



ANNUAL REPORT

PHILIPPINE
WOOD
PRODUCERS
ASSOCIATION

1993

BOARD RESOLUTION

The Board of Directors of the Philippine Wood Producers Association, by unanimous concurrence, submits herewith 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, 1993.


ANTONIO G. BERNAS
Chairman


ANTONIO C. OLIZON
President



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COMPARATIVE STATISTICAL HIGHLIGHT

INDUSTRY PERFORMANCE

• RESOURCES

	1992	1993p	Variance (%)
TLA's in existence, number	61	49	- 20
Annual allowable cut, '000 cu m	1,760	1,323	- 25
Forest area under license, '000 ha	2,315	1,627	- 30
ITPLA's (IFMA), number	142	187	+ 32
ITPLA's (IFMA) area, '000 ha	443	481	+ 09

• PRODUCTION (Volume in '000 cu m)

	1992	1993p	Variance (%)
Logs	1,438	885	- 38
Lumber	647	388	- 40
Plywood	331	250	- 24
Veneer	80	65	- 19

• EXPORT (Volume in '000 cu m ; Value in US\$, FOB)

	1992		1993p		Variance (%)	
	Volume	Value	Volume	Value	Volume	Value
Logs	—	—	1	91	—	—
Lumber	56	14,542	80	17,755	+ 43	+ 22
Plywood	71	27,826	25	11,406	- 65	- 59
Veneer	22	7,525	7	2,658	- 68	- 65
Other wood-based panel	14	3,661	15	5,876	+ 07	+ 60
Other wood-based manufactured articles ('000 GK)	79,324	116,596	65,526	100,343	- 17	- 14
Furniture, n.e.s. of wood ('000 GK)	7,365	30,955	9,593	43,915	+ 30	+ 42

• IMPORTS (Volume in '000 cu m ; Value in '000 US\$, CIF)

	1992		1993p		Variance (%)	
	Volume	Value	Volume	Value	Volume	Value
Logs	530	61,409	603	82,451	+ 14	+ 34
Lumber	43	11,340	463	45,239	+977	+299
Plywood	a	96	a	527	—	+449
Other wood-based manufactured products ('000 GK)	801	2,148	834	1,308	+ 04	- 39

Source: Data furnished by FMB/DENR, 12 June 1994 (p-preliminary, a-less than 1,000 cu m)

ASSOCIATION INFORMATION

	1992	1993	Variance (%)
Regular Members	116	89	- 23
Associate Members	5	4	- 20
Revenues	8,059,975	4,087,190	- 49
Expenses	7,193,186	7,215,527	* 01
Assets	6,579,633	3,052,675	- 54

WOOD-BASED INDUSTRIES IN REVIEW

The wood-based industries continued to experience extreme operational stresses in 1993. The overall result in productivity performance is a case of a *deja vu*.

The policy environment remained murky as before.

The Senate passed on May 11, 1993 its version of the bill imposing a total commercial logging ban in all natural forests. The House of Representatives vacillated between bills to consider: the logging ban or the administration-certified proposed Forestry Code.

The Ramos Administration, however, remained steadfast on its policy commitment, reiterated by the President himself during his Second State of the Nation Address on July 26, 1993 to allow logging in residual natural forests founded on the philosophy of sustainable development, likewise adopted by nations worldwide.

It was this politically unpopular but courageous support of the Executive Department that enabled the wood-based industries to hurdle albeit with tremendous difficulty, the period in review as seen from the comparative period performance elsewhere here explained.

ROUNDWOOD OR LOG SUPPLY

Preliminary data indicated a total log supply made domestically available in 1993 amounted to only 1.49 million cu.m. of which 0.89 million cu.m. were sourced locally and 0.60 million cu.m. from importation. This aggregate volume was 24% lower than that available in 1992 which was 1.97 million cu.m..

Local log production decreased by 38%, from the preceding year's 1.49 million cu.m. of which 34% consisted of pulpwood down to 0.89 million cu.m.. Importation, however, increased by 14%, from 0.53 million cu.m. up to 0.60 million cu.m..

The 20% and 25% reduction in the number of existing TLAs (from 61 down to 49) and perforce the annual allowable cut (from 1.76 million cu.m. down to 1.32 million cu.m.) coupled with a low 67% conversion of such

annual allowable into actual log production — as against 82% of the previous year — significantly made tight the availability of log supply. Thus, the importation of logs, despite a nearly 20% increase in CIF prices, was resorted to fill up domestic requirement.

PRODUCTION AND IMPORTATION OF WOOD PRODUCTS

The diminished log supply during the period in review resulted in a low domestic production of wood products and in a high import of the same.

Relative to the previous year, domestic lumber production dropped by 40%, from 0.65 million cu.m. down to 0.39 million cu.m. while plywood and veneer production decreased by 24% and 19%, from 0.33 million cu.m. down to 0.25 million cu.m. and from 0.08 million cu.m. down to 0.06 million cu.m., respectively.

The aggregate production of these products in 1993 was 34% lower than in 1992, from 1.06 million cu.m. down to 0.70 million cu.m. or a difference of 0.36 million cu.m..

The importation of similar products in 1993 was hefty: a nearly 1000% volume increase for lumber from 0.04 million cu.m. up to 0.46 million cu.m. and 450% value increase for plywood, from a very low US\$96,000 up to US\$527,000.

MARKETS

The diminished local production of wood products was complemented by a high level of importation especially of lumber in order to meet the high apparent demand of the domestic market which grew by 11%, from 0.94 million cu.m. in 1992 up to 1.04 million in 1993.

Thus, despite a 6% increase in the availability of both locally produced and imported wood products (from 1.10 million cu.m. in 1992 to 1.17 million cu.m. in 1993), 89% was retained by the domestic market and only 11% went to export (as against a ratio of 85% and 15% in 1992).

Volumewise, aggregate export of these products decreased by 22%, from 0.163 million cu.m. in 1992 down to 0.127 million cu.m. in 1993. The export of plywood and veneer

decreased by 65% and 68%, respectively, while lumber registered a 43% increase.

Value-wise, aggregate export of lumber, plywood, veneer and other panel products dropped by 30%, from US\$53.55 million in 1992 down to US\$37.70 million in 1993. Including furniture of wood and other wood-based manufactured articles, compared with 1992, total export in 1993 went down by 10%, from US\$201.11 million down to US\$182.04 million.

A comparative profile of the market for primary wood products is shown below:

	Total Supply		'000 cu.m. Domestic Market		Export Market	
	1992	1993	1992	1993	1992	1993
Lumber	690	851	634	771	56	80
Plywood	331	250	260	225	71	25
Veneer	80	65	58	58	22	7
Other panel products	unspecified	unspecified	unspecified	unspecified	14	15

Despite the export of these products, the primary wood-based sector remained a net importer of wood, including logs, which the downstream sector, although much dependent on the former for their raw materials, counter-vailed, with the country still posting a positive FOREX earnings, thus:

	000 US\$		Variance %
	1992	1993	
Import, CIF			
Logs & primary wood products	72,845	128,217	+76
Others	2,148	1,308	-39
Total	74,993	129,525	+73
Export, FOB			
Logs & primary wood products	53,554	37,695	-30%
Other wood-based manufactured articles	116,596	100,743	-14%
Furniture of wood	30,955	43,915	+42%
Total	201,105	181,953	-10%
Trade balance, approx.	126,112	52,428	-58%

MAJOR ISSUES FACED

The crucial issues faced by the wood-based industries during the period in review were:

- The gridlock in Congress that failed to provide a clear-cut policy on forestry, in general and the wood-based industries, in particular;
- The heightened clamour of the active, urban-based environmental groups for a total commercial logging ban in the country;
- The increase in the rates of forest charges and administrative fees coupled with more DENR regulations controlling logging operation and the transport of logs and finished wood products;
- The tightened supply and increase in prices of imported logs; and,
- The proliferation of illegal logging invariably hurting the image of the legitimate sector.

Addressing these issues preoccupied the attention of the leadership of the wood-based industries. Elsewhere in this Report is a summary of these issues.

THE ASSOCIATION

In the forefront to protect the interests of the wood-based industries is your Association.

Notwithstanding its diminished resources — as reflected in the audited financial statements elsewhere here reported — your Association dipped into its savings to help to address major issues that confronted our sector. In addition, it supported several image-enhancing projects.

To all the members who either gave their full measure of support or manifested tangibly their serious concern for having placed our sector at even keel during the period in review, we thank you very much.

ANTONIO G. BERNAS
Chairman

ANTONIO C. OLIZON
President

1993 MAJOR INDUSTRY ISSUES

ISSUES	POSITION TAKEN BY PWPA	STATUS
A. ARISING FROM DENR DAOs, MCs and MOs		
1. DAO 18-93, prescribing the revised schedules of forestry administrative fees.		
<ul style="list-style-type: none"> Performance bond in the form of cash payment. 	Appealed application of surety instead of cash bond the amount therefore hardly afforded.	DENR issued DAO 57-93 prescribing surety bond, the value thereof increased by 25% in lieu of cash bond.
<ul style="list-style-type: none"> Service fee for tallying lumber, esp. loaded on trucks, unreasonably high. 	Explained the inequitableness of the rate.	In same DAO 57-93, DENR reduced the fee from P300 to P100 per truckload.
<ul style="list-style-type: none"> Silvicultural fee reimposed at 4x the rates of forest charges. 	Justified the unnecessary of the fee in the light of RA 7161 and TSI deposit by TLAs.	By radio message to field offices, DENR reverted the fee equivalent only to rates of forest charges.
2. DAO 39-93, increasing the rates of forest charges on logs.	Questioned the unreasonableness of the rates of forest charges on softwood and lesser use species.	DENR reconsidered the rates of forest charges on these timber species.
3. DAO 59-93, requiring certificate of origin for logs, lumber, plywood, veneer, etc. in the transport of said materials.	Appealed the removal of certificate of origin for plywood and veneer and requested exemption from use of same to lumber for GMA members	By radio message to field offices, DENR suspended such requirement for plywood and veneer and reexempted GMA from certificate of origin for lumber as DENR expanded area coverage of GMA.
4. DAO 60-93, revising the regulation governing IFMA.	Recommended additional incentives esp. the removal of the guarantee bond that would boost development of ITP.	DENR issued DAO 68-93 waiving the guarantee bond (later reimposed in deference to an agreement with a funding agency) and approved new incentives.
5. DENR field offices requiring submission of aerial photos prior to processing IAOPs.	Appealed to defer requirement due to force majeure for the delay of the aerial photo project.	DENR extended the deadline for submission of the aerial photo and photomosaic to one full season.
B. ARISING FROM CONGRESS		
1. SB 1067, otherwise known as total commercial logging ban in natural forests favored by the Senate to be passed.	Opposed the proposed measure and offered alternative options other than total commercial logging ban.	The Senate passed the bill on May 11, 1993 banning commercial logging in natural forests in the country.

1993 MAJOR INDUSTRY ISSUES

ISSUES

POSITION TAKEN BY PWPA

STATUS

- | | | |
|--|--|--|
| 2. HB 1925, otherwise known as the Forestry Code, an administration bill with positive features but less favored by the Senate and other members of the Lower House. | Supported the proposed Forestry Code by airing views in various committee hearings and submitting position papers in favor of its passage. | Deliberation on the bill in the Lower House still on a gridlock. |
| 3. HB 10042, the Lower House version of a bill on logging ban, strongly objected to by environmentalist-congressmen for being selective in application. | Opposed the measure, as counterproductive like SB 1067; instead strongly proposed the passage of Forestry Code. | Deliberation on the bill in the Lower House still on a gridlock. |
| 4. HR 423, a resolution urging the President to suspend all TLAs and other logging permits while Congress decides on the issue of logging in natural forests. | Opposed the resolution as counterproductive and unfair. | Deliberation on the Resolution in the Lower House still on a gridlock. |

C. ARISING FROM NGOS

- | | | |
|---|--|---|
| 1. NGOs who are insistent for a total commercial logging ban. | Rebutted their arguments in public hearings, conferences and media, such as radio, TV and press. | Rational and scientific rather than emotional arguments getting more coverage. |
| 2. NGOs who are not in favor of total commercial logging ban. | Supported strongly their stand against total commercial logging ban and their projects. | More and more of these NGOs are coming out and openly contesting arguments of the other NGOs. |

D. ARISING FROM MEDIA

- | | | |
|---|--|--|
| A segment of media is critical of the wood-based industries, esp. the logging aspect. | Dialogued with media, appeared in TV and radio talk shows, and publicized materials for media dissemination. | In fairness, the larger segment of media gives equal space and time opportunities to both sides in the issue of logging. |
|---|--|--|

E. ARISING FROM THE ACADEMIC, SCIENTIFIC AND PROFESSIONAL COMMUNITY

- | | | |
|---|---|--|
| The entire community is openly for sustainable development of forest resources including scientific management and utilization of said resources. | Clarified the role of wood-based industries in socio-economic and environmental advancement of the country. | Arguments and positions of the community on the issue getting wider credence than emotionalism espoused by other NGOs. |
|---|---|--|

OUR MEMBERS

REGION II

Amunitan Bay Tbr. Lic., Inc.

R-673 Wellington Bldg.

Binondo, Manila

Mr. Florio Buñag

Cagayan Plywood Corp.

G/F W&W Bldg., 106 Aguirre St.

Legaspi Village, Makati, M.M.

Mr. Vicente S. Chan

Isabela Lumber Ind., Inc.

3/F Quad Star Bldg., Ortigas Ave.

Greenhills, San Juan, M.M.

Mr. Jaime Cua

JPE Dev't Corp.

3/F Quad Star Bldg., Ortigas Ave.

Greenhills, San Juan, M.M.

Mr. Jaime Cua

Jones Logging Corp.

20 Bulletin St., West Triangle, Q.C.

Mr. Alejo Dy

La Peña Sawmill Co., Inc.

560 Padilla delos Reyes Bldg.

232 Juan Luna St., Binondo, Manila

Mr. Francisco U. Peña

La Villa Res. Corp.

3/F EWAN Bldg., Quintin Paredes St.

Binondo, Manila

Mr. Charlie Chan

Liberty Logging Corp.

123 Kaingin Rd., Q.C.

Mr. Wilson Lim

Luzon Loggers, Inc.

3/F Quad Star Bldg., Ortigas Ave.

Greenhills, San Juan, M.M.

Mr. Jaime Cua

Luzon Mahogany Tbr. Ind., Inc.

44 Edison Tech, U.E., Subd.

Malabon, M.M.

Mr. Bienvenido L. Rillo

Monte-Alto Tr. Res. Corp.

R-407 Anita Bldg.

1300 Quezon Ave., Q.C.

Mr. Romeo Y. de Jesus

North Luzon Mahogany Exporter

155 Pasig Blvd. Ext., Pasig, M.M.

Mr. Arthur Dee

Producers Tbr. Dev't Corp.

3/F EWAN Bldg., Quintin Paredes St.

Binondo, Manila

Mr. Chin San Cordova

Security Sawmill Co., Inc.

900 Reina Regente, Binondo, Manila

Engr. Benjamin Dy

Sierra Madre Wood Ind., Inc.

c/o Emco Plywood Ind., Inc.

G/F W&W Bldg., 106 Aguirre St.

Legaspi Village, Makati, M.M.

Mr. Vicente Chan

Southern Plywood Corp.

220 Wilson St., Greenhills

San Juan, M.M.

Mr. Gene Pantig

Twin Peaks Dev't Corp.

3/F OMI Bldg., 20th St. cor.

Bonifacio Drive, Port Area, Manila

Mr. Jose Lorenzo

United Tbr. Lic., Inc.

R-673 Wellington Bldg.

Binondo, Manila

Mr. Florio Buñag

WJJ Enterprises, Inc.

Mejore Compound

E. Rordriguez, Jr. Ave., Libis, Q.C.

Mr. James See

GMWPA

A&A Wood Corp.

205 Maysan Rd., Valenzuela, M.M.

Mr. Manuel Anbio

Alaska Lumber Co., Inc.

2071 Int. Raxa Bago St.

Juan Luna, Tondo, Manila

Mr. Felipe Lee

Atlanta Wood Dev't Corp.

12 T. Santiago St., Canumay

Valenzuela, M.M.

Mr. Tan Chin

Atlas Wood Industries, Inc.

387 McArthur Highway, Malinta

Valenzuela, M.M.

Mr. Jimmy Lim

Canada Sawmill

Marulas, Valenzuela, M.M.

Mr. Juan S. Ong

Canumay Wood Corp.

T. Santiago St., Bo. Canumay

Valenzuela, M.M.

Mr. Jose L. Chua

Capitol Sawmill Corp.

Paseo de Blas, Valenzuela, M.M.

Mr. Rufino Chua

Century Hardwood & Lbr. Co., Inc.

2627 T. Earnshaw St., Tondo, Manila

Mr. Tay Chun Lai

East Asia Sawmill Corp.

1235 E. delos Santos Ave.

Balintawak, Q.C.

Mr. James Lee

Elco Wood Processing Corp.

San Juan, Balagtas, Bulacan

Mr. Juan L. Santiago

Extensive Wood Processing Corp.

Km. 15 McArthur Highway

Dalandanan, Valenzuela, M.M.

Mr. Johnny Chan

Goldenforest Trade Int'l Corp.

173 Gen. Luis St., Novaliches, Q.C.

Mr. Benjamin Uy

OUR MEMBERS

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

Grand Pacific Ent., Inc.
17-1/2 Km. McArthur Highway
Meycauayan, M.M.
Mr. David Golangco

Great Wood Corp.
Vicente Reales St., Valenzuela, M.M.
Mr. Pinsing Ng Chua/Guillermo Go

Great World Ind'l Int'l Corp.
Bo. Canumay, Valenzuela, M.M.
**Mr. Edward Coquinco/
Benny Coquinco**

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

Oversea Sawmill, Inc.
473 McArthur Highway
Valenzuela, M.M.
Mr. Adriano Chua

Panama Sawmill Co.
Brgy. Karuhatan, Valenzuela, M.M.
Mr. Tan Tiong Hua

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

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

**South Palawan Wood
Processing Corp.**
Banga, Meycauayan, M.M.
Mr. David M. Golangco

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

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

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

Tanduay Lumber, Inc.
Bo. Wakas, Bocaue, Bulacan
Mr. Andrew Loo

**Valenzuela Hardwood Ind'l
& Supply, Inc.**
Malinta, Valenzuela, M.M.
Mr. Tony Tan

REGION III

Emerson Wood Industries, Inc.
Km. 24 McArthur Highway
Marilao, Bulacan
Mr. Peter S.L. Santos

Goodyear Timber Products Corp.
27 C. Compound, Bagbagundo
Valenzuela, M.M.
Mr. Benny Coquinco

Industrial Timber Corp.
R-504 ITC Bldg., 337 Sen. Gil J.
Puyat Ave., Makati, M.M.
Dr. Tomas T. Tangsoc, Jr.

Lauan Pacific Res. Corp.
123 Kaingin Rd., Balintawak, Q.C.
Ms. Maria Carina Evangelista

MR Board, Inc.
G/F Metrobank Bldg.
Ortigas Ave. cor. Wilson St.
Greenhills, San Juan, M.M.
Mr. Pedro C. Bernardo

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

Rosewood Processing, Inc.
1012 E. delos Santos Ave.
Proj. 7, Q.C.
Mr. Julian Ong

Scala Sawmill
R-560 Padilla delos Reyes Bldg.
232 Juan Luna St., Binondo, Manila
Mr. Francisco U. Peña

REGION IV

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IDC Compound, E. Rodriguez, Jr. Ave.
Ugong Norte, Q.C.
Mr. Joselito Ong

Inter-Pacific Forest Res. Corp.
R-203 Anita Bldg., 1300 Quezon Ave.
Circle, Q.C.
Mr. Alfredo Ong

Interwood (Sawmill Division)
Dalig, Cagsiay 2, Mauban, Quezon
Mr. Johnson C. Santos

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

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

Pacific Timber Export Corp.
2/F LGI Bldg., Ortigas Ave.
Greenhills, San Juan, M.M.
Gen. Felizardo R. Tanabe

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

Palawan Lbr. Mfg. Corp.
3/F JAKA II Bldg., Legaspi St.
Legaspi Village, Makati, M.M.
Mr. Joselito C. Baltazar I

RCC Timber Corp., Inc.
IDC Compound, E. Rodriguez, Jr. Ave.
Ugong Norte, Q.C.
Mr. Roberto Hallare

BOARD OF DIRECTORS

CELSO E. ABASTILLAS
Zamboanga Wood
Products, Inc.

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C. Alcantara & Sons, Inc.

JOSE CH. ALVAREZ
Pagdanan Timber
Products, Inc.

JOSELITO C. BALTAZAR I
Palawan Lbr. Mfg. Corp.

RENÉ DIZON
Provident Tree Farms, Inc.

ANTONIO G. BERNAS
Chairman

DAVID C. GOLANGCO
Grand Pacific Ent.

SEVERINO T. DE GUZMAN
Industries Dev. Corp.

ALFONSO C. KEH, JR.
Extensive Wood
Processing 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.

ANTONIO C. OLIZON
Timber Industries of the
Phils., Inc.

ERNESTO F. SANVICTORES
Aras-Asan Timber Co., Inc.

FELIX T. TAMESIS
Nasipit Lumber Co., Inc.



BERNAS

ABASTILLAS	ALCANTARA	ALVAREZ	BALTAZAR I	DIZON
GOLANGCO	DE GUZMAN	KEH, JR.	LORENZO	LU
NARVAEZ, JR.	OLIZON	SANVICTORES	TAMESIS	PUYAT

ADVISORY COUNCIL

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Chairman, Advisory Council

ERNESTO F. SANVICTORES
Co-Chairman Advisory Council

MAGNOLIA W. ANTONINO
GERMAN B. ARANEZ

EDUARDO C. ARROYO, JR.
JOSE E. DELA ROSA

MANUEL L. MORATO
PETER T. ROXAS

EXECUTIVE OFFICERS

ANTONIO C. OLIZON
President

FERNANDO A. LU
Executive Vice-President

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

RENÉ DIZON
VP-Information, Extension &
Communications

CELSO E. ABASTILLAS
Treasurer

SEVERINO T. DE GUZMAN
VP-Legal & Government
Relations

FELIX T. TAMESIS
AVP-Legal & Government
Relations

EDITH I. ALCANTARA
VP-Plywood & Other Panel
Products

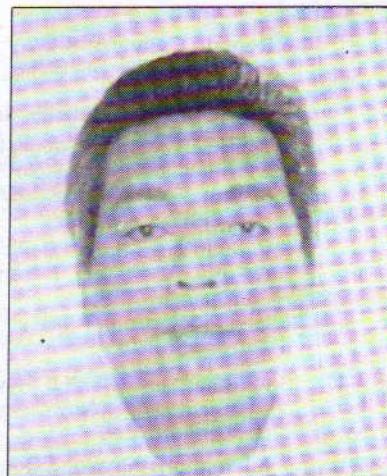
DAVID C. GOLANGCO
VP-Lumber

ALFONSO C. KEH, JR.
Assistant Treasurer

JOSE CH. ALVAREZ
VP-Timber

JOSE A. LORENZO
VP-Membership

LEONARDO D. ANGELES
Executive Director & Board
Secretary



OLIZON

LU	ABASTILLAS	ALCANTARA	ALVAREZ	BALTAZAR I
DE GUZMAN	GOLANGCO	LORENZO	DIZON	TAMESIS
KEH, JR.	ANGELES			

SECRETARIAT

CELIA P. DUCAY
Administrative Officer

REGINO M. SERAFICO
Account Officer



DUWAY

SERAFICO

OUR MEMBERS

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Mr. Roberto Gopuansuy, Sr.

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Legaspi Village, Makati, M.M.
Mrs. Sandra Yu Shaw

Verdant Agro-Forest Dev't Corp.
G/F Metrobank Bldg., Wilson St.
San Juan, M.M.

Mr. Godofredo B. Alla

NCR

Far East Timberland & Plywood Corp.
917 Susano Ave., Novaliches, Q.C.
Mr. Gregorie Lee

International Plywood Corp.
346 Isabel St., Sta. Ana, Manila
Mr. Raymundo Ong

Prime Mahogany Producers Corp.
65 Antonio St., Dalandanan
Valenzuela, M.M.

**Republic Wooden Commodities
Mfg. Corp.**
917 Susano Ave., Novaliches, Q.C.

REGION VII

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

REGION IX

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

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

Recodo Resources Corp.
2/F Wellington Bldg., Juan Luna St.
Binondo, Manila

Mr. Celso E. Abastillas

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

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

REGION X

Agusan Plywood Corp.
220 Wilson St., Greenhills
San Juan, M.M.

Mr. Alfredo C. Roxas

Agusan Wood Ind., Inc.
R-504 ITC Bldg., Sen. Gil J.
Puyat Ave. Ext., Makati, M.M.
Dr. Tomas T. Tangsoc, Jr.

Anakan Lumber Company
5/F Maritima Bldg.
117 Dasmariñas St., Binondo, Manila
Mr. Felix Tamesis

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

Casilayan Softwood Dev't Corp.
2111 Pasong Tamo cor.
Tindalo St., Makati, M.M.
Ms. Angeline G. Avinado

Davao Mahogany Products, Inc.
10th, 13th St., New Manila, Q.C.
Ms. Helen D. Sanchez

Emco Plywood Corp.
G/F W&W Bldg., 106 Aguirre St.
Legaspi Village, Makati, M.M.
Mr. Louis S. Coson

Liberty Forest, Inc.
91 Sen. Gil J. Puyat Ave., Makati, M.M.
Mr. Jose T. Ching

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

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

Nasipit Lumber Co., Inc.
5/F Maritima Bldg.
117 Dasmariñas St., Binondo, Manila
Mr. Felix Tamesis

Philippine Wallboard Corp.
5/F Maritima Bldg.
117 Dasmariñas St., Binondo, Manila
Mr. Felix Tamesis

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

Royal Match, Inc.
2111 Pasong Tamo cor. Tindalo St.
Makati, M.M.
Mr. Luis Roldan

Sta. Ines-Melale Corp.
3/F Marpol Bldg., 109 Perea St.
Legaspi Village, Makati, M.M.
Ms. Asuncion P. Reyes

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

Top Forest Developers, Inc.
G/F Cordova Bldg., Valero St.
Salcedo Village, Makati, M.M.
Mr. Robert N. Kua

Union Plywood Corp.
Suite 502 State Condominium I
Salcedo St., Legaspi Village
Makati, M.M.
Mr. Antonio C. Olizon

OUR MEMBERS

United Wood Industries Corp.
111 A. 6th St. cor. 6th Ave.
Grace Park, Kalookan City
Mr. Stanley Tan/Stephen Tan

Woodland Domain, Inc.
2/F Marticion Bldg.
Montilla Blvd., Butuan City
Mr. Claudio J. Sanchez

REGION XI

Aras-Asan Timber Co., Inc.
30 Scout Tuazon St.
Diliman, Q.C., M.M.
Mr. Ernesto F. Sanvictores

C. Alcantara & Sons, Inc.
ALSON Bldg., 2286 Pasong Tamo Ext.
Makati, M.M.

Ms. Edith I. Alcantara

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

Christine-Diatagon
Multi-Purpose Cooperative
Diatagon, Lianga, Surigao del Sur
Mr. Jose M. Zafra

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

Davao Plywood Co., Inc.
788-D Banaue St., Q.C.
Mr. Roberto Limso

Mabini Ind'l Tree Plantation, Inc.
(Formerly Landasan Timber Corp.)
444 Luisa St., Juna Subd.
Matina, Davao City
Mr. Josue G. Tesado

Mindanao Lbr. Dev't Co., Inc.
15/F G. Antonino Bldg.
T.M. Kalaw St., Ermita, Manila
Mrs. Magnolia Antonino

Paper Ind. Corp. of the Phils.
16/F Center Point Condo
Julia Vargas Ave. cor.
Garnet St., Pasig, M.M.
Mr. Evaristo M. Narvaez, Jr.

San Manuel Wood Products, Inc.
Dallia Toril, Davao City
Mr. Manuel G. Ting

Super Plywood Corp.
R-601 State Condominium I
Salcedo St., Legaspi Village
Makati, M.M.

Engr. Julius Farin

Surigao Dev't Corp.
4/F ENZO Bldg., 399 Sen. Gil J.
Puyat Ave., Makati, M.M.
Mr. Aristeo G. Puyat

Timber Producers & Mktg. Corp.
G/F W&W Bldg., Aguirre St.
Legaspi Village, Makati, M.M.
Mr. Louis S. Coson

Valderrama Lbr. Mfrs. Co., Inc.
13 Juan Ave., Matina, Davao City
Mr. Leodegario Bautista

Ventura Timber Corp.
VTC Compound, R. Castillo St.
Beside Salonga Motors, Lanang,
Davao City
Mr. Jainal B. Uy

REGION XII

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

Ever Sun Dev't Ltd.
Sarmiento Bldg. II
Pasong Tamo Ext., Makati, M.M.
Mr. Aristides M. Escosora

Findlay Millar Tbr. Co.
Unit C, G/F Cordova Bldg.
Valero cor. Sedeno St.
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, M.M.
Mr. Celso C. Dionisio

Tbr. Ind. & Dev't of Mindanao, Inc.
26-C South Drive, Gilmore Town
Homes, Granada St., Q.C.
Datu Saripada A. Pacasum

Vicmar Dev't Corp.
Unit C, G/F Cordova Bldg.
cor. Valero & Sedeno Sts.
Salcedo Village, Makati, M.M.
Ms. Maria Teresita N. Kua

ASSOCIATE MEMBERS

AG&P Co., Inc.
Pasong Tamo Ext., Makati, M.M.
Mr. C. Sumbilla

Borden Int'l Phils., Inc.
Suite 1001 Ayala Life Bldg.
Ayala Ave., Makati, M.M.
Mr. Reynaldo Adriano

Carl Ronnow (Phil.), Inc.
R-401 Greenbelt Mansion
106 Perea St. Legaspi Village
Makati, M.M.

Mr. Jan Nowakowski

German Machineries
110 Timog St., Q.C., M.M.
Mr. Eberhard Junginger

Monark Equipment Corp.
150 E. Rodriguez, Jr. Ave.
Libis, Q.C., M.M.

Mr. Jose Antonio Banson

Resins, Inc.
E. Rodriguez, Jr. Ave.
Bagong Ilog, Pasig, M.M.
Mr. Meneleo Carlos



THE SGV GROUP

SGV & CO.
SYCIP GORRES VELAYO & CO.

6760 Ayala Avenue Makati
Metro Manila Philippines
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Telex 63743 SGV PN
Cable CERTIFIED

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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, 1993 and 1992, and the related statements of revenues and expenses and cash flows 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, 1993 and 1992, and its revenues and expenses and its cash flows for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

Sycip, Gorres, Velayo & Co.

March 28, 1994

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

	December 31	
	1993	1992
ASSETS		
Current Assets		
Cash and cash equivalents	₱2,110,853	₱4,238,491
Receivables:		
Members (net of allowance for doubtful accounts of ₱519,372 in 1993 and ₱635,914 in 1992)	493,101	666,734
Others	138,955	1,280,780
Total Current Assets	2,742,909	6,186,005
Property and Equipment - net (Note 4)	300,066	383,958
Other Assets	9,700	9,700
	₱3,052,675	₱6,579,663

LIABILITIES AND MEMBERS' EQUITY

Accounts Payable and Accrued Expenses	₱524,469	₱911,120
Dues Collected in Advance	5,641	17,641
Members' Equity		
Balance at beginning of year	5,650,902	4,784,113
Excess (deficiency) of revenues over expenses	(3,128,337)	866,789
Balance at end of year	2,522,565	5,650,902
	₱3,052,675	₱6,579,663

See accompanying Notes to Financial Statements.

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

	Years Ended December 31	
	1993	1992
REVENUES		
Membership dues	₱1,960,200	₱3,248,318
Special assessment	1,276,648	3,863,900
Associate membership dues	6,000	14,000
Assessment dues	—	234,172
Interest and others	844,342	699,585
	4,087,190	8,059,975
EXPENSES		
Special projects	1,670,237	166,526
Public relations and information	1,479,304	3,076,382
Transportation and travel	786,101	410,741
Salaries, wages and employees' benefits	626,468	685,980
Meetings and conferences	481,107	347,068
Regional chapters expenses (Note 5)	451,545	260,073
Provision for doubtful accounts	377,323	694,426
Office expenses	332,241	415,391
Donations and gifts	301,280	440,695
Condominium expenses, light and water	226,809	214,761
Professional fees	182,752	176,533
Telephone, telegram and postage	135,478	90,759
Depreciation	83,892	80,005
Membership dues	35,220	19,400
Taxes and licenses	11,816	14,429
Insurance	9,229	29,498
Miscellaneous	24,725	70,519
	7,215,527	7,193,186
EXCESS (DEFICIENCY) OF REVENUES		
OVER EXPENSES (Note 1)	(₱3,128,337)	₱866,789

See accompanying Notes to Financial Statements.

PHILIPPINE WOOD PRODUCTS ASSOCIATION, INC.**(A Nonstock, Nonprofit Corporation)****STATEMENTS OF CASH FLOWS**

	Years Ended December 31	
	1993	1992
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	(P3,128,337)	P866,789
Adjustments to reconcile excess (deficiency) of revenues over expenses to net cash used in operating activities:		
Provision for doubtful accounts	377,323	694,426
Depreciation	83,892	80,005
Changes in assets and liabilities:		
Decrease (increase) in receivables - net	938,135	(1,761,871)
Decrease in:		
Accounts payable and accrued expenses	(386,651)	(333,145)
Dues collected in advance	(12,000)	(221)
Net cash used in operating activities	(2,127,638)	(454,017)
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of property and equipment	-	(35,201)
DECREASE IN CASH AND CASH EQUIVALENTS	(2,127,638)	(489,218)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,238,491	4,727,709
CASH AND CASH EQUIVALENTS AT END OF YEAR	P2,110,853	P4,238,491

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. (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 revenues received in accordance with the provisions of Sec. 26 (f) of the National Internal Revenue Code.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Association considers all highly liquid debt instruments purchased with a maturity of three months or less from date of acquisition to be cash equivalents.

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.

3. Statements of Cash Flows

In 1993, the Association adopted the provisions of Statement of Financial Accounting Standards No. 22 of the Accounting Standards Council, "Statement of Cash Flows," and presented a statement of cash flows in place of a statement of changes in financial position. The previously reported statement of changes in financial position for 1992 has been restated to be consistent with the current year presentation.

4. Property and Equipment

This account consists of the following:

	1993	1992
Condominium office building	₱1,010,396	₱1,010,396
Office furniture, fixtures and improvements	129,043	129,043
Office equipment	192,733	192,733
	1,332,172	1,332,172
Less accumulated depreciation	1,032,106	948,214
	₱300,066	₱383,958

5 Association's Regional Chapters

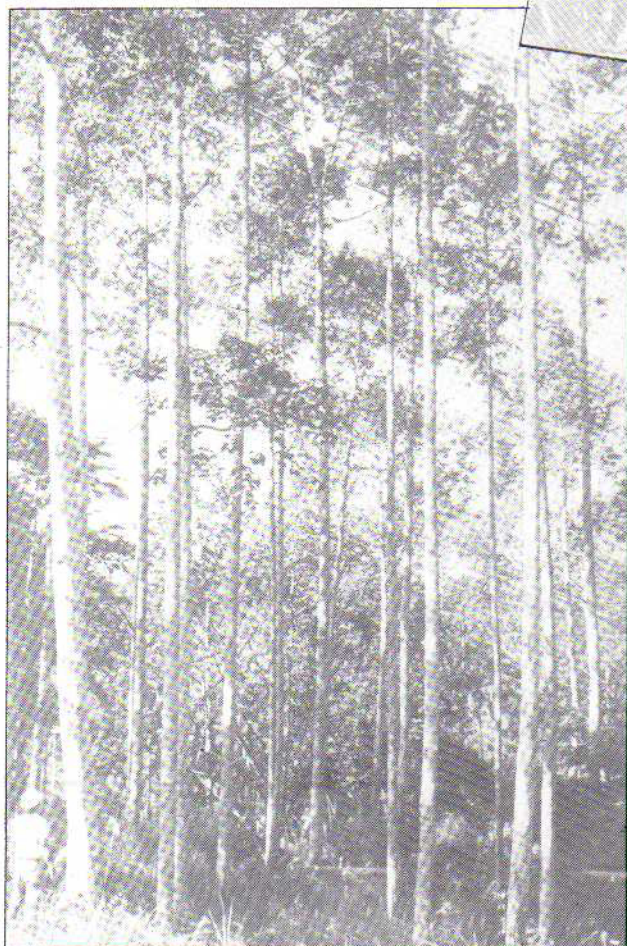
The Association maintains a number of regional chapters within the Philippines. These chapters (organized during the latter part of 1979 and during 1980) act as extensions of the Association in their respective regions. Dues collected by these chapters are turned over to the Association. Ten percent 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.

ON THE SUSTAINABILITY OF NATIONAL ECONOMY AND PATRIMONY

“ The promotion of industrialization and full employment that make full and efficient use of human and natural resources.

”

(Sec. 1, Art. XII, Philippine Constitution.)



ON THE SUSTAINABLE UTILIZATION AND MANAGEMENT OF FOREST RESOURCES

“ Sustainable forest management is the process of managing permanent forestland to achieve one or more clearly specified objective of management with regard to the production of a continuous flow of desired forest products and services without undue forest reduction of its inherent values and future productivity and without undue undesirable effects on the physical and social environment.

”

(International Tropical Timber Organization, UNCTAD, 1992.)

