

PUBLIC ENTERPRISE IN THE PHILIPPINES IN 1982:
A DEFINITIONAL AND TAXONOMICAL EXERCISE

by

Rosario G. Manasan

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1. Introduction

1.1. Objective of the Study

The purpose of this paper is threefold: (1) to define the term "public enterprise", (2) to establish and delimit the perimeters of the Philippine public enterprise set existing at present based on the definition adopted, and (3) to classify and categorize the said set into smaller partitions meaningful for purposes of economic analysis. This exercise is motivated by both a statistical as well as an analytical need. The definition is essential from a statistical point of view for both intertemporal and international comparisons of the extent of the public enterprise sector participation in economic development. The classification or the taxonomy of public enterprises is critical for a better understanding of the character and the role of public enterprises in the national economy for the purposes of economic (e.g. performance evaluation of public enterprises) and policy analysis (e.g. studies of internal and external control and coordination of public enterprises).

1.2. Significance of the Study

There has been a rapid expansion in the number of government owned and/or controlled corporations in the Philippines over the years. Magtolis (1969) reported that from only 13 state enterprises in 1951

the number grew to 37 in 1964. The Commission on Audit (COA 1973, 1982, 1983) figures are 70 for 1973 and 131 in 1982. The latter does not include the 53 state universities and colleges existing in 1982 and the approximately 141 subsidiary corporations of the government. The proliferation of government corporations is generally viewed by the private sector as a reflection of increased government activity in what are deemed to be essentially private sector concerns. Coupled with the widespread impression that public enterprises are "inefficient", this phenomenon has naturally given rise to considerable apprehension on the part of the general public. It is in this context that the present study is undertaken.

1.3. Organization of the Paper

Section 2 proposes two alternative definition of the term "public enterprise" following a discussion of the various elements of the public enterprise concept. A review of the definitional variations of the term from the literature is also included in the same section. Section 3 presents the Philippine public enterprise set for 1982 using the definition adopted in this paper. A taxonomy of the set using the motive and the sectoral criteria is undertaken in section 4. Finally, provides a summary and an agenda for

2. Towards a Definition of "Public Enterprise"

The term "public enterprise" is used rather loosely in the literature. As such the public enterprise definition has remained somewhat ambiguous if not completely elusive. In this section, the various facets of the public enterprise concept will be examined preparatory to a formulation of a definition. In addition, earlier attempts to define "public enterprise" will be reviewed as they relate to the definition adopted in this paper.

2.1. Definitional Considerations

A review of the various definition of the term "public enterprise" in the literature suggests that the following dimensions and elements are essential to the concept, namely: (1) ownership (2) control (3) purpose and intents (4) autonomy (5) nature of the good i.e. public VS- private good, (6) field of activity, (7) "marketedness" of output, (8) cost recovery, (9) concept investment and returns, and (10) separate management and account. The first four factors cited above are related to the "publicness" of the public enterprise while the last six in the list make up the enterprise dimension and thus describe its business character.

Public ownership can be of varying degrees; anything from minority participation control to 100 percent equity interest. It can also be direct

or indirect. Direct ownership occurs when the entity is set up by government funds while indirect ownership occurs when the enterprise in question is owned by one or more entities wholly or partly owned by the government.

Public control implies that government authorities have the power to appoint top management or that government authorities directly exercise top managerial functions like the formulation of investment, capital financing, pricing, wage policies. Majority ownership by the government is a sufficient condition for public control but it is by no means necessary condition. If ownership is dissipated, control is possible even with minority participation only. The Philippine Institute of Certified Public Accountant (PICPA), as a rule of thumb, assume that control follows a minimum of 20 percent equity interest (in the absence of additional information).

Public enterprises are usually established for the attainment of some broad developmental goals and/or some socioeconomic objectives. These motivations may be classified as regulatory, developmental/promotional, infrastructural and commercial. Fernandes (1981) suggest that government organizations engaged in a purely regulatory activity be excluded from the public enterprise set while those pursuing predominantly

commercial activities be included in the public enterprise grouping. Public organizations formed with promotional and infrastructural purposes in mind represent a grey area. Furthermore, most public enterprises have multiple objectives and this may result in some definitional ambiguity.

The autonomy criterion relates to the question of whether or not departmental/ministerial agencies engaged in some business undertaking should be excluded from the public enterprise set separate from public corporations and public organizations of other independent legal forms. In many western countries, for example, the provision of postal services has an autonomous character being organized as a corporation but in the Philippines it is a bureau under the Ministry of Transportation and Communication.

The distinction between public goods and private goods rests on two factors: nonexcludability in distribution and nonrivalness in consumption. Nonexcludability implies that it is technically not feasible or prohibitively costly to exclude particular individuals from the consumption or use of a given good. Nonrivalness, on the other hand, implies jointness in consumption in the sense that an individual's consumption of the good does not

reduce the benefits simultaneously accruing to all other individuals from the same good. At the same time, the consumption of rival goods may or may not be subject to externalities. Pure public goods are characterized by nonexcludability and nonrivalness in consumption. The classic example of a pure public good is national defense. The other polar case is that of pure private goods consumption of which is rival and without externalities, and where exclusion is feasible and not costly. In between these pure cases, one observes various kinds of mixed goods. These are essentially private goods (i.e. goods that are rival in consumption and exclusion is possible) subject to consumption externalities. Public services like garbage collection, sewage disposal, airports, public health facilities, and education fall in this category. The private consumption of these goods generate external benefits/costs which cannot be limited and charged to a particular consumer.

Since pure public goods are provided without exclusion, consumer preferences for such good are not revealed voluntarily (i.e. consumers find it in their interest to act as "free riders") and budgetary provision of such goods is necessitated.

On the other hand, private goods, with or without consumption externalities, may be provided by the market mechanism. However, the presence of external benefits calls for a subsidy while the presence of external costs calls for a penalty tax (Musgrave & Musgrave, 1983 p.79). These suggest, therefore, that the provision of pure public goods is the responsibility of the government, in general, and government or public institutions, in particular, while the provision of private goods, whether or not subject to externalities fall in the realm of private and/or public enterprise activity.

Some writers take the view that for an organization to be considered a public enterprise it should be engaged in some economic activity like agriculture, mining, manufacturing, utilities, construction, trade, communications, finance and services. Activities such as public administration, national defense and cultural and social services are deemed to have no business flavor and thus are not included in the list of public enterprise activities. One may note that the public/private good criterion and the field of economic activity criterion may be collapsed into one since it can be observed that the activities considered tenable for public enterprise according to the latter are those related to the

production and or marketing of private goods while activities outside this group are those related to the provision of public goods.

Output is said to be "marketed" if it is sold for a price, i.e., if exclusion is actually practised. Even if exclusion is feasible at low cost not all private goods, especially those subject to consumption externality are marketed. For instance, higher education is provided free of charge by the government in some countries but not in others. Cost recovery is a corollary to the concept of marketed output. Cost recovery may be partial or complete. Thus, current revenue may cover, either partially or fully anyone of the following cost measures: current costs (i.e. variable costs), current costs plus capital costs, or all costs including implicit and explicit subsidies. Related to cost recovery is the notion of profitability and return on investments. Enterprises normally expect some return on the use of capital. However, this does not imply that all public enterprises have positive returns comparable to those of private enterprises.

Finally, organizations with a business nature generally record their activities in balance sheet and profit and loss statements while other institutions do not.

There is a tendency for the definitional elements discussed above to overlap since they are not mutually exclusive. The relationship between item (1) and item (2) has been pointed out as well as the relation between (5) and (6), and (5) and (7). Items (7), (8) and (9) are all hinged on whether or not exclusion is actually practised and simply represent varying degrees of interest in the profit motive. (3) is more useful for taxonomical than for definitional purposes as we will show in Section 4.

2.2. Public Enterprise: A Definition

Based on the above mentioned considerations, two alternative definitions of the term "public enterprise" are suggested. One, public enterprise may be defined as a productive entity engaged in the production of a private good without consumption externality whose output is actually marketed and which is owned and/or controlled by the government. A productive entity is an identifiable decision making unit with an explicit or extractable budget. This implies that government as well as ministerial agencies engaged in activities of a business character may be included.

in our list of public enterprises. A private good is one which is characterized by rivalness in consumption and excludability in distribution. Output is marketed if exclusion is in fact practised. Government ownership here refers to at least 50 percent equity participation by one or more government agency or instrumentality. Control means the power to appoint top management. If ownership is dissipated, control may be attained even with minority participation. Two, public enterprise may be defined as a productive entity engaged in the production and/or marketing of a private good with or without consumption externality whose output is actually marketed and which is owned and/or controlled by the government. The second definition above is broader than the first. The first definition excludes such private goods subject to consumption externality like education, sewage disposal and public health.

2.3. Some Definition Variations in the Literature

The official Philippine usage as well as different definitions of the term "public enterprise" in the economic and public administration literature are presented below.

- 2.3.1. Official Philippine Usage based on Commission on Reorganization, Integrated Reorganization Plan, March, 1972 p.35.

Public enterprises are "corporate bodies, stock or non stock, owned or controlled by the government created by special law under the corporation law for the purpose of performing governmental or proprietary functions which are socio-economic in nature". "Proprietary functions" "are those that are predominantly economic and are believed to be peculiar in the private sector because they are essentially of the commercial type and particularly suited to the profit motive," whereas governmental functions "are those that are deemed to be the prerogative of government because, while not attractive to the private sector, are destined primarily and directly to serve the public at large".

- 2.3.2 United Nations Department of Economic and Social Affairs, A System of National Account, 1968 p.78.

Public enterprises are "publicly owned and/or controlled enterprises...which are (i) incorporated public corporations... or

(ii) large unincorporated units (government enterprises) that sell most of the goods they produce to the public".

2.3.3. International Monetary Fund, A Manual on Government Finance Statistics, 1974, p. 340
"Public enterprises are government owned and/or controlled industrial units or financial institutions which either sell goods and services to the public on a large scale, accept demand, time or savings deposits or both incur liabilities and acquire financial assets in the market".

2.3.4. A. Hanson, "Report of Preliminary Study" in A. Hanson, ed., Organization and Administration of Public Enterprise, 1968, p. 1.
"In the context of this paper, public enterprise covers industrial, agricultural and commercial concerns which are owned and controlled by the central government (in a unitary state) or by the central and regional government (in a Federation)...Where the State 'participates' in mixed enterprises, the criterion employed is that of control.
If the state contributes more than 50 percent of the capital of a mixed enterprise, it automatically has a controlling interest; it may actually

exercise control even when it holds only a small proportion of the shares. In either case, the enterprise concerned is included in the 'public' category".

- 2.3.5. I. Musolf, "Public Enterprise in National Development" in A. Hanson, ed., Organization and Administration of Public Enterprise, 1968 p. 111,

"Public enterprise is used here to refer to government activities operated exclusively or primarily on the economic model."

- 2.3.6. S. Wickham, "Management and Financial Constraint in Public Enterprise" in Margolis and Guilton, eds, Public Economics, 1969 p.326.

"The term public enterprise will be taken in the following study to mean any undertaking selling its products on the market which the public authorities own in full or in which they hold a majority interest, which has a separate budget and its own management, entrusted by the public authorities with the task of running it as well as possible while complying with instructions received."

2.3.7. J. Houssiaux, "Consistency of Action: The Compatibility of Decision-Making by Private and Public Enterprises" in Margolis and Guitton, eds., Public Economics, 1969, p.424-425.

"The State, to implement its economic policy delegates certain executive functions to decision-making units, thus conferring an instrumental function on them. The sector of public enterprise is the total set of the production units given this 'instrumental'... (including):

- (a) State or local economic agencies or administrations, and public undertakings
- (b) The so-called national enterprises which constitute the industrial public sector independently of their origin and legal statute
- (c) The mixed enterprise--i.e. the firm in which the state or a local administration holds shares
- (d) The direct or indirect, majority or minority, subsidiaries of the two preceding categories, including joint subsidiaries

(e) Some private enterprises which, apart from general measures of economic policy, are under the control of the state or any of its specialized agencies in such a way that their major decisions are the result of state intervention."

2.3.8 L. Jones, Public Enterprise and Economic Development: The Korean Case, 1975, p.23.

"A 'public enterprise' is a productive entity which is owned and/or controlled by public authorities and whose output is marketed. A 'productive entity' is an identifiable decision making unit with an explicit or extractable budget and which produces goods and/or services. 'Ownership' refers to more than 10 per cent of outstanding equity held by a public authority, either directly by the government or indirectly by other public entities (including other public enterprises). 'Control' means the power to be involved in the internal decision-making processes, most commonly through the power to appoint top management. Output is 'marketed' if sales cover more than half of costs."

- 2.3.9 Report of the Meeting in Fernandes and Sicherl, eds., Seeking the Personality of Public Enterprise, 1981, p.26.

"A public enterprise is a productive organizational entity which engage in activities of a business character and markets its output and which is publicly owned to the extent of 50 percent or more."

- 2.3.10 P. Fernandes, "Public Enterprise - A Word and Vision in Fernandes and Sicherl, eds., Seeking the Personality of Public Enterprise, 1981, p.99.

"A public enterprise is an organization, wholly or by a majority publicly owned, set-up to achieve commercial and social goals, engaged in economic activities within the sphere of agriculture industry, commerce or services, involving investment and returns and the sale of goods and services, and whose affairs are capable of being stated in terms of balance sheets and profit and loss accounts."

- 2.3.11 K. Dhinatayakinaut, "Employment Effect of Public Enterprises in Thailand," Council for Asian Manpower Studies Discussion Paper No. 82-14, 1982, p. 31.

"A public enterprise is a productive entity which is owned and/or controlled by public authorities and whose output is marketed... Ownership refers to 50 percent or more of outstanding equity held by a public authority, either directly by the government or indirectly by other public entities."
Other terms are as defined by Jones.

2.4 Some Notes on the Definitional Variations

The official Philippine usage of "public enterprise" differs from the present paper's definition on these three aspects: (i) the former limits the term to those organizations owned or controlled by the government of the corporate legal form thus excluding departmental/ministerial undertakings of the business type while the latter does not; (ii) the former includes all government corporations regardless of the nature of the goods and/or services they produce while the latter excludes those government corporations producing public goods i.e., those performing purely governmental functions; and (iii) the former is silent on the "marketedness" of output issue.

The UN-SNA use of the term is rather ambiguous with regards to indirect government ownership but is otherwise very close to the broad definition adopted in the present study. The IMF definition is identical to this paper's broad definition if the former's "industrial units or financial institutions" are congruent with the latter's "private goods" and if the IMF limits ownership to 50 percent or more

equity exposure. Although Hanson's "industrial, agricultural and commercial concerns" might be interpreted to refer to the same activities that produce what the present author calls "private goods", he did not include "marketed" output as one of the distinguishing characteristics of public enterprises.

Musulf is vague with regards to the ownership and control criteria. Wickham's definition leaves out enterprises in which the government has internal control but not majority ownership. And by emphasizing the public enterprise's need for a separate budget Wickham automatically rules out business undertakings of ministries that do not partake of a distinct juridical personality. On the other hand, Houssiaux is not clear with regards to the "nature of the good" criterion and is totally non-committal on the "marketedness" of output question.

This paper's definition and Jones' definition differ in two points: (i) ownership is more broadly defined in the latter and (ii) the latter's concept of "marketedness" of output is more limited. Thus Jones' definition does not include the production of so called private goods that are actually marketed but with a large subsidy element (perhaps because of the presence of externalities in consumption).

Dhinatayakinant uses Jones' definition but modified so as to limit ownership to 50 percent or more equity interest.

The ICPE excludes not only those enterprises over which the government exercises internal control even with minority equity participation (just like Wickham) but also those engaged in the provision of education and other social services most of which are classified in this study as those producing private goods with consumption externality. Fernandes' definition is like the ICPE's with regards to the first point raised above but it is not all obvious whether or not Fernandes' definition conforms to the second.

3. The Philippine Public Enterprise Set, 1982

Table 1 enumerates the entities that are included in the Philippine public enterprise set for 1982 using the two alternative definitions adopted in the present study (see section 2.2). Table 1 is culled from Appendix A, a compilation of entities in which the government has some equity interest. The list in Appendix A came from various sources namely: Commission on Audit, 1983 Businessday's Top 1000 Corporation, Ministry of the Budget and July 15, 1983 issue of IBON Facts and Figures.

Based on the limited definition outlined in this paper, there are 174 public enterprises in the Philippines in 1982. Using the broader definition, this number goes up to 202. This listing may not be exhaustive since enterprises where government equity is between 20 and 50 percent (implying that government control of said enterprises is probable using the PICPA rule) are excluded unless actual government control is determined. In numerous instances, the author has not been able to confirm the actual controlling interests in these enterprises due to resource constraints.

This paper includes the GSIS and the SSS under the public enterprise set but not the Employee's Compensation Commission (ECC) and the Philippine Medical Care Commission. In making this distinction between these four government-run

social insurance schemes, the author falls back on the IMF Manual on Government Finance Statistics. In the IMF Manual, if benefits paid to members are determined by the actuarial value of their contributions, then the government controlled social insurance scheme is considered a public financial enterprise. On the other hand, if the benefits paid to members are determined independently of their contributions, then the provision of the service is considered part of general government.

State colleges and universities which numbered 53 in 1982, are not included in the list of public enterprises. The decision to do this is based on two considerations. First, the subsidy element in these enterprises are large and as such the services they provide although marketable in theory, may be considered non-marketed, in fact. Second, education is deemed by many as a merit good which necessitates public provision.

4. A Taxonomical Attempt

The purpose of this section is to classify the elements of the Philippine public enterprise set identified in Section 3 according to specific variables that might be meaningful for economic and policy analysis in the future. For instance, Table 1. presents a sectoral/industrial classification that might be useful from a statistical point of view in assessing the relative importance of public enterprises in each national income account sector.

On the other hand, Jones (1975, p. 141-142) provides a very strong argument for classifying public enterprises according to motives by pointing out that "functionally identical enterprises may have very different motives and hence different target variables for efficiency measurement." He cites the different role of grain-marketing agencies in four Asian countries:

- "1.. In nation A, the grain trade had been dominated a subgroup of overseas Chinese, who controlled internal commerce by virtue of their monopsonistic buying power and ability to bar entry of competitors. They enjoyed excess profits from the resulting exorbitant mark-up of paddy between farmer and urban consumer. In this case, the motive for intervention is to eliminate the unnatural monopoly resulting from application of private power. The resulting marketing board would be expected to reduce the mark-up operate at the break-even point (including a return to capital), much like a private competitive producer.
2. In Nation B, the internal market was competitive but foreign sales high. Here, a marketing board is established (on the assumption of

price inelasticity of supply) with the goal of driving down the domestic price of paddy. This allows the government to appropriate the difference between the domestic and international price, thus effectively taxing the rural sector and indirectly benefitting the urban consumer. The motive is revenue and the board is expected to operate much as a private monopolist would.

3. In Nation C, the internal market is competitive and foreign sales are negligible. However, given inelastic demand and highly variable but inelastic short-run supply, the market is unstable. Here, the government establishes a marketing board in an effort to stabilize prices and promote domestic production. The motive is removal of risk and uncertainty, and the operational goal is to buy and sell so as to maintain a buffer stock which averages out at some constant level over the weather cycle and which allows a monotonic price trend.
4. In Nation D, there is a grain deficit. To encourage domestic production and save foreign exchange without offending urban consumers, a dual price system is maintained, requiring a continual subsidy from the government budget. The motive for inter-

vention is income-redistribution, and the operational goal of the board should be to minimize the cost of administering the subsidy."

The essence of his argument is that distinct evaluation methodologies are appropriate for particular subsets of public enterprises depending on the objective of said public enterprises.

Public enterprise, as an instrument of government intervention in economic activities, is used extensively in both developed and less developed countries of varying ideological backgrounds. The reasons for their establishment are multifarious. The official Philippine government position on the role of public enterprise is perhaps succinctly summarized in the following pronouncement:

"It is a government policy not to go into business per se, except in pioneering or very strategic areas that the private sector would not like to go into at present"

(Virata, 1982). In the economic literature, Choksi (1979) and Jones (1975), provide the following partial list of objectives of public enterprises: (1) provide entrepreneurial support and substitution, (2) control monopolies, (3) control commanding heights/key sectors, (4) provide public services, (5) earn profits for investment, (6) utilize resources efficiently, (7) prevent business failure, (8) offset externalities, (9) train skilled

managers and technicians, (10) increase employment, (11) raise output, (12) reduce income inequality, (13) promote regional development, (14) stabilize prices, (15) subsidize necessary commodities, (16) set "modernization" example, (17) earn/save foreign exchange, (18) promote primary exports, (19) achieve socialism, (20) counter balance power of domestic capitalists, (21) increase national self-sufficiency, (22) enhance national prestige, (23) implement government policy, (24) promote national security and (25) offset multinationals. These public enterprise "goals" may be classified as economic (e.g. 2, 5 and 6 in list above) or non-economic (e.g. 19, 20, 22 and 24 in the list above), in nature. Diokno (1981) suggests that the economic motives may be grouped based on: (1) allocative efficiency, (2) equity and (3) public sector revenue raising considerations. "Market failures" or violations of the Pareto optimum conditions give rise to the allocative efficiency rationale for public enterprises. These violations include increasing returns to scale resulting in the existence of natural monopolies, consumption and production externalities, absence of a full set of markets, excess capacity and labor unemployment and imperfect information. Table 2 is a reproduction from Diokno which presents some public enterprise cases with their corresponding stated motives and the Pareto efficiency conditions violated.

With this as framework, Table 1 also presents a taxonomy of the Philippine public enterprise set based on economic motive.

For purposes of studying external control and public accountability, the set might be classified based on the primary government control entity. This is also done in Table 1 where the supervising government agency of each public enterprise is reported.

5. Summary and Agenda for Future Research

The present study provides: (1) a working definition of the term public enterprise, (2) a listing of public enterprises in the Philippines in 1982 using the definition adopted, and (3) a classification of the Philippine public enterprise set based on the motive, the sectoral and controlling government agency criteria. In so doing, it defines some of the parameters necessary for conducting a number of future researches in this area which will hopefully provide a better understanding of the role of public enterprises in economic development. Some of these suggested researches are enumerated below:

- (1) measurement and analysis of the profitability and efficiency of Philippine public enterprises;

- (2) an analysis of internal control in Philippine public enterprises;
- (3) an analysis of external control in Philippine public enterprises; and
- (4) measurement and analysis of the contribution of Philippine public enterprises to economic growth in terms of value added, employment effects, and the like.

Table 1. THE PHILIPPINE PUBLIC ENTERPRISE SET, 1982

Public Enterprise	Controlling Agency/ies	Motive/s
I. AGRICULTURE		
1. Masaganang Sakahan	Land Bank of the Philippines (LBP)	- to generate revenue (commercial venture)
2. Monte Maria Poultry Farms	Southern Philippines Development Authority (SPDA) - Ministry of Human Settlements (MHS)	- to generate revenue (commercial venture); to redistribute income
3. National Sugar Development Corporation	National Investment Development Corporation (NIDC) - Philippine National Bank (PNB)	- to generate revenue (commercial venture)
4. National Dendro Development Corporation		- to correct for absence of market due to risk and uncertainty
5. National Industrial Tree Corporation	National Development Corporation (NDC) - Ministry of Trade and Tourism (MTT)	- to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
6. NDC-Dunlop Plantation, Inc.	National Development Corporation (NDC) - Ministry of Trade and Tourism (MTT)	- to generate revenue (commercial venture)
7. NDC-Guthrie Plantation, Inc.	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to generate revenue (commercial venture)
8. Philippine Cotton Corporation	Ministry of Agriculture (MA)	- to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
9. Panaon Prawn Development Corporation	Southern Philippines Development Authority (SPDA) - Ministry of Human Settlements (MHS)	- to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture); to redistribute income
10. Virginia Tobacco Fuelwood Corporation	Philippine Virginia Tobacco Administration (PVTA) - Ministry of Agriculture (MA)	- to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
11. Woodwaste Utilization and Development Corporation	Human Settlements Development Corporation (HSDC) - Ministry of Human Settlements (MHS)	- to correct for absence of market due to risk and uncertainty
12. Bicolandia Sugar Development Corporation	National Investment and Development Corporation (NIDC) - Philippine National Bank (PNB)	- to generate revenue (commercial venture)
II. MINING		
1. The Energy Corporation	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
2. Malangas Coal Corporation	Philippine National Oil Corporation (PNOC) - Ministry of Energy (MDE)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
3. Multi-National Resources Corporation	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
4. NDC-Shell (Billiton) Minerals, Inc.	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty

5. Negros Occidental Copper-field Mines	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; correct for absence of market due to risk and uncertainty
6. PNOC Coal Corporation	Philippine National Oil Corporation (PNOC) - Ministry of Energy (MOE)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
7. PNOC Energy Drilling, Inc.	Philippine National Oil Corporation (PNOC)- Ministry of Energy (MOE)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
8. PNOC Exploration Corporation	Philippine National Oil Corporation (PNOC)-Ministry of Energy (MOE)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
9. Semirara Mining Corporation	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
10. Vulcan Industrial Mining Corporation	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
11. Western Minolco Mining Corporation	National Development Corporation (NDC) - Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
III. MANUFACTURING		
1. Alfa Integrated Textile Mills	Development Bank of the Philippines (DBP)	- to save "distressed industries"
2. Alfombras Manueles	Human Settlements Development Corporation (HSDC)-Ministry of Human Settlements (MHS)	- to redistribute income; to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
3. Bataan Refining Corporation	Philippine National Oil Company (PNOC) - Ministry of Energy (MDE)	- to generate revenue (commercial venture)
4. Building Bricks, Inc.	Human Settlements Development Corporation (HSDC) - Ministry of Human Settlements (MHS)	- to redistribute income; to generate revenue (commercial venture)
5. CEPOC Industries Inc.		- originally to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
6. Central Azucarera del Danao	Philippine National Bank (PNB)	- to save "distressed industries"
7. Coco-Chemicals Phil., Inc.	National Investment Development Corporation (NIDC) - Philippine National Bank (PNB)	- to generate revenue (commercial venture)
8. Continental Manufacturing Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
9. Cagayan Sugar Corporation	Philippine Sugar Commission (PHILSUCOM)	- to generate revenue (commercial venture)
10. Cellulose Processing Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
11. Corfoods, Inc.	Human Settlements Development Corporation (HSDC) - Ministry of Human Settlements (MHS)	- to redistribute income; to generate revenue (commercial venture)
12. Delta Motor Corporation	Philippine National Bank (PNB)	- to save "distressed industries"

Public Enterprise	Controlling Agency/ies	Motive/s
13. East Visayas Agricultural Projects, Inc.	Leyte Sab-A Basin Development Authority (Leyte Sab-A)	- to redistribute income; to generate revenue (commercial venture)
14. Fil-Oil Refinery Corporation	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
15. GEMOOR	Farm Systems Development Corporation (FSDC)-Human Settlements Development Corporation (HSDC)	- to correct for absence of market due to risk and uncertainty
16. Herditex Textile Mills	National Development Corporation (NDC) - Ministry of Tourism and Industry	- to save "distressed industries"
17. Integrated Feed Mills, Inc.	Southern Philippines Development Authority (SPDA)-Ministry of Human Settlements (MHS)	- to redistribute income; to generate revenue (commercial venture)
18. Isarog Pulp and Paper Co.	Development Bank of the Philippines (DBP)	- to save "distressed industries"
19. Lakeview Industrial Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
20. Meat Packing Corporation	Government Service Insurance System (GSIS)	- to save "distressed industries"
21. Midland Cement Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
22. Mindanao Textile Corporation	National Development Corporation (NDC)- Ministry of Trade and Industry (MTI)	- to save "distressed industries"

Public Enterprise	Controlling Agency/ies	Motive/s
23. National Aero Manufacturing Corporation	Philippine Aero Development Corporation (PADC)-Ministry of Transportation and Communication (MOTC)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
24. National Precision Cutting Tools, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
25. National Steel Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
26. New Agrix, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
27. NIDC Oil Mills	National Investment Development Corporation (NIDC)-Philippine National Bank (PNB)	- to generate revenue (commercial venture)
28. Paper Industries Corporation of the Philippines	National Development Corporation (NDC)-Development Bank of the Philippines (DBP)	- to save "distressed industries"
29. Paragon Paper Industries, Inc.	Development Bank of the Philippines (DBP)	- to save "distressed industries"
30. Paragon Paper Mills, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- To save "distressed industries"

Public Enterprise	Controlling Agency/ies	Motive/s
31. People's Livelihood Enterprises, Inc.	Technology Resource Center (TRC)	- to redistribute income; to generate revenue (commercial venture)
32. Philippine Association of Smelter and Refining Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
33. Philippine Phosphate Fertilizer Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
34. Philippine Plate Mills Co., Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
35. Philippine National Oil Company	Ministry of Energy (MOE)	- to control a strategic activity
36. PNOC Alcohol Corporation	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to correct for absence of market due to risk and uncertainty
37. Redson Textile and Manufacturing Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
38. Refractories Corporation of the Philippines	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
39. Solid Mills, Inc.	Development Bank of the Philippines (DBP)	- to save "distressed industries"
40. Synthetic Textile Manufacturing Corporation	Development Bank of the Philippines	- to save "distressed industries"
41. Technology Manufacturing and Development Corporation, Inc.	Technology Resource Center (TRC)-Ministry of Human Settlements (MHS)	- to redistribute income; to generate revenue (commercial venture)

Table 1
Table 8

Public Enterprise	Controlling Agency/ies	Motive/s
IV. ELECTRICITY, GAS, WATER		
*1. Local Water Utilities Administration	Ministry of Public Works and Highways (MPWH)	- control of natural monopoly; to correct for consumption externality
*2. Metropolitan Waterworks and Sewerage System	Ministry of Public Works and Highways (MPWH)	- control of natural monopoly; to correct for consumption externality
3. Manila Gas Company	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- originally to correct for absence of Market due to risk and uncertainty; to generate revenue (commercial venture)
*4. National Electrification Administration	Ministry of Human Settlements (MHS)	- correct for consumption externality
5. National Power Corporation	Ministry of Energy (MOE)	-to control of natural monopoly
*6. Sapang Palay Project Rural Electric Services	National Electrification Administration (NEA)	- to correct for consumption externality
V. CONSTRUCTION		
1. Construction and Development Corporation of the Philippines	Development Bank of the Philippines (DBP), Government Service Insurance System (GSIS), Philippine National Bank (PNB), Land Bank of the Philippines (LB), National Development Corporation (NDC)	- to save "distressed industries"
2. Basin Dredging and Development Corporation	Leyte Sab-A Basin Development Authority (Leyte Sab-A)	- to redistribute income
3. PHIVIDEC Construction and Development Corporation	Philippine Veterans Investments & Development Corporation (PHIVIDEC)	- to redistribute income; to generate revenue (commercial venture)

Public Enterprises	Controlling Agency/ies	Motive/s
*4. National Irrigation Administration	Ministry of Public Works and Highways (MPWH)	- to correct for capital indivisibility; to correct for consumption externality; to redistribute income
*5. Farm Systems Development Corporation	Ministry of Public Works and Highways (MPWH)	- to correct for consumption externality; to redistribute income
6. Public Estates Authority	National Economic and Development Authority (NEDA)	- to generate revenue (commercial venture)
VII. TRANSPORTATION		
1. Air Manila	National Investment and Development Corporation (NIDC)-Philippine National Bank (PNB)	- to save "distressed industries"
2. Air Mindanao Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
*3. Light Railway Transit	Ministry of Transportation and Communication (MOTC)	- control of natural monopoly; to correct for consumption externality
4. Luzon Stevedoring Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
*5. Metro Manila Transit Corporation	Ministry of Transportation and Communication (MOTC)	- to correct for consumption externality
6. National Galleon Shipping Corp.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"

Table 1
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Public Enterprise	Controlling Agency/ies	Motive/s
7. Pantranco North Express, Inc.	National Investment and Development Corporation (NIDC)-Philippine National Bank (PNB)	- to save "distressed industries"
8. Petrophil Tankers	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
9. Philippine Aerospace Development Corporation	Philippine Aero Development Corporation (PADC)-Ministry of Transportation and Communication (MOTC)	- to correct for capital indivisibility; to correct for absence of market due to risk and uncertainty
10. Philippine Aero Transport, Inc.	Philippine Aero Development Corporation (PADC)-Ministry of Transportation and Communication (MOTC)	- to generate revenue (commercial venture)
11. Philippine Airlines, Inc.	Government Service Insurance System (GSIS)-National Development Corporation (NDC)	- to save "distressed industries"
12. Philippine Helicopter Services, Inc.	Philippine Aero Development Corporation (PADC)-Ministry of Transportation and Communication (MOTC)	- to generate revenue (commercial venture)
13. Philippine National Lines	Ministry of Transportation and Communication (MOTC)	- to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
*14. Philippine National Railways	Ministry of Transportation and Communication (MOTC)	- control of natural monopoly; to correct for consumption externality.

Public Enterprise	Controlling Agency/ies	Motive/s
*15. Philippine Ports Authority	Ministry of Transportation and Communication	- control of natural monopoly; to correct consumption externality
16. PNOC Crude Oil Tankers, Inc.	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
17. PNOC Petroleum Carriers, Corp.	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
18. PNOC Oil Carrier, Inc.	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
19. PNOC Petroleum Tankers, Inc.	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
20. PNOC Shipping and Transport Corporation	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
21. PNOC Tankers Corporation	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to control strategic activity
22. Philippine Resource Helicopter, Inc.	Philippine Aero Development Corporation (PADC)-Ministry of Transportation and Communication (MOTC)	- to generate revenue (commercial venture)
23. Phividec Railways, Inc.	Philippine Sugar Commission (PHILSUCOM)	- to generate revenue (commercial venture)
24. Republic Transport and Shipyard Corporation	Philippine Sugar Commission (PHILSUCOM)	- to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
VII. COMMUNICATIONS		
*1. Philippine Communications Satellite	National Development Corporation (NDC)- Ministry of Trade and Industry (MTI)	- control of natural monopoly; to correct for consumption externality
*2. Bureau of Posts	Ministry of Transportation and Communication (MOTC)	- control of natural monopoly; to correct for consumption externality
VIII. STORAGE		
1. Mindeva Refrigeration Industries	Southern Philippines Development Authority (SPDA)	- to redistribute income; to generate revenue (commercial venture)
2. People's Technology Terminal Complex	Technology Resource Center (TRC)	- to redistribute income; to generate revenue (commercial venture)
3. National Warehousing Corporation	National Investment Development Corporation (NIDC)-Philippine National Bank (PNB)	- to generate revenue (commercial venture)
IX. FINANCIAL INSTITUTIONS		
1. Commercial Bank of Manila	Government Service Insurance System (GSIS)	- to save "distressed industries"
2. Development Bank of the Philippines	National Economic and Development Authority (NEDA)	- originally, to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
3. Philippine Amanah Bank	Ministry of Finance (MOF)	- to redistribute income; to generate revenue (commercial venture)
* 4. Government Service Insurance System	National Economic and Development Authority	- to correct for consumption externality

Public Enterprise	Controlling Agency/ies	Motive/s
5. Grains Insurance Agency Corporation, Inc.	National Food Authority (NFA)	- to correct for absence of market due to risk and uncertainty
*6. Home Development and Mutual Fund	Ministry of Human Settlements (MHS)	- to correct for consumption externality; to redistribute income
7. Home Financing Corporation	Ministry of Human Settlements (MHS)	- to correct for absence of market due to risk and uncertainty
8. International Corporate Bank	Development Bank of the Philippines (DBP)-National Development Corporation (NDC)	- to save "distressed industries"
9. Land Bank of the Philippines	Ministry of Agrarian Reform (MAR)	- originally, to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
10. LBP Insurance Brokerage	Land Bank of the Philippines (LBP)	- to generate revenue (commercial venture)
11. Maunlad Savings and Loan Association	Home Financing Corporation (HFC)	- to save "distressed industries"
12. National Development Corporation	Ministry of Trade and Industry (MTI)	- to correct for absence of market due to risk and uncertainty
13. NDC Shell Minerals, Inc.	National Development Corporation (NDC)-Ministry of Trade & Industry (MTI)	- to generate revenue (commercial venture)
14. National Investment and Development Corporation	Philippine National Bank	- to correct for absence of market due to risk and uncertainty
*15. National Home Mortgage Finance Corporation	Ministry of Human Settlements (MHS)	- to correct for consumption externality; to redistribute income

Public Enterprise	Controlling Agency/ies	Motive/s
16. Philippine Crop Insurance Corporation	Ministry of Finance (MCF)	- to correct for absence of market due to risk and uncertainty
17. Philippine Deposit Insurance Corporation	National Economic and Development Authority (NEDA)	- to correct for absence of market due to risk and uncertainty
18. Philippine Exchange Company	National Investment and Development Corporation (NIDC)- Philippine National Bank (PNB)	- to generate revenue (commercial venture)
19. PNB International Finance, Ltd.	Philippine National Bank (PNB)	- to generate revenue (commercial venture)
20. Philippine National Bank	National Economic and Development Authority (NEDA)	- originally, to correct for absence of market due to risk and uncertainty; to generate revenue (commercial venture)
21. Philippine Veterans Investment Development Corporation	Ministry of National Defense (MND)	- to redistribute income; to generate revenue (commercial venture)
22. PNB Venture Capital, Ltd.	Philippine National Bank (PNB)	- to correct for absence of market due to risk and uncertainty
23. Pilipinas Bank	Philippine National Bank (PNB)- National Investment Development Corporation (NIDC)	- to save "distressed industries"
24. Quedan Guarantee Fund Board	National Food Authority (NFA)	- to correct for absence of market due to risk and uncertainty
25. Republic Planters Bank	Philippine Sugar Commission (PHILSUCOM)	- to generate revenue (commercial venture)
*26. Social Security System	National Economic and Development Authority (NEDA)	- to correct for consumption externality

Public Expenditure	Controlling Agency/ies	Motive/s
27. Summa Insurance Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
28. Philippine Export and Foreign Loan Guarantee Corporation	Ministry of Finance (MOF)	- to control strategic activity
29. Industrial Guarantee and Loan Fund	Central Bank of the Philippines (CB)	- to correct for absence of market due to risk and uncertainty; to redistribute income
X. TRADING		
1. Asia Industries, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
2. Beta Electric Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
3. Bliss Marketing	Human Settlements Development Corporation (HSDC)-Ministry of Human Settlements (MHS)	- to redistribute income
*4. Center of International Trade Expositions and Missions	Philippine International Trade Corporation (PITC)-Ministry of Trade and Industry (MTI)	- to correct for absence of market due to risk and uncertainty; to correct for consumption externality
5. East Visayas Resources Trading Corporation	Leyte Sab-A Basin Development Authority (Leyte Sab-A)	- to redistribute income; to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
6. Food Terminal, Inc.	National Food Authority (NFA)	- to correct for absence of market due to risk and uncertainty; to redistribute income
7. Koppel, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
8. National Sugar Trading Corporation	Philippine Sugar Commission (PHILSUCOM)	- to exploit monopoly power in international trade; to generate revenue (commercial venture)
9. NDC-NACIDA Raw Materials Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to generate revenue (commercial venture)
10. Petrophil	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
11. Petron TBA	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
*12. Philippine International Development Company	Philippine International Trade Corporation (PITC)-Ministry of Trade and Industry (MTI)	- to correct for absence of market due to risk and uncertainty; to correct for consumption externality
*13. Philippine International Trade Corporation)	Ministry of Trade and Industry (MTI)	- to correct for absence of market due to risk and uncertainty; to correct for consumption externality
14. Philippine Tobacco Administration	Ministry of Agriculture (MA)	- to redistribute income
15. Philtrade USA, Inc.	Food Terminal Inc. (FTI)-National Food Authority (NFA)	- to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
16. Philippine Virginia Tobacco Administration	Ministry of Agriculture (MA)	- to redistribute income
17. Usiphil Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
XI. REAL ESTATE/HOUSING		
1. Altavilte Resorts Development Corporation	Philippine National Bank (PNB)	- to save "distressed industries"
2. Bancam Realty Development	Land Bank of the Philippines (LBP)	- to save "distressed industries"
*3. Bliss Development Corporation	Human Settlement Development Corporation (HSDC)-Ministry of Human Settlements (MHS)	- to correct for consumption externality; to redistribute income
4. Batangas Land Company	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
5. Dasmariñas Estates Development Corp.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to redistribute income
6. Fil-Oil Industrial Estates, Inc.	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
7. Goodyear Realty Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"

Public Enterprise	Controlling Agency/ies	Motive/s
8. Lumang Bayan Realty	Land Bank of the Philippines (LBP)	- to generate revenue (commercial venture)
9. Marina Properties Corporation	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to save "distressed industries"
10. Moonwalk Development Housing Corporation	Philippine National Bank (PNB)	- to save "distressed industries"
11. National Realty Development Corporation	Philippine National Bank (PNB)	- to save "distressed industries"
12. NADECO Realty Corporation	National Development Corporation (NDC)	- to generate revenue (commercial venture)
*13. National Housing Authority	Ministry of Human Settlements (MHS)	- to correct for consumption externality; to redistribute income
14. NDC-Estates, Inc.	National Development Corporation (NDC)	- to generate revenue (commercial venture)
15. Pinagkaisa Realty	National Development Corporation (NDC)	- to save "distressed industries"
16. Urban Realty and Development Corporation	Human Settlement Development Corporation (HSDC)	- to generate revenue (commercial venture)
XII. OTHER SERVICES		
1. Cebu Veterans Ports Services, Inc.	Philippine Veterans Investments and Development Corporation (PHIVIDEC)-Ministry of National Defense (MND)	- to redistribute income; to generate revenue (commercial venture)

Public Enterprise	Controlling Agency/ies	Motive/s
2. DBP Data Center	Development Bank of the Philippines (DBP)	- to generate revenue (commercial venture)
3. DBP Management Company	Development Bank of the Philippines (DBP)	- to generate revenue (commercial venture)
4. Hotel Development Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
5. Hotel Enterprises of the Philippines	Government Service Insurance System (GSIS)	- to save "distressed industries"
6. Karilagan Hotel (Enrico), Inc.	Government Service Insurance System (GSIS)	- to save "distressed industries"
*7. Lung Center of the Philippines	Ministry of Human Settlements (MHS)	- to correct for consumption externality
8. Leyte Sab-A Basin Development Authority	National Economic and Development Authority (NEDA)	- to correct for absence of market due to risk and uncertainty; to redistribute income
*9. Lungsod ng Kabataan Children's Hospital	Ministry of Human Settlements (MHS)	- to correct for consumption externality
10. Maranaw Hotel and Resort Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
11. Manila Hotel Corporation	Government Service Insurance System (GSIS)	- to save "distressed industries"
12. Manila Mandarin Hotel, Inc.	Development Bank of the Philippines (DBP)	- to save "distressed industries"
13. Manila Peninsula Hotel	Development Bank of the Philippines (DBP)	- to save "distressed industries"

Public Enterprise	Controlling Agency/ies	Motive/s
14. National Service Corporation	Philippine National Bank (PNB)	- to generate revenue (commercial venture)
15. Marikina Plaza Agora Corporation	Philippine Veterans Investments and Development Corporation (PHIVIDEC)	- to redistribute income; to generate revenue (commercial venture)
16. NDC Holdings, Inc.	National Development Corporation (NDC)-Ministry of Trade and Industry (MTI)	- to generate revenue (commercial venture)
*17. Northern Palawan Development Authority	Philippine Fisheries and Development Authority (PFDA)	- to correct for consumption externality; to redistribute income
18. Panay Agora Industrial Corporation	Philippine Veterans Investments and Development Corporation (PHIVIDEC)	- to redistribute income; to generate revenue (commercial venture)
*19. Philippine Fisheries Development Authority	National Food Authority (NFA)-Ministry of Natural Resources (MNR)	- to correct for consumption externality; to redistribute income
*20. Philippine Heart Center for Asia	Ministry of Health (MOH)	- to correct for consumption externality
21. Philippine Hoteliers, Inc.	Development Bank of the Philippines (DBP)	- to save "distressed industries"
22. Philippine International Convention Center	Ministry of Finance (MOF)	- to generate revenue (commercial venture)
23. Philippine Shipyard and Engineering Corporation	National Investment and Development Corporation (NIDC)-Philippine National Bank (PNB)	- to generate revenue (commercial venture)
24. Philippine Tourism Authority	Ministry of Tourism (MOT)	- to generate revenue (commercial venture)

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Public Enterprise	Controlling Agency/ies	Motive/s
*25. Philippine Trade Exhibits	Ministry of Trade and Industry (MTI)	- to correct for consumption externality
26. Philtrade Inc.	Food Terminal Inc., (FTI)-National Food Authority (NFA)	- to generate revenue (commercial venture)
27. PNOC Management and Technical Services	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
28. PNOC Marine Corporation	Philippine National Oil Company (PNOC)-Ministry of Energy (MOE)	- to generate revenue (commercial venture)
*29. Recto Central Park Development	Human Settlements and Development Corporation (HSDC)-Ministry of Human Settlements (MHS)	- to correct for consumption externality
30. Resort Hotel Corporation	Development Bank of the Philippines (DBP)	- to save "distressed industries"
31. SEA Ranch Corporation	Philippine Veterans Investments and Development Corporation (PHIVIDEC)	- to generate revenue (commercial venture)
32. Southern Philippines Development Authority	Ministry of Human Settlements (MHS)	- to correct for absence of market due to risk and uncertainty; to redistribute income; to generate revenue (commercial venture)
33. Technology Resource Center	Ministry of Human Settlements (MHS)	- to correct for absence of market due to risk and uncertainty; to redistribute income
*34. Manila International Airport		- to correct for consumption externality
35. Export Processing Zone Authority	Ministry of Trade & Industry (MTI)	- to generate revenue (commercial venture)

*Public enterprises without asterisks are the elements of the set using the limited definition. This set plus all entries with asterisks comprise the bigger set corresponding to the broader definition.

Table 2

ILLUSTRATIVE PUBLIC ENTERPRISE CASES, STATED MOTIVES FOR INTERVENTIONS, AND VIOLATIONS OF EFFICIENCY CONDITIONS

Public Enterprise Cases	Stated Motives ^{a/}	Assumptions Violated	Violations
Water Supply Sewerage Telephone systems	Internalize externalities	Convex consumption Set	Consumption Externality
Cigarette manufacturing Liquor, distillery	Offset externalities		
Public utilities such as electric power supply, telecommunications	Control monopolies	Convex Production Set	Increasing returns to scale
Capital intensive industries such as mining, oil exploration, and heavy equipment	Control commanding heights Provide entrepreneurial support/substitution		Capital Indivi- sibility
Mining and oil exploration	Provide entrepreneurial support/substitution	Existence of full set of markets	Absence of market due to risk and uncertainty
Small-scale labor intensive enterprises (e.g. iron work, slaughterhouse)	Increase employment Raise output Train skilled managers and technicians	Full employment of resource	Labor unemployment
'Sick' industries	Utilize resource efficiently Prevent business failure Promote primary exports		Excess Capacity

(Table 2 Continued)

Public Enterprise Cases	Stated Motives	Assumptions Violated	Violations
Pioneering industries such as steel, hydroelectric/ aluminum smelting, fertilizer	Provide entrepreneurial support/substitution	Perfect information	Imperfect information Divergence bet- ween private and social costs and benefits

^{a/} See Choksi (1979), Table 2.1, p.8 and Jones (1975), Table 9-1, p.145.

Source: Diokno (1981) p.8-9

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APPENDIX A

INITIATIVE LIST OF GOVERNMENT OWNED AND/OR CONTROLLED CORPORATIONS

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (P%)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
1. Philippine Coconut Authority		coconut & other palm oil industry development		100.0	
	1.1 United Coconut Planters Bank	commercial banking			
2. Philippine Sugar Commission		sugar regulatory body		100.0	Paid-up capitalization \$411.9%
	2.1 Philippine Railways, Inc.	transport sugar/bulwags within the plantation			
	2.2 Republic Planters Bank (RBP) (PNB)	commercial banking			
	2.3 National Sugar Trading Corporation	trading arm	70.0%	100.0%	Paid-up capitalization \$340.24%
	2.4 Cagayan Sugar Corporation	sugar central milling			
	2.5 Republic Transport & Shipways Corp. (formerly Visayan Stevedore & Transport Co.)	handles all kinds of cargo especially sugar			
3. Steel Development Company					
4. CILCO Industries, Inc.					

SOURCES:

- 1/ Businessweek's Top 1000 Corporations, 1983
- 2/ Corporate Audit Office, Commission on Audit (As of June 1983)
- 3/ Ministry of the Budget (As of December 15, 1983)
- 4/ IBON Facts and Figures, 13 July 1983.

Government Exposure figures from 1983 include government loans to and capital investment or equity in the respective companies.

Government Corporation

5. Development Bank of the Philippines (DBP)

<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (MF)</u>	<u>Percent Govt. Equity</u>	<u>REMARKS</u>
5.1 Alfa Integrated Textile Mills	textile manufacturing	4,265.7 ^{1/2}	100.0	^{1/3/} Paid-up capitalization.
5.2 Associated Bank	commercial banking	241.0 ^{4/}	100.0 ^{1/}	
5.3 Batong Buhay Gold Mines, Inc. (NEDC-PNB) (now Batong Buhay Mining Corporation)	mining	212.0 ^{4/}	30.0 ^{1/}	
5.4 Construction and Development Corporation of the Philippines (GSIS/PNB/LE/WDC)	construction (PNB,GSIS,LE)	744.96 ^{4/}	13.0 ^{2/}	Total % State Equity 39% ^{4/}
5.5 Continental Manufacturing Corp.	textile manufacturing	109.0 ^{6/}	100.0 ^{1/}	
5.6 DBP-Management Company	management company	2.5 ^{2/}	100.0 ^{1/}	
5.7 Hotel Mirador	hostelry		40.0 ^{1/}	
5.8 International Corporate Bank	commercial banking		80.0 ^{1/}	Paid-up capitalization P340.2 ¹
5.9 Isarog Pulp & Paper Company	paper manufacturing		100.0 ^{1/}	
5.10 Lakeview Industrial Corporation	textile manufacturing		95.47 ^{1/2}	Paid-up capitalization P161.7 ¹
5.11 Manila Mandarin Hotel, Inc.	hostelry		49.9 ^{1/}	{Paid-up capitalization P210.7 ¹ {Govt. Equity P564 ^{2/}
5.12 Manila Peninsula Hotel	hostelry	163.5 ^{1/}	68.4 ^{1/}	Paid-up capitalization P239.0 ¹
5.13 Maranaw Hotels and Resort Corp.	hostelry	113.82 ^{1/}	54.2 ^{1/}	Paid-up capitalization P174.0 ¹
5.14 Marinduque Mining & Industrial Corp. (GSIS)	mining	1,908.0 ^{4/}	19.06 ^{1/}	Paid-up capitalization P935.3 ¹
5.15 Merchants Investment Corporation	investment house	40.0 ^{1/}	35.0 ^{1/}	Paid-up capitalization P107.9 ¹
5.16 Midland Cement Corporation	cement manufacturing		100.0 ^{1/}	
5.17 Pacific Cement, Co., Inc.	cement manufacturing		32.2 ^{1/}	
5.18 Paper Industries Corp. of the Phils.	paper and pulp manufacturing	388.0 ^{4/}	16.83 ^{1/}	Paid-up capitalization P547.5 ¹

Government Corporation

<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Expenditure (P/P)</u>	<u>Percent Govt. Expend.</u>
5.19 Faragon Paper Industries, Inc.	paper manufacturing	100.0 ^{2/}	100.0 ^{2/}
5.20 Philippine Commercial and International Bank	commercial banking		30.3 ^{1/}
5.21 Philippine Hoteliers, Inc.	hospitality	126.0 ^{2/}	67.8 ^{1/}
5.22 Phil. Long Distance Tel. Co. (GATS)	communications		22.3 ^{1/}
5.23 Philippine Bank (PBA)	commercial banking	280.0 ^{2/}	6.0 ^{1/}
5.24 PISO Development Bank	commercial banking	20.0 ^{2/}	
5.25 Productive Bank of the Philippines	commercial banking	0.0 ^{2/}	7.6 ^{1/}
5.26 Paulson Textile and Manufacturing Corporation	textile manufacturing		100.0 ^{2/}
5.27 Republic Planters Bank (PHILSUCRO/PNB)	commercial banking	36.0 ^{2/}	1.1 ^{1/}
5.28 Resort Hotels Corporation	hospitality		24.3 ^{1/}
5.29 Sabana Mining Corporation	mining		27.0 ^{1/}
5.30 Silabio International Hotel, Inc.	hospitality	101.0 ^{2/}	42.0 ^{1/}
5.31 Solid Mills, Inc.	textile manufacturing	66.0 ^{2/}	100.0 ^{2/}
5.32 Synthetic Textile Manufacturing Corporation	textile manufacturing		100.0 ^{2/}
5.33 Tradars Royal Bank	commercial banking	10.0 ^{2/}	3.2 ^{1/}
5.34 Western Minolco	mining	1.2 ^{2/}	100.0 ^{2/}
5.35 DBP Data Center		2.0 ^{2/}	100.0 ^{2/}
5.36 Hotel Development Corporation			

Remarks

Paid-up capitalization \$397.0M^{1/}

Paid-up capitalization \$223.7M^{1/}

Paid-up capitalization \$160.8M^{1/}

Government Corporation

/ Subsidiaries/Affiliates

	<u>Activity</u>	<u>Government Exposure (M)</u>	<u>Percent Govt. Equip</u>
5.37 Lirag Textile Mills	textile manufacturing	213.0 ^{4/}	
5.38 Riverside Mills Corporation	textile manufacturing	213.0 ^{4/}	
5.39 Textfiber Corporation	textile manufacturing	200.0 ^{4/}	
5.40 Phil. Blooming Mills (PMB)	steel industry	1,100.0 ^{4/}	
5.41 Manila Mandarin Hotel	hostelry	.. . ^{4/}	
5.62 Century Park Sheraton	hotel-		

A-4

^{4/} Total Govt. Exposure (PNB, DBP)

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (\$P)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
6. Government Service Insurance System (GSIS)				100.0	
6. 1	A. Soriano Corporation	management company			Paid-up capitalization P139.3M ^{1/}
6. 2	Azaje Mining Corporation, Inc.	mining		1.64 ^{1/}	
6. 3	Ambassador Hotel	hotelery	27.7 ^{1/}		
6. 4	Atlas Consolidated Mining & Development Corporation	mining			Paid-up capitalization P856.1M ^{1/}
6. 5	Atlas Fertilizer Corporation	fertilizer		19.86 ^{1/}	Paid-up capitalization P47.9M ^{1/}
6. 6	Baguio Country Club	hotelery	1.3 ^{1/}		
6. 7	Commercial Bank of Manila	commercial banking	285.47 ^{1/}	98.02 ^{1/}	Paid-up capitalization P222.1M ^{1/} Govt. exposure P490M ^{1/}
6. 8	Construction & Dev't. Corp. of the Philippines (CCP/CNB/LA/EDC)	construction	5,720.8 ^{1/}	100.0 ^{1/}	
6. 9	Del Rosario Bros. Marketing, Inc.	hotelery			
6. 10	Manila Hotel	hotelery			
6. 11	Hotel Enterprises of the Phils.	hotelery	41.3 ^{1/}	98.0 ^{1/}	Paid-up capitalization P62.0M ^{1/}
6. 12	House International, Inc.	hotelery			
6. 13	Karilagan Hotel (Kartico), Inc.	hotelery		100.0 ^{1/}	
6. 14	Laguna Consolidated Mining, Co.	mining		1.04 ^{1/}	Paid-up capitalization P182.0M ^{1/}
6. 15	Manila Hotel Corporation	hotelery	233.7 ^{1/}	100.0 ^{1/}	Paid-up capitalization P251.7M ^{1/} , Govt. exposure P253M ^{1/}
6. 16	Marcopper Mining	mining		.23 ^{1/}	Paid-up capitalization P168.8M ^{1/}
6. 17	Mariquina Mining and Industrial Corp. (MIF)	mining	4,600.0 ^{1/}	64.0 ^{1/}	
6. 18	Mindanao Hotel	hotelery			

Government Corporation

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (M\$)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
	6.19 Naitoaq Resort Hotel	hotelery			
	6.19a Premier View Hotel	hotelery	1.8 ^{1/2}		
	6.20 Paper Industries Corp. of the Phil.	gulp and paper	0.3 ^{1/2}		
	6.21 Philippine Air Lines, Inc. (PAC)	air transportation			Paid-up capitalization P537.5M ^{1/2}
	6.22 Phil. Long Distance Tel. Co. (DLT)	communication	42.0 ^{1/2}	55.0 ^{1/2}	Paid-up capitalization P1,500.0M ^{1/2}
	6.23 Philippine Village Hotel	hotelery		18.7 ^{1/2}	Paid-up capitalization P1,214.2M ^{1/2}
	6.24 San Miguel Corporation	food processing	65.0 ^{1/2}		
	6.25 Gulo Sa Nayon, Inc.			3.20 ^{1/2}	Paid-up capitalization P1,050.3M ^{1/2}
	6.26 Puerto Azul Beach Resort	hotelery			Paid-up capitalization P1,036.4M ^{1/2}
	6.27 Zamboanga Hotel	hotelery	9.2 ^{1/2}		
	6.28 Macala Hilton	hotelery			
	6.29 Matt Packing Corporation		1.54 ^{1/2}		
	6.30 Mayon Imperial Hotel	hotelery	61.3 ^{1/2}	100.0 ^{1/2}	
	6.31 Carlatco Hotel	hotelery	7.0 ^{1/2}		
12. Laguna Lake Development Authority	LLDA	Laguna region development	0.3 ^{1/2}		
			13.0 ^{1/2}	100.0 ^{1/2}	
13. Leyte Sub-A Basin Development Authority					
	13.1 Basin Draining & Dev't. Corp.		19.5 ^{1/2}	100.0 ^{1/2}	
	13.2 East Visayas Agricultural Projects, Inc.		3.496 ^{2/2}	60.0 ^{2/2}	
	13.3 East Visayas Transport Corp.		.30 ^{2/2}	100.0 ^{2/2}	
	13.4 Eastern Visayas Resources Trading Corp.				
	13.5 Leyte Shoe Company		3.492 ^{2/2}	91.6 ^{2/2}	
	13.6 Leyte Wood Exports, Inc.				
	13.7 Magnetic Taps Corp.				
	13.8 Philippine Rural and Development Corporation		3.02 ^{2/2}	100.0 ^{2/2}	

^{1/2}Out of the P100M authorized cap., P20.6M shall be subscribed by the National Govt. Paid-up cap. of P19.3M represents govt. contribution.

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activities</u>	<u>Government Exposure (US\$)</u>	<u>Percent of Total</u>	<u>Remarks</u>
4	Philippine Deposit Insurance Corporation	insurance		100.0	
7	Philippine National Bank				
	15.1 National Investment and Development Corporation (see Annex 1)	holding company	2,005.7 ^{2/2}	100.0	{ Govt. Paid in sub to PNB and PNB's P20 ^{2/2} Paid-up capitalization P21.36 ^{2/2} }
	15.2 Bicolumbia Sugar Dev't Corp.	sugar mfg	996.0 ^{2/2}	99.9 ^{2/2}	Paid-up capitalization P20 ^{2/2}
	15.3 Phil. Lumbering Mill (LSP)	sugar mfg	1,100.0 ^{2/2}		^{2/2} Total Govt. Exposure (P21.36 ^{2/2})
	15.4 National Warehousing Corporation	commercial banking	1.0 ^{2/2}		
	15.5 Republic Plaster Bank (RPLB/DBP)	commercial banking			
	15.6 Coco Chemicals Phils., Inc.	sugar milling		60.0 ^{2/2}	
	15.7 Balangas Sugar Central	banking		10.0 ^{2/2}	
	15.8 Amamb Bank	banking			
	15.9 Ma. Ina, Inc. Mining and Industrial Corp.	mining	17,000.00		Total PNB and DBP exposures (actual & contingent) BY 1/2/64
	15.10 Century Holdings Corporation	holding company		20.0 ^{2/2}	
	15.11 Construction & Dev't Corp. of the Philippines (CSCS Dev't Co.)	construction (DAP 2619 LA)	46.0 ^{2/2}	16.1 ^{2/2}	
	15.12 Delta Motor Corporation	automotive manufacturing	1,000.0 ^{2/2}	70.0 ^{2/2}	
	15.13 PNB International Finance Ltd.	financing	1100.0 ^{2/2}	99.9 ^{2/2}	
	15.14 PNB Venture Capital Ltd.	venture capital	6.0 ^{2/2}	60.0 ^{2/2}	
	15.15 Philippine Bank	commercial banking	10.0 ^{2/2}	10.0 ^{2/2}	Paid-up capitalization P100.0 ^{2/2}
	15.16 Central Associates de Danse	sugar milling	2.71 ^{2/2}	100.0 ^{2/2}	
	15.17 Altavilla Resorts Dev't Corp.	resort dev't	10.0 ^{2/2}	100.0 ^{2/2}	
	15.18 Homebank Dev't & Housing Corp.	housing	10.0 ^{2/2}	100.0 ^{2/2}	

Annex I

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (P)</u>	<u>Percent Gov. Equity</u>
Philippine National Bank				100.0
15.1	National Investment Development Corporation			100.0 ^{1/}
15.1.1	Air Manila, Inc.	air chartering		50.0 ^{1/}
15.1.2	Batong Babay Mining Corporation (DBP) (formerly Bato & Babay Gold Mines)	mining		36.0 ^{1/}
15.1.3	Bicolandia Sugar Dev. Corp.	sugar production	4.14 ^{2/}	88.0 ^{1/}
15.1.4	Central Azucarera de Navas	sugar milling		100.0 ^{2/}
15.1.5	Coco-Chemical Phils., Inc.	copra pallets mfg.	17.8 ^{2/}	100.0 ^{1/}
15.1.6	NIDC Oil Mills, Inc.	cocnut oil mfg.	15.51 ^{2/}	100.0 ^{1/}
15.1.7	National Realty Dev. Corp.	real estate	19.0 ^{2/}	100.0 ^{1/}
15.1.8	National Service Corp.	manpower service	2.0 ^{2/}	100.0 ^{1/}
15.1.9	National Sugar Dev. Corp.	sugar production	61.42 ^{2/}	100.0 ^{1/}
15.1.10	National Warehousing Corp.	warehousing	12.387 ^{2/}	100.0 ^{1/}
15.1.11	Pantranco North Express, Inc.	transportation	114.94 ^{2/}	90.0 ^{1/}
15.1.12	Phil. Exchange Co.	insurance	26.987 ^{2/}	82.0 ^{1/}
15.1.13	Phil. Shipyard and Eng'g. Corp.	ship repair	168.0 ^{3/}	60.0 ^{1/}
15.1.14	Regent of Manila	hotels		60.0 ^{1/}

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>ACTIVITY</u>	<u>Government Receipts (P)</u>	<u>Patron Govt. Receipts</u>	<u>Remarks</u>
Public Re-creation Authority	NONE	Land reclamation	985.1 ^{2/}	100.0	^{2/} Paid-up capital stock
1 Social Security System		social security		100.0	
	18.1 Union Bank of the Phil (C.B)	commercial banking	630.0 ^{2/}	60.0 ^{2/}	^{2/} 20% State Equity total SE (SSR 5 18)
2 Land Bank of the Phils.			1 672.2 ^{2/}	300.0	^{2/} Paid-up cap. stock With authorized cap. of P10 1 0 should be Nat Govt and 1 2 should be offered to private sector
	19.1 Luzon Bayan Realty		9.26 ^{2/}	100.0 ^{2/}	
	19.2 Managatang Iakahan Inc		19.65 ^{2/}	100.0 ^{2/}	
	19.3 Bannan Realty Development		12.0 ^{2/}	30.92 ^{2/}	
	19.5 LRF Leasing Corporation		2.9 ^{2/}	100.0 ^{2/}	
	19.6 LRF Insurance Brokerage		0.25 ^{2/}	100.0 ^{2/}	
	19.7 CNGP (DAR PNB GSIS, etc)		0.0 ^{2/}		
	19.8 Union Bank of the Phil (SSB)		157.0 ^{2/}	60.0 ^{2/}	^{2/} 20% Total State Equity (as 4 18)
3 Philippine Cotton Corp	NONE	cotton production	62.7 ^{2/}	100.0	^{2/} Paid-up cap. stock with authorized cap. of P1000 70% Govt and 30 % private
1 Phil Dairy Corp	NONE	milk and milk products production	14.4 ^{2/}	100.0	^{2/} Paid-up cap. stock

<u>Government Corporation</u>	<u>Subsidiaries/Offices</u>	<u>Activities</u>	<u>Government Expenditure (MF)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
20. Phil. Tobacco Administration	NONE	tobacco development		100.0	
21. Phil. Virginia Tobacco Administration				100.0	
	21. 1 Virginia Tobacco Farmway Corp.		18.51 ^{2/}	100.0 ^{2/}	
	21. 2 Phil. Virginia Tobacco Board	institutional link between government & private sectors to PVT development and promotion	25.34 ^{2/}	100.0 ^{2/}	
24. Communications & Electricity Development Authority				100.0	
25. National Coal Authority		coal supply maintenance	190.7 ^{2/}	100.0	^{2/} Paid-up cap. stock, to be fully subscribed by the Government.
26. National Power Corporation			12,239.8 ^{2/}	100.0	^{2/} Paid-up cap stock. Paid-up capitalization \$11,352.00 ^{2/}
	26.1 Sanyo Realty Corporation	electric power			

Government Corporation27. Philippine National Oil
Company (PNOC)

<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (M²)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
		1,319.3 ^{3/}	100.0	^{3/} Paid-up capital stock.
27. 1 Batang Refining Corporation	oil refining	210.9	100.0	Paid-up capitalization, P210.9 ^{3/}
27. 2 Filoil Refinery Corporation	oil refining	32.4	98.0	
27. 3 Malagas Coal Corporation	exploration & mining of coal	87.2	100.0	
27. 4 Petron TBA Corporation	marketing of automotive products	12.5	100.0	
27. 5 Petron Tankers Corporation	tankering	43.1	100.0	
27. 6 Petrophil Corporation	marketing of petroleum products	107.4	100.0	
27. 7 Petrophil Tankers Corporation	tankering	12.2	100.0	
27. 8 PNOC Alcohol Corporation	production of alcohols	15.0	100.0	
27. 9 PNOC Coal Corporation	exploration & mining of coal	113.7	100.0	Paid-up capitalization, P113.7 ^{3/}
27.10 PNOC Crude Oil Tankers, Inc.	tankering	12.5	100.0	
27.11 PNOC Enercon Corporation	development of energy conservation measures	.50	100.0	
27.12 PNOC Energy Dev't. Corp.	exploration & development of non-oil resources	797.1	100.0	
27.13 PNOC Energy Drilling, Inc.	oil exploration	10.0	100.0	
27.14 PNOC Energy Supply Base, Inc.	warehousing	20.0	100.0	
27.15 PNOC Exploration Corporation	on shore oil exploration	386.1	95.7	

*PNOC figures supplied by Ms. Gio Pascual and Ms.
Rosa Ejansantos of PNOC.

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Shareholdings (P%)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
	27.16 PHCC Marine Corporation	ship repair and maintenance	100.0	100.0	^{2/} Paid-up cap. stock. Paid-up capitalization P35,000 ^{1/}
	27.17 PHCC Oil Carrier, Inc.	shipping, chartering	100.0	100.0	
	27.18 PHCC Petroleum Development Corp.	petroleum production	5.0	100.0	
	27.19 PHCC Petroleum Tankers, Inc.	tankering	5.0	100.0	
	27.20 PHCC Management & Technical Services, Inc.	management & technical service	1.75	100.0	
	27.21 PHCC Petroleum Carriers, Corp.		15.0	100.0	
	27.22 PHCC Shipping & Transport Corp.	shipping and tankering	50.0	100.0	
	27.23 PHCC Tankers Corporation	tankering	23.9	100.0	
	27.24 Phil-Oil Industrial Estates, Inc.	industrial estate developer	.75	100.0	
28. Philippine Crop Insurance Corporation	NONE	crop insurance	100.0 ^{2/}	100.0	^{2/} Paid-up cap. stock., with authorized cap. of P750M, P500M und. be from the Nat. Govt. and P250M shall be available for sale by the general public.
29. Phil. Export and Foreign Loan Guarantees	NONE	foreign loan & banks' guarantee	100.0 ^{2/}	100.0	^{2/} Paid-up cap. stock., to be fully subscribed by the Govt.
30. Lung Center of the Philippines	NONE	treatment of lungs & allied disease		100.0	

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Expenditure (\$M)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
31. Home Development Mutual Fund	NONE	housing	non-stock	100.0	
32. Home Planning Corporation	32.1 Highland Savings & Loan Ass'n. ^a		114.2 ^{2/} 4.13 ^{2/}	100.0 100.0 ^{2/}	^{2/} paid-up cap. stock., to be fully sub. by the govt. ^a not yet considered a subsidiary of HFC (CGA).
33. Home Settlements Development Corporation	33. 1. Aliambros Manuelas		1,432.2 ^{2/} 3.99 ^{2/}	100.0 100.0 ^{2/}	^{2/} paid-up cap. stock.
	33. 2. People's Technology Terminal Complex			83.2 ^{2/}	
	33. 3. Alisa Marketing Corporation (Alisa Mart)	provides integrated marketing system	102.3 ^{2/}	100.0 ^{2/}	
	33. 4. Corfudo, Inc.		3.70 ^{2/}	100.0 ^{2/}	^{2/} subscribed.
	33. 5. Roto Central Park Development		200.0 ^{2/}	100.0 ^{2/}	^{2/} subscribed.
	33. 6. Woodwaste Utilization and Development Corporation		1.32 ^{2/}	39.95 ^{2/}	
	33. 7. Urban Realty & Development Corporation				
	33. 8. Alisa Development Corporation (Urban Realty Corporation)		39.36 ^{2/} 9.99	99.0 ^{2/}	^{2/} 39.99 subscribed, 9.99 paid-in.
	33. 9. University of Life Foundation				
	33.10. Building Bricks, Inc.		1.50 ^{2/}	100.0 ^{2/}	
	33.11. SENCOR (FSDC, NYA, NEN, NYA)			32.0 ^{2/}	

<u>Governing Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (M\$)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
14. National Sandro Development Corporation			3 ^{1/}	100.0	^{1/} to be fully subscribed and paid-for by the Govt. of the Phil.: GDP = P60M ESDC = 30M FSDC = 60M NEA = " 60M
15. National Electrification Administration	15.1 Sapang Paing Project Rural Electric Services (SAPRESCO)	elect. cooperative	2,012.1 ^{2/}	100.0	^{2/} Paid-up capital stock.
	15.2 CENCOR (FSDC, NSDC, NFA, NEA)		4.17 ^{2/}	100.0	
				.06 ^{2/}	
16. National Food Authority	16.1 Quotas Guarantee Fund Board	policy deposit guarantee	116.0 ^{2/}	100.0	^{2/} Paid-up capital stock, to be fully subscribed by the National Government.
	16.3 Grains Insurance Agency Corporation, Inc.	insurance & bond requirements of millers	2.0 ^{2/}	93.0 ^{2/}	
	16.3 Food Tamiami, Inc.		0.50 ^{2/}	100.0 ^{2/}	
	16.3.1 Philtrade Inc.	restaurant		100.0 ^{2/}	Paid-up capitalization P50M ^{2/}
	16.3.2 Philtrade USA, Inc.	marketing outlet for SEZ products		100.0 ^{2/}	
	16.4 National Post Harvest Institute for Research and Extension			100.0 ^{2/}	
	16.5 CENCOR			.55 ^{2/}	

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (MP)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
36.5 Philippine Fisheries Development Authority	36.5.1 Northern Fishery Dev't. Authority		113.8 ^{2/}	100.0	^{2/} Paid-up capital stock.
				100.0 ^{2/}	
37. National Home Mortgage Finance Corporation	NONE	Home mortgage, financing	195.0M ^{2/}	100.0	^{2/} Paid-up capital stock, to be fully subscribed and paid for by the national govt.
38. National Housing Authority	38.1 National Housing Corporation	housing construction (low-cost)	1,058.8 ^{2/}	100.0	^{2/} Paid-up capital stock.
39. Philippine Heart Center for Asia	NONE	treatment/research studies of cardiovascular & related diseases		100.0	
40. Rural Waterworks Development Corp.	NONE		76.5 ^{2/}	100.0	^{2/} Paid-up capital stock, to be fully subscribed by the National Government.

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (M)</u>	<u>Percent Cpyl. Equity</u>	<u>Remarks</u>
Southern Philippine Development Authority			288.0 ^{2/}	100.0	^{2/} Paid-up capital stock.
	41.1	Compañy Pangdagat sa Katarungan			
	41.2	Integrated Feed Mills, Corporation	1.17 ^{2/}	96.0 ^{2/}	
	41.3	Mandaya Refrigeration Industries	2.0 ^{2/}	100.0 ^{2/}	
	41.4	Marex/ Resort Hotel, Inc.	2.0 ^{2/}	20.0 ^{2/}	
	41.5	Panlibang Katimugan, Inc.			
	41.6	Monte Maria Poultry Farms	2.73 ^{2/}	31.0 ^{2/}	
	41.7	Palawan Coonry & Fishery Dev't. Corp.			
	41.8	Panason Farm Dev't. Corp.	0.40 ^{2/}	62.6 ^{2/}	
Technology Resource Center			77.8 ^{2/}	100.0	^{2/} Paid-up capital stock. With authorized capitalization of P235M, represents equity contribution of founding institution.
	42.1	Technology Mgt. Dev't. Corp., Inc.	0.42 ^{2/} (subscribed)	100.0 ^{2/}	
	42.2	People's Tech. Terminal Corp., Inc.	0.40 ^{2/} (subs.)	27.3 ^{2/}	
	42.3	People's Livelihood Enterprises, Inc.	1.0 ^{2/}	70.0 ^{2/}	
Employee's Compensation Commission					
	43.1	Workers Rehabilitation Center Complex	non-stock	100.0 ^{2/}	
	43.2	ECC Rehabilitation Unit	non-stock	100.0 ^{2/}	

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Expenditure</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
44. Philippine Veterans Investment Development Corporation			17.9 ^{2/}	100.0	^{2/} Paid-up capital stock. Only 60% of the authorized capital of PIVDM will be sub. by the Government.
	44. 1 Cebu Veterans Post Services, Inc.		2.0 ^{2/}	100.0 ^{2/}	
	44. 2 Marikina Glass Agers Corporation		4.37 ^{2/}	100.0 ^{2/}	
	44. 3 Philvicor Industrial Authority		101.5 ^{2/}	100.0	^{2/} Paid-up capital stock; authorized contribution of the National Government.
	44. 4 Northern Mindanao Dev't. Bank			30.0 ^{2/}	
	44. 5 PEPTOK (Integrated Services, Inc.			16.75 ^{2/}	
	44. 6 Pansay Agers (Ind. Corp.)		0.50 ^{2/}	60.0 ^{2/}	
	44. 7 Philvicor Electronics Component, Corp.			31.14 ^{1/}	
	44. 8 Philvicor Construction & Dev't. Co.		6.0 ^{2/}	100.0 ^{2/}	
	44. 9 SEA Link, Inc.			25.0 ^{2/}	
	44.10 SEA Ranch, Corporation		7.75 ^{2/}	100.0 ^{2/}	
	44.11 Southern Tagalog Veterans Agro-Industrial Corp.				
	44.14 Veterans Electronics Corporation				
45. Para Systems Development Corporation			155.6 ^{2/}	100.0	^{2/} Paid-up capitalization.
	45.1 Classifier Equipment & Machinery Corp. (HIDC, NFA, NEB, NIA, DAF)	mg. of energy saving equipment	6.69 ^{2/}	42.9 ^{2/}	

Government Corporation

Subsidiaries/ASG/LLP

Activity

Government Expenses (M\$)

Percent Govt. Equity

Remarks

46. Local Water Utilities Admin.

None

Development of provincial waterworks

552.4

100.0

1/ Paid-up capital stock

47. Metropolitan Waterworks & Sewerage System

None

potable water & sanitary sewer services

1,348.5

100.0

1/ Paid-up capital stock.

48. National Irrigation Administration

48.1 NIA General

48.1.1 CRPCOA
(NIA, ISA, NSDC, FSC)

1,444.4

100.0

2/ Paid-up capital stock, to be fully subscribed by the National Government.

49. National Development Corporation

- 49. 1 ASEAN each Fertilizer Corp.
- 49. 2 ASEAN Manila Fertilizer Corp.
- 49. 3 ASEAN Soda Ash Co. Inc.
- 49. 4 Aceja Mining Co., Inc.
- 49. 5 Aguan Flotation
- 49. 6 Air Hindano
- 49. 7 Aluminum

- Fertilizer production
- Fertilizer production
- soda ash production
- Mining
- aluminum processing
- air chartering
- aluminum smelter project

4,441.4

100.0

1/ Paid-up capital stock, to be fully subscribed by the National Government. Paid-up capitalization, \$4.6B

Government Corporations

<u>Subsidiaries/Affiliated</u>	<u>Activity</u>	<u>Government Exposure (P)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
49. 8 Asia Industries, Inc.	heavy machinery marketing	73.0 ^{2/}	100.0 ^{1/}	^{1/} Paid-up capitalization P122.0M.
49. 9 Batang Pulp and Paper Mills, Inc.	pulp and paper manufacturing		10.0 ^{1/}	^{1/} Paid-up capitalization P106.0M.
49.10 Saccagas Land Co.	real estate management			
49.11 Benguet Management Corporation	management firm		11.0 ^{1/}	^{1/} Herdis Group of Companies taken over by KLU
49.12 Caltex Oil Resources Corporation	paper and pulp manufacturing			
49.13 Commonwealth Development Corp.	plantation project			
49.14 Consolidated Transport, Inc.	air cargo forwarding, warehousing			
49.15 Construction & Development Corp. of the Philippines (CSIC/DBP/PAB/LS)	construction		13.0 ^{1/}	
49.16 Damarilata Estates Development Corporation	real estate management		100.0 ^{1/}	
49.17 Domestic Satellite Films, Inc.	communications			
49.18 Elizalde Steel Consolidated, Inc.	steel manufacturing			
49.19 The Energy Corporation	oil exploration & mining	120.0 ^{1/}	66.0 ^{1/}	
49.20 Equitable Venture Capital Corp.	venture-capital investing			
49.21 Philippine Carbon & Mining Corp.	mining		40.0 ^{1/}	
49.22 Philippine Synthetic Fiber Corp.	synthetic fiber manufacturing		15.0 ^{1/}	^{1/} Paid-up capitalization P197.0M.
49.23 Filipino Contractors International Corp.	overseas marketing and construction		43.0 ^{1/}	

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (%)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
49.24	Comez Cellulose, Inc.	cellulose production			
49.25	Goodyear Realty Corp.	real estate management		62.0 ^{1/2}	
49.26	Heavy Engineering Industries, Inc.				
49.27	Herfiter Textile Mills	textile		100.0 ^{1/2}	
49.28	Micobans Mining Co., Inc.	mining			
49.29	Spacint Research and Development Corporation	growth development construction			
49.30	Hydro Resources Corporation	construction		36.25 ^{1/2}	
49.31	International Corporate Bank, Inc., The	banking		32.0 ^{1/2}	
49.32	Iron and Steel Corporation of the Philippines	iron and steel production			
49.33	Kamagsa Realty Corporation	management and lease of rural estates		60.0 ^{1/2}	
49.34	Luzon Activated Carbon, Inc.	activated carbon from coconut shells			
49.35	Luzon Integrated Services, Inc.	security services for government offices			
49.36	Luzon Stevedoring Corporation	inter-island shipping		100.0 ^{1/2}	

<u>Government Corporation</u>	<u>Subsidiary</u>	<u>Activity</u>	<u>Government Exposure (M)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
49.37	Manila Gas Co.	marketing bottled LPG		50.0 ^{1/2}	
49.39	Marina Properties Corp.	real estate		90.0 ^{1/2}	
49.49	Minganao Textile Corp.	garment and textile mfg.	38.3 ^{4/5}	63.0 ^{1/2}	
49.40	Mulit-Natural Resources & Drilling Corporation	mineral exploration		33.0 ^{1/2}	
49.41	NDC-Dunlop Plantation, Inc.	plantation		53.0 ^{1/2}	
49.42	NDC-Estades, Inc.	real estate management		60.0 ^{1/2}	
49.43	NDC-Guthrie Plantation, Inc.	plantation		100.0 ^{1/2}	
49.44	NDC-Holdings, Inc.	management company		100.0 ^{1/2}	
49.45	NDC-Nacids Raw Materials Corp.	raw materials marketing		100.0 ^{1/2}	
49.46	NDC-Shell Minerals Investment Co.	mining investments		60.0 ^{1/2}	
49.47	NDC Shell (Million) Minerals, Inc.	mining		60.0 ^{1/2}	
49.48	Nalco Realty Corporation	real estate management		60.0 ^{1/2}	
49.49	National Galleon Shipping Corp.	shipping		100.0 ^{1/2}	
49.50	National Industrial Tree Corp.	tree plantation		100.0 ^{1/2}	
49.51	National Precision Cutting Tools, Inc.	manufacturer of tools		50.56 ^{1/2}	
49.52	National Rattan Corporation	rattan production			

^{1/2} Paid-up capitalization P315 MM

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Expense (%)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
49.53	National rayon Corporation	rayon fiber manufacturing		100.0 ^{1/2}	
49.54	National Steel Corporation	steel mill		100.0 ^{1/2}	^{1/2} Paid-up capitalization, \$1,237.00
49.55	Negros Occ. Copperfield Mines, Inc.	copper mining	10.0 ^{2/3}	100.0 ^{2/3}	Percent State Equity, 70% ^{2/3}
49.56	Nus Agria, Inc.	food manufacturing		100.0 ^{2/3}	
49.57	Paper Industries Corp. of the Philippines	paper manufacturing		26.5 ^{2/3}	
49.58	Paragon Paper Mills, Inc.	paper manufacturing		100.0 ^{2/3}	
49.59	Peoples Pulp and Paper Mills, Inc.	pulp and paper manufacturing		100.0 ^{2/3}	
49.60	Philippine Air Lines, Inc. (GSAS)	air transportation	100.0 ^{2/3}	33.0 ^{2/3}	
49.61	Philippine Associated Smelter and Refining Corporation	copper smelter		26.42 ^{1/2}	
49.62	Philippine Cellophane Film Corporation	cellophane film manufacturing		18.66 ^{1/2}	
49.63	Philippine Communications Satellite	communications		100.0 ^{1/2}	
49.64	Philippine Dockyard Corp.	ship maintenance and shipbuilding		100.0 ^{1/2}	
49.65	Philippine National Lines	management of merchant vessels and ship brokerage		29.41 ^{1/2}	
49.66	Philippine Petrochemical Products, Inc.	polystyrene resin production		100.0 ^{1/2}	

<u>Government Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Expenditure (M P)</u>	<u>Percent Govt. Expenditure</u>	<u>Remarks</u>
49.67	Philippine Phosphate Fertilizer Corporation	fertilizer manufacturing		60.0 ^{1/}	
49.68	Philippine Flour Mills Co., Inc.	steel mill		100.0 ^{1/}	
49.65	Pinagkaisa Realty Company	real estate management		40.0 ^{1/}	
49.70	Refractories Corporation of the Philippines	basic refractories mfg.	25.54 ^{2/}	79.80 ^{2/}	
49.71	Resort Hotels Corporation	hospitality		31.29 ^{1/}	
49.72	San Jose Oil Company	oil exploration		20.0 ^{1/}	
49.73	Sasirenc Petroleum Corp.	oil exploration		4.5 ^{1/}	
49.74	Sensara Coal Corporation	mining		45.6 ^{1/}	
49.75	Sigma Insurance Corporation	non-life		100.0 ^{2/}	
49.76	Transport Contractors, Inc.	trucking			
49.77	Uspail., Inc.	heavy machinery marketing	9.27 ^{2/}	69.1 ^{1/}	
49.78	Vanlec Timber Resources Corp.	logging			
49.79	Venture Capital Corporation	venture-capital investing		20.0 ^{1/}	
49.80	Vulcan Chemical Corporation	chemical manufacturing			
49.81	Vulcan Industrial & Mining Corporation	mining	76.5 ^{2/}	51.0 ^{1/}	
49.82	Western Nitrate Corporation	mining		100.0 ^{1/}	

^{1/} Paid-up capitalization in P100.0M.

<u>Government Component</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (\$M)</u>	<u>Percent Cost - Est.</u>	<u>Remarks</u>
33 <u>Fedl Aerospace Dev & Corp</u>					
	33 National Aero Mfg Corp		216 ^{2/3}	100 0	^{2/3} subscribed and paid for by DDP #274 Cols #4 8M
	33 2 Pk Aero Transport Inc				
	33 3 Pk1a Helicopter Serv Co		8 ^{2/3}	80 ^{2/3}	
	33 4 Phil. Helicopter Inc		0 50 ^{2/3}	60 0 ^{2/3}	
54 <u>Phil National Lines</u>					
	PNLN	shipping service	49 0 ^{2/3}	100 0	^{2/3} paid-up cap. tal stock
55 <u>Fedl National Railways</u>					
	FNRY	transportation	1 425.6 ^{2/3}	100 0	^{2/3} paid-up capital stock
6 <u>Fedl Ports Authority</u>					
	PAFA	airport dev & cargo handling operations	2 276 ^{2/3}	100 0	^{2/3} paid-up capital stock

<u>Overseas Corporation</u>	<u>Subsidiaries/Affiliates</u>	<u>Activity</u>	<u>Government Exposure (MPL)</u>	<u>Percent Govt. Equity</u>	<u>Remarks</u>
	49.51 National Service Group			90.0 ^{1/}	
	49.56 Beta Electric Corp.	elect. systems distributor		60.0 ^{1/}	
	49.59 Callaloo Processing Corp.	cellulose manufacturing		100.0 ^{1/}	
	49.86 Farmcor, Inc.	agric. equip. and machinery			
	49.87 Koppel Inc.	refrigeration & air conditioning distribution		100.0 ^{1/}	
			3.11 ^{2/}	100.0	
3. Phil. International Trading Corp.			7.39 ^{3/}	99.92 ^{2/}	
	50.1 Phil. International Dev't. Co. (PIDCO)				
	50.2 Center for International Trade Exhibitions & Missions (CITEM)		0.42 ^{3/}	99.89 ^{2/}	
1. Light Rail Transit Authority	NONE	transportation	466.2 ^{3/}	100.0	^{3/} Paid-up capitalization, to be fully absorbed by the National Government.
2. Metro Manila Transit Corporation	NONE	transportation	171.1 ^{3/}	100.0	^{3/} Paid-up capital stock, 70% subscribed and paid for by the BSP. Paid-up capital: P175.20 ^{3/}



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