



Philippines Weekly Report

WEEK 10 OF 2002

Covering Events in the Philippines from 06 to 12 March, 2002

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Manila 10's Rugby Festival 16-17 March and Sponsored by:



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What's New Online

Statistics relating to the environment and natural resources are now online at: <http://www.virtual-asia.com/ph/bizpak/statistics/environment.htm>

Key monthly indicators have also been updated to January 2002 and can be accessed from the statistical index of the Virtual Philippines Bizpack.

This past week we published the latest edition of our Asian Transport & Distribution Newsletter. This can be accessed from our ATD website at <http://www.virtual-asia.com/atd>.

On 16 and 17 November, The Manila Nomads Club will be hosting the Manila 10s Rugby Festival. The Prime Sponsor for this event is Sinclair James. Or details visit their special website. Details below.

HEADLINE NEWS

In response to deposed President Joseph Estrada's clear attempt to agitate his loyal supporters into mounting fresh protests against the incumbent administration, President Gloria Macapagal-Arroyo did her own publicity stunt last week, humbly beseeching the Filipino people to support her government.

[See: President Arroyo: I Need You](#)

The rate of contraction of Philippine exports improved from 24.4 percent YoY in December 2001 to only 8.95 percent YoY in January this year, leading government economists to revise their full-year forecast for 2002 from flat growth to 1.5 percent growth.

[See: Exports Contraction Improves to Single Digit in January](#)

The inflation rate is coming down. After averaging 6.1 percent YoY in 2001, the country's inflation rate slowed to a two-year low of 3.4 percent YoY in February, thanks to a continued drop in prices of consumer products and services.

[See: Inflation Slows to 3.4 Percent in February](#)

The country's fiscal deficit, high level of public debt and soaring bad loans of commercial banks are expected to keep the economy from moving as fast as it otherwise could. While government economists predict a maximum of 4.5 percent growth in gross domestic product (GDP) this year, industry experts are less optimistic.

[See: Concerns About the Philippine Economy](#)

Welcoming foreign tourists took a new twist last week when the police chief of Ermita's tourist district in Manila ordered his men to arrest Filipinos who "suspiciously befriend" foreign tourists.

[See: Befriending Tourists](#)

After the American and Japanese chambers of commerce had complained about the influx of used vehicles from Japan, local manufacturers also asked the Arroyo administration to impose a ban on importation of second-hand appliances.

[See: Discarding the Old](#)

Peace talks with the Moro Islamic Liberation Front (MILF), the largest Muslim rebel group with over 11,000 armed combatants in the southern Philippines, collapsed last week amidst reports of ceasefire violations.

[See: Peace Talks With Moro Rebels Collapse](#)

A strong earthquake, which was registered at 6.8 in the Richter Scale jolted Central Mindanao last March 6, leaving at least 15 people dead and forcing 27,000 people to flee their homes

[See: Strong Earthquake Hits Mindanao](#)

Foreign investors want the Philippine government to issue clear guidelines on mining. The paper follows on the heels of a 25-year-ban imposed by Mindoro province on large-scale mining operations last February.

[See: Foreign Chambers Want Clear Mining Policies](#)

March 8 was International Women's Day. Filipino women's groups released two different reports on the observance. One report said that more Filipino women are now able to find better jobs. The other report denied it.

[See: Filipino Women](#)

Plus: [News In Brief](#), [Investment News](#) as well as [Currency](#) and [Stock](#) information.

MAIN STORIES

President Arroyo: I Need You

In response to deposed President Joseph Estrada's clear attempt to agitate his loyal supporters into mounting fresh protests against the incumbent administration, President Gloria Macapagal-Arroyo did her own publicity stunt last week, humbly beseeching the Filipino people to support her government.

Appearing on a nationwide television broadcast, the president used a motherly voice to appeal for the people's support. "I need you," she said, in the Filipino language. She was obviously talking to all Filipino people, but in her pleas she had a specific audience in mind.

It was not disclosed why Malacanang Palace made the surprise television broadcast but there were suggestions that it was intended as a pre-emptive measure to dissuade Estrada's loyal supporters from mounting another people's revolt reminiscent of last year's May 1 mob attack.

On May Day last year, thousands of the urban led by a group of Estrada supporters attacked Malacanang Palace in an apparent attempt to liberate Estrada from detention and restore him to power. The ugly rebellion was only foiled after President Arroyo declared Metro Manila under a weeklong state of rebellion, which required mobilization of military personnel around the palace.

No one was held responsible for the incident, although a charge of rebellion has been filed against Ronald Lumbao, the head of People's Movement Against Poverty (PMAP), a group of urban poor residents clamoring for the release of Estrada from detention. Estrada was detained in late April 2000 on charges of plunder.

Other urban poor groups have kept their distance from PMAP and are in fact asking for a speedy trial for Estrada. There are suspicions that Estrada's camp, composed of political and business allies, are funding PMAP's operations.

Whether PMAP is capable of leading another civilian rebellion remains to be seen. Many doubt it and a slight strengthening of the peso in recent weeks suggests that business is unfazed by all the threats coming from the former president.

Other groups that have has a past tendency to join the prey are two religious organizations – El Shaddai and Iglesia ni Kristo. While the leaders of the two sects have vowed not to move against the incumbent government, their television and radio stations continue to carry programs prejudicial to the Arroyo administration's interest.

National Security Adviser Roilo Golez did not deny the security problem posed by Estrada's publicity gimmicks. Estrada had fired his battery of top-caliber lawyers, as he claimed that he was not expecting to get justice from the court. Such gesture was viewed as an attempt to scuttle the court proceedings, pressure the Arroyo administration into sending him in exile to another country or worse, to agitate his supporters into the streets.

Authorities are now hunting Lumbao, the head of PMAP, to thwart the group's plan to duplicate the May 1 attack. Ironically, Lumbao who has been granting numerous interviews with broadcast stations and news media, remains at large.

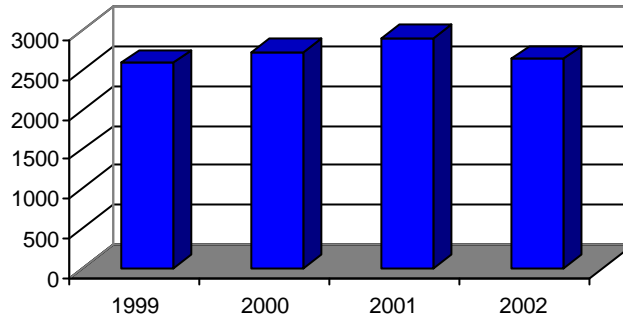
A protest rally in support of Estrada's release or exile in the United States is not far-fetched. This, however, may lead to a more serious concern. The people who trooped to EDSA and forced Estrada out of power in January 2001 are unlikely to allow Estrada and his supporters to make a mockery of the judicial system.

Without cautious discipline, crowd mobilization on the street – if such occurs – could easily lead to clashes, a situation that came close to reality twice in the recent past – first during the May 1 mob attack last year and then on the EDSA People's Power Revolution anniversary last February 25.

And so that's why President Arroyo was trying to wear a motherly tone. In the absence of a clear legal framework governing political rallies, the president was hoping a mother could tame the crowd.

Exports Contraction Improves to Single Digit in January

Comparison of January Exports (In US Billion Dollars)



The contraction of Philippine exports improved from 24.4 percent YoY in December 2001 to only 8.95 percent YoY in January this year, leading government economists to revise their full-year forecast for 2002 from flat growth to 1.5 percent growth.

According to the National Statistics Office, the country's outbound shipments amounted to US\$2.63 billion in January this year as compared to US\$2.889 billion a year earlier and US\$2.717 billion in January 2000. Exports grew by 6 percent YoY in January 2001 before falling progressively over the next 12 months including in January this year. Total outbound shipments dropped by 15.6 percent to US\$32.138 billion in 2001 from US\$38.078 billion in 2000.

With the low export figures registered in the last 11 months of 2001, the popular assumption is that exports growth would again start manifesting in February this year, gradually picking up in the third and fourth quarters. Compared to export figures in 2000, which is probably a better barometer, this year's total is still expected to be about 14 percent lower.

Electronic Exports (In Million US Dollars)				
	Jan-02	% Share	Jan-01	Growth Rate
Electronic Components	1,436.7	54.6%	1,681.1	-14.5%
Microcircuits	283.2	10.8%	313.9	-9.8%
Semi-Conductor	739.7	28.1%	844.9	-12.5%
Input-Output Units	199.4	7.6%	217.3	-8.3%
Other Electronics	214.5	8.2%	305.1	-29.7%
Non-Electronics	1,193.6	45.4%	1,207.9	-1.2%
Total	2,630.3	100.0%	2,889.0	-9.0%

In particular, exports of electronic components, accounting for 54.6 percent of the aggregate export account, dropped by 14.5 percent to US\$1.437 billion in January this year from US\$1.681 billion a year earlier. This represents a significant improvement from a 34.6 percent contraction in December last year and an average of 25 percent decline for 2001.

Shipments of microcircuits fell by 9.8 percent YoY to US\$283.2 million in January while semi-conductor exports dwindled by 12.5 percent to US\$739.7 million. Shipments of input-output and peripheral units dropped by 8.3 percent to US\$199.4 million while other electronic exports plunged 29.7 percent to US\$214.5 million.

Exports aside from electronic components, and which account for 45.4 percent of the aggregate export revenues, actually declined by as low as 1.2 percent to US\$1.194 billion in January this year from US\$1.208 billion a year earlier.

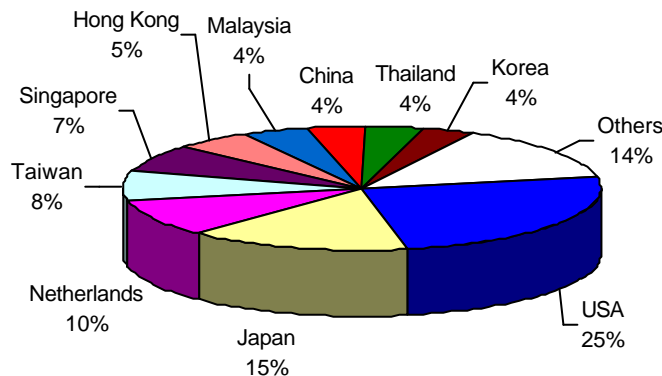
Shipments of apparel and clothing accessories, the top non-electronic export, contracted by 21.4 percent to US\$165.95 while banana exports dropped by 21.6 percent to US\$28.61 million. Shipments of woodcraft and furniture dropped by 44.3 percent to US\$25.84 million while other products manufactured from imported materials on consignment basis declined by 26 percent to US\$24.28 million.

Exports of metal components actually improved by 41 percent to US\$53.57 million; cathodes and sections of cathodes, of refined copper by 2.1 percent to US\$25.38 million; petroleum products by 17 percent to US\$25.35 million; coconut oil by 20 percent to US\$18.4 million; and sugar by 10 percent to US\$10.6 million.

In general, total agro-based exports picked up by 1.7 percent to US\$116.36 million in January this year from US\$114.41 million a year earlier, while export receipt from exports of mineral products went up by 8.6 percent to US\$35.96 million.

Other leading exports are shrimps and prawns, worth US\$8.7 million; ignition wiring sets used in vehicles, aircraft and ships, US\$8.5 million; tuna, US\$7.6 million; fertilizers, US\$7.5 million; gold, US\$6.4 million; desiccated coconut, US\$6 million; footwear, US\$5.9 million; basketworks, US\$5.5 million; pineapple products, US\$5.4 million; processed tropical fruits, US\$4.4 million; copper concentrates, US\$4.3 million; ceramic tiles and decors, US\$4.3 million; seaweeds and Carageenan, US\$ 4 million; Christmas décor, US\$2.7 million; copra oil and cake, US\$2.7 million; iron ore agglomerates, US\$2.4 million; activated carbon, US\$1.9 million; and fine jewelry, US\$1.3 million.

Top Export Destinations, January 2002



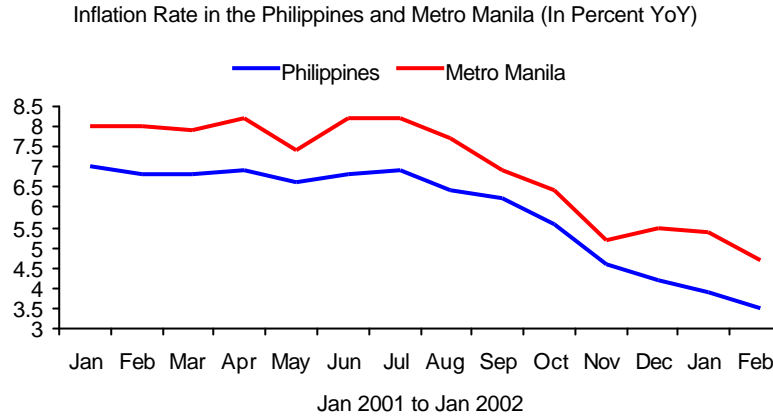
About 40 percent of the country's merchandise exports went to the US and Japan. Shipments to the US, accounting for 24.7 percent of the aggregate export revenues, contracted by 21.2 percent to US\$649.84 million in January this year from US\$824.50 million a year earlier while exports to Japan, or 15 percent of the total, fell by 21.7 percent to US\$394.41 million from US\$503.65 million.

Exports to Thailand plunged by at 42.6 percent YoY to US\$102.91 million while shipments to Singapore dropped 26 percent to US\$188.80 million.

Among the countries, which accommodated larger shipments from the Philippines in January this year, are the Netherlands, Taiwan, Hong Kong, Malaysia, China and Korea. Exports to the Netherlands, the third largest market, improved by 7.6 percent to US\$259.46 million; Taiwan, by 7.7 percent to US\$202.24 million; Hong Kong, by 37 percent to US\$136.53 million; Malaysia, by 15 percent to US\$117.18 million; China, by 127 percent to US\$103.36 million; and Korea by 53 percent to US\$97.04 million.

Exports to other countries, outside the top ten list, declined by 13 percent to US\$378.54 million in January this year from US\$435.81 million a year ago.

Inflation Slows to 3.4 Percent in February

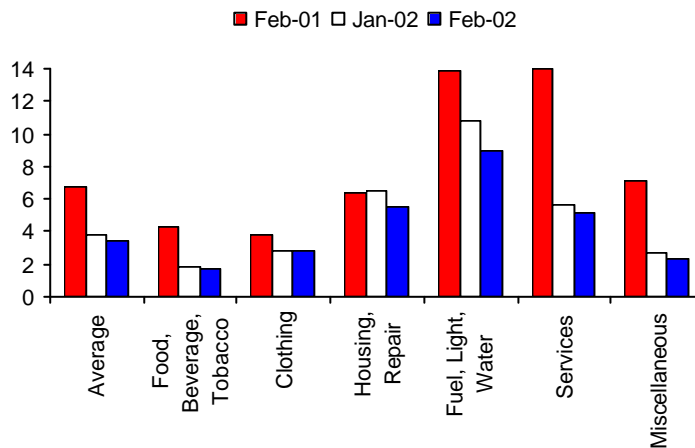


The inflation rate is coming down. After averaging 6.1 percent YoY in 2001, the country's inflation rate slowed to a two-year low of 3.4 percent YoY in February, thanks to a continued drop in prices of consumer products and services.

According to National Statistics Office (NSO), all commodity groups, except clothing, registered year-on-year increase in prices. Measured month-on-month, there was actually a 0.2 percent deflation in February from a 0.4 percent inflation in January this year.

In February 2001, prices of consumer products and services moved up by 6.7 percent YoY. Price movement remained over 6 percent YoY until October last year when it decelerated to 5.5 percent. Inflation rate further dropped to 4.5 percent in November, 4.1 percent in December and 3.8 percent in January.

Inflation Rate by Sector (In Percent YoY)



In particular, prices of food, beverages and tobacco (FBT) moved up by 1.7 percent YoY in February; housing and repair, 5.5 percent; fuel, light and water, 9 percent; services, 5.1 percent; and miscellaneous items, 2.3 percent.

Inflation for food eased to 1.5 percent YoY during the month, with the decline in prices of corn, fruits and vegetables. Price of corn fell by 0.3 percent YoY in February while prices of fruits and

vegetables declined by as much as 5.9 percent YoY, thanks to good harvest. Slower movement was also noted in the price of rice, which grew by only 0.3 percent; fish, 3.9 percent; meat, 1.8 percent; eggs, 5.1 percent; cereal preparations, 3.2 percent; dairy products, 7.7 percent; and miscellaneous foods, 3.2 percent.

Prices remain relatively higher in Metro Manila than in provinces. Inflation in February was estimated at 4.6 percent YoY in Metro Manila and 2.8 percent YoY in other parts of the country.

Government economists had confidently predicted that the country's inflation rate would range from 4.5 to 5.5 percent YoY in 2002.

Concerns About the Philippine Economy

The country's fiscal deficit, high level of public debt and soaring bad loans of commercial banks are expected to keep the economy from moving as fast as it otherwise could. While government economists predict a maximum of 4.5 percent growth in gross domestic product (GDP) this year, industry experts are less optimistic.

For example, the US-based credit rating agency Standard and Poor's (S&P) doubts that the economy would surpass its economic gains last year, given the slow passage of key economic reforms in the country. Finance Secretary Jose Isidro Camacho who met with S&P officials in Manila last week said they remain to be convinced about the incumbent government's ability to sustain the reform process.

S&P gave the Philippines a negative rating amidst the political chaos resulting from the swift change of leadership in January last year. Since then Filipino officials have been trying to persuade S&P to upgrade the country's rating, given its GDP growth of 3.4 percent last year.

Secretary Camacho was hoping that S&P would follow the lead of Moody's Investment Services, which has recently raised its outlook on the Philippines from "negative" to "stable". The Hong Kong Shanghai Banking Corporation (HSBC), JP Morgan Chase Bank and Goldman Sachs have also given the country a favorable economic review.

While these banks forecast positive growth for the Philippines this year, they are still less optimistic than the Arroyo administration. For example, investment bank JP Morgan Chase Bank foresees the Philippine economy expanding by 3.6 percent this year, lower than government's forecast of 4.5 percent. In 2003, the US-based investment bank expects the Philippine economy to grow by 3.8 percent.

Such level of economic growth would hardly improve the lives of the Filipino people. Measured per capita, a 3.6 percent GDP growth would translate to only about 1.3 percent in per capita terms, given the country's annual population growth rate of 2.3 percent. A slight miscalculation in inflation figures, which remain high, could easily offset any real growth.

Meanwhile, the Asian Development bank said it expects developing Asian economies to post an average of 4.7 percent growth this year and a range of 5 to 6 percent growth next year.

Befriending Tourists

Welcoming foreign tourists took a new twist last week when the police chief of Ermita's tourist district in Manila ordered his men to arrest Filipinos who "suspiciously befriend" foreign tourists.

The police chief gave the order in a desperate attempt to check the rash of robbery incidents involving foreign tourists as victims. One particular criminal syndicate, the Ativan Gang, has been consistently named as the one preying on foreign tourists by befriending them at first before robbing them of cash or valuables.

Previous incidents involved sweet-talking suspects, usually with a female companion, making the first move to acquaint themselves with the unsuspecting foreign victim, usually alone. Such acquaintances took place at the golf course in Intramuros, inside hotels or shopping malls and even

on the streets. Victims said they were dosed to sleep before being robbed of their money. Police said two recent victims woke up in two nearby provinces.

Meanwhile, the body of a suspected robber victimizing foreign tourists was discovered in front of Robinson's Place mall in Ermita last week. Found with the body is a cardboard sign warning against robbing foreign tourists.

Police did not discount the presence of a vigilante group out to warn criminal syndicates, particularly the Ativan Gang, from preying on foreign tourists.

Recent reports also highlighted the involvement of so-called beggars in robbing foreign tourists. Last March 6, a 58-year-old Italian tourist almost lost his wallet containing P4,000 and US\$400 to a beggar in Ermita. Fortunately, roving policemen apprehended the suspect. It was not the first time such incident took place.

Discarding the Old

After the American and Japanese chambers of commerce had complained about the influx of used vehicles from Japan, local manufacturers also asked the Arroyo administration to impose a ban on importation of second-hand appliances.

Purchases of new commercial and passenger cars fell by 8.7 percent to 76,670 units in 2001 from 83,949 units in 2000 while sales of electronic appliances dropped by 7.5 percent to 6,077,500 units in 2001 from 6,574,000 units in 2000.

The Federation of Philippine Industries (FPI) bewailed the widespread sale of used appliances from Japan and other Asian countries at very cheap prices inside warehouses in Metro Manila, Bulacan and other provinces. For example, a television set is often sold at P2,000 per unit at these warehouses, compared to over P10,000 per unit for a newly manufactured one.

Among the used appliances imported from other countries and sold at cheap prices in the Philippines are refrigerators, television sets, and air-conditioners. Used vehicles sold in the country include scooters, sedans, vans, sport utility vehicles, trucks, and construction equipment.

The Department of Trade and Industry (DTI) said it is still studying the legal action that it has to undertake to protect local manufacturers who are driven out of business by the influx of imported second-hand vehicles and appliances.

Meanwhile the government has announced that it will draw up a list of those second-hand goods that can be imported legally into the Philippines.

Peace Talks With Moro Rebels Collapse

Peace talks with the Moro Islamic Liberation Front (MILF), the largest Muslim rebel group with over 11,000 armed combatants in the southern Philippines, collapsed last week amidst reports of ceasefire violations.

With the government-initiated suspension of the peace talks, Hashim Salamat, the MILF chairman ordered his followers to intensify their attacks against government targets, military intelligence reports said.

It was not clear why the government announced the suspension of the peace talks, but there were suspicions that the MILF has been trying to assist the Muslim extremist Abu Sayyaf group, which is the target of ongoing joint military exercises between Filipino and American troops.

Abu Sayyaf and another Muslim extremist group, Pentagon, are composed of former MILF rebels. While the MILF denies it has links with the two extremist groups, the Philippine military insists that the MILF is harboring their members inside its camps.

There are also fears that the MILF would also target American military personnel in their escalated attacks against the Philippine government. Under the rules of engagement of the joint military drills, American troops are allowed to defend themselves, in case of attack by hostile forces.

Strong Earthquake Hits Mindanao

A strong earthquake, which registered at 6.8 on the Richter Scale jolted Central Mindanao last March 6, leaving at least 15 people dead and forcing 27,000 people to flee their homes

The tremor caused a volcano's crater walls to collapse, allowing water to deluge a community of houses in Sarangani province. Two churches also collapsed while electric power lines in the cities of General Santos, Davao and Cotobato were cut.

According to the Philippine Institute of Volcanology and Seismology (Phivolcs), the epicenter was in the Cotabato Trench in the Celebes Sea, 96 kilometers southwest of Isulan town in Sultan Kudarat province. The tremor was so strong that it registered Intensity 9 on the Richter Scale in the town of Palembang, Sultan Kudarat.

Fortunately, fewer lives were lost in last week's earthquake than in the last significant tremor. In 1976, a movement in the Cotabato Trench caused a tsunami to develop that killed 8,000 people.

The Philippines is located along the so-called Pacific Ring of Fire, an underground trench connecting volcanoes throughout the region. The Philippines has 22 active volcanoes.

Foreign Chambers Want Clear Mining Policies

Foreign investors want the Philippine government to issue clear guidelines on mining. The paper follows on the heels of a 25-year-ban imposed by Mindoro province on large-scale mining operations last February.

In a joint position paper issued by Foreign Chambers of the Philippines, foreign investors asked the administration of President Gloria Macapagal-Arroyo to issue a clear policy statement on mineral development, which they believe could result in potential new investments of US\$3.2 billion over a five-year period.

Such investments, the foreign investors said, would give the government some P21 billion in downstream revenues and would play a significant role in the improvement of infrastructure, roads, power, services, housing, hospital and school development in communities near the mining sites.

In February, the Mindoro provincial board imposed a ban on large-scale commercial mining operations in the province, amidst fears that what happened in Marinduque province would be repeated in its own backyard. In 1996, some 1.6 million cubic meters of mine tailings spilled from the storage facility of Marcopper Mining Corporation (MMC) into Boac River in Marinduque province. Canadian mining firm Placer Dome, which had a 39.9% shareholding in the MMC, had offered to rehabilitate the heavily polluted river. However to this day, the spillage has not been cleaned up.

Filipino Women

March 8 was International Women's Day. Filipino women's groups released two different reports on the observance. One report said that more Filipino women are now able to find better jobs. The other report denied it.

One area that has been a subject of much debate is that of employment of women. According to the National Commission on the Role of Filipino Women (NCRFW), more Filipino women are now being recognized in the areas of health, education and politics.

Government statistics show that the bureaucracy employs more women than men. As of 1997, there were 741,808 women in the government service, compared to only 636,836 men.

Presenting its own data, the Center for Women's Resources, a non-government organization, offered a contrary view. Their report said that while 57 percent of new entrants to the labor force last year were women, 79 percent of them ended up in the informal sector.

The unemployment rate is higher among women at 10.3 percent compared to 9.4 percent among men.

Then again, perhaps that's because more men are heads of families. If Filipino women serve as heads of families, they earn higher at P135,400 annually, compared to P121,003 received by men.

One indicator that would disprove the poorer condition of Filipino women is their average life span. Life expectancy is estimated at 72.2 years for Filipino women, or about five years longer than 66.9 years for Filipino men. Still, that holds worldwide.

NEWS IN BRIEF

The country's **gross international reserve** (GIR) amounted to US\$16.252 billion dollars by the end of February and is expected to surpass US\$17 billion this year, the Philippine Central Bank said. Such level of GIR would be enough to pay for nearly five months worth of imports, a level similar to those held by countries with investment-grade ratings, it added. The Central Bank predicted that the peso would remain stable at around 51 against the US dollar, given the country's healthy reserve fund.

The **91-day treasury bill rate** fell to its 15 year low of 6.911 percent last week and is expected to further drop given the strong performance of the peso and low inflation figures in the first two months of the year. Analysts expect the 91-day T-bill rate to break the 6.886 percent level, which was recorded on Feb. 4, 1987. Likewise, the 182-day T-bill rate plunged to an all-time low of 7.288 percent.

Trade and Industry Secretary Manuel Roxas II said President Arroyo is about to issue next week an executive order bringing down to one percent the **duties on 1,406 agricultural imports**, raw materials and semi-processed goods not produced locally. Roxas said the executive order seeks to bring down production costs in the country.

The **number of motor vehicles** registered at the Land Transportation Office (LTO) went up by 4.4 percent to 3.865 million units in 2001 from 3.701 million units a year earlier. In particular, the number of newly owned vehicles rose 6.8 percent to 414,990 units from 388,613 units.

Two **Taiwanese establishments** have pulled out of the Clark special economic zone due to losses, leaving about 700 workers without jobs. The closure of Shunta International Corp. led to the displacement of 475 workers while the shutdown of Homeshun International left another 300 workers unemployed. Clark hosts 311 foreign and local business locators employing around 22,000 workers.

As part of its realigning procedures, **EasyCall Communication Philippines Inc.** plans to close down the provincial sites of its paging business this month. The company would limit its paging operations to only Metro Manila and Cebu. EasyCall hopes to transform itself into an Internet and call center company from a paging firm. The popularity of short messaging system (SMS) or text messaging in the country has taken its toll on the paging industry.

INVESTMENT NEWS

Eurowest International Inc. and **Dreamtime Partners Ltd.** are both interested in building a US\$700 million modern monorail system on the present route of the old Philippine national railways. Officials of the two foreign companies have made known their interest to undertake the country's first monorail project to the House committee on rails. A monorail project is reportedly faster and cheaper to build than a light rail.

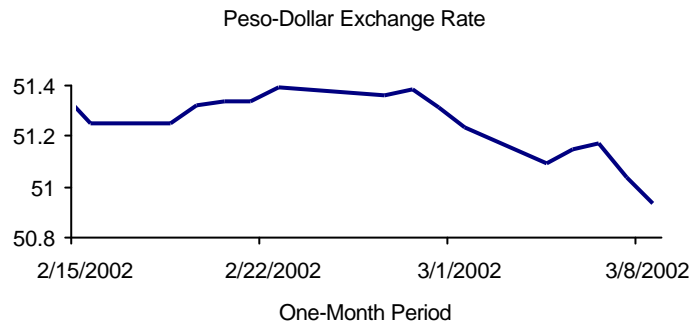
Local investment group **JG Summit Holdings Inc.**, announced that it would allocate some P13.5 billion to launch its own mobile phone service, Digitel GSM this year. Once established, Digitel

GSM would compete with industry leaders Smart Communications and Globe Telecom. JG Summit said it would invest another P9 billion in its food business.

The **Contact Federation of the Philippines** (CFP) said several foreign contact center operators from the United States and India are planning to establish their offices in the country this year. Each new investor is expected to install a minimum of 400 to 1000 customer seats. CFP said the Philippines enjoys advantages over India as a haven for call centers. Such advantages include better telecom infrastructure and a more customer-oriented workforce.

CURRENCY MOVEMENTS

Buoyed by strong regional currencies led by the Japanese Yen, the Philippine peso surpassed the 51-to-a-dollar level last week. The peso was trading at 50.9 against the greenback in the afternoon of March 8, up from the previous week's (March 1) close of 50.201 against the US dollar.



LATEST: 51.282/US\$ (Ave. Feb 2002)

HIGH: P26.1588/US\$ (Ave. Feb 1996)

LOW: P53.224/US\$ (Ave. July 2001)

STOCK MOVEMENTS

The Phisix, the main barometer of the 30-company Philippine Stock Exchange (PSE), climbed to its eighth-month high last week, following the release of low inflation figures in February and announcement of further interest rate cuts. The Phisix ended last week's five-day market trading period at 1432 points on March 8, up from the previous week's close (March 1) of 1410 points.



LATEST: 1361.94 (Ave. Jan 2002)

HIGH: 2,621.67 (Ave. Jul 1999)

LOW: 996.14 (Ave. Oct 2001)

ONLINE RESOURCES

MCA Limited has prepared this background report as a general reference document. Subscribers may download this and previous documents (HTML, or PDF) from the Weekly Archive Section of the Virtual Philippines website. To access, click on the hyperlink below.

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For our Philippine statistical reference library, a comprehensive resource of monthly as well as annual statistical series in chart and spreadsheet form, go to:

<http://www.virtual-asia.com/ph/bizpak/statistics/statistics.htm>

Comparative regional statistics are available at:

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To read our online Business Survival Guide go to:

<http://www.virtual-asia.com/ph/bizpak/bizguides/>

FURTHER INFORMATION

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