

ANNEX 5

NHC FACTORY BUILT HOUSING COMPLEX - NOVALICHES

A. RELEVANCE.

The relevance of the NHC Complex to this study stems only from the fact that the head of HUDCC has stated the takeover of this asset would assure the buyer of an entre into the Philippine public housing industry.

ANNEX 4 outlines three possible approaches to the aquisition and operation of this plant with the recommendation that "Strategy B" is probably the most workable one. At this point, it is doubtful if the Government itself has any firm idea of what would be an acceptable offer for this asset. It appears there are not many interested buyers at present although the group promoting the "Korean" house have stated an interest in leasing the entire complex and an American company, "Zytec" is reported to be showing keen interest in the OSB plant. At the right price, and with the other stated conditions satisfied, the operation of all but the light weight concrete plant could probably become a viable operation. However, it would be primarily as a wood processing complex with production of housing components a secondary feature of the product mix.

B. BACKGROUND.

This plant, located about 45 minutes drive from the Manila business district, was constructed by the Government during the early 1970's to supply the full range of all components required to support a very large-scale national low-cost housing programme. For a variety of reasons, it never fulfilled that intended purpose.