



PMAI Newsletter

Every generation has some fool who will speak the truth as he sees it! Boris Pasternak

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SHIMAO GROUP OF CHINA TO INVEST IN BOHOL

March 26, 2007

The second richest man and the biggest investor in China scouted around for possible investment areas in Bohol last Wednesday.

Shepherded by Ambassador Carlos Chan, Bohol benefactor and special envoy to China designated by President Gloria Macapagal-Arroyo, Hui Wing Mao, Shimao Group chair expressed heightened interest when Bohol Gov. Erico Aumentado said he will initiate changes to Republic Act 7652 or the Investors' Lease Act.

"This law was approved on June 4, 1993 when I was still in Congress. While it already allows long-term lease, the prohibition on foreigners from owning land or other property needs to be amended to make the Philippines more attractive to investors," Aumentado told Hui during the meeting that afternoon at the Chatto Hall of the Governor's Office at the Capitol. Chan acted as interpreter.

The Investors' Lease Act allows foreigners, among others, to lease land or other property for 50 years, renewable once for 25 years.

Aumentado admits it would be better if this law were amended. The amendment should include allowing foreign investors to own lands in the Philippines and be controlling investors in businesses such as communications. It will definitely entice more foreign investors who are expected to pour in more investments if they own the land, he said.

"There will be changes in Congress because of the upcoming elections. Letting the exercise pass would be the opportune time to advocate for change," Aumentado said. "You have a US\$10 million exposure in China. I hope your company will also invest in Bohol," Aumentado said.

To help Hui decide on the particular business to invest in, the governor said construction of the Panglao Bohol International Airport Development Project will start next

year after President Arroyo ordered the advancing of its bidding from the last to the third quarter of this year.

The airport will have a three-kilometer runway so that it can accommodate jumbo jets already. President Arroyo has declared the Panglao Airport to be an international one - not 'domestic but of international standards.' She also wants it finished and ready for inauguration by April 5, 2010 - her birthday.

"With an international airport, Bohol will be nearer to the world, especially China where Ambassador Chan has been promoting us," the governor said.

Hui and Chan nodded their approval when Aumentado said under the Bohol Investment Code, the province lets new investors avail of realty tax holidays of up to seven years.

The governor also chairs the Bohol Investment Board (BIB) that screens applications for incentives.

The governor also told the property developer that Bohol's peace and order is good; the National Police Commission even declared it as the 'Most Peaceful Province.'

"No foreigner tourist or investor here was molested - even in the hinterlands," he said.

That is why Chairman Meng Jian Zhu of the Communist Party of the Provincial People's Government of Jiangxi is close to President Arroyo's heart: he declared that the People's Republic of China has withdrawn support from the communist movement in the Philippines, Aumentado said.

At breakfast the following day at the Bohol Tropics Resort, Chan announced his invitation for the Loboc Children's Choir to perform in Shanghai again in July.

He said Gov. Wu Xinxiang is due to visit Bohol by the end of May - a post-sisterhood agreement anniversary visit. Aumentado and former Jiangxi Gov. Huang Zhiquan signed the agreement in Nanchang City on May 8 last year.

Chan will return to Bohol in August to inaugurate the Loboc Children's Palace now undergoing construction with an P8-million funding that he donated. After breakfast, Aumentado sent Hui's and Chan's parties off at the Tagbilaran Airport.

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Saudi prince to invest in Bohol

March 13, 2007

GOV. Erico Aumentado has been soliciting far and wide for investments that would develop Bohol along the areas of its two economic drivers: tourism and agriculture - according to its vision, mission and goals. His latest endorser turns out to be no less than President Gloria Macapagal-Arroyo who yesterday announced that as an offshoot to her visit to Saudi Arabia last year, Saudi Prince Al Walid bin Talal is bent on buying Bohol Beach Club property for \$150 million on which to build a six-star resort of The Raffles fame with the Ayalas.

The President ad-libbed the announcement during a 30-minute speech interrupted by numerous rounds of applause before a crowd of around 20,000 that included some 15,000 youths at the CPG Sports Complex in Tagbilaran City celebrating Bohol Youth Day. Lawyer Anos Fonacier, Father of Bohol's Tourism who invested in a high-end resort in Bolod, Panglao 20 years before tourism in the province became vogue told the Post he has "some 300 hectares there." Details still have to be fleshed out however as Aumentado seated Fonacier with the President at lunch at the Grand Sandugo Ballroom of the Bohol Tropics Resort where the two talked for some five minutes only.

CHINA SWITCHES ON TO NEED FOR ENERGY CONSERVATION

The Japan Journal Reports - The Japanese and Chinese public and private sectors have started to cooperate closely on the promotion of energy-saving technology in china. Ministerial meetings and large-scale conferences such as the Japan-China Energy Conservation and Environmental Issues Forum held in Tokyo last year are now leading to the implementation of measures that promise to greatly improve the energy situation not only in China, but also across the Asian Region.

Takami Makito reports – “Energy conservation efforts are now only getting underway in China, and so there is a lot of room for energy consumption to be improved. China will be looking at Japan’s energy-conservation systems and technologies.”

Projects Underway – In the wake of the forum, Japan-China cooperation on energy conservation has been attracting a lot of attention, but energy-conservation projects featuring Japanese technology have been in fact already underway in China since the 1990s. One such successful project was the Coke Dry Quenching (CDQ) project completed at the Beijing steelworks of the Shougang Group, a major Chinese iron and steel manufacturer. The coke needed to produce iron is produced by baking in a coking furnace, and until now, water was generally used to cool the high-temperature coke that was emitted from the coking furnace. However, with CDQ, the coke is quenched in a hermetically-sealed cooling chamber using nitrogen gas instead of water. Compared with the previous method that used water, CDQ dramatically cuts down on the carbon dioxide and particulate matter produced, and furthermore, enables the heat produced to be recovered and used for generating electricity.

This project was undertaken as Japan’s New Energy and Industrial Technology Development Organization (NEDO) energy-conservation model project, and through NEDO, the Japanese government has contributed some 3 billion yen (USD25 million) to this project, while the Nippon Steel Corporation undertook the production of the CDQ equipment, procured the required equipment, installed the CDQ equipment, and provided technical guidance. Nippon

Steel Corporation subsequently set up a joint venture together with the Shougang Group, and has been actively promoting CDQ sales in the Chinese market with growing success.

“This CDQ Project can be cited as an example of a project that was spearheaded jointly by the Chinese and Japanese governments, but also one in which private enterprise then succeeded in promoting and popularizing the technology used,” explains Nishimura Hidetoshi, executive managing director of the Japan-China Economic Association. “We need to generate more of these kinds of projects in the future.”

The Japanese government has made ODA-based cooperative efforts in the environmental sector a priority. For example, the Sino-Japan Friendship Center for Environmental Protection opened in 1996, technical cooperation in the form of anti-pollution technology and environmental monitoring has been carried out through the dispatch of JICA experts and training initiatives. From 2001 to 2005, Japan and China signed off on thirty environmental protection projects to be funded by yen loans, with some 300 billion yen (USD2.5 billion) of funding provided through such loans. This amount accounts for 44% of the total balance of yen loans over this period. This cooperation in the environmental sector on the part of the Japanese government has also evolved projects in energy conservation, like NEDO’s CDQ Project.

However, since last year, energy conservation cooperation initiatives being discussed between China and Japan have more characteristically been aimed at the promotion of energy-saving technology on a business basis.

“Companies have spent a number of years developing, improving, and accumulating energy-saving technology,” explains Nishimura. “So, if energy-saving technology does not take off on a business level, then no real energy conservation gains will be made in China.”

Japan’s Initiatives – have resulted in Japan becoming the world’s most energy-efficient nation, with Japan using around one-ninth of the energy China does when comparing the amount of prime energy consumption per GDP. (See the table on the next column.)

Table Showing an International Comparison of Primary Energy Consumption per Unit of GDP with Japan as the Basis.

Japan	1.0 (basis)
Europe	2.0 (x Japan)
USA	3.0 (x Japan)
S. Korea	3.5 (x Japan)
Canada	4.0 (x Japan)
ASEAN, average	4.5 (x Japan)
Thailand	6.5 (x Japan)
Mid. East	7.0 (x Japan)
China	9.0 (x Japan)
India	9.2 (x Japan)
Indonesia	9.5 (x Japan)
Russia	17.5 (x Japan)

Note: Calculated as primary energy consumption (oil equivalent tonnes)/GDP (USD1,000).

Source: IEA Energy Balance 2004.

FUTURE OUTLOOK

Energy demand will only continue to grow in the future, not only in China, but also right across Asia. India, for instance, is predicted to become the world’s third-largest energy-consumer after the USA and China by 2030, and in light of this, Japan is working on promoting energy-saving technology not only in china but in other Asian countries as well. In June 2006, NEDO entered into an agreement with the Indian government to commence a CDQ model project like that undertaken in China. In December 2006, the Japan-India Energy Forum was jointly hosted by NEDO and the Energy Resource Research Institute (TERI) in New Delhi, where discussions were held on energy-saving technology.

The need for energy-saving technology only looks set to increase further throughout Asia in the future. In the Philippines, a lot of energy can be saved if both our Legislative Houses will conserve the dissipation of hot air trying to impeach the President and disrupting normal economic and business processes proving to be inimical to our country’s interests. Our dream of a progressive Philippines is fading away in the far distance. We should be very careful and meticulously choose whom we vote for this May 14. We usually get what we deserve, don’t we?