

ANNUAL REPORT

1979



PHILIPPINE WOOD PRODUCTS ASSOCIATION

PWPA OFFICERS

1979

ERNESTO F. SANVICTORES	President
JOSE M. UMALI	Executive Vice-President
ARISTEO G. PUYAT	Vice-President, Timber
GERMAN B. ARAÑEZ	Vice-President, Lumber
ROMEO C. TRASPE	Vice-President, Plywood & Veneer
PURA D. ALMARIO	Treasurer
ANTONIO G. BERNAS	Executive Secretary
RENATO ARÉVALO	Honorary President

BOARD OF DIRECTORS

ROBERTO V. REYES

PURA D. ALMARIO	ARISTEO G. PUYAT
TEODORO C. ARANETA	ERNESTO F. SANVICTORES
GERMAN B. ARAÑEZ	FELICIANO F. SARMIENTO, SR.
ANTONIO G. BERNAS	ARTURO SAY
JESUS S. DIMSON	MANUEL I. TINIO
CARLOS P. FERNANDEZ	ROMEO C. TRASPE
ESTRELLITA T. JULIANO	JOSE M. UMALI

COMMITTEES

Membership & Regional Affairs	JESUS S. DIMSON Chairman JOSELITO C. BALTAZAR I Vice-Chairman
Marketing	LAWRENCE LIM Chairman
Finance & Budget	PURA D. ALMARIO Chairman
Legal	ANTONIO G. BERNAS Chairman
Government Relations	ROBERTO V. REYES Chairman
Public Relations	JOSE M. UMALI Chairman
Industrial Plantations	PEDRO NISPEROS Chairman
Agro-Forestry	FELICIANO F. SARMIENTO Chairman
Products & Standards	DAVID GATASI Chairman
Industrial Development & Info.	EDUARDO T. GALANG Chairman
Special Events & Gen. Affairs	ESTRELLITA T. JULIANO Chairman

ANNUAL REPORT 1979

Table of Contents

	<u>Page</u>
1. Introduction	1
2. Finances	2
3. Membership	3
4. Accomplishments	
4.1 Regional Chapters	3
4.2 Regional Cooperative Reforestation	3
4.3 Close Rapport with Government	4
4.4 Action on Industry Problems	5
4.4.1 LOI 818	5
4.4.2 Assessment Regulations 2-79	5
4.4.3 Art. 30 of P.D. 1559	5
4.4.4 Log Export Quota	5
4.4.5 Export Promotion	6
4.4.6 CB Guiding Prices	6
4.4.7 Tariff Hearings	6
4.4.8 IBP Public Hearings	6
4.4.9 I T P	6
4.4.10 Involvement in Research	7
4.4.11 NPC Dialogue	7
4.4.12 Central Bank Support	7

Table of Contents

- Page 2 -

	<u>Page</u>
4.5 International Commitments	7
4.5.1 SEALPA	7
4.5.2 KOMASI	8
4.5.3 6th APMC	8
4.5.4 A P F	9
4.5.5 I H P A	9
4.6 Foreign Trade Missions	9
4.7 Coordination with Other Associations	10
4.8 Lectures and Papers	10
5. Outlook	11

ANNEXES

1. List of Regular & Associate Members	A
2. Financial Report of the Sycip Gorres Velayo & Co.	B

PHILIPPINE WOOD PRODUCTS ASSOCIATION
(PWPA)

ANNUAL REPORT
1979

TO ALL PWPA MEMBERS

ON THIS FIRST YEAR of existence of the Philippine Wood Products Association as a result of the merger of the Philippine Lumber & Plywood Manufacturers' Association, Inc. and the Philippine Chamber of Wood Industries, Inc., your officers and directors agreed on the direction to take through a set of general objectives, viz:

1. To promote cooperation among members and to bring about unity of those engaged in the wood industry;
2. To coordinate and align the activities of members with the policies of government on reforestation, afforestation and forest protection in order to assure the perpetuity of our forests;
3. To encourage further development of the wood-based industry which requires a high degree of technology and improve marketing strategy for finished and semi-finished wood products;
4. To improve our international trade relations, strategies and practices in cooperation with the government and other sectors of the economy in order to establish and maintain a stable market for our Philippine wood products;
5. To promote our national interest by active participation in international and regional activities of wood-based multinational organizations such as the SEALPA, KOMASI and IHPA; and
6. To promote socially oriented projects.

Your Board of Directors and Officers, inspired by the close support and cooperation of the entire membership, is happy to report that in the short span of nine months, your Association has been vigorously propelled towards the direction of its objectives. It is of record that during these nine months, your officers held 18 Executive Committee meetings and your Board of Directors met 9 times. Pending problems were therefore promptly decided and disposed.

We do however, face certain difficulties ahead of us. The increasing control of government on the wood industry may be traced to the alarming depletion of our forest resources. Accordingly, there is an urgent need to weed out the undesirables from our industry as these elements, though a small minority, have unfortunately been largely responsible for the adverse public image of the wood industry as a group. At the same time, it is equally important to all of us that the inherent rights and legitimate aspirations of the law abiding members of your association which comprise the vast majority should be protected and enhanced. Your association hopes to achieve this laudable goal through greater strength as a united group, constant dialogue with the government and wider support and cooperation of the members to cleanse the badly tarred public image.

FINANCES

The audited Financial Report for the fiscal year ending December 31, 1979 by the accounting firm of Sycip, Gorres, Velayo & Co., forms part of this report.

The tireless dedication of our Treasurer, matched by the active support of the membership has resulted in the attainment by your Association of a solid financial base with resources as of March 31, 1980 of ₱720,000.00 which is unprecedented in the history of any Philippine wood association.

It is the desire of your leadership to put these resources to prudent use to effectively serve the interests of all members through the attainment of our association's objectives.

MEMBERSHIP

After the merger of our two predecessor associations, 92 regular members and 22 associate members were recorded in the rolls of our association.

The zeal and industry of the Membership and Regional Affairs Committee contributed significantly to the large increase in our membership which now stands at 192 regular members and 26 associate members.

It is one of our association's objectives to get into its rolls each and every forest concessionaire and wood processor in our country so we can truly be counted and regarded as one group.

REGIONAL CHAPTERS

Six PWPA chapters have been organized, namely chapters in Region 9, Region 11, Region 12, Region 8, Region 4, and Region 10. Their activation is being completed.

To assist these chapters in their administrative overheads, your Board approved the apportionment of 20% of the collected membership dues of the regional members to the respective chapters.

It is our objective to have every region covered by an active chapter to disseminate information to members promptly, to crystallize action and formulate solutions to local problems, to rally participation in cooperative projects, e.g. reforestation; and to act as an articulate voice for members in the region.

REGIONAL COOPERATIVE REFORESTATION

Three regional cooperative reforestation projects are on-going, namely:

1. Upper Agno Bued Amborayan Chico River Watershed (UABAC) composed of members in Region 1 was able to reforest 296 hectares in 1978 in Benguet on the watershed of Agno River and more than 300 hectares has been planted in 1979.

2. Zamboanga Timber Licensees Cooperative Reforestation Project (ZAMTILCO)
composed of members in Region 9, committed to reforest 600 hectares in La Paz, Zamboanga City of which 140 hectares has been planted.
3. Region Eleven Wood Industries Reforestation Project (REWIREP)
composed of members from Region 11 and committed to reforest 1000 hectares of the Mount Apo National Park, of which 118 hectares has been planted.
4. Cooperative Reforestation Project in Region 8
will reforest 113 hectares of the U.P. Campus and 100 hectares of government land in Tacloban City.
5. The Cooperative Reforestation Project in Region 4
will reforest 500 hectares in Puerto Galera.
6. The Cooperative Reforestation Project in Region 10 (REXCORP)
will reforest 1000 hectares in BonBon, Butuan City and another 1000 hectares in Impalutao, Bukidnon designated as Parcel I & II, respectively.

It is your Association's objective to have a cooperative reforestation project in every region on-going by the end of 1980. For regions without timber licensees who will contribute, funds will come from existing projects.

CLOSE RAPPORT WITH GOVERNMENT

Close rapport with government has been maintained by your leadership in its efforts to keep channels of communication open at all times.

There have been eight meetings with top officials of the MNR, sixteen meetings with officials of the BFD, two meetings with the Presidential Assistant on Trade Facilitation, two field trips to Zamboanga, Davao, Surigao del Sur provinces with top MNR officials, two public hearings at the Tariff Commission, two public hearings before committees of the IBP attended by your officers.

ACTION ON INDUSTRY PROBLEMS

Your Association wrote President Ferdinand E. Marcos thru Minister Jose J. Leido, Jr. regarding its views on the implementation of LOI 818. The MNR and the BFD now recognize participation in a regional cooperative reforestation project as partial compliance with said LOI. Likewise, species other than dipterocarps have been specified as acceptable for planting.

LOI 818

Upon vigorous and effective representation by your Association, the Ministry of Finance issued the assessment regulations per caption, which considers mobile equipment as not part of real property for assessment purposes, thus saving for our membership huge amounts which otherwise would have been paid in real estate taxes.

Assessment
Regulations 2-79

Since July of 1979, your Association met with officials of the BFD no less than 20 times to work out Interim Guidelines for buying, selling, and transport of logs which was finally issued as BFD Administrative Order No. 1, Series of 1980, as a stop-gap measure until the permanent scheme to replace Log Supply Contracts is evolved. Because of this, a possible disruption of supply of logs to processing mills was avoided.

Art. 30 of P.D. 1559

Since the declaration last September by President Ferdinand E. Marcos allowing the continuance of limited log exports to finance the urban land reform program, your Association has agitated for the fair and judicious allocation of log export quotas based on the criteria set by the industry-government working committee in 1977-78 arguing that thereby, allocations can serve as a strong incentive for activities in reforestation, forest protection, processing integration, and export market penetration.

Log Export Quota

In addition to being adequately represented in the Philippine Export Council, thru its permanent committee on forest products, your Association participated in meetings with the Asean Cooperative Export Promotion Project (ACEPP).

Export Promotion

The able members of your Marketing Committee met with officials of the Export Department of the Central Bank several times to discuss mutually acceptable floor prices for logs, lumber, veneer, and plywood.

CB Guiding Prices

While agreeing to an export tax on logs, your Association has strongly opposed any export tax on processed wood products. In addition, it presented a position paper proposing to reduce by 50% import duties on materials, supplies, and spare parts required by the wood industry. A position was also presented proposing to eliminate the tariff duties on logs, lumber, and veneer as a forest conservation measure in preparation for the future when we will have to import part of our raw material requirements for wood processing to meet domestic demand and export commitments.

Tariff Hearings

Your Association's representatives have articulately presented our position on IBP Bill 531 which seeks to turn over all logging roads to the province, municipality, or city concerned for the general use of the public, arguing that such legislation will erode the gains achieved in forest protection; and IBP Bill No. 348 seeking to levy a special assessment for a special fund for soil conservation, reforestation, and revegetation programs citing the various financial burdens now shouldered by our industry for the same purposes.

IBP Public Hearings

Realizing the primordial role of industrial tree plantations (ITP) in the future supply of timber in our country, your officers are in dialogue with MNR officials on evolving ways to increase participation in ITP projects. In addition, your Association has been talking to the Asian Development Bank, PDGP, and PISO about the financing aspects of massive reforestation projects.

I T P

Your Association is represented in the policy-making bodies of the FORPRIDECOM, and the FORI, and in addition it is the sole private sector representative in the Inter-Agency Group for Forestry Research Application (IAGFRA) in which agency are represented the MNR, BFD, FORI, FORPRIDECOM, PCARR, UPCF, NIA, and NPC.

Involvement in Research

With these representations, therefore, your Association can effectively serve as the conduit for industry problems requiring research as these can be directed to the agency concerned without delay. Likewise, research findings which are of importance to the industry can promptly be circularized thru the association.

Your officers made effective representations with the officials of the National Power Corporation which ruled P.D. 1515 has jurisdiction over all watershed areas to respect the rights of timber license holders as the timber in the watersheds covered by concessions from part of the timber resources which are the basis of the wood processing investments of the said licensees. However, all logging operations in watersheds must conform to the regulations issued by the National Power Corporation.

NPC Dialogue

Central Bank Governor, Gregorio Licaros, in his letter dated June 14, 1979 reiterated the support of the Central Bank to the wood industry in the form of continued CB rediscounting of log and wood products exports at preferential interest rates per CB Circular No. 635, dated October 12, 1978. This facility has helped promote the inability of the wood industry.

Central Bank Support

INTERNATIONAL COMMITMENTS

Your Association, having inherited representation in the Southeast Asia Lumber Producers' Association (SEALPA) has maintained its support and representation in the meetings of its council, and its Marketing, Technical and Forest Industries Development committees which are held every 3 to 6 months in various capitals of the member-countries.

SEALPA

The significant contribution of SEALPA to the stabilization of prices of logs has been noted in recent years. Gradually, SEALPA will move into processed wood products with the intention of protecting the interests of the producing countries.

The standardization of log grading and scaling was completed and adopted by SEALPA during the tenure of the Philippines as chairman of the Technical Committee. Cognizant of the increasing importance of processed wood products to member countries, the Philippines initiated the formation and initially chaired the Committee on Forest Industries Development.

Work is continuing on the study of lesser-known species, the standardization of grading and scaling of lumber, exchange of information on forest regeneration, industrial complementation, and other subjects which will redound to the benefit of our members.

The plywood and veneer council of our Association conducted two hearings among its members and followed the wish of the majority for your Association's non-affiliation with KOMASI, the aggrupa-
KOMASI
tion of plywood associations of South Korea, Malaysia and Singapore.

Nevertheless, your Association will continue its rapport with KOMASI so that our members can be posted on up-to-date developments in the market for plywood in Europe.

Four delegates representing your Association converged in Jakarta on October 6-8, 1979 to attend the 6th Asian Plywood Manufacturers' Conference (6th APMC). Our
6th APMC
country position was ably presented by our Vice-President for Plywood and Veneer in this meeting.

Manila looms as the site of the 8th APMC in 1983 after the 7th APMC in Sydney, Australia in 1981. The APMC, which was formed thru the initiative of leaders of our predecessor associations some ten years ago, now counts with 15 regular members and 14 observers and is a large forum for the discussion of the progress and prospects of the plywood industry in the region.

The Asean Plywood Federation (APF) has been formed by Indonesia, Malaysia, and Singapore and your Board has approved the affiliation of your Association subject to the approval of our government and the ratification of our membership during the annual meeting.

A P F

The APF will metamorphose into an industry club under the Asean Chamber of Commerce and Industry and this grouping is in line with the objectives of our government to mould ASEAN into an economic block viz-a-viz other regional groupings, e.g. the EEC.

Our Association was represented by Director Feliciano Sarmiento at the annual conference of this largest organization of American importers of plywood, lumber and other wood products on January 31 to February 2, 1980, at Phoenix Arizona. At this conference, our Honorary President was given an award "in recognition of his long standing services to the Philippine hardwood industry".

I H P A

FOREIGN TRADE MISSIONS

Your Association has received, and for those who requested, arranged plant visits to member-plants for the following foreign trade missions:

1. West German Trade Mission
2. Finnish Trade Mission
3. Danish Wood Products Buying Mission
4. Italian Trade Mission
5. Belgian Trade Mission
6. Austrian Trade Mission
7. Swedish Buying Mission
8. Pacific Northwest Trade Mission

Valuable contacts have been made by some members which will expand the scope of our export marketing thrust and widen our sources of capital goods.

COORDINATION WITH OTHER ASSOCIATIONS

Your leadership is in close coordination with the Philippine Chamber of Commerce and Industry (PCCI) in matters where our opinion is sought. We have attended meetings on tariff and monetary policies and will support the important role of PCCI as the single voice of business in our country.

We have also maintained close liaison with the Philippine Lumber Merchants' Association which has most of the lumber dealers and saw-millers in Metro Manila in its rolls, cognizant of the importance of maintaining an adequate supply of building materials for this metropolis and thus rationalize their prices.

Close relations are also maintained with the Chamber of Furniture Industries of the Philippines (CFIP) and the Pulp and Paper Manufacturers Association, Inc. (PULPAPEL), in view of our common usage of wood as raw material.

LECTURES AND PAPERS

Your officers have responded to the numerous requests for representation and at times to deliver lectures, at various forums on energy resource management, SEALPA grading rules, the role of forestry professionals in forestry development, a critical analysis of Timber Management Systems, Woodworking Industry Seminar, on Selective Logging, and on Forest Protection.

Your leadership feels that our positive exposure on varied subjects affecting our people will work towards improving our image as we can explain in these forums the true nature of our industry and its important role in the development of our nation.

OUTLOOK

1. Government intervention as well as control of the wood industry is expected to be more pronounced in the years to come. This is a natural consequence of the country's dwindling forest resources and the resurgence of illegal logging activities. It is to the benefit of the law-abiding members for our industry to be rid of undesirable elements. This way we can work out with government, a policy of de-regulation needed to vigorously pursue wood industry rationalization and massive reforestation.
2. World demand for tropical hardwood will continue to outpace supply and the increasing restriction on log exports will shift basic wood processing from the traditional log importing countries to the traditional log exporting countries.
3. With the rationalization of the wood industry, we can only look forward to increasing our hectareage of man-made industrial tree plantations. Importation of logs, lumber, and veneer to meet the increasing demands for our processed wood products exports will be progressively encouraged. Our industry must continue to work closely with government to increase our participation in viable reforestation and afforestation projects. In this field, the emergence of more joint venture projects to draw cheaper long-term foreign loans into the country program of massive reforestation.
4. The escalating price of oil has made the gathering of forest wastes and economic activity for ultimate conversion to a variety of products and for energy. In the mills, a wide range of technology has been developed to convert sawdusts and other mill wastes into building boards which ultimately can replace natural wood as cores in plywood and plyboards. Our government will tend to encourage and facilitate the gathering and utilization of all forms of wood wastes.
5. Our Association has time and again supported the government program to eventually phase out log exports which in the NEDA Plan is 1982. Other major log producing countries in our region have started on their own programs to gradually reduce log exports for the same reasons that motivated our government to evolve this policy. As wages go up and the cost of freight increases, more finishing operations will be added to our basic wood processing facilities.

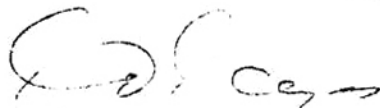
6. The Southeast Asian Lumber Producers' Association (SEALPA) has spearheaded a study on the so-called lesser-known or lesser-used species in our region. The objective is to develop their wider usage and thus facilitate their marketing. Some of our members have pioneered in the harvest of these species. The success attained in their promotion is encouraging. The consuming countries are receptive to the utilization of the lesser-known species provided the price is right and the volume available assures a fairly consistent supply. The harvesting and utilization of all mature timber of whatever species from our forests will in effect be a form of forest conservation measure. The shortages of the traditional tropical hardwood species provides a chance for the non-traditional species to be promoted.
7. All our programs and all our efforts at reforestation will go to naught unless an effective solution to forest destruction is developed. The agro-forestry approach to the "Kaingin" problem where the destructive instincts of the "Kainginero" is harnessed for forest production may be the answer to this age-old problem. This way the forests will be truly for the people and the licensing system will metamorphose into a cooperative venture which is more responsive to the needs of the times.

It is often said that "united we stand ... divided we fall". This dictum best finds its truism in our times when our very survival as a necessary, respected and enduring pillar in Philippine society is at stake.

Grouped together into this unified Association, we have gained ground. But there is still much to cover and your active involvement is needed to help reshape the critical trends of the times.

In behalf of your officers and directors, allow us to express our deep gratitude to you all.

Respectfully Submitted:



ROBERTO V. REYES
Chairman of the Board



ERNESTO F. SANVICTORES
President

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(FORMERLY PHILIPPINE LUMBER AND PLYWOOD MANUFACTURERS' ASSOCIATION, INC.)

(A NON - PROFIT, NON - STOCK CORPORATION)

FINANCIAL REPORT

DECEMBER 31, 1979 AND 1978

PHILIPPINE PESOS



THE SGV GROUP

SGV & Co.
SYCIP, GORRES, VELAYO & CO.
CERTIFIED PUBLIC ACCOUNTANTS



SGV & Co.
SYCIP, GORRES, VELAYO & CO.
CERTIFIED PUBLIC ACCOUNTANTS
P. O. BOX 589, MANILA 2800
PHILIPPINES

TEL. 89-30-11
85-90-11
CABLES: CERTIFIED
TELEX: RCA 2160
ITT 5096
EE 63743
ADDRESS:
6760 AYALA AVENUE
MAKATI, METRO MANILA
PHILIPPINES
BRANCH OFFICES:
CEBU DAVAO
BACOLOD ILOILO
ILIGAN
CAGAYAN DE ORO
BATAAN
ZAMBOANGA

The Board of Directors
Philippine Wood Products Association, Inc.

We have examined the balance sheets of Philippine Wood Products Association, Inc. (formerly Philippine Lumber and Plywood Manufacturers' Association, Inc.; a non-profit, non-stock corporation) as at December 31, 1979 and 1978, and the related statements of income and expenses for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Philippine Wood Products Association, Inc. as at December 31, 1979 and 1978, and its income and expenses for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Sycip, Gorres, Velayo & Co.

PTR No. 4647772 X
January 28, 1980
Makati, Metro Manila

March 31, 1980

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
 (Formerly Philippine Lumber and Plywood Manufacturers' Association, Inc.)
 (A Non-Profit, Non-Stock Corporation)
 BALANCE SHEETS
 DECEMBER 31, 1979 AND 1978

	<u>1979</u>	<u>1978</u>
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash	P 85,933	P 8,113
Short-term investments	128,988	67,187
Due from members (net of allowance for doubtful accounts of P25,061 in 1979; P15,399 in 1978)	276,241	49,904
Other receivables	3,626	2,494
Total Current Assets	<u>494,788</u>	<u>127,698</u>
PROPERTY AND EQUIPMENT - At Cost (Note 1)		
Leasehold improvements	13,474	13,474
Office equipment	22,586	17,034
Furniture and fixtures	21,461	18,240
Total	<u>57,521</u>	<u>48,748</u>
Less accumulated depreciation	36,646	31,136
Property and Equipment - Net	<u>20,875</u>	<u>17,612</u>
OTHER ASSETS	<u>6,372</u>	<u>6,122</u>
TOTAL ASSETS	<u>P 522,035</u>	<u>P 151,432</u>
<u>LIABILITIES AND MEMBERS' EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	P 5,147	P 36,033
Income tax on interest income	18	1,126
Total Current Liabilities	<u>5,165</u>	<u>37,159</u>
DEFERRED INCOME		
Dues collected in advance	<u>15,000</u>	<u>3,500</u>
MEMBERS' EQUITY		
Balance at beginning of year	110,773	128,697
Net assets transferred from PCWI (Note 2)	84,658	-
Excess (deficiency) of income over expenses	306,439	(17,924)
Balance at end of year	<u>501,870</u>	<u>110,773</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>P 522,035</u>	<u>P 151,432</u>

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
 (Formerly Philippine Lumber and Plywood Manufacturers' Association, Inc.)
 (A Non-Profit, Non-Stock Corporation)
 STATEMENTS OF INCOME AND EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 1979 AND 1978

	<u>1979</u>	<u>1978</u>
INCOME		
Membership dues	P 508,000	P 109,613
Assessment dues	237,817	125,700
Associate membership dues	37,750	16,416
Interest income (net of income tax of P18 in 1979 and P1,126 in 1978)	14,230	5,565
Seminar fees	-	14,040
Miscellaneous	875	64
Total Income	<u>798,672</u>	<u>271,398</u>
EXPENSES		
Salaries and wages	135,184	79,702
Meetings and conferences	67,968	22,401
Office rent	59,220	59,220
Transportation	42,591	6,425
Donations and contributions	26,904	21,777
Office supplies	20,691	12,671
Telephone, telegram and postage	19,381	10,968
Membership fees	18,686	15,000
Representation and entertainment	14,014	3,596
Gifts and bonuses	13,470	7,469
Subscription and publications	12,648	765
Provision for doubtful accounts	9,662	5,436
SSS and medicare contributions	8,783	4,505
Printing	8,018	8,293
Light and water	6,693	6,375
Depreciation	6,606	4,563
Professional services	5,500	7,200
Advertising and publicity	3,442	7,000
Maintenance and repairs	1,725	3,070
Insurance	-	809
Miscellaneous	11,047	2,077
Total Expenses	<u>492,233</u>	<u>289,322</u>
EXCESS (DEFICIENCY) OF INCOME OVER EXPENSES	<u><u>P 306,439</u></u>	<u><u>(P 17,924)</u></u>

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(Formerly Philippine Lumber and Plywood Manufacturers' Association, Inc.)
(A Non-Profit, Non-Stock Corporation)
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1979 AND 1978

1. DEPRECIATION POLICY

It is the policy of the Association to provide for depreciation of property and equipment on the straight-line method based on the estimated service lives of its various properties ranging from five to ten years.

2. MERGER AGREEMENT

In line with the government's policy to establish and to recognize if possible only one association for the wood industry and in order to attain a higher degree of integration that will eliminate unnecessary duplication and overlapping of membership, services and expenditures, the Philippine Lumber and Plywood Manufacturers' Association (PLPMA) entered into a merger agreement with Philippine Chamber of Wood Industries (PCWI) on December 22, 1978. Among the terms of the agreement are the following:

- a. PLPMA shall be the surviving association; and
- b. PCWI shall transfer all its assets to PLPMA, and PLPMA will assume all the liabilities of PCWI.

The merger of the two associations took effect on February 1, 1979 and net assets of PCWI amounting to ₱84,658 were transferred to PLPMA.

3. CHANGE IN ASSOCIATION NAME

On June 15, 1979, the Securities and Exchange Commission approved a resolution of the members during the general membership meeting on April 25, 1979 changing the name of the Association from Philippine Lumber and Plywood Manufacturers' Association, Inc. to Philippine Wood Products Association, Inc.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
Suite 70, 7th Floor, A.D.C. Building
Ayala Avenue, Makati, Metro-Manila

REGULAR MEMBERS
1979-1980

REGION I

Heald Lumber Co., Inc.
Cellophil Resources Corp.

REGION II

Acme Plywood & Veneer Co., Inc.
Aritao Sawmill, Inc.
Aurora Logpond Co., Inc.
Bagac Sawmill
C & M Timber Corporation
Casiguran Bay Timber Corp.
Consolidated Logging & Lumber Mills
FCA Timber Development Corp.
Golden Flame Sawmill
Industries Development Corp.
Jones Logging Corporation
La Peña Sawmill Co., Inc.
La Villa de Manila, Inc.
Luzon Loggers, Inc.
Miranda Enterprises, Inc.
North Luzon Mahogany Exporter
Ong Brothers Lumber Co.
Pacific Timber Exports Corp.
Pamplona Redwood & Veneer Co.
Puzon Industrial Dev. Corp.
Sierra Madre Projects, Inc.
Taggat Industries, Inc.
Tri-X Wood Farms, Inc.
Tropical Phils. Wood Industries
United Timber Licensees, Inc.
Veterans Woodworks, Inc.
Western Cagayan Lumber, Inc.

REGION III

Baliwag Mahogany Corporation
Bataan Pulp & Paper Mills, Inc.
Central Luzon Mahogany Corp.
Cresta-Monte Wood Producers Co.
Ramada Sawmill Company
San Pedro Sawmill

REGION IV AND N C R

Central Palawan Timber Corp.
Diestro Logging Dev. Corp.
International Hardwood & Veneer Co.
J. de Dios Enterprises
Loyzaga Lumber Mill
Mindoro Timberland Corp.
N. G. Mendoza Enterprises
Nationwide Princesa Timber Corp.
Pagdanan Timber Products, Inc.
Palawan Apitong Corporation
Palawan Lumber Mfrg. Corp.
Palawan Wood Enterprises, Inc.
Philwood Sawmill Co., Inc.
Purificacion Maulion
Romblon Lumber Dev. Corp.
Southern Palawan Lumber Co., Inc.
Tableria Tan Tao & Sawmill
Tanduay Lumber, Inc.
Valbueco, Inc.
V. Ronquillo's Sawmill
Western Palawan Timber Corp.

REGION VI

Insular Lumber Co. (Philis.), Inc.

REGION VII

Manila Sawmill Company, Inc.
Philwood (Cebu), Inc.

REGION VIII

Basey Wood Industries, Inc.
Dolores Timber, Inc.
German B. Arañez, Inc.
Lauan Development Corp.
Looc Bay Timber Industries, Inc.
San Jose Timber Exports Co., Inc.
United Timber Exports Co., Inc.
Visayan Forest Development Corp.

REGION IX

Baliwasan Sawmill, Inc.
Boa Brothers Company
Cabasada and Sons Co., Inc.
Curuan Timber Corporation
Eisma Sawmill
El Salvador Timber Co., Inc.
Errol Sawmill
Hercules Lumber Company, Inc.
Jolar, Incorporated
Labason Enterprises, Inc.
Mt. Timolan Timber Co., Inc.
Mindanao Estates Company
Mindpro, Inc.
New Pacific Timber & Supply Co., Inc.
Siari Timber Company, Inc.
Somilco
Sta. Clara Lumber Co., Inc.
Vic Lumber Company
West Basilan Timber, Inc.
Zamboanga Forest Managers Corp.
Zamboanga Wood Products, Inc.

REGION X

Adgawan Timber, Inc.
Agusan Wood Industries, Inc.
Anakan Lumber Company
Bueno Industrial & Dev. Corp.
Builders Wood Products, Inc.
Bunawan Sawmill Corporation
Butuan Baywood Sawmill
Butuan Logs, Inc.
Butuan Lumber Manufacturing Co.
CBL Timber Corporation
C.C. Almendras Enterprises
CVC Lumber Industries, Inc.
Cagayan de Oro Timber Co.
Catomando Corporation
Davao Mahogany Products, Inc.
Del Rosario & Sons Logging Ent.
Dongallo's Enterprises, Inc.
Eurasia Match, Inc.
Eureka Enterprises Corp.
Everwood Incorporated
Casilayan Softwood Dev. Corp.
Calson Timber Industries
Naredico
Surigao Century Sawmill

Grand Timber Corporation
JCA Lumber & Plywood Industries
Jane's Sawmill
Kalilid Wood Industries Corp.
Liberty Forests, Inc.
Luga & Sons, Inc.
Mt. Ampiro Timber Co., Inc.
Maderero de Misamis Co., Inc.
Mainit Lumber & Dev. Co., Inc.
Malayan Wood Products, Inc.
Nasipit Lumber Company, Inc.
North Mindanao Bay Timber
Pan Oriental Match Company
Philippine Wallboard Corp.
Provident Tree Farms, Inc.
R. C. Aquino Timber & Plywood
Republic Timber Corporation
Rustan Investment & Mgt. Corp.
Sta. Ines Melale Forest Products Corp.
Sibagat Timber Corporation
Standard Plywood Corporation
T. H. Valderrama & Sons, Inc.
Talakag Timber, Inc.
Timber Ind. of the Phils., Inc.
Timbertown Sawmill (Phils.), Inc.
Valor Industrial Dev. Corp.
Visayan Box Factory Co., Inc.

REGION XI

Apex Mining Co., Inc.
Aras-Asan Timber Company, Inc.
Buenavista Timber Corp.
C. Alcantara & Sons, Inc.
Catalina G. Santos Timber, Inc.
Consolidated Plywood Ind., Inc.
Columbia Sawmill, Inc.
Crisotelo Montalban Logging
Cuison Lumber Co., Inc.
Dacudao Enterprises
Davao Enterprises Corp.
Davao Gulf Lumber Corp.
Davao Plywood Co., Inc.
Desiderio Dalisay Investment, Inc.
Eastcoast Development Corp.
Fact Development Enterprises
Georgia-Pacific International Corp.
Gonzalo Puyat & Sons, Inc.

REGION XI (Con't.)

Hudson Sawmill, Inc.
Industrial Lumber Company
Kalinan Timber Corp.
L. S. Sarmiento & Co., Inc.
Lianga Bay Logging Co., Inc.
Maguindanao Timber Products, Inc.
Mindanao Lumber Dev. Co., Inc.
Mindanao Mahogany Company
Mindanao Plywood Corporation
Minrico Lumber Ent. Co., Inc.
Mintrade (Davao), Inc.
North Camarines Lumber Co., Inc.
North Davao Timber Consolidated, Inc.
Pahamotang Logging Ent., Inc.
Paper Industries Corp. of the Phils.
Philippine Lauan Industries Corp.
R. M. Soleño & Company, Inc.
South Bay Lumber Co., Inc.
Surigao Development Corp.
Twin River Forest Products, Inc.
Valderrama Lumber Mfrs. Co., Inc.
Wood Industrial Traders, Inc.
Northern Hill Dev. Co., Inc.

REGION XII

A. P. Estaniel & Company, Inc.
Cotabato City Central Logging Co., Inc.
Cotabato Industrial Trading Center, Inc.
Cotabato Timberland Company, Inc.
Findlay Millar Timber Company
Greenbelt Wood Products, Inc.
M & S Company, Inc.
Sarmiento Industries, Inc.
Vicmar Development Corp.

OTHERS

Assad Commercial Corporation
Atlas Wood Industries, Inc.
Blue Star Mahogany, Inc.
Luzon Mahogany Corporation
Pacwood, Incorporated
J T C Lumber & Industrial Co., Inc.
Hilton Sawmill Corporation

ASSOCIATE MEMBERS

1979 - 1980

Aboitiz & Company, Inc.
Air Mac Philippines, Inc.
Alemar's Export Division
Asia Industries, Inc.
Atlantic Gulf & Pacific Company
Bekol Philippines
Borden International Phils., Inc.
Capricorn Corporation
CITIBANK
East Asiatic Company Limited
Edward J. Nell Company
Everett Steamship Company
F. F. Cruz & Company, Inc.
Filsov Shipping Company, Inc.

German Equipment Marketing Corp.
German Machineries Corp.
Gulfeast Philippines
Mindanao Native Products, Company
Minnesota 3M Philippines, Inc.
Ralli Coney Timber (Pte.), Ltd.
Philippine International Trading Corp.
Private Development Corp. of the Phils.
Resins Incorporated
Retla Steamship Company
Robert Hildebrand Phils. Corp.
Tierra Factors Corporation
USIPHIL, Inc.

