CANADIAN EMBASSY

Philippines

STUDY ON THE PHILIPPINE MARKET FOR USED EQUIPMENT

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SGV
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PERFORMANCE AND PROSPECTS OF THE PHILIPPINE ECONOMY

After two years of negative growth in gross national product (GNP) in 1984 and 1985, the Philippine economy started to recover in 1986, registering a 1.9 per cent real growth in GNP. The economic recovery continued in the succeeding years as real GNP grew by 5.9 per cent in 1987 and by 6.7 per cent in 1988. The growth of GNP in real terms in the first semester of 1989 is estimated at 5.3 per cent.

The leading sectors during the period 1986-88 were construction, which posted an average annual growth of 26.8 per cent, and housing and finance, which grew by 23.0 per cent. The sectors which registered moderate growth rates were manufacturing (7.8%), electricity, gas, and water utilities (7.7%), and transportation utilities (7.4%). Agriculture, fishery, and forestry and mining and quarrying grew at a slower pace than the other sectors with average annual growth rates of 1.2 and 1.3 per cent, respectively.

Real GNP is targeted to grow at the average rate of 6.3 per cent a year for the period 1989-92. This growth target is to be achieved mainly through expansion of exports, increased foreign investments, and more efficient use of resources.

During the period export volume is targeted to grow annually by an average of 10 per cent through increased investments in export industries. The loss of trade privileges of the newly industrialized countries also presents significant opportunities for Philippine exports.

Foreign investments, particularly from Japan and Taiwan, have started to pour into the country. However, the Philippines still has to equal the level of investments that those countries have infused into Malaysia and Thailand. Efforts are currently being exerted to attract investments from other countries such as the U.S. and Canada.

SECTORAL OVERVIEW

In the Philippines, used equipment are used in several industries and sectors including:

- o agriculture (plantation and small farm cultivation, fishery, and forestry)
- o mining and quarrying
- o oil and gas

- manufacturing (chiefly food processing, textile, pulp and paper, and chemicals)
- construction
- utilities (primarily power generation).

The following presents an overview of the different industries and sectors that represent current as well as potential industry users of used equipment.

Agriculture

The backbone of the Philippine economy, the agricultural sector consists of the cultivation of agricultural crops, livestock, poultry, fishery, and forestry. This sector employs about one-half of the country's labor force and supports two-thirds of the population. It contributes a quarter of GNP and accounts for one-third of total export earnings.

In 1988, gross value added in agriculture at current prices reached ₱190.0 billion. More than one-half of this amount was accounted for by the production of crops such as palay (rice), corn, coconut, sugarcane, banana, and others. The remaining gross value added in agriculture in 1988 was contributed by livestock production (₱13.8 billion), poultry production (₱19.0 billion), fishery (₱37.2 billion), and forestry (₱13.1 billion). The significant contribution of fishery is due to its emergence as an export industry (chiefly tuna and other canned fish and prawns).

For the first half of 1989, gross value added in agriculture is estimated to have grown by 4.3 per cent, attributable to improved yields and the expansion in area planted.

Available financial indicators of major firms in agriculture show that the major subsectors, with the exception of coconut and rubber production, posted positive net incomes in 1988.

Mining and Quarrying

The mining and quarrying sector contributed ₱16.0 billion in gross value added at current prices in 1988. The major contributors were gold mining (₱8.7 billion), copper mining (₱4.4 billion), and stone quarrying and sand pits ₱1.7 billion).

The mining and quarrying sector appears to be finally recovering from the slump that began as early as 1980. It registered a positive growth of 4.4 per cent from 1987 to 1988. In the first semester of 1989, however, the sector contracted by about 2.0 per cent, indicating weaknesses in sectoral recovery. Nonetheless, certain factors point toward continued growth of the industry; for example, the privatization and reactivation of several mining entities, the construction boom which will boost the output of stone quarrying and sand pits, and the increased appreciation of the role of small-scale mining operations.

The financial position of the major mining and quarrying firms in 1988 likewise improved. The top 20 mining and quarrying firms registered gross revenues of ₱17.6 billion and net income of ₱2.9 billion.

Oil and Gas

Total output and gross value added in the oil and gas industry are difficult to derive from the National Income Accounts of the Philippines. The reason is that the industry straddles both the mining and manufacturing sectors. Exploration and crude oil production activities are included in the mining sector while oil and gas processing and distribution are included in the manufacturing sector.

In 1988, there were seven large oil and gas exploration companies in the country with gross revenues of ₱1.2 billion. Four firms were engaged in crude petroleum production and had gross revenues of ₱1.7 billion. Three petroleum refineries with aggregate capacity of 300,000 barrels per day generated gross revenues of 35 billion during the same year.

Food and Beverage

Food processing represents the largest manufacturing activity in the Philippines. Gross value added in the food and beverage industries at current prices was ₱83.8 billion in 1988, about 40.4 per cent of total gross value added in manufacturing. From 1986 to 1988, the two industries together grew by an average of more than 10 per cent a year. In the first half of 1989, they grew by 10 per cent.

There are approximately 30,000 establishments in the food processing industry, classified into either the traditional (small, home-based) or the modern food processing (mechanized) sectors.

The list of top 1,000 corporations in the Philippines (based on gross revenues) included 118 food processing firms in 1988. That year, these firms registered gross revenues of ₱68.4 billion, total assets of ₱50.5 billion, and net income of ₱4.2 billion.

In terms of gross revenues, the chief activities in food processing are malt (beer) manufacturing, soft drinks manufacturing, coffee roasting and processing, fruit canning, coconut oil processing, flour milling, sugarcane milling, and flavoring extracts processing.

Textile

Gross value added in the textile industry exceeded ₱13.1 billion at current prices in 1988, representing 6.3 per cent of gross value added in manufacturing. Approximately 208 companies are engaged in the various aspects of textile production, with 54 firms involved in more than one process. The industry, which is labor-intensive, employs about 70,000 workers.

Some 125 textile firms were listed among the top 1,000 corporations of the Philippines in 1988. Seven of these firms were primarily fabric knitting mills, five were primarily fiber and filament mills, four were chiefly texturizing mills, 13 were integrated textile mills, and 96 were firms engaged in spinning, weaving, and other activities not elsewhere classified.

The industry has started to modernize plant facilities, particularly open-end spinning and finishing equipment, although it still lags behind its major Asian competitors in providing the local garments industry with its needed inputs.

Pulp and Paper

The pulp and paper industry accounted for about ₱3.0 billion (1.4%) of manufacturing gross value added at current prices in 1988. While its share of manufacturing output is small, its average annual growth from 1986-88, 16.4 per cent, was impressive. For the first semester of 1989, the industry recorded a growth of 14.0 per cent.

The 1988 list of top 1,000 corporations in the Philippines includes 30 firms in this industry. These firms registered total assets of ₱8.3 billion in 1988. Their combined gross revenues was ₱7.4 billion. All firms recorded a positive net income during the year.

Printing and Publishing

In 1988, the printing and publishing industry generated ₱3.3 billion in gross value added at current prices, representing 1.6 per cent of total manufacturing value added. The industry has grown at an annual average of 7.1 per cent over the last two years.

Around 24 large printing and publishing houses exist in the Philippines. In 1988, these firms posted gross revenues of ₱1.5 billion while their combined net income was only ₱37.8 million, due to the heavy losses of newspaper and periodical printing.

Chemicals and Chemical Products

The chemicals and chemical products industry is the fourth largest industry in the manufacturing sector, accounting for 14.7 billion in gross value added at current prices in 1988, or 7.0 per cent of total manufacturing gross value added. The industry grew at an average annual rate of 7.0 per cent from 1986-88.

A wide range of activities comprise the industry. Based on the 1988 Best 1,000 Corporations of the Philippines (a yearly publication that ranks the top 1,000 Philippine corporations based on gross revenues), the major activities in terms of gross revenues include the production of:

	No. of Firms	1988 Gross Revenues (in billion pesos)
Drugs and medicines	38	13.2
Soap and synthetic detergents	5	7.9
Basic industrial chemicals	20	4.6
Other chemical products	15	2.5
Plastic industrial supplies	19	2.0
Industrial gases	6	1.9

There are around 300 small and large chemical manufacturing establishments in the country, employing approximately 30,000 workers.

Construction

The construction sector's gross value added at current prices reached ₱33.6 billion in 1988, consisting of both government and private sector construction activities. The government's infrastructure program accounted for about one-third of gross value added while private construction accounted for two-thirds. The sector claimed roughly 4.1 per cent of GNP and 46.8 per cent of gross domestic capital formation in 1988.

The sector grew by an average of 13.4 per cent a year during the last two years, reflecting the continuing boom in construction.

About 700 construction firms make up the sector. In 1987, the sector employed around 77,500 workers. Fifty-five firms were included in the 1988 list of top 1,000 corporations of the Philippines. Some 43 firms were engaged in general engineering construction, seven were involved in building components installation, two were involved in electrical and mechanical work, and three were involved in special trade construction.

These top 55 construction firms recorded gross revenues of ₱7.1 billion in 1988 but suffered net losses of ₱176.1 million in the same year.

Power Generation and Distribution

Power generation is classified under the electricity, gas, and water sector. This sector's gross value added of 20.1 billion in 1988 comprised 2.4 per cent of GNP. Electricity and gas had a gross value added of ₱18.1 billion at current prices in 1988.

Total installed generating capacity of power plants in the country was 6,865 megawatts in 1988 although capacity utilization was only 41.2 per cent.

As of 1986, a total of 62 establishments comprised the power generation and distribution sector of the Philippines. Sixteen of these establishments were listed in the top 1,000 corporations of the Philippines in 1988.

Power generation is monopolized by the government-owned National Power Corporation (NPC) which supplied 93 per cent of energy supply in the country in 1988. On the other hand, power distribution in Metro Manila and the surrounding provinces is monopolized by the Manila Electric Co. (MERALCO), a private entity. The other provinces are served by rural electric cooperatives, with at least one in each province.

THE PHILIPPINE MARKET FOR IMPORTED USED EQUIPMENT

Philippine Imports of Machinery and Equipment

Philippine importations of machinery and equipment are substantial in terms of both volume and value. In 1988, the Philippines imported CIF ₱35.3 billion worth of old and new machinery and equipment. Over the last three years, the proportion of machinery and equipment imports to total country imports has grown from 15.9 per cent in 1986 to 28.8 per cent in the first half of 1989, mainly due to increased investments.

Based on import statistics obtained from the National Statistics Coordination Board, the major types of machinery and equipment imported by the country in 1988 were:

	% of Machinery & Equipment Imports
Machinery other than electrical	44.7
Electrical machinery, apparatus, and equipment	36.0
Transport equipment	19.3

The proportion of used equipment to total equipment imports, however, remains small. Based on data obtained from the Business Statistics Monitor (a private agency which compiles statistics from import manifests from the Bureau of Customs), the landed cost of used equipment imports in 1988 was only ₱288 million or less than one per cent of the total CIF value of machinery and equipment imports. However, the landed cost of used equipment is somewhat understated due to the nonreporting of landed cost in some of the import manifests.

Demand for Imported Used Equipment

Based on Business Statistics Monitor data, the specific types of used equipment commonly imported in the Philippines and their corresponding import volumes for 1987 and 1988 (combined) are:

	1987 & 1988 Import Volume
Agricultural engines	11,727 pieces
Diesel engines not elsewhere specified	6,808 pieces
Printing presses and printing machines	670 pieces 28 sets
Textile equipment not elsewhere specified	658 pieces 346 sets 9 cases 1 lot
Forklifts	527 pieces 1 set
Truck diesel engines	424 pieces
Payloaders	312 pieces
Refrigeration equipment parts and accessories	242 pieces 1 lot
Textile extrusion machines	217 pieces 4 sets
Knitting machines	198 pieces 99 sets 1 lot
Bulldozers	166 pieces
Refrigeration equipment not elsewhere specified	160 pieces.
Pulp and paper machinery not elsewhere specified	105 pieces 78 packages 5 sets

Note: This list includes only used equipment with import volume in 1987 and 1988 greater than 100 pieces.

The value of used equipment imports by category cannot be determined since landed costs are aggregated by importer.

The common brands of used equipment by type are as follows:

Category	Brands
Energy generating eqpt.	Taiyo, Cummins, Denyo, Seikosha, B & W
Agricultural machinery	GMC, Massey-Ferguson, Kubota, Mitsubishi, Peterbuilt, Perkins, Yanmar, Daedong
Pulp and paper machinery	Roland
Textile machinery	Schlaforst, Swiss Sharer, Volkman, Murata, Fukuhara, Raschel, Nagota's, Wah Huen, Pres. Picanol & Materfield, Mueller, Barudan, Tajima
Refrigeration equipment	Mitsubishi
Materials handling equipment	Komatsu, Toyota, Tradano, TCM, Fuso, Sumitomo Yankar, Kobelco, Hino, Isuzu
Printing equipment	Heidelberg, Hamada, Solna, Roland, Harris, Miller, Invicta, Wohlenberg, Schneider, Toshin, Chandler Price, Intertype, Miehle, Kenro, Linotype, Diamond, Snyder, Polar
Food processing equipment	ATF, Hobart, Universal, Crepaco, Taylormate
Diesel engines	Hino, Fuso, Isuzu, Nissan, Mitsubishi, Yanmar, Niigata
Boilers and accessories	SKG
Mining equipment	Joy, Domeq
Construction equipment	Kawasaki, Komatsu, Furukawa, Kubota, Massey-Ferguson, Sakai, Kato, Yutani, Sumitomo, Peterbuilt, Mitsubishi

Sources: Business Statistics Monitor
Interviews.

Factors Affecting Demand for Used Equipment

There are three factors or indicators identified to affect the future demand for used equipment:

- the prospects for the industries using used equipment;
- the trend in domestic capital formation in durable equipment; and
- the availability locally of used equipment.

Based on their three years' past performance, the sectors and industries likely to post double-digit growth rates in the next few years are private construction, paper and paper products, and nonmetallic mining products.

The trend in gross domestic capital formation from 1986 to the present also indicates increasing demand for machinery and equipment in general. The growth in real gross domestic capital formation in the last three years was 27.3 per cent a year. Investments in equipment such as nonsteam tractor, mining and construction equipment, textile machinery, sugarmill equipment, pulp and paper machinery, pumps and compressors, road vehicles, and air transport equipment have increased rapidly.

The local availability of used equipment for resale presents competition to imported used equipment. Plants that were shut down during the economic crisis in the mid-1980's can be reactivated and sold to interested buyers.

Other considerations affecting the demand for used equipment are the ease of sourcing used equipment abroad and the availability of spare parts for used equipment.

Supply of Used Equipment

Country Sources and Distribution

Philippine imports of used equipment in 1987 and 1988 originated from 19 countries. Diesel engines and construction equipment were almost entirely sourced from Japan. The U.S. accounted for most of the imported used food processing equipment. Both countries were major sources of used energy generating equipment, textile machinery, and refrigeration equipment. On the other hand, Taiwan, Hong Kong, South Korea, and Singapore are becoming important suppliers of used textile equipment, agricultural machinery, diesel engines, and food processing equipment.

Used equipment imports from Canada during the period were quite diverse although low in volume, typically less than 50 pieces of equipment per category except for pulp and paper machinery.

Used equipment from abroad are brought into the country either directly by the user firm or through a local distributor. Data from the Business Statistics Monitor show 536 importers in 1987 and 1988, 319 of which were user firms and 217 were local distributors.

Trade Practices

Distribution channels, systems, and practices for used equipment vary across distributors and according to type of equipment. Based on interviews with major used equipment distributors, a distributor can either be an exclusive distributor of a particular brand or a nonexclusive distributor carrying multiple brands of used equipment. Customers may deal directly with the distributor or through its salesmen who receive a 15 per cent commission on sales.

Specialized machinery such as textile equipment are usually distributed by exclusive distributors. On the other hand, general industrial equipment such as diesel engines are distributed by the "supermarket" type of distributors. Such distributors do not usually use salesmen; rather, they advertise in the classified ads of newspapers to attract buyers.

Purchase arrangements with suppliers abroad generally involve cash without discount. On the other hand, sales to local buyers are also in cash without discount.

Reconditioning of used equipment is not always undertaken by the distributor unless specified by the buyer. The distributor and the buyer have to agree on who will shoulder the costs of transportation and installation of the used equipment and whether warranty will be provided.

Distributors of used equipment have recently started to participate in used equipment fairs sponsored by the Philippine Center for Industrial Trade and Exhibitions (Philcite). These fairs are held annually and serve to bring together suppliers, importers, distributors, and potential users of used equipment.

Pertinent Government Regulations

In general, importations of old and new machinery and equipment are allowed by the Philippine government. Imports of used trucks and engines, however, should first be cleared by the Department of Trade and Industry's Inter-Agency Committee on Used Trucks and Engines or by the Board of Investments (BOI).

Import financing may be handled by agent banks without prior Central Bank approval.

A BOI certificate of clearance is required for machinery, equipment, and spare parts imported by registered participants of the following programs:

- Car Development Program (CDP);
- Commercial Vehicle Development Program (CVDP);
- Motorcycle Development Program (MDP);
- Diesel Engine Manufacturing Program (DEMP);
- Progressive Export Program for Consumer Electronics Products;
- Pulp and Paper Industry Rationalization Program;
- Textile Manufacturing Program;
- Coconut Industry Modernization Program.

Furthermore, imports of the Philippines from Japan, Taiwan, Hong Kong, are required to pass inspection by the Societe Generale de Surveillance (SGS) prior to shipment to a Philippine port. However, imports less than FOB US$5,000 and those consigned to the Philippine government and its corporations are exempted from SGS inspection.

Importations of the different types of machinery and equipment covered in this study are subject to tariff duty ranging from 10 to 50 per cent on dutiable value. The tariff rates are the same for both used and new equipment although the dutiable values upon which the rates are applied differ.

In addition to the tariff duty, a five per cent ad valorem duty and a 10 per cent value added tax are imposed on all importations.

BACKGROUND ON THE PHILIPPINE ECONOMY

PERFORMANCE OF THE PHILIPPINE ECONOMY, 1986-88

After two years of successive economic declines in 1984 and 1985, the Philippine economy began to recover in 1986 with a 1.9 per cent real growth in gross national product (GNP). The recovery further accelerated as real national output expanded by 5.9 per cent in 1987 and 6.7 per cent in 1988. For the first half of 1989, GNP is estimated to have grown by 5.3 per cent in real terms.

The sectors that posted impressive performance for the period 1986-88 were construction (annual average growth of 26.8%), housing and finance (23.0%), manufacturing (7.8%), electricity, gas, and water utilities (7.7%), and transportation utilities (7.4%). On the other hand, agriculture, fishery, and forestry as a whole only managed to grow by 1.2 per cent average for the period while expansion in mining and quarrying was limited to 1.3 per cent average. Appendix 1 shows the breakdown of GNP by industrial origin from 1986-89.

The economic growth realized in 1986-88 was essentially consumer-led. Consumer spending grew by an average of 5.9 per cent annually for the period, in contrast to the dismal 0.4 per cent annual growth in 1984-85. The growth in total output and in consumer spending at the early phase of the recovery period was mainly due to the favorable prices of major crops, higher wages, government pump-priming programs, higher export earnings, and increased construction activities.

Together with these factors that boosted incomes in both urban and rural areas, consumer spending and industrial production were helped by low inflation and interest rates at least during the early phase of the recovery period. Prices managed to be stable despite excess demand because many industries had excess capacity. Thus, production increase could be accommodated without substantial additional investments. Cost of doing business was also stable during the period.

Despite these positive developments in the domestic economy, the country's external sector remains problematic. Net factor income from abroad--the net of financial outflows and inflows--continues to be negative. In 1987, net factor income from abroad was a net outflow of ₱5.3 billion. For 1988, the deficit was reduced to ₱1.5 billion. The substantial foreign exchange earnings from exports, foreign remittances, and tourism receipts are virtually negated by the huge debt servicing.

SHORT-TERM PROSPECTS

For the period 1989-92, the government aims to attain a real GNP growth of 6.5 per cent per year without sacrificing price stability and the viability of the country's balance of payments position. Such target is indicated in the Memorandum of Economic Policy (MEP) drawn in connection with the Philippine request for financing from the International Monetary Fund (IMF) over the next three years. This growth target is expected to restore the 1982 per capita income level (the highest ever achieved by the country) by 1991.

The growth target provided for in the MEP is to be achieved through dramatic increases in exports, increased foreign investments, and more efficient resource use. For 1989-92, export volume is targeted to grow by an annual average of 10 per cent through increased investments in export industries and the opportunities created by the loss of trade privileges of the newly industrialized countries (NICs). For the target to be fully realized, however, structural bottlenecks such as raw material sourcing, financing difficulties, infrastructure inefficiencies, and administrative constraints have to be addressed.

The short-term GNP growth target also relies heavily on the greater inflow of foreign investments. Investments from Japan and Taiwan have started to pour into the country, although the levels of investment extended by these countries to Malaysia and Thailand have yet to be duplicated in the Philippines. The recent trade-and-business-oriented state visits of President Corazon C. Aquino to Canada and the United States are expected to boost Philippine investments from these two countries.

The country's foreign exchange problem is likely to persist in the next few years. Hope for minimizing the impact of the problem is provided by the Philippine Assistance Program (PAP), also called the Multilateral Aid Initiative (MAI).

Ultimately, the realization of the annual growth target hinges on how well the Philippine debt problem is handled. The various debt relief options that are being proposed and considered seem to provide a positive step towards the solution of the debt problem.

SECTORAL OVERVIEW

Used equipment in the Philippines are utilized in a number of sectors and industries, the most important of which are agriculture (both plantation and small farm cultivation, fishery and forestry), mining and quarrying, oil and gas, manufacturing (chiefly food processing, textile, pulp and paper, and chemicals), construction, and utilities (chiefly power generation). The following presents sectoral profiles of current and potential industry users of used equipment in the country.

AGRICULTURE

The agricultural sector includes the cultivation of agricultural crops, livestock, poultry, fishery, and forestry. It is the backbone of the Philippine economy. It employs approximately half of the labor force and supports two-thirds of the population. It contributes a quarter of the country's total GNP and accounts for a third of total export earnings.

In 1988, the gross value added in agriculture reached ₱190.0 billion at current prices. More than half of the value added in agriculture was accounted for by the production of crops such as palay (rice), corn, coconut, sugarcane, banana, and others. The increasing share of "other crops" in agricultural production underscores the agricultural diversification that has been going on for some years. Rubber plantations, fruit orchards, vegetable track gardening, coffee growing, and cut flowers have emerged as new agricultural enterprises.

Palay, corn, and coconut production is chiefly done by small- and medium-scale farmers while sugarcane, banana, and pineapple are plantation operations. The enactment of the Comprehensive Agrarian Reform Program in 1988 effectively placed the entire Philippines under agrarian reform.

The rest of the 1988 gross value added in agriculture is contributed by livestock production (₱13.8 billion), poultry production (₱19.0 billion), fishery (₱37.2 billion), and forestry (₱13.1 billion). The significant contribution of fishery is due to its emergence as an export industry (chiefly tuna and other canned fish as well as prawns). On the other hand, the forestry industry has declined as a result of dwindling timber resources, increasing environmental concerns raised by the public, and the log export ban enforced by the government.

Available financial indicators of major firms in agriculture show that in 1988, the major subsectors in the industry posted positive net incomes. The only exceptions were coconut and rubber production. The positive performance of sugarcane production in terms of net income is a strong indication that this subsector has turned around after years of being in the doldrums. (See Table 1.)

For the first half of 1989, agriculture is estimated to have grown by 4.3 per cent. The increase is attributed to the expansion in area planted and improved yield.

Appendix 2 shows gross value added in agriculture from years 1986-89.

MINING AND QUARRYING

The major minerals mined in the Philippines are copper, gold, chromium, and nickel. Other metal mining, stone quarrying, and other nonmetallic mining activities are also undertaken. The mining industry is a major Philippine export earner. In 1988, the gross value added of mining and quarrying reached ₱16.0 billion at current prices. The major contributors were gold mining (₱8.7 billion), copper mining (₱4.4 billion), and stone quarrying and sand pits (₱1.7 billion).

The mining and quarrying sector appears to be finally climbing out of the slump that began as early as 1980. Between 1980 and 1985, a total of 27 medium- and large-scale mines shut down due to depressed metal prices in the world market. Heavily-indebted mining firms were particularly affected. Laid-off workers were absorbed by smaller-scale mining entities which thrived. It was also during this period that the "informal mining sector" emerged out of the crude, small-scale, often hazardous gold-panning operations in Mindanao and other areas in the country.

Between 1987 and 1988, the mining and quarrying sector registered a positive growth of 4.4 per cent. As a reflection of this output performance, the financial position of mining entities improved. In 1988, the 20 largest mining and quarrying corporations registered total net sales of ₱16.8 billion, gross revenues of ₱17.6 billion, and net income of ₱2.9 billion. Among the subsectors, only metallurgical chromite ore mining and coal mining posted negative net incomes. (See Table 2.)

Table 1
FINANCIAL INDICATORS OF MAJOR FIRMS IN AGRICULTURE: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Banana production	10	1,962,883	2,091,846	34,249	2,405,667
Coconut production	3	130,881	132,778	(5,130)	203,316
Rubber production	3	296,394	300,094	(69,243)	607,554
Sugarcane production	9	536,579	547,295	15,555	758,602
Agric'l crop prod'n, n.e.c.	9	544,753	577,820	23,658	526,361
Commercial (offshore) fishing	8	2,418,625	2,433,167	90,174	1,091,486
Total	42	5,890,115	6,083,000	89,263	5,592,986
Average		140,241	144,833	2,125	133,166

Source: Philippines' Best 1,000 Corporations.

Table 2
FINANCIAL INDICATORS OF MAJOR FIRMS IN MINING AND QUARRYING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Copper ore mining	3	8,266,472	8,754,788	2,005,143	12,496,781
Gold ore mining	7	5,999,895	6,172,833	871,649	7,034,237
Met. chromite ore mining	3	104,405	114,236	(52,719)	207,929
Nickel ore mining	1	359,399	383,815	43,755	535,578
Silver ore mining	1	360,756	372,219	198,639	133,747
Coal mining	4	1,687,345	1,693,981	(222,988)	5,275,583
Other nonmet. mining	1	21,019	68,882	33,892	269,348
Total	20	16,799,291	17,560,754	2,877,371	25,953,203
Average		839,965	878,038	143,869	1,297,660

Note: The oil and gas sector is dealt with in a separate table.

Source: Philippines' Best 1,000 Corporations.

For the first half of 1989, mining and quarrying output contracted by 1.97 per cent, indicating weaknesses in sectoral recovery. However, certain factors augur well for the industry, for example, the privatization and bringing into operation of large mining entities notably Nonoc Nickel Mines, the construction boom which has positive impact on stone quarrying and sand pits, and the increasing appreciation of the role of small-scale "informal" mining operations. For the latter, however, it is imperative that appropriate environmental and health regulations be put in place.

Appendix 3 presents gross value added in mining and quarrying from 1986-89.

OIL AND GAS

The oil and gas industry in the Philippines straddles the mining and manufacturing sectors, with exploration and crude oil production activities being included in the mining sector and oil and gas processing and distribution included in the manufacturing sector. Total output and value added in the industry, therefore, are hard to reckon from the National Income Accounts.

The two oil crises in the 1970's prompted the Philippine government to encourage domestic oil production. As a result, oil exploration activities increased, reaching their peak in 1986. A few months later, however, exploration activities declined in the wake of the global oil supply glut. With the Philippine economic recovery on stream, local oil production again increased from 1.875 million barrels in 1987 to 2.711 million barrels in 1988. Domestic production, however, supplied only two per cent of the country's total oil consumption.

The three petroleum refineries operating in the Philippines have an aggregate capacity of 300,000 barrels per day. They operate at an average capacity of 70 per cent. The steady decline in oil refining activity was reverted in 1986 following expectations of the resurgence of economic activity.

In 1988, there were seven large oil and gas exploration companies in the country with gross revenues of ₱1.2 billion. On the other hand, there were four firms engaged in crude petroleum production with gross revenues of ₱1.7 billion. The three petroleum refineries generated gross revenues of about ₱35.0 billion during the year. (See Table 3.)

Table 3
FINANCIAL INDICATORS OF MAJOR FIRMS IN THE OIL AND GAS INDUSTRY: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Crude petroleum production	4	1,606,298	1,685,626	776,995	1,832,776
Oil & gas exploration	7	888,163	1,226,345	345,418	10,467,619
Petroleum refining	3	34,290,594	34,992,611	1,232,385	26,541,672
Total	14	36,785,055	37,904,582	2,354,798	38,842,067
Average		2,627,504	2,707,470	168,200	2,774,433

Source: Philippines' Best 1,000 Corporations.

FOOD AND BEVERAGE

Food processing is the largest manufacturing activity in the Philippines. In 1988, the food and beverage industries generated a combined gross value added of ₱83.8 billion at current prices, or 40.4 per cent of all manufacturing activities. From 1986 to 1988, the combined growth of the two industries exceeded 10 per cent average a year. This notable growth is attributed to increased disposable income and heightened consumer spending.

The food processing industry embraces a wide range of activities, processes, products, and scale of operations. There are approximately 30,000 establishments in the industry, classified into the traditional and the modern food processing sectors. The traditional food sector consists of small establishments, often household-based, which produce mainly kitchen preparations and snack foods. They are highly labor-intensive and invest very little capital in machinery and equipment. On the other hand, the modern food processing sector is characterized by a corporate structure and mechanized operations.

As shown in Table 4, there were 118 food processing firms included in the list of top 1,000 corporations in the Philippines in 1988. In 1988, these firms had combined net sales of ₱66.8 billion, gross revenues of ₱68.4 billion, total assets of ₱50.5 billion, and net income of ₱4.2 billion. In terms of gross revenues, the chief activities in food processing are malt (beer) manufacturing, soft drinks manufacturing, coffee roasting and processing, fruit canning, coconut oil processing, flour milling,

Table 4
FINANCIAL INDICATORS OF MAJOR FIRMS IN FOOD AND BEVERAGE MANUFACTURING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Baking of bread, etc.	3	443,184	444,382	17,073	104,661
Baking of biscuits, etc.	6	683,443	684,159	10,993	193,798
Butter & cheese	3	968,236	971,748	76,092	558,066
Candies & chewing gums	4	512,290	520,269	36,668	262,119
Canning & preserving of fruits	7	4,618,364	4,721,371	429,240	3,410,150
Canning of fish, etc.	6	795,986	796,064	9,663	170,866
Chocolate & cocoa	3	702,028	725,454	35,511	359,976
Coffee roasting & processing	3	6,482,842	6,487,261	386,646	2,823,035
Crude coconut oil	9	4,562,379	4,598,002	49,296	4,016,819
Crude vegetable oil	3	86,593	98,018	(1,253)	81,323
Desiccated coconut	4	1,093,565	1,102,026	7,102	484,383
Distilling, rectifying of liquor	3	132,250	138,096	1,633	91,195
Drying of fish	1	55,209	55,209	(198)	29,363
Fish paste & sauce	1	42,656	43,227	(7,412)	53,996
Fish oil	1	105,830	106,086	641	115,672
Flavoring extracts	6	2,543,676	2,584,287	490,545	1,211,600
Flour milling	2	3,582,012	3,585,857	323,672	2,217,654
Malt liquors	1	20,632,051	21,477,321	2,052,137	19,200,893
Meat processing	1	2,164,931	2,168,315	153,844	864,937
Prepared feeds for animals	3	2,194,806	2,221,208	50,326	1,116,128
Refined coconut & veg. oil	5	762,709	789,340	3,399	1,314,388
Rice & corn milling	4	322,728	323,054	3,321	140,970
Snack products	1	32,431	32,431	46	1,247
Soft drinks & carbonated water	6	7,121,439	7,312,552	(118,807)	5,616,196
Starch & products	2	72,647	77,787	(33,305)	164,552
Sugarcane milling	12	3,041,694	3,104,402	308,764	2,428,844
Sugar refining	1	416,899	450,864	(179,684)	1,713,026
Sugar confectionery	1	36,861	36,867	613	29,113
Food products, n.e.c.	12	883,778	893,432	47,687	519,712
Grain mill products, n.e.c.	1	30,855	31,467	(3,675)	13,844
Wine manufacturing	3	1,632,914	1,829,029	11,742	1,203,894
Total	118	66,755,286	68,409,585	4,162,320	50,512,420
Average		565,723	579,742	35,274	428,071

Source: Philippines' Best 1,000 Corporations.

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 5)

Table 5
FINANCIAL INDICATORS OF MAJOR FIRMS IN TEXTILE MANUFACTURING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Carpets & rugs	2	133,617	137,404	(841)	163,991
Cordage, rope & twine	6	370,234	375,417	18,291	236,574
Embroidery establishments	5	262,913	308,182	6,455	205,771
Fabric knitting mills	8	440,359	452,365	10,668	280,445
Fiber & filament mills	5	794,491	846,163	64,413	581,065
Hat, gloves, etc.	5	353,366	354,453	4,490	190,022
Hosiery & outerwear knitting	12	708,968	723,409	9,531	265,477
Integrated textile mills	13	2,412,626	2,515,248	170,581	2,896,395
Luggage, handbags, wallets	2	232,203	232,203	2,742	58,597
Made-up textile goods for home	1	45,789	45,964	268	38,684
Spinning mills	4	865,365	868,871	37,727	776,089
Textile industrial bags	1	52,101	52,101	(254)	49,226
Texturizing mills	4	231,324	232,734	4,357	411,622
Women's garment mfg	3	238,994	239,525	(2,702)	140,821
Cordage, rope & twine n.e.c.	1	28,859	29,849	116	30,382
Made-up textile goods n.e.c.	2	331,237	335,592	35,148	175,804
Miscellaneous textiles n.e.c.	3	906,034	906,594	28,195	936,483
Products of leather n.e.c.	2	130,001	130,084	5,069	101,459
Ready-made clothing	42	5,270,157	5,390,694	166,749	2,537,698
Spinning, weaving n.e.c.	4	172,894	173,575	6,764	93,178
Total	125	13,981,532	14,350,427	567,767	10,169,803
Average		111,852	114,803	4,542	81,358

Source: Philippines' Best 1,000 Corporations.

In recent years, modernization of plant facilities particularly open-end spinning and finishing equipment and the use of wider looms were pursued in order to cater to the increasing demand of local garments exporters. The inadequacies of the local textile industry have been pinpointed as a major bottleneck in the further export growth of the garments industry.

PULP AND PAPER

The pulp and paper industry accounted for roughly 3.0 billion (1.4%) of manufacturing gross value added at current prices in 1988. Although its share in total manufacturing output is small, its growth performance has been impressive. Between 1986 and 1988, the industry expanded at an average rate of 16.4 per cent per year.

The list of top 1,000 corporations in the country included 30 firms engaged in the manufacture of paper and paper products. The firms consisted of four paper mills, three pulp mills, 12 manufacturers of paper articles, one manufacturer of paperboard, seven manufacturers of paper and paperboard containers, and three paper and paperboard firms not elsewhere classified. In 1988, these firms had total assets of ₱8.3 billion. Their gross revenues reached ₱7.4 billion. All of them recorded positive net incomes for the year. (See Table 6.)

Table 6
FINANCIAL INDICATORS OF MAJOR FIRMS IN PAPER AND PAPER PRODUCTS MANUFACTURING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Articles of paper	12	2,292,464	2,297,867	148,790	1,407,643
Articles of paperboard	1	83,318	85,823	481	61,854
Containers of paper & paperboard	7	1,215,698	1,228,090	49,225	831,623
Paper mills	4	3,175,627	3,201,833	32,971	5,577,332
Pulp mills	3	489,641	516,270	68,089	390,454
Pulp, paper, paperboard n.e.c.	3	94,336	95,943	7,975	50,964
Total	30	7,351,084	7,425,826	307,531	8,319,870
Average		245,036	247,528	10,251	277,329

Source: Philippines' Best 1,000 Corporations.

Twenty-three paper mills reported a total installed capacity of 514,800 metric tons of paper a year. Three other mills with an aggregate annual capacity of 21,000 metric tons are due to start up in two to three years. One existing company and the current industry leader, Paper Industries Corporation of the Philippines (PICOP), has a pulp mill that supplies the raw material needs of paper companies. However, because of the tight supply of wood pulp raw materials, the industry is reported to be operating below capacity.

In 1988, the domestic demand for printing and writing paper was estimated to be 66,900 metric tons a year. Of this, 47,345 metric tons was met by local supply while the 19,555 metric tons shortfall was imported.

The pa..er and paper products industry already grew by 14.0 per cent for the first semester of 1989. However, the worsening lack of pulp appears to be hindering the industry's production growth. Some paper manufacturing firms are considering setting up their own pulp mills (and thereby having an integrated operation) to break the impasse.

PRINTING AND PUBLISHING

The printing and publishing industry in the Philippines consists of enterprises engaged in commercial and job printing, the printing and publishing of books, the printing of newspapers and periodicals, and other allied industries. In 1988, the industry generated ₱3.3 billion in gross value added at current prices, representing 1.6 per cent of total manufacturing value added. Over the past two years, it has grown at an average annual rate of 7.1 per cent.

There are around 24 large printing and publishing houses in the Philippines. In 1988, these firms had gross revenues of ₱1.5 billion. Based on printed records, however, their combined net income was only ₱37.8 million, pulled down by huge net losses in newspaper and periodical printing of about ₱12.1 million. (See Table 7.) Medium and small scale printers, numbering more than 2,900, satisfy the printing needs of ceramic, garment, food, and home industry products that are exported in small quantities.

Table 7
FINANCIAL INDICATORS OF MAJOR FIRMS IN PRINTING AND PUBLISHING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Commercial and job printing	4	313,387	314,799	5,823	223,444
Printing & pub. of books	1	24,860	30,782	622	15,610
Print'g of newspapers, periodicals	4	251,673	278,256	(12,132)	87,789
Other allied industries	15	811,389	846,114	43,505	601,418
Total	24	1,401,309	1,469,951	37,818	928,261
Average		58,388	61,248	1,576	38,678

Source: Philippine' Best 1,000 Corporations.

CHEMICALS AND CHEMICAL PRODUCTS

The chemical and chemical products industry is the fourth largest activity in the manufacturing sector, accounting for ₱14.7 billion in gross value added at current prices in 1988, or 7.0 per cent of total manufacturing. It grew at an average annual rate of 7.0 per cent from 1986-88.

The industry comprises a wide range of activities. In terms of 1988 gross revenues of firms among the top 1,000 corporations of the Philippines, the more important activities are the production of drugs and medicines (38 firms, ₱13.2 billion revenues); the production of soap and synthetic detergents (five firms, ₱7.9 billion revenues); the production of basic industrial chemicals (20 firms, ₱4.6 billion revenues); the production of other chemical products (15 firms, ₱2.5 billion revenues); the production of plastic industrial supplies (19 firms, ₱2.0 billion revenues); and the production of industrial gases (six firms, ₱1.9 billion revenues). (See Table 8.)

There are around 300 small and large chemical manufacturing establishments in the country. These companies employ an approximate 30,000 workers.

The chemical and chemical products industry is capital- and technology-intensive. It is basically import-substituting. At present, the Philippine industry is heavily oriented towards the manufacture of consumer products; it is yet to establish strong capacity to produce basic and intermediate products. Domestic processing essentially involves compounding and mixing operations. As a result, the local industry is extremely dependent on imports.

The Generics Act of 1988 will have important implications on the production and marketing of drugs and medicines. The law requires doctors to use the generic names of drugs in their prescription, in addition to the brand names. It also requires manufacturers to label the drugs in their generic names, in addition to their brand names.

CONSTRUCTION

The construction industry consists of both government and private sector construction activities. In 1988, the industry had total value added of ₱33.6 billion, roughly one-third of which was due to the government's infrastructure program and two-thirds on account of the private sector. The construction sector claimed roughly 4.1 per cent of GNP and 46.8 per cent of gross domestic capital formation in 1988.

Table 8
FINANCIAL INDICATORS OF MAJOR FIRMS IN CHEMICAL MANUFACTURING: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Adhesives & glues	1	58,514	58,516	432	128,497
Cleaning preparations exc. soap	1	32,767	32,837	425	37,285
Drugs & medicines	38	12,918,159	13,156,739	1,198,377	8,350,196
Fertilizers	2	762,219	768,995	48,943	665,264
Industrial alcohols	1	40,186	40,677	518	21,228
Industrial gases	6	1,774,342	1,869,576	78,100	3,003,907
Manmade fibers exc. glass	3	1,499,193	1,500,864	(127,950)	2,063,167
Matches	2	1,058,603	1,071,556	101,107	1,003,686
Paint removers, thinners	1	92,192	92,366	1,014	37,721
Paints	8	884,776	886,255	30,082	903,915
Perfumes & toilet preparations	6	1,350,561	1,407,376	129,710	1,044,349
Pesticides, insecticides, etc.	1	105,802	114,480	20,453	91,249
Plastic footwear	2	138,718	140,750	12,536	86,411
Plastic ind'l supplies	19	1,943,622	1,975,041	(88,326)	1,380,730
Plastic materials exc. fibers	1	70,440	70,466	923	22,675
Retreading plants	2	69,202	69,419	4,661	74,989
Rubber footwear	6	1,450,947	1,453,356	23,849	1,549,918
Soap & synthetic detergents	5	7,846,404	7,866,992	258,664	3,845,228
Synthetic resins	2	906,188	960,128	129,137	909,188
Tires & tubes	6	2,787,265	2,885,793	308,944	1,952,169
Basic ind'l chemicals n.e.c.	20	4,508,231	4,642,949	333,806	3,372,901
Other chemical prods. n.e.c.	15	2,387,741	2,456,804	183,096	3,254,720
Other fab'd plastics, n.e.c.	8	1,270,144	1,275,065	86,514	719,246
Other rubber prods. n.e.c.	4	174,800	174,800	2,694	91,280
Total	160	44,131,016	44,971,800	2,737,709	34,609,919
Average		275,819	281,074	17,111	216,312

Source: Philippines' Best 1,000 Corporations.

The construction boom over the past two years is reflected in the 13.4 per cent average annual growth of the sector. Both horizontal and vertical construction activities are being undertaken by the private sector at a feverish pace, mostly with a definite urban bias. The government's involvement, chiefly through the Department of Public Works and Highways, has been largely the provision of social overhead capital.

There are about 700 construction firms in the country, employing a total of roughly 77,500 workers in 1987. Among these firms, 55 were included in the list of top 1,000 corporations in the country in 1988. Some 43 of these were engaged in general engineering construction, seven were involved in building components installation, two were involved in electrical and mechanical work, and three were involved in special trade construction. The top 55 construction firms had gross revenues of ₱7.1 billion in 1988. Surprisingly, the combined net income of these firms was a negative ₱176.1 million, mainly on account of the large losses incurred by Hyundai Engineering Construction Co. (See Table 9.)

Table 9
FINANCIAL INDICATORS OF MAJOR FIRMS IN CONSTRUCTION: 1988

(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Bldg. components installation	7	464,986	470,818	12,086	300,284
Electrical & mech'l work	2	77,777	89,845	5,394	198,885
General eng'g construction	43	6,203,363	6,304,698	(185,810)	5,251,850
Special trade const'n n.e.c.	3	265,043	265,154	(7,813)	396,406
Total	55	7,011,169	7,130,515	(176,143)	6,147,425
Average		127,476	129,646	(3,203)	111,771

Source: Philippines' Best 1,000 Corporations.

For the first half of 1989, the construction sector already grew by 14.7 per cent. This rate of expansion, however, is beginning to put pressures on the availability of raw materials, chiefly cement. Industry leaders have also expressed the need to train a larger pool of skilled construction workers.

Appendix 5 shows gross value added in construction and utilities from 1986-89.

POWER GENERATION AND DISTRIBUTION

As an economic activity, power generation is included in the electricity, gas, and water sector. As a whole, the sector generated a total gross value added of ₱20.1 billion in 1988, or 2.4 per cent of GNP. Electricity and gas alone had gross value added of ₱18.1 billion at current prices in 1988. Over the past two years, the gross value added of electricity and gas has grown at an average of 8.3 per cent per year.

The cumulative installed generating capacity of power plants in the country reached 6,865 megawatts in 1988. However, capacity utilization was only 41.2 per cent due to low water levels at hydroelectric plants, damaged power lines due to typhoons, as well as technical problems. The low capacity utilization engendered frequent brownouts. Standby generating units were and remain insufficient to meet power demand.

As of 1986, a total of 62 establishments comprised the power generation and distribution sector in the Philippines. Of this number, 16 were listed in the top 1,000 corporations of the Philippines in 1988. (See Table 10.) Power generation is a virtual monopoly of the National Power Corp. (NPC), a government entity. In 1988, electric power generating output was increased to 24,575 gigawatt-hours, 43 per cent coming from oil-powered plants, 26 per cent from hydroelectric plants, and 20 per cent from geothermal plants. NPC produced the bulk (93%) of total energy supply.

Electricity distribution in Metro Manila and nearby provinces, on the other hand, is a virtual monopoly of Manila Electric Co. (Meralco), a private entity.

Electricity is distributed to provincial consumers by rural electric cooperatives, with at least one in each province. These cooperatives, however, are facing a number of administrative, technical, and financial problems that have hampered their operations and made the cost of electricity in the provinces (except those in the island of Mindanao) very expensive.

Table 10
FINANCIAL INDICATORS OF MAJOR FIRMS IN POWER GENERATION AND DISTRIBUTION: 1988
(In Thousand Pesos)

	No. of Firms	Net Sales	Gross Revenue	Net Income	Total Assets
Power generation & distribution	5	20,031,056	20,796,575	1,168,287	133,934,808
Distribution of elect. to to consumers	11	17,758,773	17,852,011	688,116	17,220,598
Total	16	37,789,829	38,648,586	1,856,403	151,155,406
Average		2,361,864	2,415,537	116,025	9,447,213

Source: Philippines' Best 1,000 Corporations.

THE PHILIPPINE MARKET FOR IMPORTED USED EQUIPMENT

PHILIPPINE MACHINERY AND EQUIPMENT IMPORTS IN GENERAL

As a developing economy, the Philippines imports substantial equipment and machinery, both in volume and value. In 1988, the country imported a total of ₱35.3 billion worth of machinery and equipment (old and new), representing nearly a fifth of total value of all imports.

Over the past three years, the proportion of equipment and machinery imports to total imports has dramatically increased from 15.9 per cent in 1986 to 28.8 per cent for the first half of 1989, a clear indication in the shift to economic recovery, from consumer-led to investment-led growth.

Of the total machinery and equipment imports in 1988, 44.7 per cent is accounted for by machinery other than electrical; 36.0 per cent by electrical machinery, apparatus and equipment; and 19.3 per cent by transport equipment. (See Table 11.)

The proportion of used equipment imports to total machinery imports, however, is still small. Based on data obtained from the Business Statistics Monitor, the total landed cost of used equipment imports in 1988 was only ₱288 million, or less than one per cent of the CIF value of all machinery and equipment imports. (The Business Statistics Monitor is a private research organization which compiles import manifests of selected commodities.) The landed cost data, however, understate the actual value of used equipment imports due to the nonreporting of landed cost in some of the import manifests.

Table 11
VALUE OF IMPORTS OF MACHINERY AND EQUIPMENT: 1986-89
(CIF Value in Million Pesos)

	1986	1987	1988	1989*
Machinery other than electrical	8,285	11,433	15,752	1,772
Electrical machinery, apparatus & appliances	6,959	9,536	12,731	1,839
Transport equipment	1,682	3,172	6,792	578
Total mach. & eqpt. imports	16,926	24,141	35,275	4,189
Total imports	106,662	142,918	182,375	14,553
% mach. imports to total imports	15.87	16.89	19.34	28.78
Total value of used equipment imports**	N.A.	287	288	N.A.
% used eqpt. imports to total machinery imports	N.A.	1.19	0.82	N.A.

* 1989 figures refer to first semester.
** Refers to landed cost.

Sources: Foreign Trade Statistics, National Statistics Office.
Business Statistics Monitor.

DEMAND FOR IMPORTED USED EQUIPMENT

Volume, Value, and Technical Specifications of Imports

Second-hand industrial equipment, also known as "industrial seconds," are imported for use in different sectors and industries. The most frequently imported used equipment are those utilized in:

- energy generation
- agriculture
- pulp and paper processing
- textile manufacturing
- refrigeration
- materials handling
- packaging
- printing and publishing
- food processing
- mining
- construction.

In addition, there are used equipment imported for no specific sector such as diesel engines and boilers and boiler accessories. The specific types of imported used equipment are listed in Table 12.

Data aggregated from the import manifests of importers show a wide range of used equipment brought into the country. Among the "industrial seconds" imported in excess of 100 pieces in 1987 and 1988 are: agricultural engines (11,727 pieces), pulp and paper machinery not elsewhere specified (105 pieces, 78 packages, and five sets), textile extrusion machines (217 pieces and four sets), knitting machines (198 pieces, 99 sets, and one lot), textile equipment not elsewhere specified (658 pieces, nine cases, one lot, and 346 sets), refrigeration equipment parts and accessories (242 pieces and one lot), refrigeration equipment not elsewhere specified (160 pieces), payloaders (312 pieces), forklifts (527 pieces and one set), printing presses and printing machines (670 pieces and 28 sets), truck diesel engines (424 pieces), diesel engines not elsewhere specified (6,808 pieces), and bulldozers (166 pieces). The specific types of used equipment that registered high positive growth rates from 1987 to 1988 include pulp and paper machinery, n.e.s., refrigeration equipment, n.e.s., marine diesel engines, water/steam boilers, road rollers, excavators, bulldozers, graders, and others. (See Table 13.)

The value of imported used equipment by major category cannot be reckoned from existing records since landed costs are aggregated per importer. Table 14 presents the value of imported used equipment by major distributor. (Details are shown in

Appendix 6. Average unit values are shown in Appendix 7). Over the past two years (1987 and 1988), the Philippines has imported a total of ₱575.06 million used equipment, or an average of ₱287.53 million a year.

Table 12
LIST OF COMMON IMPORTED USED EQUIPMENT

1. Energy Generating Equipment

2. Agricultural Machinery

   Farm Tractors
   Tillers
   Agricultural Engines
   Harvester and harvesting machines
   Agricultural machinery, n.e.s.

3. Pulp and Paper Machinery

   Envelope Machines
   Board Cutting Machines
   Pulp and Paper Machinery, n.e.s.

4. Textile Machinery

   Extrusion Machines
   Knitting Machines
   Weaving Looms and Machines
   Embroidery Machines
   Sizing Machines
   Fishing Net Making Machines
   Winding Machines
   Spinning Machines
   Twisting Machines
   Draw Frame Machines
   Textile Testing Instruments
   Textile Equipment, n.e.s.

5. Refrigeration Equipment

   Refrigerated Container Vans
   Refrigerated Showcases
   Freezers/Chillers
   Refrigeration Equipment Parts and Accessories
   Refrigeration Equipment, n.e.s.

6. Materials Handling Equipment

   Winches
   Cranes
   Payloaders
   Forklifts
   Conveyors
   Hoists
   Loaders
   Materials Handling Equipment, n.e.s.

7. Packaging Equipment

   Box-making machine
   Bottling machine
   Packaging machines, n.e.s.

8. Printing Equipment

   Offset printing machine
   Binding machines
   Paper cutting/slitting machines
   Bottle decorating machines
   Plate-making machine
   Typesetter
   Folding machine
   Platen
   Assorted printing parts and equipment
   Printing press/printing machine, n.e.s.

9. Food Processing Equipment

   Poultry Equipment
   Baking Equipment
   Grinding Machinery
   Cocoa Processing Equipment
   Slicer/Chopper
   Mixer
   Food Processing Machinery, n.e.s.

10. Diesel Engines

    Truck diesel engines
    Marine diesel engines
    Diesel engines, n.e.s.

11. Boilers and Boiler Accessories

    Boilers
    Boiler accessories

12. Mining Equipment

    Slushers
    Mining equipment, n.e.s.

13. Construction Equipment

    Bulldozers
    Graders
    Backhoes
    Excavators
    Road Rollers
    Compactors
    Payloader/loaders
    Concrete mixers
    Shovel excavators
    Crawler tractor
    Drilling Equipment
    Construction Equipment, n.e.s.

Source: Business Statistics Monitor.

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Table 13
VOLUME OF IMPORTED USED EQUIPMENT
BY MAJOR CATEGORY AND SPECIFIC TYPE: 1987-88

	Unit	1987	1988	Total	% Growth
1. Power Generating Set	pc	662	706	1,368	7
	set	74	6	80	-92
2. Agricultural Equipment					
Tractors	pc	174	96	270	-45
Agricultural tillers	pc	80	151	231	89
Agricultural engines	pc	7,389	4,338	11,727	-41
Harvesting & harvesting implements	pc	5	1	6	-80
Agricultural machinery, n.e.s.	pc	2	4	6	100
	set	5		5	-100
3. Pulp & Paper Equipment					
Envelope machine	pc		8	8	
	set	17		17	-100
Board cutting machines	pc	1	3	4	200
Pulp & paper machinery, n.e.s.	pc	3	102	105	3300
	pkg		78	78	
	set	5	1	6	-80
4. Textile Equipment					
Extrusion machines	pc		217	217	
	set		4	4	
Knitting machines	pc	73	125	198	71
	set	43	56	99	30
	lot	1		1	-100
Weaving looms & machines	pc	99	52	151	-47
	set	50	243	293	386
	lot	2		2	-100
	pkg	66		66	-100
Embroidery machines	pc	5	16	21	220
	set		5	5	
Sizing machines	pc	3		3	-100
Fishing net-making equipment	pc	4	1	5	-75
	pkg		25	25	
	set	2	4	6	100

	Unit	1987	1988	Total	% Growth
8. Printing Equipment					
Printing press/printing machines	pc	214	456	670	113
	set	23	5	28	-78
Offset printing machines	pc	32	34	66	6
Binding machines	pc	4	3	7	-25
Paper cutting/slitting machines	pc	16	16	32	0
	set	3		3	-100
Bottle decorating machine	pc	1		1	-100
Plate-making machine	pc	1		1	-100
Typesetter	pc	10	1	11	-90
Folding machine	pc	1	1	2	0
Platen	pc	3	7	10	133
Printing parts & equipment, n.e.s.	pc	75	50	125	-33
	lot	1		1	-100
	set	2	67	69	3250
9. Food Processing Equipment					
Poultry equipment	pc		4	4	
Baking equipment	pc		7	7	
	lot		1	1	
	set		1	1	
Grinding machines	pkg	2		2	-100
	pc	3	1	4	-67
Cocoa processing equipment	pc	9		9	-100
Slicer/chopper	pc	3	1	4	-67
	set		1	1	
Mixer	pc		4	4	
Food processing machinery, n.e.s.	pc	25	6	31	-76
	set		1	1	
Other food processing equipment	pc	72	43	115	-40
10. Diesel Engines					
Truck diesel engines	pc	295	129	424	-56
Marine diesel engines	pc	20	41	61	105
Diesel engines, n.e.s.	pc	4,877	1,931	6,808	-60
	ton		14	14	
11. Boilers					
Water/steam boilers	pc	5	11	16	120
	set		1	1	
Boiler accessories	ctr		3	3	

	Unit	1987	1988	Total	% Growth
12. Mining Equipment					
Slushers	pc	15		15	-100
Other mining equipment	pc		3	3	
13. Construction Equipment					
Bulldozers	pc	53	113	166	113
Graders	pc	15	45	60	200
Backhoes	pc	16	56	72	250
Excavators, n.e.s.	pc	8	51	59	538
Road rollers	pc	9	60	69	567
Compactors	pc	2	6	8	200
Loaders	pc	2	2	4	0
Concrete mixers	pc		15	15	
Shovels, shovel excavators	pc	4	14	18	250
Crawler tractors	pc	10	11	21	10
Elevators	pc		1	1	
Drilling equipment	pc	9	1	10	-89
Construction equipment, n.e.s.	pc		16	16	

Source: Business Statistics Monitor.

Table 14
VALUE OF IMPORTED USED EQUIPMENT BY MAJOR DISTRIBUTOR: 1987-88
(In Million Pesos)

	1987	1988	Total
Juan Yutingco Corp.	12.065	10.676	22.741
Jun de los Santos Trading, Inc.	4.551	8.069	12.620
KKK Heavy Equipment Supply	3.023	6.673	9.696
Metro Diesel Co., Inc.	5.735	1.841	7.576
United Asia Comm'l & Ind'l Corp.	1.147	4.211	5.358
Nippon Trading Center	2.512	2.831	5.343
Benix Motor Parts	1.696	3.523	5.219
Transport Equipment Corp.	1.967	3.178	5.145
Marcxman Machinery	1.611	3.265	4.876
Far Eastern Diesel Supply	2.724	2.022	4.746
Contractors Equipment Corp.	0.586	3.715	4.301
Subtotal	37.617	50.004	87.621
Other Distributors & Direct Importers	249.414	238.025	487.439
Total	287.031	288.029	575.060

Source: Business Statistics Monitor.

The common brands of imported used equipment by major category are listed in Table 15. The technical specifications of imported used equipment by specific type are shown in Appendix 8.

Factors Affecting Future Demand

Several factors or indicators are expected to affect the future demand for imported used equipment. These are: (1) the prospects for the industries utilizing "industrial seconds;" (2) the historical trend in domestic capital formation in durable equipment; and (3) the local availability of "industrial seconds."

The short-term growth prospects of specific industries have been discussed in the Sectoral Overview. Based on their performance over the past three years, among the sectors and industries likely to post double-digit growth rates in the next few years are private construction, paper and paper products, and nonmetallic mining products. Nonelectrical machinery and transport equipment are also expected to experience a strong growth performance. (See Appendices 3, 4, and 5.)

The trend in gross domestic capital formation (in-place fixed investments) since 1986 also indicates increasing demand for machinery and equipment in general. Over the past three years, real gross domestic capital formation has increased by an average of 27.3 per cent a year. Investment buildup has been rapid in such equipment as nonsteam tractor, mining and construction equipment, textile machinery, sugarmill equipment, pulp and paper machinery, pumps and compressors, road vehicles, and air transport equipment. (See Table 16.)

However, sectoral growth and current rates of investment buildup do not sufficiently ensure corresponding growth in the demand for used equipment. Interviews with distributors indicate that demand for used equipment may be dampened by a number of factors:

- The difficulty in sourcing used equipment abroad (compared with the ease of procuring new equipment) increases transactions cost. High transactions cost can be an effective disincentive for importing used equipment. This situation was cited in the case of food processing equipment.

- New models of agricultural equipment are relatively inexpensive compared with old models/used equipment. Also, some machinery manufacturers (Japanese) buy back used equipment to create a market for brand new machinery.

Table 15
TYPICAL BRANDS OF IMPORTED USED EQUIPMENT BY MAJOR CATEGORY

Category	Brands
Energy generating eqpt.	Taiyo, Cummins, Denyo, Seikosha, B & W
Agricultural machinery	GMC, Massey-Ferguson, Kubota, Mitsubishi, Peterbuilt, Perkins, Yanmar, Daedong
Pulp and paper machinery	Roland
Textile machinery	Schlaforst, Swiss Sharer, Volkman, Murata, Fukuhara, Raschel, Nagota's, Wah Huen, Pres. Picanol & Materfield, Mueller, Barudan, Tajima
Refrigeration equipment	Mitsubishi
Materials handling equipment	Komatsu, Toyota, Tradano, TCM, Fuso, Sumitomo Yankar, Kobelco, Hino, Isuzu
Printing equipment	Heidelberg, Hamada, Solna, Roland, Harris, Miller, Invicta, Wohlenberg, Schneider, Toshin, Chandler Price, Intertype, Miehle, Kenro, Linotype, Diamond, Snyder, Polar
Food processing equipment	ATF, Hobart, Universal, Crepaco, Taylormate
Diesel engines	Hino, Fuso, Isuzu, Nissan, Mitsubishi, Yanmar, Niigata
Boilers and accessories	SKG
Mining equipment	Joy, Domeq
Construction equipment	Kawasaki, Komatsu, Furukawa, Kubota, Massey-Ferguson, Sakai, Kato, Yutani, Sumitomo, Peterbuilt, Mitsubishi

Sources: Business Statistics Monitor
Interviews.

Table 16
GROSS DOMESTIC CAPITAL FORMATION IN DURABLE EQUIPMENT
BY MAJOR TYPE: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth Rates		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-87	1987-88	1988-89*
A. Machinery Specialized for Particular Industries											
1. Agricultural mach.	217	281	379	169	29	36	46	19	24.89	27.80	7.09
2. Tractor other than steam	73	92	129	105	10	12	16	12	21.55	32.86	150.78
3. Mining & construction mach.	657	961	1,134	927	86	122	136	105	41.07	11.81	59.02
4. Textile mach.	573	2,011	3,075	2,492	75	255	370	281	238.48	44.89	73.23
5. Sawmill & logging mach.	78	115	152	87	10	15	18	10	42.19	25.24	(18.96)
6. Sugarmill mach.	7	12	20	44	1	2	2	5	65.33	67.93	57.63
7. Pulp & paper mach.	90	192	228	295	12	24	27	33	105.76	12.52	156.81
8. Metalworking mach.	765	985	1,120	892	101	125	135	101	24.18	7.74	52.73
9. Telecommunications & sound recording/reprod. eqpt.	4,244	4,147	5,329	1,642	558	526	640	185	(5.76)	21.76	(26.68)
10. Other special ind'l mach.	3,053	4,296	5,059	4,042	401	545	608	456	35.71	11.59	39.24
Subtotal	9,757	13,092	16,625	10,695	1,283	1,660	1,998	1,207	29.41	20.33	30.46
B. General Ind'l Mach. & Eqpt.											
1. Aircon. & refrig'n eqpt.	4,388	5,007	4,734	2,481	577	635	569	280	10.05	(10.41)	(27.53)
2. Pumps & compressors	958	1,287	1,852	1,131	126	163	223	128	29.57	36.35	20.67
3. Other electrical mach. & app.	6,051	6,217	7,137	3,549	796	788	858	401	(0.91)	8.78	2.76
4. Other gen. ind'l mach.	4,608	4,915	5,844	6,234	606	623	702	704	2.87	12.67	83.53
Subtotal	16,005	17,426	19,567	13,395	2,105	2,210	2,351	1,512	5.01	6.40	19.48
C. Transport Equipment											
1. Road vehicles	2,406	2,734	7,720	6,769	316	347	928	764	9.59	167.56	78.36
2. Railway transport	38	93	139	5	5	12	17	1	136.04	41.62	(84.98)
3. Air transport	3	411	2,895	2,462	0	52	348	278	13,113.00	567.44	6,098.05
4. Water transport	183	152	418	216	24	19	50	24	(19.89)	160.58	(0.40)
Subtotal	2,630	3,390	11,172	9,452	346	430	1,343	1,067	24.32	212.28	131.39
D. Miscellaneous Equipment											
1. Office mach. & data proc'g.	1,043	1,258	1,365	911	137	160	164	103	16.33	2.82	92.42
2. Other misc. durable eqpt.	5,183	6,492	8,000	4,623	682	823	961	522	20.80	16.77	1.04
Subtotal	6,226	7,750	9,365	5,534	819	983	1,125	625	20.05	14.50	9.61
Total	34,618	41,658	56,729	39,076	4,552	5,283	6,817	4,411	16.06	29.04	36.90

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparisons.

Source: National Statistical Coordination Board.

- Spare parts for old models may not be available locally or abroad. Interviews indicate that a major reason why Japanese used equipment are popular is because of readily available spare parts. However, this is not always true for other brands.

The local availability of "industrial seconds" will pose increasing competition to imports. In the wake of the economic slump of the mid-1980s, a lot of industrial equipment went idle. While there has been an increasing utilization of installed industrial capacity, there are indications that a significant proportion of durable equipment remains unutilized, for example, equipment of "distressed industries" that ended up as government property and are currently being disposed of by the Asset Privatization Trust (APT). However, the APT strategy has been to sell enterprises wholesale; in fact, it frowns upon the sale of equipment piece by piece. Hence, one cannot expect much trade in second-hand equipment from this source.

In any case, over the past two years, there has been increasing trade in second-hand, rebuilt, or slightly used machines from some of the country's top private companies. Taking cognizance of the importance of the trade in used industrial equipment, the Philippine Center for International Trade and Exhibitions (Philcite) sponsored the Industrial Seconds Fair in 1987 and 1988. There are no available data on the magnitude of this trade but the list of participants and the product index in Appendix 9 indicates that it is considerable.

SUPPLY OF IMPORTED USED EQUIPMENT

Country Sources and Local Distribution Network

Used equipment imports in 1987 and 1988 originated from 19 countries. Japan holds a virtual monopoly of used diesel engines and construction equipment, the U.S. leads in the sale of used food processing equipment to the Philippines, while both countries are major sources of used energy generating equipment, textile machinery, and refrigeration equipment. Taiwan, Hong Kong, South Korea and Singapore are also beginning to be significant sources of used textile equipment, agricultural machinery, diesel engines, and food processing equipment. (See Table 17; Appendix 10 shows details.)

The range of Canadian used equipment exports to the Philippines is wide but volumes are low, that is, typically less than 50 pieces of equipment per major category, except for pulp and paper machinery.

Table 17
COUNTRY OF ORIGIN OF IMPORTED USED EQUIPMENT
BY MAJOR CATEGORY: 1987 AND 1988

	Volume of Imports, 1987 + 1988		
	>100 pcs.	50-100 pcs.	<50 pcs.
Energy generating eqpt.	Japan USA	Hong Kong	Australia Singapore Taiwan
Agricultural machinery	Japan Hong Kong		Canada Indonesia Singapore Thailand UK USA
Pulp and paper machinery		Canada USA	Australia Hong Kong Japan Singapore Taiwan UK
Textile machinery	Belgium Japan South Korea Taiwan USA	Hong Kong	Italy Malaysia Netherlands Singapore Switzerland
Refrigeration equipment	Japan USA		Hong Kong Singapore Taiwan
Materials handling eqpt.	Japan		Canada Hong Kong Indonesia S. Arabia Singapore Sri Lanka Taiwan UK USA

	Volume of Imports, 1987 + 1988		
	>100 pcs.	50-100 pcs.	<50 pcs.
Packaging equipment			Hong Kong Italy Japan USA
Printing equipment	Australia Japan USA		Belgium Canada Hong Kong Italy Malaysia Singapore Sweden Switzerland Taiwan UK
Food processing equipment	USA	Taiwan	Belgium Canada Hong Kong Japan Singapore South Korea UK
Diesel engines	Japan	Singapore	Canada Hong Kong UK USA
Boilers & accessories			Hong Kong Malaysia Singapore Taiwan USA
Mining equipment			Australia Canada USA
Construction equipment	Japan		Canada Hong Kong Indonesia Singapore Sri Lanka Taiwan USA

Source: Business Statistics Monitor.

Used equipment imports are brought into the country either directly by a user firm or through a local distributor. The import manifests for 1987 and 1988 show 536 importers, 319 of which were user firms and 217 were local distributors.

The profiles of major distributors indicating company name, address, contact person, telephone numbers, country sources, product lines or services, and import volumes and values are presented in Appendix 11.

Trade Practices

Distribution channels and systems and practices of the major used equipment distributors vary by type of equipment sold and by distributor. A distributor can opt to be an exclusive distributor of a certain brand, or offer a range of brands. In general, specialized machinery (for example, textile equipment) is distributed by exclusive distributors. In this case, customers invariably approach the distributor or its duly assigned salesmen. Salesmen commonly receive 15 per cent commission. (See Table 18.)

On the other hand, general industrial equipment (for example, diesel engines) is distributed by the "supermarket" type of distributors. In this case, salesmen may not be necessary. The distributor commonly uses the classified ads to attract customers.

A recent marketing innovation is the holding of "industrial seconds" fairs. These fairs, sponsored by the Philippine Center for Industrial Trade and Exhibitions (Philcite), are held annually and bring together importers, distributors, and potential users. An important feature of these fairs is the holding of seminars that discuss issues related to used equipment utilization, for example, machine rebuilding and equipment rehabilitation, preventive maintenance and corrosion control, training of blue-collar workers, and industrial safety.

The purchase and sales arrangements and pricing practices of major distributors of imported used equipment are summarized in Table 19. In general, purchase arrangements with suppliers abroad involve cash without discount. Indention through use of letters of credit is resorted to by only two of the nine interviewed distributors. In general, sales arrangements with local buyers also involve cash without discount.

Table 18
TYPES OF DISTRIBUTION CHANNELS AND SYSTEMS AND DISTRIBUTION PRACTICES EMPLOYED BY MAJOR DISTRIBUTORS OF IMPORTED USED EQUIPMENT

Distributor	Channel or System
KKK Heavy Eqpt.	o Does not import specifically to fill in an order. If order can not be filled with available stock, customer is referred to another supplier or is asked to buy an available model. o Stores imported used equipment at Port Area where prospective customers inspect goods.
Maruka Enterprises	o Exclusive distributor of Maruka, Japan. o Deals in specialized equipment for garments manufacture. Customers approach firm.
Great Lakes Comm'l (tractors)	o Advertises in classified ads.
Kubota Agri Machinery	o Distribution network consists of 70 outlets throughout the Philippines
Black Swan Printing Machinery	o Uses freelance agents who get 15 per cent commission.
Alfa Laval Raco (industrial separators)	o Uses own salesmen.
SEA Commercial Co. (agri machinery)	o Employs agents in all the major cities. o Advertises in classified ads. o Sends out letters to prospective customers. o Conducts exhibits, if necessary.

Source: Interviews.

Table 19
SALES ARRANGEMENTS OF MAJOR DISTRIBUTORS OF IMPORTED USED EQUIPMENT

I. Purchase Arrangements with Suppliers

- o Cash without discount (4 out of 9 distributors).
- o Cash with discount (1 out of 9 distributors).
- o Indention, through use of L/C (2 out of 9 distributors).

II. Sales Arrangements with Buyers

- o Cash without discount (5 out of 9 distributors).
- o Cash, forward sale basis (1 out of 9 distributors).
- o Cash with discount (1 out of 9 distributors).

III. Need for Reconditioning

- o Heavy eqpt. - KKK Heavy Equipment reconditions its goods at the discretion of the customer. It takes about a week to recondition. SEA Commercial remanufactures all trucks and heavy equipment.

- o Agric'l mach. - Kubota Agri does not recondition its equipment.

- o Heavy ind'l eqpt. - Alfa Laval Raco reconditions all its equipment prior to sale. Reconditioning takes a month.

- o Printing mach. - Black Swan reconditions all its equipment. Reconditioning may involve any or all of the following: cleaning, painting, or spare parts replacement. Reconditioning takes 1-2 weeks.

- o Seneca Ind'l Co. does not recondition its equipment; however, it provides discounts.

IV. Pricing Practices

- o Price depends on the condition of the equipment as well as the degree of competition.

- o Reconditioning typically increases the price by 50-65% (in the case of payloaders) to as high as 130% (in the case of forklifts).

- Price also depends on whether transportation and installation costs are included, or whether a warranty is provided or not. Distributors typically give 6 months to 1 year warranty.

Source: Interviews.

The distributor may or may not recondition the imported used equipment prior to sale. Reconditioning is usually done at the discretion of the buyer. This may involve cleaning, painting, or spare parts replacement. The distributor and the buyer also have to agree for whose account are transportation and installation costs, and whether warranty will be provided. The final price of the used equipment critically depends on whether or not reconditioning, installation, and transportation costs are borne by the distributor. In the case of forklifts, for instance, reconditioning can increase the price of equipment by as much as 130 percent. (See Table 20.)

Table 20
INDICATIVE LOCAL PRICES OF IMPORTED USED EQUIPMENT
(In Pesos)

Type of Equipment	As Is	Recon-ditioned	Quotation
Energy generating eqpt.			
Generator sets		700,000	SEA Comm'l
Agricultural machinery			
Tractors	40,000		Great Lakes Comm'l
Tractors (10 yrs.)	60,000		Kubota Agri Mach.
Textile Machinery			
Embroidery machine	800,000	1,000,000	Maruka Enterprises
Materials Handling Eqpt.			
Forklifts	150,000 - 250,000	350,000	KKK Heavy Eqpt.
Payloaders	350,000 - 450,000	550,000 - 750,000	KKK Heavy Eqpt.
Loaders		1,000,000	SEA Comm'l
Dump & cargo trucks		700,000 - 800,000	SEA Comm'l
Packaging Equipment			
Aluminum foil pack'g eqpt. (5-10 yrs.)	2,000,000		Handyware Phils.
Printing Equipment			
Offset press, 2 colors		1,400,000 - 1,750,000	Maruka Enterprises
Offset press, 4 colors		2,400,000 - 3,000,000	Maruka Enterprises
Offset press, 6 colors		4,800,000 - 6,000,000	Maruka Enterprises
Offset press, 1 color (15-25 yrs.)		150,000	Black Swan
Offset press, 2 colors (15-25 yrs.)		300,000	Black Swan
Offset press, multicolor (15-25 yrs.)		1,500,000	Black Swan
Letterpress (35 yrs.)		30,000	Black Swan
Paper cutter		80,000 - 500,000	Black Swan

Type of Equipment	As Is	Recon-ditioned	Quotation
Food Processing Equipment			
Noodle-making machine	700,000		Handyware Phils.
Snackfood-making machine (4 yrs.)	50,000		Handyware Phils.
Diesel Engines			
Truck diesel engines		75,000 - 100,000	SEA Comm'l

Source: Interviews.

GOVERNMENT REGULATIONS AFFECTING USED EQUIPMENT IMPORTS

General Import Regulations

Importations of machinery and equipment whether old or used are, in general, allowed by the Philippine government. However, the imports of used trucks and engines have to be cleared by the Department of Trade and Industry's Inter-Agency Committee on Used Trucks and Engines (IAC-UTE) or by the Board of Investments (BOI). The specific items regulated by IAC-UTE are:

- used or brand new trucks and special purpose vehicles;
- gasoline and kerosene engines;
- used diesel or gasoline engines; and
- used engine short block assembly or used engine blocks.

Import financing may be handled by agent banks without prior Central Bank approval.

A BOI certificate of clearance is required for machinery, equipment, and spare parts imported by registered participants in the following programs:

- Car Development Program (formerly the Progressive Car Manufacturing Program);
- Commercial Vehicle Development Program (formerly the Progressive Truck Manufacturing Program);
- Motorcycle Development Program (formerly the Progressive Motorcycle Manufacturing Program);
- Diesel Engine Manufacturing Program (DEMP);
- Progressive Export Program for Consumer Electronics Products;
- Pulp and Paper Industry Rationalization Program;
- Textile Manufacturing Program;
- Coconut Industry Modernization Program.

The Car, Truck, Motorcycle, and Engine Programs are currently under review. The specific guidelines for the importation of used trucks and engines are found in Appendix 12.

Philippine imports from Japan, Taiwan, and Hong Kong also require a clean report from the Philippine-hired Swiss import-inspection company, Societe Generale de Surveillance (SGS). Goods imported from these countries will not be cleared by the Bureau of Customs unless these have been cleared by SGS. Orders worth less than FOB US$5,000 and imports consigned to the government and its corporations are exempted from SGS inspection.

Tariff Rates and Other Taxes

The dutiable value of imports is determined in any of the following three ways:

- o The Home Consumption Value (HCV) in the country of exportation plus insurance plus freight. HCV refers to the value of the imported commodity in the country of origin at the time of exportation to the Philippines, including the cost of all packaging materials, and the cost, charges, and expenses incidental to the shipment of the commodity. If insurance cost is included in the shipment, 10 per cent of the cost-insurance-freight (CIF) value is deducted to arrive at the HCV.

- o The HCV in the country of manufacture or origin, if it is not the country of exportation, or in a third country with the same stage of economic development as the country of exportation, plus insurance and freight.

If the HCV cannot be determined,

- o The invoice value plus insurance and freight.

The pertinent tariff rates shown in Table 21 are then applied to the dutiable value. These rates apply whether the machinery or equipment is old or new. It is the dutiable values that differ.

In addition to the tariff duty, a five per cent ad valorem duty is levied on all importations into the Philippines per Executive Order 988. (E.O. 988 decreased the ad valorem duty levied on importations from ten per cent to five per cent.) This duty is applied on the dutiable value of the imported commodity.

A value added tax (VAT) of 10 per cent is also imposed. The VAT replaced all percentage taxes previously imposed on importations. It is payable prior to the withdrawal of goods from the custody of the Bureau of Customs.

Table 21
TARIFF RATES APPLICABLE TO
VARIOUS TYPES OF USED EQUIPMENT

Code*	Description	Rate of Duty
84.02	Steam or other vapor generating boilers (other than central heating boilers capable also of producing low pressure steam; super heated water boilers	10 - 20%
84.03	Central heating boilers other than those of No. 84.02	30%
84.05	Producer gas or water gas generators, with or without their purifiers; acetylene gas generators and similar water process gas generators, with or without their purifiers	20%
84.07	Spark-ignition reciprocating or rotary internal combustion piston engines (except engines for sports cars)	20%
84.08	Compression-ignition reciprocating or rotary internal combustion piston engines (diesel or semi-diesel engines)	20%
84.17	Industrial or laboratory furnaces and ovens, including incinerators, non-electric	20%
84.18	Refrigerators, freezers and other refrigerating or freezing eqpt.	30 - 50%

* Based on the Harmonized Commodity Description and Coding System of the Philippines.

Code	Description	Rate of Duty
84.19	Machinery, plant or laboratory equipment, whether or not electronically heated, for the treatment of materials by a process involving a change of temperature such as heating, cooking, roasting distilling, rectifying, sterilising, pasteurizing, steaming, drying, evaporating, vaporising, condensing or cooling, other than machinery or plant of a kind used for domestic purposes; instantaneous or storage water heaters, non-electric.	10 - 20%
84.20	Calendering or other rolling machines, other than for metals or glass, and cylinders therefor.	20%
84.21	Centrifuges, including centrifugal dryers; filtering or purifying machinery and apparatus, for liquids or gases	20%
84.22	Dish washing machines; machinery for cleaning or drying bottles or other containers; machinery for filling, closing, sealing, capsuling or labelling bottles, cans, boxes, bags, or other containers; other packing or wrapping machinery; machinery for aerating beverages (except dish washing machines of the household type)	10%
84.25	Pulley tackle and hoists other than skip hoists; winches and capstans; jacks	20%
84.26	Derricks; cranes, including cable cranes; mobile lifting frames, straddle carriers and works trucks fitted with a crane.	10 - 20%

Code	Description	Rate of Duty
84.27	Forklift trucks; other works trucks fitted with lifting or handling equipment.	10 - 20%
84.28	Other lifting, handling, loading or unloading machinery (for example, lifts, escalators, conveyors, teleferics)	20%
84.29	Self-propelled bulldozers, angledozers, graders, levellers, scrapers, mechanical shovels, excavators, shovel loaders, tamping machines and road rollers	20%
84.30	Other moving, grading, levelling, scraping, excavating, tamping, compacting, extracting or boring machinery, for earth, minerals or ores; pile-drivers and pile-extractors; snow-ploughs and snow-blowers	20%
84.31	Parts suitable for use solely or principally with the machinery of headings 84.25 to 84.30	10 - 30%
84.32	Agricultural, horticultural or forestry machinery for soil preparation or cultivation; lawn or sportsground rollers.	30%
84.33	Harvesting or threshing machinery, including straw or fodder balers; grass or hay mowers; machines for cleaning, sorting or grading eggs, fruit or other agricultural produce, other than machinery of heading No. 84.37	30%
84.34	Milking machines and dairy machinery.	20%
84.35	Presses, crushers and similar machinery used in the manufacture of wine, cider, fruit juices or similar beverages.	20%

Code	Description	Rate of Duty
84.36	Other agricultural, horticultural, forestry, poultry-keeping or bee-keeping machinery, including germination plant fitted with mechanical or thermal equipment; poultry incubators and brooders.	20%
84.37	Machines for cleaning, sorting or grading seed, grain or dried leguminous vegetables; machinery used in the milling industry or for the working of cereals or dried leguminous vegetables, other than farm-type machinery.	20 - 30%
84.38	Machinery, not specified or included elsewhere in this Chapter, for the industrial preparation or manufacture of food or drink, other than machinery for the extraction or preparation of animal or fixed vegetable fats or oils	30%
84.39	Machinery for making pulp of fibrous cellulosic material or for making or finishing paper or paperboard.	10%
84.40	Book-binding machinery, including book-sewing machines.	20%
84.41	Other machinery for making up paper pulp, paper or paperboard, including cutting machines of all kinds.	10 - 20%
84.42	Machinery, apparatus and equipment (other than the machine tools of headings Nos. 84.56 to 84.65), for type-founding or type-setting, for preparing or making printing blocks, plates, cylinders or other printing components; blocks, plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished).	10%

Code	Description	Rate of Duty
84.43	Printing machinery; machines for uses ancillary to printing.	10 - 30%
84.44	Machines for extruding, drawing, texturing or cutting man-made textile materials.	10%
84.45	Machines for preparing textile fibres; spinning, doubling or twisting machines and other machinery for producing textile yarns; textile reeling or winding (including weft-winding) machines and machines for preparing textile yarns for use on the machines of heading No. 84.46 or 84.47.	10%
84.46	Weaving machines (looms).	10%
84.47	Knitting machines, stitch-bonding machines and machines for making gimped yarn, tulle, lace, embroidery, trimmings, braid or net and machines for tufting.	10%
84.48	Auxiliary machinery for use with machines of heading No. 84.44, 84.45, 84.46 or 84.47 (for example, dobbies, Jacquards, automatic stop motions, shuttle changing mechanism); parts and accessories suitable for use solely or principally with the machines of this heading or of heading No. 84.44, 84.45, 84.46 or 84.47 (for example, spindles and spindle flyers, card clothing, combs, extruding nipples, shuttles, healds heald-frames, hosiery needles).	10%
84.49	Machinery for the manufacture or finishing of felt or nonwovens in the piece or in shapes, including machinery for making felt hats; blocks for making hats.	10%

Code	Description	Rate of Duty
84.50	Household or laundry-type washing machines, including machines which both wash and dry.	10%
84.51	Machinery (other than machines of heading No. 84.50) for washing, cleaning, wringing, drying, ironing, pressing (including fusing presses), bleaching, dyeing, dressing, finishing, coating or impregnating textile yarns, fabrics or made up textile articles and machines for applying the paste to the base fabric or other support used in the manufacture of floor coverings such as linoleum; machines for reeling, unreeling, folding, cutting or pinking textile fabrics.	10%
84.52	Sewing machines, other than booksewing machines of heading No. 84.40; furniture, bases and covers specially designed for sewing machines; sewing machine needles.	20 - 50%
84.74	Machinery for sorting, screening, separating, washing, crushing, grinding, mixing or kneading earth, stone, ores or other mineral substances, in solid (including powder or paste) form; machinery for agglomerating, shaping or moulding solid mineral fuels, ceramic paste, unhardened cements, plastering materials or other mineral products in powder or paste form; machines for forming foundry moulds of sand.	30%

Source: Harmonized Commodity Description and Coding System of the Philippines (1988).

APPENDICES

APPENDIX 1

GROSS NATIONAL PRODUCT BY INDUSTRIAL ORIGIN: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth (at constant prices)		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-87	1987-88	1988-89*
Agriculture, fishery & forestry											
a. Agriculture & fishery	146,115	159,863	176,867	97,234	26,456	26,186	27,082	13,996	(1.02)	3.42	4.74
b. Forestry	9,874	10,907	13,121	5,878	654	648	689	318	(0.92)	6.33	(11.17)
Subtotal	155,989	170,770	189,988	103,112	27,110	26,834	27,771	14,314	(1.02)	3.49	4.33
Industry											
a. Mining & quarrying	12,445	13,600	15,996	7,978	1,574	1,547	1,615	797	(1.72)	4.40	(1.97)
b. Manufacturing	155,172	173,539	207,447	113,868	21,717	23,168	25,251	13,262	6.68	8.99	6.79
c. Construction	22,685	28,113	33,645	22,469	3,382	3,967	4,344	2,654	17.30	9.50	14.69
d. Electricity, gas & water	14,678	17,333	20,087	10,559	1,723	1,908	1,995	1,049	10.74	4.56	6.71
Subtotal	204,980	232,585	277,175	154,874	28,396	30,590	33,205	17,762	7.73	8.55	7.46
Services											
a. Transportation	39,256	42,027	44,973	23,309	5,105	5,251	5,487	2,866	2.86	4.49	5.29
b. Trade	121,243	137,375	160,959	87,199	14,337	15,153	15,832	8,156	5.69	4.48	6.16
c. Finance & housing	38,168	48,467	55,242	31,698	4,831	5,832	6,200	3,334	20.72	6.31	10.69
d. Private services	35,765	38,534	44,032	24,738	6,039	6,106	6,437	3,353	1.11	5.42	6.51
e. Government services	31,728	38,610	54,380	25,693	5,362	5,697	6,602	3,339	6.25	15.89	(3.02)
Subtotal	266,160	305,013	359,586	192,637	35,674	38,039	40,558	21,048	6.63	6.62	5.20
Gross domestic product	627,129	708,368	826,749	450,623	91,180	95,463	101,534	53,124	4.70	6.36	5.70
Net factor income from abroad	(12,426)	(5,007)	(2,982)	(3,243)	(1,676)	(666)	(348)	(368)	(60.26)	(47.75)	n.a.
Gross national product	614,703	703,361	823,767	447,380	89,504	94,797	101,186	52,756	5.91	6.74	5.33

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparisons.

Source: National Statistical Coordination Board.

APPENDIX 2

GROSS VALUE ADDED IN AGRICULTURE: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth (at constant prices)		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-87	1987-88	1988-89*
Agricultural crops											
a. Palay	21,012	24,028	28,296	12,860	4,899	4,513	4,788	2,140	(7.88)	6.09	7.11
b. Corn	9,477	11,551	11,846	3,995	1,798	1,872	1,924	573	4.12	2.78	8.52
c. Coconut	7,460	8,582	9,554	4,163	1,821	1,803	1,650	751	(0.99)	(8.49)	(4.70)
d. Sugarcane	3,171	4,030	5,098	4,285	775	701	791	588	(9.55)	12.84	8.69
e. Banana	4,450	5,068	5,248	2,642	935	878	844	410	(6.10)	(3.87)	0.99
f. Others	42,008	42,257	47,019	27,050	6,847	6,607	6,549	3,659	(3.51)	(0.88)	2.61
Subtotal	87,576	95,516	106,861	54,995	17,075	16,374	16,546	8,121	(4.11)	1.05	3.76
Livestock	10,969	11,742	13,792	7,513	2,283	2,432	2,647	1,340	6.53	8.84	9.93
Poultry	14,865	16,286	18,988	9,122	2,547	2,742	3,055	1,631	7.66	11.42	9.02
Fishery	32,705	36,319	37,227	25,604	4,551	4,638	4,834	2,904	1.91	4.23	2.98
Forestry	9,874	10,907	13,121	5,878	654	648	689	318	(0.92)	6.33	(11.17)
Total	155,989	170,770	189,989	103,112	27,110	26,834	27,771	14,314	(1.02)	3.49	4.33

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparisons.

Source: National Statistical Coordination Board.

APPENDIX 3

GROSS VALUE ADDED IN MINING AND QUARRYING: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth (at constant prices)		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-88	1987-88	1988-89*
Copper mining	3,418	3,732	4,419	2,091	1,048	1,027	1,059	477	(2.00)	3.12	(8.62)
Gold mining	6,660	7,370	8,702	4,053	144	132	138	82	(8.33)	4.55	10.81
Chromium mining	187	182	212	191	11	10	9	4	(9.09)	(10.00)	(20.00)
Nickel mining	70	55	110	353	17	15	20	24	(11.76)	33.33	60.00
Other metal mining	109	110	121	62	16	14	15	7	(12.50)	7.14	0.00
Stone quarrying & sand pits	1,287	1,503	1,707	809	184	200	215	118	8.70	7.50	9.26
Other non-metallic mining	714	648	725	419	154	149	159	85	(3.25)	6.71	3.66
Total	12,445	13,600	15,996	7,978	1,574	1,547	1,615	797	(1.72)	4.40	(1.97)

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparison.

Source: National Statistical Coordination Board.

APPENDIX 4

GROSS VALUE ADDED IN MANUFACTURING: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth (at constant prices)		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-87	1987-88	1988-89*
Food manufactures	57,334	65,416	76,560	40,848	8,738	9,446	9,995	5,015	8.10	5.81	2.75
Beverage industries	5,070	6,081	7,250	4,134	733	808	842	467	10.23	4.21	6.62
Tobacco manufactures	4,963	4,871	5,930	3,272	713	631	696	392	-11.50	10.30	1.29
Textile manufactures	9,878	11,871	13,148	6,386	891	995	1,001	479	11.67	0.60	4.13
Footwear and wearing apparel	12,276	13,063	16,262	8,956	1,378	1,412	1,557	790	2.47	10.27	3.40
Wood and cork products	3,130	3,549	4,397	2,373	388	416	458	241	7.22	10.10	3.88
Furniture & fixtures	701	821	1,014	648	120	138	155	89	15.00	12.32	5.95
Paper & paper products	2,101	2,351	2,983	1,797	172	187	232	130	8.72	24.06	14.04
Publishing & printing	2,240	2,500	3,298	1,972	430	460	496	294	6.98	7.83	16.67
Leather & leather products	328	390	456	235	63	67	79	40	6.35	17.91	5.26
Rubber products	1,900	2,161	2,582	1,230	290	305	345	166	5.17	13.11	0.61
Chemical & chemical products	10,826	11,796	14,663	7,112	1,584	1,628	1,811	867	2.78	11.24	-2.91
Products of petroleum & coal	15,857	16,605	18,637	10,384	1,156	1,230	1,369	737	6.40	11.30	9.51
Non-metallic min. products	2,805	3,169	4,238	2,622	377	399	483	285	5.84	21.05	18.26
Basic metal industries	6,327	7,608	10,030	6,743	1,018	1,140	1,324	814	11.98	16.14	24.09
Metal products	3,878	4,105	5,056	3,239	725	804	892	552	10.90	10.95	25.74
Machinery except electrical	2,518	2,792	3,359	2,242	445	473	536	355	6.29	13.32	19.93
Electrical machinery	7,567	8,181	10,712	5,757	1,913	2,000	2,323	1,149	4.55	16.15	7.79
Transport equipment	676	991	1,239	979	135	168	179	118	24.44	6.55	49.37
Miscellaneous manufactures	4,997	5,218	5,633	2,939	448	461	473	282	2.90	2.60	8.05
Total	155,172	173,539	207,447	113,868	21,717	23,168	25,246	13,262	6.68	8.97	6.79

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparison.

Source: National Statistical Coordination Board.

GROSS VALUE ADDED IN CONSTRUCTION AND UTILITIES: 1986-89
(In Million Pesos)

	Current Prices				Constant 1972 Prices				% Growth (at constant prices)		
	1986	1987	1988	1989*	1986	1987	1988	1989*	1986-87	1987-88	1988-89*
Construction											
a. Government	9,500	10,358	11,427	7,354	1,411	1,462	1,478	872	3.61	1.09	10.52
b. Private	13,185	17,755	22,218	15,115	1,971	2,505	2,866	1,782	27.09	14.41	16.85
Total Construction	22,685	28,113	33,645	22,469	3,382	3,967	4,344	2,654	17.30	9.50	14.69
Electricity, Gas & Water											
a. Electricity & gas	13,066	15,552	18,096	9,449	1,501	1,675	1,758	930	11.59	4.96	7.02
b. Water	1,612	1,781	1,991	1,110	222	233	237	119	4.95	1.72	4.39
Total E, G & W	14,678	17,333	20,087	10,559	1,723	1,908	1,995	1,049	10.74	4.56	6.71
Transport, Storage & Communication											
a. Land transport	20,399	21,836	22,860	11,607	2,235	2,376	2,473	1,290	6.31	4.08	2.87
b. Water transport	3,377	3,475	3,647	1,964	607	635	664	344	4.61	4.57	7.17
c. Water transport	3,103	3,423	4,179	2,264	369	373	394	213	1.08	5.63	9.79
d. Storage	5,629	5,924	6,371	3,255	662	689	728	377	4.08	5.66	5.01
e. Communication	6,748	7,369	7,916	4,219	1,232	1,178	1,228	642	(4.38)	4.24	8.08
Total T, S & C	39,256	42,027	44,973	23,309	5,105	5,251	5,487	2,866	2.86	4.49	5.29

* 1989 figures refer to first semester. 1988-89 growth rates refer to semestral comparison.

Source: National Statistical Coordination Board.

LANDED COST OF USED EQUIPMENT IMPORTS BY IMPORTER: 1987-1988 (In Pesos)

IMPORTER	1987	1988
"S" Mfg. Inc.	0.00	57947.92
A & L Sales Center	82727.39	0.00
A.L. Garments Mfg.	41929.85	0.00
A.M. Oreta & Co. Inc.	0.00	294931.42
AA Export & Import Corp.	180329.19	0.00
Abad Santos Motors	228681.39	1424362.41
Abcar Paragon Mining Corp.	0.00	3690577.02
Aclem Paper Mills Inc.	814255.37	2407336.13
Acme Plywood & Veneer Co.	627669.26	101887.00
Action Container Corp.	0.00	436459.87
Acura Trdg.	125491.10	0.00
Adfran Corporation	0.00	80323.71
Advan Mdsg.	647636.32	844118.88
Aeromar Trdg. Corp.	14566.75	0.00
Agro Ind'l. Machy. Trading Corp.	0.00	74915.09
Agusan Plantations, Inc.	645246.06	0.00
Alejandra Correa	0.00	85038.03
Alen Engineering Corp.	0.00	1048446.22
Alfredo G. Ortiz	0.00	13262.90
Alfredo Roxas Chua	0.00	174943.73
Algon Engineering	122342.68	0.00
All Nippon Commercial Enterprises	191368.98	178584.22
Allied Thread Co. Inc.	0.00	1135501.70
Allied Weaving & Knitting Serv.	116959.99	0.00
Almeda Development & Equipment	0.00	484650.66
Alson Engineering Const. Corp.	0.00	264616.81
Amrich Garment Manufacturing	0.00	0.00
Andalucia Motor Parts	0.00	0.00
Ardex Motor Corp.	2166744.11	319874.19
Arellco Enterprises Inc.	0.00	75904.48
Artos Textile Mills	737946.92	0.00
Artrade International	276940.28	133959.00
Arva Press	11249.00	0.00
Asap Int'l. Trdg. Corp.	0.00	0.00
Aseda Traders Inc.	0.00	254263.23
Asia Industries Inc.	117421.30	0.00
Asia Textile Mills	424080.89	379768.68
Asia Tool & Equipment Inc.	98620.96	544829.91
Asian Development Bank	820316.95	0.00
Asian Gulf Dist.	418210.69	41309.11
Asiatic Dist. & Paper Prod.	46968.27	0.00
Astral Trdg. Corp.	0.00	0.00
Atlantic Textile Mills	0.00	1024068.01

IMPORTER	1987	1988
Atlas Farms Inc.	96744.32	0.00
Atlas Lifting Services	0.00	464164.36
Autolife Trading	0.00	447315.75
Automax Mdsg.	0.00	208673.38
Automotive Sales Ent.	140134.89	176416.29
Axis Merchandising	0.00	134011.67
B.Y. Commercial	1427412.00	2658182.44
BBS Manufacturing	0.00	502316.80
BJ Mercantile	842106.36	1026147.26
BSG Commercial	0.00	0.00
BTO Mdsg.	0.00	0.00
Bacnotan Consolidated Industries	2244540.19	0.00
Balanga Gen Mdsg.	66447.44	0.00
Banahaw Motors Corp.	1537313.28	507878.64
Baron Auto Supply	551546.59	275217.45
Basic Commercial	0.00	73533.85
Basic Import Export Phils. Inc.	874107.60	1125023.33
Bayanihan Automotive Corp.	2743369.16	1596333.22
Bell Carpet International	51702.10	81068.26
Beltran L. Manalaysay	0.00	133282.88
Benix Motor Parts	1695682.62	3523067.84
Benny Manufacturing Co.	313449.61	158982.57
Benroe Enterprises	0.00	0.00
Berlysone Commercial	0.00	0.00
Bestnet Industries Co.	515188.49	1089136.36
Bio Gen. Mdsg.	0.00	0.00
Black Swan Printing Equipment	172424.86	1548864.55
Bonanza Realty	0.00	806201.84
Bridgestone Automotive Corp.	137199.79	0.00
Brinson Trading Inc.	1746978.68	5280744.73
Buzon Press Inc.	924914.10	0.00
C. B. Int'l. Trdg.	0.00	0.00
C. L. Peneranda Trdg.	0.00	31141.03
C.P. Commercial Packaging	1773272.23	2801051.55
CBI (Phils.) Inc.	0.00	0.00
CMS Import/Export	0.00	88554.35
California Kids Inc.	0.00	2505166.14
Caloocan Isuzu Motor Center	1505462.80	0.00
Canadian Maritime Carriers Ltd.	0.00	6842679.50
Canlubang Knitting Inds.	132554.82	0.00
Capital Industries Inc.	0.00	50721.17
Capitol Publishing House Inc.	2108990.65	0.00
Carmelo & Bauermann Prtg.	0.00	2936458.53
Carrel Sportswear	14200.02	0.00
Cebu Bottlers Inc.	0.00	772876.72
Cello Int'l Corp.	0.00	109450.92
Celso Halili	0.00	202624.42
Centra Equipt. Sales	0.00	904339.18
Central Label Mfg. Corp.	75203.94	0.00
Central Textile Mills	821777.47	918498.25

IMPORTER	1987	1988
Cetrum Sales	0.00	207292.26
Chamber Prod. Inc.	101117.62	0.00
Chamonix Enterprises	91680.73	0.00
Champion Commercial Packaging	0.00	78826.77
China Carpet Manufacturing Corp.	0.00	16213.13
Ciraqui Trading	0.00	382703.25
City Supermarket Inc.	0.00	189964.44
Claretian Publications	0.00	897440.31
Colossal Diesel Parts Sales Corp.	0.00	289958.26
Commercial Packaging Corp.	612546.67	0.00
Commonwealth Foods Inc.	0.00	1615656.17
Cons. Paper Prod. Co. Inc.	0.00	270498.30
Consolidated Aggregates Phils. Inc.	321522.61	0.00
Consolidated Paper Prod.	0.00	221210.55
Construction Aggregates Phils.	42108.89	0.00
Container Corp. of the Phils.	0.00	98074.39
Continental Mfg. Corp.	1576275.81	0.00
Contractors Equipment Corp.	585669.55	3715211.20
Corong Enterprises Inc.	0.00	307367.77
Cosmic Enterprises Inc.	906522.84	244698.30
Cosmo Machinery & Hardware	0.00	377109.63
Cygnus Industries Inc.	3474675.73	0.00
D.A. Consunji Inc.	7991.60	0.00
Dai-ichi Diesel Phils.	258013.12	96522.66
Darren Mfg. Corp.	102027.42	0.00
Dart Philippines Inc.	0.00	1143254.11
Davao Farmer's Mart	186509.95	0.00
Del Monte Parts Center	63650.00	302272.82
Delux Foods Corp.	124967.49	0.00
Diamond Knitting Corp.	0.00	141265.04
Diamond Offset Press	257091.78	366537.90
Dowi Hosiery Mills	200393.85	96879.44
E. G. Zavier Ex/Im Ent.	0.00	35713.01
ECM Gen Mdsg.	789169.19	0.00
Eastman Traders	99107.22	0.00
Eastway Multi-Rex .Inc.	0.00	111731.35
Ecomac Equipment Corp.	1077294.61	2468964.86
Edccor Development Corp.	0.00	1652930.51
Eleven Industries	165766.97	883937.72
Elizabeth C. Ngan	0.00	3619.84
Equipment Import Export Enterp. Inc	169691.58	0.00
Ever Emple Enterprises	0.00	156916.80
Everlasting Commercial	0.00	370960.42
F.E.W. Barr Enter. Inc.	46525.25	0.00
Fair Commercial	0.00	2318146.94
Fantastic Garments Phils., Inc.	2224421.66	0.00
Far Eastern Diesel Supply	2723919.68	2022109.56
Fascon (Manila) Inc.	263928.31	0.00
Fedeco Commercial Enterprises	660909.83	3006253.56
Federico de Castro	0.00	507478.93

IMPORTER	1987	1988
Fil. Transit Co. Inc.	206235.98	0.00
Filipinas Chemical Corp.	0.00	171856.79
Filipinas Syn. Fiber Corp.	276562.66	0.00
Filipino Contractors Int'l Corp.	554926.73	0.00
Filspin Inc.	0.00	960324.51
Filsyn Corporation	0.00	368850.54
Filtex Manufacturing Corp.	0.00	2851713.46
Filway Development Corp.	2247912.86	716857.26
First Base Inds. Corp.	37463.61	443605.77
Fleet Machineries & Equipment Inc.	949224.39	461335.16
Fleet Motor Supply	63770.96	0.00
Food Mine Inc.	0.00	260035.93
Forenza Motor Sales	0.00	278178.92
Formey Plastic Inc.	0.00	110462.27
Fortune Net and Twine Mfg. Corp.	321628.52	0.00
Forward Marketing	650360.32	507066.72
Foundation Specialists Inc.	0.00	1353377.31
Four J Arts	1047054.49	0.00
Four Oceans Enterp.	15491.15	0.00
Frabelle Shipyard Corp.	119647.02	0.00
Fraft Foods Inc. Philippines	112937.77	0.00
Framar Import-Export	0.00	49838.72
Fuji Triumph Agri-Industrial	58750.10	0.00
Fuji Zipper Manufacturing	0.00	33558.11
G. Assanmal & Co.	0.00	332416.46
Gan's Industrial Trade & Mfg. Corp.	0.00	388689.80
Gelmart Industries Philippines	603477.93	1715019.18
General Aggregates & Concrete Inc.	123379.35	0.00
General Milling Corp.	0.00	225443.97
General Textile Mills	29795.56	0.00
Giant Mercantile	126159.76	506268.45
Gifford International	0.00	0.00
Gilmar Philippines Trade Corp.	0.00	0.00
Global Machineries	0.00	1408972.67
Globe Asia Mktg.	0.00	68726.89
Glossmasters Philippines	183391.14	0.00
Gold Label Automotive Corp.	0.00	858434.60
Gold Mover Sales Center	0.00	108745.27
Golden Coin Trading	0.00	0.00
Golden River Lables Inc.	112339.13	0.00
Goldilocks Bake Shop Inc.	0.00	0.00
Good Luck Commercial	499026.61	261167.64
Grandspan Development Corp.	779364.22	0.00
Great Lakes Commercial	0.00	0.00
Gregorio Trading Co.	0.00	0.00
Guimart Inds. Phil.	0.00	0.00
Guzent Inc.	0.00	989652.05
H-Square Auto Supply	0.00	525756.87
H.Q. Marine Prod. Exp.	102864.93	0.00
HTL Freight Service	0.00	852813.08

IMPORTER	1987	1988
Hallow Marketing & Trading	0.00	156310.40
Halrey Const. Inc.	0.00	332530.65
Hamco Paper Prod. Co.	0.00	352944.49
Handyware Philippines Inc.	84882.56	25461.62
Heavy Equipt. & Supply	0.00	190547.46
High Precision Const.	0.00	220885.36
Hiyas Press International	1773545.55	0.00
Homark Surplus Center	465003.39	0.00
Honai Foods Corp.	0.00	4448043.07
Hydro Resources Contractors Corp.	46018360.87	0.00
Ibanez Trading	487126.92	0.00
Indiana Container & Ship Repair	354419.75	0.00
Industrial Offset Press	0.00	37444.29
Int'l. Tractor & Equipt. Sales	0.00	413577.49
Interco Manufacturing Corp.	367994.89	0.00
International Packaging, Inc.	620010.80	0.00
Island Packaging Corp.	110483.90	0.00
Ivan Metal Industries	104817.88	0.00
J-JYA Builders	0.00	141681.66
J. Rivera Trading	0.00	0.00
J. T. Mercantile	52454.50	0.00
J.G. Heavy Equipt. & Chem'l. Inds.	0.00	0.00
J.L.B. Enterprises Inc.	0.00	1315697.90
J.O.Y. Gen. Mdsg.	104451.45	494509.13
J.R. Import & Export	0.00	197788.06
J.S.F. Enterprises	761341.15	220650.14
JBR Collective Trade International	72954.62	0.00
JG Heavy Equipt. & Chem'l. Inds.	0.00	838571.22
Jabesco Inc.	0.00	94020.48
Japco Enterprises	0.00	78705.61
Jenchelle Marketing	0.00	1046783.78
Jicon Sales	116830.30	0.00
Jicor Mdsg.	116234.16	0.00
Jimbas Enterp.	70812.31	0.00
Jimbo Mercantile	266450.22	144808.69
Jitney Auto Supply Co., Inc.	305276.03	149682.66
Joaquin's Auto Supply	273189.98	629037.96
Jopson Aqua Livestock	0.00	0.00
Josan Marketing	0.00	0.00
Juan Yutingco Corp.	12065012.19	10676266.89
Jun de los Santos Trading Inc.	4551307.52	8069151.85
K.C. Brothers Industrial Corp.	0.00	118002.09
K.T.B. Industries	0.00	171560.79
KKK Heavy Equipment & Supply	3023344.70	6673017.02
KLG Int'l. Inc.	0.00	128474.59
KLT Fruit Inc.	0.00	338385.75
Kaikan Mdsg.	91811.46	0.00
Kaunlaran Trdg.	0.00	62322.35
Kelrod Trdg. Co.	0.00	86779.56
Keng Hua Paper Products	2066104.33	730196.17

IMPORTER	1987	1988
Kian Liong Glasswares	0.00	340396.50
King Association Inc.	258075.11	0.00
Kubota Agri Machy. Phils. Inc.	0.00	58956.59
L. Baltonado Trucking	0.00	941317.60
L. G. I. Group Corp.	0.00	404020.20
L.A. Auto Sales Enterp.	0.00	0.00
L.D.M. Enterprises	56942.95	0.00
L.G. Trading	0.00	213659.30
L.P.T. Trading	0.00	78421.12
L.R.O. Enterprises	0.00	49838.72
L.S. Automotive Sales Enterp.	1753601.77	424884.34
LFS Prods. Co. Inc.	162818.97	0.00
La Suerte Transport Corp.	0.00	722283.40
Lamberto Cruz	0.00	647335.48
Lamco Paper Prod. Co.	0.00	60340.40
Lancom Enterprises, Inc.	288083.09	1063842.50
Lenny Enterprises	0.00	509839.87
Lepanto Consolidated Mining Co.	2008191.58	1299185.81
Ley Construction	0.00	173966.44
Leysam Commercial Inc.	32402.64	0.00
Liptone Trading Inc.	0.00	113962.78
Little Giant Steel Pipe Corp.	0.00	520336.64
Lizusu Phil. Co., Ltd.	0.00	0.00
Looms International Corp.	397663.90	0.00
Loppers Distributors	0.00	146506.61
Lorenzo Shipping Corp.	1134811.00	0.00
Lucky Textile Mills Inc.	912254.64	0.00
Luis Auto Supply	0.00	493702.03
M & P Customs Brokerage Corp.	0.00	157276.02
M & W Dist. Co.	0.00	335553.23
M. F. Timber Inds., Inc.	0.00	358829.72
M. Placido Glove Industries	0.00	120315.29
M.G. Synthetic Products Enterprises	0.00	195182.44
M.J. Mercantile	88870.20	0.00
M.R. Knitwear Specialist	0.00	85236.45
M.S. Machy. & Metal Fabricator Corp	0.00	40920.31
MBA Mercantile	0.00	398186.59
Macoch Enterprises	131445.56	480546.30
Manalili Booksellers	0.00	578689.00
Mangao Trading	0.00	118990.77
Manhole Enterprises	257217.71	0.00
Manila Bay Spinning Mills	254672.39	2536832.27
Manila International Inn Corp.	0.00	0.00
Manila Paper Mills	373763.18	0.00
Manila Printing Equipment Supply	1206774.57	730296.91
Manila Yacht Club	0.00	241253.59
Manolo Bautista	0.00	24293.81
Marcela Printers	0.00	234730.30

IMPORTER	1987	1988
Marcelino Tan	0.00	160586.77
Marcxman Machinery	1610656.38	3264855.74
Marela Machineries	0.00	213577.75
Marela Printers	1616062.02	122238.57
Maricalum Mining Corp.	1934787.83	0.00
Maruka Enterprises Inc.	311091.09	1130180.90
Mascor Import Export	0.00	59115.20
Massive Paper Mills	61407.82	95522.61
Matienzo Transport	0.00	196424.13
Mayantoc Sawmill	121054.27	160958.86
Mayon Consolidated Inc.	0.00	199651.10
McMaster Parts Sales Center Corp.	35845.98	0.00
Metro Diesel Co., Inc.	5735794.74	1840593.99
Metromark Mdsg.	387006.17	0.00
Mic Mac Manufacturing Corp.	0.00	325253.81
Mid-State Graphic Supply	0.00	197809.13
Midland Motor Sales	386533.05	1821478.38
Milde Motors Corp.	748578.35	1198165.71
Millers Packaging Manufacturing	0.00	296382.57
Millex Const.	0.00	302541.76
Milwaukee Industrial Corp.	0.00	1674767.71
Misuzu Phils. Co., Ltd.	71149.14	0.00
Miyako Sales Ent. Co.	214518.15	0.00
Mobile Motors Inc.	1154965.83	3530270.07
Modern Paper Prod. Inc.	0.00	112640.07
Mosler Industrial Development	0.00	170529.60
Mountain Rock Co., Ltd.	0.00	155591.83
Mr. Archibald Po	0.00	345624.22
Mr. Gregorio Jose, Jr.	25482.94	0.00
Mr. Romel Almeda	0.00	118036.62
Multi Forms Corp.	640374.14	553307.74
Multi-Auto Parts Im. Ex.	0.00	0.00
Multi-Resource Ventures	0.00	58205.14
Multiplica Corp.	0.00	450657.56
Nacoya Mdsg.	0.00	251166.25
Nation Paper Products	258952.19	0.00
Negros Navigation Co. Inc.	1995295.87	5072608.69
New Abad Motor Sales	134671.49	0.00
New Spartan Enterpises	0.00	133480.50
Nicasio Chua	0.00	268289.30
Nikko Machineries Supply	147264.60	0.00
Nikon Trading	0.00	272806.25
Nine Dragon Enterprises	0.00	254901.02
Nippon Trading Center	2512102.80	2831020.29
Nishino Leather Industries Inc.	0.00	0.00
Noble Commercial	0.00	113940.00
North Front Shipping Serv. Inc.	0.00	80919.92
Northern Diesel Enterprises	624261.49	0.00
Northern Printing Press Inc.	0.00	228780.68

IMPORTER	1987	1988
Nutex Equipment Supply	0.00	84524.27
Nutritive Snack Food Corp.	0.00	174112.99
Oliver Mercantile	0.00	632534.43
Olympic Plastic Manufacturing	0.00	0.00
Omni Commercial Foundation	0.00	103837.68
One Way Printing	0.00	129912.07
Oriental Tin Can & Metal Sheet Mfg.	0.00	49408.15
Oscar Chua	0.00	159163.94
P & J Truck Mart Enterprises	0.00	399756.63
P.I. Tractor Parts Sales	371342.34	1037241.24
P.R. Sarkar Foundation	0.00	24095.65
P.T.L. Commercial	0.00	751713.00
PAA International Trading Corp.	454580.85	0.00
PLT Cardboard Box	0.00	103168.85
PPC Enterprises	0.00	0.00
Pacific Gen. Merchant	0.00	230713.95
Pacific Timber Export Corp.	933551.92	1276026.11
Pacific Twine & Net Mfg. Co.	0.00	233756.24
Packagemakers Inc.	0.00	1469859.00
Pan Pacific Machineries	0.00	114688.26
Paper City Corp. Phil.	0.00	0.00
Paramount Textile Mills	5362236.72	59124.96
Park & Shop Supermarket	0.00	168130.06
Pasmart Trading	0.00	121287.50
Pasvil Liner, Inc	151539.74	0.00
Pentochem Mfg. Corp.	0.00	70119.05
Pershing Int'l Resources Inc.	0.00	489841.11
Phil. Fishing Gear	171072.87	0.00
Phil. Forklift Center	385526.35	480759.86
Phil. Marisco Corp.	296913.93	0.00
Phil. National Oil Co.	0.00	5772382.26
Phil. Syn. Prods., Inc.	0.00	0.00
Philand Industries Inc.	478759.61	0.00
Philippine Graphic Arts	71447.13	0.00
Philippine Nylon Net Manufacturing	0.00	116640.91
Philippine Synthetic Products Inc.	0.00	204323.26
Philsill Manufacturing	0.00	0.00
Philtrade Service Enterp.	0.00	128159.45
Philtranco Service Ent.	0.00	0.00
Phoenix Shoes	0.00	0.00
Pilipinas Iseki Corp.	98780.95	0.00
Pines Auto Supply	446269.71	1103761.93
Porcelana Mariwasa Inc.	0.00	0.00
Purity Enterprises Co.	0.00	70272.45
Quality Cotton Mills	354142.06	0.00
Quality Label Inc.	0.00	104858.30
R.E.F. Enterprises	0.00	153505.27
R.S. Arrieta Inc.	0.00	1200227.47
R.S. Lyric Sales Corp.	1173888.16	0.00
R.T.B. International Sales	0.00	0.00

IMPORTER	1987	1988
RBL Fishing Corp.	63891.81	0.00
RJ Mercantile	0.00	143899.76
RWC Parts Inc.	68561.46	0.00
Radj. Phil. Int'l.	0.00	36516.24
Ramie Textiles Inc.	50614470.76	12397364.41
Ramon Tan	0.00	152470.91
Ravago Equipt. Rentals	0.00	201327.97
Raymond Enterprises	0.00	2554895.12
Red Flower Garment Co.	0.00	622870.28
Regal Motor Sales	0.00	1201605.04
Regent Food Corporation	1016521.72	0.00
Repco Mktg.	0.00	86597.86
Republic Biscuit Corp.	0.00	143893.59
Revyloj Design Setting Corp.	279616.97	0.00
Rex Printing Co. Inc.	3691450.98	0.00
Rexo Commercial	0.00	0.00
Richjoy Enterprises	0.00	0.00
Rick Cruz Trading	0.00	688035.45
Ritz Apparel Inc.	14200.02	0.00
Rivera Trading Co. Inc.	540343.13	2208728.92
Robert Auto Supply	211696.09	630097.20
Robert Dan & Co. Inc.	0.00	530371.41
Rocky Mountain Const. Corp.	0.00	677459.10
Roen Printing Corporation	96475.07	0.00
Rolando R. Medalla	0.00	24091.70
Rolling Wheels Ent.	135793.52	165866.32
Rotrade Philippines Inc.	204428.38	649009.60
Rown Mfg. Corp.	3896475.72	0.00
Ryac Educ. Synchro-Forms Inc.	156851.92	0.00
S.B. Prtg. & Lithographic	0.00	168936.95
S.B. Sales Center	0.00	356440.77
S.C. Diaz Trdg. Co., Ltd.	736524.27	0.00
Sabena Enterprises	654987.84	3119234.77
Salon Films Philippines	0.00	181572.49
Sam Motor Parts	0.00	0.00
San Jose Marketing	320601.07	0.00
San Jose Taxi	0.00	79076.39
San Miguel Corporation	0.00	282721.21
San Roque Auto Supply	0.00	502061.24
Savana Sales Center	0.00	567312.32
Sea Commercial Co.	0.00	0.00
Seabridge (Phil.) Enterprises	0.00	441258.36
Seamark Enterprises Inc.	0.00	255971.13
Seneca Industrial Corp.	1293702.22	0.00
Sentra Construction	0.00	1301064.65
Seven Brothers Shipping Corp.	224771.55	0.00
Sherick Enterp.	88498.80	0.00
Silver Ocean Labels Corp.	0.00	0.00
Society of St. Paul	0.00	0.00

IMPORTER	1987	1988
Solid Coating Enterprises	1084808.97	0.00
Solid Corp.	0.00	225152.31
Soloil Inc.	200287.89	0.00
Sonon Enterprises	722231.93	1946578.91
South Pacific Marketing	0.00	138564.28
Southern Plywood Corp.	0.00	154849.79
Southern Textile Mills	5843114.62	1634361.63
Starbright Sales Ent.	93583.03	0.00
Starion Mercantile	0.00	108215.99
Suerte Enterprises	0.00	0.00
Sunreymo Group Inc.	1017649.14	0.00
Sunrise Textile Mills	116082.31	624107.10
Sunstone Industries International	374437.04	2182162.93
Sunyu Trading	898611.72	1353044.16
Super General Services	3176505.77	914824.32
Super Trade Enterprises	2017257.79	1277469.45
Super Trade Import & Export Inc.	0.00	152794.45
Superior Stock Farm	0.00	242622.29
Superior Welding Elec.	0.00	0.00
Superlift Equipt. Inc.	3000015.34	109338.97
Swan Manufacturing	173048.76	0.00
T & T Industries Inc.	0.00	49355.26
T.L.E. Trading	0.00	400437.90
T.P. Food Processing Corp.	901044.71	0.00
T.R. Mercantile	2322147.26	0.00
TCM Comm'l.	0.00	97509.19
TCT Multi-Commercial	0.00	100363.22
Taco Enterp.	0.00	3549103.50
Tanco Industrial Supply Co.	242936.80	910765.81
Teresa Marble Corp.	188324.45	0.00
Textile Square Mfg.	258038.64	0.00
The House Printers Corp.	1078563.86	0.00
Timber Crest Resources Corp.	0.00	163066.23
Times Transp.Co.	0.00	60866.63
Tone Guide Press Inc.	0.00	480545.25
Top Forest Development Inc.	0.00	1340980.10
Toppers Distributors Inc.	0.00	334280.91
Toyo Keiki Philippines Inc.	56720.53	0.00
Trackstar Enterprises	1066964.36	0.00
Trans Horizon Philippines	118665.45	0.00
Trans-System Commercial	0.00	121323.94
Transit Automotive Supply	758691.37	2553576.09
Transit Motors Supply	0.00	4061868.06
Transport Equipment Corp.	1966912.52	3177635.82
Tri Mark Dist., Inc.	0.00	140767.49
Tri Mega Business Int'l. Inc.	0.00	586511.94
Tri-Par Enterp.	0.00	60238.04
Trike Motor Parts	0.00	202570.65
Trueno Marketing	0.00	0.00

IMPORTER	1987	1988
Trust Graphic	0.00	105342.81
Trust Int'l. Paper	0.00	3859352.82
Tulco Screen Printing Supply	0.00	146442.21
US Counterboard Corp.	27855.27	0.00
Ultima Const. & Equipt. Inc.	0.00	432417.50
Underwood Construction Supply Corp.	121054.27	0.00
Underwood Development Corp.	0.00	333934.98
Unex Machineries Inc.	0.00	200091.89
Uni Harvest Enterprises	44200.34	0.00
Uni-Ani Commercial Co.	52737.33	0.00
Unibox Packaging Corp.	172805.37	226614.38
Union Industries Inc.	164504.08	0.00
United Asia Comm'l. & Ind'l. Corp.	1520436.74	4211444.91
United Pulp & Paper Co.	0.00	8408976.44
Universal Robina Corp.	1485613.27	504819.91
Universal Synthetic Manufacturing	28469.68	2512550.95
Universal Textile Mills	0.00	94589.10
Unix Int'l. Export Corp.	0.00	39675.11
Unix Machineries Inc.	0.00	0.00
V.G. Equipt. Specialist Center Inc.	596992.07	3117758.37
Valenzuela Fabrics Finishing	1623941.51	0.00
Valiant Mfg.	130327.34	0.00
Valrey Trdg. Inc.	0.00	237040.90
Van Melle Philippines	0.00	0.00
Vance Marketing	0.00	285083.10
Velcor Mktg. Corp.	0.00	0.00
Vetamax Textile Manufacturing	0.00	113306.34
Vex Commercial	0.00	255025.36
Victor Azarraga	0.00	40505.90
Victoria Manufacturing Corp.	1532885.75	1823446.97
Victory Equipment Sales & Rentals	3063889.10	348383.07
Victory Motors Inc.	1155451.35	0.00
Victory Trade Center Corp.	300652.72	0.00
Votra Philippines Inc.	401686.57	668970.80
We Enterprises	125533.15	436067.57
Weaver's Textile Mills	1541343.63	463508.13
Wellpack Inc.	1079233.72	2448969.68
West Coast Int'l.	794151.24	0.00
Wide Sales Manufacturing Corp.	0.00	77128.36
Wilcus Trading	0.00	139694.02
Wisconsin Commercial	0.00	164745.68
Wondertex Finishing Inc.	0.00	234941.45
World Processing Corp.	170724.94	0.00
Y.S.B. Commercial	204020.65	146442.21
Yokohama Industrial Sales Co.	0.00	0.00
Zenith Textile Mills	5761658.40	88554.88
Zomax Industries Inc.	0.00	113306.34
TOTAL	287031888.28	288029185.32

Source: Business Statistics Monitcr.

AVERAGE UNIT VALUES OF SELECTED IMPORTED
USED EQUIPMENT: 1988

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
Used diesel engines/ diesel engine assembly	Model 10PA1	$ 750.00	HCV
	Kubota KND/KNDR Model Kubota ER/GA Model		HCV
	Used GM Detroit diesel engine, series Model S-V-71, 240 HP 1985 model	$ 3,285.00	CF
	Used Isuzu 10PA1	$ 750.00	HCV
	Used Mitsubishi 6D14	$ 450.00	HCV
	Model 6BB1	$ 714.00	HCV
	Model 8DC2	$ 798.00	HCV
	Model 8DC4	$ 798.00	HCV
	Model 8DC6	$ 820.00	HCV
	Model 8DC8	$ 820.00	HCV
	Model 6DS7	$ 561.00	HCV
	Yanmar NS65 model	$ 100.00	HCV
	Yanmar S/ss65	$ 65.00	
	Yanmar F7 model	$ 60.00	
	Yanmar NT65	$ 45.00	
	Kubota GA65	$ 45.00	
	Kubota ER65	$ 58.00	
	Kubota KND7	$ 45.00	
	Model EF100	$ 363.00	HCV
	Model EK100	$ 544.50	
	Model 6BD1	$ 714.00	
Used construction machinery	Used as-is condition bulldozer	$ 30,000.00	HCV
	Used as-is condition grader	$ 4,500.00	HCV
	Used Japanese Military Surplus (Bulldozer D60-6-S)	$ 7,082.00	DV
	Used bulldozer (John Deere 2010C JD)	$ 3,225.00	CF
	Used Komatsu D80A-12 bulldozer, angle dozer, as is condition	$ 12,000.00	CF
	Used road roller w/ [illegible]	$ [illegible]	CF

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
	Used Kato excavator w/ engine	$ 6,000.00	CF
	Used crawler w/ drop hammer	$ 7,300.00	CF
	Used Kato backhoe as-is condition	$ 5,876.00	DV
	Used Komatsu GD37-5H Motor Grader	$ 7,996.84	CF
	Used backhoe Kato 1100G	$ 5,136.00	DV
	Used asphalt paver	$ 2,200.00	HCV
Used material handling eqpt.	Used Furukawa Loader as-is condition	$ 4,800.00	HCV
	Used loader Model TCM-45	$ 4,500.00	CF
	Used payloader 75B	$ 4,000.00	HCV
	Used forklift (TCM)	$ 1,000.00	HCV
	Toyota forklift	$ 1,500.00	HCV
	Used as-is condition wheel loader	$ 6,590.00	DV
	Used industrial crane	$ 2,000.00	CF
	Used forklift FD50	$ 4,500.00	HCV
	Used forklift FD35	$ 3,500.00	HCV
	Used forklift FD25	$ 2,500.00	HCV
	Used Toyota FGL-18 forklift	$ 800.00	CF
	Used Toyota FGL-14 forklift	$ 900.00	CF
	Used Toyota 2FGH-15 forklift	$ 800.00	CF
	Used TCM forklift truck model: FVD15Z15	$ 2,000.00	CF
	Used TCM forklift truck FD25Z4	$ 2,500.00	CF
	Used TCM forklift trucks Model FD35T	$ 4,996.25	CF
	Used Toyota forklift truck Model 3FD30C	$ 4,886.30	CF
	Used TCM forklift truck model FD 30 [illegible]	$ 5,100.00	DV

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
	Used forklift FD4.0 (unreconditioned)	$ 3,680.15	DV
	Used forklift FD-20	$ 2,000.00	HCV
	Used forklift FD-25	$ 2,500.00	HCV
	Used hydraulic crane Model: CT382, 1970	$ 9,000.00	CF
	Used Limpen-Alimak tower crane, climbing type Model 30/45 w/ complete parts and accs.	$ 7,593.33	HCV
	Used Koshihara construction elevator, type UTL-1200, twin lift w/ complete parts and accs.	$ 3,796.67	HCV
Used agricultural machinery	Used Honda farm tiller	$ 2,520.00	HCV
	Used machine harvester	$ 850.13	DV
	Agricultural machinery hand tractor chassis	$ 6,000.00	CF
	Used agricultural tiller Mitsubishi Model CT83	$ 457.00	CF
	Used agricultural tiller Mitsubishi Model CT531	$ 390.00	CF
	Used Agri Farm Tractor F6000 8K14B-7016	$ 1,000.00	CF
Used printing machinery	Used Kluge printing press	$ 1,000.00	CF
	Used C & P printing press	$ 500.00	CF
	Factory rebuilt 1971 SORM 52 x 74 cm w/ standard and extra accessories for 220 volts, 60 cycles, 3-phase A.C.	$ 27,495.52	CF
	Hamada automatic two color web offset printing machinery, chandler 24-11 (2P-1F), second hand	$ 10,293.02	CF
	Used Heidelberg RZQ-111 model 1967	$ 7,408.00	CF

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
	Used Heidelberg RVO Rotaspeed press offset machine	$ 6,000.00	CF
	Used paper cutter (Polar 107)	$ 6,760.00	CF
	Used paper cutter (Polar 107EL)	$ 8,116.80	
	Used paper cutter (Schneider 106)	$ 5,106.00	
	Used paper cutter DPE Diamond 107)	$ 2,360.00	
	Used printing machine (Solna 125 1 color offset press)	$ 8,500.00	CF
	Used printing machine (Solna 225-2 color offset press)	$ 17,500.00	CF
	Used flat screen printing machine	$ 1,250.00	CF
	Used single color offset press 1972 model: Sord, printing size: 24" x 36"	$ 4,655.00	CF
	Used single color pearl offset press	$ 2,400.00	CF
	Used Solna 225 offset press	$ 4,160.00	
	Used Schneider paper cutter year 1975 model EL 132	$ 2,100.00	
	Used Roland RVK offset press	$ 38,000.00	
	Used printing machinery 1982 Harris V-15A web offset newspaper press	$ 125,000.00	CF
	Used Solna 124 printing machine	$ 6,500.00	CF
Used pulp and paper Eqpt.	Used envelope machine	$ 10,023.27	CF
	Used minerva machine	$ 325.96	
	Used envelope machine WD-129	$ 8,500.00	CF
	Used envelope making machine Model 26	$ 12,748.80	CF
	Hydra pulper (reconditioned)	$ 3,975.64	CF
Used mining equipment	Reconditioned mining air slusher	$ 1,766.50	DV
Used boilers	Used steam boiler	$ 4,270.00	CF

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
Used generators	Used generator	$ 280.00	CF
	Used Nissha gen. set model NES 405M (w/ bonnet silent type)	$ 6,500.00	FOB
	"B & W" reconditioned gen. (500 KVA) 220 v / 60 cycles	$ 4,650.00	CF
	Used generator 16.5 KVA Denyo brand	$ 750.00	FOB
	Used generator 12 KVA up Airman brand	$ 600.00	FOB
	Used generator 10 KVA Yanmar brand	$ 420.00	FOB
	Used generator set w/ Model 6L16X 400 PS, 1200 rpm	$ 1,200.00	CF
Used food processing machinery	Franz Hass wafer making eqpt. (used) Model 1980	$ 30,000.00	CF
	Used & reconditioned Oakes 105 H continuous marshmallow beater # 216 w/ Red Lion digital arm controls	$ 13,000.00	FOB
	Used & reconditioned Oakes 14" depositor Model 35021	$ 39,500.00	FOB
	Used egg grader	$ 2,000.00	FOB
	Used poultry equipment	$ 2,000.00	FOB
	Bakery equipment proofer w/ four racks (reconditioned)	$ 1,615.00	CF
	Dough molding machine	$ 160.00	HCV
	Baker reverse sheeter	$ 450.00	HCV
	Manual dough divider	$ 280.00	HCV
	Gravity feed bread slicer	$ 180.00	HCV
	1981 low and duff type UBCB second hand universl batch-vacuum cooker mixer w/ stainless steel pans	$ 6,242.88	DV
	Used noodle making machine	$ 119.36	DV

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
	Fully reconditioned cherry Burrell ABL S/S homogenizer Model SS-800 VBR set	$ 13,445.00	CF
Used textile machinery	Used extrusion machine model 1960	$ 2,800.00	CF
	Used screen tensioner size 140 x 170 cm	$ 7,000.00	FOB
	Used twisting machine for fishing net w/ complete std. accessories	$ 4,700.00	CF
	Used weaving loom repainted & reconditioned	$ 1,150.00	CF
	Reconditioned warp knitting machine w/ complete std. accessories	$ 4,772.00	CF
	Used embroidery machine w/ complete accessories	$ 1,725.81	CF
	Reconditioned Universal Flat Knitting Machines, Year 1974/75, including spare parts	$ 21,078.75	LC
	Used reconditioned Karl Mayer Raschel machine MRS30-AS 36GG 124" wide complete w/ spot beams shaft, 70 mm bore diameter spot beam brake weight $ pan w/ fully loaded ground bar	$ 3,000.00	CF
	Used extrusion machine & its complete model 1977 KS-85SRE w/ cooling device reconditioned and repainted	$ 4,250.00	CF
	Used Tajima multi-head electronic embroidery machine model TMBE 6122 w/ control box	$ 3,200.00	CF

Industry/ Classification	Typical Equipment Imported	1988 Value	Basis of Value
	Used model JM-536 socks knitting machine complete set dia 3.5" x 120 N	$ 1,000.00	CF
	Used "investa" waterjet weaving loom model H-175 RB including spare parts	$ 4,423.87	DV

Notes:
HCV - Home Consumption Value
CF - Cost and Freight
DV - Dutiable Value
FOB - Free on Board

Source: Business Statistics Monitor.

TECHNICAL SPECIFICATIONS OF SELECTED IMPORTED USED EQUIPMENT, BY MAJOR CATEGORY AND SPECIFIC TYPE

Type of Equipment	Brand	Model	Other specifications
Generators			
	Taiyo		- 100 kva 220 v. w/ Mitsubishi 230 hp.
			- 1 kva. powered by gasoline engine
	Cummins		- electric, 750 kw.
	Denyo		- 12 kva. up
			- AC, 350 kva. 220 v., 3 phase 6 cycles
	Seikosha		- 60 kva. w/ 4 KL
	B & W		- 500 kva., 20 v. 60 cycles
Agricultural Equipment			
tractors	Massey-Ferguson	MF290	- diesel powered
	Kubota/Mitsubishi	L-270	- 4-wheel w/ rotary
	Peterbuilt	1982	- w/ No.350 Cumming motor, 16,500 lbs.
engines	Yanmar, Kubota		- 4-5 hp., surplus portable
	Mitsubishi		
	Yanmar, Kubota		- 2.5-15 hp. stationary single piston engine
tillers	Yanmar		- power by Yanmar surplus diesel engine, 4-10 hp.
	Daedong	ND110/DT85(E)	
Pulp & Paper Equipment			
paper making equipment	Roland	RZU	- overheight 600 mm.
	-	IWI-BC	- vibration screen eqpt. w/ 37 kw-8p motor for operation on 440 v. 60 cycles 3 phase current
	-	WCC-3	- 1000 mm.
dryer	-		- 10 ft. dia. by 90" equipped w/ gear metal joint flexible tube
Textile Equipment			
winder	Schlaforst	1967-1968	- type 127 each w/ 30 heads 4D20, 6" w/ uster
pirn winding machine	Swiss Sharer	1980	- fully automatic
twisting machine	Volkmann	VTS-07	- electronics yarn clearers Fischerman knotters
	Murata	363	- two for one, 120 drums, w/ electric motors & accessories
knitting machine	Fukuhara	XL-3FA	- 16 gg., 30" dia.
	-		- w/ 200 w motor gauge 16-19" dia.
	Raschel	MRS 3036GA	- 125" wide
	Nagota's	KS-232B	- single cylinder with accessories
	Wah huen		- 14 gg. 30" dia.

Type of Equipment	Brand	Model	Other specifications
Weaving machine	Pres. Picanol & Waterfield	CC-C	- Reed Space 72" inc. spare parts & accessories
Embroidery machine	Mueller	4154	- w/ 1.5 kw motor
	-		- 12 heads 6 needle, 750mm by 230mm w/ 220V 60 hz, 3 phase motor
	-		- 12 heads 6 needle, 480mm by 230mm w/ 220V 60 hz, 3 phase motor
	Barudan		- high-speed
	Tajima		- multi-head w/ control box
Materials Handling Equipment			
Loader	Komatsu	JH65C	- Isuzu DA640 engine, cap. 2.75 cubic m., power steering articulated body, 135 hp., w/ 6 cyl.
Forklift	TCM		- cap. 2-3.5 cubic m.
	Komatsu		- 3.5 tons cap.
			- 3 tons cap. w/ 4m view mast 1,070mm fork
			- 2.5 tons cap. w/ 4m view mast & 920mm fork
			- 2 tons cap. w/ 4m/3m mast clutch PS
	Sumitomo Yankar		- 10 mm. mast
	TCM	1977	- 3.5 tons cap. w/ spare tires boom & fork
		FD200L	- 25 tons cap. Isuzu E110 engine, w/ spreader side shifter
Crane	Toyota		- 6 tons cap. 6 cyl. diesel engines
			- w/ clamshell and 21 mtrs. boom
			- 4.8 tons, crawler
	Tradano	1982 TR250	- hydraulic
Refrigeration Equipment			
Air cooled chiller	-	PA40 3R/PA907R	
Container van	-	1969-1972	- all temperature controlled
			- 8' by 8' by 20' w/ one unit condenser fan motor assembly
	-		- 5,000 kgs. 20', w/ thermo king refg'n. unit 220 v. 3 phase & heavily insulated walls, refg'n. range 6' below zero to 65', all aluminum body
Refrigeration unit	Mitsubishi	TWF5-45TB/TC	- condenser fan motor assembly
			- carrier trane w/ 10 hp. electric motor, 220 v. direct compressor

Type of Equipment	Brand	Model	Other specifications
Printing Equipment			
printing machine	Heidelberg	1971	- 52 by 74 cm. w/ stand & extra accessories for 220 v., 60 cycles 3-phase A.C.
		1968	- offset rotaspeed
			- factory rebuilt 2-color offset press, 25.25" by 36"
	Hamada		- 2-color web offset
	Solna/Roland		- 1-8 color offset
	Harris	1982 V-15A	- web offset newspaper press, size 64 cm. by 78 cm.
		HFSS-800-D	- flexographic, 2-colors
	Miller	1969 TPJ	- 23 by 36" 2-color perfector offset
			- 22.75" web width 35" quarter folder/electric motor electric panel
	Invicta	41S	- 4-color
cutting machine	Wohlenberg	115 series	
	Schneider	1975 EL132	
	Toshin	LS	
binder	-		- 30 by 20" w/ 3 clamps
platen	Chandler Price	1015 TBA	
typesetter	intertype		
	linotype		-
Food Processing Equipment			
rotary cutting machine	ATF		
gear case			- w/ bevel gear & pinion, bearing retainers, oil seals & screws
drainage barrels			- 3 section 1" horizontal, lined w/ bars
grinder	Hobart		
cocoa proc. eqpt.			- bagging line complete w/ dust collector, feed screw
cooker mixer	Universal		- vacuum, w/ stainless steel pans
food & ingredient feeder	Crepaco		- 5" w/ cap. 150-900 gph.
dispenser	Taylormate	bench-type	- 220 v. 0.75 hp.
Diesel Engines			
truck diesel engines	Hino/Fuso/Isuzu/ Nissan	1982 up	- w/ tm, 150-280 hp.
	Mitsubishi		- 6 cyl. short block assy.
marine diesel engines	Yanmar		- 20-150 hp.
	Niigata		- 6 MG 25 560 rpm.
			- auxilliary engines w/ 60 kva.

Type of Equipment	Brand	Model	Other specifications
Boilers			
hot oil heater			- 220 volts, 60 cycles
kessel			- condor type w/ automatic heavy oil firing
boiler	Skg	WR 15.451	- factory rebuilt
steam boiler		RESM-KGH-RP	- 200 v. 60 hz.
Mining Equipment			
slusher hoist	Joy	B2F-211	- double drum electric hoist w/ 40 hp. motor drive, 440/220 v., 60 cycles, 3 phases
	Domeq	40MM31D	- double drum electric hoist driven by 40 hp. motor, 230/460 v., 3 phases, 60 cycles, open drip proof
Construction Equipment			
compactor		CAT 825B	- tamping foot, 29.4 tons cap.
	Kawasaki	KR-15	-
bulldozer	Komatsu	D80A-12	- NH220 diesel engine w/ angle dozer, w/ ripper, w/ new shoes/link, power shift
	Furukawa	CD5	- w/ 4 cyl. diesel engine
digger loader	Massey-Ferguson	MF50B	- standart FNRT bucket, ditch forming bucket or rear, w/ roll over protection system
road roller	Kubota	E90E	- 2 tonner w/ single piston diesel engine
	Sakai		- 2-3 wheel
backhoe	Kato	HD1800G	
	Yutani	TY45	- w/ breaker
	Sumitomo	LS-2800	- linkbelt
mixer	Peterbuilt	1982 up	- on 10 wheeler 6 by 10 truck, GVW-41,000 lbs.
excavator	Mitsubishi	MS230	- hydraulic, w/ 0.9 cu.m. bucket, crawler type 125 hp.
	Poclain	TC600	

Source: Business Statistics Monitor.

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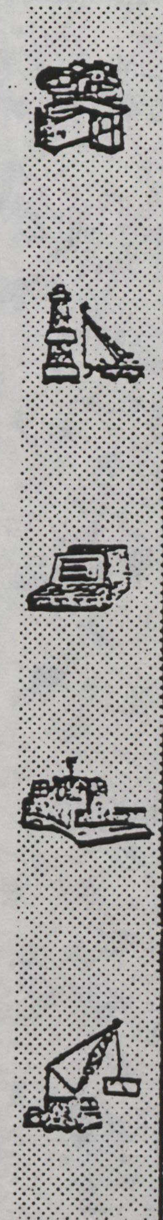

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SEMINAR SCHEDULE

August 24, Thursday

1:30 PM — 3:30 PM — **HEAT TREATMENT**
by: Eduardo Lacbay
Manager II, Technical Department
METALS INDUSTRY RESEARCH AND DEVELOPMENT CENTER (MIRDC)

3:30 PM — 5:30 PM — **MACHINE REBUILDING**
by: Romanico Salido
Division Chief, Precision Machine Shop
METALS INDUSTRY RESEARCH AND DEVELOPMENT CENTER (MIRDC)

5:30 PM — 6:30 PM — **BUREAU OF EQUIPMENT'S ROLE**
by: Alfredo Pangilinan
Asst. Director

MAINTENANCE OF MACHINES
by: Engr. Hector Santos
Division Chief, Equipment Maintenance Division

EQUIPMENT REHABILITATION
by: Engr. Lucas Marvilla
Division Chief, Equipment Planning Division

BASE OVERHAUL SHOPS
by: Engr. Lorenzo Lojo
Division Chief, Mechanical Trade Division
Regional Equipment Engineer Region IV
Given by: BUREAU OF EQUIPMENT

August 25, Friday

10:00 AM — 12:00 NN — **EQUIPMENT SELECTION**
by: Rodolfo Minguita
MANPOWER DEVELOPMENT FOUNDATION (ASSOCIATED CONTRACTORS & EQUIPMENT LESSORS)

1:30 PM — 3:30 PM — **PREVENTIVE MAINTENANCE OF HEAVY EQUIPMENT**
by: Jose Daldo
Training Superintendent
MONARK EQUIPMENT & ASSOCIATED CONTRACTORS & EQUIPMENT LESSORS

3:30 PM — 5:30 PM — **ENGINE OIL DURABILITY: A MAJOR FACTOR IN ENGINE DURABILITY**
by: Hermilando Bausa
Manager, Technical Services
CALTEX PHILS. (ASSOCIATED CONTRACTORS & EQUIPMENT LESSORS)

August 26, Saturday

10:00 AM — 12:00 NN — **TRAINING FOR BLUE COLLAR WORKERS**
by: Felipe Torres
President
TEL-A-TRAIN, ASIA (PHIL. SOCIETY FOR TRAINING AND DEVELOPMENT)

2:00 PM — 4:00 PM — **CORROSION PREVENTION AND CONTROL IN SECOND HAND MACHINERIES AND EQUIPMENT**
by: Wenceslao Martinez
General Manager and Principal Consultant
CORROSION ENGINEERING SERVICES

4:00 PM — 6:00 PM — **APPRECIATION OF MAINTENANCE ORGANIZATION**
by: Alfredo Mastelero
President
MAINTENANCE ASSOCIATION OF THE PHILIPPINES

August 27, Sunday

10:00 AM — 12:00 NN — **SAFEGUARDING MACHINES AND EQUIPMENT**
by: Engr. Dominador Policarpio
Corporate Safety Manager
SAN MIGUEL CORPORATION (SAFETY ORGANIZATION OF THE PHILS.)

1:30 PM — 3:30 PM — **HOW TO MINIMIZE TRUCK ACCIDENTS AND REDUCE OPERATING COSTS**
by: Engr. Heruncio Ilagan
Safety Department Manager
PHILIPPINE LONG DISTANCE TELEPHONE CO. (SAFETY ORGANIZATION OF THE PHILS.)

3:30 PM — 5:30 PM — **SAFETY IN WELDING OPERATIONS**
by: Engr. Heruncio Ilagan
Safety Department Manager
PHILIPPINE LONG DISTANCE TELEPHONE CO
(SAFETY ORGANIZATION OF THE PHILS.)

COUNTRY OF ORIGIN OF IMPORTED USED EQUIPMENT,
BY MAJOR CATEGORY AND BY SPECIFIC TYPE: 1987-88

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
Australia					
	Energy Generating Set		1	pc	
	Pulp & Paper Equipment				
	Envelope machine		4	pc	
	Printing Equipment				
	Printing press/printing machines	25	87	pc	248
		2		set	-100
	Offset printing machines	2		pc	-100
	Paper cutting/slitting machines	3	4	pc	33
	Typesetter	7		pc	-100
	Folding machine	1		pc	-100
	Platen	3	2	pc	-33
	Printing parts & equipment, n.e.s.	3	3	pc	0
	Mining Equipment				
	Mining equipment, n.e.s.		1	pc	
Belgium					
	Textile Equipment				
	Knitting machines		1	pc	
	Textile equipment, n.e.s.	94	2	pc	-98
			13	set	
	Printing Equipment				
	Printing press/printing machines	2	3	pc	50
	Offset printing machines	3		pc	-100
	Food Processing Equipment				
	Slicer/chopper	1		pc	-100
	Other food processing equipment		6	pc	
Canada					
	Agricultural Equipment				
	Agricultural machinery, n.e.s.		1	pc	
	Pulp & Paper Equipment				
	Envelope machine	2		set	-100
	Pulp & paper machinery, n.e.s.		90	pc	
	Materials Handling Equipment				
	Payloaders		16	pc	
	Forklifts	1		pc	-100

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Printing Equipment				
	Offset printing machines		1	pc	
	Food Processing Equipment				
	Cocoa processing equipment	2		pc	-100
	Food processing machinery, n.e.s.		5	pc	
	Diesel Engines				
	Diesel engines, n.e.s.		9	pc	
	Mining Equipment				
	Slushers	4		pc	-100
	Mining equipments, n.e.s.		2	pc	
	Construction Equipment				
	Bulldozers		1	pc	
	Road rollers		3	pc	
	Compactors		3	pc	
Hong Kong					
	Energy Generating Set	48		pc	-100
	Agricultural Equipment				
	Tractors		20	pc	
	Agricultural engines	125		pc	-100
	Pulp & Paper Equipment				
	Envelope machine		1	pc	
	Board cutting machines		2	pc	
	Textile Equipment				
	Extrusion machines		4	pc	
	Knitting machines	10	2	pc	-80
		17	3	set	-82
	Weaving looms & machines	2	4	pc	100
			2	set	
	Embroidery machines		1	set	
	Fishing net-making equipment	3		pc	-100
	Textile testing instruments		2	pc	
	Textile equipment, n.e.s.	10	3	pc	-70
		3		cas	-100
		9	2	set	-78
	Refrigeration Equipment				
	Freezers/chillers	8		pc	-100
	Refrigeration equipment parts & acc.		3	pc	
	Refrigeration equipment, n.e.s.	1	3	pc	200

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Materials Handling Equipment				
	Winches		20	pc	
	Forklifts	2	7	pc	250
	Hoists		1	pc	
	Materials handling equipment, n.e.s.		1	set	
	Packaging Equipment				
	Bottling machine		3	set	
	Printing Equipment				
	Printing press/printing machines	9	8	pc	-11
		1	1	set	0
	Offset printing machines		4	pc	
	Binding machines		1	pc	
	Typesetter		1	pc	
	Folding machine		1	pc	
	Food Processing Equipment				
	Mixer		1	pc	
	Food processing machinery, n.e.s.		1	set	
	Other food processing equipment		5	pc	
	Diesel Engines				
	Diesel engines, n.e.s.		15	pc	
	Boilers				
	Water/steam boilers		4	pc	
	Construction Equipment				
	Compactors		1	pc	
Indonesia					
	Agricultural Equipment				
	Tractors		1	pc	
	Materials Handling Equipment				
	Loaders		2	pc	
	Baking equipment		1	set	
	Construction Equipment				
	Excavators, n.e.s.		1	pc	
	Road rollers		1	pc	
	Compactors		1	pc	
Italy	Textile Equipment				
	Textile equipment, n.e.s.	1	2	pc	100
	Packaging Equipment				
	Bottling machine		1	pc	

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Printing Equipment				
	Printing press/printing machines	1		pc	-100
	Offset printing machines		3	pc	
	Binding machines	1	1	pc	0
	Paper cutting/slitting machines	1	1	pc	0
	Bottle decorating machine	1		pc	-100
Japan					
	Energy Generating Set	613	483	pc	-21
		28	3	set	-89
	Agricultural Equipment				
	Tractors	172	74	pc	-57
	Agricultural tillers	80	151	pc	89
	Agricultural engines	7263	4308	pc	-41
	Harvester & harvesting implements	5	1	pc	-80
	Pulp & Paper Equipment				
	Pulp & paper machinery, n.e.s.		3	pc	
	Textile Equipment				
	Extrusion machines		180	pc	
	Knitting machines	1		pc	-100
		1		lot	-100
		1	41	set	4000
	Weaving looms & machines		2	set	
	Embroidery machines	5	14	pc	180
			1	set	
	Sizing machines	1		pc	-100
	Fishing net-making equipment	1		pc	-100
			25	pkg	
		2	4	set	100
	Winding machines		1	set	
	Spinning machines	1	1	pc	0
		20		set	-100
	Twisting machines	3		set	-100
	Draw frame machines	5			-100
	Textile equipment, n.e.s.	2	203	pc	10050
		101	10	set	-90
	Refrigeration Equipment				
	Refrigerated container vans	6	14	pc	133
	Freezers/chillers	1		pc	-100
	Refrigeration equipment parts & acc.	242		pc	-100
	Refrigeration equipment, n.e.s.	20	17	pc	-15

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Materials Handling Equipment				
	Winches	9		pc	-100
	Cranes	19	36	pc	89
	Payloaders	87	208	pc	139
	Forklifts	293	222	pc	-24
		1		set	-100
	Hoists	8	2	pc	-75
	Loaders	34	53	pc	56
	Materials handling equipment, n.e.s.	1	3	pc	200
		1		set	-100
	Packaging Equipment				
	Box-making machine	1	2	set	100
	Printing Equipment				
	Printing press/printing machines	60	113	pc	88
		19		set	-100
	Offset printing machines	22	17	pc	-23
	Binding machines		1	pc	
	Paper cutting/slitting machines	7	6	pc	-14
		3		set	-100
	Plate-making machine	1		pc	-100
	Platen		5		
	Printing parts & equipment, n.e.s.	8	12	pc	50
		2	67	set	3250
	Food Processing Equipment				
	Food processing machinery, n.e.s.	1		pc	-100
	Diesel Engines				
	Truck diesel engines	295	129	pc	-56
	Marine diesel engines	20	14	pc	-30
	Diesel engines, n.e.s.	4853	1837	pc	-62
	Construction Equipment				
	Bulldozers	52	82	pc	58
	Graders	11	44	pc	300
	Backhoes	16	56	pc	250
	Excavators, n.e.s.	7	50	pc	614
	Road rollers	8	48	pc	500
	Compactors		1	pc	
	Loaders	2	2	pc	0
	Concrete mixers		7	pc	
	Shovels, shovel excavators	4	14	pc	250
		7	11	pc	57
	Drilling equipment	1		pc	-100
	Construction equipment, n.e.s.		15	pc	

Origin	Equipment	Volume		Unit	% Growth
		1987	1988		
Malaysia					
	Textile Equipment				
	Winding machines	1		pc	-100
	Printing Equipment				
	Printing press/printing machines	6		pc	-100
	Offset printing machines	1	2	pc	100
	Paper cutting/slitting machines		1	pc	
	Boilers				
	Water/steam boilers		1	pc	
	Boiler accessories		3	ctr	
Netherlands					
	Textile Equipment				
	Weaving looms & machines		10	set	
	Textile equipment, n.e.s.		6	pc	
Saudi Arabia					
	Materials Handling Equipment				
	Cranes	2		pc	-100
	Forklifts	1		pc	-100
Singapore					
	Energy Generating Set		10	pc	
	Agricultural Equipment				
	Agricultural engines	1		pc	-100
	Pulp & Paper Equipment				
	Pulp & paper machinery, n.e.s.		1	pc	
	Textile Equipment				
	Embroidery machines		3	set	
	Textile equipment, n.e.s.		1	pc	
	Refrigeration Equipment				
	Refrigerated showcases		12	pc	
	Materials Handling Equipment				
	Forklifts	1		pc	-100
	Conveyors	1		pc	-100
	Printing Equipment				
	Printing press/printing machines	3		pc	-100
		1	1	set	0
	Offset printing machines	1	1	pc	0
	Binding machines	1		pc	-100
	Paper cutting/slitting machines		1	pc	

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Food Processing Equipment				
	Food processing machinery, n.e.s.	1		pc	-100
	Diesel Engines				
	Marine diesel engines		27	pc	
	Diesel engines, n.e.s.	1	38	pc	3700
	Boilers				
	Water/steam boilers		1	pc	
	Construction Equipment				
	Bulldozers	1		pc	-100
	Excavators, n.e.s.	1		pc	-100
	Road rollers		1	pc	
	Drilling equipment		1	pc	
	Construction equipment, n.e.s.		1	pc	
South Korea					
	Textile Equipment				
	Textile equipment, n.e.s.	102		set	
	Food Processing Equipment				
	Baking equipment		1	lot	
Sri Lanka					
	Materials Handling Equipment				
	Cranes		1	pc	
	Construction Equipment				
	Elevators		1	pc	
Sweden					
	Printing Equipment				
	Printing press/printing machine, n.e.s.	3	1	pc	-67
Switzerland					
	Textile Equipment				
	Weaving looms & machines	1		pc	-100
	Printing Equipment				
	Printing press/printing machine, n.e.s.	1		pc	-100
Taiwan					
	Energy Generating Set	2	3	set	50
	Pulp & Paper Equipment				
	Board cutting machines	1		pc	-100
	Pulp & paper machinery, n.e.s.	1	1	pc	0
		4	1	set	-75

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Textile Equipment				
	Extrusion machines		33	pc	
			4	set	
	Knitting machines	14	112	pc	700
		32	12	set	-63
	Weaving looms & machines	96	48	pc	-50
		2		lot	-100
		66		pkg	-100
		50	229	set	358
	Embroidery machines		2	pc	
	Winding machines	27	14	pc	-48
		12	1	set	-92
	Spinning machines	30		set	-100
	Twisting machines	4		pc	-100
		3		set	-100
	Draw frame machines		2	pc	
		8	1	set	-88
	Textile equipment, n.e.s.	113	45	pc	-60
			6	cas	
		63	32	set	-49
			100	tho	
	Refrigeration Equipment				
	Freezers/chillers	1		pc	-100
	Refrigeration equipment, n.e.s.	1		pc	-100
	Materials Handling Equipment				
	Conveyors		1	pc	
			1	set	
	Printing Equipment				
	Printing press/printing machines		3	pc	
			1	set	
	Paper cutting/slitting machines		1	pc	
	Food Processing Equipment				
	Baking equipment		7	pc	
	Grinding machines	1		pc	-100
	Slicer/chopper	2	1	pc	-50
			1	set	
	Mixer		2	pc	
	Other food processing equipment	7	2	pc	-71
	Boilers				
	Water/steam boilers	1	3	pc	200
			1	set	
	Construction Equipment				
	Bulldozers		3	pc	

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
Thailand					
	Agricultural Equipment				
	Tractors	1		pc	-100
U. K.					
	Agricultural Equipment				
	Tractors	1		pc	-100
	Agricultural machinery, n.e.s.	2		pc	-100
	Envelope machine		1	pc	
	Pulp & paper machinery, n.e.s.		2	pc	
	Textile Equipment				
	Textile equipment, n.e.s.	1	2	pc	100
			1	set	
	Materials Handling Equipment				
	Loaders	2		pc	-100
	Printing Equipment				
	Printing press/printing machines		14	pc	
	Paper cutting/slitting machines	2		pc	
	Food Processing Equipment				
	Grinding machines	1		pc	
	Mixer		1	pc	
	Diesel Engines				
	Diesel engines, n.e.s.		15	pc	
			14	ton	
U. S. A.					
	Energy Generating Set		201	pc	
		44		set	-100
	Agricultural Equipment				
	Tractors		1	pc	
	Agricultural machinery, n.e.s.	5	3	pc	-40
	Pulp & Paper Equipment				
	Envelope machine		1	pc	
		2		set	-100
	Board cutting machines		1	pc	
	Pulp & paper machinery, n.e.s.	2	5	pc	150
			78	pkg	

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Textile Equipment				
	Knitting machines	39		pc	-100
	Fishing net-making equipment		1	pc	
	Winding machines	10	1	pc	-90
	Draw frame machines	2		pc	-100
	Textile testing instruments		3	lot	
	Textile equipment, n.e.s.	144	22	pc	-85
			1	lot	
		12		set	-100
	Refrigeration Equipment				
	Freezers/chillers		3	pc	
	Refrigeration equipment parts & acc.		1	lot	
	Refrigeration equipment, n.e.s.		121	pc	
	Materials Handling Equipment				
	Payloaders		1	pc	
	Conveyors	7		pc	-100
	Loaders		1	pc	
	Packaging Equipment				
	Bottling machine		1	crt	
	Printing Equipment				
	Printing press/printing machines	104	226	pc	117
			2	set	
	Offset printing machines	3	5	pc	67
	Binding machines	2		pc	-100
	Paper cutting/slitting machines	3	1	pc	-67
	Typesetter	3		pc	-100
	Printing parts & equipment, n.e.s.	62	33	pc	-47
		1		lot	-100
	Food Processing Equipment				
	Poultry equipment		4	pc	
	Grinding machines	1	1	pc	0
	Cocoa processing equipment	7		pc	-100
	Food processing machinery, n.e.s.	23	1	pc	-96
	Other food processing equipment	65	30	pc	-54
	Diesel Engines				
	Diesel engines, n.e.s.	3	3	pc	0
	Boilers				
	Water/steam boilers		1	pc	
	Mining Equipment				
	Slushers	11			-100

Origin	Equipment	Volume 1987	Volume 1988	Unit	% Growth
	Construction Equipment				
	Bulldozers		27	pc	
	Graders		1	pc	
	Road rollers		7	pc	
	Concrete mixers		8	pc	
	Pulp & Paper Equipment				
	Envelope machine		1	pc	
		13		set	-100
	Pulp & paper machinery, n.e.s.	1		set	-100
	Textile Equipment				
	Knitting machines	2	10	pc	400
	Textile equipment, n.e.s.	5	1	pc	-80
			1	set	
	Refrigeration Equipment				
	Refrigeration equipment, n.e.s.		1	pc	
	Materials Handling Equipment				
	Cranes		2	pc	
	Printing Equipment				
	Printing press/printing machines		1	pc	
	Offset printing machines		1	pc	
	Paper cutting/slitting machines		1	pc	
	Printing parts equipment, n.e.s.	2	1	pc	-50
	Food Processing Equipment				
	Grinding machines	2		pkg	-100
	Boilers				
	Water/steam boilers	4		pc	-100

Source: Business Statistics Monitor.

PROFILE OF TOP DISTRIBUTORS OF IMPORTED USED EQUIPMENT

1. Company: Juan Yutingco Corp.
   Address: 510 Plaza del Conde, Binondo, Manila
   Contact Person: -
   Tel. No.: 477525
   Products: Diesel engines
   Country Sources: Japan

   Import Volume:
   1987 - 1,410 diesel engines
   1988 - 643 diesel engines

   Import Value:
   1987 - ₱12,065,012.19
   1988 - ₱10,676,266.89

2. Company: Jun de los Santos Trading Inc.
   Address: 2264 Rubi St., San Andres Bukid, Manila
   Contact Person: Joyce de los Santos
   Tel. No.: 594419
   Products: Printing equipments & parts
   Country Sources: Japan, Australia, Sweden, West Germany

   Import Volume:
   1987 - 18 printing machines
   1988 - 22 units composed of 14 printing machines and 8 paper cutters

   Import Value:
   1987 - ₱4,551,307.52
   1988 - ₱8,069,151.85

3. Company: KKK Heavy Equipment Supply
   Address: 1333-C Soler St., Binondo, Manila
   Contact Person: Josie To
   Tel. No.: 407704
   Products: Payloaders, forklifts, tractors
   Country sources: Japan

   Import Volume:
   1987 - 52 units composed of 29 payloaders; 12 forklifts; 5 logloaders; 5 trailers; and a crane
   1988 - 261 units composed of 105 hydraulic pumps; 90 payloaders; 20 winches; 19 forklifts; 8 tractors; 6 road rollers; 3 units each of cranes and compactors; 2 units each of logloaders, forkshovels and generators; and 1 grader

   Import Value:
   1987 - ₱3,023,344.70
   1988 - ₱6,673,017.02

4. Company: Metro Diesel Co., Inc.
   Address: 225 Riverside St., San Rafael Vill.
   Navotas, Metro Manila
   Contact Person: -
   Tel. No.: 276447
   Products: Diesel engines, agricultural tillers, generators
   Country Sources: Japan, Singapore

   Import Volume:
   1987 - 3,092 units composed of 2,050 agricultural diesel engines; 955 diesel engines n.e.s.; 44 power tillers; 17 units each of marine diesel engines and generators; 8 forklifts; and 1 farm tractor
   1988 - 670 units composed of 554 agricultural engines; 94 diesel engines n.e.s.; 13 generators; 9 marine diesel engines

   Import Value:
   1987 - ₱5,735,794.74
   1988 - ₱1,840,593.99

5. Company: United Asia Commercial & Industrial Corp.
   Address: 3993 R. Magsaysay Blvd., Sta. Mesa, Manila
   Contact Person: Lita Marquez
   Tel. No.: 606994
   Products: payloaders, forklifts, bulldozers, graders, backhoes, road rollers, tractors
   Country Sources: Japan

   Import Volume:
   1987 - 12 units composed of 7 forklifts; 4 bulldozers; and 1 payloader
   1988 - 23 units composed of 8 bulldozers; 7 payloaders; 3 backhoes; 2 tractors; a logfork, grader, and roadroller

   Import Value:
   1987 - ₱1,520,436.74
   1988 - ₱4,211,444.91

6. Company: Nippon Trading Center
   Address: 1551 Araneta Ave., Quezon City
   Contact Person: Nila Garcia
   Tel. No.: 3618948
   Products: Agricultural engines, diesel engines, forklifts, generators
   Country Sources: Japan

   Import Volume:
   1987 - 771 units composed of 521 agricultural engines; 154 diesel engines n.e.s.; 80 truck diesel engines; and 16 generators
   1988 - 195 units composed of 80 agricultural diesel engines; 57 diesel engines n.e.s.; 55 truck diesel engines; 2 forklifts; and 1 generator

   Import Value:
   1987 - ₱2,512,102.80
   1988 - ₱2,831,020.29

7. Company: Benix Motor Parts
Address: 1551 Araneta Ave., Quezon City
Contact Person: Nila Garcia
Tel. No.: 3618948
Products: Diesel engines, tractors, forklifts, generators
Country Sources: Japan

Import Volume:
1987 - 212 units composed of 92 truck diesel engines; 86 agricultural engines; 30 agricultural tractors; and 4 forklifts
1988 - 158 units composed of 69 diesel engines n.e.s; 48 truck diesel engines; 14 generators; 11 forklifts; 12 tractors; and 4 shovel loaders

Import Value:
1987 - ₱1,695,682.62
1988 - ₱3,523,067.84

8. Company: Transport Equipment Corp.
Address: 99 Timog Ave., Quezon City
Contact Person: Vivian Datu
Tel. No.: 965222
Products: Payloaders, bulldozers, graders, road rollers,
Country Sources: U.S.A., Japan

Import Volume:
1987 - 11 units composed of 7 payloaders; 3 bulldozers; and 1 wheel loader
1988 - 30 units composed of 20 bulldozers; 4 units each of graders and wheel loaders; a payloader and road roller

Import Value:
1987 - ₱1,966,912.52
1988 - ₱3,177,635.82

9. Company: Marcxman Machinery
Address: 71 Mapang-akit St., Quezon City
Contact Person: Rudy Manalili
Tel. No.: 9220542
Products: Printing machines & equipments
Country Sources: Japan, Australia, Malaysia, Singapore, Taiwan, U.K., Sweden, Belgium

Import Volume:
1987 - 24 units composed of 22 printing machines and 2 paper cutters
1988 - 58 units composed of 51 printing machines; 5 cutters; and 2 platens

Import Value:
1987 - ₱1,610,656.38
1988 - ₱3,264,855.74

10. Company: Far Eastern Diesel Supply
Address: 666 Ronquillo St., Quiapo, Manila
Contact Person: Ernesto Zaragosa
Tel. No.: 472858
Products: Diesel engines, trucks, tractors,
Country Sources: Japan

Import Volume:
1987 - 151 diesel engines
1988 - 79 units composed of 62 diesel engines n.e.s.; 12 truck tractors; and 5 tractors

Import Value:
1987 - ₱2,723,919.68
1988 - ₱2,022,109.56

11. Company: Contractors Equipment Corp.
Address: 1147 EDSA, Quezon City
Contact Person: Mary Arellano
Tel. No.: 3613713; 3613714
Products: Bulldozers, payloaders, cranes, graders, excavators
Country Sources: Japan

Import Volume:
1987 - 4 units composed of a bulldozer; payloader; grader; and crane
1988 - 19 units composed of 10 payloaders; 4 excavators; 3 cranes; a bulldozer and grader

Import Value:
1987 - ₱ 585,669.55
1988 - ₱3,715,211.20

GUIDELINES ON THE IMPORTATION OF USED TRUCKS & USED ENGINES

Pursuant to Executive Order No. 782 dated 13 March 1982, as amended by Executive Order No. 354 dated 29 March 1989 and Executive Order No. 361 dated 22 June 1989, the following general guidelines for the importations of used trucks and used engines are hereby issued:

Section 1. Basic Conditions for Importation

1.1 Prior authorization from Inter-Agency Committee on Used Trucks and Engines (IAC-UTE) shall be required for all imporations of used trucks and used diesel / gasoline engines (i.e. for stationary / or transport use).

1.2 Only the following shall be allowed for importation:

1.2.1 Used completely built-up (CBU) trucks with rated gross vehicle weight (GVW) greater than 18 tons (40,000 lbs.) of models not more than eight (8) years. For the determination of the year model, the initial date of registration shall be the basis.

1.2.2 Used special purpose vehicles such as truck-tractors, cement bulk-carriers / transit mixers; LPG carriers; fire trucks; especially fabricated trucks for logging, mining and heavy construction jobs; truck mounted cranes / crane trucks / crane lorries, US Army Surplus Trucks of year models of not more than ten (10) years;

1.2.3 Used diesel engines (for automotive and stationary use)

1.2.4 Used gasoline engines with engine displacement not exceeding 2800 cc, pursuant to CB Circular 1029.

1.3 Imported used trucks and used engines shall be subject to pre-shipment inspection and valuation by the duly designated pre-shipment inspection company, or inspection and valuation upon arrival of the shipment, by the engineering consultant duly designated by the IAC-UTE, in order to determine compliance with the pertinent requirements specified in the covering import authority issued by the IAC-UTE.

1.4 Importations under any mode of payment including no-dollar imporation shall be subject to the provisions of these guidelines.

Section 2. Deregulated Items

The following need not require prior clearance from the IAC-UTE pursuant to Memorandum Order No. 3 dated 25 May 1989 and CB Circular Letter dated 07 June 1989.

2.1 Used diesel / gasoline engines with rated capacities below 50 hp for agricultural use;

2.2 Used diesel / gasoline engines (i.e. primemovers for industrial and construction purposes) not intended for transport use; and

2.3 Used marine engines which are specifically manufactured or fabricated for marine application (not multi-purpose), though clearance from the MARINA will be required.

Section 3. Qualified Importers

3.1 Direct end-user firms, duly qualified by the IAC-UTE and legitimately engaged in essential agricultural, industrial, construction and service activities;

3.2 Traders duly qualified by the IAC-UTE, including traditional importers of used trucks and engines provided they are duly accredited by the IAC-UTE & Inter-Agency Committee on Replacement Parts (IAC-RP) and have no derogatory record with the Bureau of Customs (BOC);

3.3 Manufacturers / assemblers of Asian Utility Vehicles (AUVs) who are duly qualified by the IAC-UTE;

3.4 Participants to the Commercial Vehicle Development Program (CVDP); and

3.5 Government entities / corporations

Section 4. Accreditation Procedures

4.1 The following shall be accredited without having to submit the standard set of documentation requirements:

4.1.1 Those end-users and traditional importers / traders who have records of importation of used trucks and / or engines for the year 1987 or 1988 and have no derogatory record with the BOC;

4.1.2 BOI-registered firms under Executive Order No. 226 and the BOI Vehicle Developemnt Programs; and

4.1.3 Importers accredited by the IAC-RP.

4.2 Applications for accreditation shall be filed with the IAC Secretariat or any DTI Regional Office, using the prescribed application form. The following documents shall be submitted together with the duly accomplished application for accreditation.

4.2.1 For Single Proprietors, a Certified true copy of the Registration of Business Name with the Bureau of Trade Regulation and Consumer Protection (BTRCP), or

For Partnerships or Corporations, a Certified true copy of the Registration with the Security and Exchange Commission (SEC) together with the certified true copy of Articles of Partnership or Incorporation;

4.2.2 A copy of the mayor's permit or municipal license for the current year; and

4.2.3 A copy of the Board resolution / authorization of the applicant corporation designating an individual to apply for importation, including the specimen signatures of the members of the Board; in the case of the single proprietorship, the specimen signature of the owner is required; and

4.2.4 BIR tax and BOC clearances

4.3 Upon receipt of the application, the IAC Secretariat shall refer it to the Accreditation Committee for the determination of the legitimacy of the importer. The Accreditation Committee shall be composed of a representative from each of the concerned Associations in the private sector: Philippine (Used Equipment & Parts) Importers Association, Confederation of Truckers Association of the Philippines (CTAP) and Philippine Automotive Federation, and from each of the following bodies / agencies in the government sector; IAC Secretariat, BIS, BOI, CB, BOC and DOTC. Where the legitimacy of the applicant is not sufficiently established, an ocular inspection of the premises of the applicant-company may be conducted by the members of the Accreditation Committee or by their duly authorized representatives.

4.4 On the recommendation of the Accreditation Committee, the IAC Secretariat shall prepare the necessary Accreditation Certificate for the final approval of the IAC-UTE.

Section 5. Import Procedures

5.1 Application for importation shall be filed at the IAC Secretariat (or with the nearest DTI Regional Office), using the prescribed application form and with the processing fee payable to the IAC-UTE. The duly accomplished application forms shall be submitted together with the following documents:

5.1.1 Four (4) copies of the proforma invoice indicating the following information: commodity code, quantity, unit price, total amount, terms of payment and in case of truck imports, gross vehicle weights, year model, number of wheels, type of trucks and / or brand, and in case of engine imports, horsepower rating / engine displacement, type of engine and / or brand;

5.1.2 Execution of undertaking by the company that it shall comply with the conditions for imporatation; and

5.1.3 Name of agent bank.

5.2 The authority to open the covering Letter of Credit (L/C) issued shall be valid for a period of 120 days from date of issue and cannot be extended nor renewed; as required by Central Bank, the Covering L/C shall have a validity period of 180 days from opening date and this may be extended up to a maximum of 360 days, with Central Bank approval.

5.3 Upon arrival of the shipment, the IAC-UTE shall authorize the issuance of a release certificate to cover the importation of used trucks and used engines, and the certificate shall be addressed and delivered to the servicing bank, upon submission of the following:

5.3.1 bank certified copy of L/C

5.3.2 bank certified copy of the required shipping documents (bill of lading, packing list, commercial invoice which shall indicate the year model of the equipment involved;

5.3.3 copy of the import authority; and

5.3.4 for truck imports, authenticated copies of the original certificate of registration (with English translation) from the country of origin with the engine and chassis numbers indicated.

The Release Certificate shall be issued by the servicing bank subject to submission of the pre-shipment inspection report issued by the duly designated inspection company, if applicable.

Section 6. Mode of Shipment

For FOB Shipment, the imported used trucks and used engines, shall be shipped thru Philippine Flag Vessels as defined in the rules and regulation issued by the Philippine Shippers' Council (SHIPPERCON) on September 7, 1978, implementing P.D. No. 1466, dated June 11, 1978. Requests for waiver shall be filed with the SHIPPERCON in case the intented carrier is not a Philippine Flag Vessel. Corresponding freight charges shall be payable in Philippine Currency to local shipping companies.

For C & F shipment, the same may be shipped through non-Philippine Flag Vessels.