

### BCDA posts P34.7-B in fresh investments

The Bases Conversion Development Authority (BCDA) has posted a total of P34.7 billion in fresh investments from the privatization of former American bases and their conversion into viable and effective special economic zones.

A BCDA official who asked not to be identified said the agency has succeeded under Victor A. Lim in completing bases development in a way at schedule, and the agency saw top achievements in direct administration that employs opportunities in Pampanga in Pangasinan and in Olongapo.

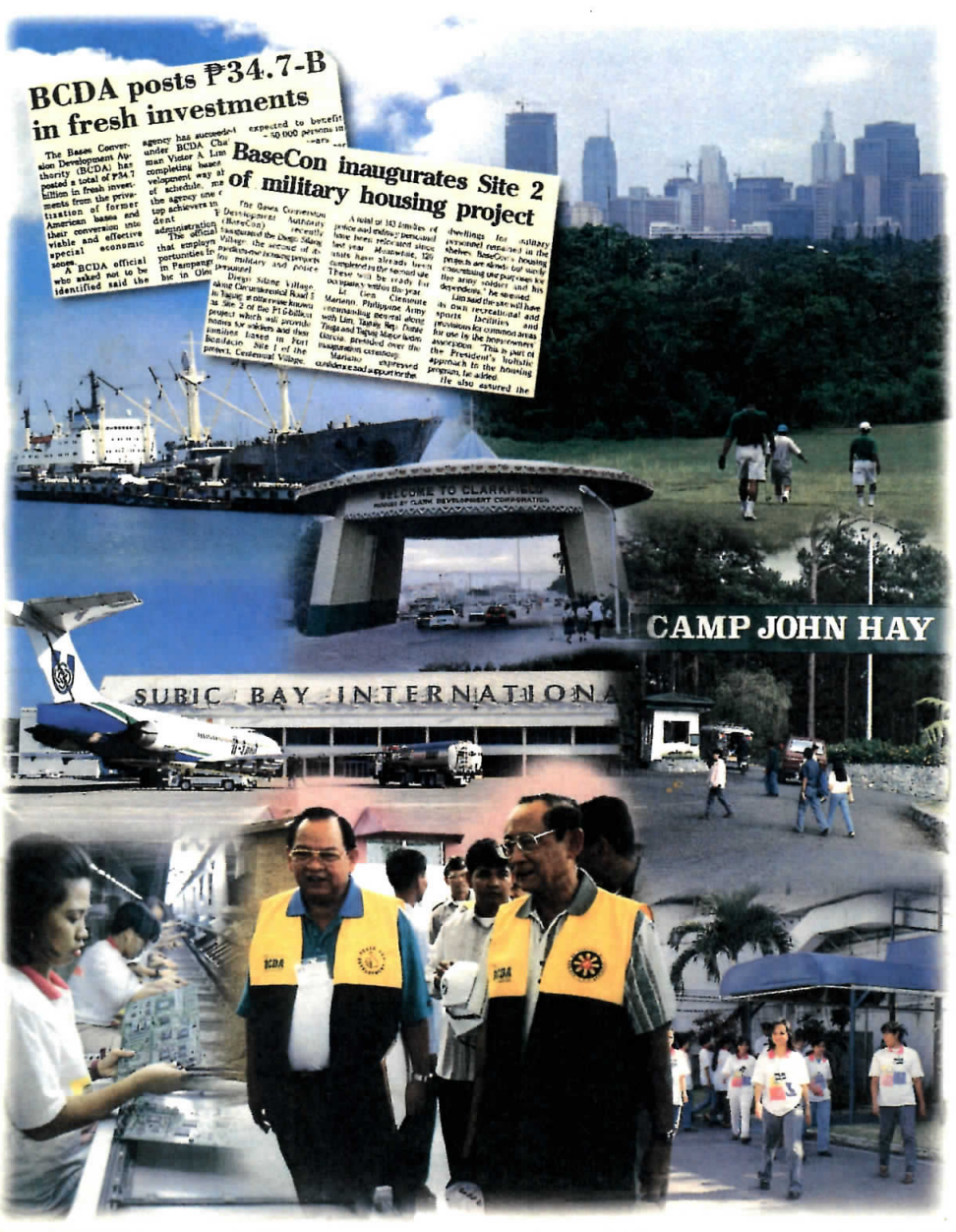
### BaseCon inaugurates Site 2 of military housing project

The Games Commission (BaseCon) recently inaugurated the long-delayed second site of its military housing project in Pampanga.

During the village inauguration, military officials and BaseCon officials inspected the site. The project is expected to benefit 50,000 personnel and their families.

A total of 100 units of dwellings for military personnel remained in the project. BaseCon housing programs are aimed to provide the army soldiers and their dependents with the best of living conditions.

Gen. Clemente said that he will have his own recreational and sports facilities and provisions for comfort and convenience. This is part of the President's holistic approach in the housing program, he added.



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## OUR COVER

### THE TWIN FACES OF DEVELOPMENT

Social upliftment through economic progress.

Investment influx resulting in more opportunities for a better life.

Business boom generating downstream local community benefits.

In 1996, BaseCon responded fully to the President's social development agenda by optimizing the pro-people benefits of the vast economic resources under its stewardship. As project implementation shifted to higher gear last year, the social benefits became even more visible. More jobs. Shelter. Urban renewal. Livelihood opportunities. Local community development. Social services.

And the chance of higher standards of living amid the bustle of development activities.



# COMPARATIVE STATISTICS

	For the year,	
	1996	1995
<b>FUNDS GENERATED</b>		
Sales of Corporate Shares	P -	P 39,175
Sales of Real Estate	4,113	19,588
Interest & Other Income	392	494
	<b>P 4,505</b>	<b>P 59,257</b>
<b>INVESTMENTS GENERATED</b>		
Fort Bonifacio Development Corp.	P 28,946	P 71,227
SBMA	16,908	15,945
Clark Special Economic Zone	4,998	1,155
John Hay Special Economic Zone	2,600	-
Heritage Memorial Park	-	6,825
	<b>P 53,452</b>	<b>P 95,152</b>
<b>EXPORTS GENERATED</b>		
SBMA	\$ 331	\$ 174
Clark Special Economic Zone	137	31
	<b>\$ 468</b>	<b>\$ 205</b>
<b>EMPLOYMENT GENERATED</b>		
Fort Bonifacio Development Corp.	569	30
SBMA	16,206	23,480
Clark Special Economic Zone	14,983	10,847
	<b>31,758</b>	<b>34,357</b>
<b>HOUSING UNITS CONSTRUCTED</b>		
Cost	P 567	P 637
Units completed	1,620	-

Peso and dollar figures are in millions  
Exchange rate reference: P26.5 : US\$

## THE PRESIDENT'S MESSAGE

Five years ago, we took the first bold steps in our shared quest for accelerated economic development. We set in motion four policy pillars which would serve as the guideposts of that quest: privatization, deregulation, decentralization and devolution.

A few wondered if the policies would work. Today, their questions have been more than answered.



The Bases Conversion Development Authority (BaseCon) has been in the forefront of our privatization policy implementation. A vital arm of the Office of the President, it saw at the outset the wisdom, viability and significant economic impact of strategic partnership with the private sector. These were established in a bid to move fast with the conversion of former Philippine and American military facilities into centers of business and industry, and to ensure optimum gains for the country.

BaseCon's strategic partnership approach with the private sector is a resounding success.

I am happy to note that the conversion and development projects are on schedule, and that BaseCon has brought in the biggest chunk of privatization proceeds to the country's coffers in 1995 and 1996.

I refer in particular to the P4.1 billion generated by the delivery of 45 hectares of land to the Bonifacio Land Corporation last year, on top of the P19.6 billion raised the previous year. These revenues - the result of what is perhaps the largest privatization endeavor of the decade - have placed BaseCon on the lead pack as far as the generation of privatization proceeds is concerned.

Indeed, the financial and economic goals have been met, and BaseCon's projects now serve as important showcases of our capability to pole-vault into a tiger economy status way before the next century. Its gains have contributed much to the enlargement of the pie of economic benefits shared by our people.

The recent Asia Pacific Economic Cooperation summit gave our country an exceptional opportunity to showcase these gains. Our friends in the international community, represented by the 17 heads of state who took part in the summit expressly noted our achievements.



Economic success, however, is not our only goal.

The litmus test of relevant economic success is how its effects trickle down to our people, especially those disadvantaged in the past by the absence of opportunities for better lives. The pie of economic benefits should also translate into a growing pie of social gains from which our countrymen could share.

Development is not undertaken for its own sake; development is for people.

On this, I am happy to note that BaseCon has passed the litmus test with flying colors. Not only have the economic benefits of our conversion projects trickled down - they have actually cascaded down in an avalanche of opportunities for the socio-economic upliftment for our people.

I particularly cite the following pro-people results of BaseCon's projects:

The revival of the local economies of the host communities of its Central Luzon projects, especially Angeles City, Pampanga, Olongapo City and Zambales - these were severely damaged by the 1990 earthquake and the 1991 eruptions of Mt. Pinatubo;

The direct and indirect employment opportunities the projects and the locators have generated;

The downstream business and livelihood opportunities spawned by the projects and facilities, particularly for the communities of Baguio City, Benguet, La Union and soon, of Bataan;

The amelioration of the plight of our military and police personnel through the implementation of the biggest urban mass housing project ever undertaken by the government;

The improvement of transportation infrastructure which in turn facilitates the movement of people and goods to and from the development centers of BaseCon; and

The indirect grassroots benefits accompanying the community development components of BaseCon's projects, such as healthcare, sports and social activities, and education.

In more ways than one, we have gained much headway in the pursuit of our social reform agenda with these accomplishments.

We have also proven that social development is an important consequence of economic growth, a feat which gives our country's NICHood quest a distinct character of its own.

I, therefore, congratulate once more the men and women of BaseCon, headed by Chairman Victorino A. Basco and its board of directors.

*"I am happy to note that the conversion and development projects are on schedule, and that BaseCon has brought in the biggest chunk of privatization proceeds to the country's coffers in 1995 and 1996."*

I also wish to thank BaseCon's private sector strategic partners for their contribution to the speedy accomplishment of our conversion and development tasks.

The task, however, has only just begun.

There are still new and bigger opportunities arising from our enhanced image in the international community waiting to be tapped; the fast-expanding local and international markets; the spill-over and relocating business conglomerates from other key Asian cities; the renewed vigor of the local business community; the exciting synergies of local and foreign capital perked up by the bold steps we took in the refinement of our investment policies.

All these will catalyze a continuing active build-up of economic activities many of which will take place in the special economic zones managed by BaseCon and its affiliates and subsidiaries.

In turn, these economic activities should continue to generate countless social benefits that should meaningfully cascade down to our people.

The sooner this is achieved, the better.

Congratulations and carry on!



**FIDEL V. RAMOS**

*President  
Republic of the Philippines*



## THE CHAIRMAN'S REPORT



April 1997

HIS EXCELLENCY

**Fidel V. Ramos**

*President*

*Republic of the Philippines*

Mr. President:

Our accomplishments in 1996 reflect the renewed vigor of the organization in the pursuit of its mandate and further boosted by the remarkable energy of the Country's economy and its enhanced stature in the international community.

Following the policy directions of Your Office, BaseCon and its partner agencies accelerated the implementation of its major projects and sped up further the entry of the private sector into the conversion and develop-

ment programs in a bid to fully harness its resources and expertise.

The results, Mr. President, indeed, have been very encouraging.

In October 1996, BaseCon signed a contract with the Fil-Estate-led consortium for the development, lease, operation and management of Club John Hay. The agreement involves 270 hectares which will become a world-class integrated family resort complex.

In addition to Fil-Estate, the consortium includes the Pentacapital Investment Corporation and the Club John Hay Development Corporation.



*“I am pleased to report that the influx of foreign investments into the Clark and Subic Special Economic Zones have continued at a steady pace, registering a total of \$2.2 billion as of end-1996.”*

The agreement will generate P425 million for the government every year for the first five years in terms of payment.

The RFM Properties, Inc., also joined our growing list of private sector partners following our conclusion with them of a joint venture agreement for the development of a medium-end residential complex in the three-hectare portion of Camp Bago Bantay in Quezon City.

This project is expected to generate P891 million for the national coffers.

Meanwhile, our collaboration with the private sector for the rapid development of Fort Bonifacio into an Intelligent City is ongoing. Last year, some P4.1 billion was turned over to the government from this project following the delivery of some 45 hectares of land to the Bonifacio Land Corporation.

This is on top of the P19.6 billion generated in 1995 representing 50 percent of the winning bid price for the privatization of Fort Bonifacio.

We are pleased to report, Mr. President, that the proceeds of this transaction constitute major contributions to the country's privatization coffers. The Report prepared by the Committee on Privatization showed that the Agency's share in such revenues have placed it on the number one spot.

The aforementioned gains mirror the wisdom of the policy of fully harnessing the capabilities of the private sector so that, in partnership with government, it can truly become the Country's “engine of growth”.

Furthermore, the development of Fort Bonifacio into a center at par with the best commercial and business districts in the world has become a major contribution to the urban renewal of Metro Manila. We are confident that this effort will help the metropolis regain its international stature and reestablish it as an important destination for both tourists and investors.

## **INVESTMENTS IN THE FORMER BASELANDS**

The business and industrial opportunities in the facilities managed by our subsidiaries and affiliates continued to gain worldwide recognition. I am pleased to report that the influx of foreign



investments into the Clark and Subic Special Economic Zones have continued at a steady pace, registering a total of \$ 2.2 billion as of end-1996.

Among the major multinationals which established their presence in Clark and Subic last year were Polar Energy Inc., Kemaman Terminal One of Malaysia, Coastal Petroleum Inc., Acer Inc. and GVC Corporation. Their entry brought to a total of 187 the number of multinational companies operating in our special economic zones.

Their decision to locate in our facilities, I believe, is a tribute to the suitability of our infrastructure, the capability of our skilled workers and the attractiveness of the incentives package offered by the government.

Our international partners with sizeable investments are the United States, the United Kingdom, Taiwan, Hong Kong, Malaysia and Japan.

Not to be outdone, local investors have also increased their stake in our facilities. The total of Filipino private sector investments in Clark and Subic have reached \$ 692.65 million as of end-1996. The number of Filipino establishments inside these special economic zones have increased from 132 in 1995 to 242 in 1996. These Filipino companies are in the following businesses: manufacturing and assembly, food and dining, banking and retailing of general merchandise.

The detailed report on the status of the various key conversion and development projects are in the Review of Operations.



## **SOCIAL GAINS**

Our gains in 1996, however, were not limited to the accomplishment of operational and financial goals. BaseCon sharpened its parameters of success to include our contribution to the President's social reform agenda. We, therefore, made sure that the economic benefits of our programs and projects translated into tangible and significant social benefits as well.

Foremost among these social benefits were mass housing, employment, and community development.

Upon your Excellency's instructions, BaseCon accelerated the construction of the country's largest ever urban mass housing project. This is the housing project for families of soldiers in Fort Bonifacio, long-deprived of decent permanent homes they can call their own.



I am pleased to report that the Philippine Centennial Village, Site 1 of the housing project, is now 35.13 percent completed with 966 units available for occupancy. Some 285 families from Fort Bonifacio have moved in as of end-1996. About 650 more families are expected to move in within the first quarter of 1997.

Meanwhile, Site 2 or the Diego Silang Village, which was inaugurated in June last year, is now 59.34 percent completed. Some 480 units are available for occupancy. Several families of ranking officers of the Armed Forces of the Philippines moved into Site 2 last January, 1996. About 500 families are scheduled for relocation to this site in the first quarter of 1997.



All in all, about 7,000 units will be available to the families of Fort Bonifacio-based soldiers.

In accordance with the President's instructions, we have ensured that the sites do not remain mere housing projects. All-out efforts are being exerted





by BaseCon, with the help of the beneficiary families, to transform these villages into holistic communities where our soldiers' families can experience fruitful, peaceful and productive lives.

A third housing site is now underway in Camp O'Donnell in Capas, Tarlac. This will primarily be developed for the members of the Philippine Army Light Armor Regiment currently housed in Fort Bonifacio. We plan to build enough units for at least 1,000 families.

This mammoth housing project has other downstream effects. A total of 1,940 laborers have so far been hired for the project. This is a significant employment generation effort especially for the people of the nearby towns of Tagig and Pateros.

*“ To date, the Subic and Clark Special Economic Zones have created jobs for 67,289 persons, mostly residents of the nearby towns and provinces of Central Luzon.”*

This job-generation feat further boosted the employment record of our affiliates and subsidiaries. To date, the Subic and Clark Special Economic Zones have created jobs for 67,289 persons, mostly residents of the nearby towns and provinces of Central Luzon. The new jobs created last year exceeded by 30 percent the 1995 employment level.

Furthermore, these new jobs - both in Clark and Subic- have far exceeded the number of workers employed at the time of American presence in these former bases. It will be recalled that the displacement of base workers was one of the major concerns raised by Congress when it drafted Republic Act 7227. This issue is now, indeed, a thing of the past.

With the ever-increasing job opportunities, we witnessed the continuing reinvigoration of the host communities of our projects. Many of them had to face the challenges posed by the 1990 earthquake and the 1991 eruptions of Mt. Pinatubo. We are pleased to have been a partner in their concerted effort to bring their communities back on their feet.

## **OUTLOOK FOR 1997**

Several key projects are going beyond the blueprint stage in 1997. Among these are the development of Poro Point Special Economic and Freeport Zone, the Bataan Technology Park, Inc. and the Northrail project. We have placed them on fast-track and are optimistic that deadlines will be met.

Meanwhile, Fort Bonifacio and Club John Hay will be the focal point of massive construction activities even as Subic and Clark continue to expand the presence of foreign and local investors in their respective zones.

Preparations are also ongoing for the Philippine Centennial Exposition in 1998. BaseCon, together with the National Centennial Commission, Clark Development Corporation, and private partner Global Clark Assets Inc. formed the Philippine Centennial Exposition 1998 Corporation (Expocorp). The body will prepare Clark Field for the hosting of the Philippine Independence' 100th year celebration's main attraction, the "Centennial Exposition".

### **ACKNOWLEDGEMENT**

I wish to take this opportunity to thank the men and women of BaseCon, and of our affiliates and subsidiaries for the dedication and hard work they have shown over the past year, but most especially last year.

The commitment of the BaseCon Board of Directors should also be cited. Despite their numerous professional engagements, they exerted laudable efforts to ensure that the projects under our shared stewardship remain on schedule and are done in accordance with high quality standards. I also thank them for their wisdom and innovative ideas.

Our strategic partners from the private sector should be commended for their commitment to the development goals of our national leadership. Their involvement in our projects has underscored the confidence of the business community in our undertakings.

Finally, and on behalf of BaseCon, I would like to thank the President for the policy directions he has laid down early on in his administration. These economic policies have been the consistent anchor of the growing confidence of the business sector reflected in the present vigor of activities in the facilities under our stewardship.

I also thank the President for his continuing trust and support. His vision of economic development with vast tangible social benefits, indeed, has been our constant inspiration.



**VICTORINO A. BASCO**

*Chairman*



### Revisiting the Mandate

The creation of the Bases Conversion Development Authority (BaseCon) in 1992 was the result of necessities as it was of opportunities. The 1947 Military Bases Agreement between the United States and the Philippines had lapsed and it became imperative that the Country discover and develop alternative uses for the 122,569 hectares of land which once housed state-of-the-art military hardware and civil infrastructure, and employment for the nearly 63,000 base workers who faced the spectre of permanent job loss.

BaseCon came into being by virtue of Republic Act 7227 signed by former President Corazon Aquino on March 13, 1992. It vested BaseCon with the mandate to convert former and existing military facilities into alternative productive uses.

More than four years after its creation, BaseCon has marked major milestones in the fulfillment of its mandate. With joint venture partners from the private sector, its subsidiaries and affiliates, it is overseeing the metamorphosis of the facilities under its stewardship into world-class business and industrial centers clustered under so-called Special Economic Zones. These zones cover some 30,000 hectares in Central and North-western Luzon and includes five airports and two seaports.

In this review of its 1996 operations, BaseCon reports on the status of the development activities it currently oversees.



## CONVERSION AND DEVELOPMENT OF METRO CAMPS

### Fort Bonifacio

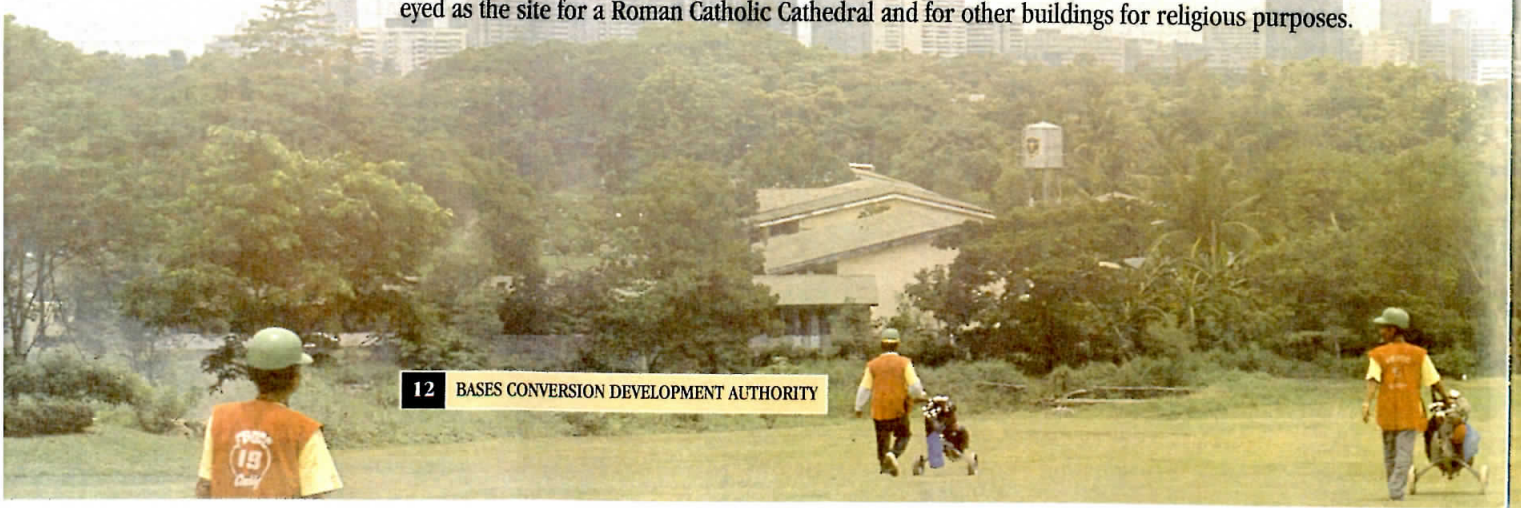
This was formerly known as Fort McKinley, then the largest United States military facility in the Philippines. It was reverted back to the government in 1947 and became the home of Philippine infantry, marine and artillery forces.

Fort Bonifacio was turned over to BaseCon in 1992 which in turn supervised the selection of a strategic partner for its development. In 1995, a consortium of Asean and Filipino business organizations submitted the winning bid in what was dubbed as the “Deal of the Century” since it involved the total amount of US\$1.5 billion.

Both BaseCon and its strategic partner are now developing Fort Bonifacio into a well-planned world-class “Intelligent City” with a central business district being eyed as a future Asian financial and commercial center. The district with mixed-use and high-end residential areas. The Intelligent City will also feature an institutional zone, a vast memorial park and sites for several large multinational corporations.

The construction of two 40-storey residential towers in a 6,572 square-meter lot with a joint venture partner - Century Properties, Inc. is being planned. In addition, two luxury, high-rise residential condominium buildings with 393 units in a lot occupying 14,553 square-meter lot will be constructed with joint venture partner Metro Pacific Plaza Towers, Inc. These will be named Pacific Plaza Towers. The structure will be the first to rise in the Fort Bonifacio Global City, and will have state-of-the-art facilities providing its occupants with world-class services and amenities.

The 20,000 square-meter Institutional Area is currently being readied for the establishment of several educational centers, among which are the International School-Manila, a Korean School, and the Dual Tech Training Center. It will also house a science and technology center called the Philippine Science Centrum, and a hospital-office-condominium complex. The area is also being eyed as the site for a Roman Catholic Cathedral and for other buildings for religious purposes.





## Camp Bago Bantay

This facility is located in a residential-commercial area in Quezon City and used to house units of the Philippine National Police and the National Intelligence Coordinating Agency. Last year, BaseCon signed a joint venture agreement with the RFM Corporation, one of the Philippines' biggest business conglomerate which dominates the food and beverage sectors, for the development of high-end residential complex in the three-hectare portion of Camp Bago Bantay, Quezon City. The project is expected to generate at least P891 million.

## Villamor Airbase

Located alongside Metro Manila's major route to the south, this facility is adjacent to the Philippines' major international airport just across Fort Bonifacio. Long the home of the country's air force, Villamor Airbase is known for its public golf course. BaseCon's blueprint for its P38.5 billion 154-hectare property in Villamor Airbase focuses on the development of the area into a sports and recreational center, and airport-oriented commercial development.



Meanwhile, a lease agreement was signed last year with the Manila International Airport Authority for the latter's 65-hectare Ninoy Aquino International Airport Terminal III project (NAIA III). Once completed, it will have a target capacity of 10 million passengers per annum. BaseCon's support for the project underscores its commitment to the improvement of Philippine international air travel. The new terminal will not only decongest the existing facilities, but will also provide world-class amenities to arriving and transit passengers, thereby establishing an enhanced reputation for the country as a convenient international destination.

In addition, some 53 hectares were allocated last year for a socialized housing program mainly for the residents of the Airmen's Village. It will be recalled that this benefit has long been promised by the government. The beneficiaries have expressed their utmost gratitude that the commitment has finally been fulfilled under the present national leadership.

## Camps Alienza and Melchor

These military facilities are located in Quezon City and are quite small compared to the other military sites under BaseCon management. Approximately five hectares all in all, they are currently being used as home base for military units and quarters for soldiers' families. Development plans for these facilities are now in the blueprint stage.



## PERFORMANCE OF AFFILIATES AND SUBSIDIARIES

### Clark Development Corporation

The Clark Development Corporation (CDC) was established in 1992 to oversee the conversion and development of Clark Air Force Base, once the biggest US Air Force facility outside of the United States mainland. Located in the Central Luzon City of Angeles, the former Clark Field was equipped by its former occupants with state-of-the-art navigational and airport facilities. This airport is now being developed into the country's future premiere international aerodrome.



Some 170 local and international companies have located their enterprises inside Clark. Even as the infrastructure of the area continues to be upgraded, more and more companies are setting up shops inside the facility in view of the world-class amenities and the availability of highly-skilled workers in Central Luzon.

Soon to rise at Clark is Cyber City, the Asian version of Silicon Valley. The development of this area dedicated to the manufacturing of information technology hardware and software takes advantage of outstanding Filipino craftsmanship in this field and leadership in the microchips processing industry. International groups moving into the Cyber City will find it easy to source both technical and managerial manpower. The nearby Sacobia area is also currently being developed into a center for entertainment and agro-industrial enterprises. This used to be part of Crow Valley, erstwhile target range for US Air Force fighter jets.

To further accelerate the development of Clark, BaseCon released some P300 million to CDC for infrastructure support and for flood control projects. Meanwhile, the Master Development Plan done for the 23,000-hectare subzone was completed and is now just awaiting final approval which is expected in mid-1997. Once implemented, the plan will transform the area into a haven for agricultural and light to medium industries.

New investments in 1996 registered at P12.9 billion, almost three times the 1995 figure of P4.7 billion. Total investments generated since 1993 amounted to P23.7 billion. Some 14,804 new jobs were generated in 1996, nearly 27 percent more than the 1995 figure of 10,797 jobs, bringing the total size of employment opportunities created since 1993 to 31,132 jobs.



## Clark International Airport Corporation

The Clark International Airport Corporation (CIAC) was set up by BaseCon in 1995. The aim was to hasten the development of the airport facilities in Clark into a premiere international airport by the year 2002.



Even as plans for the full-scale development are being prepared, the airport has been reopened for operations. The P95 million interim passenger terminal was completed in June last year, with President Ramos presiding over the inauguration. The terminal could serve up to 350 passengers/hour during peak hours. The re-opening of the airport proved to be auspicious as it enabled the facility to serve as a back-up airport during the recent APEC summit.

BaseCon released some P610 million to CIAC for the rehabilitation and installation of new airport equipment, such as navigational facilities and airport lighting systems.

The Master Business and Physical Development Plan for a state-of-the-art P1.79 billion modular terminal has been finalized and has been submitted to President Ramos. The plan is being developed by the prestigious TBV consultancy group, a recognized leader in its field worldwide. Once implemented, the plan will set in place a world-class international aviation complex with a capacity of 10 million passengers a year in a 1,600 hectare area which has two of Southeast Asia's best runways. It will be connected to Metro Manila via a high-speed rail system. The plan also calls for the establishment of aircraft maintenance and retrofitting shops and cargo marshalling depots including a railroad yard.

The complex will be the site of the Philippines' celebration of its 100 years of independence in 1998. The centennial celebration site will later be converted into a cultural and entertainment area with tourism-related and commercial facilities.

The estimated development cost of the Clark Airport is \$1.5 billion for phase 1 and another \$1.5 billion for phase 2.





## Subic Bay Metropolitan Authority



The Subic Bay Metropolitan Authority (SBMA) was created in 1992 to oversee the development and operation of the former Subic Bay Naval Base. The facility boasts of excellent power and telecommunications infrastructure and has an airport which conforms to international aviation standards.

Subic, with its world-class tourism amenities, hosted the recent Asia Pacific Economic Cooperation (APEC) Summit. The facility accommodated some 17 heads of state, including US President Bill Clinton, and their staff in its elegant seaside villas.

Following frenzied efforts to lure investments into the facility, Subic now houses some 259 establishments owned by local and foreign investors.

New investments generated in 1996 reached \$638.04 million, 5.69 percent more than the 1995 figure of \$601.7 million. Total investments generated since 1992 now stand at \$1.95 billion as of end-1996.





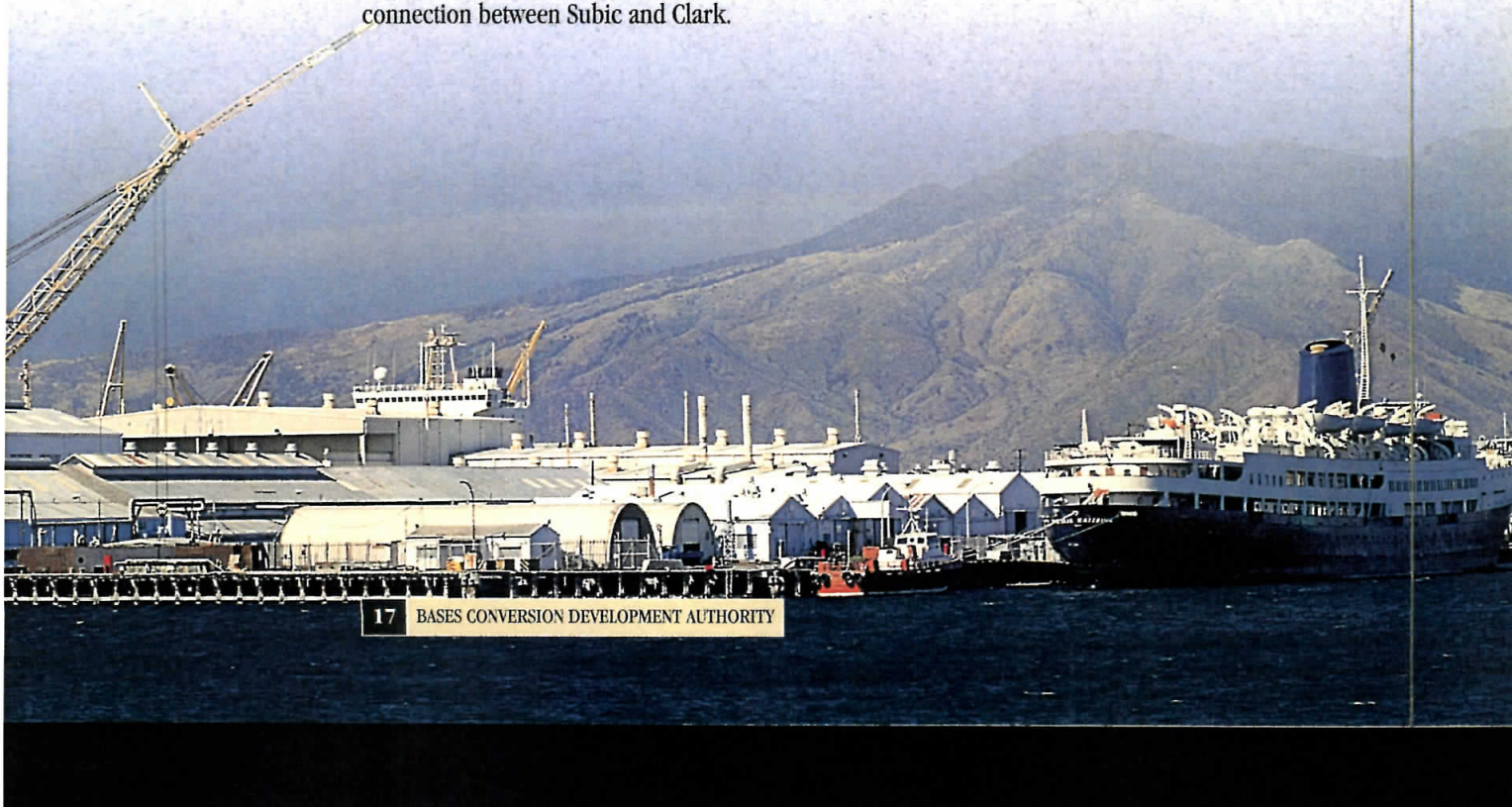
Among the major companies with establishments in Subic are the Enron Subic Power Corporation, Coastal Subic Bay Terminal Inc., Federal Express Corporation, Acer, Inc., Universal International Group of Taiwan, Subic Bay Resort and Casino, Inc., and Subic Telecom Company.

Last year 52,485 new jobs were created. This figure is 30.88 percent more than the 36,279 jobs created in 1995. All in all, 110,529 jobs have been generated inside the base since 1992.

Almost 90 percent of the current workforce were former Subic volunteers. The remaining 10 percent were hired from Metro Manila and other provinces for their technical and managerial skills.

American investors top the list with \$452.6 million, followed by the Taiwanese with \$293.1 million, Filipinos with \$274.9 million, British, \$137.32 million, Hongkong, \$96.3 million; Malaysians, \$96.2 million; French, \$72.8 million; Japanese, \$17.32 million; and others, \$486.66 million.

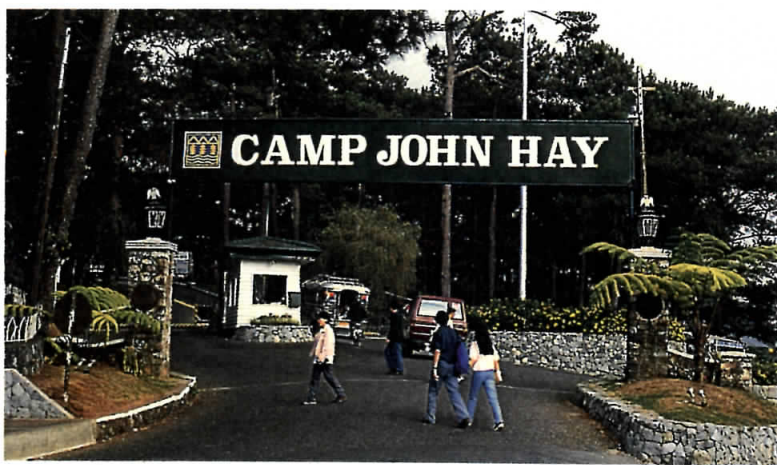
Subic is accessible from Metro Manila by land, sea and air. Air Philippines operates two flights from the Manila Domestic Airport to Subic seven times a week. Efficient ferry services from Manila ply the Manila Bay route to Subic daily. Plans are being made for a railroad connection between Subic and Clark.





## John Hay-Poro Point Development Corporation

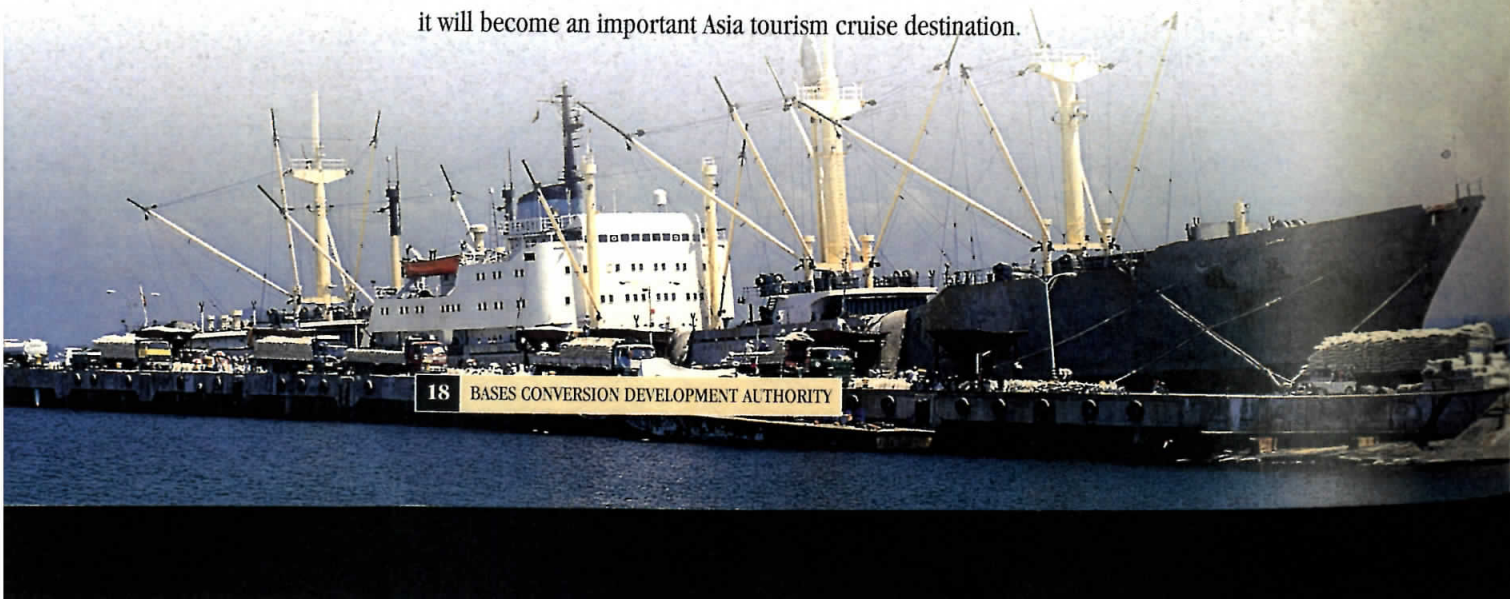
The John Hay-Poro Point Development Corporation (JPDC) was established in 1993 and is responsible for the integrated development of a former renowned mountaintop American rest and recreation area and that of a seaport with vast potentials for trade and tourism. Camp John Hay was the vacation haven of American servicemen based in Asia. Opened to the public in 1991, it is now called Club John Hay. Its tandem-development partner is Poro Point, formerly Wallace Air Station in San Fernando, La Union. The latter was a weather and signal station under the Americans until its reversion in 1992.



The development of Club John Hay into a world-class family-oriented resort is now in high gear following the signing last year of an agreement with a private sector partner. The consortium is led by Fil-Estate which is joined by the Pentacapital Investment Corporation and the Club John Hay Development Corporation. Club John Hay will be closed to the public starting June 1997 to give way to full-blast construction and rehabilitation activities. Plans are also being developed for the establishment of medical and educational facilities inside the Club.

Meanwhile, BaseCon has assumed jurisdiction over the San Fernando seaport in La Union. The move paved the way for the rapid development of the facility into a world-class container seaport with warehousing and cargo transshipment capabilities catering to the needs of Southeast Asia, especially after the reversion of Hong Kong to the People's Republic of China.

It is envisioned to be the hub of a multimodal transport system linked up to the San Fernando Airport, the North Luzon Railway, and to the existing trans-Luzon McArthur highway. In addition, it will become an important Asia tourism cruise destination.





## **Bataan Technology Park, Inc.**

The Bataan Technology Park, Inc. (BTPI) was incorporated last year as BaseCon's subsidiary tasked to oversee the conversion and development of the 380-hectare former United Nations-managed Philippine Refugee Processing Center in Morong, Bataan.

The facility sits atop hilly areas facing the China Sea, and is only some 9.5 kilometers away from the Subic Special Economic Zone. This area is being eyed as a multi-use high-technology park with agro-industrial and eco-tourism components, and with an area dedicated to the computer hardware and software industries similar to California's Silicon Valley.

President Ramos is set to declare this area as a Special Economic Zone. To hasten its development, BTPI signed a Memorandum of Agreement with CAMS Corporation (UK)Ltd. for the establishment and operation of a modern telecommunications network in the Park.

A consultancy group has been tapped for the preparation of a study for the construction and operation of a modern telecommunications network in the Park.

Several proponents have submitted proposals for the Master Development Plan of the Park. These are now being evaluated and a short list of possible winning proposals will soon be released.

Finally, President Ramos appointed the first president of BTPI. The Board of Directors was likewise formed last year with major stockholders represented. It is also expected that BTPI will be declared a special economic zone in the future.



### Northrail Project

The \$3 billion Manila-Clark Rapid Railway System was originally conceived as a shuttle service connecting the Fort Bonifacio Global City to the future premiere international airport in Clark. The original concept has now been broadened. The project is now viewed as an important

railway connection between the Central Luzon and North-western Luzon growth centers with the financial and business resources of Metro Manila.

The implementation of the project is under the stewardship of the North Luzon Railways Corporation or Northrail. It is a consortium composed of BaseCon and private sector partners Fort Bonifacio Development Corporation, DM Consunji, Euroma Development Corporation and the Spanish Railway Group Construcciones Auxiliar Ferrocarriles (CAF). The project is being done in coordination with the Department of Transportation and Communications, the Philippine National Railways, the Department of Public Works and Highways, and the Metro Manila Development Authority. The collaboration with the CAF is the direct result of the President's visit to Spain and the reciprocal visit by King Carlos to Manila.

A new Northrail president was appointed in November 1996. Likewise, the Board of Directors was reconstituted to include the representatives of the private sector partners.

The 100-kilometer Northrail Project will have two components - an at-grade level running from Manila to Clark and an underground component linking it to Fort Bonifacio. Its implementation has been divided into several phases: Phase 1-A involves the rail system from Clark International Airport to Monumento, the entry point to Metro Manila from the North. Meanwhile, Phase 1-B will run from Monumento to Fort Bonifacio. The completion of Phase 1-A is being fast-tracked in time for the centennial celebration. Phase 1-B, on the other hand, is slated to start on June 1998 and is expected to be finished by the year 2002.





## Other Infrastructure Projects

To ensure the long-term viability of its projects in Central and Northwestern Luzon, BaseCon is involved in several land access development projects. Among these are the widening and improvement of the North Luzon Expressway and other routes leading to the Clark and Subic facilities.

The Binictican-Tipo Road segment of the Manila-Clark-Subic Expressway was completed and inaugurated in November last year in time for the APEC Summit in Subic. Meanwhile, BaseCon and DPWH have signed the revised Memorandum of Agreement for Right-of-Way acquisition for the Manila-Clark-Subic Expressway project. BaseCon has set aside P1 billion to bridge finance this undertaking.

In November, BaseCon, PNCC, CIAC and CDC signed a MOA for the development, construction, operation and maintenance of the Dau-Clark Spur Road including the segment inside the Clark Main Zone. The total cost of the project is P1.2 billion. A complimentary undertaking is BaseCon's assistance to the construction of the Mabalacat-Bamban bridge in the lahar-affected areas which will further enhance the development of Clark.

Likewise, a MOA was signed by BaseCon and PNCC for the design and construction of the backdoor road from the former Philippine Refugee Processing Center to Subic. The former refugee center is now the site of the Bataan Technology Park, a future home of agriculture-based and light industries. The backdoor will link the resources and facilities of the two development sites.

Finally, BCDA, FBDC and DPWH signed a MOA in July for the funding of infrastructure projects to support the development of Fort Bonifacio. BCDA and FBDC have agreed to share the P600 million construction cost of building EDSA-Kalayaan flyover, an important access to Fort Bonifacio, and a key link between this facility and the fully-developed Makati central business district.



# FINANCIAL STATEMENTS

## BALANCE SHEET

(In million pesos)

	December 31	
	1996	1995
<b>ASSETS</b>		
Current assets		
Cash and cash equivalent	2,197	3,107
Receivables	18,482	21,748
Inventories	1,300	1,071
<b>Total current assets</b>	<b>21,979</b>	<b>25,926</b>
Investments	35,071	32,716
Property and equipment	4,960	5,069
Other assets	3	2
	<b>62,013</b>	<b>63,713</b>
<b>LIABILITIES &amp; CAPITAL</b>		
Current liabilities		
Accounts payable and accruals	1,445	1,226
Trust liabilities	708	495
<b>Total current liabilities</b>	<b>2,153</b>	<b>1,721</b>
Long-term payables	15,486	20,059
Capital	44,372	41,933
	<b>62,011</b>	<b>63,713</b>



## STATEMENT OF INCOME AND RETAINED EARNINGS

(In million pesos)

	Years ended December 31	
	1996	1995
<b>Revenue</b>		
Interest	391	358
Others	1	1
	<b>392</b>	<b>359</b>
<b>Expenses</b>		
Personal services	23	10
Maintenance & other operating exp.	250	577
	<b>273</b>	<b>587</b>
Net income from operations	119	(228)
Subsidy from National Government	947	-
Net income for the year	1,066	(228)
Retained earnings, beginning of year	(212)	19
Prior period adjustments	497	(3)
Retained earnings, end of year	<b>1,351</b>	<b>(212)</b>

## BOARD OF DIRECTORS



**VICTORINO A. BASCO**

*Chairman*

**Chairman**

Clark Development Corporation  
Clark International Airport Corporation  
John Hay-Poro Point Development Corporation  
Bataan Technology Park, Inc.  
North Luzon Railways Corporation  
BCDA Holdings, Inc.

**Vice Chairman**

Fort Bonifacio Development Corporation

**Member-Board of Directors**

Philippine Centennial Expo '98 Corporation

**Commissioner**

National Centennial Commission  
Mt. Pinatubo Commission



**ROGELIO L. SINGSON**

*Vice Chairman*

**Senior Vice President**

Fort Bonifacio Development Corporation

**Member-Board of Directors**

Subic Bay Metropolitan Authority  
Fort Bonifacio Development Corporation  
BCDA Holdings, Inc.





**ROBERTO A. FLORES**  
*Director*



**TEODORO B. JAVIER**  
*Director*



**NESTOR S. MANGIO**  
*Director*



**JAIME Y. LADAO**  
*Director*



**ASTEYA M. SANTIAGO**  
*Director*



**ATTY. JOSE M. VILLEGAS, JR.**  
*Director*



**MANUEL C. SALIENTES**  
*Director*



**JUSTICE OSCAR I. GARCIA**  
*Corporate Secretary*

## MANAGEMENT DIRECTORY



**VICTORINO A. BASCO**  
*Chairman and President*



**ISAAC S. PUNO III**  
*Executive Vice President*

### OFFICE OF THE PRESIDENT/CHAIRMAN

**Chairman - Victorino A. Basco**

*Staff:*

1. Atty. Paul Melvin S. Robles
2. Marilou Arleen G. Zabat
3. Estelita S. Lopez
4. Rosa Maria P. Alcalde
5. Alman F. Alvia
6. Danilo T. Castillo

### OFFICE OF THE EXECUTIVE VICE PRESIDENT

**Executive Vice President - Isaac S. Puno III**

*Staff:*

1. Roberto C. Atmosfera
2. Rowena B. Tanagon
3. Ma. Cristina M. Cenzon
4. Joy Raquel A. Rivera
5. Manuel C. Deliva
6. Ernesto G. Constantino

### OFFICE OF THE VICE-PRESIDENT/ADMINISTRATION

**Vice President - Nieveleña V. Rosete**

**Department Manager - Rolando C. Manalo**

*Staff:*

1. Jose P. Cando
2. Esther Lily Jeanne Q. Acena
3. Maria Lourdes S. Diolanda
4. Maria Sonia T. Mendoza
5. Antonette C. del Rio
6. Antonio G. Zabat
7. Camilo A. Manzon
8. Christian C. Rivera
9. Merle R. Dino
10. Orlando S. Aguilar
11. Melinda Madrid
12. John G. Chua
13. Reynaldo K. Corpuz
14. Danilo B. Buena
15. Rolando N. Federiso
16. Ariel M. Magpantay
17. Roberto F. San Jose
18. Cleto S. Bacsal
19. Antonio R. Rivadeneira
20. Wilfredo P. Felicen
21. Dante V. Roxas

### OFFICE OF THE VICE-PRESIDENT/CORPORATE SERVICES

**Vice President - Aileen Anunciacion R. Zosa**

**Department Manager - Emir B. Tubayan**

*Staff:*

1. Jocelyn L. Caniones
2. Viktor Rey L. Apuzen
3. Ma. Lourdes A. Castro
4. Mignon G. Landicho



**OFFICE OF THE VICE-PRESIDENT/FINANCE****Vice President - Jose E. Reyes***Staff:*

1. Glorificacion M. Nocos
2. Erleda S. San Juan
3. Hedda Lourdes Y. Rulona
4. Norma S. Pabustan
5. Marilou D. Solidor
6. Dionisio G. Francisco
7. Leonora M. Poblete
8. Gilda C. Alvis
9. Reynoso P. Dionisio
10. Alvin Michael B. Pre

**OFFICE OF THE GENERAL COUNSEL****Head - Atty. Nicolas A. Zarate***Staff:*

1. Atty Regina Salve R. Lapuz
2. Melvin M. Almeria
3. Fidela R. Antonio
4. Benilda H. Donton

**HOUSING AND RELOCATION UNIT****Project Manager - Juanita V. Canta***Staff:*

1. Lemuel T. Untalan
2. Joey L. Narvasa
3. Percival L. Ladlad
4. Ferdinand V. Sunga
5. Jesusa L. Calma
6. Angelina C. Lantin
7. Villa Rosa R. Llauderis
8. Jose Jesus C. Baduria
9. Rita Carolyne A. Huerta
10. Miriam B. Daniwan
11. Lohren Dionisio

**ASSET MANAGEMENT UNIT****Project Manager- Miguel Y. Puzon***Staff:*

1. Rowena Marianne R. Evidor
2. Lorna O. Alvis
3. Jeannine M. Austriaco
4. Amador V. Palugod, Jr.
5. Manuel A. Lonzaga

**ESTATE MANAGEMENT UNIT****Project Manager- Elizardo C. Agsalud***Staff:*

1. Ramil A. Cruz

**PUBLIC AFFAIRS DEPARTMENT****Head - Ed S. Javier***Staff:*

1. Marcia Milagros D. Perez
2. Maresciel S. Ocampo
3. Nelia P. Ferido
4. Rod S. Enriquez

**ENGINEERING WORKS UNIT****Project Manager - Arturo F. Pangilinan***Staff:*

1. Alex T. Solomon
2. Peter Dennis G. Ranada
3. Jovito M. Sunga
4. Abraham M. Jungco
5. Gerardo P. Abiog
6. Joshua M. Bingcang
7. Joseline C. Aquinde

**MANAGEMENT INFORMATION SYSTEMS UNIT****Project Manager - Ma. Esperanza M. Espino***Staff:*

1. Benjamin S. Mojica
2. Susana R. Ramos
3. Roderick R. Raguindin
4. Christopher V. Ladores
5. Jocelyn C. Baduria

**SUBSIDIARIES UNIT****Project Manager- Joel V. Beringuela***Staff:*

1. Merlinda A. Parducho
2. Emmanuel Tomas J. Cala, Jr.
3. Amalia M. de Leon
4. Vicenta M. Natividad

**COMMISSION ON AUDIT (COA)****Resident Auditor - Nilda M. Blanco***Staff:*

1. Ma. Lina P. Ocampo
2. Rosalina Bergonia

**SECURITY OFFICE**

1. Rogelio R. Recuenco
2. Eduardo P. Millet
3. Alvin S. Rivera

**RESIDENT PHYSICIANS AND NURSE:**

1. Faith M. Reyes, M.D.
2. Crisogono R. Ermita, M.D.
3. Jennifer A. Tan

# DIRECTORY

## **BASES CONVERSION DEVELOPMENT AUTHORITY**

**Chairman:** **Victorino A. Basco**  
Address: Officers' Club House (Old Building)  
Gozar cor. Lucas Sts.  
Villamor Air Base, Pasay City  
Philippines  
Tel. Nos.: (632) 551-3006 to 11  
Fax Nos.: (632) 510-0414 • (632) 510-4222

## **FORT BONIFACIO DEVELOPMENT CORPORATION**

**President:** **Ricardo S. Pascua**  
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Fort Bonifacio, Taguig, Metro Manila  
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## **CLARK DEVELOPMENT CORPORATION**

**President:** **Romeo S. David**  
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Clark Special Economic Zone  
Pampanga, Philippines  
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Fax No.: (045) 559-2507  
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ADB Avenue, Ortigas Centre  
Pasig City, Philippines  
Tel. Nos.: (632) 633-8671 • (632) 634-1626 to 29  
Fax No.: (632) 633-8672

## **CLARK INTERNATIONAL AIRPORT CORPORATION**

**President:** **Romeo S. David**  
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Clark Special Economic Zone  
Pampanga, Philippines  
Tel. No.: (045) 599-2702  
Fax No.: (045) 599-2266

## **SUBIC BAY METROPOLITAN AUTHORITY**

**Chairman:** **Richard J. Gordon**  
Address: SBMA Center Bldg. 229  
Waterfront Road, Subic Bay Freeport Zone  
Olongapo City, Philippines 2200  
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Fax Nos.: (047) 222-5278 • 3563/3573

## **JOHN HAY-PORO POINT DEVELOPMENT CORPORATION**

**President:** **Teodoro B. Javier**  
Address: Club John Hay  
Loakan Road, Baguio City  
Philippines 2600  
Tel. Nos.: (074) 442-7902 to 08  
Fax Nos.: (074) 444-5824 • (074) 442-9770

## **NORTH LUZON**

### **RAILWAYS CORPORATION**

**President:** **Sebastian B. Arrastia**  
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Edsa cor. Reliance Sts.  
Mandaluyong City  
Philippines  
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Fax No.: (632) 631-5301

### **BATAAN TECHNOLOGY PARK, INC.**

**President:** **Artemio S. Tadiar**  
Address: Morong, Bataan  
Tel. Nos.: (0918) 624-2004 • (0918) 624-2005

Manila Office: BCDA Corporate Building  
Address: Officers' Club House (Old Building)  
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