

Infrastructure, Government & Healthcare (IGH)



15 September 2008 –
26 September 2008

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The attached industry update from Manabat Sanagustin & Co. is a bi-weekly collection of the latest news and developments from the country's Infrastructure, Government and Healthcare (IGH) sector. We hope that you will find this service, which the Firm provides its clients for the different Lines of Business, interesting and useful.

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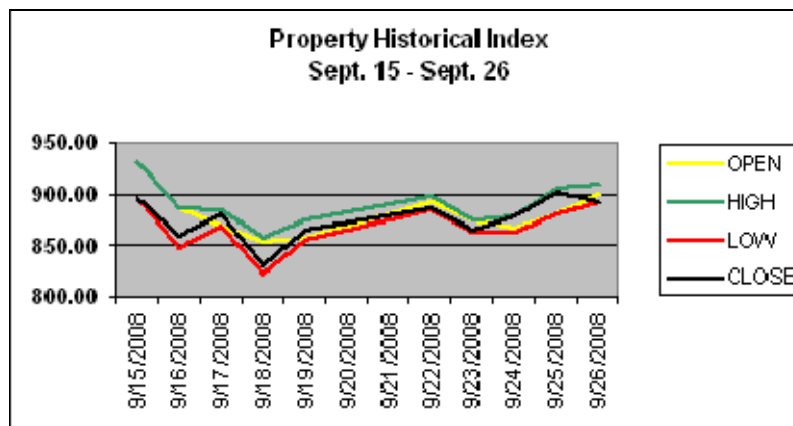
Philippine Stock Exchange Top Gainers for Sept. 22-26 Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 week	4 weeks	
1	Energy Development (EDC) Corporation	4.20	37.70	(7.69)	886,274
2	Keppel Philippines Holdings, Inc. "A"	2.00	31.58	33.33	152
3	Aboitiz Transport System (ATSC) Corporation	1.76	29.41	51.72	5,668
4	eTelecare Global Solutions, Inc.	387.50	29.17	25.00	13,367
5	Jollibee Foods Corporation	52.00	26.83	19.54	342,984
6	Cityland Development Corporation	1.60	23.08	(20.00)	16
7	Splash Corporation	5.20	20.93	40.54	41,541
8	San Miguel Corporation "B"	59.00	19.19	31.11	77,121
9	San Miguel Corporation "A"	58.00	18.37	31.82	65,395
10	Minerales Industrias Corporation	3.35	17.54	11.67	24,376

Philippine Stock Exchange Top Gainers for Sept. 22-26 PER, EPS & BPV

Rank	Stock	PER	EPS	BPV
1	Energy Development (EDC) Corporation	8.81	0.48	1.89
2	Keppel Philippines Holdings, Inc.	21.55	0.09	0.68
3	Aboitiz Transport System (ATSC) Corporation	61.35	0.03	0.96
4	eTelecare Global Solutions, Inc.	17.93	21.61	1.96
5	Jollibee Foods Corporation	23.30	2.23	3.91
6	Cityland Development Corporation	5.39	0.30	0.83
7	Splash Corporation	15.44	0.34	1.43
8	San Miguel Corporation "B"	8.56	6.89	1.21
9	San Miguel Corporation "A"	8.41	6.89	1.19
10	Minerales Industrias Corporation	(418.89)	(0.01)	977.59

Source: Philippine Stock Exchange, Weekly Market Watch, VOL. II NO. 39



IN THE NEWS:

SM says sales of Edsa condo project remain brisk

SM Development Corp., the residential arm of mall tycoon Henry Sy, has sold roughly P2 billion or 70 percent of units at its 40-story condominium project beside its second biggest mall in the country in North Edsa. Grass Residences is a three-tower condominium cluster that will offer a total of 5,300 units when completed. Its first tower, which is nearly completely sold, has 1,870 units. Each tower is expected to churn out P3.5 billion in sales for a total of P10.5 billion. Unit sizes range from 22 to 36 square meters for a one-bedroom unit (selling for P1.5 million to P1.7 million), 46-62 sq.m. for a two-bedroom unit (P2.6-P4.8 million) and 66-69 sqm. for a three-bedroom unit (P5.5-P7.5 million) at an average price of P75,000 a square meter. Grass Residences, which has a development budget of P6 billion, has allotted 2.5 hectares of premium open space or 75 percent of its total land area for parks and playgrounds, unique landscape features swimming pools, a resort clubhouse, and a pavilion Araneta said. Grass Residences' design theme of tropical modern architecture with Queensland Australian motif was conceived by Asya Design Partners, an architectural firm that promotes green architecture concepts.

http://business.inquirer.net/money/topstories/view_article.php?article_id=162043

Medical, tourism and housing projects get perks

The Board of Investments (BoI) has granted incentives to the P1.7-billion expansion of Makati Medical Center's (MMC) and to 13 other projects worth P1.325 billion operated by firms in the tourism, real estate and manufacturing industries. BoI documents showed Medical Doctors, Inc. will spend P900 million for the construction of a 12-storey building for MMC that will contain new diagnostic and treatment centers, operating and delivery rooms. The rest of the funds will be spent on state-of-the-art equipment. The project will double MMC's capacity to 945 beds from 500 and will accommodate 4,500 more patients. Meanwhile, Legend Hotel International Corp.'s P42.3-million renovation of an acquired motel in Malibay, Pasay City will also get incentives. Commercial operations will start in January. BoI also granted incentives to six low-cost mass housing projects worth a total of P1.008 billion.

P.A. Alvarez Properties and Development Corp. is spending P413.474 million to build 1,267 housing units on 13.3 hectares of land in San Pedro, Laguna. Stateland, Inc. is also spending P307 million to build 202 units and develop 4.3 hectares in Imus, Cavite, while Crown Communities, Inc. is building 538 units that will occupy 12.4 hectares of land in Lumbia, Cagayan de Oro. The project will cost P173.8, Bol documents showed. Meanwhile, Kenrich Development Corp. is spending P22.861 million for its mass housing project consisting of 41 low- and medium-cost duplex housing units on 6,400 square meters of land in Li-loan, Cebu. Bol likewise granted pioneer status to a P5.272 robotics project by Dutch-owned HGG Profiling Specialists Phil., Inc. HGG will use high-technology to process steel for ship building.

<http://www.bworldonline.com/BW092608/content.php?id=042>

State infrastructure projects incur end-June cost overruns

The National Economic and Development Authority (NEDA) said seven infrastructure projects have incurred cost overruns worth billions of pesos at end-June. The agency said the cost overruns totaled P2.27 billion. NEDA said five projects funded by official development assistance (ODA) that are expected to post cost overruns this year are the Metro Iligan Regional Infrastructure Development Project, Rural Road Network Development Project III, Central Mindanao Road Project, Urgent Bridge Construction Project for Rural Development, and Iloilo Flood Control II. The Philippine National Railways (PNR) and Light Rail Transit Authority (LRTA) submitted reports that showed that the Northrail-Southrail Linkage Project Phase I would post a cost overrun of P648.12 million and the LRT Line I Capacity Expansion Project Phase II would post a P1.622-billion worth cost increment. Roderick Planta, NEDA project monitoring staff director, said the agencies cited the same issues for the cost increases as those identified in the 2007 ODA Portfolio Review. These reasons include increases in prices of labor, materials, and equipment, changes in scope or variation orders/supplemental agreements, high bids, value-added tax and other taxes, foreign exchange movement, increase in consulting service costs, administrative costs, and increase in right of way or land acquisition and resettlement costs as well as price adjustments.

<http://www.manilatimes.net/national/2008/sep/25/yehey/business/20080925bus5.html>

RP infrastructure program calls for huge funding—Recto

The government's strategic measure to minimize the impact of the global economic slowdown on the country includes spending trillions of pesos to finance infrastructure projects up to the end of President Gloria Arroyo's term. Socioeconomic Planning Secretary Ralph Recto said the government needs P2 trillion from 2008 to 2010 to fund key infrastructure projects under the updated 2008 to 2010 Comprehensive and Integrated Infrastructure Program (CIIP). Recto said P1.15 trillion of CIIP's financing would come from the national government and P613 billion from the private sector. He said the economy slowed 4.6 percent in the first half at a time when public construction contracted. Of CIIP's total fund requirements, the transportation sector has the highest share at 38 percent or P755 billion followed by power electrification, P611 million; water resources, P347.53 million; social infrastructure, P167.91 million; communication, P56.49 million and relending program, P36.69

million. The P94 billion will be funded by the government-owned and -controlled corporations; P26 billion by government financial institutions; P10 billion by local governments and P118 billion will be funded through other sources such as grants, Universal Charge for Missionary Electrification. Of the whole transport sector, Recto said roads and bridges and rail transport with shares of 44 percent and 39 percent, respectively, comprise the biggest investment requirement.

<http://www.manilatimes.net/national/2008/sep/18/yehey/business/20080918bus7.html>

PAL set to offer cheaper fares

Despite soaring jet fuel prices, Philippine Airlines said it would offer cheaper fares to attract more passengers to fly in the region as the airline carrier add more flight frequencies. In a statement, the country's flag carrier said it would fly twice daily to Bangkok when it adds three more frequencies to its previous four evening flights on October 2. This boosts the weekly PAL service between Manila and Bangkok from 11 to 14 flights, making it the dominant Philippine carrier on the route. Complementing the frequency increase, PAL has also introduced a series of promotional fares to Bangkok and other major tourist destinations in Indonesia and Vietnam through joint services with partner carriers in the region. PAL has also launched attractive promotional fares to key points in Indonesia and Vietnam via a combination of its regular and interline services. Special round-trip fares to Indonesia start at \$282 for a routing from Manila to Jakarta vice-versa on PAL flights PR 535 / PR 536, connecting to a Jakarta-Denpasar (Bali) vice-versa flight on PAL's interline partner Garuda.

<http://www.manilatimes.net/national/2008/sep/18/yehey/business/20080918bus12.html>

WB's Cities Alliance program grants aid to RP's League of Cities

The Cities Alliance, a Global Partnership Program housed in the World Bank (WB) has extended a grant to cities in the Philippines to help improve governance and delivery of social services in urban areas. Bert Hofman, WB Country Director said the grant agreement was signed on September 15 and the League of Cities of the Philippines (LCP) will receive \$169,000 for three activities: (1) A review of the City Development Strategy (CDS) program. The study will draw lessons from the implementation of the CDS program that could be used to improve local governance and strengthen the performance of cities. (2) A documentation of an innovative shelter management program by Marikina City which has successfully housed its poor residents. (3) The publication of the State of Philippine Cities Report that will serve as basis for project design, policy formulation and further assistance to cities from their development partners. Hofman said the financial grant to the LCP is part of the World Bank's continuing efforts to help the Philippines, a middle-income country, achieve pro-poor growth and development. The Cities Alliance supports cities in two key areas: the preparation of City Development Strategies (CDS) and citywide and nationwide slum upgrading programs. The CDS is a participatory planning tool that aims to assist cities address the pressures of rapid urbanization including congestion and rising demand for basic urban services like transport, shelter, water, sanitation and health services, among others.

<http://www.manilatimes.net/national/2008/sep/26/yehey/business/20080926bus13.html>



Feedback

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