



Bases Conversion Development Authority



Annual Report 1998

**BCDA**

Republic of the Philippines  
Office of the President

**BCDA CORPORATE CENTER**

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## COVER

The cover of the report embodies the theme *Building the Future*. The clock in the background manifests our readiness to face the challenges posed by the dawn of the new millennium. The rays of the sun peeking out augur the bright future as it celebrated its 100th year of independence. The clock hands at the center show the Filipino's readiness to compete in the 21st century, reinforced by the white blur which signifies activity and dynamism. The blue background represents the country's pool of highly skilled workers, while the green at the bottom indicates BCDA's commitment to help in the President's vision of promoting global competitiveness while maintaining social equity and job-generating opportunities. The choice of blue and green confirms the agency's intent to pursue projects geared toward economic progress and development without disregarding their impact on the environment.





Perhaps it is auspicious that in 1998, just as we celebrated our

## The **PRESIDENT'S** Message

It is said that there is no better gift one can leave to one's children than a better tomorrow. This piece of wisdom, I believe, expresses in simple words the complex task of governance. To govern is to build the nation's future.

This is by no means easy. The task facing those of us who have been called to public service is an immense challenge. But much already precedes us. Our history as a people is rich with heroes, those noble ones who gave up personal gain for the sake of the greater good. On these accomplishments we now stand, and on these we must now build.

first century as a nation, we found ourselves in the throes of an economic crisis. The economic contagion that first infected Asia in the middle of 1997 continued ravaging the region last year, spawning economic, social, and political turmoil. The Philippines, though largely spared, was still affected. Economic growth slowed from the four, five, six percent of previous years to barely above zero. It is during such times of crisis, of uncertainty, that the mission of national development becomes ever more important. A crisis may be a time of despair, but it is also a time for

The President's Message

That is the spirit that must  
our work in public service.

same spirit that I see alive and  
the Bases Conversion  
ment Authority. Its work, the  
ion of former military camps to  
ive civilian use, is a crucial part  
overall development plan for the  
: And I am glad to say that in a  
economic stagnation, when most  
ould be happy merely to survive,  
DA flourished. I am struck  
arly by BCDA's contributions in  
: generation.

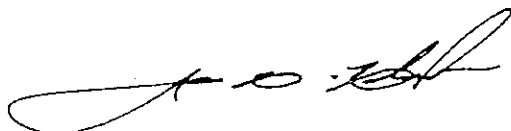
s six-year existence, it has pulled  
than P30 billion from the sale of  
military camps alone. As to  
ment, it was able to generate  
an 48,000 jobs last year.

rating investment, more than P26  
as been poured into or has been  
ted to areas within its  
ion, largely brought in by the  
an 500 companies that have set  
in our military-camps-turned-  
ic-zones.

structure development, the  
entation of BCDA's projects  
g support infrastructure in its  
well as their environs has been  
ve. These will make the transport  
le and goods much easier, a must  
roving the country's  
itiveness in the global market.

It has also contributed its share in social  
amelioration. Not the least are BCDA's  
achievements in improving the welfare of  
communities affected by its many projects. In  
1998, BCDA's relocation programs benefited  
nearly 1,500 families, bringing its total beneficiary-  
families to 3,734 since 1995. In addition, BCDA  
offered not just houses but livelihood programs  
and skills-training projects as well. BCDA has also  
reached out to the country's soldiers and  
policemen, providing shelter for the nation's men  
in uniform.

The essence of BCDA's work over the past year,  
and over its six years of existence, is service to  
the Filipino people. The benefits of BCDA's bases  
conversion programs, infrastructure projects, and  
sheltering initiatives have redounded to us both in  
economic and human terms. That is a good lesson  
to remember: As we Filipinos embark on our  
second century as a nation and proceed into a  
new millennium, we need to be reminded that  
the essence of heroism is captured even in a most  
ordinary thing: the willingness to work for the  
welfare of others. By taking this to heart, we truly  
and rightly build our nation's future. We owe our  
children nothing less.





include key aspects that are in consonance with BCDA's plans, namely, enhancing

## From the **CHAIRMAN**

We are happy to note that the Bases Conversion Development Authority kept pace with the changes and challenges of 1998. For one, the transition from the previous BCDA administration to the present was relatively smooth, thanks to well-designed systems that enabled BCDA to run effectively under any dispensation. And while previous BCDA development plans were largely conceptualized during the term of former President Fidel V. Ramos, it is fortunate that President Estrada's *Medium-Term Philippine Development Plan* with its vision of "economic growth with social equity"

global competitiveness and accelerating infrastructure development.

As we contribute our share to President Estrada's poverty alleviation program and help promote the welfare of the nation, we face the task of enhancing our organizational efficiency, discharging our stewardship over 123,000 hectares of property with renewed vigor, and strengthening our ties with other agencies and firms in both the public and private sectors.

als

1999, we have set our sights on the following targets:

*Improving our revenue generation capability.* A large bulk of our assets are in real estate, and we will enhance efforts to make the most of these assets. These include plans to increase the value of our property in various ways, such as, for example, to clarify the title, formulate proper land-use plans, and improve efforts to clear encroached areas of structures before turning them over to third parties. To help our subsidiaries generate more revenue, we will continue improving access to the ecozones by providing proper infrastructure and services that will make them globally competitive and more attractive to investors.

*Strengthening our abilities in program management and in implementing infrastructure projects.* Because of the number and scale of infrastructure projects in our pipeline, we need to upgrade our capabilities in various fields: program development, contract administration, financial management, procurement, construction and monitoring.

*Improving our organizational capability and teamwork.* A personnel development program that will focus on boosting managerial competence, enhancing technical proficiency, fostering effective behavior, and nurturing leadership skills is being developed to reinforce our manpower capability.

*Defining our functional responsibilities more clearly.* We have revisited our corporate vision statement—defining our long-term goals, our core values and competencies—and programmed it in line with the vision of the Estrada administration. Related to this is the task of defining roles and responsibilities within the organization more clearly, which we shall carry out in 1999.

## *A Word of Gratitude*

We thank President Estrada and his administration for inspiring us to pursue our goals and for providing us with the resources necessary to meet these goals. More importantly, the Medium-Term Philippine Development Plan of the administration has given us the impetus to continue with our initial direction, strengthening our resolve and assuring us that we have taken a step towards the right path.

We are also grateful to our local government partners who collaborated with us to help our projects and programs succeed. And we thank our partners in the private sector who forged ahead despite the unfavorable economic climate. Perhaps like our President, they, too, are of the conviction that the collective welfare of society at large is of greater importance than individual economic gain.

Our drive for excellence has given us a fresh mandate of service. In supporting President Estrada's administration and sharing his goal of uplifting our country's economy and the lot of our fellow Filipinos, we are encouraged to face the coming years with greater confidence and resolve.

To those who helped and encouraged us to do our part in helping build our nation's future, we thank you. We look forward to your continued support as we forge ahead towards the new millennium to carry out an old but nevertheless ageless mission: service to the Filipino people.





## Review of *Operations*

BCDA's overall central theme, ***Building the Future***

encompasses the delicate balance between progress and social justice. While we must build up our economy through projects that are at par with international standards, we must also take into account their human and environmental impact.

We share President Estrada's noble vision of achieving "economic growth with social equity" through the Medium-Term Philippine Development Plan .

Thus, we have tried not only to turn the various areas within our scope into engines of economic growth, but also channel their benefits to communities affected by our development programs.

This summary of BCDA's accomplishments and highlights for 1998 are presented under four sub-themes, namely: *Building Global Competitiveness*, *Building Infrastructure*, *Building Job-Creating Opportunities* and *Building Model Communities*, which manifest the Philippines' readiness to compete in the global marketplace.

# Building Global Competitiveness

## THE BIG DELTA

### PACIFIC PLAZA TOWERS



BCDA continues to transform former military facilities into economic growth centers, accelerating the development of the country's infrastructure and boosting the competitiveness of our goods and services in the global market.

### THE FORT ENTERTAINMENT CENTER



### FORT BONIFACIO Development Corporation

The developments in Fort Bonifacio, a former Philippine military base, show the emergence of an "intelligent city" that can hold its own against its global counterparts. Its strategic location near the Makati and Ortigas business districts and its proximity to the Ninoy Aquino International Airport (NAIA) herald its future as a premier business center not only of the Philippines but of Asia as well.

Spearheading the development of the *Fort Bonifacio Global City* is the Fort Bonifacio Development Corporation (FBDC), a joint venture between BCDA and Bonifacio Land

Corporation, a private consortium led by Metro Pacific. Development efforts concentrated on the *Big Delta*, a 57.2-hectare portion in the southwest quadrant which will house the Central Business District and several high-rise condominiums. Construction of upscale residential condominiums such as the *Essensa*, *One McKinley Place*, and the *Pacific Plaza Towers*, a joint endeavor of BCDA and FBDC, were likewise stepped up. Site development and infrastructure work are set to be completed by 2001.

Sun Life of Canada, Pioneer Insurance, and Asian Sources Media Group are some of the locators that have committed to transfer their corporate headquarters within the *Big Delta*.

located in the Big Delta is the entertainment center known as *The Fort*, with its development output of 3,500 square meters. Its first-class restaurants and bars such as Willy's, Big Boy, Savoia, Le Souffle, and others are fast gaining for the area a reputation as the Philippines' answer to world-renowned entertainment hubs.

Another important component in BCDA's development efforts in Fort Bonifacio is the *Investment Center for Investment* which will serve as a one-stop processing complex to facilitate the speedy and convenient processing of investment and commercial transactions. The center will do away with the inconvenience of having to go from one agency to another, saving investors both time and money. The complex will house the Department of Trade and Industry, Bureau of Investments, Securities and Exchange Commission, Trade and Investment Promotion Corporation, Philippine Deposit Insurance Corporation, and the Philippine Economic Zone Authority.

In consonance with its vision of global competitiveness, BCDA has proposed the redevelopment of a 109-hectare area into the *Bonifacio Housing and Information Technology Special Economic Zone* that will host Information Technology locators. This will harness and showcase the Filipino's outstanding skill in software development & programming.

State-of-the-art technology for communications utilizing fiber optics and an intricate architectural design that boasts of a spectacular skyline are just some of the features of the Fort Bonifacio Global City.

## CLARK Development Corporation

Not to be outdone is the *Clark Special Economic Zone (CSEZ)*, formerly known as the Clark Air Force Base. Managed by the Clark Development Corporation (CDC), CSEZ houses 239 locators mostly involved in industrial and commercial



## CLARK INTERNATIONAL AIRPORT



projects, as well as aviation, tourism, housing and other service-oriented businesses.

Export output by Clark increased from \$153 million in 1997 to \$278 million in 1998, a high 81 percent growth. The top three exporters last year were Kita Corporation which assembles color TVs, VHS and cassette tapes, Sampo Tech. Phils., Inc., the largest electronics company in Taiwan, and L&T International Phils., Inc., maker of world-renowned brands such as Liz Claiborne and Tommy Hilfiger.

The entry of eight new investment projects in electronics and garments by local businessmen and investors from Hong Kong and Taiwan was also approved.

### **CLARK INTERNATIONAL Airport Corporation**

A notable project in the CSEZ is the *Clark International Airport* managed by Clark International Airport Corporation. It will serve as a premier, state-of-the-art aviation complex. Even as preparations for full-scale development are underway, the airport continues its flight service operations.

Completed in June 1998, the P95-million interim passenger terminal can accommodate as many as 350 passengers per hour.

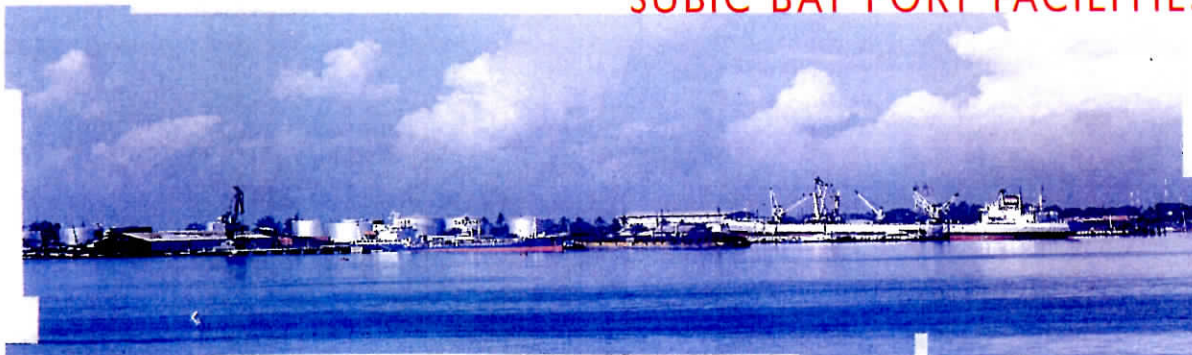
The 2,200-hectare facility has the distinction of having what are considered to be the country's best runways: two 3.2-kilometer parallel strips that can accommodate the world's largest cargo and passenger aircraft. The airport services charter and commercial, domestic and international, and passenger and cargo flights of various airlines including Federal Express, DHL, Grand Air, and Philippine Airlines.

### **SUBIC BAY Metropolitan Authority**

A significant development in the former US Naval Base is the creation of the *Subic Bay Special Economic and Freeport Zone*. Its strategic location in the western seaboard of Luzon facing the China Sea makes it particularly attractive to investors engaged in light industries.

Managed and owned by Subic Bay Metropolitan Authority (SBMA), the 14,614-hectare ecozone is equipped with transport utilities,

### **SUBIC BAY PORT FACILITIES**



## SUBIC INTERNATIONAL AIRPORT



mercial and recreational facilities, fuel  
ge facilities, warehouses, and office  
ings. Its excellent power and  
ommunications infrastructure and  
ort that meets international aviation  
ards make it a highly competitive  
ness hub in Asia. Subic has to date  
cted 312 investor-firms, representing  
a \$2 billion in investments.

able locators in the Subic Bay Industrial  
include Acer, a Taiwan-based computer  
ufacturing firm that ranks seventh in the  
d. Acer's \$110-million computer plant  
on 15 hectares of land and is one of the  
ast and most modern manufacturing  
ties outside Taiwan.

the last quarter of 1998 alone, a total of  
74 billion in investments were approved  
new locator firms such as Sankyu Seiki,  
Mitsumi Corporation, John Holland JV  
c, Inc., Chan Soong International Inc., and  
Master International Services.

*Bataan Technology Park* in Morong,  
an is emerging as a potential expansion  
of SBMA for agro-industrial development.  
Park was formerly the United Nations-  
aged Philippine Refugee Processing  
ter. In March 1997, Morong was declared  
ecial Economic Zone, with the Park as

## Building Global Competitiveness

the Main Zone. Areas contiguous to the Park  
constitute the Sub-Zone, which will contain a  
mix of support residential, commercial,  
institutional and recreational facilities. Initial  
development efforts include the construction  
of an 11.37-kilometer perimeter road.

## JOHN HAY-PORO POINT Development Corporation

In the northern region of the Philippines, the  
John Hay-Poro Point Development  
Corporation (JPDC) oversees developments  
in John Hay in Baguio City and Poro Point in  
La Union.

The *John Hay Special Economic Zone* shows  
promise as a haven for eco-tourism with the  
CJH mountain resort that will house a five-  
star hotel, condo-apartels, sports and  
commercial facilities, a business park, and an  
18-hole golf course. The John Hay project  
was awarded to Camp John Hay  
Development Corp. (CJHDevCo), a  
consortium led by Fil-Estate Corporation  
whose plans include a proviso for  
environmental protection. To this end, the

## CJH AMENITIES



## CLUB JOHN HAY



John Hay Environment and Natural Resources Task Force was created to enforce forest laws and to ensure the protection of the environment in the course of development, particularly in the upgrading of the golf course.

CJHDevCo made several firsts in golfing history in the Philippines and Asia, such as the use of Bentgrass from Georgia to form the greens, similar to the famed Augusta golf course in the US. Upgrading efforts on the golf course are almost fully complete.

The role of *Poro Point Special Economic and Freeport Zone* in La Union (formerly Wallace Air Station) in the economic development of the North Luzon Growth Quadrangle is also significant. Its seaport as well as airport facilities make it an ideal destination for commerce and export-oriented industrial activities. Its proximity to the CJH mountain resort strengthens the position of Northern Luzon as an ideal tourist and business location. John Hay and Poro Point compose the envisioned integrated tourist spot with

## PORO POINT



## SAN FERNANDO AIRPORT



twin vacation options: the beaches and exciting water sports facilities offered by Poro Point and the pine trees and soothing mountain air of Baguio. Both camps offer locators and investors a host of attractive financial and fiscal incentives.

# uilding Infrastructure

## BUENDIA-KALAYAAN FLYOVER

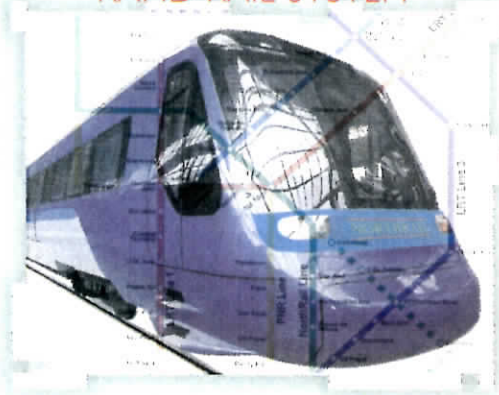


Infrastructure projects that cater to the needs of a growing populace are vital in economic recovery and development efforts. To this end, BCDA is speeding up the construction of off-site infrastructure peripheral to its conversion projects.

With the P778-million *Fort Bonifacio-Kalayaan/EDSA-Buendia Flyover* having reached its halfway mark as the year ended, BCDA is confident that it can contribute to the decongestion of traffic in Metro Manila's major arteries, and enable the easy transport of people and goods in the metropolis. The flyover will provide a direct link between Makati and the Fort Bonifacio Global City.

The new *NAIA International Passenger Terminal III* is expected to accommodate up to 10 million passengers a year. This terminal on the BCDA properties in Alabang will provide world-class comfort

## MANILA-CLARK RAPID RAIL SYSTEM



and convenience to arriving and exiting passengers, boosting the country's reputation as an attractive international destination.

Rapid transport to and from Manila and Clark will be provided by the *Manila-Clark Rapid Railway System* (MCRRS) under the administration of the North Luzon Railways Corporation (Northrail), a joint venture between BCDA and the private sector. When completed, the railway will reduce travel time between the Clark International Airport and the Fort Bonifacio Global City to approximately 55 minutes. President Estrada attended the groundbreaking rites for Phase I of the project, which will cover Calumpit, Bulacan to Monumento.

To hasten the project, BCDA has committed to finance the construction of the civil track works and relocate the squatter families occupying the railway's right-of-way.

Recognizing the importance of the MCRRS, the President adopted it as a flagship project and tasked the Presidential Committee on Flagship Projects to oversee its implementation.

Vital groundwork was laid for the *Subic-Clark Toll Road Project* through a Memorandum of Intent among BCDA, SBMA, CDC, and Parsons International Ltd. to undertake the feasibility study for the 47.2-kilometer tollway. The Subic-Clark Toll Road Project creates an economic corridor between Clark and Subic, boosting investment and employment opportunities for North and Central Luzon. Adopted as another one of President Estrada's flagship projects, the tollway is expected to cut travel time between the two ecozones to approximately 30 minutes, or just one-half of the time it currently takes via the Gapan-Olongapo Road and McArthur Highway.

This is also the case with the construction of the P700-million *Sacobia Bridge* linking the province of Tarlac with the Clark Special Economic Zone, already more than 90 percent complete as of December 1998. The bridge will hasten development not only for Tarlac but for other areas north of Clark.

## SACOBIA BRIDGE



Likewise, the upgrading of the *San Fernando Airport* in La Union will enable it to accommodate bigger aircraft such as Boeing 737s and Airbus 300s for faster and easier access to Northern Luzon.

In John Hay, the implementation of the Master Development Plan by the CJHDevCo was given a boost with the issuance of a Notice to Proceed, along with the issuance of an Environmental Compliance Certificate by the Department of Environment and Natural Resources.



# Building Job-Creating Opportunities

An essential contribution of BCDA to the economy is the creation of job opportunities that came with the influx of investors in BCDA's various projects, with more than P26 billion committed by investor-firms.

The creation of more than 48,000 jobs from the six subsidiaries of BCDA had an impact in lowering unemployment figures, particularly in areas where the subsidiaries and their component projects are located.

## ACER'S COMPUTER PLANT COMPLEX



AMERTRON INC.

## JBIC BAY Special Economic and Freeport Zone

From September to December 1998, the BMA approved P4.774 billion in new investments. In addition, P14.678 billion in contracts were renewed, bringing total investments to P19.452 billion.

Some of the locators include Omron, an international manufacturer of automated roller machines. About 260 workers (Filipino and Japanese) are employed by the company which invested \$12 million into the project.

Other investments from several locators will create 5,808 jobs, comprising almost three-fourths of the 7,934 total

generated by existing investors. This brings the overall generated employment to 13,742. Overall employment in the Subic ecozone is projected to reach 21,550.

## CLARK Special Economic Zone

Even as plans for full-scale development in the Clark Special Economic Zone are being completed, the facility continues to attract more locators. Investor-firms in the ecozone now number 239, who have committed to

## Building Job-Creating Opportunities



**SAMPO TECH. PHIL. INC.**

invest P13.13 billion within a year and P74.39 billion in five years. About 2,198 hectares within the ecozone are being leased to investor-firms.

The impact of such investment on employment has been strong. From a handful of jobs created by the entry of 10 firms in 1993, the total number of jobs as of December 1998 now stands at 20,839. Commitment from 216 firms for employment opportunities within the next five years will increase employment to 66,752.

The 1,443 jobs committed by projects approved in 1998 represent one-eighth of the total number of jobs committed by projects approved by the Board of Investments and the Philippine Export Zone Authority.

### **JOHN HAY** Special Economic Zone

Local business establishments were given priority in all business opportunities inside *John Hay*, strengthening job opportunities for local residents. The Labor Center, which supplies applicants for all job openings in



**L&T INTERNATIONAL PHILIPPINES**



**OMRON CORPORATION**

*John Hay*, continuously registers residents in Baguio, La Trinidad, Itogon, Sablan and Tuba (BLIST) who comprise 85 percent of the employees. A total of 686 employees were accommodated in 1998 by various businesses within the zone.

### **PORO POINT** Special Economic and Freeport Zone

*Poro Point* provided temporary employment for 270 local residents in the repair and maintenance projects of the JPDC.

# Building Model Communities

## HOUSING—THE ESTRADA ADMINISTRATION'S NUMBER ONE CONCERN



## RECIPIENT OF THE DIEGO SILANG VILLAGE PROJECT



## BCDA'S SOCIALIZED HOUSING PROJECT



One mark of a growing economy is the presence of socially-developed and organized communities whose constituents are equipped with the necessary skills to conduct livelihood programs that will serve their needs. In the course of implementing its mandate to transform military camps into productive use, BCDA has seen fit to include in its mission the creation of distinctive communities to serve the needs of those who will be displaced by its various development projects.

## HOUSING PROJECTS

A total of P2.7 billion has been allocated to BCDA for its shelter and relocation programs which will benefit up to 5,000 families. From 1995 to December 1998, 34 families have already been served by these programs.

BCDA constructed the 2,880-unit *Diego Silang Village*, a housing project which benefited 1,020 policemen under the auspices of President Estrada's *Pabahay ni Erap Para sa Pulis Program*.

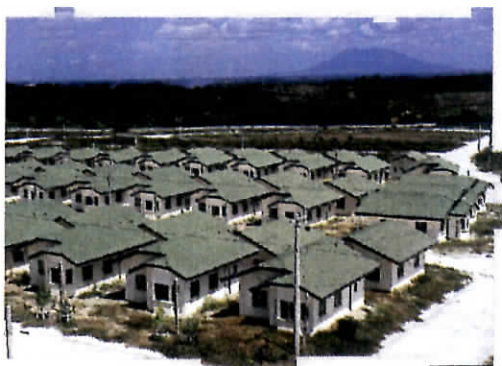
Another relocation site in Taguig is the *Philippine Centennial Village* composed of 1,140 condominium-type residential units.

A notable development is *Project Dreamland*, a joint venture of Lakas-Illaw (composed of families of enlisted military personnel), BCDA and the Foundation for the Development of the Urban Poor Inc. (FDUP). This is a relocation

## LIHOOD PROJECTS

Provide these families an opportunity to have a living, BCDA created *Task Force Kabuhayan (TFH)* to equip relocatees in Fort Bonifacio with sufficient resources to improve their economic status through the following programs: community organizing, manpower development, enterprise development, and micro-lending schemes. A fund of P5 million was allocated to provide livelihood assistance to relocated families.

Under the *Community Organizing* component of TFH, leaders from different barangal groups will be trained to ensure sustainability of the livelihood programs. These will be put up within the community. These leaders are vital in implementing activities geared to enhance economic self-reliance and increased participation in other productive endeavors for their communities. Out of the five target barangalizations, four sectors achieved 100 percent of target activities.



**PHILIPPINE ARMY VILLAGE**  
PROJECT IN CAPAS, TARLAC

An Eco-Waste Management Project was launched to raise the level of awareness for environmental concerns such as proper waste disposal, recycling and efficient utilization of resources.

For *Manpower Development*, skills training programs and other activities aimed at preparing relocatees for self and open employment opportunities were designed. These will enhance skills that will raise their capability to produce quality goods that will in turn increase market demand for such goods. Further, a Hotel and Restaurant Services Training program for out-of-school youth will prepare them for eventual employment in the restaurants, hotels and other establishments within the Fort Bonifacio Global City.

For *Enterprise Development*, a temporary Kabuhayan (livelihood) Center was installed to serve as a "show window" and market outlet for various livelihood products made by the community. It also serves as a training venue and capability-building session for small and medium enterprises. This is aimed to encourage the residents to engage in business endeavors and develop their skills and knowledge in business operations.

Under the *Micro-Lending Program*, two cooperatives were organized which will provide credit and capital assistance to qualified members. Guidelines for credit and lending have been set, which include development of information sharing and system design, establishment and development of a credit data bank and information system, and development of a savings and collection scheme.

BCDA's various development projects also positively affect peripheral communities. For instance, infrastructure developments in the ecozones of Subic, Clark, Poro Point, and John Hay facilitate progress for outlying areas. Likewise, infrastructure such as aviation complexes, bridges and highways make neighboring communities more accessible, thus speeding up economic development.

Through the provision of direct and indirect employment opportunities, residents of nearby communities also benefit through gainful employment or the thriving of their small and medium scale enterprises.

## PANAGBENGA FLOWER FESTIVAL



Tourism enhancement through activities related to culture and the arts organized by BCDA subsidiaries also boost income-generating efforts of these communities, as well as open opportunities to showcase their culture to the rest of the world. One example is the *Panagbenga Flower Festival* in Baguio. Organized and funded by JPDC and BCDA, the Festival shows promise as Baguio's version of the Roses Parade in California.

# Financial Statements

## BALANCE SHEET (in million pesos)

	1998*	1997	1996	1995	1994
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and Cash Equivalent	1,992	4,102	2,205	3,107	1,173
Accounts Receivable	11,624	11,387	18,482	21,752	15
Inventory	2,006	1,331	1,300	1,071	1
<b>Total Current Assets</b>	<b>15,622</b>	<b>16,820</b>	<b>21,987</b>	<b>25,930</b>	<b>1,189</b>
<b>Non-Current Assets</b>					
Investments	36,598	36,241	35,072	32,906	136
Property and Equipment	40,722	39,839	4,960	4,879	12
Other Assets	175	8	3	2	1
<b>Total Assets</b>	<b>93,117</b>	<b>92,908</b>	<b>62,022</b>	<b>63,717</b>	<b>1,338</b>
<b>LIABILITIES AND CAPITAL</b>					
<b>Current Liabilities</b>					
Accounts Payable and Accruals	212	484	1,377	1,238	565
Other Liabilities	1,881	2,719	787	483	509
<b>Total Current Liabilities</b>	<b>2,093</b>	<b>3,203</b>	<b>2,164</b>	<b>1,721</b>	<b>1,074</b>
<b>Long-Term Liabilities</b>					
Other Liabilities	8,816	8,816	15,486	19,599	-
<b>Total</b>	<b>81,660</b>	<b>80,889</b>	<b>44,372</b>	<b>42,397</b>	<b>264</b>
<b>Total Liabilities and Capital</b>	<b>93,117</b>	<b>92,908</b>	<b>62,022</b>	<b>63,717</b>	<b>1,338</b>

audited

## Balance Sheet Analysis

1998, total assets amounted to P93.12 billion representing a slight increase from the 1997 level of P92.90 billion.

Accounts receivable increased by P237 million due to the receipt of P500 million equity contribution from the National Government to finance the conversion and development program of former military bases and P670 million increase in sales of housing and condominium units in Fort Bonifacio.

Inventory rose by P675 million due to the completion of additional housing units in Diego Silang and Centennial Villages in Fort Bonifacio. This is pursuant to BCDA's commitment to President Estrada to provide housing units to less fortunate members of society especially our men in uniform.

Investments increased by P357 million due to additional investments in the basic infrastructure projects of BCDA's subsidiaries and affiliates. The investments provided employment opportunities within the surrounding areas.

Fixed assets rose by P883 million due to the construction of infrastructure projects e.g., Kalayaan-EDSA Flyover project and the development of the Signal Village in Fort Bonifacio to serve as relocation site of affected families in Fort Bonifacio.

Other liabilities declined by P838 million due to the release of progress payments for the construction of the PA Officers' Quarters and Hospital projects.

STATEMENT OF INCOME AND RETAINED EARNINGS (in million pesos)

	1998*	1997	1996	1995	1994
<b>REVENUES</b>					
Interest Income	473	444	391	358	40
Miscellaneous Income	119	51	1	1	14
<b>TOTAL REVENUES</b>	<b>592</b>	<b>495</b>	<b>392</b>	<b>359</b>	<b>54</b>
<b>EXPENSES</b>					
Personal Services	66	46	23	14	9
Maintenance & Other Operating Expenses	429	339	250	1,044	34
<b>TOTAL EXPENSES</b>	<b>495</b>	<b>385</b>	<b>273</b>	<b>1,058</b>	<b>43</b>
Net income from operations	97	110	119	(699)	11
Refund of Advances Made for the Housing & Relocation Program		1,387	947	930	(16)
Equity in Net Income of Subsidiaries/Affiliates	686	498			
Net Income for the Year	783	1,995	1,066	231	(5)
Retained Earnings, beginning of the year	2,892	938	247	19	23
Prior Period Adjustment	(13)	(41)	38	(3)	1
Retained Earnings, end of the year	3,662	2,892	1,351	247	19

\* Unaudited

*The income statement has the following salient features:*

1. As of end of calendar year 1998, BCDA's total operating income amounted to P592 million, 33% higher than last year's operating income of P446 million. Total income increased despite the continuing decline in the volume of investible funds as well as the Treasury Bills rates.
2. Net income from operations declined by 12% or P13 million from P97 million as compared to the previous year's level of P110 million. This was brought about by a 28% increase in operating expenses in contrast with the 19% growth in operating income.
3. The drop in net income from operations was a result of the increase in taxes, duties and fees paid for the titling of properties, cash compensation paid to the informal occupants in Fort Bonifacio, and the cost of securing the area from illegal encroachment.
4. BCDA's share equity in net income of subsidiaries/affiliates rose from P498 million in 1997 to P686 million in 1998. The significant hike was due to the increase in BCDA's equity in the undistributed net earnings of its subsidiaries/affiliate companies.

# Board of Directors

Office of the President

# BCDA

Basin Conversion Development Authority



Rogelio L. Singson  
**Chairman & President**

Asteya M. Santiago  
**Vice Chairman**

### **Directors**

- Benjamin P. Abella
- Jose Fernando B. Camus
- Felix D. Carao Jr.
- Roberto A. Flores
- Cesar M. Jorge
- Roberto S. Montellano
- Isaac S. Puno III
- Ari-Ben C. Sebastian - *Corporate Secretary*



## Subsidiaries and Affiliates



### Clark Development Corporation

Rufo Colayco  
*President*

#### Clark Office

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Pampanga, Philippines  
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Fax No. : (63-45) 599-2507

#### Manila Office

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Makati City  
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Fax No. : (632) 813-6297



### Clark International Airport Corporation

Bldg. 7584 Civil Aviation Complex  
Clark Field, Pampanga Philippines  
Tel. Nos. : (63-45) 599-2702  
Fax No. : (63-45) 599-2266



### John Hay-Poro Point Development Corporation

Porfirio N. Zablan  
*President*



Victor G. Floresca  
*Vice President, Poro Point*

Damaso E. Bangaet Jr.  
*Vice President, John Hay*

#### Baguio Office

Club John Hay  
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Tel. Nos. : (63-74) 442-7902 to 08  
Fax No. : (63-74) 444-5824

#### La Union Office

Pennsylvania Avenue  
San Fernando, La Union, Philippines  
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Fax No. : (63-72) 415-477



### Bataan Technology Park, Inc.

Jones O. Alabanza  
*Officer-In-Charge*

#### Morong Office

Morong, Bataan, Philippines

#### Manila Office

BCDA Corporate Center  
Gozar St., Villamor Air Base  
Pasay City, Philippines  
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## **RTHRAIL**

### **North Luzon Railways Corporation**

Isidro L. Singson  
Chairman & Acting President

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10th St., Villamor Air Base  
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### **Subic Bay Metropolitan Authority**

Felicito C. Payumo  
Chairman

SBMA Center Bldg. 229  
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Subic Bay Freeport Zone, Olongapo  
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(63-47) 252-7111



### **Fort Bonifacio Development Corporation**

Ricardo S. Pascua  
President

Bonifacio Center  
Fort Bonifacio  
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## **MHI**

### **MHI Management and Services Incorporated**

Isaac S. Puno III  
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## OFFICE OF THE EXECUTIVE VICE PRESIDENT

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Estate Development  
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Manager  
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## CORPORATE SERVICES GROUP

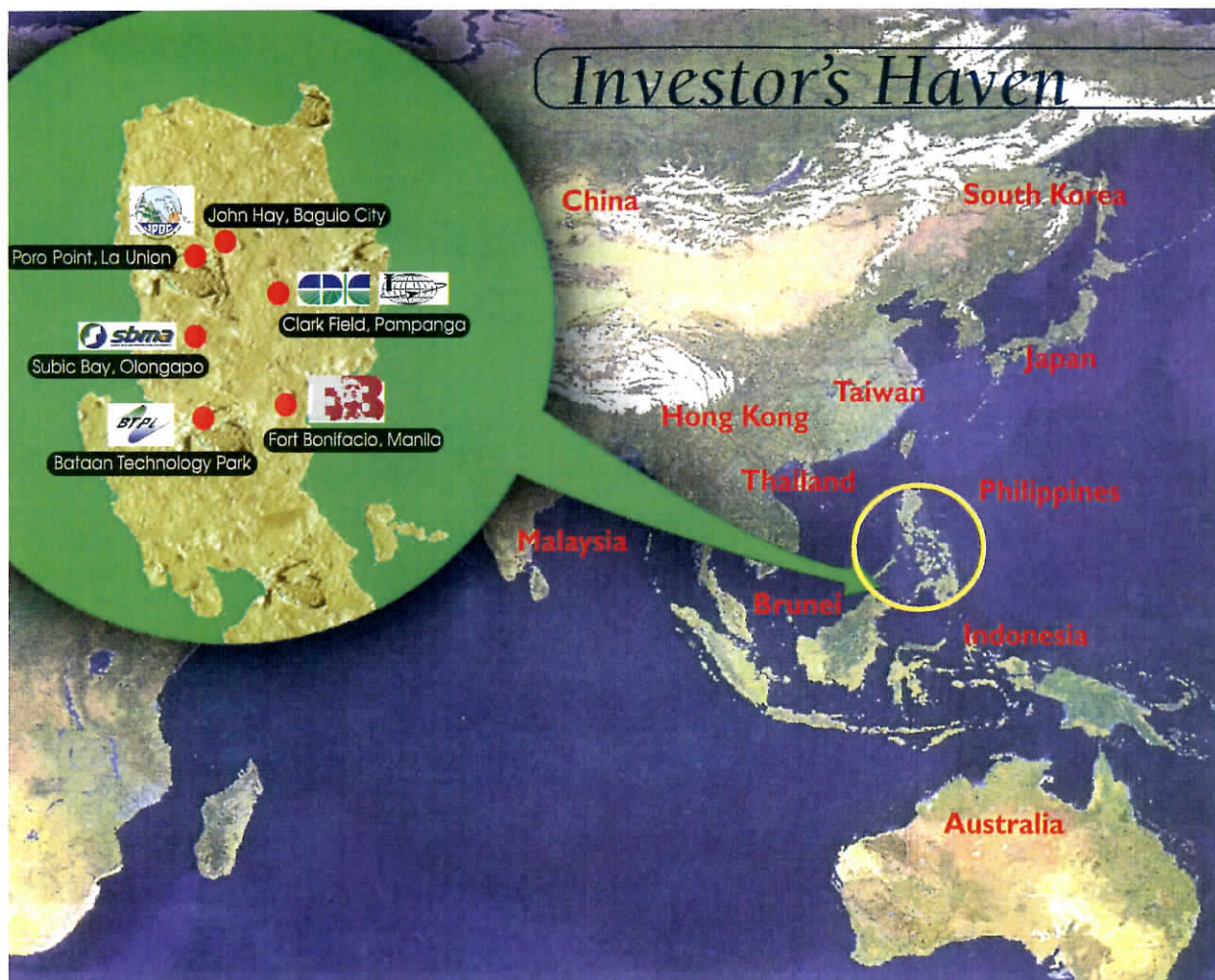
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## COMMISSION ON AUDIT

Corazon V. España  
Resident Auditor  
Tel. No. (632) 510-0412



tors setting up their business in the special economic and freeport zones of C, CLARK, JOHN HAY, PORO POINT or MORONG enjoy government-guaranteed incentives such

- 6% levy on Gross Income Earned (GIE) in lieu of all national and local taxes and duties
- tax- and duty-free importation of capital goods, machinery, raw materials, supplies and finished goods
- management of the zone as a separate customs territory, ensuring free flow of articles within the zone
- limited purchase and consumption of tax- and duty-free consumer goods within the zone
- liberalized banking rules/no foreign exchange controls
- businesses within the zones may be 100% foreign-owned
- security and infrastructure of a special economic and freeport zone.

**SUBIC SPECIAL ECONOMIC AND FREEPORT ZONE**, with excellent seaport facilities, ideal for light to medium and high-tech industries.

**CLARK SPECIAL ECONOMIC ZONE**, future site of a world-class international civil aviation complex, is best suited for the establishment of industrial, commercial, tourism and trade centers.

**JOHN HAY SPECIAL ECONOMIC ZONE AND PORO POINT SPECIAL ECONOMIC AND FREEPORT ZONE** provide the ultimate in tourism facilities as they combine the exotic pleasures of Baguio's mountain haven and Poro Point's waterfront resort with an industrial and tourism complex; the finest coastlines of Northern Philippines.

**MORONG SPECIAL ECONOMIC ZONE** is being developed into an agro-industrial zone to complement Subic.

## *Building Model Communities*

site in Conga, Taguig for informal occupants in Fort Bonifacio. The relocatees consist of families of enlisted Philippine army men and civilians who opt to reside in low-rise houses. This 8.7-hectare site is composed of 112 units of 36-square meter two-storey row houses and 123 two-storey duplex units measuring 60 and 72 square meters. The site has provisions for facilities such as electricity, water, sewerage and drainage systems, and road networks. A community park, a commercial strip, a wet market, and a multi-purpose center will also be provided.

What is noteworthy in Project Dreamland is the successful interplay and cooperation between residents, the government, and private sector to develop a socialized housing area that can serve as a model for others. Training for livelihood projects such as handicraft-making, computer courses, welding, and processed food preparation will be provided under the auspices of Task Force Hanapbuhay. For their part, relocatees

formed linkages with non-government organizations, such as the FDUP, which serves as a channel for financial and technical assistance from European non-government organizations.

For affected constituents of *Villamor Air Base*, BCDA has set aside 53 hectares for a socialized housing program primarily for the residents of *Airmen's Village*, in fulfillment of the government's commitment to provide housing to our servicemen.

In Capas, Tarlac, the *Philippine Army Village* has 150 single-detached housing units for officers and enlisted men of the Philippine Army Light Armor Regiment (PALAR).

### **DIEGO SILANG VILLAGE** URBAN HOUSING FOR RELOCATED FAMILIES



**PROJECT DREAMLAND**  
A SHOWCASE OF PUBLIC-PRIVATE  
SECTOR COOPERATION