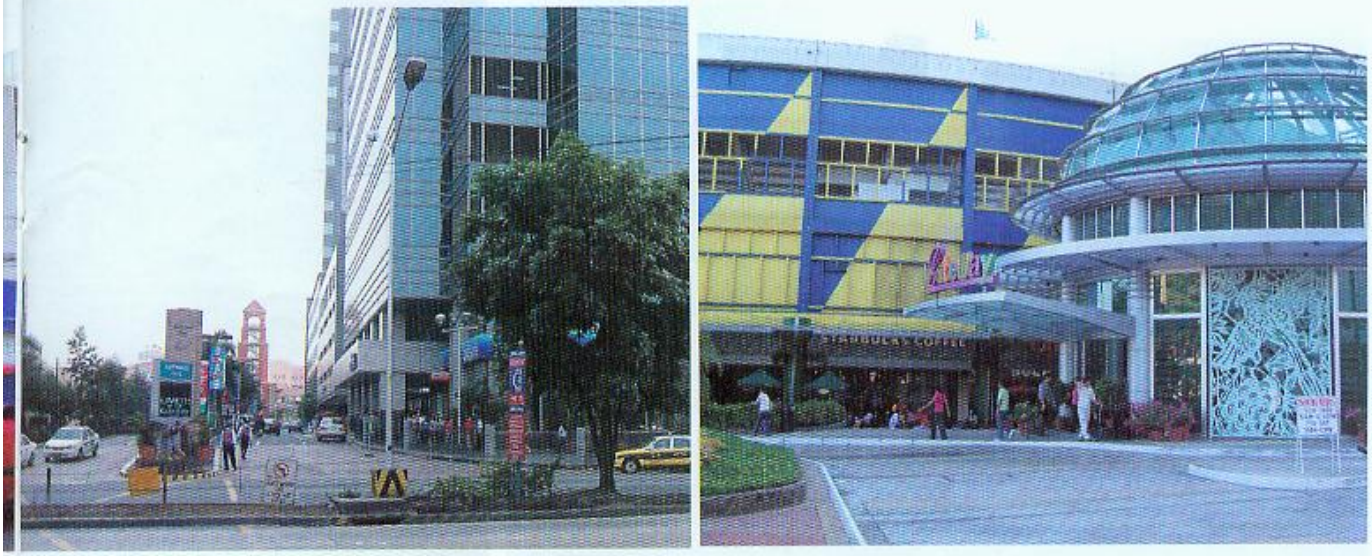
Of course not. From 1980 to 2000, it increased from 1.1 million to 2.2 million. And we think we're about 2.5 million or 2.6 in million. There has not been any authoritative census since then. The last census was in 2000 under President Ramos.

So what is your number one problem now?

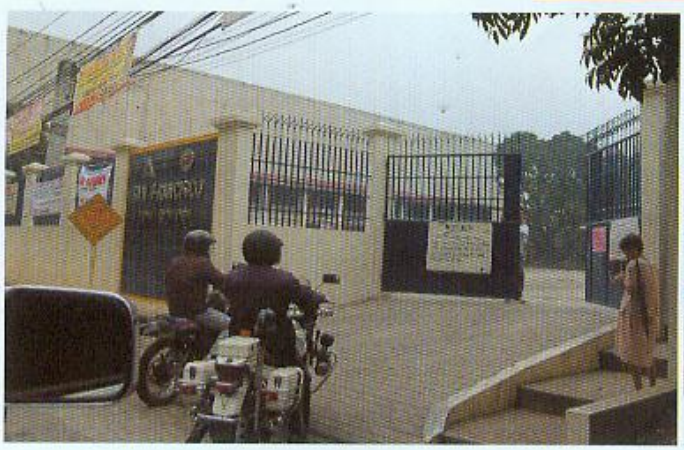
We are very much in control of the normal problems of urban government. Governance is the No. 1, of course.

There is no corruption?

Very little. I'll give you an example of how efficient our government is. We have the highest net income of all Metro Manila LGUs, 38%. So that means to say that of every P100, removing personnel services,



Tan's Eastwood City at Libis, and the Araneta family's Gateway in Cubao.





maintenance and operating expenses and interest expenses, the result is 38% and that's the amount of money that we use for capital expenditures, roads and so forth.

Our current general fund is P6.8 billion and P1.1 in the school fund. So we have almost P8 billion. This does not include trust funds that are also in our hands. The barangay fund used to be reckoned as part of the city funds but now they're given directly to the barangays.

Our gross is P8.39 billion for 2007. The barangay share is P571 million. The net income is P2.652 billion in 2005. So net income as a percent of total income is 38%. Makati is P2.3 billion. We have the highest collection. Our PS is lower than Manila by P1 billion and lower than Makati by P300 million.

Quezon City is the most efficient in terms of net income over gross revenue, at 38%,. Our personnel services (PS) is only 23%. The Local Government Code Allows up to 45%. Some LGUs are above 45%.

We have 9,000 workers—6,000 permanent and 3,000 contractual. When I came in, we had about 11,000 and only P3.7 billion revenue. We do not hire unless there is a vacancy. We have a permanent vacancy of 40%. So we are about 60% filled. We have a lean and mean organization.

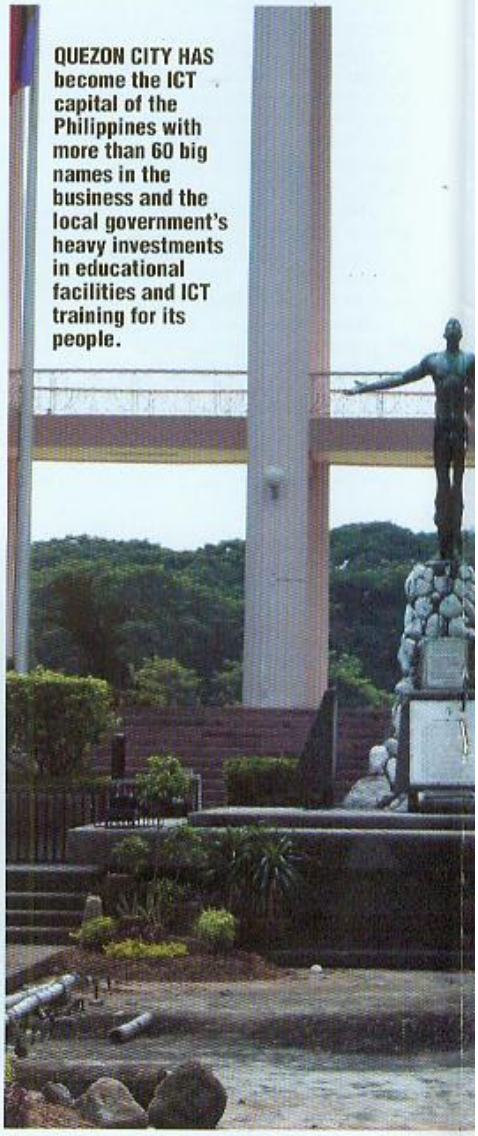
What have you done for business?

Well for one thing, Quezon City has been declared by the Philippine Chamber of Commerce and Industry as the most business-friendly for three straight years—2003, 2004 and 2005. We have cut red tape in the granting of business licenses. We have removed fixers from the city.

We have made it easier to deal with our assessment, collection and treasury department. These are all fully computerized. We used to have five sub-treasury offices where you could make payment—Novaliches, Sangandaan (now Talipapa), La



QUEZON CITY HAS become the ICT capital of the Philippines with more than 60 big names in the business and the local government's heavy investments in educational facilities and ICT training for its people.









Loma, Galas and Cubao. Formerly, you could choose your friendly computing guy. He's gonna compute and you just pick the most favorable computation and that's where you pay. Now, we are connected to the same database. Wherever you go, it's the same computation.

In the subdivisions our collectors would bring a laptop and we would service the subdivisions right there in their clubhouse. And the subdivisions pay right there in their clubhouse.

Quezon City is the largest LGU of Metro Manila, with 23% of the land area and population. Our budget this year for real property taxes is P1.33 billion.

We are planning a Central Business District, with the help of the World Bank. We got a World Bank grant of $100,000 to help us put it together. The CBD is in the North and East Triangle. Go up towards UP and we have approved the commercialization into a Science and Technology Park of about 40 hectares of UP. There will be call centers, BPO services and auxiliary services like hotels and restaurants.

I thought you never had a contiguous CBD?

We have business districts, in Eastwood, Araneta, Morato, and North Fairview SM.

Ayala has five hectares in the North Triangle. The TriNoma, the biggest mall of Ayala outside Makati, with 210,000 square meters of rentable space. SM is reinventing itself. It will create four to five-storey buildings. SM North EDSA is the most profitable of all SM malls. They mean to be competitive. They have put up The Block.

Quezon City is the business center of the future in the Philippines?

The World Bank said that the proposed QC Central Business District is the center of gravity of the whole of Metro Manila. Because it is equi-distant to the northern, to the eastern, to the western and to the southern areas. And remember, the only advantage of Makati is the



BELMONTE spent P8 billion for infrastructure in six years, vastly improving the landscape and the city's competitiveness for business





airport. But if they succeed in transferring the International Airport to Clark, then we are going to be much closer to the airport.

Without UP, the total area of the CBD is 250 hectares—the North and East Triangle and portions of the Veterans Hospital. We will develop part of its golf course. Additionally, UP has 90 hectares. In effect, we will have 340 hectares of CBD once fully developed.

Most of the areas are owned by the National Housing Authority. We want NHA to limit locators to businesses that fit our priority.

At the same time, we are redeveloping the Quezon City Circle in front of City Hall. We will build a 70-meter underpass between City Hall and the Circle. It will cost P40 million. Later, we will connect the East and the North Triangle with an underground.

So what you lack in QC is the greenery?

Quezon City is actually the greenest city in Metro Manila. You could hardly see the houses here when you are in the air. They are hidden by trees. We have the Ninoy Aquion Park at the CBD and also, La Mesa Dam Park. In terms of population, we have very low density per square meter.

The Commonwealth Avenue is incidentally the widest avenue in the whole of the Philippines. It is 105 meters wide. It also has the highest density of vehicles.

What are you doing for your informal settlers which is half of your population of more than 2.5 million?

About 40%, not half. They are not necessarily squatters but they are urban poor. Aside from making the city itself competitive and attracting business here, and therefore economic activity and jobs, we are heavy on of training people. Training for skills and voc-tech jobs.

My thesis is that people should no longer aspire to send their children to all those courses like law and so forth. The pattern of the economy is really towards more technical positions. And we are positioning Quezon City by promoting technical schools here to satisfy a lot of the technical needs.

Quezon City itself wants to put up voc-tech courses in various parts of Quezon City. Right infront of Batasan complex, we are clearing up some of the informal settlers to put up a Batasan campus of the Quezon City Polytechnic University. We have just provided P100 million for it. The whole thing is good for 3,000 students.

We're talking of C-6 now. The national government is about to start a program to connect CP Garcia which is that part of Katipunan Avenue which is still wide before it gets narrow (going to UP), to connect that to Commonwealth Avenue.

Katipunan will be diverted to have a new route going to Commonwealth. C-6 incidentally goes all the way to NLEX passing over Quezon City and Valenzuela. It will be the biggest infrastructure project in Quezon City in the next few years.

So things are looking up in Quezon City?

Both the national, local and private sector. All of them are geared towards it. We have Ayala, SM and Megaworld. Lucio Tan owns nine hectares, inside the proposed CBD. He will put up a five-star hotel.

You turned around the city

I am just an *oido* (play it by ear) guy, a common sense executive. Also, I have in my staff two former budget secretaries, Manuel Alba and Jun Enriquez.

So in terms of potential, Quezon City has the best?

Quezon City has the most potential because of its sheer size, its people as assets, its location which is at the center of Metro Manila. You cannot go from one place to another without passing through Quezon City. We are at the center of everything. Also, development is moving towards the east. The growth areas are right beside Quezon City—San Jose del Monte, Bulacan; Montalban, Norzagaray, these are the biggest areas of Rizal and Bulacan. We have access roads going to these places.

You have mestizo looks

I am mixed, like a typical Filipino—Chinese, Filipino, Spanish. My father is Feliciano Belmonte, from Nueva Ecija. He was a judge in Baguio. My mother is Luz Racimo from Vintar, Ilocos Norte. I am the el-





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BizNews Asia

Weekly Business Newsmagazine

ISSN 1655-7263

May 14 - 21, 2007

Vol. 5 No. 17



He has made his city the richest and best managed in the country by cutting fat, computerizing taxation, imporving efficiency and basic services. Now, he wants to make QC the business center of the 21st century. He will develop a central business district half the size of the entire Makati



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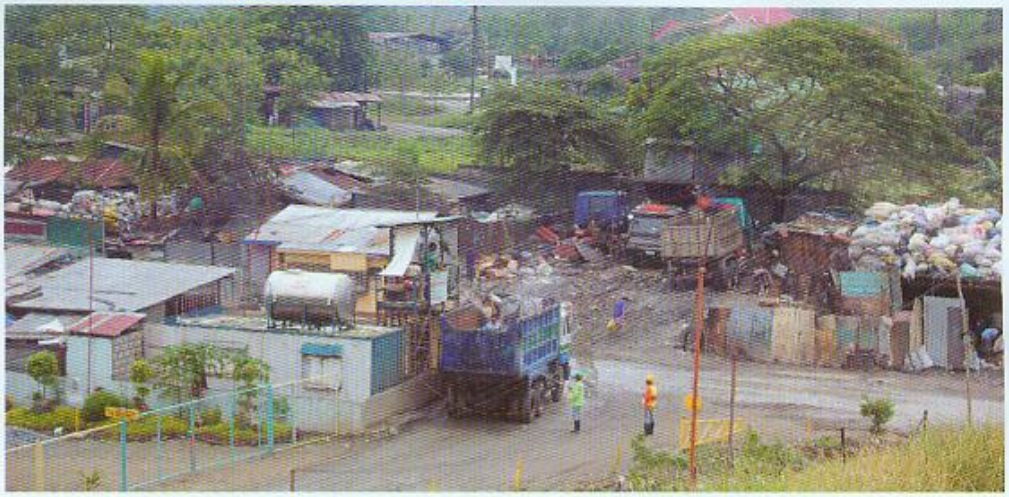
dest of their eight children. Next to me is Dennis Belmonte, a former president of Benguet Corp. and the father of Atty. Kit Belmonte, the up and coming politician of Quezon City. I asked him to withdraw. He would have been a sure winner to give way to the incumbent. His district is the biggest in the country, 600,000 voters and with a population half that of Quezon City. We plan to divide it into three districts. In 1980, Manila had a population of 1.5 million and QC 1.1 million. We doubled. Manila added only 80,000 people. Manila became 1.58 million and we became 2.2 million, probably 2.5 million today.



No. 3 is Candido, an RTC judge in Malolos, Bulacan, No. 4 is Aurora Caringal, the wife of a mining engineer, board topnotcher; No. 5 is Eric, a CPA; No. 6 is Dolores, a pediatrician; No. 7 is Ricardo, a customs collector in Cebu; and No. 8 is Elena, a bank executive.

You are an Ilocano, that's why you are thrifty.

Yes, really thrifty. I met my wife, Betty Go, in Baguio. She was vacationing. I was from Baguio because my father was a judge there.

Why were you working student when your father was well-off?

I preferred it that way. At that time all my relatives were in Baguio. I was living with my uncle Representative Pio Duran from Albay, married to my auntie, sister of my father Josefina who also became a congresswoman from Albay. I grew up with them until I became independent when I became a reporter.

So which do you prefer, being a newspaper magnate or Quezon City mayor?

I am not a newspaper magnate. I'm just a Quezon City mayor. My children own majority of the Philippine Star. None of my children want to be politicians, except possibly, the youngest Joy who is very active in socio-civic activities in Quezon City. Isaac is my eldest, 44. He finished journalism, UP. He is the editor-in-chief of *The Star*. Next is Kevin, 43, MBA from Northwestern University and a former senior partner at SGV. He is a business consultant and a director of *The Star*. Miguel, 42, studied hotel and restaurant management in UP, together with his wife, Millet. Miguel is the president and CEO of *The Philippine Star*.

My youngest, Joy, is an MA in museum studies in London. She is also an MAS from the University of London in archaelogy. She is a PhD candidate in archaeology, University of London. She studied for five years in London. She is married to Raymond Anthony Alimurong, a medical doctor and currently taking an MBA at Stanford. She is the successor of the Raiders of the Lost Ark. She's very brainy. She is the chairman of the foundation taking care of our performing arts among the children of the poor. They have about 250 students and they go around the world.

I have nine grandchildren, six boys and three girls.

Aside from being mayor, you don't have any other dreams?

I never dreamed I would be a mayor. I thought I would be a reporter all my life. I ran for mayor, because to be frank, I thought the city need some people with more experience to run it than the two who were going to fight it out before me, Chuck, the son of Mel Mathay and Rudy Fernandez.

Quezon City deserves better. Chuck and Rudy are my good friends now. I chose to be mayor rather than be a senator.

Among jobs that you have held, which one is the most fulfilling?

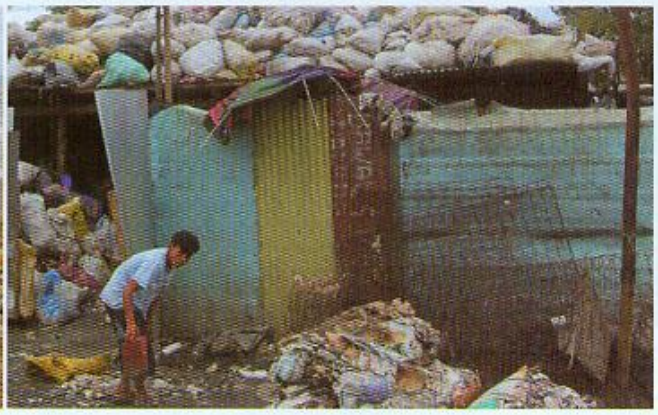
I've been president of Philippine Airlines, president of the Manila Hotel, president of GSIS, a director of various companies, then congressman for nine years, senior vice chairman of the Appropriations Committee, Minority Floor Leader and Speaker.

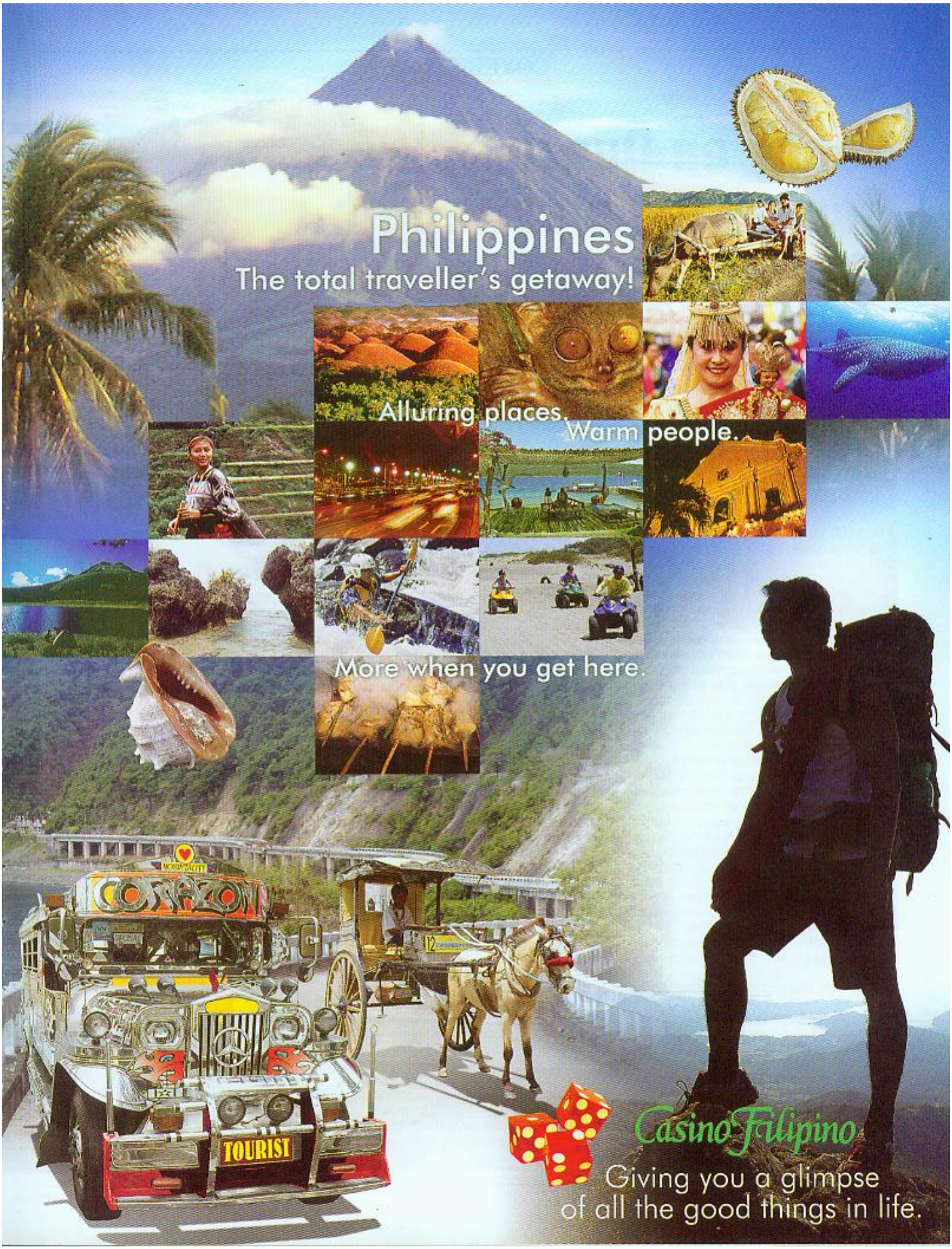
When you leave as mayor, what will be your legacy?

Governance, I guess. It's something that people can aspire for. ■

BELMONTE licked Quezon City's garbage problem by redeveloping the Payatas garbage dump with a recycling plant and amenities.



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Sonny on Quezon City: Competing on strength

By FELICIANO "SONNY" BELMONTE, JR.
Mayor, Quezon City

(Fifth State of the City Address at the Carlos Albert Session Hall of the City Council, Monday, Sept. 4, 2006)

It is not often that a man is entrusted with leading two and a half million people, and tasked to make a difference in their lives. It is a privilege that I cherish because I was given this challenge not only once but twice. God willing, this challenge shall again beckon me in 2007.

Have I lived up to this challenge? What has Quezon City become in the past five years under this administration?

We have, in just five years, transformed a laggard into the most interesting premier metropolis of the National Capital Region. Quezon City has become a focus of attention of international development institutions, business conglomerates and urban developers. We are stimulating opportunities where once there were none.

I am lucky to be mayor at a time when the global trend is that cities have become the center of economic competition. Cities are now the new nations, able to source for themselves investments, business opportunities and resources. In the Philippines, more progressive cities like Quezon City are igniting the engines of growth.

It is tempting for me just to work to make the city look good only during my term. I could pour resources into short-term programs that will fizzle out as soon as I step out of office. *Bahala na ang susunod na* mayor.

But I did not aspire to be a mayor simply to look good while in Office. I have heard a man say that the first task of a leader is to keep hope alive. I want to go beyond that. I am working to make hope happen. I want the ensuing reality to endure for many years to come by investing in the future.

These investments will be sustained in four key areas, which are the components of **LIFE**.

L ivelihood and entrepreneurship, which mean investments in productivity that lead to enterprise creation and job generation.

I nfrastructure development, which redound to investments in the physical transformation of the city, improving the overall environment for business and almost all aspects of community life.

F iscal and financial management, which are continuing investments in strengthening governance and management capacity.

E ducation, which represent significant initiatives in knowledge creation and expansion.

The story of our administration is a well-known classic debt-to-riches narrative of a dramatic turnaround from inheriting over P1 billion of bank debt, plus P2 billion more in payables, to become the highest income-earning LGU in the Philippines. We have, in fact, just paid off that P1 billion plus debt to Landbank. *Wala na tayong utang sa bangko.*

Effective capacity building and fiscal and financial management systems became the backbone and foundation that we built our city's growing strength on.

Our focus is the SUNRISE:

S ystems-generated approaches that are…
U seful now and in the coming years, yet…
N ew and Non-traditional,
R esource-generating rather than resource-depleting
I nnovative yet integratable to the overall city vision and mission
S ustainable because it is…
E nterprise-generating and enduring

The latest report of the Commission on Audit continues to affirm our status as the LGU with the highest net income in the Philippines. We are number two in terms of gross income simply because city number one borrowed money, while we did not. The 2005 COA report pegs our net income at P2.65 billion, higher than the number two city by more than P300 million. Quezon City also is number one in terms of ratio of net income to total income, at 38%, reflecting our continued prudence. For four straight years, we have been able to maintain a healthy budget.

The physical transformation of our city will create for us a sustainable competitive edge. Our instruments are: Massive and well-rationalized infrastructure development, and determined environment management.

The people of Quezon City are now enjoying the fruits of over P8 billion worth of infrastructure investments.

These are investments to make people's lives better—through safer communities, through more productive environments because people and vehicles can move faster and more conveniently to destinations, and through more pleasurable and healthy surroundings.



THE BELMONTE CHILDREN: Isaac, 44, editor-in-chief, *Philippine Star*; Kevin, 43, a business consultant, Miguel, CEO, *The Star*; and Joy, the brainy chair of QC's performing arts foundation.


HILIPPINES
NG CENTER

KEVIN

MIGUEL

JOY

These include some projects that are normally funded by the national government, such as the concreting of national roads and flood control.

We have also been supporting the needs of other national government agencies. This includes financial assistance for office operations, as well as such other incentives as vehicles and equipment support for the Central Police District and the Quezon City Fire Department, which by the way, will be the beneficiary of P50 million worth of new fire-fighting equipment this year.

Now, let us see the network of roads that our resources have developed for us. A good street network is critical to progress. Thus, P3.66 billion or more than 50% of our total infrastructure budget has funded 713 road, drainage and sidewalk improvement projects that have paved more than 259 kilometers of roads all over the city.

All in all, since taking office in July 2001, the public school system in Quezon City has gained one Division of City Schools Building and 54 new school buildings providing 887 additional classrooms.

By the end of 2006, work on 27 more school buildings will either be completed or begin, adding 363 more classrooms. By the way, we are also funding an 8-classroom school building in the landslide-stricken barrio of Guinsaugon, Southern Leyte.

Our LGU has also constructed or improved, and maintains 234 daycare centers in 108 barangays, where every year about 20,000 of our young children are enrolled.

We deserve good health care as well. By matching infrastructure investments to needs, we have allocated P129 million for the construction and repair of 24 health centers. We have upgraded six into Super Health facilities, the newest of which is in Batasan Hills, to service Area 7, where more than 500,000 of Quezon City's poor live. Because of the quality of its facilities, it was chosen by the Department of Health to be the research site for the much dreaded avian flu.

We are also strengthening the tertiary level of health care by funding about P400 million for the grand transformation of the Quezon City General Hospital into a 330-bed facility. The aim is to give the poor access to affordable yet well-organized, state-of-the art public hospital services. We are submitting a supplemental budget for this, tapping our savings.

Significant amounts, P175 million, have also been allocated for flood control, including the desilting of the San Juan, San Francisco and Tullahan Rivers.

We have funded P65 million worth of barangay facilities, recognizing the significant role of barangays as partners in governance. Another P123 million have funded parks projects to transform open spaces, which are often blighted, into pleasant recreational facilities that many can enjoy. Barangays, homeowners and your city government form the key triangle for keeping parks alive and well-maintained in Quezon City.

After a comprehensive study, we are ready to embark on a P332 million city-wide streetlighting program that will be implemented from 2006 to 2008. It involves the installation, repair and maintenance of 15,808 streetlights to adequately illumine all city streets.

This shall be complemented by a well-rationalized program to develop and install boundary markers, as well as street and directional signs that will create an image of a well-organized metropolis that is distinctly Quezon City.

After a serious study of physical requirements, the construction of the underpass to the Quezon Memorial Circle from our City Hall shall begin late this year. The underpass shall be a dramatic pathway to what is envisioned as a grandly transformed Quezon Memorial Circle that better honors the man who created our city.

It cannot be said often enough that a city as rich in culture and historical heritage as Quezon City needs a splendid public museum. That we shall build, and we are ready to allocate as much as P65 million for this showcase.

Environment management is just as massive an investment of the city as infrastructure development. We spend an average of P47 million a month just to collect the 1,500 tons of garbage that people here generate every day. However, we are now aggressively promoting, with the help of the barangays, recycling and segregation of solid wastes.

In 2000, Quezon City was among the dirtiest cities of Metro Manila, despite spending as much as P70 million a month on garbage collection. Now, we have been named the second Cleanest and Greenest City by the Dept. of Environment and Natural Resources in 2004.

Quezon City has gained national acclaim as the First Urban Center to implement the Solid Waste Management Act, by pioneering in the conversion of the Payatas open dump into a controlled waste facility. Payatas' model methane gas extraction project has a high possibility of earning for the city, carbon emission reductions (CERs). Once approved, our city government will be able to sell these carbon credits to industrialized countries, and generate a new source of revenues. In the meantime, we are evaluating various sites which can replace Payatas, once the process of closure, as approved by the DENR, is completed.

Our most important investments in city development are our regenerating investments in our human assets, thru knowledge creation and expansion. An average of 380,000 children are enrolled in our public elementary and high schools every year, more than in any of the other public school systems in the country. This school year, I have authorized the release of funds that will provide one textbook per core subject for every student enrolled in our public schools.



QC has the big city problems on peace and

More than physical facilities, we want to ensure that public school education in Quezon City enables our students to understand and be responsive to the overwhelming focus on information communications technology or ICT. One way is in partnership with Ayala Foundation, to which the city has given an initial donation of P4 million for equipment acquisition. This is the GILAS program, which has provided fully functional internet laboratories in 26 Quezon City public high schools. Our target: All schools will have access to the internet.

Other ways are thru our e-libraries, which we continue to expand, from the original 11 and now to 33 public elementary and high schools. We have an IT Centrex building now rising at the San Francisco High School compound, while basic IT instruction and training have started for teachers and fourth-year high school students at the Division of City Schools building.

The city public school system has also intensified its teaching in English, Science and Math. Let me cite students of our Quezon City High School who have won science competitions not only nationally but also internationally in the Fifth Regional Congress Search for SEAMEO Young Scientists at Penang, Malaysia last March 2006.

We are seeing to it that our public school education is multidimensional, involving also values education for leaders. Now on its fourth year, the SB Centrex for Student



order but Belmonte attends to them. He has donated 72 police patrol cars to the local police.

Leadership has trained 952 student leaders who can expand the pool of excellent leaders that our future requires.

In response to the need of our growing Muslim population, Quezon City is now on its second year of implementing the Madrasah education program in 11 of our public elementary schools. Here, 944 students are taught Islamic values and the Arabic language by Muslim Asatidz, harmonizing the traditional Philippine education system with the Madrasah system.

Upon graduation from high school, Quezon City students enjoy support in college thru the Scholarship and Youth Development Program. We are funding the tuition of 3,123 new recipients admitted this year, for a scholarship program that now benefits 9,318. Many of these scholars are enrolled at the Quezon City Polytechnic University which has significantly upgraded its program to focus increasingly on full degree courses in Entrepreneurship, ICT and Industrial Engineering. QCPU is expanding as well, with a new campus at the San Francisco High School compound in District 1. Soon, it will have another satellite campus just across Congress at IBP Road.

This year, confident of our city government's capacity to manage a national training center for advanced ICT, the TESDA turned over to our LGU the responsibility of operating the Korea-Philippines Technology Training Center or KPITTC. The memorandum of agreement between TESDA and the city government was signed this August.

This state-of-the art facility was financed by a US$4.3 million grant from the Korean International Cooperation Agency (KOICA), with an additional US$300,000 contributed by us, aside from the half-hectare site we provided. Inaugurated in 2005 by no less than President Arroyo and South Korean President Roh Moo-hyun, Quezon City shall manage it as an advanced national training center for IT.

Just as we are investing in knowledge creation, we are also investing in productivity through job generation and enterprise creation. We have a Public Employment Service Office that assists not only college graduates seeking professional careers and out-of-school youth who are assisted through emergency employment and government internship programs, it also works actively for the protection of exploited children and our *"kasambahay"* or househelp.

We have a homegrown livelihood lending and training program that grows by leaps and bounds each year. The Puhunang Pangkabuhayan ng Sikap Buhay began in September 2001. It evolved as our City government's response to the reality of a city with 295,000 unemployed people, many of them in households headed by women.

From a shaky start in 2001 and only 248 borrowers in 2002, today, Sikap Buhay has provided the capital needs of 16,814 micro entrepreneurs! From P1.24 million in lending capital in 2002, the program now lends out P212 million sourced from various NGOs and lending institutions.

We have created such a credible program that even prestigious schools like La Salle and the Entrepreneur School of Asia have taken notice and developed their own short business courses to further train our Sikap Buhay beneficiaries on the rudiments of running a sustainable business.

90% of Sikap Buhay beneficiaries are women. Let me introduce to you some of our successful entrepreneurs. Mrs. Laida Sarabia of Lupang Pangako, Payatas borrowed P5,000 for her gotohan in 2002. Three years after, she was able to put up a sari-sari store with a capital of P30,000. She also rents out half of her store area to a water station, which gives her added income. Vilma Oktubre first borrowed P5,000 for a small sari-sari store. Now, after two years of successfully paying back her loans, she borrowed another P10,000 for a carinderia which employs three members of her family. From a hand-to-mouth existence, she now enjoys having her own cellphone and the luxury of a two-door refrigerator which she bought for P26,000.

At present, Laida and Vilma are thriving microentrepreneurs, two of the estimated 52,500 members of the informal economy of Quezon City. A 2006 study made by the Business Permits and Licensing Office showed that 42% of informal economy participants belong to District 2, particularly in Area 7.

We conducted the study to find out what incentives we could give to these microentrepreneurs, most of whom are solo artisans and service providers.

Negotech and the Social Services Development Department supplement the City's training opportunities turning housewives, out-of-school youth and other indigents into entrepreneurs and skilled workers, with such practical courses as cellphone repair, computer maintenance, automotive work, cosmetology, and food management. Together, they have reached out to more than 97,000 beneficiaries since 2001.

Helping the poor requires the city's investment in their total human development. Shelter is another important dimension. From 2001 to 2006, the Urban Poor Affairs Office has facilitated the completion of 48 community mortgage projects, enabling 1,634 families to have legal rights to their respective properties. In process are 79 other projects that shall benefit 3,558 families.

Assisting the UPAO's CMP initiatives is the Subdivision Administration Unit, which has approved the subdivision plans for more than 560,000 square meters of land benefiting 11,013 beneficiaries, for the same period.

Dwelling units are provided through partnership with Gawad Kalinga or thru the city's Housing and Urban Renewal Authority. Last year, with Gawad Kalinga assistance, 556 poor families have contributed their sweat

equity to build both homes and communities in lots they now own.

Quezon City made available the land and most of the infrastructure. HURA has completed the construction of two medium-rise buildings at Barangay Escopa III and has turned these over to 160 qualified beneficiaries. We are now studying how to avail of funding for housing being offered by China.

The poor are also assisted through capacity building, counseling and protective services. Spearheading these programs is the SSDD, which manages the Molave Youth Home, a detention center for youth in conflict with the law. In 2005, it earned the Outstanding LGU Program Award from the Galing Pook Foundation. However, the need for such youth detention facilities has diminished with the passage of Republic Act 9344, the Juvenile Justice Welfare Act, which provides that children 15 years and young are "criminally exempt." This law needs rethinking.

The safety and security of our people are our continuing concern. It is a comfort that we have here to help us the best police district for 2004, 2005, and 2006. The Central Police District has, in its ranks, outstanding policemen so honored as such by the National Police Commission, the Metrobank Foundation and Rotary Club.

Also working with us are the members of the Quezon City Muslim Consultative Council, which helps us define policies and programs for the well-being of Muslim Filipinos in our city. This council has sourced a P10 million grant from the government of Bahrain for an Islamic cemetery which we shall develop in a 3-hectare lot in Montalban.

Of course, very important to us are the barangay officials who are the city government's overwhelming presence in communities and the grassroots. We have continued to remit their barangay share in the city's real property collection, reaching P1.81 billion since 2002. We are happy to see that many of these funds are translating into thriving projects that add to what the city government can do to address constituency needs.

Enjoying the biggest shares are Barangays South Triangle, Bagumbayan, Ugong Norte and Socorro. It goes without saying that more is expected from those with more resources.

The City Council is the city government's vital other half. The Councilors are our partners in responding to all dimensions of constituency needs, from people welfare to economic development. For the sake of Quezon City's children, the City Council has passed several ordinances protecting minors from exploitation.

Ordinance No. 1610 waives registration fees so that indigent children can be officially documented by the state. This complements very nicely the aggressive campaign of our Civil Registry Office to ensure that every child born in Quezon City is registered and is vested with the legal right to carry a name. From 2001 to 2005, the CCRO has registered 388,124 births, close to 230,000 marriages and 190,000 deaths.



BELMONTE provides low-cost housing to the city's informal settlers.

We are committed to providing more jobs and work opportunities to more QC residents.

So many companies and business groups have given invaluable support.

Our city has the highest concentration of ICT buildings and special economic zones in the country. It is home to more than 60 business process outsourcing companies, and the number is growing fast as more enterprises are attracted by our cost-effective and strategic business locations.

We are the only city with such a high number of internationally renowned specialty hospitals that can very well form the base of a thriving health and wellness industry. These two service-oriented clusters will bring in more economic opportunities for our residents.

We are the only city in Metro Manila that has expansive enough lands that are still available for massive development. One of these huge tracts sits just across City Hall. Currently, it yields just P535,000 in real property taxes but potentially, it can yield more than a billion in real property and business taxes once fully developed.

We thank the City Council for passing legislation critical to this emerging locus of development, which World Bank consultants have assessed to be the likely center of gravity of business activities in Metro Manila in the coming years. Resolution No. 3050 approved in September 2005 declared this area as the Quezon City Central Business District. After completing its framework plan for development, the World Bank is ready to fund further studies to detail the implementation plans.

Already, Ayala Corp. has seen the tremendous potential of the area and has been constructing its giant shopping mall at the North Triangle, which will be inaugurated in 2007. The area is envisioned to be a major inter-modal transport hub and public convergence point in northern Metro Manila, across the street from SM North Edsa, itself one of the biggest shopping complexes in the country.

A couple of kilometers from this CBD will rise our own Silicon Valley with the development of a new Science and Technology Park on 98.5 hectares of the UP campus along Commonwealth. As conceptualized by UP and Ayala Land, it promises to be a magnet for fast-evolving high technology companies. This will also translate to more jobs in Quezon City.

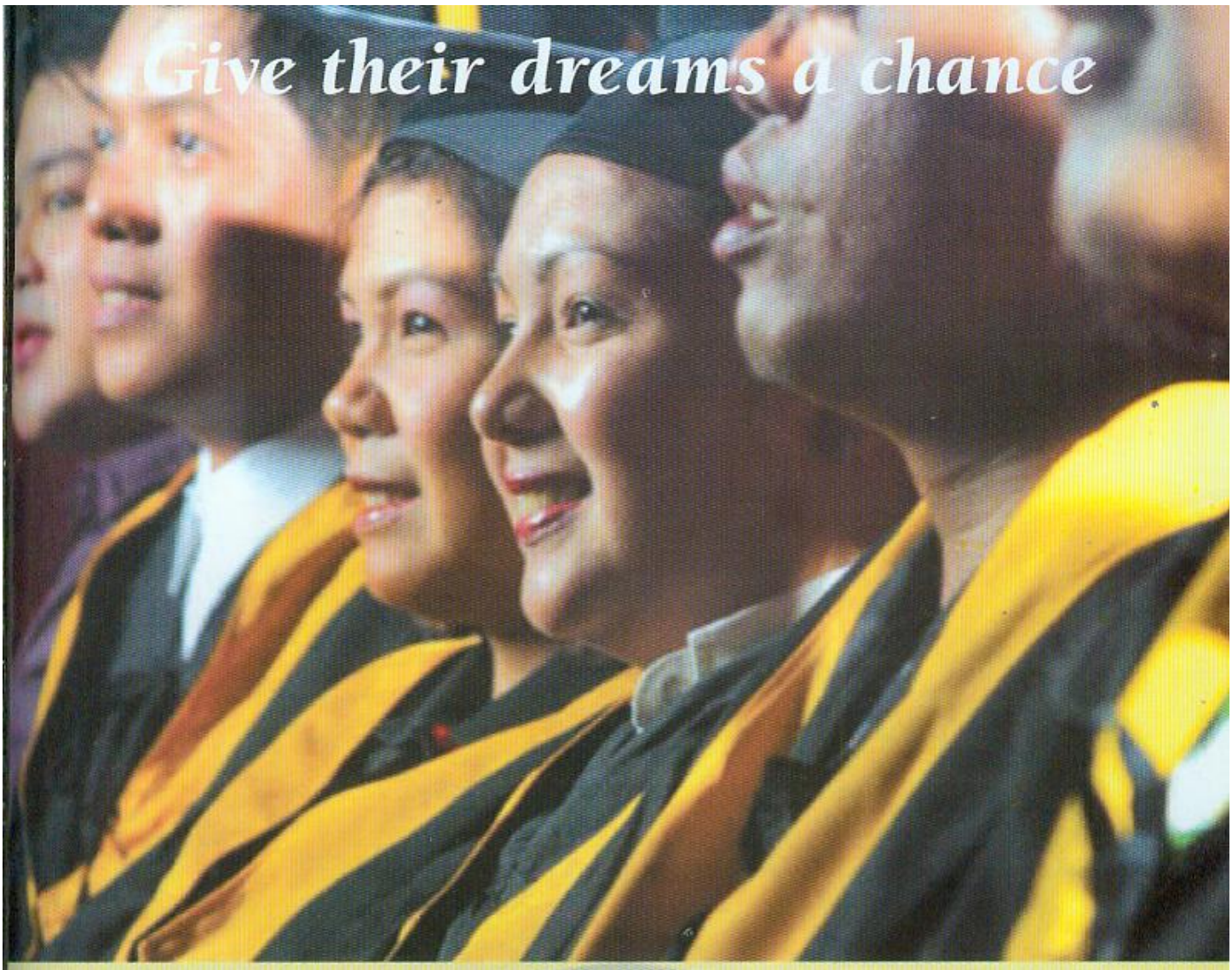
Elsewhere in the city, a new skyline is forming as 30 to 40-storey mixed-use buildings rise.

In August 2005, we launched the Quezon City Pride Campaign. More than a lesson or a retrospect in history and culture, Quezon City pride should be a campaign that gains strength from our joint passion for the future. It involves not only making our historical heroes proud, it is a campaign that should make ourselves proud of what we have become as a city, and of what we can become.

I have been your mayor for five years now. The challenges are not only exhausting, they are daunting. *Nakakapagod talaga.* But I see the pride in our people's eyes... their pride and great expectations for the future... they inspire me! They energize me! They excite me! We are only reaching the crescendo of what we can achieve.

Quezon City should have more, because our people deserve it! Quezon City should have more, because it has the potential and the resources to achieve more!

I am proud of Team Quezon City! All of you have provided the building blocks that are now reshaping our city. Thank you all and God bless our city and people. ■



The 10th GSIS Scholarship Program

For nearly a decade, the GSIS has provided college grants to 368 scholars of GSIS members. In celebration of the program's 10th year, the GSIS is increasing the number of its new scholars to 200.

If you are an active GSIS member in good standing, you can file your scholarship applications in any GSIS office and eCard Plus enrollment center.

You may also download the form through http://www.gsis.gov.ph and send it to your servicing GSIS office. Winners shall be determined through a computer-assisted raffle, to be witnessed by GSIS and COA representatives.

If your name is drawn, you can choose any enrolled or incoming college student to be a GSIS scholar. That student may be your son, daughter, brother, sister, nephew, niece, or even your friend.

The GSIS scholar—your scholar—is entitled to up to P20,000 in tuition and miscellaneous fees per semester and a monthly stipend of P2,000.00.

Deadline for the submission of application is on April 30, 2007, at exactly 5:00 P.M. Entries will be raffled on May 2, 2007. Please visit www.gsis.gov.ph and e-mail the form to scholar@gsis.gov.ph. For more information, please call Yvette, Derek, or Rose at 891-6161 locals 4339 and 4343.

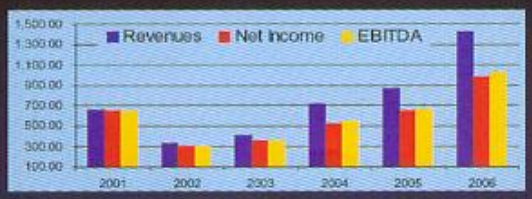
SM goes mid-market for majo



ROGELIO CABUÑAG

Financial review

- 2006 was a record year for SMDC, achieving the highest level of profitability since its start of operations in 1974
- The surge in revenues was derived from
  - Strong sales of real estate products
  - Significant gains on investments



(Pmn)	2006	2005	% Chg
Revenues	1,430.83	867.19	65.0%
Gross profit	279.63	92.56	202.1%
Net income	984.54	652.05	51.0%
EPS (Php)	0.32	0.21	50.9%
ROE (%)	12.4	9.6	29.2%
EBITDA (Php)	1,032.03	672.09	53.6%
EBITDA (%)	72.13	77.50	(0.07)

Source: SMDC

- The 20% asset expansion to P8.7B was a result of these cornerstones of growth:
  - Focused strategy
  - Financial prudence
  - A strong asset base
  - Management expertise

Total assets	
Current assets	
Non-current assets	
Current liabilities	
Non-current liabilit	
Total liabilities	
Stockholder's equi	
Book value per share (Php)	
Current ratio (x)	
Debt/equity ratio (	
Net debt/equity Ratio (%)	

Source: SMDC

r residential projects

SM Development Corp. is moving towards the middle income market, right down the alley where demand is huge because of the burgeoning income of overseas Filipino workers.

It is the same tack taken by giant Ayala Corp.. Its Ayala Land subsidiary has gone mid-market. The middle class, as a group, has more money, than the so-called very, very rich, the people who live in Forbes Park and Dasma villages. Yes, the very rich have money, but they don't buy houses in volume. Unlike the middle class.

"Our bid to capture a share of the middle market has borne positive results," reports SMDC president Rogelio Cabuñag.

SMDC income rose a whopping 51% to P984 million in 2006 from P652 million in 2005, on the crest of a 65% jump in revenues to P1.4 billion.

Through 100%-owned subsidiary SM Synergy Properties Holdings Corp. will continue to develop "Chateau Elysee," a mid-rise residential condominium intended to cater to mid-income market. Phases 1 and 2 of Chateau Elysee are now completed and have about 397 residents. Phase 3, on the other hand is 70.8% completed as of end-2006 and will be delivered to unit owners in July 2007. The amenities like the clubhouse and pools are now being enjoyed by the residents.

Mezza Residences, a four tower; 38-storey mixed use condominium development located along Araneta Ave. cor. Aurora Blvd., Quezon City is the second project of the company launched last Feb. 24, 2006. This project is a joint venture with Banco de Oro Universal

2006	2005	% Chg
8,748.09	7,288.92	20.0%
4,676.58	3,567.84	31.1%
4,071.51	3,721.08	9.4%
713.94	440.38	62.1%
107.23	26.97	297.6%
821.17	467.35	75.7%
7,926.92	6,821.57	16.2%
2.57	2.22	15.8%
6.55:1	8.10:1	
0.10:1	0.07:1	
(0.07:1)	0.01:1	

2006 sales performance of SM malls

Year 2006 sales per sqm

SM North Edsa	P102,904
SM Megamall	P107,090
SM Mall of Asia	P57,954

Year 2006 - Ave Monthly sales per sqm

SM North Edsa	P8,575
SM Megamall	P8,924
SM Mall of Asia	P7,885

BizNews Asia
Weekly Business Newsmagazine

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BizNews Asia is published by **BizNews Asia Philippines, Inc.** with editorial, advertising, circulation and business office at Unit-M 209 Pasadena Drive, San Juan, Metro Manila. Telephone numbers: 722-5084; 744-7887 (Fax); 744-7888; and 744-9887 to 88 (Cellphone no. 0917-831-8831)
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Chateau Elysee

- SMDC's maiden residential project
- A unique development in the heart of Bicutan
- Clustered French-Mediterranean themed mid-rise condominiums with all the amenities of a high-end residential complex.

Start of construction	June 2003
Estimated date of completion	Oct 2008
Estimated cost	P1.28 B
Total no. of units	1,533
(From 4 clusters on offer)	
Sold to date	838
Sold in 2006	676
Percent sold	54.7%
Percent completion	
Cluster 1 & 2	100%
Cluster 3	85%

Source: SMDC

Mezza Residences

- High-rise residential project, consisting of four towers resting on a commercial podium.
- Strategically located beside SM City Sta. Mesa, and a high-density residential area in the corner of Araneta Ave. and Aurora Blvd. in Quezon City

Start of construction	Sept 2006
Estimated date of completion	2009
Estimated cost	P2.8 B
Total no. of units	2,420
Sold to date	1,266
Sold in 2006	946
Percent sold	52%
Percent completion	13%

Source: SMDC

Grass Residences

- A three-tower condominium project near SM City North EDSA in Quezon City
- Target market includes professionals who work in Metro Manila but reside in the suburbs
- Will offer generous open spaces and amenities such as a resort-type pool, cabanas, gym, basketball and badminton courts
- Easy access to MRT and bus routes

Start of construction	3rd Qtr 2007
Estimated date of completion	3rd Qtr 2010 (Tower I)
Estimated cost	P5.4 B
Total no. units	5,390

Source: SMDC

Lindenwood Residences

- A residential subdivision on the rolling hills of Susana Heights, Muntinlupa
- Amenities include, among others, a 25-meter lap pool, kiddie pool, and basketball court
- Near schools, commercial centers, golf courses, and business districts

Start of construction	4th Qtr 2006
Estimated date of completion	1st Qtr 2008
Estimated cost	P261M
Total no. of lots for sale	390

Source: SMDC



Bank (the landowner). The construction of Towers 1 & 2, The Podium and the other amenities is in full swing with 4.9% completion as of Dec. 31, 2006.

SMDC launches this year a 400-lot subdivision in Susana Heights, Muntinlupa City called "Lindenwood Residences". Other projects this year include a 31-storey condominium project along Katipunan Road called Berkeley Residences and a 3-tower high rise condominium community right behind SM City North Edsa called Grass Residences. As the real estate operations develop, securities investment would be retained for profit and value enhancement.

Retained earnings jumped by 60% due to the booking of unrealized gain from marketable securities from previous years. As a result, stockholders equity expanded by 26% in 2005.

SM Development Corp. posted a consolidated net income of P984 million compared to P652 million in year 2005, or a significant increase of 51%.

Total revenues rose to P1.4 billion compared to P867 million in the previous year, a 65% growth.

Sales from real estate, which constituted 33% of total revenues, significantly increased by 114% due to the bigger sale of the Chateau Elysee and Mezza projects.

Unrealized mark-to-market gain on investments held for trading which constituted 36% of total revenues, also significantly increased by 64% as a result of the buoyant stock market in 2006. Gain on sale of investment held for trading in the amount of P225 million was recognized as a result of the sale of shares of SM Prime, Banco de Oro and Chinabank. ■





North EDSA is second best mall in sqm. sales

The SM groups calls it the SM-EDSA phenomenon. Three of SM's largest malls sit on the north end, the middle, and the south end of EDSA. The three malls also happen to be among the ten largest malls in the world. SM North EDSA with a GFA (gross floor area) of 331,861 sqm. sits on the north end of EDSA.

SM Megamall with 331,679 sqm. sits in the middle; and, the largest of the three, the SM Mall of Asia with 386,224 sqm sits in the south end.

Total GFA of the three malls: 1.05m sqm. 30% of SM Prime's total GFA for all its 27 malls as of yearend 2006. Yet, these three malls are also among SM Prime's most successful malls.

Among the three, SM North EDSA generates the second best revenue per square meter. *(See table, page 35).*

SM North is born from the 1983 crisis. Taipan Henry Sy Sr. bought the property immediately after the assassination of opposition leader Ninoy Aquino, when nobody was interested to invest in the Philippines. It turned out to be a lucky break.

So what is it about EDSA that makes 'Megamalls' gravitate to it?

For one, EDSA, or Epifanio de los Santos Avenue, is Metro Manila's busiest thoroughfare. Over a quarter of a million vehicles a day including buses, take it.

There is also a mass railway transit that runs along its whole stretch which millions of commuters take to and from various destinations. Trade and commerce rely heavily on this avenue for the movement of people, goods and services.

Second, and more importantly for SM, EDSA is a 24-kilometer, ten-lane highway that cuts across five of the most densely populated cities in Metro Manila, namely Caloocan, Quezon, Mandaluyong, Makati, and Pasay. The total population of these cities is 4.5 million. This compares with the 11 million populations of Metro Manila and the 85 million of the Philippines.

Third, both ends of EDSA are gateways to traffic from northern and southern provinces of Luzon. Hence, they become catch basins for foot traffic not just from the whole of Metro Manila, but also from outlying provinces.

EDSA has become a landmark of sorts. It has its significance to the country's recent history.

Named after an early 20th century Filipino historian and one-time director of the national library and museum, EDSA is now also popularly known as the venue of two of the country's people power movements, responsible for two memorable transitions in political leadership.

A number of people, therefore, consider EDSA as a cradle of the modern-day peaceful revolution.

Still, it remains quite a mystery as to how a single road can play host to some of the largest malls in the world, and still keep them growing over time. Like the SM Mall of Asia being a mall like no other, EDSA, indeed is a road like no other. ■

SM's three EDSA malls at a glance. SM North EDSA is actually bigger than SM Megamall

As of end 2006	SM North EDSA	SM Megamall	SM Mall of Asia	Total
Gross floor area (sqm)	331,861	331,679	386,224	1,049,764
Average daily foot trafic	314,749	163,001	217,378	695,128
No. of tenants	897	768	716	2,381
No. of cinemas	12	12	10	34
- Seating capacity	12,631	10,946	5,922	29,499
Average occupancy	99%	99%	98%	99%

Source: SM Prime Holdings Annual Report

Alliance Tuna cuts 40% share

Jonathan Dee has the stubborn will of the businessman in his genes, which he credits to his grandfather, Dee C. Chuan, co-founder of China Bank in 1920, and his father, Edward C. Dee, who started the Dee Construction Corp.. It was in his father's company where Jonathan first tried his hand at business.

In 1991, Jonathan was given the opportunity to establish his own business. He started a sardine and mackerel packing company with the support of his siblings. With one canning factory in Navotas, he quickly discovered that the sardine and mackerel business was not what he had expected.

Looking for an alternative, he determined that there was a big potential for the Philippine tuna. He established First Dominion Prime Holdings Inc. and aimed to propel the Philippines into the No. 1 position in exporting and marketing tuna to overtake Thailand. Backed by creditors and investors, Jonathan grew his company quickly by acquisition.

But in 1997, the Asian financial crisis hit Thailand, which quickly burned stock markets all over the region. The company's debt level rose to US$30 million and soon, the banks and his creditors came after him. Jonathan learned quickly and painfully that he had to choose between giving up or giving his business another chance.

Dee did not give up. He did not declare his company bankrupt, although the law permitted him to do so. Instead, he started paying off his company's debts one by one. By 2001, with First Dominion's debt almost fully paid, he began to restructure and rehabilitate his business.

Having captured 40% of the world tuna market, Jonathan Y. Dee is determined to gain even bigger share. Out of 103 importing countries, he aims to supply 80 of them within the next 3 years

In 2003, a group of investors from Thailand agreed to give Dee his needed capital. Their challenge was for him to reach a P1 billion sales mark within one year of operations. That year, his tuna processing company was reborn as Alliance Tuna International, Inc.

From First Dominion's five factories and 6,000 workers, Alliance Tuna streamlined to be a leaner enterprise, with one tuna factory, one can-making factory, and around 1,500 workers.

On its first year of operations, Alliance Tuna hit the P1 billion mark, and even made over $1 million in sales. Dee then bared a three-year plan for the company: To go for the long-awaited IPO, to remain debtless, and to keep growing at 25% every year.

Alliance Tuna was listed on the Philippine Stock Exchange in November 2006 and was one of the best IPO performers that year.

Today, Alliance Tuna's customers are spread across 40 countries—including South Africa, Angola, and new Eastern European customers like Latvia, Estonia, Serbia, Montenegro, Kazahkstan.

Dee is thinking of growing farther into the Middle East, even in Africa. Having captured two-fifths of the world market, he is determined to gain even more of the share. Out of 103 importing countries as of 2006, he aims to be in business with at least 80 within the next three years. ■



Jonathan Y. Dee

President and Chief Executive Officer, Alliance Tuna International, Inc.

Born Sept. 19, 1960

Education

- BS Operations Management La Salle University, Pennsylvania, USA

Andrew Tan saw megabucks in high-rise residential condos, IT centers and sprawling commercial development in 1997 at Libis, when nobody was paying attention to the then darkly-lit area. The project made him a billionaire.



Megaworld began in QC

Next to Henry Sy Sr., Andrew Tan is one taipan who saw early on the potential of Quezon City. Henry saw megabucks when he planned SM North EDSA in 1983.

Tan saw megabucks in high-rise residential condos, IT centers and sprawling commercial development in 1997 at Libis, when nobody was paying attention to the then darkly-lit area.

Today, SM North EDSA and Eastwood City, Libis are booming areas. So progressive have both areas become that they have attracted me-too developers.

Like giant Ayala Corp., thru its property arm, Ayala Land. Ayala has TriNoma cheek-by-jowl with Sy's SM North EDSA.

TriNoma stands for Triangle North of Manila. It will be the "preferred mall of Northern Metro Manila," say the Ayala people.

Whatever that means, Sy has just the same decided to move his SM North EDSA up scale. He has demolished one of the buildings and produced what he calls The Block housing high-end shops. It carries the success of his The Podium in Ortigas.

Back to Tan. He has diversified too. He has converted a huge chunk of Libis into what he calls Cyber City. The young tycoon was the first to see the potential of call centers and business process outsourcing (BPO) firms. He set a trend. As a result, Quezon City has no less than 60 call center companies, the most number in the country.

Tan has moved further north with residential units at the Araneta Center in Quezon City.

Eastwood City is a mixed-use project on approximately 15 hectares of land in Quezon City, Metro Manila that integrates corporate, residential, education/training, leisure and entertainment components.

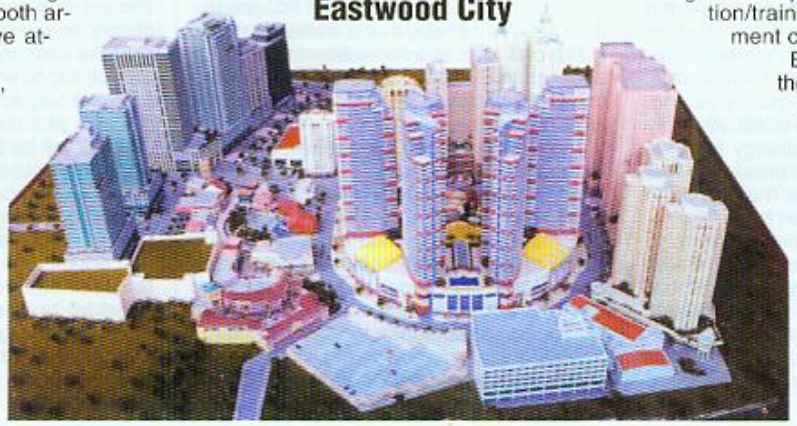
Eastwood City Cyberpark, the Philippines' first IT park, includes the headquarters of IBM Philippines and Citibank's credit card and data center operations as anchor tenants.

Megaworld became the first PEZA-designated special economic zone for an IT park in 1999.

Tenants in the Cyberpark include major multinational corporations.

Eastwood will have 18 high-rise towers. ■

Eastwood City



The next Bill Gates

By BILL GATES
Chairman
Microsoft Corp.

(Speech at the Boao Forum, Hainan, China, April 21, 2007)

It's a great honor to be on the panel with these distinguished leaders. This is my first time at the conference and I am very impressed with the important dialogue that is taking place as part of this meeting. I hope I wasn't asked to be on the panel to represent the county with the lowest growth rate and highest deficit.

I think what I'll focus on is what's changing in technology. I was surprised to see that the Thomas Friedman's book, *"The World is Flat,"* is not only popular in the Unites States but also countries throughout Asia. It's a big best-seller here in China. That book does an amazing job of talking about how two amazing things have come together.

First, the economic development in Asia, particularly the investment, and the focus on education.

Second are the advances in technology and the arrival of the Internet. What this has done is changed the rules.

One simple way that I like to describe it is the opportunity of a person used to be determined by the country they are living in. Now we can say that the opportunity is much more determined on the education that they receive.

Advances in Asia

The advances in Asia are incredible. Even as I follow the numbers, it's amazing to see it in person. To see the construction and go to the universities to see how the classes have become very world-class in their capabilities. Microsoft started a research center here in Asia just 10 years ago.

The results have been quite amazing, among the best work in the world. Not only is Asia benefiting from technology, but Asia will be a major source of the breakthroughs and advances of technology. That will come from having companies start here.

There was a survey done in the United States that asked where the next Bill Gates will come from. 60% of the United States said that the next stunning success would come from Asia. I think it's true and amazing that it's so well recognized that the investment and changes here are leading to very innovative work.

"Not only is Asia benefiting from technology, but Asia will be a major source of the breakthroughs and advances of technology. That will come from having companies start here," says the Microsoft chairman.

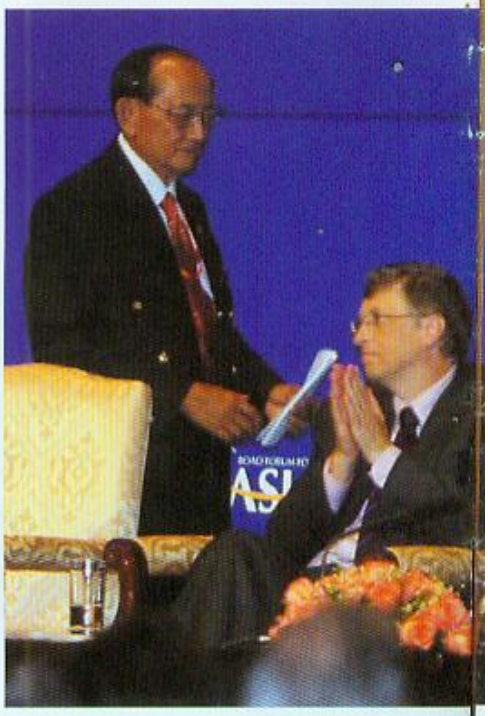
Technology has given Asia the mobile phone, the PC and the Internet. Bill Gates says the PC will cost so low every student will have it. The PC will be the size of tablet of paper. You can talk to it, use a pen, and it will eliminate the need for textbooks. At the same time, video is now standard on the Internet. "This type of communication can have a very beneficial impact on productivity," the world's richest man points out.

What has technology done for us?

What has technology done for us? It's given us the mobile phone, the PC and the Internet. We can say that a worker that has a PC can look at information in ways far better than a paper-based approach. They can use databases, communicate with customers and see trends.

Things like video have allowed people to refresh their skills simply by clicking on a video or a quiz that will test their knowledge. The ability to ask their employees about their projects and their goals. The ability to reach out and share with them the goals of the company, and have constant tracking of the metrics that are important for your organization.

More and more workers are empowered with this tool, the PC connected to the Internet. It is the greatest tool that mankind has ever created to leverage our creativity. It allows them to communicate and share information in rich ways.



PRESIDENT GLORIA MACAPAGAL ARROYO (R)) with Microsoft Bill Gates (C) claps after the speech of Boao Forum for Asia

Today, for students, that means a shared machine that they can only use a limited time during the day in their school, library or community center. It's our goal that the cost of machine is so low, that it's something every student can have. By that time we expect it to take a new form. It will look like the size of a tablet of paper.

You will be able to talk to the computer and have your speech recognized. You will be able to use a pen with ink and your writing will be recognized as well. That device, through connection to the Internet, will give you educational material beyond what any textbook can provide. It will eliminate that need for textbooks because the information will be presented on the screen.

The recent advances include things like video as a standard thing on the Internet. It includes bringing the telephone

will come from Asia



Chairman Fidel Ramos in the Boao Forum for Asia 2007 in Boao, Hainan Island, China April 21.

network together with the data network. You won't have a separate desktop phone or a PBX in your organization.

We can use software that connects over the Internet that gets a communications capability that's not only lower cost but more effective than the phone system today. You can share documents and edit them together. If you want video conference, that will be very straight forward. If you come back to your office to see who has called, you will see that list immediately. This type of communication can have a very beneficial impact on productivity.

Technology and government transparency

For citizens, the use of technology allows governments to be more transparent. To see where the money is being spent. It allows them to share and voice common interest about where they see things that the government can do better. That's a way to get people to share their views and solve the complex issues and complex tradeoffs that governments often face.

Everyone today has cited the issue of equity. As we have these incredible economic, medical and education advances, will they share on an equal basis so that everyone can benefit? This is a huge challenge. As powerful as market incentives are, we often need to compliment them with government action and philanthropy and special incentives to make sure the benefits are very widespread.

We can look at drug development. 90% of the developed drugs are aimed at the disease conditions of the richest 20%. I remember when my foundation organized a $20-million grant for a malaria vaccine and I was told it doubled the amount of money going towards that work. That's really a stunning thing because this disease kills over a million children a year. There has not been enough energy put into it. For a number of reasons, the market incentives have not caused those achievements to be made. I am optimistic. I think with government efforts and commitments of companies, these equity initiatives are capable of making these advances widespread.

For Microsoft that means give every kid a chance to use a computer connected to the Internet. In many countries, our projects with the governments have gone out to libraries and many are going out to schools. In China we have pilot programs out in the rural areas, training the teachers and bringing down the cost of connectivity. It's very exciting to see that work proceeding.

Need for increase in educational investment

The increase in educational investment needs to come at all levels. Universities are important factors, but also broad-based education is an important challenge. I think we can make that more effective.

The world's best lectures on any topic can be found on the Internet. If you want to learn about chemistry or physics, that information is there. We are seeing TV that used to be limited to channels, by moving to Internet TV, not only do you eliminate that channel, but you allow all video of interest to be accessed whenever it might be interesting. Academic material will easily be there.

Students will be able to watch video, test their knowledge, and talk to other students. I do think that we can revolutionize education. It's not just students, but also teachers, seeing the best practice or seeing what material they might use to do their job more effectively. Healthcare and education are increasing portions of every economy in the world. Making sure that we bring technology and equity to these sectors is very important.

Microsoft in Asia

Microsoft sees immense opportunity to make better software. We are initiating a great campus in Beijing and Shanghai that will more than double the capacity to bring great R & D people in those locations. It's us and other major players driving this expansion throughout Asia. I think there is no doubt that as Asia corresponds with it's part of the population, which is over 60%, the R & D base will also migrate in that direction.

If we look at the number of science and engineering students, Asia is a high percentage of that. The quality of those students continues to improve to a level where they will be able to make contributions.

Technology has already made the world a smaller place. It's already made it easier to find information. In not too many years, you will be able to talk to your cell phone and ask information. You will be able to see maps and have digital currency.

You will be able to communicate without thinking about phone numbers. It's as easy as picking a person and asking to be in touch with them. It won't just be the cell phone or the personal computer. The TV set and the car, we will have technology in a very pervasive way and make it incredibly user-centric.

The Asian miracle

Let me close by saying the rapid peaceful economic development of Asia really is a miracle. It's having incredible benefits on a worldwide basis. Understanding the key elements and how we can continue that, how technology can come in to play an increasingly positive role, that's something I am very excited about and very committed to. I know that Microsoft can play its part and I believe my foundation can also play a part, so it's exciting to be a part of this. ■

Iligan: City of majestic waterfalls

By LYNDA B. VALENCIA

Known as the City of Majestic Waterfalls, there are more than 20 waterfalls in and around Iligan. First and foremost is the magnificent Maria Cristina Falls. The fall which is 320 feet high has become a magical glow and an industrial lifeline through the turbines of the Maria Cristina Hydroelectric Power Plant, the first power generating plant it has inspirited when the national government launched in 1950 the electrification program in Mindanao.

The Lumunsudan Falls, measuring 870 feet believed to be Asia's highest waterfall can also be seen in the city. Other Falls include Tinago Falls located in Barangay Ditucalan, 13 km from the city proper, is hidden in a ravine, cascading beautifully into a calm, deep and cool basin like a lagoon; Mimbalut Falls, the most accessible waterfall, is situated in Barangay Baru-un only 500 meters from the national highway. It is 90 feet high and 18 feet wide. The fall provides a very enjoyable swimming spot, the water being cool and fresh.

Other Falls include Bridal Veil, Dalipuga, Gata, Hindang, Kalisaon, Linanot, Malapacan, Pindarangonan, Rogongon, among others.

One can go to Timoga Cold Springs for their cottages, sheds, snack bars, and swimming pools, or go to Iligan City Golf and Country Club, famous for its 9-hole golf course laid on out gently rolling low greenhills.

Anahaw Ampitheater—Located at Buhanginan Hill, probably the biggest open amphitheater in Mindanao.

Mabuhay Vinyl Corporation Park and Lagoon—Located on top of a hill within the MVC plant site, the small park rimming a lagoon is a burst of color and life.

The Tartanilya—An overview of the city can be had by taking a leisurely ride around the city thorough fares on Tartanilya, a horse driven rig which once lorded Iligan's streets during Hispanic reign, its clip-clopping hoofs lagging behind the noisy jeepneys.

The Macaraeg-Macapagal Ancestral House—a quaint house besides the cool and crystal clear water spring waters of Timoga. It is the ancestral house of the late First Lady Evangeline Macaraeg-Macapagal.

In 1994, upon the investigation of the late former President Diosdado Macapagal, the lot where the house stands and a two-hectare cocoland nearby was donated to the city government of Iligan for developing the place into a tourist destination with a memorabilia of the Macaraeg-Macapagal family.

Iligan is a first class city in the province of Lanao de Norte. It is approximately 800 kms south-east of Manila. Iligan is bounded on the north by the municipality of Lugait, Misamis Oriental; to the south by the municipalities of Baloi and Linamon of Lanao del Norte; to the east by the territories of Lanao del Sur and Bukidnon, and to the west by Iligan Bay.

Iligan has its beginnings in the village of Bayug, 2.5 kms north of the present poblacion. It was the earliest pre-Spanish settlement of native sea dwellers known as Managats. The monotony of indigenous life in the territory was broken when in the later part of the 16th century, the inhabitants of Iligan were subdued by the Visayan migrants from the island kingdom of Panglao.



MARIA CRISTINA FALLS

In the accounts of Jesuit historian Fr. Francisco Combes, the Mollucan king of Ternate invaded Panglao. This caused Panglaons to flee in large members to Dapitan, Zamboanga del Norte. In Dapitan, the surviving prince of Panglao, Pagbuaya received Legaspi's expedition in 1565. Later, Pagbuaya's son Manook was baptized Pedro Manuel Manook.

The Christianized Manook subdued the Higaunon village in Bayug and established it as one of the earliest Christian settlements in the country. The settlement survived other raids from other enemies, and because of their faith to God and in their patron saint, Saint Michael the Archangel, the early Hilugaynons moved their settlement from Bayug to Iligan.

The name Iligan is from the Higaunon word "iligan" or "ilijan", meaning "fortress of defense" against frequent attacks by pirates and other hostile Mindanao Tribes.

In 1850, because of floods, Don Remigio Cabile, then Iligan's gobernadorcillo, built another fort and moved the poblacion of the old Iligan at the mouth of Tubod River west of the old market to its present site. A stone fort called Fort St. Francis Xavier was built in 1642 where Iliganons sought refuge during raids by bandits. But again, the fort sank due to floods. Another fort was built and this was named Fort Victoria or Cota de Iligan.

In 1900, the American forces landed. After enjoying peace and prosperity for about 40 years, Iligan was invaded by Japanese forces in 1942 and stayed until 1944. On November 15, 1944, the city held a Commonwealth Day parade to celebrate the end of Japanese atrocities and occupation.

Iligan became a chartered city of Lanao del Norte on June 16, 1950. It was declared a first class city in 1969 and was reclassified as First Class City "A" on July 1, 1977 by virtue of Presidential Decree No 465. In 1983, Iligan was again reclassified as a highly urbanized city.

Iligan is also the Industrial Center of the South. It produces hydroelectric power for the Mindanao region through the National Power Corporation (NAPOCOR), the site of the Mindanao Regional Center (MRC) housing Agus IV, VI and VII hydroelectric plants.

It also houses industries like steel, tin-plate pulp and paper and flourmills. The National Steel Corp., one of the largest steel manufacturers in the Southeast Asian region now Global Steelworks International Inc. was reopened in 2003 after heavy setbacks resulting in its closure in 1999.

How to get there

By air: The fastest and most convenient is to take Philippine Airlines to Cagayan de Oro, with seven flights daily from Manila for one hour and twenty minutes. Cebu for 20 minutes.

By land: From Cagayan de Oro City, one can take either bus, a taxi, or rent a car and travel 86 kms to Iligan City. ■

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Melo Commission Report demands j

Actions taken

Preemptive measures through:
- Strengthening of intelligence coordination with other law enforcement agencies and AFP counterpart
- Continuous in-depth investigation on the remaining pending case
- Dialogues and collaboration with Commission on Human Rights

On the protection of victims and suspects
- Conducted 19 dialogues with media, militant party list groups and other high-risk personalities to enlist their support in ensuring the safety of their members
- Providing security and protection to high- risk personalities

Preventive and investigative measures undertaken by TF USIG
- Units have intensified the crackdown on loose firearms
- Sustained aggressive police checkpoint operations
- Vigorously implement the No Plate, No Travel Policy
- Reinforced the reward system
- Develop a better system of identifying journalists and militant members as high risk personalities who are most at risk in order to provide them protection.
- Intensify dragnet operations immediately after the occurrence of crimes
- Strengthen forensic capability and efficiency of PNP personnel
- Maintain effective Service of Warrants of Arrest to neutralize wanted criminals
- Coordinate with DOJ on the implementation of Witness Protection Program
- Create Regional and Provincial Task Force USIG to provide direction and control in the prevention, investigation and as well as in the prosecution of the murder cases.

Crime and information management system
- Maintenance of local maps indicating the place and time of occurrence of crimes

Police-community partnership
- Organize active neighborhood watch

Issuance of directives
- PGMA Directive on Aug 1, 2006 – to solve at least 10 cases & arrest 10 suspects on killings of party list / militant members & newsmen within a period of 10 weeks
- Memo on Aug 14, 2006 – to solve at least 1 case in 6 weeks & arrest at least 1 suspect with WOA
- Memo on Aug 11, 2006 - to coordinate with the Prosecutor's Office & Court concerned for immediate resolution of the cases & issuance of warrants of arrest
- Memo on May 26, 2006 – provide special security arrangement to mediamen
- Memo on May 16, 2006 - include pertinent information relative to the victim in the initial report like occupation, party affiliation (if any), etc.
- Memo on April 10, 2006 – submit reports to NHQ within one hour from the occurrence of the significant events or incidents. (SOP No. 99-10-01 dated Oct. 4, 1999)

*(**BizNewsAsia** is a magazine of record. For this reason, we are reprinting in installments, the full report of the Melo Commission that investigated the unexplained killings of journalists and activists. This is sixth and final installment – Ed)*



Be that as it may, however, the decisive factor in this case, in our view, is the language of Article 32. The law speaks of an officer or employee or person "directly" or "indirectly" responsible for the violation of the constitutional rights and liberties of another.

Thus, it is not the actor alone (i.e. the one directly responsible) who must answer for damages under Article 32; the person indirectly responsible has also to answer for the damages or injury caused to the aggrieved party.

By this provision, the principle of accountability of public officials under the Constitution acquires added meaning and assumes a larger dimension. No longer may a superior official relax his vigilance or abdicate his duty to supervise his subordinates, secure in the thought that he does not have to answer for the transgressions committed by the latter against the constitutionally protected rights and liberties of the citizen.

Part of the factors that propelled people power in February 1986 was the widely held perception that the government was callous or indifferent to, if not actually responsible for, the rampant violations of human rights.

While it would certainly be too naive to expect that violators of human rights would easily be deterred by the prospect of facing damage suits, it should nonetheless be made clear in no uncertain terms that Article 32 of the Civil Code makes the persons who are directly, as well as indirectly, responsible for the transgression joint tortfeasors.

Even assuming that these victims and these "enemies of the state" are indeed guilty of crimes against the nation, they have not been convicted of the said offenses. If some military elements indeed had reason to believe that these persons were NPA agents or operatives, then they could have simply instituted the proper criminal actions against them and had them arrested.

By declaring persons enemies of the state, and in effect, adjudging them guilty of crimes, these persons have arrogated unto themselves the power of the courts and of the executive branch of government. It is as if their judgment is:

These people, as enemies of the state, deserve to be slain on sight. This, they cannot do. Such an abuse of power strikes at the very heart of freedom and democracy, which are, ironically, the very bylines and principles these rogue elements invoke in seeking the "neutralization" of these so-called enemies of state.

This Commission is not ignorant or unmindful of the crimes committed by insurgents, nor of the benefits of having a decent military to defend our freedom and way of life.

To be sure, those slain by rebels and insurgents far outnumber the killings attributed by the leftist to the government. Many of our sons, husbands, and fathers have been slain or injured in encounters with the NPA, or have been assassinated by dreaded hitmen or mowed down in ambuscades and other acts of terrorism of the CPP-NPA.

Understandable, justified, and commendable, in fact, is the fervor with which the State, through the military, feels the need to avenge these heroes who perished in the defense of the country. However, this should not be at the cost of the freedom we are protecting in the first place.

The military and police authorities are laudable and necessary institutions, whose smooth operation according to the Constitution is absolutely essential to the country's security.

The military should not be allowed to descend to the level of the insurgents and rebels themselves with their lawless, treacherous methodologies. It is in

ustice for victims


MANTARING

" The military must match its strength with restraint, and the only special treatment the military will receive from this Commission, and before any inquiry for that matter, is that it will be judged with more stringent standards."

this light that the whip must be cracked to bring the rogue military elements back in line.

The words of the Supreme Court in Aberca v. Ver are apropos:

This is not to say that military authorities are restrained from pursuing their assigned task or carrying out their mission with vigor. We have no quarrel with their duty to protect the Republic from its enemies, whether of the left or of the right, or from within or without, seeking to destroy or subvert our democratic institutions and imperil their very existence. What we are merely trying to say is that in carrying out this task and mission, constitutional and legal safeguards must be observed, otherwise, the very fabric of our faith will start to unravel.

In the battle of competing ideologies, the struggle for the mind is just as vital as the struggle of arms. The linchpin in that psychological struggle is faith in the rule of law. Once that faith is lost or compromised, the struggle may well be abandoned.

Some may say that this Commission is quick to place blame on the military, while it hardly considered the past heinous crimes committed by those who would overthrow the government.

Some may say that the death or killing of the activists, while illegal, is a blessing for which the military should be commended.

Some will even say that the military deserves special treatment owing to their crucial role in containing and defeating insurgency.

Nay, we say. The military must match its strength with restraint, and the only special treatment the military will receive from this Commission, and before any inquiry for that matter, is that it will be judged with more stringent standards.

As General Esperon said in regard to the court-martial of some army and marine officers, military justice is harsh and strict.

Truly, justice must be stern and exacting on the military because the military has great power, and with great power comes greater responsibility. As the Book of Wisdom states:

THE MIGHTY SHALL BE MIGHTILY PUT TO THE TEST

RESPECTFULLY SUBMITTED. January 22, 2007.

JOSE A. R. MELO
Associate Justice (Ret.),
Supreme Court
Chairman

NESTOR M. MANTARING
Dir., National Bureau of Investigation
Commissioner

JOVENCITO R. ZUNO
Chief State Prosecutor
Commissioner

NELIA T. GONZALEZ
Regent, University of the Philippines
Commissioner

REV. JUAN DE DIOS M. PUEBLOS, D.D.
Bishop of Butuan
Commissioner

Attested:
ATTY. ROGELIO A. VINLUAN
General Counsel

Assessments

- There is no government policy–official or unofficial, formal or informal, written or covert–to suppress political dissent and fundamental Constitutional freedoms.
- The government as a whole is not responsible for any abuses that might have taken place.
- The government is closely investigating whether those incidents were indeed politically motivated, or caused by personal disputes over business or personal matters.
- The government has a firm policy of protecting democratic space and fundamental liberties.
- Individually–motivated perpetrators are suspected of carrying out some of these killings.
- Six possible groups that are believed/perceived to be behind some of these killings are the CPP/NPA, suspected military, police personnel, ultra-rightist element, possible destabilizing forces, organized crime groups or a combination thereof.
- Significantly in an encounter between elements of the AFP and CPP/NPA in Tagcawayan, Quezon on May 23, 2006 a CPP document code named "BUSHFIRE" ordered the conduct of NPA special operations against their own personnel who have turned as government informants to coincide with the governments heightened campaign against insurgency and blame the government for these killings.
- Significant progress has been achieved by the PNP TF USIG in filing murder cases against 46 suspects in the murder of 117 party list members and militants.
- Since the creation of TF USIG on May 13, 2006, two cases of slain media men were filed in court of which the identified suspects were charged in court.
- On August 1, 2006 the President gave the PNP 10 weeks to file 10 cases and arrest 10 suspects in killings of militants and journalists.
- It has done its utmost to protect potential victims and prevent the recurrence of incidents of abuse or murder.
- Moreover, the PNP, AFP and NBI shall be held for strict standards of accountability in the arrest, custody and detention of suspects.

Task Force USIG

- Tasked to investigate killings of party list members & mediamen.
- Mandated to provide focus & resources to immediately investigate, solve & prosecute the perpetrators
- Tasked in safeguarding the lives & limbs of the high-risked personalities
- Envisioned to provide effective & efficient strategic approach in directing & optimizing the investigative & prosecutorial capabilities of the PNP units

TASK FORCE USIG will primarily be responsible for:

- The over-all case management and build-up
- Pursue the interaction of investigation tools
- Address security concerns of high-risk personalities
- Create a special database containing
  - a. Profiles of incidents, victims and suspects
  - b. Intelligence summaries
  - c. Forensic investigation findings
  - d. Composite sketches of suspects
  - e. Analysis of cases

The Task Force shall also immediately:

- Establish who is responsible for the killings;
- Secure witnesses;
- Bring the perpetrators to justice;
- Take a proactive role to ensure citizens are protected
- Establish if there is an existence of a pattern of serialized killings victimizing leftist activist and journalist;
- Establish a reward system



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ECONOMIC INDICATORS

	2000	2001	2002	2003	2004	2005	2005	2006	Latest Update
I. OUTPUT							*1st - 3rd Qtr.*		
A. Real GNP growth	4.8	2.3	4.2	6.0	6.7	5.6	5.2	6.3	
B. Real GDP growth	4.4	1.8	4.4	4.9	6.2	5.0	4.8	5.4	
C. Per Capita GNP (current prices: USD)	1007.3	963.7	1019.9	1043.6	1118.0	1251.2	893.1	1045.4	
D. Per Capita GNP (constant prices: USD)	726.4	725.7	741.3	768.9	804.1	832.5	602.4	628.0	
E. Savings Rate	22.74	22.95	23.11	26.15	27.46	27.63			
									2006
II. PRICES (2000 = 100)									
A. CPI Philippine (all items, ave. % change)	4.0	6.8	3.0	3.5	6.0	7.6			6.2
of which: Food, Beverages & Tobacco	1.6	4.7	2.3	2.2	6.2	6.5			5.5
Non-food	6.4	8.8	3.8	4.6	5.8	8.7			6.9
B. Core Inflation (2000=100)	4.0	7.4	3.5	3.4	5.7	7.0			5.5
III. MONEY AND INTEREST RATES									
A. Money (End-of-Period)							*November*		
1. Domestic Liquidity (M3, P B)	-	1689.0	1845.7	1922.6	2119.3	2338.1	2286.6	2709.4	
(% Change)	-	-	9.3	4.2	10.2	10.3	12.8	18.5	
2. Base Money (P B)	399.5	445.5	468.0	498.3	592.9	653.6	612.1	735.2	
(% Change)	32.5	11.5	5.0	6.5	19.0	10.2	13.9	20.1	
3. Net Credits fr the Mon. System (P B)	-	2359.9	2460.8	2601.9	2846.7	2803.1	2833.4	2948.4	
(% change)	-	-	4.3	5.7	9.4	-1.5	2.2	4.1	
of which: Private (Nominal, P B)	-	1670.9	1693.4	1746.4	1846.0	1843.0	1872.1	1937.7	
% Change	-	-	1.4	3.1	5.7	-0.2	2.7	3.5	
							October		
4. Total Loans Outstanding KBS (P B)	1451.5	1399.2	1432.7	1487.7	1525.9	1539.4	1499.5	1665.4	
% Change	7.2	-3.6	2.4	3.8	2.6	0.9	1.5	11.1	
5. Non-Performing Loans KBS (P B)	245.6	281.9	245.1	245.5	227.0	159.8	172.3	142.2	
As % of total loans	15.1	17.3	15.0	14.1	12.7	8.5	9.7	7.2	
B. Interest Rates (% p.a., average)									
1. T-bills 91 days	9.86	9.86	5.43	6.03	7.34	6.36			5.35
2. Time Deposits (all maturities)	8.51	9.53	5.32	6.41	6.43	5.25			4.94
							January-November		
3. Bank Ave. Lending Rates (all maturities)	10.86	12.40	8.90	9.48	10.07	10.15	10.08	9.80	
IV. EXTERNAL SECTOR							*January - September*		
A. Current Account Balance (USD M)	-2225	-1774	-279	288	1628	1955	955	3302	
(as % of GDP)	-2.9	-2.5	-0.5	0.4	1.9	2.4	3.3	4.4	
							January-October		
B. Trade Balance (USD M)	-5971	-6265	-5530	-5851	-5684	-7773	-5437	-3532	
							January-November		
C. Export (Goods; USD M)	37347	31313	34403	35339	38794	40263	37427	43348	
(% Change)	9.1	-16.2	9.9	2.7	9.8	3.8	2.8	15.8	
							January-October		
D. Imports (Goods; USD M)	43318	37578	39933	41190	44478	48036	39234	42858	
(% Change)	7.7	-13.3	6.3	3.1	8.0	8.0	5.7	9.2	
E. Investments, Net (USD M)	3225	849	1029	672	-1647	1621	4972	-824	
of which: Net Direct Investments	2115	335	1477	188	109	1222	939	1574	
Net Portfolio Investments	-553	1027	746	562	-1713	3576	4835	2729	
							January-November		
F. Overall BOP Position (USD M)	-509	-202	810	115	-280	2410	2134	3138	
G. Total Foreign Assets BSP (USD M)	15063	15692	16365	17063	16228	18494			22999
(in months of imports of goods & services)	3.5	4.0	4.0	4.1	3.6	3.8			4.4
							September		
H. External Debt (USD M)	51206	51900	53645	57395	54846	54186	55480	54061	
							January-September		
I. External Debt Service Ratio (in %)	12.54	14.49	15.81	15.68	12.89	12.63	13.17	10.83	
J. Peso-Dollar Rate (P/US$)									
Period Average	44.194	50.993	51.604	54.203	56.040	55.086			51.324
(% Appreciation/Depreciation)	-11.55	-13.33	-1.18	-4.80	-3.28	1.7			7.35
End-of-Period	49.998	51.404	53.096	55.569	56.267	53.067			49.132
(% Appreciation/Depreciation)	-19.37	-2.74	-3.19	-4.45	-1.24	6.03			8.01

[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.
[13] Not comparable with 1999 data.
[p] Preliminary
[R] Revised to reflect data updates.

Source: BSP

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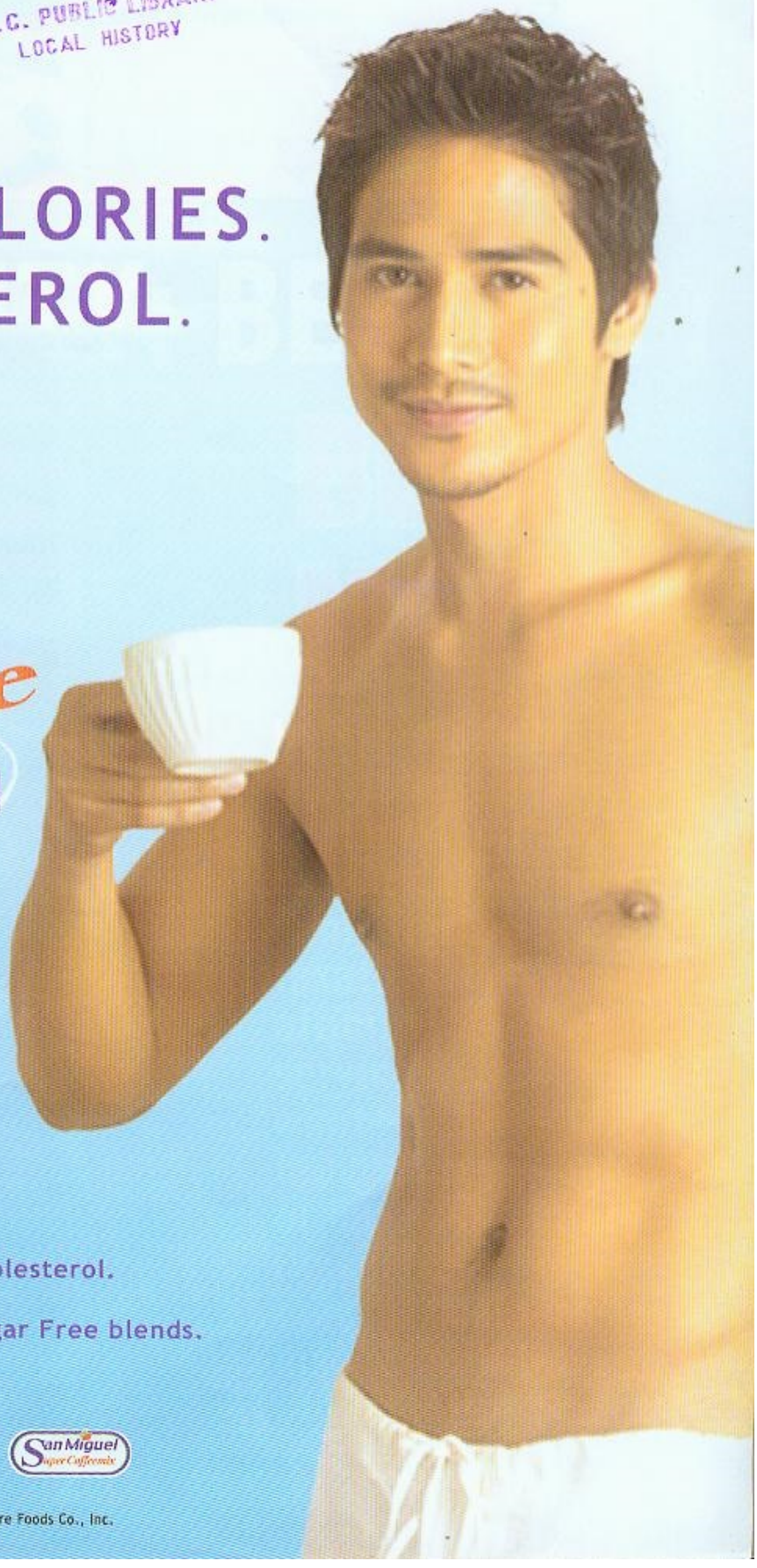

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LEGARDA


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VILLAR

THE NEX

The presidential race of 2010 is being played out in this year's senatorial elections. That is why there is so much jockeying for topnotcher position among Loren Legarda, 47; Manuel Villar, 58; Ping Lacson, 59; and even Chiz Escudero, 38. It also explains why Vice President Noli de Castro, 58, endorsed his former Wednesday Club senatorial colleagues Ralph Recto, Kiko Pangilinan and Joker Arroyo but not Villar. Noli sees the Senate president as a rival in 2010.

Three qualities will determine the president of 2010—performance or track record, competence and youth. In terms of performance, Legarda, Villar and to some extend de Castro are ahead. Since they have chalked up a considerable track record, I presume they are competent. For youth, no one can beat Chiz, who is 38, or even KoRecto, 43, or Kiko, 44.

The president who will succeed Gloria Macapagal Arroyo will have a foundation to work on to build his own blocks of achievements.

By 2010, Arroyo would have been able to achieve tremendous economic growth with the economy growing by 7% per year. Economic output during her nine years of presidency is expected to average more than 6% per year.

That growth rate is projected to be enough to cut poverty by half to 18% in 2010 from more than 30% in January 2001.

The economy would also have been more competitive than it is today with many businesses open to more players—like telecommunications, electricity, infrastructure, and even airlines.

The educational focus would have shifted to the basics—on English, Science and Math. The Filipino worker would have made inroads into the globalizing world, managing and working at call centers and in various business process outsourcing aspects. Call centers brought in $3 billion in revenues last year and created 500,000 seats.

The national infrastructure—of roads, highways, bridges, ports, and airports, major and secondary, would have been tremendously modernized. Arroyo has pledged P1 trillion for infrastructure over the next three years.

Arroyo's successor should be one who is skillful—in the art of governance and knowledgeable about globalization and technology. Preferably, the successor must have an admirable track record of his/her own.

T FIGHT

Arroyo's successor should be one who is skillful—in the art of governance and knowledgeable about globalization and technology. Preferably, the successor must have an admirable track record of his/her own.

Villar fits the ideal to an M.

Villar could be the first tycoon and entrepreneur president. He was the first brown billionaire taipan, in dollar terms, at the height of the real estate boom in 1997 when he had built about 100,000 homes—more than anyone else, and made a fortune doing so.

Arroyo did something no president before her had done—cobble 24 quarters or six years of consecutive growth, the longest economic expansion in the last half century. The gross domestic product—the local output of goods and services—expanded by an average of 4.7% per year, higher than the population growth rate of 2.2% and enough to spike per capita income from $1,000 in 2000, just before she began her presidency, to around $1,500 today.

Arroyo also did something no other president in recent memory has done without finagling with state finances—balance the budget, using higher taxes.

The creditors improved the country's credit rating and credit terms.

Nurturing a robust economy enabled Arroyo to climb back from the nadir of unpopularity. These days, there are as many Filipinos who like her as the number who don't, a remarkable display of either simple indifference or nascent popular acceptance of her presidency.

President Arroyo promises to make the Philippines a First World country by 2020—an ambitious goal, no doubt, but one that puts the country on the path to prosperity.

She is focusing on two things—massive infrastructure spending and improving the quality of human capital thru education, health and social welfare.

If GMA does so well, whoever she endorses in 2010 just might make it. Cory Aquino was a so-so president but she managed to have the underdog Fidel V. Ramos win in 1992. A GMA clone for 2010? Not a bad thought, really. —*Tony Lopez*



PGMA

RONALD NAVARRO/POPO



LACSON



ESCUDERO

Building the CBD of the 21st century

By ANTONIO S. LOPEZ

Among his many awards of achievement and distinction, Feliciano "Sonny" Belmonte Jr. is proudest of one—that of being the Most Outstanding City Mayor in the country "in recognition of his innovative leadership and distinguished public service as exemplar of good governance and development in the Philippines".

The award was given in October 2003 and was signed by then Senate President Frank Drilon, then Local Government Secretary Jose Lina, and Senator Aquilino Pimentel Jr., chairman of the national selection committee.

"The award is given only every two years and we bested very good rivals," the hizzoner of Quezon City exclaims.

Since then, Belmonte has accomplished even more remarkable things for Quezon City.

After nearly six years, Belmonte can be justifiably proud of what he has done at the national capital. He rescued it from bankruptcy, improved the efficiency of personnel, cut fat, reduced red tape, computerized its operations, and made it the most liquid and most profitable metropolis in the land. "It is one of the most bankable local government units in the country today," the mayor enthuses. Effective governance brought it about.



QC: BEST CITY BEST MAYOR



Sonny Belmonte
Mayor, Quezon City

Born Oct. 2, 1936

Education
- Bachelor of Laws, Lyceum of the Philippines

This lawyer and publishing tycoon (he owns 60% of *Philippine Star*) has transformed Quezon City once burdened by a huge debt, a bloated bureaucracy, notorious red tape and a dirty environment into a model of financial health, with a lean and efficient bureaucracy, policy of prompt issuance of business permits, ICT training for its people, enhanced educational, health and social services and massive infrastructure spending.

Quezon City has become the richest metropolis, producing P38 of income for every P100 of revenue, despite having just two-thirds of the personnel in 2001. Now, he is developing what could be the biggest, most modern and most strategic Central Business District in the Philippines, the 340 hectares of prime land hemmed in by East Triangle, North Triangle, the Veterans Hospital and UP. QC is already the call center capital with more than 60 of the world's biggest names in call centers and BPO business.