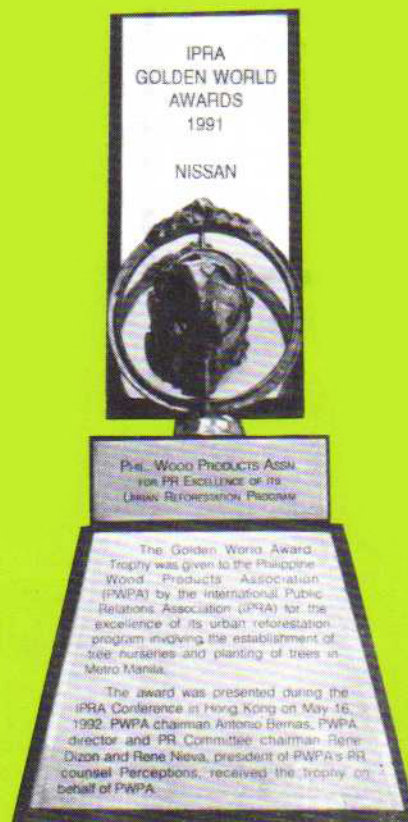




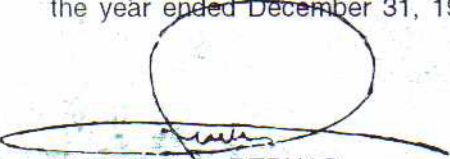
PHILIPPINE WOOD PRODUCTS ASSOCIATION

1991 ANNUAL REPORT



BOARD RESOLUTION

The Board of Directors of the Philippine Wood Products Association, by unanimous concurrence, submits here with the Statement and Annual Report of the Chairman of the Board and the President as its Report to the Members for the year ended December 31, 1991.


ANTONIO G. BERNAS
Chairman


ANTONIO C. OLIZON
President



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1991 ANNUAL REPORT

PHILIPPINE WOOD PRODUCTS ASSOCIATION





SUSTAINABLE DEVELOPMENT

The term 'sustainable development' was brought into common use by the World Commission on Environment and Development (the Brundtland Commission) in its seminal 1987 report Our Common Future.

The Brundtland Commission's definition of the term - "meeting the needs of the present generation without compromising the needs of future generations".

There is no difference between the goals of development policy and appropriate environmental protection. Both must be designed to improve welfare. It is not plausible to argue that all natural resources should be preserved. (World Development Report 1992. Development and the Environment. The World Bank.)

POLICIES FOR SUSTAINABLE DEVELOPMENT

Two types of policies are required: those that build on positive links between development and environment, and those that break the negative links. (Ibid).

SUSTAINABLE MANAGEMENT OF TROPICAL FORESTS

Sustainable forest management is the process of managing permanent forest land to achieve one or more clearly specified objectives of management with regard to the production of a continuous flow of desired forest products and services without undue reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment. (ITTO - Policy Development Series No. 3. 1992).



COMPARATIVE STATISTICAL HIGHLIGHTS



INDUSTRY PERFORMANCE

• RESOURCES^{1/}

	<u>1991</u>	<u>1990</u>	<u>Variance (%)</u>
TLAs ⁴ in existent number	58	75	-23
Annual allowable cut, 000 cu. m	2,330	4,730	-51
Forest area under licence, 000 hectares	2,271	2,812	-19
ITPLAs ⁴ in existence, number	95	81	+17
ITPLA area, 000 hectares	356	304	+17

• PRODUCTION^{2/} (IN '000 cu m)

Logs	1,626	2,503	-35
Lumber	706	841	-16
Plywood	306	397	-23
Veneer	54	49	+10

EXPORT^{3/} (Volume in 000 cu m, Value in 000 US\$ FOB)

	<u>1991</u>		<u>1990</u>		<u>Variance (%)</u>	
	Volume	Value	Volume	Value	Volume	Value
Logs	2	142	51	2,856	-96	-95
Lumber	58	16,636	77	19,424	-25	-14
Plywood	112	41,759	176	60,226	-36	-31
Veneer	33	9,459	47	13,080	-30	-28
Other wood panels	5	1,628	7	2,131	-29	-24
Other wood mfgd articles		127,068		118,549		+7

IMPORTS ^{4/} (Volume in 000 cu m; Value in 000 US\$ FOB)

	<u>1991</u>		<u>1990</u>		<u>Variance (%)</u>	
	Volume	Value	Volume	Value	Volume	Value
Logs	395	23,258	381	33,270	+4	-30
Lumber	10	1,798	4	2,144	+150	-16
Plywood	3	521	3	1,754	0	-70
Other wood mfgd products		2,522		2,748		-8

Source: All 1990 figures from Philippine Forestry Statistics, 1990: FMB/DENR.

1/ - 1991: List of Existing TLAs⁴, as of 31, December 1991 DENR.

2/ - 1991: Preliminary FBM/DENR figures, as of 31 May 1992.

3/ - 1991: Preliminary FBM/DENR figures, as of 31 May 1992.

4/ - 1991: Preliminary FBM/DENR figures, as of 18 May 1992.

Association Information

	<u>1991</u>	<u>1990</u>	<u>Variance (%)</u>
Regular Members	143	178	-20
Associate Members	7	13	-46
Revenues	7,679,733	5,732,100	+34
Expenses	5,876,625	3,989,847	+47
Assets	6,046,240	3,438,510	+76

TO OUR MEMBERS



THE WOOD-BASED INDUSTRIES IN REVIEW

The unsettled issue on whether the government should adopt a policy of a selective or a total ban on commercial logging, which has long been being debated in Congress, has continued to cause serious instability of the wood-based industries.

Near the end of the six-year administration of President Corazon C. Aquino and close to the coming synchronized national elections in mid-1992, the issue has become more political than socio-economic and environmental in nature. The House of Representative of Congress, in HB No. 21223, had adopted for a selective logging ban while the Senate, in SB 1404, for a total commercial logging ban - each respective position understandable with respect to the type of voting constituency it wanted to have an appeal to.

In the meantime, compounding this singular issue was the promulgation of a series of policies and regulations - more severe than those in the preceding years - by the Department of Environment and Natural Resources (DENR).

With this muddled albeit negative policy environment operating during the year under review, the very poor performance of the wood-based industries was anticipated and expected - as the comparative statistical data reveal.

The number of existing timber license agreements (TLAs) was reduced by 23% (from 75 in 1990 down to 58 by the end of 1991); the annual allowable cut by 51% (from 4.73 million cu m in 1990 down to 2.33 million cu m in 1991); and the forest concession areas under TLAs by 19% (from 2.81 million ha in 1990 down to 2.27 million ha in 1991).

The impact of reduced areas of operation and annual allowable cut on the supply of logs and the production of primary wood products may be appreciated in the following discussion.

Roundwood or Log Supply

The local wood production diminished by 35% (from 2.50 million cum in 1990 down to 1.63 million cu m in 1991). To augment the legal source of log supply, some primary wood processors imported some 0.40 million cu m of logs primarily from the States of Sabah and Sarawak in Malaysia, a 5% importation increase from the preceding year of 0.38 million cu m. Other wood processors had also sourced from industrial forest plantations, as in the past, in order to further augment supply of roundwood for primary wood processing.

Despite the reduction of log availability, the pressure of demand for logs was less keenly felt because of the general economic downtrend in the country during the period. The conceivable shortage of log supply needed by the informal wood processing sector could have had been met through non-legitimate supply.

Production of Wood Products

With the exception of veneer which increased by 10% from 1990 level, the production of other primary wood products such as lumber and plywood was characterized by downtrends.

Plywood production was down by 23% (from 0.40 million cum in 1990 to 0.31 million cum in 1991) while lumber was down by 16% (from 0.84 million cum in 1990 to 0.71 million cum in 1991).

As an aggregate, the total volume production of primary wood products diminished by 0.22 million cum, or 17% (from 1.29 million cum to 1.07 million cum).

Markets

Of the 1.07 million cum of aggregately produced primary wood products in 1991, 0.21 million cum, or nearly 20%, went to the export market as against the aggregate production of 1.29 million cum with 0.31 million cum, or 24%, going to the export market in 1990.

On the aggregate, there had been a 32% reduction in volume of primary wood export between 1990 and 1991; although there was an 8% average increase in unit prices of these products.

On an individual commodity basis, the 1990 and 1991 comparative export performance: logs (falcata) went down by 96% by volume (from 51,000 cum to a mere 2,000 cum) and 95% by value (from US\$2.86 million to US\$ 0.14 million); lumber down by 25% by volume (from 77,000 cum to 58,000 cum) and 14% by value (from US\$ 19.42 million to US\$ 16.64 million); plywood down by 36% by volume (from 176,000 cum to 112,000 cum) and 31% by value (from US\$60.23 million to US\$41.76 million); veneer down by 30% by volume (from 47,000 cum to 33,000 cum) and 28% by value (from US\$13.08 million to US\$9.46 million); and other wood panels down by 29% by volume (from 7,000 cum to 5,000 cum) and 24% by value (from US\$2.13 million to US\$1.63 million). The usual traditional markets absorbed the export of these commodities.

The manufactured articles showed the only slight in-

crease of 7% in terms of export value (from US\$118.55 million in 1990 to US\$127.07 million in 1991. It maybe noted, however, that this group of wood manufactured articles has become dominant among wood export commodities, accounting for 55% of total export of wood products of US\$216.27 million, surpassing the combined primary wood products export of just US\$97.72 million in 1990. In 1991 this group accounted for 65% of all wood products export which totalled US\$196.69 million, again surpassing the combined primary wood products export of just US\$69.62 million. The export trend indeed is toward highly-finished, high added value wood products. Obvious, however, is the high dependence of this downstream manufacturing sector on the primary wood-based industries that supply the raw materials of the former.

The balance between the locally manufactured and minimally imported primary wood products and those that went to export, needless to say, was absorbed by the domestic market - segmented into the end-user construction and housing industries and the export-oriented downstream wood-based industries.

Viewed against log and primary wood products impor-

tation which, in 1991, amounted to 408,000 cum in volume (97% in logs) and US\$25.58 million in value (91% due logs), a positive net trade balance of US\$44.04 million was achieved by the country as against US\$59.00 million in 1990 - both, nonetheless, mere shadows of US\$170.00 million positive net trade balance in the commodities achieved in 1989.

Major Issues Faced

The 1990 and 1991 local production, export, and trade balance performances simply reflected the grave difficulties the primary wood-based industries had undergone, and continue to undergo, through severe government policy indecisions and constraints, undoubtedly being strongly influenced by the environmentalists. Elsewhere in this Report is a summary of the major issues that confronted the wood-based industries during the period under review.

Unless the next administration intervenes positively, the wood-based industries as a whole can hardly expect for even a mild turn around and perhaps, to proceed to a form of stability for an extended life cycle.



Its forest nursery and greening project in Metro Manila merited for PWPA a Golden World Award for Excellence from the International Public Relations Association.



THE ASSOCIATION

Your Association - through its Board of Directors and Officers - continued to exert its utmost best to protect the interest of its members and the wood-based industries as a whole, including the downstream wood processing and the consumer sectors. It lobbied in Congress against a total commercial logging ban. It convinced Congress for a fair forest tax as it argued before the Court against the environmental fee imposed by the DENR.

Your Association intensified its public information campaign as it participated in various urban reforestation and metro greening projects deemed at expressing concern for a more habitables urban areas and at the same time projecting the true image of the wood-based industries. Parenthetically, your Association's efforts at urban greening activities merited the recognition of no less than the prestigious International Public Relations Association, the reputable aggrupation of PR professionals around the world.

Your Association continued to be active in international and regional forestry, wood industry and trade fora. Representing PWPA in meetings of the Asean Panel Producers Federation (APPF) during the year were Directors Ernesto F. Sanvictores and Edith I. Alcantara and Executive Director L. D. Angeles who continued to be the Chairman of APPF Council, the Philippine Head of Del-

egation, and the Secretary-General of APPF, respectively. Representing PWPA in the meetings of Asia-Pacific Tropical Timber Organization (ATTO) during the year were PWPA Chairman of the Board of Directors Antonio G. Bernas and PWPA President Antonio C. Olizon. Director Sanvictores continued to serve as Chairman of the Council of the International Tropical Timber Organization (ITTO) and during his term three separate significant international meetings, in Japan, Chile and Indonesia, were convened to elavate the concern of tropical countries in sustainable management of their forest resources.

The perspectives and views of the wood-based industries on the concept of sustainable development of natural resources were invariably elaborated on, through the presentation of policy papers in various regional and local fora, by Directors Bernas, Olizon and Sanvictores.

Finally, through this Report, your Board of Directors and Officers would like to express their profound gratitude to all the members of the Association who, without exception, stood by them during the many periods of anxieties, agonies and difficulties and who, as one, sustained them with the much-needed moral courage and tangible support in order that the wood-based industries may persevere.



ANTONIO G. BERNAS
Chairman



ANTONIO C. OLIZON
President

1991 MAJOR INDUSTRY ISSUES



The Issues	Position Taken By PWPA	Status
A. Arising from Administration Orders of DENR		
1. Mandatory reforestation deposit, per DAO No. 01, s. 1991		
1.1 Immediate suspension and/or cancellation of TLA due to deficiency in reforestation accomplishment incurred within the year.	Because of the climate dictating the time of planting, a TLA holder should be allowed to cover up for the deficiency the following year instead of immediately.	The DENR accepted the PWPA proposal.
1.2 Posting by the TLA of a 3-year surety bond for faithful compliance of reforestation.	The amount and/or premium is excessive; collateral difficult to satisfy; and the rules are replete with safeguards and/or penalties.	The DENR tabled this condition for future studies.
2. Shifting logging from virgin to residual forest, per DAO No. 24, 1991.	PWPA requested for a gradual phase-out of logging from virgin to residual forests.	The DENR disapproved the request and insisted on the shift by 01 January 1992.
3. Revised regulations re: industrial forest plantation development and issuance of IFMA, per DAO No. 42, s. 1991.	PWPA submitted to the DENR a number of amendments to the regulations; e.g. automatic conversion of former ITPLA into IFMA; do away with performance bond; period of development at discretion of IFMA holder and not within 5 years; comprehensive plan attuned to first rotation and not for a 25 years horizon; and access to second growth not tied with entire development of IFP.	The DENR accepted PWPA rationale and amendments being worked out with NRMP, ADB and DENR.
4. Regulations re: export of finished and semi-finished wood products and imposing a 1% verification and inspection fees based on FOB value of wood export, per DAO No. 54, s. 1991.	Regulations are not only contrary to the national policy of expediting export but like-wise contrary to normal procedures of export and the fees are excessive and will make export uncompetitive.	The DENR issued DAO No. 01, s. 1992 suspending the implementation of DAO No. 54, s. 1991 as it reverted to the old procedures of export.
5. Interim rates of forest charges pursuant to R.A. No. 7161, per DAO No. 56, s. 1991.	DENR imposed a fixed rate of P550 for common and construction hardwoods. PWPA submitted that in the implementation of R.A. 7161 regional prices, instead of national average, be considered as basis of ad valorem tax.	The DENR convened the Log Price Committee per DENR Memo Circular No. 16, s. 1991. The guidelines for average FOB market prices for Luzon, Visayas and Mindanao now contained in DENR Adm. Order No. 65, s. 1991.
6. No hauling of logs from virgin forest effective Jan 01, 1992, per Memo Order No. 09, s. 1991.	PWPA requested for extension period, since DAO No. 24, s. 1991 prescribed the ending of logging in virgin forest by Jan 01, 1992 it is not possible to haul down logs immediately by Jan 01, 1992 also.	The DENR, through memoranda to REDs, allowed the hauling beyond Jan 01, 1992 provided logs are in decks or ponds.
7. No logging unless permanent land-use plan for concession area indicated in the IAOP, per DENR Memo Circular No. 15, s. 1991.	PWPA submitted that an aerial photo coverage, a project yet to be undertaken under DAO No. 88, s. 1991, will be necessary to comply with this requirement.	The DENR temporarily suspended this requirement for the preparation of CY 1992 IAOP until the aerial photo project is completed.

8. Imposition of various fees.

8.1 DENR REDs imposing license fee, per complaints of some PWPA TLA-holder.

PWPA submitted the position that such license fee is a part of the forest tax under R.A. 7161.

The DENR agreed with PWPA and accordingly instructed its REDs.

8.2 DENR REDs imposing silvicultural fee for damaged residuals, per complaints of some PWPA TLA -holder members.

Same position as above; besides, based on 4 times the forest tax, the fee is exorbitant and more than the TSI cost per hectare for which the fee is intended.

The DENR temporarily suspended implementation of this requirement until further studies.

8.3 Inspection fee on wood export.

Please see item 4, above.

Please see item 4, above

9. Logging operations to be in limbo in CY 1992 as results of the inventory of residual forest, analysis of data, etc, are very late.

Realizing the slow progress of field inventory, PWPA by the last quarter of 1991 requested DENR for temporary allowable cut for TLA holders.

The DENR assured PWPA that the shift from virgin to residual forest will be on schedule. Until end of 1991, no grant of acc.

B. Arising from Congress

1. In main spirits, HB No. 21223 and SB1404, as passed by the respective chamber of Congress, seem very different. The former is toward selective logging ban; the latter, toward total commercial logging ban.

PWPA, perforce, supported HB No. 21223 and fought against SB 1404. Senator Guingona's amendment seeking exemption for TLA holders with good track records in forest management and wood processing was defeated by Senator Mercado's amendment for no-exemption logging ban.

These two bills are now with the Senate-House bicameral Conference Committee who will try to find a common ground to reconcile the conflict between selective and total logging ban provisions separately contained in the bills.

2. HB No. 22401 was passed by the House imposing a 20% ad valorem tax on the FOB, market price of logs. The Senate amended the bill imposing a high 40% ad valorem tax.

Of the two percentage versions of the forest tax bill with the bicameral Conference Committee, PWPA submitted a position that the lower percentage is fair and equitable to producers, consumers and the government.

The bicameral Conference Committee approved a 25% ad valorem tax which eventually was signed into law. R. A. No. 7161 abolished the environmental and other fees imposed by the DENR.



The country's future timber supply is from industrial forest plantations.

DIRECTORS OF THE BOARD IN PICTURES



CLOCKWISE:

1. The 1991 Board of Directors.
2. Some directors at serious works.
3. The Chairman, the Executive Director, the EVP and President in a huddle.
4. Some directors in a light moment.
5. Again, some directors at serious works.

BOARD OF DIRECTORS

ANTONIO G. BERNAS

Chairman

CELSO E. ABASTILLAS

(Zamboanga Wood Products, Inc.)

EDITH I. ALCANTARA

(C. Alcantara & Sons, Inc.)

JOSE CH. ALVAREZ

(Pagdanan Timber Products, Inc.)

JOSELITO C. BALTAZAR I

(Palawan Lbr. Mfg. Corp.)

RENE DIZON

(Provident Tree Farms, Inc.)

DAVID C. GOLANGCO

(Grand Pacific Ent.)

SEVERINO T. DE GUZMAN

(Industries Dev. Corp.)

JOSE A. LORENZO

(Twin Peaks Export Corp.)

FERNANDO A. LU

(Pacific Timber Export Corp.)

EVARISTO M. NARVAEZ, JR.

(Paper Industries Corp. of the Phils.)

PEDRO A. NISPEROS

(Nasipit Lumber Co., Inc.)

ANTONIO C. OLIZON

(Timber Industries of the Phils., Inc.)

ERNESTO F. SANVICTORES

(Ares-Asan Timber Co., Inc.)

LEONARDO G. ZAGALA

(Timber Industries Dev. of Mindanao, Inc.)

ADVISORY COUNCIL

ARISTEO G. PUYAT

Chairman, Advisory Council
(Surigao Development Corp.)

ERNESTO F. SANVICTORES

Co. Chairman Advisory Council

GERMAN B. ARANEZ

JOSE E. DE LA ROSA

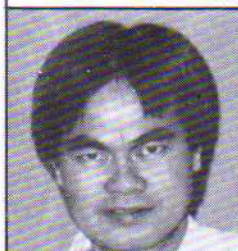
MANUEL L. MORATO

PEDRO M. PICORNELL

ROBERTO V. REYES



BERNAS



ABASTILLAS



ALCANTARA



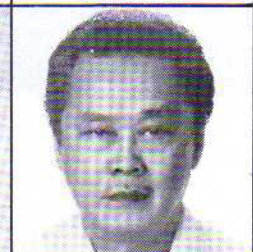
ALVAREZ



BALTAZAR



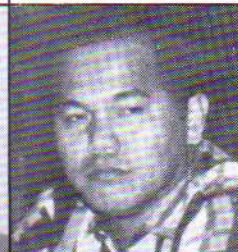
DIZON



GOLANGCO



DE GUZMAN



LORENZO



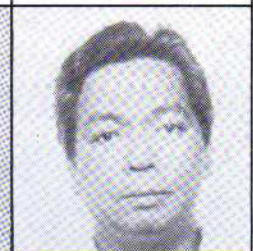
LU



NARVAEZ, JR.



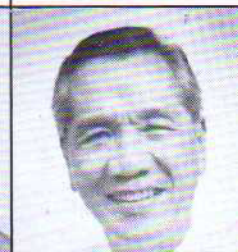
NISPEROS



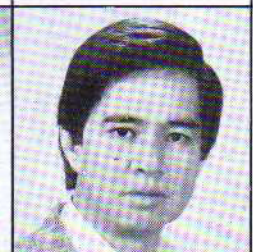
OLIZON



SANVICTORES



ZAGALA



PUYAT

EXECUTIVE OFFICERS

ANTONIO C. OLIZON
President

FERNANDO A. LU
Executive Vice-President

CELSO E. ABASTILLAS
Treasurer

EDITH I. ALCANTARA
VP-Plywood & Other Panel Products

JOSE CH. ALVAREZ
VP-Timber

JOSELITO C. BALTAZAR I
VP-Forestry/Reforestation/Plantation

SEVERINO T. DE GUZMAN
VP-Legal & Government Relations

DAVID C. GOLANGCO
VP-Lumber and Related Products

JOSE A. LORENZO
VP-Membership

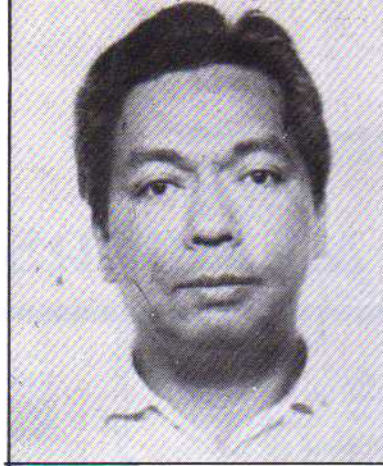
RENE DIZON
VP-Public Information

LEONARDO D. ANGELES
Executive Director and Board Secretary

SECRETARIAT

CELIA P. DUCAY
Administrative Officer

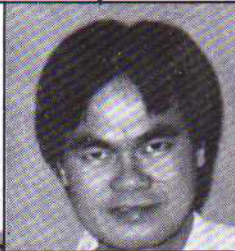
REGINO M. SERAFICO
Accounts Officer



OLIZON



LU



ABASTILLAS



ALCANTARA



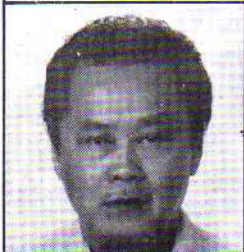
ALVAREZ



BALTAZAR I



DE GUZMAN



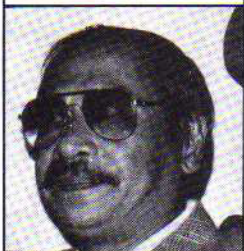
GOLANGCO



LORENZO



DIZON



ANGELES



DUCAV



SERAFICO

OUR MEMBERS



Region I

Aveco Equipment Corp.
91-95 Panay Avenue
Diliman, Quezon City
Mr. Domingo C. Cham

BMC Forestry Corp.
Benguet Centre, Dona Julia
Vargas St. cor. San Miguel
Ave., Mand. Metro Manila
Mr. Vicente T. Battad

Region II

BRQ Tbr. & Dev'l. Corp.
155 Don Manuel, Quezon City
Ms. Carole Y. Quiroigico

Green Valley Timber Corp.
IDC Compound, E. Rodriguez Jr.
Ave., Ugong Norte, Q.C.
Mrs. Consuelo Ong

JPE Dev'l. Corp.
3/F Quad Star Building
Ortigas Ave., Greenhills
San Juan, Metro Mla.
Mr. Jaime Cua

La Villa Res. Corp.
3/F EWAN Building
Quintin Paredes St., Binondo, Mla. Ia.
Mr. Charlie Chan

Luzon Loggers, Inc.
3/F Quad Star Bldg.
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San Juan, Metro Manila
Mr. Jaime Cua

Amunitan Bay Tbr. Lic. Inc.
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Binondo, Manila
Mr. Florio Buñag

Consolidated Log. & Lbr. Mills, Inc.
R-503 # 37 Greenhills Mansion
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San Juan, Metro Manila
Mr. Victor Ang

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Mr. Alejo Dy

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Mr. Francisco U. Pena

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Mr. Fernando A. Lu

Nor-Luz Timber, Inc.
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Mr. Alex Coseto

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Mr. Vicente S. Chan

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Engr. Benjamin Dy

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Mr. Arthur Dee

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Kalookan City
Mr. Mariano C. Moreno

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Binondo, Manila
Mr. Chin San Cordova

Sierra Madre Wood Ind., Inc.
c/o Emco Plywood Ind., Inc.
Gr. /F W & W Building
106 Aguirre St. L. V.
Makati, Metro Manila
Mr. Vicente Chan

Twin Peaks Dev'l. Corp.
3/F OMI Bldg. 20th St.
cor. Bonifacio Drive
Port Area, Manila
Mr. Jose Lorenzo

Sta. Teresita Wood Ind. Inc.
Rm. 514, Federation Ctr. Bldg.
Muelle de Binondo, Manila
Andy de Guzman

G M W P A

A & A Wood Corp.
205 Maysan Road
Valenzuela, Metro Manila
Mr. Manuel Anbio

Alaska Lumber Co., Inc.
2071 Int. Raxa Bago St.
Juan Luna, Tondo, Mla.
Mr. Felipe Lee

Atlas Wood Industries, Inc.
387 MacArthur Highway
Malinta, Valenzuela, MM
Mr. Jimmy Lim

Canada Sawmill
Marulas, Valenzuela
Metro Manila
Mr. Juan S. Ong

Capitol Sawmill Corp.
Paseo de Blas, Valenzuela
Metro Manila
Mr. Rufino Chua

Elco Wood Processing Corp.
San Juan, Balagtas
B u l a c a n
Mr. Juan L. Santiago

Goldenforest Trde Int'l. Corp.
173 Gen., Luis St.
Novaliches, Quezon City
Mr. Benjamin Uy

Great World Ind'l Int'l Corp.
Bo. Canumay, Valenzuela
Metro Manila
Mr. Benjamin Coquinco

Great Wood Corp.
Vicente Reales St.
Valenzuela, Metro Manila
Mr. Alfredo Go

Industrial Timber Corp.
R-504 ITC Building
337 Sen. Gil. J. Puyat Ave.
Makati, Metro Manila
Dr. Tomas T. Tangsac, Jr.

New Bocaue Sawmill Co., Inc.
Km. 25 MacArthur Highway
Bunlo, Bocaue, Bulacan
Mr. Micael Tan

Oversea Sawmill, Inc.
473 MacArthur Highway
Valenzuela, Metro Manila
Mr. Adriano Chua

Bonamy Enterprises
Bo. Wakas, Bocaue
Bulacan
Mr. Bonifacio Bonamy

Canumay Wood Corp.
T. Santiago St.
Bo. Canumay Valenzuela
Metro Manila
Mr. Jose L. Chua

Century Hardwood & Lbr. Co. Inc.
2627 T Earnshaw St.
Tondo, Manila
Mr. Tay Chun Lai

East Asia Sawmill Corp.
1235 E. delos Santos Avenue
Balintawak, Quezon City
Mr. James Lee

Extensive Wood Processing Corporation
Km. 15 MacArthur Highway
Dalandanan, Valenzuela MM
Mr. Johnny Chan

Golden Star Industrial Corp.
Bo. Patubig, Marilao
Bulacan
Mr. Benjamin Coquinco

Grand Pacific Ent., Inc.
17-1/2 Km. MacArthur Highway
Meycauayan, Metro Manila
Mr. David Golangco

Guiguinto Intg. Wood Ind. Corp.
Guiguinto Tambang, Bulacan
Mr. Walter Villanueva

Meycauayan Sawmill
Saloysoy, Meycauayan
Metro Manila
Mr. Vicente Tan

Atlanta Wood Dev'l Corp.
12 T. Santiago St.
Canumay, Valenzuela
Metro Manila
Mr. Tan Chin

Panama Sawmill Co.
Bry Karuhatan
Valenzuela, Metro Manila
Ms. Tan Tiong Hua

Philwood Sawmill Co., Inc.
2037 J. Luna Int.
598 Raxa Bago, Tondo, Mla.
Mr. Henry Tan

Sahara Wood Corp.
2T. Santiago St.
Canumay, Valenzuela, MM
Mr. Tan Chin

Sta. Ana Industrial Corp.
2735 Old Panaderos St. Sta. Ana, Manila
Mr. Edward Coquinco

Tabang Sawmill, Inc.
Tabang, Guiguinto, Bulacan
Mr. Jose Ong, Jr.

Valenzuela Hardwood Ind'l. & Supply Inc.
Malinta, Valenzuela
Metro Manila
Mr. Tony Tan

South Palawan Wood Processing Corporation
Banga, Meycauayan
Metro-Manila
Mr. David M. Golangco

Southern Sawmill
1331 Dagupan St.
Tondo, Manila
Mr. Tiong Ben dela Cruz

T.C. Builders Suppliers, Inc.
Sta. Rosa, Marilao, Bulacan
Mr. Ping Tan

Tanduay Lumber, Inc.
Bo. Wakas, Bocaue
B u l a c a n
Mr. Andrew Loo

Woodchips International, Inc.
Dalandanan, Valenzuela
Metro Manila
Mr. Crispin Trajano

Region III

Benguet Corp. Masinloc Chromite Operation
No. 12 San Miguel Ave. cor.
J. V. Vargas St., Mand.
Metro Manila
Mr. Jose Arnobit

Goodyear Timber Products Corp.
Maple Resources Dev'l Corp.
Pandayan, Meycauayan
Metro Manila
Mr. Benny Coquinco

Maple Resources Devt. Corp.
27 C. Compound
Baylagundo
Valenzuela, M.M.

Rosewood Processing, Inc.
1012 E. delos Santos Avenue
Project 7, Quezon City
Mr. Julian Ong

Lauan Pacific Res. Corp.
123 Kaingin Road, Balintawak
Quezon City
Ms. Maria Carina Evangelista

New Olympic Industrial Corp.
25 Km. MacArthur Highway
Bunlo, Bocaue, Bulacan
Ms. Imelda Rogando

Scala Sawmill
R-560 Padilla delos Reyes Bldg.
232 Juan Luna St., Binondo
M a n i l a
Mr. Francisco U. Peña

Region IV

Inter-Pacific Forest Res. Corp.
R-203 Anita Building
1300 Quezon Avenue, Circle
Quezon City
Mr. Alfredo Ong

Goyu and Sons, Inc.
R-333 FEMII Bldg.
Aduana St., Intramuros
M a n i l a
Mr. Go Song Hiap

Pagdanan Timber Products, Inc.
c/o Columbian Motors
Andrews Ave. cor. Aurora Blvd.
Pasay City
Mr. Jose Ch. Alvarez

RCC Timber Corp., Inc.
IDC Compound, E. Rodriguez Jr.
Avenue, Ugong Norte
Quezon City
Mr. Roberto Hallare

Mt. Banahaw Wood Ind., Inc.
Km. 114 Barangay Sto. Cristo
Sariaya, Quezon
Mr. Rafael Tantuco

Pacific Timber Export Corp.
2/F LGI Building, Ortigas Ave.
Greenhills; San Juan, Metro Mla.
Gen. Felizardo R. Tanabe

Industries Devl. Corp.
IDC Compound, E. Rodriguez Jr.
Avenue, Ugong Norte
Quezon City
Mr. Joselito Ong

Interwood (Sawmill Div.)
Dalig, Cagsiay 2
Mabuan Quezon
Mr. Johnson C. Santos

Nationwide Princessa Tbr. Corp.
c/o Columbian Motors
Andrews Ave. cor. Aurora Blvd.
Pasay City
Mr. Peter Roxas

Palawan Lbr. Manufacturing Corp.
3/F JAKA II Bldg., Legaspi St.
Legaspi Village, Makati
Metro Manila
Mr. Jose C. Baltazar I

Verdant Agro-Forest Dev'l. Corp.
Ground Flr. Metrobank Building
Wilson St., San Juan, Metro Mla.
Mr. Godofredo B. Alla

Roberto Gopuansuy, Sr.
2152-A Kanluran Street
Balut, Tondo, Manila
Mr. Roberto Gopuansuy, Sr.

Tableria Tan Tao Sawmill, Inc.
5/F APMC Bldg., Amorsolo St.
Legaspi Vil. Makati, Metro Mla.
Mrs. Sandra Yu Shaw

N C R

Far East Timberland & Plywood Corporation
917 Susano Avenue
Novaliches, Quezon City
Mr. Gregorie Lee

International Plywood Corp.
346 Isabel St., Sta. Ana
M a n i l a
Mr. Raymundo Ong

Prime Mahogany Producers Corp.
65 Antonio St., Dalandanan
Valenzuela, Metro Manila

Republic Wooden Commodities Manufacturing Corp.
917 Susano Ave., Novaliches
Quezon City

Region VII

Philwood (Cebu), Inc.
671-673 C Padilla St.,
Cebu City
Mr. T. Tam Ngo

Region VIII

Timber Producers & Mktg. Corp.
7N Vernida I Building
120 Amorsolo Street
Legaspi Village, Makati
Metro Manila
Mr. Devin Uraya

San Jose Timber Corp.
2111 Pasong Tamo cor.
Tindalo Sts., Makati Metro Manila
The President

Region IX

Westmin Forest Products, Inc.
Formerly El Salvador Tbr. Corp.
Mintrade Drive, Lanang
Davao City

Mindanao Estates Tbr. Corp.
2227 Jose Abad Santos Ave.
Tondo, Manila
Mr. Jose Dy

Sirawai Plywood & Lumber Corp.
1881 Pres. Quirino Ave. Ext.
Plaza Dilao, Paco, Manila
Mr. Antonio G. Bernas

Westmin Forest Products, Inc.
Mintrade Drive
Davao City
Mr. Guilbert Go

First Plywood Corp.
1881 Pres. Quirino Ave. Ext.
Plaza, Dalao, Pandacan, Manila
Mr. Antonio G. Bernas

Great Pacific Tbr. & Dev't. Co.
5/F VRC Bldg.
221 Sen. Gil J. Puyat Ave.,
Makati, Metro Manila
Mr. Celso E. Abastillas

Zamboanga Wood Products, Inc.
5th Floor, VRC Bldg.
221 Sen. Gil J. Puyat Ave.
Makati, M.M.

Region X

Agusan Wood Ind. Inc.
R-504 ITC Building
Sen. Gil J. Puyat Ave.
Makati, Metro Manila
Dr. Tomas T. Tongsoc, Jr.

Casilayan Softwood Dev'l. Corp.
2111 Pasong Tamo cor. Tindalo Sts.
Makati, Metro Manila
Ms. Angeline G. Avinado

Emco Plywood Corp.
Gr. Flr. W & W Bldg.
106 Aguirre St., Legaspi Vil.
Makati Metro Manila
Mr. Louis S. Coson

Liberty Forests, Inc.
91 Sen. Gil J. Puyat Avenue
Makati, Metro Manila
Mr. Jose T. Ching

Master Wood Ent. Corp.
Phividec Ind'l. Estate
Baluarte, Tagoloan
Misamis Oriental
Mr. Willie Tan

Nasipit Lumber Co., Inc.
5/F Maritima Building
117 Dasmarias St.
Binondo, Manila
Mr. Pedro Nisperos

Provident Tree Farms, Inc.
PHIMCO Compound
A. Bautista Street
Punta, Sta. Ana Manila
Mr. Rene Dizon

Royal Match, Inc.
2111 Pasong Tamo cor.
Tindalo Sts., Makati
Metro Manila
Mr. Luis Roldan

Timber Ind. of the Phils., Inc.
Suite 502 State Condominium I
Salcedo St., Legaspi Village
Makati, Metro Manila
Mr. Antonio C. Olizon

Anakan Lumber Co.
5/F Maritima Building
117 Dasmarinas Street
Binondo, Manila
Mr. Pedro Nisperos

Cagayan de Oro Timber Corp.
Puntod, Cagayan de Oro City
Mr. Prudencio T. Plaza, Jr.

Davao Mahogany Products, Inc.
No. 10th, 13th Street
New Manila, Quezon City
Ms. Helen D. Sanchez

Mainit Lbr. & Dev'l. Co., Inc.
91 Sen. Gil J. Puyat Ave.
Makati, Metro Manila
Mr. Jose T. Ching

Phil. Wallboard Corp.
5/F Maritima Building
117 Dasmarinas Street
Binondo, Manila
Mr. Pedro Nisperos

Sta. Ines-Melale Corporation
3/F Maripola Building
109 Perea St., Legaspi Village
Makati, Metro Manila
Ms. Emiliana P. Crisostomo

Union Plywood Corp.
R-502 State Condominium I
Salcedo St., Legaspi Village
Makati, Metro Manila
Mr. Antonio C. Olizon

Top Forest Developers, Inc.
G/F Cordova Building
Valero St., Salcedo Village
Makati, Metro Manila
Mr. Robert N. Kua

Markwood Phil. Mfg. Corp.
Cabanglasan
Bukidnon
Mr. Joselito B. Ong

Agusan Plywood Corp.
No. 220 Wilson St.
Greenhills, San Juan
Metro Manila
Mr. Alfredo C. Roxas

Region XI

Anchorage Wood Ind., Inc.
2458 Bayview Drive
Tambo, Paranaque
Metro Manila
Mr. George Yusingco
Aras-asan Timber Co., Inc.
30 Scout Tuazon St., Diliman
Quezon City
Mr. Ernesto F. Sanvictores

C. Alcantara & Sons, Inc.
ALSONS Bldg., 2286 Pasong Tamo
Ext., Makati, Metro Manila
Ms. Edith I. Alcantara

Davao Enterprises Corp.
788-790 Juan Luna Street
Binondo, Manila
Ms. Evelyn Uy

Davao Plywood Co., Inc.
R-6A Vernida I Building
Amorsolo St., Legaspi Village
Makati, Metro Manila
Mr. Robert Limso

L. S. Sarmiento & Co., Inc.
Sarmiento Building # II
Pasong Tamo Ext., Makati Metro Manila
Mr. Napoleon Coma

Consolidated Plywood Ind. Inc.
R-202 Cityland III Herrera cor.
Esteban Streets
Legaspi Village, Makati, MM
Mr. Henry C. Wee

Lianga Bay Logging Co., Inc.
2/F Emerald Bldg., Emerald Ave.
Ortigas Complex, Pasig
Metro Manila
Mr. Armando Cruz

Landasan Timber Corp.
Block 13, Lot 20, Palmera
Townhomes, Phase IV, Fairview
Quezon City
Mr. Josue G. Tesado

Surigao Dev'l. Corp.
4/F ENZO Building
399 Sen. Gil J. Puyat Ave.
Makati, Metro Manila
Mr. Aristeo G. Puyat

Valderrama Lbr. Mfrs. Co., Inc.
13 Juna Avenue, Matina
Davao City
Mr. Leodegario Bautista

Ever Sun Dev'l. Ltd.
Sarmiento Building # 11
Pasong Tamo Ext., Makati
Metro Manila
Mr. Aristides M. Escosora

M F Timber Industries, Inc.
332 Araneta Ave. cor. Balot St.
Quezon City
Mr. Mariano Ong

Mindanao Lbr. Dev'l. Co., Inc.
15/F G. Antonino Building
T. M. Kalaw St., Ermita
M a n i l a
Mrs. Magnolia Antonio

Paper Ind. Corp. of the Phils.
Center Point Condominium
Julia Vargas Ave.
corner Garnet St., Pasig
Metro Manila
Mr. Evaristo M. Narvaez, Jr.

Super Plywood Corp.
R-601 State Condominium I
Salcedo St., Legaspi Village
Makati, Metro Manila
Engr. Julius Farin

Timber Producers & Mktng. Corp.
Gr. Flr. W & W Building
Aguirre St., Legaspi Village
Makati, Metro Manila
Mr. Louis S. Coson

Ventura Timber Corp.
Zamora St. cor. Luz Village
Km. 2, Butuan City
Mr. Mario G. Vijungco

Davao Mahogany Products, Inc.
Ground Floor, CVC Bldg.
A. D. Curato Street
Butuan City
Mr. Diosdado R. Hampac
Officer In-Charge

Region XII

Ever Sun Dev'l. Ltd.
Sarmiento Building # II
Pasong Tamo Ext., Makati Metro Manila
Mr. Aristides M. Escosora

Cotabato Timberland Co., Inc.
1881 Pres. Quirino Ave. Ext.
Plaza Dilao, Pandacan Manila
Mr. Antonio G. Bernas

Findlay Millar Thr. Co.
Unit C Ground Floor, Cordova Bldg.
Valero corner Cedeno Sts.
Salcedo Village,
Makati, Metro Manila
Ms. Maria Teresita N. Kua

Vicmar Dev'l. Corp.
Unit C Ground/F Cordova Bldg.
Valero Cor. Sedeno Sts.
Salcedo Village, Makati, M. M.
Ms Maria Teresita N. Kua

Minrico Lumber Ent. Co., Inc.
Suite 502 State Condominium I
Salcedo St., Legaspi Village
Makati, Metro Manila
Mr. Celso C. Dionisio

Thr. Ind. & Dev'l. of Mindanao Inc.
26-C South Drive
Gilmore Town Homes
Granada St., Quezon City
Datu Saripada A. Pacasum

ASSOCIATE MEMBERS

Borden Int'l. Phils., Inc.

Suite 1001 Filipinas Life Bldg.
Ayala Ave., Makati, Metro Manila
Mr. Reynaldo Adriano

Phil. Transmarine Carrier, Inc.

PTC Bldg. 105 Aguirre St.
Legaspi Village, Makati, Metro Manila
Mr. Carlos C. Salinas

Carl Ronnow (Phils.), Inc.

Rm. 401 Greenbelt Mansion
106 Perea St., Legaspi Village
Makati, Metro Manila
Mr. Jan Nowakowski

A G & P Co., Inc.

Pasong Tamo Ext.
Makati, Metro Manila
Mr. B. C. Sumbilla

Monark Equipment Corp.

150 E. Rodriguez Jr. Ave.
Libis, Quezon City
Mr. Jose Antonio Banson

Resins, Inc.

E. Rodriguez Jr. Ave.
Bagong Ilog, Pasig
Metro Manila
Mr. Meneleo Carlos

German Machineries

110 Timog St.
Quezon City
Mr. Eberhard Junginger



THE SGV GROUP

WITH BRANCHES IN KEY CITIES
OF THE PHILIPPINES

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

P.O. BOX 256, MAKATI CENTRAL POST OFFICE
1299 METRO MANILA, PHILIPPINES

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CABLES CERTIFIED
TELEX NO. 63743 SGV PH

Address
6760 AYALA AVENUE, MAKATI
METRO MANILA, PHILIPPINES

The Board of Directors
Philippine Wood Products Association, Inc.

We have examined the balance sheets of Philippine Wood Products Association, Inc. (a nonstock, nonprofit corporation) as at December 31, 1991 and 1990, and the related statements of revenue and expenses and changes in financial position 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, 1991 and 1990, and its revenue and expenses and the changes in its financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Sycip, Gorres, Velayo & Co.

February 10, 1992

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(A Nonstock, Nonprofit Corporation)
BALANCE SHEETS

	December 31	
	1991	1990
<u>A S S E T S</u>		
CURRENT ASSETS		
Cash (Note 4)	₱2,956,322	₱329,929
Short-term cash investments	1,771,387	1,693,862
Due from members (net of allowance for doubtful accounts of ₱195,940 in 1991 and ₱440,503 in 1990)	470,216	614,100
Other receivables	409,853	255,788
Total Current Assets	5,607,778	2,893,679
PROPERTY AND EQUIPMENT - Net (Note 3)	428,762	535,131
OTHER ASSETS	9,700	9,700
	₱6,046,240	₱3,438,510

LIABILITIES AND MEMBERS' EQUITY

ACCOUNTS PAYABLE AND ACCRUED EXPENSES	₱1,244,265	₱376,750
DUES COLLECTED IN ADVANCE	17,862	80,755
MEMBERS' EQUITY		
Balance at beginning of year	2,981,005	1,238,752
Excess of revenue over expenses	1,803,108	1,742,253
Balance at end of year	4,784,113	2,981,005
	₱6,046,240	₱3,438,510

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(A Nonstock, Nonprofit Corporation)
STATEMENTS OF REVENUE AND EXPENSES

	Years Ended December 31	
	1991	1990
REVENUE		
Membership dues	₱3,802,092	₱4,258,340
Special assessment	620,000	-
Assessment dues	516,741	651,021
Associate membership dues	22,000	22,000
Interest and others (Note 4)	2,718,900	800,739
	7,679,733	5,732,100
EXPENSES		
Public relations and information expenses	2,190,902	1,108,812
Transportation and travel	571,739	431,248
Special project expenses	500,450	366,008
Salaries, wages and employee benefits	462,175	187,830
Provision for doubtful accounts	395,603	179,619
Donations and gifts	367,782	410,609
Regional chapters expenses (Note 5)	332,363	349,205
Professional fees	288,799	187,850
Meetings and conferences	216,606	272,401
Telephone, telegram and postage	134,083	93,204
Condominium expenses, light and water	108,150	89,168
Depreciation	82,741	82,469
Membership dues	77,400	63,350
Office expenses	74,029	95,397
Insurance	42,702	10,312
Taxes and licenses	12,671	13,265
Retirement	-	40,000
Miscellaneous	18,430	9,100
	5,876,625	3,989,847
EXCESS OF REVENUE OVER EXPENSES	₱1,803,108	₱1,742,253

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(A Nonstock, Nonprofit Corporation)
STATEMENTS OF CHANGES IN FINANCIAL POSITION

	Years Ended December 31	
	1991	1990
SOURCES OF FUNDS		
Excess of revenue over expenses	₱1,803,108	₱1,742,253
Depreciation, an item not affecting funds	82,741	82,469
Total from operations	1,885,849	1,824,722
Increase (decrease) in accounts payable and accrued expenses	867,515	(415,173)
Net book value of office equipment transferred to PWPA Reforestation Trust Fund	24,325	-
Decrease (increase) in due from members	143,884	(436,730)
	2,921,573	972,819
USES OF FUNDS		
Decrease (increase) in dues collected in advance	62,893	(1,020)
Acquisition of property and equipment	697	10,576
Increase in other receivables	154,065	71,848
	217,655	81,404
INCREASE IN CASH AND SHORT-TERM CASH INVESTMENTS	₱2,703,918	₱891,415

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.
(A Nonstock, Nonprofit Corporation)
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION

The Philippine Wood Products Association, Inc. (PWPA) (Association) is an association of corporations, partnerships and individuals engaged in logging, sawmilling, veneer and plywood manufacture, wood preservation, and other related activities. Incorporated as a nonstock, nonprofit corporation, the Association aims to achieve unity in the wood industry under a single integrated association that would serve as spokesman for the entire wood industry in its continuing dialogue with government authorities. Its services, programs and activities are all geared towards the promotion and development of the lumber and plywood industry.

The Association is exempt from payment of income tax with respect to revenue received in accordance with the provisions of Sec. 26 (f) of the National Internal Revenue Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Membership and Assessment Dues

Membership dues of Timber License Agreement (TLA) holders, sawmillers and associate members are based on fixed monthly rates. Assessment dues of TLA holders are computed based on the area (in cubic meters) of logs actually produced.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation is computed on the straight-line method based on the estimated useful lives of the assets ranging from 5 to 15 years. Ordinary repairs and expenditures which do not benefit future periods are expensed as incurred.

Foreign Currency Transactions

Foreign exchange gains or losses are credited or charged to current operations.

3. PROPERTY AND EQUIPMENT

This account consists of the following:

	1991	1990
Condominium office building	₱1,010,396	₱1,010,396
Office furniture, fixtures and improvements	129,043	129,043
Office equipment	157,532	184,635
	1,296,971	1,324,074
Less accumulated depreciation	868,209	788,943
	₱428,762	₱535,131

4. INTEREST INCOME

In accordance with the Memorandum of Agreement between the Association and the TLA holders, all interest accruing to the Reforestation Trust Fund Deposit shall become part of the general funds of the Association.

5. ASSOCIATION'S REGIONAL CHAPTERS

The Association maintains a number of regional chapters within the Philippines. These chapters (organized during the latter part of 1979 and during 1980) act as extensions of the Association in their respective regions. Dues collected by these chapters are turned over to the Association. Ten percent of such collections are remitted back to the chapters to cover their administrative expenses. For purposes of accounting, such amounts are treated as expenses upon receipt of the chapters' collections.

