

## US \$1.5 Billion ADB Loan to the Philippines Good News for Canadian Consultants, Suppliers

Canadian consultants and suppliers targeting the Philippine market via Asian Development Bank (ADB)-financed projects should take a closer look at this market now.

The country's GNP grew by 5.1 per cent in real terms in 1994 compared to 2.6 per cent in 1993. Political stability, prudent macroeconomic management and structural reforms are behind the economic recovery, which is spreading to all sectors of the economy.

Due to the ADB's positive outlook on the recovery of the Philippine economy, its lending level to the country is expected to increase to US\$400-US\$500 million annually in the period 1995-1997, compared to an average of US\$278 million annually over the last four years.

The ADB, for instance, has identified around US\$15 million worth of technical assistance projects in the Philippines. Technical assistance projects, however, represent a small percentage of ADB's activities in the country. Greater commercial opportunities exist in the loan projects, a summary of which follows:

In the **power sector**, the ADB will focus its assistance on the expansion of base-load generation capacity (coal, hydro, and natural gas) and transmissions systems. Three projects worth around US\$500 million have been identified for this sector.

In the **agriculture, agro-industry and rural development sectors**, the ADB has allocated US\$280 million to assist rural infrastructure development such as irrigation systems, farm-to-market roads,

post-harvest systems and efficient and low-cost inter-island transportation networks. The ADB will also assist in the development of rural micro-credit programs.

**Transport and communications projects** worth about US\$335 million will include a project on vehicle emission control in Metro Manila, regional ports and airports development.

On the other hand, **finance-related projects** of about US\$200 million will support a capital market development project and a BOT (Build-Operate-Transfer) project to develop a private-sector infrastructure fund.

Projects to improve **social infrastructure** will continue to receive a big slice of the ADB's loans to the Philippines.

**Health, education and water supply projects** worth around US\$430 million have been identified for completion over the next three years. Health projects will focus on the devolution of health services from national to local government units.

Education projects will support the institutional requirements to meet the technical and vocational education programs of the Philippine government.

Water supply projects will include the Umiray-Angat Transbasin Project and the rehabilitation of the Metropolitan Waterworks and Sewerage System (MWSS).

The contact points for these possible loan projects are the respective executing agencies to whom they were assigned. They are responsible for selecting suppliers of goods and services

by following ADB's well-established guidelines and procedures. These guidelines have been established to afford ADB member countries (like Canada) adequate, fair and equal opportunities to participate in the projects.

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### BUSINESS AGENDA

**Montreal — October 25, 1995 — At the Second NAFTAlink International Conference** Canadian companies will: discuss business opportunities arising from the North American Free Trade Agreement; meet foreign business people wishing to export/import products and services; learn about financial services available to help them succeed in their export projects.

A civil association, **NAFTAlink** aims to foster commercial exchanges using a telecommunications network linking business people throughout North America.

Contact le Centre de promotion du logiciel québécois, Tel.: (514) 874-2667; Fax: (514) 874-1568.