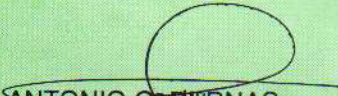


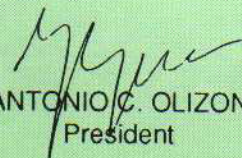
PHILIPPINE  
WOOD  
PRODUCERS  
ASSOCIATION

1994  
ANNUAL REPORT

## BOARD RESOLUTION

**T**he 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, 1994.

  
ANTONIO G. BERNAS  
Chairman

  
ANTONIO C. OLIZON  
President



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PHOTO COVER: Courtesy of PICOP Resources, Inc.



# COMPARATIVE STATISTICAL HIGHLIGHT

## INDUSTRY PERFORMANCE

### • RESOURCES

	<u>1993</u>	<u>1994p</u>	<u>Variance (%)</u>
TLA's in existence, number	50	33	-34
Annual allowable cut, '000 cu m	1,370	796	-42
Forest area under license, '000 ha	1,716	1,508	-12
ITPLA's (IFMA), number	187	227	+21
ITPLA'S (IFMA), area, '000 ha	481	516	+7

### • PRODUCTION (Volume in '000 cu m)

	<u>1993</u>	<u>1994p</u>	<u>Variance (%)</u>
Logs	1,022	700	-32
Lumber	440	385	-12
Plywood	273	230	-16
Veneer	65	25	-62

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

	<u>1993</u>		<u>1994p</u>		<u>Variance (%)</u>	
	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
Logs	1	91	4	207	+300	+127
Lumber	80	17,755	37	6,116	-54	-65
Plywood	25	11,406	4	2,084	-84	-82
Veneer	7	2,658	30	11,872	+328	+346
Other wood-based panel	15	5,876	6	2,300	-60	-59
Other wood-based manufactured articles ('000 GK)	65,526	100,343	70,601	126,484	+8	+26
Furniture, n.e.s. of wood ('000 GK)	9,593	43,915	2,052	8,732	-79	-80

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

	<u>1993</u>		<u>1994p</u>		<u>Variance (%)</u>	
	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>	<u>Volume</u>	<u>Value</u>
Logs	604	82,451	378	53,966	-37	-34
Lumber	463	45,239	292	65,118	-37	+44
Plywood	a	527	a	473		-10
Other wood-based manufactured articles ('000 GK)	834	1,308	2,167	3,165	+160	+142

Source: Data furnished by FMB/DENR, 14 June 1994, (p-preliminary a-less than 1,000 cu m)

## ASSOCIATION INFORMATION

	<u>1993</u>	<u>1994</u>	<u>Variance (%)</u>
Regular Members	89	112	+26
Associate Members	4	3	-25
Revenues	P 4,087,190	P 3,616,417	-11
Expenses	P 7,215,527	P 3,893,633	-46
Assets	P 3,052,675	P 2,857,660	-06



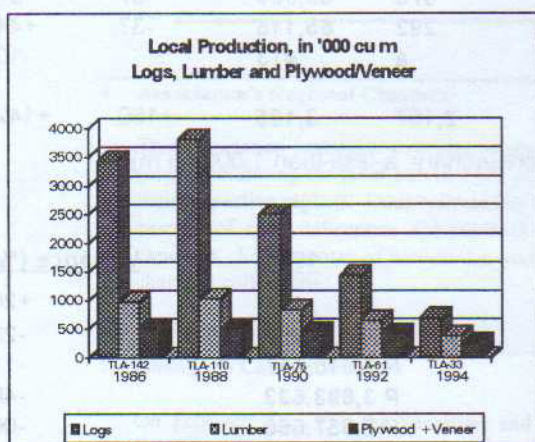
## WOOD-BASED INDUSTRIES IN REVIEW

Since the 'restoration' of democracy in 1986, the promulgation of the new Constitution in 1987, and the succession of two administrations - the present included - the wood-based industries have not made a semblance of a turn-around from their continuous debilitating slump.

The basic reason for it is traceable to the indecision of the government to determine policy directions relative with the mode of access to timber in natural forests, safeguards and incentives for investments in forest plantation development and wood processing modernization, and measures for levelling the playing field with respect to the possible threats of externality factors.

In essence, the vision of the private sector for the stability of the wood-based industries - a complement to the larger vision of the government for the economic progress of the country - has remained without a positive benchmark only enabling laws the Constitution mandates can provide. Moreover, it has been constantly blurred by ill-focused administrative regulations and weakened by attempts at phasing-out logging - the heart of the wood-based industries.

The effects of an absence of a dynamic policy climate was reflected again in the poor showing of our sector - if following preliminary data from FMB-DENR, which we believe need some updating, were acceptable indicators.



## ROUNDWOOD OR LOG SUPPLY

The log supply for domestic wood processing totalled 1.08 million cum - 34% lower than the previous year. Of that volume, 65% was sourced locally and 35% from imported. The local production of logs, at 0.70 million cum, and the import of logs, at 0.38 million cum, were 32% and 37% respectively lower than the 1993 performance.

The low supply of logs in 1994, relative with 1993's might be attributed to a 42% opportunity loss in annual allowable cut (from 1.37 million cum down to 0.80 million cum) occasioned by the 34% reduction in the number of operating TLA-holders (from 50 down to 33) and to the 37% decline in imported volume of logs (from 0.60 million cum down to 0.38 million cum) due to the hike in prices of the same.

It might be providential that the low supply of logs occurred in a situation of somewhat depressed demand for wood products by the domestic market.

## PRODUCTION AND IMPORTATION OF WOOD PRODUCTS

Relative to the previous year, the aggregate domestic production of finished primary wood products during the year in review was down by 18% (from 0.78 million cum to 0.64 million cum). Lumber production was down by 12% (from 0.44 million cum to 0.38 million cum) while plywood and veneer production declined by 16% and 62%, respectively (from 0.27 million cum to 0.23 million cum of plywood and from 0.06 million cum to 0.02 million cum of veneer).

Compared with the preceding year, the importation of lumber in 1994 dropped by 37% in volume (from 0.46 million cum to 0.29 million cum); despite it, the value therefor was 44% higher (from US\$ 45 million to US\$ 65 million) - indicative of its quality imported at premium prices. The importation of plywood was maintained at about the same level of volume as in 1993, with its value lower by 11% (from US\$0.53 million to US\$0.47 million).



## WOOD MARKETS AND TRADE BALANCE

The apparent consumption of the domestic market for aggregate finished primary wood products, i.e. lumber, plywood and veneer, declined by 23% from the 1993 level (from 1.13 million cum to 0.85 million cum).

The domestic market consumed about 90% of the aggregate volume supply of these products and about 10% went to the export market; nearly the same ratio as in 1993.

The aggregate export volume of 0.08 million cum with a total value of US\$22.37 million were 39% and 41% lower than the comparative figures in 1993.

Supply and Demand for Wood Products ('000 cum)						
	Total Supply		Domestic Market		Export Market	
	1993	1994	1993	1994	1993	1994
Lumber	903	677	623	640	80	37
Plywood	273	230	248	226	25	4
Veneer	65	25	58	0	7	30
Other Panel Products	no data		no data		15	6

The export value of other wood-based manufactured articles and furniture of wood amounted to US\$135.22 million, only 6% below 1993's US\$144.26 million, despite the steep 80% volume and value drop in export of the furniture of wood. This type of export was 86% of the total US\$157.80 million receipts from overall wood products export.

The trade balance in wood products posted a positive US\$35.08 million, but 34% below the preceding year at US\$53.04 million.

Trade Balance in Aggregate Products			
	1993	1994	Var (%)
Export (US\$ Million, FOB)	182.04	157.08	-13%
Primary products (% share)	21%	14%	
Other products (% share)	79%	86%	
Import (US\$ Million, CIF)	129.00	122.72	-5%
Primary products (% share)	99%	97%	
Other products (% share)	1%	3%	
Balance, approx (US\$ Million)	+53.04	+35.08	-34%

## MAJOR ISSUES FACED

The crucial issues faced by the wood-based industries during the period in review were a case of *deja vu* — elsewhere in this Report amplified and summarized below:

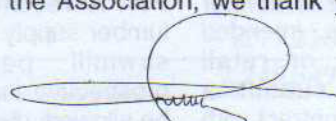
- The gridlock in Congress - both Houses undecided as to the national policy for forestry and wood-based industries;
- The continued clamour by environmental groups for a total logging ban;
- The tight supply of locally-sourced logs;
- The issuance of more constraining DENR rules and regulations, including the increase in forest charges (taxes); and
- The unabated illegal logging invariably hurting the image of the legitimate sector.

## THE ASSOCIATION

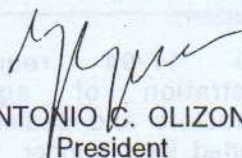
In the forefront to protect the interests of the wood-based industries is your Association whose attention, through its leadership, was preoccupied with addressing key problems.

We would like to offer our special thanks to our members who have been extra supportive of the programs of our Association. They have shown their concern not only for their own company but to the industry itself.

By the mandate of our By-Laws, your Chairman of the Board and your President will be ending their respective terms of office in 1994. To all directors, officers and members who gave both of us your full measure of support which made our tenure undeniably challenging albeit fulfilling for us and hopefully fruitful for the Association, we thank you very much.



ANTONIO G. BERNAS  
Chairman



ANTONIO C. OLIZON  
President



# 1994 MAJOR INDUSTRY ISSUES

ISSUES	POSITION TAKEN BY PWPA	STATUS
<b>A. ARISING FROM DENR DAOs, MCs AND MOs</b>		
1. DAO 07-94 and MO 01-94, guidelines on the issuance of certificates of origin for logs and lumber (COFs).	PWPA participated in the drafting of DAO 07-94; but, in implementing MO 01-94, distribution of COFs and related problems cropped up.	DENR issued MC 21-94 as an attempt to plug loopholes in the system of applying for, processing and issuing of COFs.
- Difficulty of obtaining COFs due to their limited number of printed copies.	PWPA suggested the use of COFs on commodity lot rather than on a per shipment basis.	DENR assured more printing of COFs as it temporarily accommodated juxtaposed suggestion by PWPA.
- Impracticality of COF issuance system in areas where TLA-holders operations are distant from widely dispersed RED/PENRO/CENRO offices.	PWPA suggested either assigning sufficient copies of COFs to each TLA-holders, or designating the DENR office nearest TLA areas as a one-stop shop processing center.	DENR reasoned out that COFs are accountable forms assignable to, and issuable by, DENR designated officials only; the idea of a COF processing center will be looked into.
- Existence of area gaps within the defined Greater Manila Area (GMA); thus creating bottlenecks for the smooth transport of lumber across places exempted from COFs.	PWPA requested for exemption of such area gaps as well as for other distant places in need of lumber for infrastructure development from the coverage of COFs.	DENR issued DAO 31-94 and later MO 95-10 allowing such exemption to include the whole of Cavite, Bulacan, Bataan, Pampanga and Tarlac and parts of Laguna, Rizal and Zambales closer to GMA.
2. A draft regulation re the issuance of sawmill permits and lumber dealer's certificates made it obligatory for:	Requested by DENR for comments on the draft, PWPA proposed practical requirements reflective of actual experience and real world situation.	DENR subsequently issued DAO 08-94 incorporating therein some key recommendations submitted to it by PWPA, thus:
- An applicant for a sawmill permit to submit a log supply contract with one of either a holder of TLA, IFMA, or PLTP/SPTL and the volume therefor at 100% of the mill's rated capacity.	Due to limited log supply, PWPA recommended that a sawmill permit applicant may contract for his log requirements with any and/or all legal sources of logs and the total volume at least 50% of his mill's rated capacity.	Allowing an applicant for a sawmill permit to submit several log supply contracts from any or all possible legitimate sources of logs with aggregate volume at no less than 50% nor more than 100% of the mill's rated capacity.
- An applicant for a lumber dealer certificate, intended for wholesale or retail business, to submit a lumber supply contract with a sawmill permittee or with another registered lumber dealer.	PWPA recommended that only lumber supply contract between a sawmill permittee and a prospective lumber dealer should be allowed; dispensing with lumber supply contract between lumber dealers.	Allowing only lumber supply contract between a sawmill permittee(s) and lumber dealer(s); a similar contract between wholesale lumber dealers or between wholesale and retail lumber dealers was not anymore required.
3. DAO 17-94 requiring registration of agents, contractors and dealers on imported logs, lumber, etc. - TLA and WPP holders included.	PWPA submitted that TLA- and wood processing permit-holders be exempted from registration being no agents, contractors or dealers.	DENR accepted PWPA's position on the issue; the clarification to be embodied in guidelines on import procedures being prepared.



## ISSUES

## POSITION TAKEN BY PWPA

## STATUS

4. DAO 15-94, amending DAO 60-93 and DAO 68-93 (Regulations re: Industrial Forest Management Agreement), contains certain provisions such as:

- Restoring the performance guarantee bond covering residual forest in IFMAs granted under bid.
- Excluding residual forest in a new area applied for by an IFMA holder who in full developed his present area.

DENR also reminded TLA-holders to apply for conversion of their TLAs into IFMAs, even if such TLAs were not due to expire.

5. DAO 40-94 prescribing rates of forest charges for 1994 higher by about 50% from 1993 levels.

PWPA has always contended that regulations on development-oriented programs, such as IFMA, requiring investments and involving risks, should be liberal with incentives.

PWPA proposed the bond be based on the value of the annual allowable cut and not on the value of entire harvestable volume in residual forest.

For their protection and management - and as incentives for plantation development - residual forest should be included in such application.

The immediate conversion into IFMAs of TLAs of long expiry periods is not mandatory under DAO 68-93 that amended DAO 60-93.

Based on low prices of logs, rates of forest charges for 1994 onwards not in conformity with RA 7161.

Thru positions taken by PWPA, the DENR issued DAO 60-93 revising DAO 42-91 and DAO 68-93 amending DAO 60-93, but DAO 15-94 revoked salient incentives under DAO 68-93.

DENR has yet to consult this issue with ADB who developed the bond formula. PWPA likewise intends to consult with DENR and ADB.

DENR is still evaluating the proposal by PWPA, i.e. reinstating the condition of including residual forest in the application for a new IFMA area.

DENR tacitly accepted the explanation by PWPA which is based on the current DAO 68-93.

DENR issued DAO 95-19 prescribing forest charges lower by an average of 16% than under DAO 40-94.

### B. ARISING FROM 9TH CONGRESS

1. The Senate passed SB 1067, prescribing a total commercial logging ban in the country.

SB 1067, a repeat of SB 1404 of the 8th Congress, admitted no alternatives for total logging ban.

SB 1067 has to await approval of its counterpart HB10042; if ever, both will go to Bicameral Conference Committee.

2. The Lower House set aside HB 1925 - the Forestry Reform Code, and instead agended HB 10042.

HB 10042, a repeat of HB 21223 - that with SB1404 were not passed by the 8th Congress - considered some major positions of PWPA.

Being seriously considered in the second reading of HB 10042 are the crucial issues pertaining to the future of TLAs and IFMAs.

### C. ARISING FROM TARIFF COMMISSION AND AFTA

1. The Tariff Commission (TC) wanted implementation of CEPT-AFTA speeded-up, ahead of other ASEAN countries.

In its position paper, PWPA submitted that a speed-up implementation of AFTA - at scheduled, reduced tariff rates - and adopting the position of CFIP are prejudicial to the interests of the country. A wood industry dislocation means loss of jobs, export receipts and leverage in WTO - poised to be ratified by the country.

The issue of local tariffs vis-a-vis CEPT is still being studied by TC but who seems eager fulfilling AFTA commitments ahead of time despite open objections by affected local industries. Meantime, the rates of tariff on lumber and plywood are being maintained at the usual reasonable levels.

2. The Chamber of Furniture Industries (CFIP) lobbied with TC for big tariff cuts on imported lumber and plywood.



# OUR MEMBERS

## REGULAR MEMBERS

### CAR

**Furniture Group, Inc.**  
R-273 Wellington Bldg.,  
Plaza Ruiz, Binondo, Manila  
**Mr. Florio Buñag**

### REGION II

**Amunitan Bay Tbr. Lic. Inc.**  
R-273 Wellington Bldg.,  
Plaza Ruiz, Binondo, Manila  
**Mr. Florio Buñag**

**Cagayan Plywood Corp.**  
G/F W&W Building, 106 Aguirre St.,  
Legaspi Village, Makati City, 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**

**Jones Logging Corp.**  
20 Bulletin St.,  
West Triangle, Q.C.  
**Mr. Benito Dy/Alejo Dy**

**JPE Dev't. Corp.**  
3/F Quad Star Bldg., Ortigas Ave.,  
Greenhills, San Juan, M.M.  
**Mr. Jaime Cua**

**La Peña Sawmill Co., Inc.**  
560 Padilla de los 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 Road,  
Quezon City  
**Mr. Wilson Lim**

**Luzon Mahogany Tbr. Ind., Inc.**  
44 Edison Tech., U.E. Subdivision,  
Malabon, Metro Manila  
**Atty. Bienvenido Rillo**

**Monte-Alto Tbr. Res. Corp.**  
R-407 Anita Bldg.,  
1300 Quezon Ave., Q.C.  
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Binondo, Manila  
**Mr. Chin San Cordova**

**Security Sawmill Co. Inc.**  
900 Reina Regente,  
Binondo, Manila  
**Mr. Benjamin Dy**

**Sierra Madre Wood Ind. Inc.**  
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106 Aguirre St., Legaspi Vil., Makati City, M.M.  
**Mr. Vicente Chan**

**Southern Plywood Corp.**  
No. 220 Wilson St., Greenhills,  
San Juan, Metro Manila  
**Mr. Gene Pantig**

**Twin Peaks Dev't. Corp.**  
3/F OMI Bldg., 20th St., cor Bonifacio Drive,  
Port Area, Manila  
**Mr. Jose Lorenzo**

**WJJ Enterprises, Inc.**  
Mejore Compound, E. Rodriguez Jr. Ave.,  
Libis, Quezon City  
**Mr. James See**

### GMWPA

**A & A Wood Corp.**  
205 Maysan Road,  
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'l. Corp.**  
12 T. Santiago St., Canumay,  
Valenzuela, Metro Manila  
**Mr. Tan Chin**

**Atlas Wood Industries, Inc.**  
387 Mc. Arthur Highway, Malinta,  
Valenzuela, Metro Manila  
**Mr. Jim Lim**

**Canada Sawmill**  
Marulas, Valenzuela,  
Metro Manila  
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Valenzuela, Metro Manila  
**Mr. Jose L. Chua**

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

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

**Consolidated Wood Products, Inc.**  
2/F G&D Bldg., Quezon Ave.,  
cor., D. Tuazon St., Q.C.  
**Mr. Lino Uy**

**Elco Wood Processing Corp.**  
San Juan, Balagtas,  
Bulacan  
**Mr. Juan L. Santiago**

**Extensive Wood Processing Corp.**  
Km. 15 Mc Arthur Highway, Dalandanan,  
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**Mr. Johnny Chan**



## OUR MEMBERS

### **Goldenforest Trade Int'l., Corp.**

173 Gen. Luis St.,  
Novaliches, Quezon City

**Mr. Benjamin Uy**

### **Golden Star Ind. Corp.**

Bo. Patubig, Marilao,  
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**Mr. Edward Coquinco**

### **Grand Pacific Ent., Inc.**

17-1/2 Km. McArthur Highway,  
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**Mr. Andrew Loo**

### **REGION III**

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**Mr. Alfredo Ong**

### **Emerson Wood Ind., Inc.**

Km 24 McArthur Highway,  
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27-C Compound, Bagbagundo,  
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### **Industrial Timber Corp.**

R-504 ITC Bldg., 337 Sen. Gil J. Puyat Ave.,  
Makati City, Metro Manila

**Dr. Tomas T. Tangsoc, Jr.**

### **Lauan Pacific Res. Corp.**

27 C Compound Bagbagundo,  
Valenzuela, Metro Manila

**Ms. Maria Carina Evangelista**

### **Maple Resources Dev't. Corp.**

Pandayan, Meycauayan,  
Bulacan

**Mr. Jimmy A. Ng**

### **MR Board Inc.**

G/F Metrobank Bldg., Ortigas Ave., cor. Wilson St.,  
Greenhills, San Juan, Metro Manila

**Mr. Pedro C. Bernardo/Mr. Jimmy Ng**

### **New Olympic Industrial Corp.**

25 Km. McArthur Highway,  
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**Ms. Imelda Rogando**

### **Rosewood Processing Inc.**

1012 E. delos Santos Ave.,  
Project 7, Quezon City

**Mr. Julian Ong**

### **Scala Sawmill**

R-560 Padilla delos Reyes Bldg.,  
232 Juan Luna St., Binondo, Manila

**Mr. Francisco U. Peña**

### **REGION IV**

### **Industries Dev't. Corp.**

IDC Compound, E. Rodriguez Jr. Ave.,  
Ugong Norte, Quezon City

**Mr. Joselito Ong**

### **Inter-Pacific Forest Res. Corp.**

R-203 Anita Bldg., 1300 Quezon Ave.,  
Quezon City

**Mr. Alfredo Ong**

### **Interwood (Sawmill Div.)**

Dalig, Cagsiay 2,  
Mabuan, Quezon

**Mr. Johnson Santos**

### **Mt. Banahaw Wood Ind., Inc.**

24 Dancalan St.,  
Damar Vil., Q.C.

**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**



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Chairman

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Industries Dev. Corp.

**JIMMY A. NG**  
Maple Resources  
Development Corp.

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**ALFONSO C. KEH, JR.**  
Extensive Wood  
Processing Corp.

**ANTONIO C. OLIZON**  
Timber Industries of  
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Pagdanan Timber  
Products, Inc.

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Surigao Development Corp.

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PICOP Resources, Inc.



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<b>DE GUZMAN</b>	<b>KEH, JR.</b>	<b>LORENZO</b>	<b>LU</b>	<b>NARVAEZ, JR.</b>
<b>NG</b>	<b>OLIZON</b>	<b>PUYAT</b>	<b>TAMESIS</b>	<b>SANVICTORES</b>

## ADVISORY COUNCIL

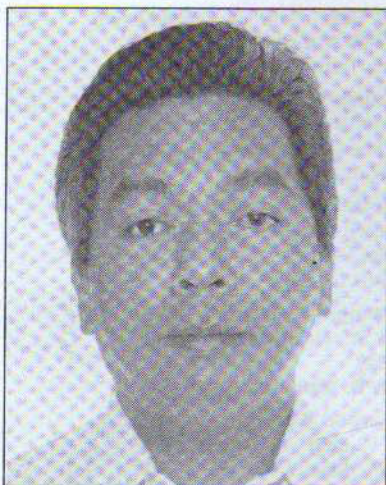
**ERNESTO F. SANVICTORES**  
Chairman

(SEN.) **MAGNOLIA W. ANTONINO**  
**EDUARDO C. ARROYO, JR.**  
**JOSE T. CHING**

**MANUEL L. MORATO**  
**RUFINO T. NASSER**  
**PETER T. ROXAS**



# EXECUTIVE OFFICERS



**OLIZON**

**ANTONIO C. OLIZON**  
President

**FERNANDO A. LU**  
Executive Vice-President

**JOSE CH. ALVAREZ**  
VP-Timber

**DAVID C. GOLANGCO**  
VP-Lumber &  
Related Products

**EVARISTO M. NARVAEZ, JR.**  
VP-Plywood &  
Related Products

**RENÉ DIZON**  
VP-Information Education &  
Communications

**JOSE A. LORENZO**  
VP-Forestry & Environment

**SEVERINO T. DE GUZMAN**  
VP-Legal & Gov't Relations

**FELIX T. TAMESIS**  
VP-Membership Relations

**ALFONSO C. KEH, JR.**  
VP-International Relations

**CELSO E. ABASTILLAS**  
Treasurer

**LEONARDO D. ANGELES**  
Executive Director



**LU**



**ALVAREZ**



**GOLANGCO**



**NARVAEZ, JR.**



**DIZON**



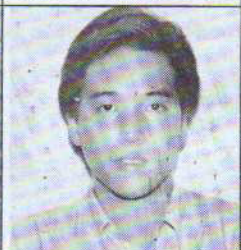
**LORENZO**



**DE GUZMAN**



**TAMESIS**



**KEH, JR.**



**ABASTILLAS**



**ANGELES**



**DUCAY**



**SERAFICO**



**LACTAO**

## SECRETARIAT

**CELIA P. DUCAY**  
Administrative Officer

**REGINO M. SERAFICO**  
Account Officer

**DANTE T. LACTAO**  
IEC Coordinator



## OUR MEMBERS

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

**Palawan Lumber Manufacturing Corp.**  
3/F JAKA II Bldg., Legaspi St.,  
Legaspi Village, Makati City, M.M.  
**Mr. Joselito C. Baltazar I**

**Roberto Gopuansuy, Sr.**  
2152-A Kanluran St., Balut,  
Tondo, Manila

**Mr. Roberto Gopuansuy, Sr.**

**Tableria Tan Tao Sawmill, Inc.**  
c/o Seven Brother, 5/F APMC Bldg.,  
135 Amorsolo St., Legaspi Village,  
Makati City, Metro Manila

**Mr. Domingo Tan/Mrs. Sandra Yu Shaw**

**Verdant Agro-Forest Dev't. Corp.**  
G/F Metrobank Bldg., Wilson St., cor. Ortigas Ave.,  
Greenhills, San Juan, Metro Manila  
**Mr. Godofredo B. Alla**

### NCR

**Far East Timberland & Plywood Corp.**  
917 Susano Ave., Novaliches,  
Quezon City

**Mr. Rosendo Dy**

**International Plywood Corp.**  
518 Baesa Road  
Caloocan City

**Mr. Raymundo Ong**

**Republic Wooden Commodities Mnfg. Corp.**  
917 Susano Ave., Novaliches,  
Quezon City  
**Mr. Rosendo Dy**

### REGION IX

**First Plywood Corp.**  
4/F Asia Industries Bldg., 2281 Pasong Tamo St.,  
Makati City, Metro Manila  
**Atty. Antonio G. Bernas**

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

**Sirawai Plywood & Lumber Corp.**  
4/F Asia Industries Bldg., 2281 Pasong Tamo St.,  
Makati City, Metro Manila  
**Atty. Antonio G. Bernas**

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

**Zamboanga Plywood Inc.**  
Rm. 273 Wellington Bldg.,  
Plaza Ruiz, Binondo, Manila  
**Mr. Celso E. Abastillas**

### REGION X

**Agusan Plywood Corp.**  
R-273 Wellington Bldg. I,  
Binondo, Manila  
**Mr. Alfredo C. Roxas**

**Agusan Wood Ind., Inc.**  
R-504 ITC Bldg., Sen. Gil J. Puyat Ave.,  
Makati, Metro Manila  
**Dr. Tomas Tangsoc, Jr.**

**Anakan Lumber Co.**  
5/F Maritima Building, 117 Dasmarinas St.,  
Binondo, Manila  
**Atty. Felix T. Tamesis**

**Casilayan Softwood Dev'l. Corp.**  
2111 Pasong Tamo cor., Tindalo St.,  
Makati City, M.M.  
**Mr. Antonio G. Cruz**

**Davao Mahogany Products, Inc.**  
10th, 13th St., New Manila,  
Quezon City

**Ms. Helen D. Sanchez**

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

**JCA Lumber & Plywood Ind., Inc.**  
707 Culmat Bldg.,  
E. Rodriguez, Jr. Ave., Quezon City  
**Mr. Roberto M. Da Silva**

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

**Mainit Lbr. & Dev't. Co., Inc.**  
91 Sen. Gil J. Puyat Ave.,  
Makati City, 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 Bldg., 117 Dasmarinas St.,  
Binondo, Manila  
**Atty. Felix T. Tamesis**

**Phil. Wallboard Corp.**  
5/F Maritima Bldg., 117 Dasmarinas St.,  
Binondo, Manila  
**Atty. Felix Tamesis**

**Provident Tree Frams, Inc.**  
PHIMCO Compound, A. Bautista St.,  
Punta, Sta. Ana, Manila  
**Mr. Rene Dizon**

**Royal Match Co., Inc.**  
2111 Pasong Tamo cor. Tindalo St.,  
Makati City, Metro Manila  
**Mr. Luis Roldan**

**Sta. Ines-Melale Corporation**  
3/F Maripola Bldg., 109 Perea St.,  
Legaspi Village, Makati City, M.M.  
**Ms. Rosie Macero**

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

**Union Plywood Corp.**  
R-502 State Cond. I, Salcedo St.,  
Legaspi Village, Makati City, M.M.  
**Mr. Antonio C. Olizon**



## OUR MEMBERS

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

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

### 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.**  
3/F ALSON Bldg., 2286 Pasong Tamo Ext.,  
Makati City, Metro Manila  
**Ms. Edith I. Alcantara**

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

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

**Davao Plywood Co., Inc.**  
Km. 24 Bunawan, Davao City  
**Mr. Gokim Leng**

**Mabini Industrial Tree Plantation, Inc.**  
444 Luisa St., Juna Subd.,  
Matina, Davao City  
**Mr. Josue G. Tesado**

**Mindanao Lumber Dev't. Co., Inc.**  
15/F G.E. Antonino Bldg.,  
T.M. Kalaw St., Manila  
**Ms. Magnolia W. Antonino**

**PICOP Resources, Inc.**  
16/F Centerpoint Bldg., Julia Vargas Ave.  
cor. Garnet, Ortigas Comp., Pasig, M.M.  
**Mr. Evaristo M. Narvaez, Jr.**

**San Manuel Wood Products, Inc.**  
Daliao, Toril,  
Davao City  
**Mr. Manuel G. Ting/  
Mr. Faustino B. Lim Suan, Jr.**

**Super Plywood Corp.**  
R-601 State Cond. I, Salcedo St.,  
Legaspi Village, Makati City, M.M.  
**Engr. Julius Farin**

**Surigao Dev't. Corp.**  
4/F ENZO Bldg., 399 Sen. Gil J. Puyat,  
Makati City, Metro Manila  
**Mr. Aristeo G. Puyat**

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

**Valderrama Lbr. Mfrs. Co., Inc.**  
13 Juna 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

**Ever Sun Dev'l. Ltd.**  
Sarmiento Bldg. II, Pasong Tamo Ext.,  
Makati City, Metro Manila  
**Mr. Kevin Cheng**

**Findlay Millar Tbr. Co.**  
Unit C, G/F, Cordova Bldg.,  
cor. Sedeno & Agustin Sts.,  
Salcedo Village, Makati City, Metro Manila  
**Ms. Maria Teresita N. Kua**

**Minrico Lumber Ent. Co., Inc.**  
Suite 502 State Condominium I, Salcedo St.,  
Legaspi Village, Makati City, M.M.  
**Mr. Robert Atienza**

### ARMM

**Cotabato Timberland Co., Inc.**  
6/F Asia Industries Bldg.,  
2281 Pasong Tamo St., Makati City, M.M.  
**Atty. Antonio G. Bernas**

**Tbr. Ind. & Dev't. of Mindanao, Inc.**  
South Drive, Gilmore Town Homes,  
Granada St., Quezon City  
**Datu Saripada A. Pacasum**

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

**Vicmar Dev't. Corp.**  
Unit C, G/F Cordova Bldg., Valero, cor. Sedeno St.,  
Salcedo Village, Makati City, Metro Manila  
**Ms. Maria Teresita N. Kua**

### ASSOCIATE MEMBERS

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

**Borden Int'l. Phils., Inc.**  
Suite 1001, Ayala Life Bldg.,  
Ayala, Ave., Makati City, M.M.  
**Mr. Rolando del Rosario Sison**

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





THE SGV GROUP

**SGV & CO.**  
SYCIP GORRES VELAYO & CO.

6760 Ayala Avenue Makati  
Metro Manila Philippines  
Tel 632 891 0307  
Fax 632 819 0872  
Telex 63743 SGV PN  
Cable CERTIFIED

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors  
Philippine Wood Producers Association, Inc.

We have audited the accompanying balance sheets of Philippine Wood Producers Association, Inc. (formerly Philippine Wood Products Association, Inc.) (a nonstock, nonprofit corporation) as of December 31, 1994 and 1993, and the related statements of revenues and expenses and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Philippine Wood Producers Association, Inc. as of December 31, 1994 and 1993, and its revenues and expenses and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

*Sycip, Gorres, Velayo & Co.*

April 4, 1995



**PHILIPPINE WOOD PRODUCERS ASSOCIATION, INC.****(Formerly Philippine Wood Products Association, Inc.)****(A Nonstock, Nonprofit Corporation)****BALANCE SHEETS**

	<b>December 31</b>	
	<b>1994</b>	<b>1993</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	<b>₱2,152,485</b>	<b>₱2,110,853</b>
Receivables:		
Members (net of allowance for doubtful accounts of ₱96,275 in 1994 and ₱519,372 in 1993)	<b>326,000</b>	<b>493,101</b>
Others	<b>98,863</b>	<b>138,955</b>
Total Current Assets	<b>2,577,398</b>	<b>2,742,909</b>
<b>Property and Equipment - net (Note 3)</b>	<b>270,612</b>	<b>300,066</b>
<b>Other Assets</b>	<b>9,700</b>	<b>9,700</b>
	<b>₱2,857,660</b>	<b>₱3,052,675</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Accounts Payable and Accrued Expenses</b>	<b>₱612,311</b>	<b>₱524,469</b>
<b>Dues Collected in Advance</b>	<b>—</b>	<b>5,641</b>
<b>Members' Equity</b>		
Balance at beginning of year	<b>2,522,565</b>	<b>5,650,902</b>
Excess of expenses over revenues	<b>(277,216)</b>	<b>(3,128,337)</b>
Balance at end of year	<b>2,245,349</b>	<b>2,522,565</b>
	<b>₱2,857,660</b>	<b>₱3,052,675</b>

*See accompanying Notes to Financial Statements.*



**PHILIPPINE WOOD PRODUCERS ASSOCIATION, INC.****(Formerly Philippine Wood Products Association, Inc.)****(A Nonstock, Nonprofit Corporation)****STATEMENTS OF REVENUES AND EXPENSES**

	Years Ended December 31	
	1994	1993
<b>REVENUES</b>		
Membership dues	₱2,225,185	₱1,960,200
Special assessment	159,816	1,276,648
Associate membership dues	—	6,000
Interest and others	1,231,416	844,342
	<b>3,616,417</b>	<b>4,087,190</b>
<b>EXPENSES</b>		
Salaries, wages and employees' benefits	812,873	626,468
Transportation and travel	527,267	786,101
Public relations and information	464,532	1,479,304
Office expenses	396,618	332,241
Meetings and conferences	315,264	481,107
Condominium expenses, light and water	294,255	226,809
Professional fees	252,025	182,752
Regional chapters expenses (Note 4)	186,562	451,545
Special projects	184,707	1,670,237
Telephone, telegram and postage	103,015	135,478
Donations and gifts	96,972	301,280
Depreciation	84,821	83,892
Membership dues	82,250	35,220
Taxes and licenses	22,270	11,816
Insurance	16,761	9,229
Loss on disposal of property and equipment	14,000	—
Provision for doubtful accounts	—	377,323
Miscellaneous	39,441	24,725
	<b>3,893,633</b>	<b>7,215,527</b>
<b>EXCESS OF EXPENSES OVER</b>		
<b>REVENUES (Note 1)</b>	<b>₱277,216</b>	<b>₱3,128,337</b>

*See accompanying Notes to Financial Statements.*



**PHILIPPINE WOOD PRODUCERS ASSOCIATION, INC.****(Formerly Philippine Wood Products Association, Inc.)****(A Nonstock, Nonprofit Corporation)****STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>1994</b>	<b>1993</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of expenses over revenues	(P277,216)	(P3,128,337)
Adjustments to reconcile excess of expenses over revenues to net cash provided by (used in) operating activities:		
Depreciation	84,821	83,892
Loss on disposal of property and equipment	14,000	—
Provision for doubtful accounts	—	377,323
Changes in assets and liabilities:		
Decrease in receivables	207,193	938,135
Increase (decrease) in:		
Accounts payable and accrued expenses	87,842	(386,651)
Dues collected in advance	(5,641)	(12,000)
Net cash provided by (used in) operating activities	110,999	(2,127,638)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(79,367)	—
Proceeds from disposal of property and equipment	10,000	—
Net cash used in investing activities	(69,367)	—
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	41,632	(2,127,638)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
	2,110,853	4,238,491
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		
	P2,152,485	P2,110,853

*See accompanying Notes to Financial Statements.*



## PHILIPPINE WOOD PRODUCERS ASSOCIATION, INC.

(Formerly Philippine Wood Products Association, Inc.)

(A Nonstock, Nonprofit Corporation)

### NOTES TO FINANCIAL STATEMENTS

#### 1. Organization

The Philippine Wood Producers 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

For purposes of the statements of cash flows, 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 annual allowable cuts.

##### 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. Property and Equipment

This account consists of the following:

	1994	1993
Condominium office building	₱1,010,396	₱1,010,396
Office furniture, fixtures and improvements	129,043	129,043
Office equipment	236,099	192,733
	1,375,538	1,332,172
Less accumulated depreciation	1,104,926	1,032,106
	₱270,612	₱300,066

#### 4. 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.

#### 5. Change in Corporate Name

On February 11, 1994, the Securities and Exchange Commission approved the change in the Company's name from Philippine Wood Products Association, Inc. to Philippine Wood Producers Association, Inc.





## 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.)

## 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.)

