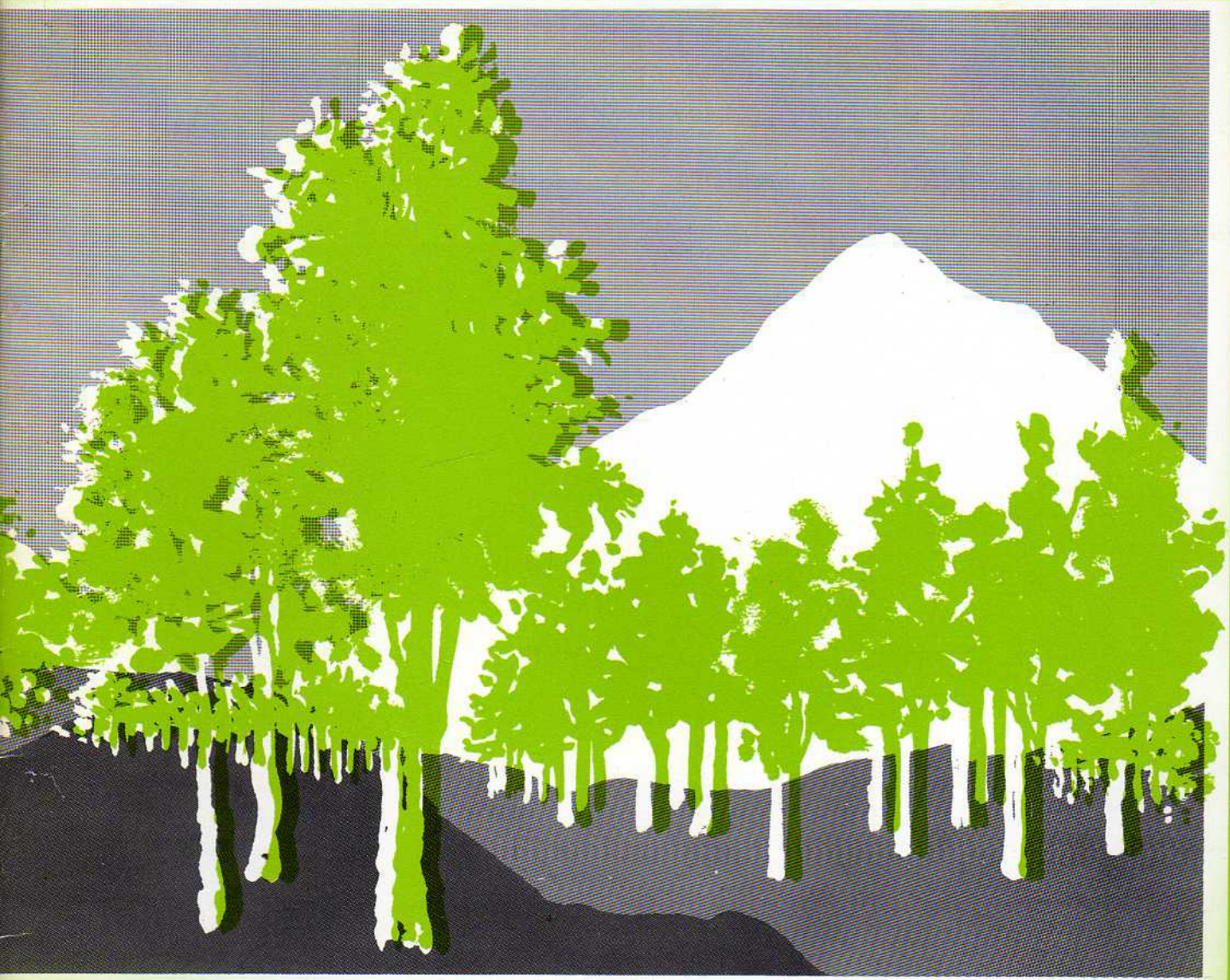


Philippine Wood Products Association



ANNUAL REPORT 1980



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Management Report

The PWPA, a result of the merging of PLPMA and PCWI, and which now represents the Philippine wood industry, is starting its third year of operations with much apprehension about the survival of the wood industry amidst depressed market conditions, higher taxes and production costs and more stringent government regulations.

As of the first quarter of 1981, there are 263 regular members and 29 associate members recorded—an unprecedented 157% increase from the 92 regular members and 22 associate members when the PWPA started two years ago.

Earnings have also increased to ₱1,336,845 or 67.4% from last year's levels. However, because of the depressed business conditions, our receivables increased by 53% amounting to ₱422,498 in 1980.

A distinct improvement in government relations was achieved as a result of programmed meetings with government officials in various agencies, highlighted by a dialogue with His Excellency, President Ferdinand E. Marcos after the oath-taking of the elected PWPA officers and directors held on June 3, 1980. In compliance with His Excellency's directive to prepare a long term plan for wood industry, the officers conducted a week-long planning seminar with experts from the government and the academe which resulted in a preliminary report to President Marcos entitled "Preliminary Summary: Forest Conservation Program and Plan for the Wood Industry." More detailed studies and proposals on industrial tree plantations and wood processing centers and expedient government action on these priority projects are expected.

MEMBERSHIP & INCOME

GOVERNMENT RELATIONS

REGULATIONS AND TAXATION

Your association worked for the amendment of the proposed ad valorem tax on timber which would have cost the industry ₱77.00/cu.m. or ₱385 million in additional taxes. Batasang Pambansa No. 83, implemented by Revenue Regulations 2-81, consolidated the charges and fees on timber to ₱30.00 per cubic meter. Your association, moreover, succeeded in its request to postpone the legislation's full effectivity to April 1, 1981. An interim specific tax of ₱20.00 was agreed upon. Because of the depressed situation of the industry, President Marcos was likewise requested to postpone the implementation of the ₱30.00 specific tax for another 12 months.

A major concern of PWPA are regulations which tend to discourage instead of enhance the planting of trees on a massive nationwide scale, needed urgently to preclude large scale importation of wood by the year 2000. Some success was achieved in moderating regulations on the harvest of trees planted on private land.

Another concerted effort of your association pointed to the impracticability of implementation of LOI 818 at the same time agitating for recognition of participation in cooperative reforestation projects as partial compliance thereof. Your association has also started dialogue with government for the rationalization of the criteria for the gathering of forest residues and wastes by TLA holders, and recently BFD Administrative Order 3-81 seeking to prohibit highlead yarding operations.

RELATIONS W/ OTHER ASSOCIATIONS

Close rapport is maintained with other associations like: the Philippine Chamber of Commerce and Industry (PCCI) where the president of your Association has been recently elected chairman of one of the major industry sectors covering the wood-based, pulp and paper, and furniture industries; the Employers Confederation of the Philippines (ECOP); the Confederation of Philippine Exporters (COPE); and the Philippine Lumber Merchants Association (PLMA).

REGIONAL CHAPTERS

The unity, coordination and development that we seek for the wood industry can best be achieved thru regional chapters of which there are eight — Region II, IV, VI, VIII, IX, X, XI and XII. The streamlining and full activation of these chapters will represent your association in the regional level and bring into reality the "co-managership concept of our forest resources".

Internationally, PWPA has been recognized with its full participation as a council member of the Southeast Asia Lumber Producers Association (SEALPA) and the Asean Plywood Federation (APF) and its affiliate membership with the Imported Hardwood Products Association (IHPA) of the USA.

INTERNATIONAL AFFILIATIONS

Effective PR Campaign has succeeded in establishing a base of credibility for the wood industry resulting in negligible adverse reactions during natural calamities unlike the tirades hurled against it in the past.

PUBLIC RELATIONS

A continuing dialogue with members of the press and media projects the wood industry as responsible and desirable to the economic progress of the country.

Your association's print ad "Sometimes Nature Fights Back by Doing Nothing" won the Catholic Mass Media Award of Merit and its Grand Award for Print Advertising which was received with pride and humility from the hands of the Holy Father himself.

Your association's organizational structure was reoriented with one branch attending to operations (routine matters) and another branch attending to development (new and future thrusts) with the prime objective of establishing a data bank readily accessible to and usable by the association members. The PWPA Secretariat has increased expenditure for salaries and allowances by 33.5% or ₱203,195 but the benefits to the members more than offsets this higher cost.

ORGANIZATION AND PERSONNEL

Another difficult year for the entire economy and the industry is forecast for 1981 what with high interest costs slackening housing construction. The recovery of the American market by the end of the third quarter and of the European market by the fourth quarter is speculated. The Japanese market continues to be in the doldrums with housing down by 35% and consumption down by 25% compared with 1979 figures.

ECONOMY AND MARKETS

Production from the natural forests will continue to slide as resources recede. What is important is to get started on a massive and effective business-oriented nationwide activity to grow wood to meet domestic and export demands by the year 2000.

Main hardwood log supplier countries in Southeast Asia will continue to restrict exports of raw materials in favor of domestic processing with added value uppermost in the minds of policy makers.

Work will continue in the rationalization of the wood industry with emphasis on wood processing centers as a primordial and urgent concern. Time is coming when timber may be allowed for processing only in designated centers where utilization of the log and of the resulting mill residues and wastes is maximized.

Wood as an energy source, will continue in importance not only by using wastes but also by growing trees for energy conversion in dendro-thermal plants.

The harvest and use of lesser known species (LKS) will become more important being a positive forest conservation measure in itself. It is hoped that the government will accede to PWPA's proposal to allow the unlimited export of LKS logs exclusive of the regular log export quota until such time that the industry can acquire the technology and equipment needed in its processing.

Forest destruction will continue unless massive employment of forest dwellers become a reality and this can come when only when investments in industrial tree plantations will pour in on an increasing scale.

OUTLOOK

More than ever we must stand together and indivisible, convinced about our irreplaceable place in society as caretakers and users of the forests, as growers of wood, and as manufacturers of wood products, for these activities are destined to remain with us for generations to come.

We wish to thank the Directors, Officers and Staff of PWPA National as well as

ACKNOWLEDGEMENT

those with the Regional Chapters for their time and effort spent in the offices of your association.

Lastly, in behalf of your Board of Directors, we wish to thank you for your continuing support and cooperation.

Respectfully submitted:



ROBERTO V. REYES
Chairman of the Board



ERNESTO F. SANVICTORES
President

Our Objectives

1. To promote such activity on any matter pertaining to the lumber and plywood industry (hereinafter understood to include veneer, pulp and other wood products) intended to increase and improve production, manufacturing and marketing of logs, lumber, plywood, veneer, pulp and other wood products;
2. To promote the efficient and scientific utilization of timber into lumber, plywood, veneer, pulp and other wood products; to encourage and expand the sale of these products in the Philippines and abroad;
3. To foster cooperation among members and to bring about the unity of those engaged in the lumber and plywood industry particularly in support of any measure that will promote the collective interest and welfare of its members;
4. To collect and assemble information related to the lumber and plywood industry in the Philippines, the United States, Japan and other foreign countries and to act as a forum for exchange of ideas and information among its members;
5. To make representations with any government authority, agency or instrumentality, private concern or agency in behalf of its members on any matter that will protect their individual interests and of the lumber and plywood industry;
6. To improve trade relations abroad and to bring about alone or in cooperation with other organizations of similar nature a stable market for Philippine Mahogany in the United States and other foreign countries;
7. To encourage in cooperation with the government, efficiency in the administration of Philippine forests that will bring about efficient forest conservation and wider utilization of timber;
8. To study and promote an efficient system and procedure in the grading of logs, lumber, plywood, veneer, pulp and other wood products within the context of law and regulation;
9. To intensify and accelerate reforestation and aforestation, in order to assure the perpetuity of our forest resources.
10. To encourage further development of the wood based industry requiring a higher degree of technology and active marketing strategy of finished and semi-finished wood products.
11. To attain recognition and appreciation of the investments of the private sector in the wood-based industry and in the development and meaningful exploitation of our forest resources, and to insure the protection and stability of such investments.
12. To give support to the government policy of:
 - a) Banning of log exports;
 - b) Encouragement of processing of raw logs into finished and semi-finished wood products, particularly non-traditional wood for marketing in the world market.
13. To attain unity among all elements in the wood-based industry under one single representation and one integrated association that would serve as spokesman for the entire wood industry for the country and as an effective media of representation and dialogue with government authorities.
14. In general, to safeguard the welfare and interests of the lumber and plywood industry. As incidental to such purpose, the corporation shall have the power:
 1. To purchase, hold, convey, sell, lease, let, mortgage, encumber, or otherwise own real properties in any part of the Philippines as the purpose for which this corporation is formed may permit or as may be reasonably and necessarily required for the transaction of the lawful business of the corporation.
 2. To have and to exercise any and all powers and privileges now or hereafter conferred by the laws of the Philippines upon corporations formed thereunder or under any act amendatory or supplemental thereto or substituted therefor.

O F F I C E R S

ERNESTO F. SANVICTORES	President
GERMAN B. ARANEZ	Executive Vice President
ARISTEO G. PUYAT	VP-Lumber
FELICIANO SARMIENTO	VP-Plywood
GABRIEL R. FORMOSO	VP-Forest Resources & Conservation
SANTIAGO P. DE GUZMAN	VP-Lumber
PURA D. ALMARIO	Treasurer/Director
EDITH ALCANTARA	Asst. Treasurer
ANTONIO G. BERNAS	Executive Secretary

BOARD OF DIRECTORS

ROBERTO V. REYES

Chairman

EDITH I. ALCANTARA	SANTIAGO P. DE GUZMAN
Director	Director
PURA D. ALMARIO	LAWRENCE LIM
Director	Director
GERMAN B. ARANEZ	PEDRO A. NISPEROS
Director	Director
JOSELITO C. BALTAZAR I	ARISTEO G. PUYAT
Director	Director
ANTONIO G. BERNAS	ERNESTO F. SANVICTORES
Director	Director
JESUS S. DIMSON	FELICIANO S. SARMIENTO SR.
Director	Director
GABRIEL R. FORMOSO	MANUEL I. TINIO
Director	Director

C O U N C I L M E M B E R S

RENATO AREVALO	Honorary President
TEODORO C. ARANETA	Adviser
CARLOS P. FERNANDEZ	Adviser
ALFONSO LIM	Adviser
PEDRO PICORNELL	Adviser
JOSE E. DELA ROSA	Adviser

C O M M I T T E E C H A I R M E N

Membership & Regional Affairs	JOSELITO C. BALTAZAR I
Marketing	LAWRENCE LIM
Finance & Budget	PURA D. ALMARIO
Legal	ANTONIO G. BERNAS
Government Relations	ROBERTO V. REYES
Industrial Plantations	PEDRO NISPEROS
Public Relations	GABRIEL R. FORMOSO
Agro-Forestry	FELICIANO F. SARMIENTO, SR.
Products & Standards	DAVID M. GATASI
Industrial Development & Info.	EDUARDO T. GALANG

CHAPTER P R E S I D E N T S

Northern Luzon Region (II)	COL. JOSE S. BASS
Tagalog Region (IV)	ATTY. ARAMIS B. AGUILAR
Western Visayas Region (VI)	MARIANO ALEARON
Eastern Visayas Region (VIII)	ATTY. CAMILO LAMINFORTE
Western Mindanao Region (IX)	CONSTANTINO ARANETA
Northern Mindanao Region (X)	RENATO P. DRAGON
Eastern Mindanao Region (XI)	FELICIANO T. ALCANTARA
Southern Mindanao Region (XII)	TOMAS JULIANO

P W P A S T A F F

Manager, Office Services	MARIO GARCIA
Manager, Information Resource	LOUIS L. LAUDENCIA
Administrative & Finance Officer	CELIA P. DUCAY
Researcher Statistician & Publication Officer	ANTONIO V. PAZ
Accounts Officer	REGINO M. SERAFICO
Librarian	AUREA C. LANSIGAN
Communication-In-Charge	CORAZON G. SANTOS
Records-In-Charge	AUREA G. MIRA
General Clerk	BENIGNO V. MIRA
Messenger Collector	NOE MERIEL, JR.
PUBLIC RELATION CONSULTANTS	ACE-COMPTON ADVERTISING, INC.
TECHNICAL CONSULTANT	NORBERTO CAJUCOM
AUDITOR	SGV & CO
BANK	B P I

Directory

MEMBER FIRMS AND REPRESENTATIVES

REGION I – ILOCANDIA

Benguet Consolidated, Inc.
Delfin L. Lazaro
Carried Lumber Company
Abraham Lee Chuy
Cellophil Resources Corp.
Freddie B. Uy
Heald Lumber Co., Inc.
Juan Abella

REGION II – CAGAYAN VALLEY

Acme Plywood & Veneer Co.
Rudy Nazario
Amunitan Bay Timber Licensees, Inc.
Constantino S. Ortega
Anson Sawmill
Mariano Chua
Aritao Sawmill
Juan Gantioqui
Aurora Logpond Co., Inc.
Amor V. Balgos
Aveco Equipment Corp.
Eduard C. Cham
B.V. Cuaresma Logging
Banuar Corpuz
Bagac Sawmill
Aniero F. Ner, Jr.
Bugnay Sawmill
Manolo Uy Lim
C & M Timber Corp.
Orestes J. Santos
Citizen Sawmill Co.
Luis delos Reyes
Consolidated Logging &
Lumber Mills, Inc.
Alberto Rodriguez
Dominion Forest Resources Corp.
Jaime Fajardo
FCA Timber Devl. Corp.
Rosalina Jesswani
Golden Flame Sawmill
Luis A. Ng
Jones Logging Corp.
Benito Dy
La Peña Sawmill Co., Inc.
Francisco Pena
La Villa de Manila, Inc.
Arturo Say
Luzon Loggers, Inc.
Rosalina Jesswani
Miranda Enterprises, Inc.
Alfonso Miranda
Mountain Sawmill
Nicasio Perez
North Luzon Mahogany Exporter
Rodolfo Rivera
Pacific Timber Export Corp.
Emmanuel Atilano
Pamplona Redwood & Veneer Co.
Lawrence Lim
Philwood Integrated Timber
Ind., Inc.
Florino Sangil
Puzon Industrial Devl.
Evangeline Puzon
Rotary Sawmill, Inc.
Lim Hua
Sanafe Timber Corporation
Alan Alcidi

Sierra Madre Projects, Inc.
Genero Balolong
Sta. Teresita Wood Ind., Inc.
Benoni de San Jose
Sto. Domingo Wood Ind., Inc.
Arturo G. Dee
Taggat Industries, Inc.
Lawrence Lim
Tropical Phils. Wood Ind.
Jose S. Bass
United Timber Licensees, Inc.
David Puzon
Veterans Woodworks, Inc.
Jose S. Bass
Western Cagayan Lumber, Inc.
Alfonso Lim, Jr.
J.T.C. Lumber & Industrial Co., Inc.
Diego Encina
Liberty Logging Corp.
Wilson Lim
Greenhills Wood Industries Co., Inc.
Abraham Lee Chuy
Bitnong Sawmill Inc.
Robert I. Alcantara
Southern Plywood Corp.
Alfonso V. Lim, Jr.
Banava Sawmill, Inc.
Uy Sio An
Sinafal Sawmill, Inc.
Tirso Ong Tiu
Mayantoc Sawmill
Fernando A. Lu
Kasibu Logging
Joaquin Ang
San Andres Logging Ent., Inc.
Patrich Chua
Isabela Sierra Lumber Corp.
Manuel L. Cervantes
Bagabag Sawmill Corp.
Tan Leong Cheong
Felipe Ysmael, Jr. & Co., Inc.
Felipe Ysmael Jr.
Allied Sawmill
Gaw Chiao
Luzon Mahogany Timber Ind., Inc.
Bienvenido L. Rillo
Oesco Timber, Inc.
Renato E. Rillo
J.R. Perez Timber Corp.
Rodolfo Perez
Isabela Sierra Lumber Corp.
Manuel L. Gonzales
Isabela Lumber Industries, Inc.
Bun Hua Choa
Apayao Wood Ind. Devl. Corp.
Gavino Concepcion

REGION III – CENTRAL LUZON

Baliwag Mahogany Corp.
Alfredo T. Ong
Balut Island Sawmill Co., Inc.
Arturo Tiu
Bataan Pulp & Paper Mills, Inc.
James H. Clarke
Central Luzon Mahogany Corp.
Francis Chua
Cresta-Monte Wood Products
Ernesto Magboo
David Sawmill
Tessie Daquiaog

Emerson Wood Ind., Inc.
John Alvarez
Grand Pacific Ent., Inc.
David Golanco
Nicos Industrial Corp.
Antipas Hernandez
Orbit Sawmill, Inc.
Laurentino Mendoza
Ramada Sawmill Company
Edgardo L. Ong
San Pedro Sawmill
Eduardo Chu
Santa Rosa Sawmill Company
Ernesto Flores
Tayag Sawmill
Gil Corpus
Aurora Logpond, Co., Inc.
Amor V. Balgos
Central Luzon Sawmill Corp.
Conrado Yang
Subic Bay Sawmill, Inc.
Lee Keen
Tabang Sawmill, Inc.
Andy Go
Scala Sawmill Co., Inc.
Francisco Pena
Meycauayan Sawmill
Rafael J. Tan
Rosewood Processing Inc.
Julian Ong

REGION IV – TAGALOG

Central Palawan Timber Corp.
Joselito C. Baltazar I
International Hardwood & Veneer
Co. of the Phils.
Carolina Young
Loyzaga Lumber Mill
Augustine Loyzaga
Manila Mills & Timber Co., Inc.
Carlos Coquinco
N. G. Mendoza Enterprises
Natividad Mendoza
Nationwide Princessa Timber Corp.
Cesar Roldan
Neri-Tavera Lumber Co.
Ricardo Neri
Pagdanan Timber Products Inc.
Marianito Cuasay
Palawan Apitong Corporation
Joe Arroyo
Palawan Lumber Manufacturing Corp.
Joselito C. Baltazar I
Palawan Wood Enterprises, Inc.
Albert See
Romblon Lumber Devl. Corp.
Patriatico Moreno
Sta. Ana Industrial Corp.
Benjamin Coquinco
Somilco
Isabelo Abeleda, Jr.
Southern Palawan Lumber Co., Inc.
Loui Chan
Tableria Tan Tao & Sawmill
Domingo Tan
Valbuecco, Incorporated
Valeriano Bueno
V. Ronquillo's Sawmill
Vivencio Ronquillo

Western Palawan Timber Corp.
Virgilio Valin

N C R – METRO-MANILA

Alaska Lumber Co., Inc.
Benjamin S. Co
Assad Commercial Corp.
Felix Assad
Atlas Wood Industries, Inc.
Chan Yu Lim
Blue Star Mahogany, Inc.
Johnny Baranda
D. M. Consunji, Inc.
Antonio G. Bernas
Extensive Wood Processing Corp.
Chan Yu Lim
Goodyear Industrial Corp.
Robert Tsai
Industrial Woods Phils., Inc.
A. Buenaventura
Luzon Mahogany Corp.
Jan Nowakowski
Oceanic Sawmill Co., Inc.
Josie Ong
Ong Yong & Sons, Inc.
Roberto Ong Yong
Pacwood, Inc.
Cesar Ocampo
Panama Sawmill Company
Tan Chin
Philwood Sawmill Co., Inc.
Henry Tan
Premium Wood Ind., Inc.
Andres Chua
Republic Wooden Comm. Mfg. Corp.
Benjamin Uy
Rizal Super Sawmill, Inc.
Jose Dee
Sahara Wood Corp.
Tan Chin
Tanduay Lumber, Inc.
Andrew Loo
Topwood Development Corp.
Ernesto G. Millama
Industries Development Corp.
Jose Ong
Tantuco Sawmill, Inc.
Antonio Garcia

REGION V – BICOLANDIA

Country Lumber Co., Inc.
Domingo Sy
Lerum Sawmill
Pedro Lerum, Jr.
Marosy Timber Sawmill
Co Sin Ben
Republic Hardwood, Inc.
John Gohan
Danas Sawmill Inc.
Benigno O. Lim

REGION VI – EASTERN VISAYAS

Insular Lumber Co. (Philis.) Inc.
Santiago De Guzman
JOF Tbr. Co., Inc.
Jose K. C. Uy

REGION VII – CENTRAL VISAYAS

Manila Sawmill Co., Inc.
Philip Go
Philwood (Cebu), Inc.
Go Tiong Kaw

Cebu Kenwood Trading Corp.
Keneth Huang

REGION VIII – WESTERN VISAYAS

Basey Wood Industries, Inc.
Ernesto F. Sanvictores
Dolores Timber, Inc.
Joe Arroyo
German B. Arañez, Inc.
German B. Aranez
Lauan Development Corp.
Aristeo G. Puyat
Looc Bay Timber Ind., Inc.
Valeriano Bueno
Pava Logging Co., Inc.
Philip Tan
San Jose Timber Corp.
Joe Arroyo
United Timber Exports Co.
Rosalina Jesswani
Visayan Forest Devl. Corp.
Jesus S. Dimson

REGION IX – WESTERN MINDANAO

Baliwasan Sawmill, Inc.
William Cua
Boa Brothers Company
Yu Lim Pao
Cabasada & Sons Co., Inc.
Emerson Abraham
Curuan Timber Corp.
Benjamin Go
El Salvador Timber Co., Inc.
Joselito C. Baltazar I
Errol Sawmill
Ricardo Casimiro
Hercules Lumber Co., Inc.
Valentin Semella
Jolar, Inc.
Eduardo Cheong
Labason Enterprises, Inc.
Benjamin Benitez
Martha Enterprises, Inc.
Achilles Villanueva
Mindanao Estates Timber Corp.
Valentin Mayuga
Mt. Timolan Timber Company, Inc.
Onofre Gomomit
Mindpro, Inc.
Vicente Sebastian
New Pacific Timber & Supply Co., Inc.
Luz Mier
Sta. Clara Lumber Co., Inc.
Ronaldo Abilla
Siari Timber Co., Inc.
Rodrigo Khan
Vic Lumber Company
Henry Sy
West Basilan Timber, Inc.
Ramon delos Santos
Zamboanga Forest Managers Corp.
Constantino Araneta
Zamboanga Wood Products Inc.
Manny Ortigoza
Alsons Wood Industries Corp.
Luis K. Alvarez
First Plywood Corp.
Reuben J. Asuncion
Westmin Forest Products, Inc.
Guilbert Go
Phil. Asia Timber Enterprises, Inc.
Rogelio Uy, Sr.

REGION X – NORTHERN MINDANAO

Adgawan Timber, Inc.
Jose Yu

Agusan Wood Ind., Inc.
Enrique Davila
Anakan Lumber Company
Pedro Nisperos
BRQ Timber & Dev. Corp.
Bienvenido R. Quiroigico
Bueno Industrial & Devl. Corp.
Valeriano Bueno
Builders Wood Products, Inc.
Romeo Mondejar
Bunawan Sawmill Corp.
Benito Sia
Butuan Baywood Sawmill
Jose Aquino III
Butuan Logs, Inc.
Exequiel Magsaysay II
Butuan Lumber Mfg. Co., Inc.
Valeriano Bueno
CBL Timber Corporation
Arturo Sena
CVC Lumber Ind., Inc.
Carlito Tan
Cagayan de Oro Timber Corp.
Prudencio Plaza, Jr.
Calson Timber Industries
Casilayan Softwood Devl. Corp.
Luis Roldan
C. C. Almendras Ent.
Caridad Almendras
Catomando Corporation
Rosarito Chua
Davao Mahogany Prods., Inc.
Helen Sanchez
Del Rosario & Sons Logging Ent.
Policarpio Del Rosario
Dongallo's Ent., Inc.
Claudio Sanchez
Eurasia Match, Inc.
Luis Roldan
Eureka Enterprises Corp.
Angel Cembrano
Everwood Incorporated
Alberto Samuco
Grand Timber Corp.
Bienvenido Ong
JCA Lumber & Plywood Ind., Inc.
Roberto da Silva
Jane's Sawmill
Chua Hang
Kalilid Wood Industries, Corp.
Vicente Marababol
Liberty Forests, Inc.
Jose T. Ching
Luga & Sons, Inc.
Meliton Battad
Maderero de Misamis Co., Inc.
Rudolfo Luna
Mainit Lumber & Devl. Co., Inc.
Jose T. Ching
Malayan Wood Products, Inc.
Anthony Lee
Mindanao Plywood Corporation
Alfredo Roxas
Misamis Mahogany Co., Inc.
Romarico Vitug
Mt. Ampiro Timber Co., Inc.
Loreto Morona
Naredico
Tito Chu
Nasipit Lumber Co., Inc.
Pedro Nisperos
North Mindanao Bay Timber
Salustiano Oca
Pan Oriental Match Company
Luis Roldan
Phil Wallboard Corp.
Carlos Fernandez

Provident Tree Farms, Inc.
Suresh Srivastava
R. C. Aquino Timber & Plywood
Jeremies M. Paul
Republic Timber Corp.
Robert Lim
Rustan Inv. & Mgt. Corp.
Gervacio Taga-An
Sta. Ines Melale Forest Products Corp.
Artemio Bayas
Sibagat Timber Corp.
A. G. Corpus
Standard Plywood Corp.
Juanito Tar
Surigao Century Sawmill

T. H. Valderrama & Sons, Inc.
Tranquilino Valderrama, Jr.
Talakag Timber, Inc.
Julian Ong
Timber Ind. of the Phils. Inc.
Santiago Figuracion
Timbertown Sawmill, Inc.
Bonifacio Molina
Visayan Box Factory Company
Eduardo Lee

REGION XI – EASTERN MINDANAO

Amalii Malaquiok Ent.
George Jabilo
Anchorage Wood Ind., Inc.
George Yusingco
Apex Mining Co., Inc.
Vicente Valenciano
Aras-Asan Timber Co., Inc.
Benjamin Sanvictores
Baganga Bay Forest Working Unit
Henry Lee
Buenavista Timber Corp.
Guilberto Go.
C. Alcantara & Sons, Inc.
Edith Alcantara
Catalina G. Santos Timber
Jacinto Legaspio
Consolidated Plywood Industries, Inc.
Elias Lopez
Columbia Sawmill, Inc.
Vicente Gotianse
Crisotelo Montalban Logging
Jonathan Montillo
Cuison Lumber Co., Inc.
Roman Cuison, Jr.
Davao Ent. Corp.
Melanio Alconcel
Davao Gulf Lumber Corp.
Antonio Santos
Davao Plywood Co., Inc.
Benjamin Limso
Davao Stevedore Terminal Co., Inc.
Emil G. Gaston
Eastcoast Devl. Corp.
Gil Urgino
Fact Devl. Corporation
Tan Eng Chiong
Felbet's Timber, Inc.
Eduardo Pamani
General Plywood & Veneer Corp.
Antonio Gotao
Georgia-Pacific Int'l. Corp.
Warren Meyer
Gonzalo Puyat & Sons, Inc.
Aristeo G. Puyat
Hilton Sawmill Corp.
Macario Go
Hudson Sawmill, Inc.
Cua Sun Yiong

Industrial Lumber Co
Steven Tan Casis
Kalinan Timber Corp.
Simplicio Endaya
L. S. Sarmiento & Co., Inc.
Benjamin Raroque
Lianga Bay Logging Co., Inc.
Armando Cruz
Manuel Nieto Corporation
Pablo Sarmiento, Jr.
M. F. Timber Industries, Inc.
Orlando L. Sunglao
Mindanao Lumber Devl. Co., Inc.
Gaudencio Antonino, Jr.
Mindanao Mahogany Company
Aristeo G. Puyat
Minrico Lumber Ent. Co., Inc.
Chua Yu Beng
Mintrade (Davao), Inc.
Guilberto Go
Mirho Craft
Abelardo A. Muyco, Jr.
North Camarines Lumber Co., Inc.
Edgar Salcedo
North Davao Timber Consolidated
Rufino Otero
Northern Hill Devl. Co., Inc.
Vicente Gotianse
Pahamotang Logging Ent., Inc.
Adolfo Arguna
Panakan Lumber Co.
Go Eng Hua
Paper Industries Corp. of the Phils.
Gabriel R. Formoso
Phil. Lauan Ind. Corp.
Delfin Chua
R. M. Soleño & Co., Inc.
Cua Sun Yiong
Sarangani Bay Pulp & Paper Co.
Bienvenido S. Wong
South Bay Lumber Co., Inc.
Emiliano Alvarez
Standard Hardwood Co., Inc.
Aurelio Sia
Surigao Development Corp.
Aristeo G. Puyat
Talomo Sawmill, Inc.
Dy Hue Hu
Timber Producers & Mktg. Corp.
Felimon Madrid
Twin River Forest Products
Robert Chua
Valderrama Lumber Mfrs.
Eduardo Arroyo, Jr.
Wood Industrial Traders, Inc.
Hermenegildo Pareja
Yujuico Logging Trading Corp.
Florante Bisquera
Aguinaldo Devl. Corp.
Jose Ricafort
Cantilan Lumber Co.
Henry Tan
M C P Agro Industrial Ent., Inc.
Mariano C. Pamintuan
Malalag Lumber Co., Inc.
Hernando Jocson
Salton Industries, Inc.
Antonio Sanglay, Jr.

REGION XII – CENTRAL MINDANAO

A. P. Estaniel & Co., Inc.
Herminio Estaniel
Cotabato City Central Logging Co., Inc.
Herminio Estaniel
Cotabato Industrial Trading Center, Inc.
Estrellita Juliano

Cotabato Timberland Co., Inc.
Jose E. Dela Rosa
Datu Blah Sinsuat
Antonio Olizon
Findlay Millar Timber Co.
Pura D. Almario
Greenbelt Wood Products, Inc.
Benjamin Benitez
M & S Company, Inc.
Antonio G. Bernas
Sarmiento Industries, Inc.
Tito Beltran

ASSOCIATE MEMBERS

Aboitiz & Co., Inc.
Jesus H. Fernandez
Air Mac Phils., Inc.
W. Saint-Onge
Asia Industries, Inc.
Raymundo Sinense
Atlantic Gulf & Pacific Co., of Mla., Inc.
Fernando L. Garcia
Bekol Philippines
Joost Pekelharing
Borden International Philippines, Inc.
Reynaldo Adriano
Capricorn Corporation
Jose Bonoan Jr.
Citibank
Antonio Ma. Cailao
Everett Steamship Company
Fernando Guerrero
East Asiatic Company, Ltd.
Svend Ishoer
Edward J. Nell Company
Amado C. Claustre
F.F. Cruz & Company, Inc.
Jose Martin O. Aliling
Filsov Shipping Company, Inc.
Peter F. Subbotin
German Equipment Marketing Corp.
Vicente O. Novales
Gulfcast Philippines
Surinder Suri
3M Philippines, Inc.
Cesar Montevirgen
Philippine International Trading Corp.
Renato S. Angeles
Private Development Corporation
Vicente Jayme
Ralli Coney Timber (Pte) Ltd.
Edgardo P. Bautista
Resins Incorporated
Ernesto Lichauco
Robert Hildebrand Phils. Corp.
Antonio G. Puyat
Tierra Factors Corp.
Alonso R. Borromeo
Transcoastal Shipping Associates
Benjie Nepomuceno
Usipil, Inc.
Bert Rejante
International Heavy Equipment
Roy Agustin
Mindanao Native Products
Seniro Lim
Alema's Inc.
Stephen delos Santos
Zamboanga Lumber Dealers Assn.
Nestor Lopez
Agri-For Everglade Co., Inc.
Romulo G. Celi

Industry Highlights

FOREST RESOURCES

The forests of the Philippines cover more than 12 million hectares or 42 per cent of the area of all the country's islands combined. The volume of timber on commercial forest land exceeds 850 million cubic meters of which 63 per cent is dipterocarp.

Apart from legitimate logging operations, forest destruction attributed to kaingins and fire was recorded at 62,130 hectares in 1979. Against this background, the Bureau of Forest Development reported 79,397 hectares as having been reforested and brought back under forest cover with the help of the private sector. For its part the PWWA has established cooperative reforestation projects which as of 1980 cover a total of 11,500 hectares.

These cooperative reforestation projects are being undertaken by PWWA regional chapters in coordination with local BFD regional offices. There are now five such project areas established, up from last year's three namely: Romblon-Palawan-Mindanao Cooperative Reforestation Project (RPMCOP) with target areas of 500 hectares at Puerto Galera, Oriental Mindoro and 500 hectares at Puerto Princesa, Palawan; the Samar-Leyte Cooperative Reforestation project (SALERA) with 500 hectares in the Eastern Visayas Region; the Zamboanga Timber Licensees Cooperative Reforestation project (ZAMTILCO) with 2,000 hectares at Upper Baluno Watershed in Zamboanga City; Region XI Wood Industries Reforestation Project (REWIREP) with 5,000 hectares at Mt. Apo and 1,000 hectares at Lake Mainit in Davao; and the Upper Agno Bued Amborayan Chico River Watershed project (UABAC) with 196,250 hectares along Agno-Buraluen rivers in Northern Luzon.

An additional 4,000 hectares intended for the cooperative reforestation project will be established within 1981 by the other regional chapters of PWWA. These are the Northeastern Cooperative Reforestation Project (NORESCOP) with 500 hectares at Sta. Fe, Nueva Viscaya; the NOTILCORP with 500 hectares at the foot of Mt. Kanlaon; Region X Cooperative Reforestation Project (REXCOP) with 1,000 hectares in Bukidnon and 1,000 hectares in Agusan; and another project covering 1,000 hectares to be located in Cotabato.

The PWWA has made recommendations to the government for the conversion of up to 30 per cent of commercial forest land under timber license to industrial tree plantations and provide long-term soft loans for this purpose. Once this proposal becomes part of national forest policy, it would pave the way towards putting some 2.5 million hectares of forest land under intensive forest plantation management. This would be a great leap towards staving-off the domestic wood shortage scare of the future. It would also encourage the general public to invest in private tree farms and agro-forestry projects on some 500,000 hectares made available for such purpose when they see the pioneering efforts of the existing forest industry veer toward success.



TIMBER LICENSEES

More than 80 per cent of all commercial forest land in the country have been opened for utilization by the MNR through 284 timber licenses falling under various categories. Most of these logging concessions are managed by holders of long-term Timber License Agreement which have a combined capacity of producing nearly 14 million cubic meters of logs annually.



In line with the objective of the PWPA to bring about unity among those engaged in the wood industry, the association has also intensified its membership drive. Thus, during 1980, the PWPA experienced both growing pains and progress. Membership among wood industry regulars increased from 92 to 263 along with more pressure to regionalize PWPA activities. The Board of Directors responded by facilitating the establishment of two more regional chapters bringing it to a total of eight: Northern Mindanao (X), Western Mindanao (IX), Southern Mindanao (XI), Eastern Visayas (VIII), Northern Luzon (II), Western Visayas (VI), Central Mindanao (XII), and the Tagalog Region (IV). All these chapters have elected their own officers and have since been active in promoting the interests of the local wood industry behind a united front. Prominent among chapter activities are the establishment of more Cooperative Reforestation Projects, the organization of Auxillary Foresters Committees and the acceleration of various fund-raising projects.

On the national level, the Executive Committee of the Association has been very active in bringing the problems and positions of all timber licensees in general to the attention of government regulators, other trade associations and missions both regional and international, as well as of the general public. Understanding and interest of these various factions have been maintained and promoted through a number of hearings, dialogues and meetings with various government agencies and officials as well as legislators. The Association's executives participated in inter-industry meetings, seminars, workshops and conferences on such issues as energy, exports, program planning, wages and other topics that are of common interest to businessmen.

The PWPA has also been represented internationally in the Southeast Asia Lumber Producers Association (SEALPA), Asean Plywood Federation (APF), Economic and Social Commission for Asia and the Pacific (ESCAP), Asian Chambers of Commerce and Industry, Japan Economic Trade Organization (JETRO) and other organizations providing opportunities to improve foreign trade relations and promote our national interests.

For the benefit of timber licensees and wood processors in general, the PWPA adopted and promoted industry positions on government regulations and legislations detrimental to the existence and development of the forest products industry. Among the critical issues faced by the PWPA were the ad valorem tax on timber, export taxes on lumber and veneer, financing of reforestation projects, industry rationalization, log export allocations and recently, the ban on highlead logging operations inside forest lands.

PROCESSING FACILITIES

The Philippine wood industry has installed processing plants with a combined raw material requirement of more than 13.7 million cubic meters of logs annually. Operating at full capacity, they can consume almost 80 per cent of the annual allowable cut from the commercial forest land under license of over 17 million cubic meters. Most of these facilities are sawmills numbering 371 and requiring 7.6 million cubic meters a year. There are 34 plywood plants which require more than 3 million cubic meters a year. Pulp and paper mills directly located on the forest resource are on four locations with a combined pulping capacity of more than 850 tons per day requiring 1.44 million cubic meters of pulpwood annually. Other wood product mills include 23 veneer, 12 blockboard, 2 particleboard, and 2 fiberboard plants with a combined wood requirement of at least 1.6 million cubic meters annually.

In its present state, the primary wood-using industries of the country need rationalization for the reason that the capacity utilization is very poor estimated at 54%. In response to this need, the PWPA has recently sponsored a research and development project on the feasibility of confining wood processing facilities in selected geographic centers. The implementation of such concept would involve the relocation or shut-down of certain processing facilities now in operation or in existence.

LOG PRODUCTION

Logging in the Philippines became even more discouraging in 1980 as the volume of log exports dropped to 726,510 cubic meters for the whole year compared to 1,247,923 cu.m. in 1979. This meant a decelerating rate from 44 per cent in 1979 to 42 per cent in 1980 of total production. The severe reduction in log exports as well as processed wood products pulled total log production down by 23% compared to a reduction of 8% in 1979. (see Fig. 1)

The lower timber harvests was immediately felt in lower sawmill and plywood plant capacity utilization. This resulted in depressed condition of the wood industry affecting rural communities where our forest-based industries are located and reduced government revenue from forest charges, local taxes and income taxes.

The prospects for 1981 would appear dim if we were to extrapolate current trends inspite of an expected growth in demand for wood products due to population expansion and improvement in living standards. Timber extraction from the natural forest resource is likely to decline due to continuing recession in the developing countries.

LUMBER PRODUCTION

The year 1980 marked a decline in the lumber industry worldwide. Depressed international market conditions brought down demands in major importing countries such as Japan, USA, Europe, United Kingdom and Australia. This resulted in a lower lumber export from the Philippines at only 307,054 MBF in 1980, down by 20 per cent compared to 1979 levels. Foreign exchange earnings likewise went down by 10 per cent to total only \$177 million during the year. The tight market position for export lumber was aggravated by strong competition from Indonesia and Malaysia. Even as sawmill operating costs climbed in 1980, firms were forced to grant price discounts for the inventory to move. Shipping lumber products remained problematic due to irregular vessel schedules especially those bound for the European markets. (see Fig. 2)

Industrial performance levels when the market conditions are weak as obtained in 1980, indicated the advantage of integrated sawmills in maintaining profitable operations as compared to basic sawmills. Thus, the trend in the lumber business is towards fully integrated sawmills that seek to recover and utilize wastes for conversion into drawersides, plant stakes, various mouldings and other exportable wood products. Importing countries have also indicated a preference for more finished lumber products due to rising labor costs.

Market prospects during the first half of 1981 is sluggish with recovery possibly taking place in the second half. An even lower lumber production level is forecasted in 1981 not only because of poor market conditions but also because the number of operating sawmills will be reduced further by government regulations. Sawmill operators who are permitted to operate will still have to pay a 4 per cent tax on lumber exports.

Nevertheless, the PWPA is taking the lead in encouraging the establishment of wood processing centers for integrated wood utilization. It has also made clear the urgent need of the lumber business for financial assistance during these hard times.



PLYWOOD

The plywood industry suffered a severe slump in the international market in 1980. Despite the fact that such a slowdown was expected due to soaring interest rates in USA in 1979 causing reduced housing starts, the impact to the industry was more than expected. The situation in which plywood found itself was regarded as the worst, as 1980 saw the final shutdown of some of the biggest plywood plants in Korea and Japan.

Export volumes of Philippine plywood decreased along with drop in prices. Total exports dropped by 43.5 per cent from 666,141 MSF in 1979 to 464,076 MSF in 1980. The domestic market for plywood performed even worse with prices dropping by 25 per cent, and inventories piling up in the mills and in distribution channels. (see Fig. 3)

The plywood business hopes for a better prospect in 1981. But even with improving market prospects, plywood manufacturers have to contend with adverse factors such as the increasing pressure from emerging competition from new mills being established in Indonesia and the ever increasing costs.

Indonesia is emerging as a strong contender in the export market for plywood. This appears to dampen whatever advantage the Philippines has to gain with the weakening of Korea and Taiwan as plywood exporters.

GENERAL

The local demand for lumber, plywood and other wood products will increase in the coming years due to population growth and improvement in standards of living. People will consume more processed wood products.

