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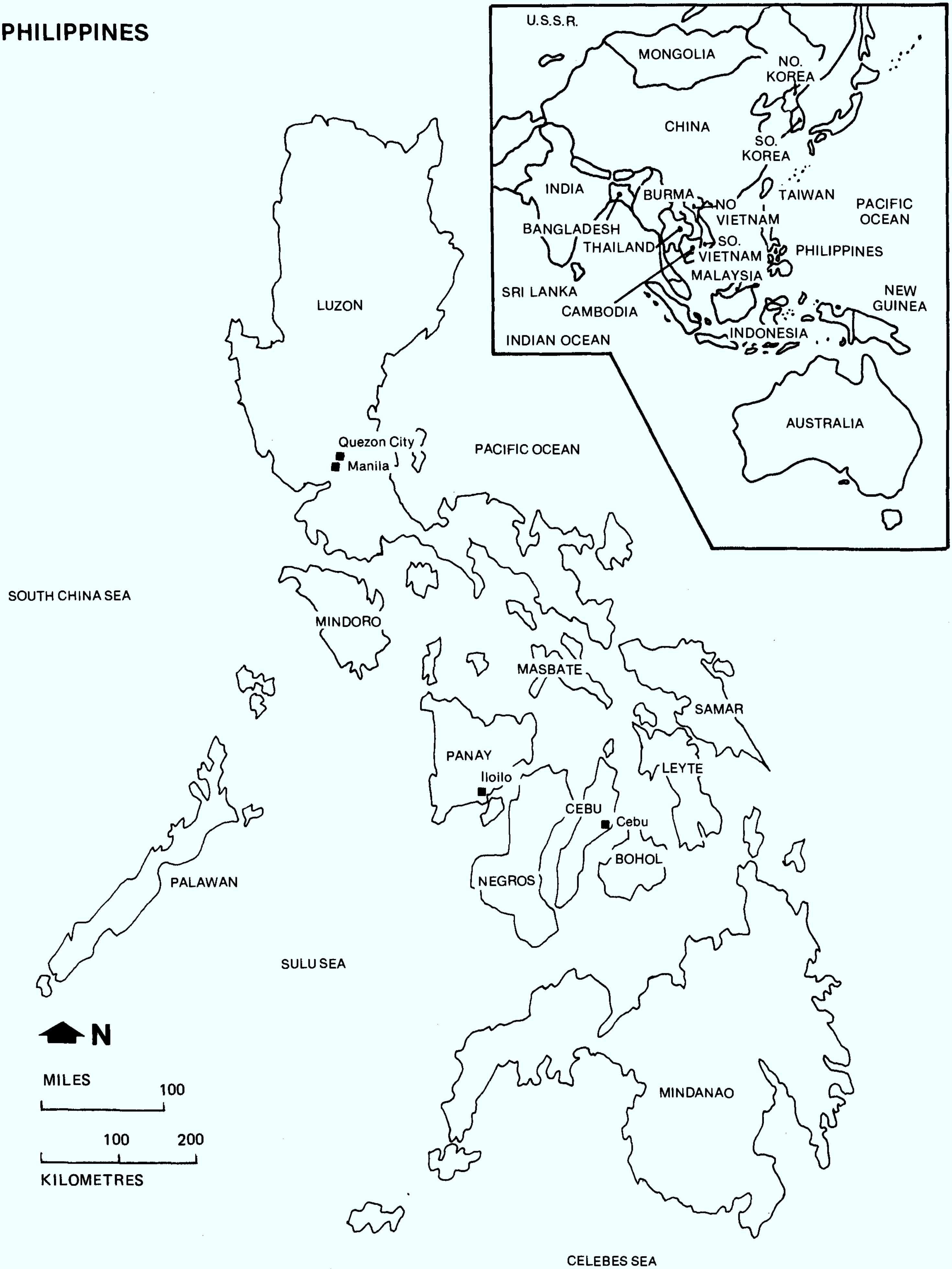

MARKETS FOR CANADIAN EXPORTERS

THE PHILIPPINES

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I. GENERAL

Area and Geography

The Philippine archipelago, with more than 7,000 islands, is the world's second largest after Indonesia. Only 11 islands are major land masses; the remainder are small islets scattered over an area 1,854 kilometres from north to south and 1,111 kilometres from east to west.

The total land area of The Philippines is 300,439 square kilometres. The major areas are: Luzon (139,859 square kilometres); the Visayas (a group of islands with aggregate area 64,750 square kilometres); and Mindanao (95,830 square kilometres). The country has a coastline of 18,400 kilometres and an extensive river system.

The Philippines is a land of sharp physical contrasts. Coastal plains, extensive valleys and marshlands alternate with plateaus and mountain ranges. Approximately 37 per cent of the land is given to farming, another 42 per cent is covered by forests.

Climate

The climate is tropical with the following mean temperatures: December to February, 21.1°C; March to July, 32.2°C; July to November, 26.6°C. Midday temperatures, of course, can be much higher. There are two pronounced seasons, dry and wet. Average monthly rainfall varies from only 13 mm in February, the driest month, to more than 432 mm in July, with most of the rain occurring from July to November. During these months, Luzon and most of the Visayas are subject to typhoons. Humidity in The Philippines ranges from 65 to 100 per cent.

Brief History

The country's earliest settlers were the Negritos, forest and mountain dwellers who came overland from Central Asia during the stone age. Indonesians — a people of Mongoloid stock with Caucasian strains — came next, migrating by sea. From 200 B.C. until the thirteenth century, the Malays migrated in several waves from Southeast Asia. The dominant dialect groups — Tagalog, Pampanguenos, Visayas and Ilocanos — are descendants of this latter migration. The fourteenth and fifteenth centuries saw a final wave of Malay migration, comprising the Muslims who settled in Mindanao and Sulu.

Ferdinand Magellan, in 1521, became the first European to visit the archipelago. The country's name, however, is ascribed to Villalobos, a Spanish conquistador, who in 1542 called it "Las Filipinas" after King Philip II of Spain. In 1570 the Spaniards conquered Luzon and the Visayan Islands which were lost to the Americans more than 300 years later following the Spanish-American war in 1898. The Philippines became independent from the United States in 1946.

Government

Martial Law was proclaimed by President Ferdinand Marcos in September 1972 and is still in effect. President Marcos currently rules by decree but in October 1976 an interim, partially elected assembly called the Interim Batasang Pambansa was set up with some legislative powers.

Population

The Filipino people are a mixture of Malay, Chinese and Spanish. According to the 1975 census, the population of The Philippines in that year was 42.1 million. Growing at a rate of 2.7 per cent, it should reach 50 million in 1980. About 70 per cent of the population live in rural areas. More than 42 per cent of the population is less than 15 years old.

Principal Cities, Towns and Industrial Areas

Manila is the capital of The Philippines with a population of more than eight million. Other major cities are Davao (463,000), Cebu (383,000), Iloilo (217,000) and Zamboanga (227,000).

There is an export processing zone in Mariveles, Bataan, north of Manila, for light industrial enterprises and a similar zone is being developed for medium industry at Mactan, Cebu. For heavy industry, sites are available at the industrial estate in Villanueva, Misamis Oriental, Mindanao, while another estate for light-to-medium industries is being developed in Canlubang, Laguna, south of Manila.

Language

There are 87 dialects spoken throughout the country, the three major ones being Ilocano, Tagalog and Cebuano. There is an evolving language called Pilipino, mainly spoken in the Metro Manila area and gaining acceptance throughout the country because of its use in the mass media. Pilipino is Tagalog based with sprinklings of the other dialects together with English and Spanish. With so many dialects, English is the unifying language, written and spoken. The Philippines is the third largest English-speaking nation in the world.

Religion

About 85 per cent of the population are Roman Catholic, while approximately eight per cent are Moslem. Most of the remainder observe indigenous religious customs, or belong to local Protestant sects.

Local Time

When it is 8:00 a.m. in The Philippines on September 10, it is 4:00 p.m. Vancouver time and 7:00 p.m. Ottawa and Montreal time on September 9. All the islands fall within the same time zone. The Philippines is thus eight hours ahead of Greenwich Mean Time.

Weight, Measures, Electric Power

The Philippines uses the metric system. Electricity is generally supplied at 220 volts, 60 cycles, AC; however, 110 volt outlets are not uncommon. For industrial purposes, three-phase 220/380 volt, 60 cycle AC power outlets are frequently found. Two-prong, North American-type plugs are normally used.

Currency and Exchange Rate

The unit of currency is the peso, divided into 100 centavos. In February 1980, \$(Cdn) 1.00 = 6.187 pesos. Coins are issued in denominations of one, five, 10, 25, 50 centavos and one peso. Notes in circulation are two, five, 10, 20, 50 and 100 pesos.

Public Holidays and Business Hours

Certain days during the year are designated as holidays. In addition to those listed below there are others which may be proclaimed by the president from time to time as local or national holidays. Most business affairs are suspended on legal or specially declared holidays. The statutory and religious holidays are:

New Year's Day	January 1
Maundy Thursday	Variable
Good Friday	Variable
Bataan Day	April 9
Labour Day	May 1
Philippine Independence Day	June 12
Philippine-American Friendship Day	July 4
Bonifacio Day	November 30
Christmas Day	December 25
Rizal Day	December 30

The day designated by law for holding a general election, national referendum or plebiscite is also a statutory holiday, as may be the day before and the day after an election or referendum. In addition, during typhoon season (May-November) in Luzon and the Visayas, it is not uncommon for offices to remain closed for one or more days until a typhoon has passed.

Usual hours of business are 8:30 a.m. to 12:30 p.m. and 1:30 p.m. to 5:00 p.m., Monday to Friday. Many firms also work Saturday morning, 8:30 to 12:30.

Dining and Entertainment

A wide range of restaurants and night life is available in Manila. Restaurants used for business entertaining are roughly comparable in price to similar establishments in Canada.

Manila Hotels

Manila is well provided with first class hotel accommodation. At the time of writing (February 1980), a single room with bath costs from \$(U.S.) 30.00 to \$(U.S.) 45.00.

Of the following hotels, the Intercontinental, Mandarin, Manila Garden and Peninsula are all located in the modern business district of Makati, close to the Canadian embassy. The Hyatt Regency, Philippine Plaza and Regent of Manila are located on Manila Bay close to the headquarters of the Asian Development Bank and to the airport. The Philippine Village Hotel is located beside the airport.

Hotels in Manila:

- Holiday Inn
- Hyatt Regency
- Intercontinental
- Manila Garden
- Manila Hilton
- Manila Hotel
- Manila Mandarin
- Manila Peninsula
- Philippine Plaza
- Philippine Village
- Regent of Manila
- Silahis International
- Tradewinds

Business Dress

Business dress in The Philippines is more relaxed than in many other countries. Local businessmen and expatriates working in The Philippines typically wear an embroidered shirt, the "Barong Tagalog", that is very comfortable in the heat. Safari suits are acceptable, as are standard business suits, although frequently a jacket is not worn except on formal occasions.

Taxis and Local Transportation in Manila

Taxis are plentiful and cheap, but are advisable only once you know your way around town, as many drivers come from outside Manila. For this reason, and because taxis are sometimes hard to find during the rainy season, many businessmen prefer to rent a car with driver, at a cost of approximately $50 a day. This is especially valuable during a short visit if widely separated offices are to be visited.

Contact the Canadian Commercial Secretary Before Visiting The Philippines

When planning a business trip to The Philippines, contact the Commercial Secretary at the Canadian Embassy in Manila well in advance of your departure. A draft of your itinerary, schedule, established contacts and desired appointments with Philippine businessmen will allow him to make up a program for you and ensure that your time is profitably spent. Reservations with hotels belonging to international chains may normally be made from Canada, but if you should have any difficulty, the Commercial Secretary would be happy to contact the hotel on your behalf.

Health Regulations

Smallpox and cholera vaccinations are compulsory and typhoid and oral polio immunizations are recommended. If you plan to travel in rural areas, it is advisable to carry medication for malaria. Yellow fever immunization is required by everyone travelling through yellow fever areas en route to The Philippines. Do not drink water directly from the tap. Uncooked vegetables and raw salads should not be eaten unless they have been washed in iodine solution. English speaking doctors and dentists are available in first-class medical facilities.

Passport

A valid passport is a basic requirement for travellers to The Philippines. Visas may be obtained from Philippine diplomatic or consular offices abroad, or at the airport on arrival.

Customs Formalities for Visitors

In addition to personal effects the following items may be brought in duty free: 200 cigarettes, or 50 cigars, or 250 grams of pipe tobacco, or an assortment of these products; two regular-sized bottles of alcoholic beverages.

Currency Regulations for Visitors

There are no restrictions on the amount of foreign currency visitors can bring into The Philippines. Any foreign currency and a maximum of 50 pesos may be taken out. Foreign currency is available only in exchange for other foreign currencies.

Tipping

Light tipping is the rule. The following is a general guide:

— hotels: 10 per cent of bill when no service charge is levied
— taxi drivers: round off to the next peso
— porters: one peso per piece of luggage
— cloak room attendants: 50 centavos
— waiters: 10 per cent of bill

II. ECONOMY AND FOREIGN TRADE

General

Primary industries (agriculture, forestry, mining) continue to form the backbone of the Philippine economy but in recent years there has been a marked shift to the development of manufacturing and service industries. The private sector is strong with a relatively small number of family controlled, horizontally integrated industrial groups providing the lead in some sectors, but also many active smaller concerns. Foreign investment is welcomed. The government, with its five and 10-year plans, provides general direction and may take the lead in certain basic industries but generally prefers to leave the economy in private hands. In recent years, the government has become more deeply involved in the international marketing of agricultural products.

Foreign trade is a key element of the government's development strategy. The Philippines has long been a leading exporter of sugar, coconut products, pineapples, logs, plywood and minerals, especially copper and iron ore concentrates and gold. In the last 10 years, impressive growth has also been registered in the so-called "non-traditional" exports including bananas, handicrafts, electronics and textiles. The government seeks to establish labour-intensive export industries, often with foreign participation, both to provide employment and to service the massive foreign debt engendered by large-scale capital imports to finance development and by the rising cost of oil.

The termination of the Laurel-Langley Agreement in 1974 ended the special political and trading arrangements of The Philippines with the United States. The principal trading partners are Japan and the U.S. who together account for about half of The Philippines' merchandise trade. Goods from many other countries, however, are well accepted in The Philippines.

Main Exports

Sugar
Coconut Oil
Copper Concentrates
Logs and Lumber
Copra
Gold
Bananas
Desiccated Coconut
Abaca
Plywood

Main Imports

Fuels and Lubricants
Non-Electric Machinery
Transport Equipment
Chemical Elements and Compounds
Base Metals
Cereals
Electrical Machinery
Explosives
Textile Fibres
Dairy Products

The Philippines is a member of the General Agreement on Tariffs and Trade (GATT) and through this organization has obtained concessions in many markets for products such as coconut oil, veneer plywood, wooden articles, manufactured tobacco and Manila hemp (abaca).

The Philippines is also a member of the Association of South East Asian Nations (ASEAN) whose other members are Singapore, Indonesia, Thailand and Malaysia. These nations have granted each other selective tariff concessions but these have had little effect as intra-ASEAN trade accounts for only six per cent of total Philippine trade.

Agriculture

Agriculture was formerly the principal economic sector but its importance is now almost matched by that of industry. Of the total land area, some 37 per cent or 11.5 million hectares are under cultivation and the bulk of this is devoted to food crops. Rice is grown on 3.6 million hectares, maize on 3.3 million, coconut on 2.3 million, and sugarcane on 0.6 million. In addition, more than 60 per cent of the country's 12.8 million hectares of forest are commercially exploitable.

There are now more than two million cattle in The Philippines, plus 4.9 million carabao (water buffalo), 8.6 million swine, 1.2 million goats, 50 million chickens and 2.9 million ducks.

The Philippines has traditionally been a large importer of dairy products but now has plans to cover 20 per cent of demand from domestic sources. Self-sufficiency has been reached in pork but the country will continue to be a net importer of beef.

Fisheries

The country's coastal waters belong to a highly fertile fishing belt which contains some 2,000 varieties of saltwater fish including tuna, sardine, mackerel and anchovy. There are also inland areas of fresh, brackish and salt water totalling at least 1.5 million hectares for fishpond development. The annual catch is about 1.4 million metric tons (of which Mindanao accounts for 45 per cent), while the potential catch is estimated at more than two million metric tons. Tuna, shrimp and shellfish constitute a growing percentage of fish exports. Imports of canned and processed fishery products are gradually declining with the exception of fish meal which has been imported at an increased annual rate of five per cent during the past three years. Fishermen are encouraged by the government to invest in larger and better equipped vessels enabling them to fish farther offshore and the total catch is expected to rise.

Food Processing

The food processing industry produces one-fourth of value added in all manufacturing in The Philippines and employs one-fifth of the labour force. Some 53 firms produce 80 per cent of the output and virtually all of the exports of processed fruits, vegetables, fish and meat. Growth has been steady in recent years and particularly marked for processed pineapples, mangoes and marine products. The level of technology is fairly high in the food processing industry and many firms have direct linkage with sources of overseas expertise from affiliated companies.

Domestic production of both electrolytic tin plate and its precursor, black plate, is insufficient and of poor quality and the government has recently given the go-ahead to joint ventures in this important industry. The continued expansion of the food processing industry will also create opportunities for manufacturers of cold storage facilities.

Footwear

In the last 10 years the leather and footwear industry has grown considerably in response to both domestic and export demand. Most of the shoe manufacturing is carried on in small cottage-type industry. There were more than 2,700 leather shoe manufacturers in 1978 with in excess of 20,000 workers in all. There are also a few large manufacturers of rubber shoes employing about 10,000 workers.

Exports have increased steadily since 1970 and reached 12 million pairs of shoes in 1978, eight to nine million of which were rubber. Most exports were relatively inexpensive shoes. The Board of Investments is currently considering proposals for expansions of several large plants in the Metro Manila area. If markets remain firm, it is likely that production will continue to increase.

Forestry

The Philippines has long been a major exporter of logs and wood products. Fully 42 per cent of the country's land area is covered by forests and approximately two-thirds of this is commercially exploitable. Mindanao accounts for about 75 per cent of national log production.

In 1977 the export of logs earned the country $(U.S.) 133 million (the fifth most important export item). Sawn lumber exports amounted to $(U.S.) 66.6 million and plywood exports were worth $(U.S.) 40 million.

The make-up of forest products exports has undergone a dramatic change in the last decade. In 1968 more than four-fifths of sales were of raw logs. By 1977 the proportion was down to a half, the remainder being accounted for by sawn logs and plywood which itself now ranks among the top 10 export commodities of The Philippines. Although it is an announced policy of the government to phase out exports of raw logs, the date for this has continued to be pushed back as log prices have remained high and the processing industry has grown more slowly than planned.

By the 1990s it is estimated that no virgin forests will remain in The Philippines. Along with the government's traditional policy of upgrading forest products exports a new priority, reforestation, is emerging. Both offer attractive opportunities to Canadian exporters.

Furniture

Although wood is one of the primary resources of The Philippines, the woodworking industry is relatively underdeveloped. More than 95 per cent of furniture manufacturers are small scale undertakings, using very little machinery. With few exceptions, furniture companies are family concerns.

The last few years have seen a significant increase in the export of furniture, even though the total figures still remain modest ($(U.S.) 21.7 million in 1977 or less than one per cent of Philippine exports). More than half of 1977 exports were of rattan furniture. Exports of wood furniture have been held back because many firms do not have kilns able to lower the moisture content of the wood to the levels required by export markets. Apart from wood, practically all the accessories and hardware for quality furniture are imported. Joint ventures with overseas manufacturers are being explored as a means to expand exports.

Minerals

The total mineral land area is estimated at 20 million hectares of which only 14 million have been geologically surveyed. Identified metallic ores include gold, silver, copper, iron, chrome, manganese, mercury, nickel, zinc, molybdenum, lead, platinum, palladium, cadmium, cobalt and uranium. Non-metallic mineral resources include phosphate, guano, sulphur, pyrite, limestone, shale, gypsum, clay, kaolin, feldspar, silica sand and others.

Major minerals produced are copper, gold, nickel, chromium and, more recently, coal. Although mining provides only five per cent of industrial gross national product and two per cent of industrial employment, it has great economic significance as a source of foreign exchange amounting to some 17 per cent of commodity export earnings. Rates of return in the mining industry have traditionally been high. Ownership is private and there are a number of joint ventures with foreign firms, including some from Canada. Long-term prospects for the industry are considered good. Currently gold mining is enjoying a boom and many old mines are being brought back into production.

Cement

The cement industry in The Philippines currently consists of 18 plants operated by 16 companies producing cement by wet, semi-dry and dry processes. Total rated capacity in the industry is 7.4 million metric tons but this capacity is not attainable because of electricity supply and other operating problems.

Until the late 1960s, the cement industry operated profitably but the entry of new firms virtually doubled capacity between 1969 and 1971 with the result that profits fell. High oil prices further depressed the industry and many plants have been poorly maintained. The next decade should see major investments in the cement sector for rehabilitation of old plants, conversion of oil-fired plants to coal and construction of new, efficient plants.

Despite its acknowledged problems, the cement industry has become a major foreign exchange earner. In 1970, cement exports were only $(U.S.) 4 million. By 1978 they had risen to $(U.S.) 36 million, with markets in Asia, the Middle East and the U.S.

Iron and Steel

Philippine steel making dates back to 1951 when a rolling mill for bar products was first started. Since then, it has developed into an industry with some 50 firms with a rated rolling capacity of more than two million tons per year (tpy). The structure of the Philippine steel industry differs from that of many other steel producing countries in that capacity for rolling and finishing (more than 2.0 million tpy) is large in relation to market demand (about 1.05 million tpy), and especially in relation to its very low rated raw steel capacity (about 450,000 tpy).

Generally speaking, the industry utilizes semi-finished products such as slabs and hot rolled coils imported from Japan and Australia. Although there are some medium-sized firms, the industry is characterized by a large number of small rolling mills, primarily for reinforcing bar and wire rod. The range of production equipment runs from modern and efficient electric arc furnace shops with modern rolling mills to older bar mills using much manual labour. More than 80 per cent of the individual steel producing firms in The Philippines are located in the Metropolitan Manila area, while the one large flat products producer is located on the island of Mindanao. An iron ore sintering plant for the Japanese market has recently been constructed in Mindanao, and it is an announced policy of the government to develop an integrated steel mill nearby.

Iron mining is consistently among the top 10 export industries with Japan the main buyer of ore, concentrates and pellets. The traditional centre of iron mining is Camarines Norte Province on the eastern tail of Luzon Island. Other deposits are found elsewhere in the archipelago, particularly in Mindanao and Palawan. Philippine iron ore reserves are estimated at 136.8 million tons.

Oil and Gas

Palawan, the westernmost island in the Philippine archipelago, has proved to be an extension of the oil fields of Indonesia and Borneo, and wells drilled since 1973 now account for 18 per cent of the nation's daily requirement of 210,000 barrels. In addition, there appear to be large deposits of coal and onshore gas in reasonable quantities. In 1978, more than $(U.S.) 100 million was spent on oil exploration. During the six years 1973-78, 51 wells were drilled, at least half of them in the last two years. By 1990, The Philippines is budgeting to produce 53 million barrels of oil a year, although some industry sources feel that this is a conservative estimate. Although it is not expected that The Philippines will achieve self-sufficiency in the oil sector, it would appear possible for approximately half of the country's requirements to be covered by domestic production within a decade or so.

In addition to an active oil exploration program, The Philippines is also trying to develop alternative sources of energy, notably alcogas (from sugar, to fuel motor vehicles) and geothermal and hydroelectric power.

Power

With the rapidly rising cost of imported oil, The Philippines is placing greatly increased emphasis on alternate sources of electrical energy. The nuclear energy program, which foresaw the construction of 11 nuclear plants over a 10-year period, has been revised downwards due to various unforeseen problems. Emphasis has thus shifted to accelerating the program of geothermal power development, new coal-fired plants, the use of wood fuel to produce power, and a series of hydropower projects.

Total generation capacity at the end of 1978 was 3,165 MW. Over the next 10 years (1978-1988) the government plans to spend $(U.S.) 13.6 billion to increase capacity to 9,600 MW. External funding is expected to cover some two thirds of this investment. Hydroelectric power, which now supplies approximately one-quarter of electricity generated, is expected to supply two-fifths or more than 4,400 MW in 1988, up from only 746 MW in 1978. In addition, over the next 10 years some $(U.S.) 157 million will be spent on rural electrification.

Motor Vehicles

The Philippines is well known throughout the world for its colourful jeepneys, small buses made by local companies based on the jeeps used by American forces during and after World War II. Of more economic importance are the international companies based here, particularly Toyota and Ford. The latter company has a large stamping plant in the Bataan Export Processing Zone which supplies Ford factories in many countries.

The government encourages the industry through its Progressive Car Manufacturing Program, now in its eighth year, which seeks to achieve 60 per cent local content. A Progressive Truck Manufacturing Program (PTMP) has now been launched, with MAN of West Germany and Isuzu of Japan providing complementary diesel manufacturing facilities. Many components-manufacturing firms have sprung up which offer interesting joint venture possibilities for Canadian firms.

Textiles and Garments

The Philippine textile industry, of negligible size until the mid-1950s, has grown until today it supplies virtually the entire home market, with some exports. Because little cotton is produced in The Philippines, most fabrics are synthetic although there is increasing utilization of ramie, a natural fibre similar to linen. Generally speaking, the industry is characterized by medium-sized, vertically integrated companies, and fully 77 per cent of all spindles in the country are obsolescent which will require major investments in the next few years.

Garment manufacture has been one of the pacesetters of the government's drive to establish labour-intensive, export-oriented industries. Currently, exports average $(U.S.) 300 million of which around $(U.S.) 120 million is net of imported fabrics. Most of the industry's establishments are small cottage-type units providing half of total industry value added. The export sector, however, is concentrated in the hands of fewer than 20 firms, all located in the Metro Manila area.

From 1970 to 1978 garment exports, based on imported fabrics, rose from $(U.S.) 36.7 million to more than $(U.S.) 300 million. Future growth, however, will be slower as most industrialized countries have now placed limits on the growth of clothing imports.

Tourism

Tourism has been growing rapidly in recent years and is now one of the country's major foreign exchange earners. The government's five-year plan has a target for foreign exchange earnings from tourism to grow at an annual rate of 16.4 per cent to reach a 1987 total of $(U.S.) 961.4 million. In 1980, it is hoped that more than one million visitors will be welcomed. Japanese visitors and returning Filipinos each account for about a quarter of the total, with the United States not far behind. Manila now boasts many first-class hotels and the construction of the Philippine International Convention Center has done much to enhance the number of conferences and conventions held in The Philippines. The government has an active program to build infrastructure and provide incentives, and continued growth is expected in the future.

III. CANADA-PHILIPPINES ECONOMIC RELATIONS

Trade between Canada and The Philippines is carried out under a bilateral trade agreement and also under the General Agreement on Tariffs and Trade (GATT), to which The Philippines acceded on January 1, 1980. In addition, The Philippines is a beneficiary of Canada's General Preferential Tariff in favour of imports from developing countries.

Canadian exports to The Philippines have grown from $35.5 million to $84.7 million in 1979. In terms of level of processing, 80 per cent of Canadian exports in 1979 were either fabricated or fully manufactured, and about 280 different classes of items were included.

Canadian imports from The Philippines increased from $2.8 million in 1968 to $78.3 million in 1979.

Major exports and imports are shown in the accompanying tables.

With regard to investment, Canada is the sixth largest investor in The Philippines with holdings in mining, forest products, petroleum, banking, insurance, fisheries, geophysics, jewellery and international trading. A double taxation agreement is in force between Canada and The Philippines.

Canadian chartered banks are active in The Philippines either through resident offices or correspondent relationships with local banks. In addition, the Canadian Export Development Corporation has been active in The Philippines in recent years.

Major Canadian Exports to The Philippines

(Can. $'000s)

	1978	1979
Zinc blocks, pigs and slabs	7,693	7,916
Mining and construction equipment	4,352	6,058
Polyethylene resins	4,003	5,345
Wood pulp	4,874	4,156
Iron ore, concentrated	1,245	4,025
Man-made fibres	1,205	3,139
Ammonium nitrate	293	3,046
Special industry machinery	—	2,972
Parts and accessories for motor vehicles	1,844	2,889
Malt	567	2,720
Infant and junior foods	572	2,391
Telephone apparatus equipment and parts	1,456	2,308
Potassium chloride, muriate	2,444	2,044
Alcohols and their derivatives	1,215	2,024
Sulphur, crude or refined	502	1,999
Motor vehicles	4,583	1,890
Plastic and synthetic rubber not shpaed	996	1,574
Files and rasps	760	1,346

	1978	1979
Textiles	1,048	1,240
Saws, sawmill machinery equipment and parts	153	1,104
Models for demonstration, etc.	6	1,060
Metallic salts of inorganic acids	599	1,012
Sub-Total of	40,410	62,258
TOTAL	72,460	84,743

Composition by Classification

	1978		1979	
	$'000s	%	$'000s	%
I. Live animals	186	—	324	—
II. Food products	8,468	12	5,915	7
III. Crude materials, inedible	6,260	9	11,172	13
IV. Fabricated materials, inedible	31,008	43	35,544	42
V. End products	26,457	36	31,737	38
VI. Special transactions	82	—	50	—
	72,460	100	84,743	100

Major Canadian Imports from The Philippines

(Can. $'000s)

	1978	1979
Coconut oil	9,923	16,973
Clothing	6,497	12,042
Coconut, desiccated	5,383	6,395
Pineapple, canned	3,881	5,664
Wrist watches and parts	3,064	3,633
Footwear	1,695	2,913
Plywood	1,090	2,906
Doors, windows and other mill work	869	2,733
Furniture	1,147	2,468
Pineapple juice, not concentrated	1,390	2,349
Coffee, green	445	1,824
Nickel and alloy fabricated material, n.e.s.	—	1,752
Tableware	2,194	1,621
Chrome in ores and concentrates	2,952	1,296
Lumber, mahogany	826	1,189
Textile fabrics	1,297	1,116
Sheet glass not over 30 oz. sq. ft.	953	903

	1978	1979
Household baskets, boxes, cans, bags	507	829
Sub-Total of	44,113	68,606
TOTAL	50,440	78,285

IV. TRANSPORTATION

Roads

The road network is estimated at more than 113,000 kilometres of which only 18 per cent is paved with cement or asphalt. The Pan-Philippine Highway, which is still under construction, stretches from Cagayan in the north of Luzon to Davao in southern Mindanao, passing through 21 provinces and 11 cities with hundreds of feeder roads. Motor vehicles number some 875,000 of which cars make up about half. Truck transport is rapid and reliable with many firms in this business.

Railroads

Philippine National Railways operates only in Luzon. The system consists of 740 kilometres of railway, mostly single track. After years of neglect, a rehabilitation program was begun in 1972 with Asian Development Bank assistance but most firms still prefer to ship by truck. There are also commuter services in the Manila area.

Water Transport

As one would expect in an island nation, water transport is very important to The Philippines. The foreign-going fleet consists of about 100 vessels comprising 600,000 gross tons operating under the Philippine flag. These ships carry about 20 per cent of Philippine foreign trade but as many of them are old, most firms prefer to ship on foreign vessels.

The inter-island shipping fleet includes 242 liner vessels, with a total carrying capacity of about 300,000 dead weight tons, and a number of tramp ships. Until recently the core of the fleet consisted of remodelled military transport ships. The fleet is now being gradually modernized with the acquisition of both new and used vessels. As port facilities are modernized, container ships are gradually coming into use in inter-island trade.

There are 94 national and more than 500 municipal ports throughout the archipelago, in addition to numerous private wharves. The Port of Manila is the most important international and domestic port of The Philippines. Bulk export products such as ores, copra and coconut oil are normally shipped through private facilities located near production areas but conventional general cargo exports and nearly all imports are shipped via Manila.

Air Transport — Philippines

Domestic air transport is monopolized by the government-owned Philippine Air Lines. PAL also flies to the United States, Europe and Asian countries. The Philippines has, in all, 78 airports and 68 private airfields but air transport is centred on Manila International Airport, served by all the principal world airlines. A new international terminal in Manila is expected to be completed in 1981.

Transportation Services from Canada to The Philippines

Ocean Transport

Direct Services from Eastern Canadian Ports:

Barber Blue Sea Lines schedules three sailings per month from Saint John to Manila. Accommodation for general cargo, refrigerated cargo, bulk liquids and container cargo is available. The Line is represented in Canada by Barber Steamship Lines (Canada) Inc., Montreal and Toronto, and R. C. Elkin Ltd., Saint John.

Galleon Shipping Corporation schedules monthly sailings from Halifax to Manila, Cebu, Cagayan de Oro and Davao. Accommodation for general cargo and containers is available. The Line is represented in eastern Canada by Saguenay Shipping Ltd., Montreal, Toronto and Halifax.

Transshipment Services from Eastern Canadian Ports:

"K" Line* schedules weekly sailings from Saint John to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in eastern Canada by Kerr Steamships (Canada) Ltd., Montreal and Toronto.

Mitsui O.S.K. Lines schedules weekly sailings from Saint John to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in eastern Canada by Montreal Shipping Company Ltd., Montreal and Toronto.

Y. S. Line schedules weekly sailings from Saint John to Japanese base ports to connect with feeder services to Manila. The line can accommodate containerized general and refrigerated cargo. It is represented in eastern Canada by B&K Shipping Agency Ltd., Montreal and Toronto.

Orient Overseas Container Line schedules two sailings per month from Saint John to Hong Kong to connect with feeder services to Manila and Cebu. The Line can accommodate containerized general cargo. It is represented in eastern Canada by Dart Containerline Ltd., Montreal, Toronto and Saint John.

Zim Container Service schedules three sailings per month from Halifax to Hong Kong to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in eastern Canada by Zim Israel Navigation Company (Canada) Ltd., Montreal and Toronto.

*"K" Line, Mitsui O.S.K. Lines and Y.S. Line operate in a combined service that provides one sailing per week from Saint John.

From Canadian Pacific Coast Ports:

American President Lines schedules monthly sailings from Vancouver to Manila. Accommodation for general cargo, refrigerated cargo, bulk liquids and container cargo is available. The Line is represented in Canada by American President Lines, Vancouver.

Knutsen Line schedules two sailings per month from Vancouver to Manila. Accommodation for general cargo, refrigerated cargo, bulk liquids and container cargo is available. The Line is represented in Canada by Bakke Steamship Corporation, Vancouver, and McLean Kennedy Ltd., Montreal and Toronto.

Lykes Lines schedules two sailings per month from Vancouver to Manila. Accommodation for general cargo, refrigerated cargo, bulk liquids and containers is available. The Line is represented in western Canada by Empire Shipping Co., Ltd., Vancouver, and by Misener Transportation Steamship Agency Group, Montreal and Toronto.

Transshipment Services from Canadian Pacific Coast Ports:

East Asiatic Lines schedules two sailings per month from Vancouver to Hong Kong to connect with feeder services to Manila. The Line can accommodate containers and refrigerated and general cargo. The Line is represented in western Canada by Johnson Walton Steamships Ltd., Vancouver.

Fesco Lines schedules three sailings per month from Vancouver to Japan to connect with feeder services to Manila. The Line can accommodate containerized general cargo. It is represented in western Canada by Morflot Freightliners Ltd., Vancouver.

Orient Overseas Container Line schedules two sailings per month from Vancouver to Hong Kong to connect with feeder services to Manila. The Line can accommodate containerized general cargo. It is represented in western Canada by Eckert Overseas Agency (Canada) Ltd., Vancouver.

"K" Line* schedules sailings every five days from Vancouver to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in western Canada by Kerr Steamships Ltd., Vancouver.

Mitsui O.S.K. Lines schedules sailings every five days from Vancouver to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in western Canada by Montreal Shipping Co., Ltd., Vancouver.

Showa Line schedules sailings every five days from Vancouver to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in western Canada by Kingsley Navigation Co. Ltd., Vancouver.

Y. S. Line schedules sailings every five days from Vancouver to Japanese base ports to connect with feeder services to Manila. The Line can accommodate containerized general and refrigerated cargo. It is represented in western Canada by North Pacific Shipping Co. Ltd., Vancouver.

Star Shipping A/S schedules three sailings per month from Vancouver to Japan to connect with feeder service to Manila. The Line specializes in the carriage of forest products in bulk. It is represented in Canada by Star Shipping (Canada) Ltd., Vancouver.

*"K" Line, Mitsui O.S.K. Lines, Showa Line and Y.S. Line Operate in a combined service that provides one sailing every five days from Vancouver.

Air Transport

No direct air services exist between Canada and The Philippines. Connecting flights are available via North American gateways: New York, Chicago, San Francisco and Los Angeles; Asian gateway: Tokyo; and European gateway: Brussels.

Passenger and cargo charters are available on an as required basis. Consult the originating carrier in Canada for the most expeditious routing for air freight and passenger travel.

V. DOING BUSINESS IN THE PHILIPPINES

Opportunities for Canadian Products and Services

The Philippines presents many opportunities for Canadian exporters. The economy is based on private enterprise, and Filipino businessmen have traditionally looked to North America as a source both of technology and of high-quality products.

Opportunities continue to exist in equipment for the forest industries and agro industries, particularly sugar processing. The high price of gold and the rising prices of other metals have led to increased demand for mining equipment of all sorts. Power generation is increasing rapidly and The Philippines has embarked on an ambitious industrialization plan to develop heavy industry, non-conventional sources of energy, and to upgrade mineral processing. Opportunities will thus exist for consultants and suppliers of capital equipment. Other promising sectors include tourism, the automotive industry, communications, materials handling, oil development and special vehicles.

The Asian Development Bank, which finances development projects throughout the region, has headquarters in Manila. Canada is one of the largest contributors to the Bank, which has an annual lending program of approximately $(U.S.) 1 billion.

Merchandising and Distribution

Large mining and petroleum companies, public utilities and some subsidiaries of foreign firms import machinery and supplies directly, and there are a number of regional trading houses with offices in Manila. Generally, however, the most effective strategy is a traditional agent relationship with a local firm.

Representation and Agents

Canadian exporters looking for suitable agents may wish to write to the Commercial Division of the Canadian Embassy in Manila, enclosing about six sets of company brochures, to receive the names and addresses of prospective representatives. The Canadian company should then contact these Filipino firms directly and, as soon as serious correspondence takes place, a personal visit should be planned.

After visiting The Philippines, you will be in a better position to select an agent. Letters of understanding in which you appoint your agent should then be exchanged. It is important to support your agent by providing technical literature and visiting The Philippines or bringing him to Canada to learn more about your product.

In appointing agents, care should be taken to ensure that conflicting agencies are not appointed or that a firm is not over committed and thus unable to give the support necessary. Agents are normally appointed on an exclusive basis for an initial period of one year.

Agents based in Singapore or Hong Kong have been tried by a number of firms but without conspicuous success. A well-connected local firm has knowledge and contacts that are essential for success. Regional representatives based outside The Philippines are most useful to provide after sales service, or in the case of consulting firms.

Consultants are well advised to have an arrangement with a local firm to co-operate on a project by project basis. (As there are a relatively small number of good consulting engineering firms, they are seldom willing to have an exclusive arrangement.) This might be supplemented by visits from a regional representative. Manila itself, as headquarters for the Asian Development Bank, is an excellent location for a representative office.

Credit Information

The Commercial Division of the Canadian Embassy in The Philippines will obtain a detailed and current status report on request. The cost (about $20.00 to $30.00) will be billed to your company through the Department of External Affairs in Ottawa. As these reports are frequently based on firsthand information obtained by a credit agency, their preparation may take several weeks.

Patents

A patent for an invention is granted to a resident principal or to the agent of a nonresident for 17 years, during which time the patentee is entitled to actions and remedies for the protection of his rights. On the other hand, if a patentee does not properly exploit his invention for three years after its registration, the patent may be subject to a compulsory licence. The Philippines is a member of the Paris Union for the Protection of Industrial Property.

Trademarks

The first user of a trademark is entitled to register it. Registration remains valid for 20 years provided the registrant files an affidavit of use with the Patent Office within one year following the fifth, tenth and fifteenth anniversaries of the registration date. Registration may be renewed for another 20 years.

Copyrights

Application for copyright may be filed through the Philippine Patent Office. Copyrights are valid for 30 years and renewable for a similar period. The Philippines subscribes to the International Convention for the Protection of Industrial Property as revised at the Paris Convention.

Correspondence

Letters should be in English and sent airmail, which normally takes 10 to 20 days. Prompt replies, acknowledgments and follow-up correspondence are important in this market where competitors from many other countries are present.

Advertising and Promotion

The usual facilities and media used in Canada are available in The Philippines. There are a number of advertising and promotional agencies in Manila and Canadian exporters are advised to consult them before embarking on comprehensive advertising campaigns. English language promotional literature is acceptable to the Philippine business community. A Canadian company's complete address, postal code, telephone and telex numbers should be clearly marked on all catalogues and brochures.

English is the language of all major newspapers in Manila, including four daily general newspapers and two daily business newspapers. These publications are eager to receive information about new products and processes. The Canadian Embassy can assist with placing material in these publications.

Price Quotations

Quotations are usually requested in U.S. dollars, c.i.f., Manila.

Usual Terms and Conditions of Payment

Payment is usually by letter of credit until the customer becomes well known to the exporter. (See also section on exchange controls.)

Debt Collection

Canadian exporters are advised to thoroughly investigate the financial status of prospective customers before concluding credit transactions. Legal procedures in The Philippines are usually slow. Companies should only consider litigation to collect debts when all other means have failed.

Banking Facilities

The commercial banking system consists of 26 private Philippine banks, four foreign bank branches and two government banks, while the offshore banking system is composed of 17 foreign bank units. There are 883 rural banks, 10 savings and mortgage banks, 35 development banks and 53 savings and loans associations, all of them private and Philippine-owned.

The combined assets of the commercial banking system totalled Pesos 85,400 million as of late 1978, while those of the offshore system consisted of $(U.S.) 987 million onshore and $(U.S.) 720 million offshore. Rural banks had combined assets of Pesos 3,860 million, while savings and mortgage banks, development banks and savings and loans associations had combined assets of nearly Pesos 5,000 million.

Among the most prominent commercial banks are:

BANK OF AMERICA
BA-Lepanto Building
Paseo de Roxas, Makati
Metro Manila
Telex Nos.: RCA-2245 BOA PH
ITT-5049 AMERICA PM
EAS-3624 BOFA PN
Tel: 86-09-11

HONGKONG AND SHANGHAI BANKING CORP.
Cibeles Building, Ayala Avenue
Makati, Metro Manila
Telex: RCA-2361 HSB PH
Tel: 87-70-31

METROPOLITAN BANK & TRUST CO.
Metrobank Plaza, Buendia Avenue Ext.
Makati, Metro Manila
Telex Nos.: RCA-22122 MET PH
EAS-63555 MET MKT PN
ITT-45344 MBPLAZA PN
Tel: 85-99-11

BARCLAYS BANK INTERNATIONAL LTD.
Sikatuna Building, Ayala Avenue
Makati, Metro Manila
Telex Nos.: EAS-63768 BARBANK PN
RCA-2561 BARBANK PH
Tel: 86-55-16

The local branch of your bank in Canada would be happy to indicate its correspondent banks in The Philippines. The following Canadian banks are represented in Manila:

BANK OF NOVA SCOTIA
Pioneer House, Legaspi Village
Makati, Metro Manila
Telex Nos.: RCA-2427 BNS PH
EAS-64025 BNS PN
Tel: 89-85-76 to 79

BANK OF MONTREAL
Metrobank Plaza Building
Buendia Avenue Extension
Makati, Metro Manila
Telex: EAS-63917 MONTBK PN
Tel: 85-69-56

VI. FOREIGN INVESTMENT, EXCHANGE AND CUSTOMS REGULATIONS

The Philippine government encourages both local and foreign investment. Tax exemptions, financial and technical assistance and other incentives are offered in preferred areas of economic activity. The government has adopted rules liberalizing and encouraging foreign investment. Among such changes are the following:

1. Relaxation of nationality requirements for producers primarily engaged in the export of preferred products.

2. Exemption from the nationality requirement of service exporters primarily catering to foreign tourists and foreign travellers covered by the Tourism Priorities Plan.

3. Reduction of income tax.

4. Liberalization of Central Bank regulation on remittance of profits and dividends and repatriation of capital.

5. Liberalization of immigration rules for foreign investors.

6. Authorization for aliens to engage in the rice and corn industry.

7. Relaxation of the Filipinization requirement for aliens engaged in pioneer areas of investment.

8. Suspension of nationality requirement in certain cases (see below).

Under certain conditions, 100 per cent foreign ownership is permitted in pioneer export-oriented enterprises and up to 40 per cent in certain preferred nonpioneer areas.

In general, foreign investment means equity investment made in the form of foreign exchange or other non-cash assets actually transferred to The Philippines. These non-cash assets may be in the form of capital goods, patents, formulas or other technological rights and processes.

Areas open to foreign investors to the extent of 100 per cent are:

a. Areas designated pioneer in the Investment Priorities Plan. An area is declared pioneer if it involves the manufacture or processing (not merely assembly or packaging) of goods or raw materials not produced in The Philippines on a commercial scale. An area is also qualified as pioneer if it uses a design or process of transformation into another raw material or finished product which is new and untried in The Philippines.

b. Areas being promoted in the Export Processing Zone — Phase I is reserved for light labour-intensive and export-oriented industries while Phases II and III are reserved for medium and heavy industries.

C. Areas which are not overcrowded and which do not conflict with the nationality requirements of the Philippine Constitution and the country's laws. (A list of "overcrowded industries" is being steadily whittled down and it is an announced plan of the government to abolish it altogether.)

If the measured capacity (demand-supply gap) in any non-pioneer area is not filled by Philippine nationals within three years after declaration, the area is open to full ownership by foreign nationals subject to constitutional and statutory limitations. Such foreign enterprises may avail themselves of incentives provided they accept Philippine investment subsequently so that within 30 years 60 per cent of the voting equity will be Philippine.

Enterprises which export at least 60 per cent may also be owned 100 per cent by foreign nationals provided that within 40 years they attain the status of Philippine nationals. Foreign ownership of firms in the Export Processing Zone in Mariveles, Bataan, is allowed up to 100 per cent but only promoted export industries may be set up.

In all the above cases, the period for attaining the status of a Philippine national may be extended for 10 years by the Board of Investment (BOI). Preferred areas of investment are those which will:

1. Economically produce goods for domestic use in substitution for goods being imported in large quantities.

2. Process further agricultural, mining and timber products already being produced for export.

3. Make products at costs low enough to be sold competitively in export markets.

Exchange Controls

The Central Bank has enforced the floating exchange rate system since February 1970. Under this system, foreign exchange receipts from exports and invisible sources may be converted freely into Philippine pesos at the market rate prevailing daily in the foreign exchange market. All foreign exchange must be sold to authorized agent banks within three business days after it is received. Likewise, all foreign exchange payments may be negotiated at the free market rate.

Resident persons, firms, associations or corporations earning or acquiring foreign exchange from abroad arising from invisibles must render to the Foreign Exchange Department of the Central Bank, not later than 15 days after the end of each calendar quarter, a report on foreign exchange earnings, acquisition or receipts sold to authorized agent banks during the quarter.

Firms engaged in oil exploration and oil drilling operations in The Philippines are required to raise all the foreign exchange costs of their projects through sale of the firms' shares of stock abroad or through other means of participation of foreign partners and associates in the venture. For investments in firms engaged in oil refining, the first foreign exchange application needs prior clearance from the Oil Industry Commission.

Investments in foreign currency in Philippine domestic securities may be made by non-residents through inward remittance of foreign exchange and by depositors under the Philippine Currency Deposit System by the withdrawal of funds from their foreign currency account.

Import and Exchange Regulations

Formal import controls were lifted as a consequence of the accession of The Philippines to the GATT. The following is a summary of current import restrictions and regulations:

Importation of the following specific materials need prior Central Bank approval:

1. Wheat flour
2. Foreign leaf tobacco
3. Blooms, slabs, billets
4. Sheet and tinplate bars
5. Iron and steel coils for rerolling
6. CKD car parts
7. Used CKD motorcycles for assembly and spare parts replacement
8. Fertilizer
9. Scrap iron
10. Used trucks and light commercial vehicles, used engines or spare parts, accessories and components
11. Agricultural machinery, implements and spare parts and non-agricultural plant machinery and equipment including spare parts, regardless of value, under deferred payment arrangements with maturity periods longer than 360 days.
12. Non-agricultural, non-plant machinery, equipment and spare parts with an aggregate value of more than $(U.S.) 50,000 for one calendar month, payable within 360 days.

Machinery and equipment with an aggregate value of less than $(U.S.) 50,000 for a 30-day period may be freely imported on a cash basis.

The Central Bank must approve importations, whether through letter of credit (L/C), documents against acceptance (D/A) or open account (C/A) arrangements, maturing beyond 360 days including those with terms shorter than 360 days but subsequently extended beyond 360 days. All such importations are treated as foreign borrowings.

All importations valued at more than $(U.S.) 100, except those allowed through either documents against acceptance (D/A) or open accounts (C/A) arrangements, and importations that do not require payment by local Philippine firms, such as sample and promotional materials, investment in the form of capital goods and importation through barter arrangements, require letters of credit. Importations valued at less than $(U.S.) 100 may be paid for by letters of credit where it can be shown that:

1. there is more than one importation of the same commodity from the same suppliers;

2. the aggregate value of importations exceeds $(U.S.) 100;

3. the importations were shipped on the same vessel on the same date or were mailed on the same or successive dates.

Firms allowed to import through either documents against acceptance (D/A) or open account (C/A) arrangements include:

1. Producers with a history of regular importation under either documents against acceptance or open account arrangements for their end-use.

2. Producers authorized by the Monetary Board to import end-use requirements under either documents against acceptance or open account arrangement to the extent of their actual requirements for production.

3. Producers registered with the Board of Investments and certified as export-oriented by the Central Bank or as franchised public utility concerns.

Foreign Borrowings

All foreign borrowings (in cash or in kind) are subject to prior Central Bank approval. Preference is given to new foreign borrowing covering:

1. Export-oriented projects.

2. BOI-approved projects.

3. Non-export oriented projects not utilizing domestic credit resources.

4. Firms utilizing relatively labor-intensive methods of production.

5. Firms implementing the regional dispersal program (i.e. location outside Metro Manila).

Proceeds of cash loans must be sold by the recipients to authorized agents of the Central Bank (such as commercial banks) within three business days following receipt of the foreign exchange from such cash loans.

There are specific regulations regarding stand-by letters of credit (L/Cs) covering foreign credit lines of domestic entities other than commercial banks. Opening of stand-by letters of credit to cover credit lines is considered as a new foreign borrowing and is subject to Central Bank approval.

Technology Agreements

Royalty and rental contracts involving use of trademarks, copyrights and patents as well as the use or transfer of technology or furnishing of services, the payment for which is based on the value of the article manufactured, used or sold, entered into between residents and non-residents, should:

1. provide for a fixed term not exceeding five years and not contain an automatic renewal clause;

2. not contain restrictions or restrictive business practices prohibiting the local licensee to export the products manufactured under the royalty or rental contract or limiting their exportation abroad only through the foreign licensor as exclusive distributor.

Tariffs and Customs Duties

The tariff code includes a list of banned articles such as unauthorized imports of explosives, narcotics, lottery tickets, inflammatory or indecent communications, gambling devices and falsely or improperly labelled articles or precious metals, foods and drugs. In the last instance, if admitted, such mislabelled articles are subject to a penalty marketing duty of five per cent ad valorem, in addition to all other import duties.

The free list includes a number of articles and basic commodities required for commercial, industrial and agricultural expansion and development and various articles for scientific, educational, medical, religious or emergency relief purposes.

The tariff is based on specific and ad valorem duties; in some cases, both types of tax apply. A number of articles are taxed at rates which presumably are intended to maximize the revenue. These include alcoholic beverages, tobacco and articles classified as luxuries and non-essential.

Protective rates of duty are levied on foodstuffs considered in adequate supply or for which domestic substitutes are available. These rates also apply to an extensive list of articles and goods currently produced or manufactured within The Philippines.

Whenever there is a reasonable doubt concerning the price, the correct value is determined by the reports of either the revenue or commercial attaché or any other Philippine diplomatic officer. These reports are then sent to the Commissioner of Customs who establishes the home consumption price for articles exported to The Philippines. If the dutiable value cannot be determined, value is set at the wholesale selling price of the same or similar articles in Manila or any other principal market in The Philippines on the day the duty becomes payable. In this case, allowances are made for duties and taxes.

Customs Documentation

The following documents are needed to comply with customs and international commerce regulations:

1. Export declaration — the required import letters of credit must be opened on or before the date of actual shipment.

2. Copy of the letter of credit.
3. Consular invoice for shipments over P500 in export value.
4. Certificate of origin.
5. Commercial invoices.
6. Central Bank release certificate.
7. Bill of lading.
8. Destination control statement (U.S. goods).
9. Inward cargo manifest.
10. Delivery permit.

As it may take some time for the importer to obtain documents via the involved Manila bank, duplicates of all documents should be sent directly to the importer for customs purposes.

VII. SERVICES FOR EXPORTERS

Export Development Corporation

Of vital importance to Canadian businessmen is the Export Development Corporation (EDC), a Crown corporation which reports to parliament through the Minister of Industry, Trade and Commerce. Its purpose is to encourage, facilitate and develop Canadian export trade by providing credit insurance, guarantees, loans and other financial assistance to enable exporters to meet international competition.

The main functions of EDC are:

1. to insure the Canadian exporter against non-payment due to credit or political risks beyond the control of either the exporter or the buyer when export sales are made on normal credit terms. Almost all export transactions are insurable, not only those involving goods or technical services but also involving "invisible" exports such as managerial services, advertising programs, the licensing or sale of patents, trademarks, copyrights, etc;
2. to issue appropriate guarantees to chartered banks or to any person providing non-recourse supplier financing in respect of an export sale. Guarantees may also be issued in connection with a loan made to a foreign buyer for the purchase of Canadian goods and services;
3. to finance foreign buyers of Canadian capital goods and related services when extended credit terms are necessary and are not available from commercial lenders. Major engineering and other technical services (but not feasibility studies) may be financed, even when such sales are not related to the export of goods;
4. to insure Canadian investments abroad against non-commercial risks such as loss through confiscation, expropriation, war or revolution or the inability to repatriate capital or earnings.

EDC, which succeeded the Export Credit Insurance Corporation in October 1969, has its head office in Ottawa (mailing address: P.O. Box 655, Ottawa, Ontario K1P 5T9). Branch offices are maintained in Montreal, Toronto, Vancouver, Edmonton and Halifax. In other centres EDC is represented by regional offices of the Department of Industry, Trade and Commerce.

Program for Export Market Development

In 1972, the Department of Industry, Trade and Commerce initiated a Program for Export Market Development (PEMD) designed to assist individual firms in their particular marketing endeavours. Briefly, financial assistance may be provided to cover:

1. precontractual and bidding costs for specific capital projects
2. travel and related costs in market identification and market adjustment
3. costs of individual participation in foreign trade fairs
4. specified costs of bringing foreign buyers to Canada

Applications and information can be obtained at the nearest regional office, Department of Industry, Trade and Commerce (in the respective provinces).

Fairs and Missions

In order to further stimulate Canadian exporters in developing business in foreign markets, the Promotional Projects Branch, Department of Industry, Trade and Commerce, Ottawa, administers the following promotion programs:

1. participation in trade fairs abroad
2. trade missions to and from Canada
3. in-store promotion; point-of-sale displays
4. export-oriented technical training for buyer's representatives

For further information, write to:

Director
Trade Fairs and Missions Branch
Department of Industry, Trade and Commerce
Ottawa, Ontario K1A 0H5

or contact the nearest regional office of the Department of Industry, Trade and Commerce.

VIII. USEFUL ADDRESSES

In the Philippines (see Section V for addresses of banks in Manila)

CANADIAN EMBASSY
Commercial Division
4th Floor, Cibeles Building
Ayala Avenue, Makati
Metro Manila
Telex: 63676 DOMCAN PN
Tel: 87-65-36

CENTRAL BANK OF THE PHILIPPINES
A. Mabini Street, Ermita
Metro Manila
Telex Nos.: RCA-27550 CBP PH
ITT-40030 CENBANK PM
EAS-63343 CENBANK PN
Cable: PHILCEN BANK MANILA
Tel: 50-70-51

DEVELOPMENT BANK OF THE PHILIPPINES
Buendia Avenue Extension
Makati, Metro Manila
Telex Nos.: ITT-45128 DBPHIL
RCA-22197
Cable: PHILDEBANK
Tel: 818-9511

SECURITIES & EXCHANGE COMMISSION
SEC Building, E. delos Santos Avenue
Ortigas, Metro Manila
Tel: 77-20-11

MINISTRY OF INDUSTRY
Industry and Investment Building
385 Buendia Avenue Extension
Makati, Metro Manila
Telex: (742) 5555 MI PM
Cable: MINDUSTRY
Tel: 818-1830 to 39

BOARD OF INVESTMENT
Industry and Investment Building
385 Buendia Avenue Extension
Makati, Metro Manila
Telex: ITT-74245555 BOI PM
Cable: INVESTBOARD
Tel: 818-1830 to 39

MINISTRY OF TRADE
Filcapital Building, Ayala Avenue
Makati, Metro Manila
Tel: 86-74-64

EXPORT PROCESSING ZONE AUTHORITY
4th Floor, Legaspi Towers 300
Units 1, 2, 3 Vito Cruz corner
Roxas Boulevard, Manila
Telex Nos.: ITT-40723 EPZA PM
PT&T-2525 EPZA PU
Cable: BATAANZONE MANILA

NATIONAL ECONOMIC AND DEVELOPMENT AUTHORITY
Central Bank Multi-Storey Building
A. Mabini Street, Ermita
Metro Manila
Tel: 50-39-71/57-48-61

PHILIPPINE AIRLINES
PAL Building, Legaspi Street
Makati, Metro Manila
Telex Nos.: EAS-63518 PAL PN
ITT-45023 PHILAIR PM
RCA-22106 PEX PH
Cable: FILAIR LINE MANILA
Tel: 818-0111

CANADIAN PACIFIC AIRLINES
Pacific Bank Building, Ayala Avenue
Makati, Metro Manila
Tel: 89-85-31

SYCIP, GORRES, VELAYO & CO.
SGV Building, Ayala Avenue
Makati, Metro Manila
Telex Nos.: RCA-22160 SGV PH
EAS-63743 SGV PN
ITT-45096 CERTIFY PM
Cable: CERTIFIED MANILA
Tel: 89-30-11

PRICE WATERHOUSE & CO.
8th Floor, Rufino Building
Ayala Avenue, Makati
Metro Manila
Telex Nos.: RCA-22370 PRW PH
ITT-5087 PRICE WT PM
Cable: PRICEWATER MANILA
Tel: 86-5901 to 03

In Canada

Asia Division
Bureau of Asian and Pacific Affairs
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario K1A 0H5
Tel: (613) 992-0356

Embassy of The Philippines
130 Albert Street, Suite 607-8
Ottawa, Ontario K1P 5G4
Tel: Embassy: (613) 233-1121
Commercial Office: (613) 235-0450

Consulate of The Philippines
111 Avenue Road
Toronto, Ontario M5R 3J8
Tel: (416) 922-7181

Consulate of The Philippines
Suites 301-308
470 Granville Street
Vancouver, British Columbia V6C 1V5
Tel: (604) 685-7645

REGIONAL OFFICES

IF YOU HAVE NOT PREVIOUSLY MARKETED ABROAD, CONTACT ANY REGIONAL OFFICER OF THE DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE AT THE ADDRESSES LISTED BELOW

NEWFOUNDLAND LABRADOR	127 Water Street P.O. Box 6148 St. John's, Newfoundland A1C 5X8	Tel: (709) 737-5511 Telex: 016-4749
NOVA SCOTIA	Suite 1124, Duke Tower 5251 Duke Street, Scotia Square Halifax, Nova Scotia B3J 1N9	Tel: (902) 426-7540 Telex: 019-21829
NEW BRUNSWICK	Suite 642 440 King Street Fredericton, New Brunswick E3B 5H8	Tel: (506) 452-3190 Telex: 014-46140
PRINCE EDWARD ISLAND	P.O. Box 2289 Dominion Building 97 Queen Street Charlottetown, Prince Edward Island C1A 8C1	Tel: (902) 892-1211 Telex: 014-44129
QUEBEC	C.P. 1270, Station B Suite 600 685, rue Cathcart Montréal (Québec) H3B 3K9	Tél: (514) 283-6254 Télex: 055-60768
	Suite 620, 2, Place Québec Québec (Québec) G1R 2N5	Tél: (418) 694-4726 Télex: 051-3312
ONTARIO	P.O. Box 98, Suite 4840 No. 1, First Canadian Place Toronto, Ontario M5X 1B1	Tel: (416) 369-4951 Telex: 065-24378
MANITOBA	507 Manulife House 386 Broadway Avenue Winnipeg, Manitoba R3C 3R6	Tel: (204) 949-2381 Telex: 075-7624
SASKATCHEWAN	Room 980 2002 Victoria Avenue Regina, Saskatchewan S4P 0R7	Tel: (306) 359-5020 Telex: 071-2745

ALBERTA AND NORTHWEST TERRITORIES	500 Macdonald Place 9939 Jasper Avenue Edmonton, Alberta T5J 2W8	Tel: (403) 420-2944 Telex: 037-2762
BRITISH COLUMBIA YUKON	P.O. Box 49178 Suite 2743 Bentall Centre, Tower III 595 Burrard Street Vancouver, British Columbia V7X 1K8	Tel: (604) 666-1434 Telex: 04-51191

PHILIPPINES