sugarcane milling, and flavoring extracts processing. The participation of multinational corporations in the major food processing activities is significant. However, the industry leader is San Miguel Corp., the Philippines' largest and most diversified firm whose flagship operation is based on beer manufacturing.

Some activities in the food processing industry have considerable backward linkages with local agriculture, especially fruit production, sugarcane cultivation, coconut growing, livestock, and fishery. However, other activities are heavily import-dependent such as flour milling, malt processing, and milk and dairy processing. Also, preservatives, additives, and other ingredients are still basically imported. In recent years, fast-growing local support services to food processing have emerged in the form of domestic packaging, label design, advertising, and food outlet chains.

For the first half of 1989, the food and beverage industry continued to expand at a combined rate of 10 per cent. Such a high rate of growth is anticipated to be maintained as the industry directs its thrust to exports.

Appendix 4 shows gross value added in manufacturing, broken down by sector, from 1986-89.

TEXTILE

The gross value added in the textile industry exceeded ₱13.1 billion in 1988, increasing its share in total manufacturing production to 6.3 per cent. Over the period 1986-88, the industry grew at an average annual rate of 6.1 per cent. The industry is labor-intensive and has strong forward linkages with the local garments industry. Around 90 per cent of textiles produced in the country is consumed by local garments manufacturers.

A total of 208 companies are involved in the various aspects of textile production, 54 of them involved in more than one process. The industry employs about 70,000 workers. It was estimated that the industry utilized 65-70 per cent of its rated capacity in 1986, which increased to 90 per cent in 1987.

Some 125 textile firms were included in the list of top 1,000 corporations in the Philippines in 1988. Of these, eight were chiefly fabric knitting mills, five were chiefly fiber and filament mills, four were chiefly spinning mills, four were chiefly texturizing mills, 13 were integrated textile mills, and 91 were firms engaged in spinning, weaving, and other activities not elsewhere classified (See Table 6.)