

MALACAÑAN PALACE

MANILA

EXECUTIVE ORDER NO. 37

RESTATING THE PRIVATIZATION POLICY OF THE GOVERNMENT

WHEREAS, Proclamation No. 50, s. 1986, launched a program for the disposition and privatization of government corporations and/or the assets thereof and created the Committee on Privatization (COP) and the Asset Privatization Trust (APT);

WHEREAS, Republic Act No. 7181, s. 1992, extended the life of the COP and APT from December 8, 1991 up to December 31, 1993;

WHEREAS, Administrative Order Nos. 8 and 9, s. 1992, directed the identification of idle government properties and recommend to the President an action plan for the disposition of such properties;

WHEREAS, 122 government owned or controlled corporations (GOCCs) were approved for privatization while 179 GOCCs were identified for retention, abolition, regularization or other dispositive modes;

WHEREAS, of the 122 GOCCs for privatization, 72 GOCCs were privatized/disposed as of September 30, 1992, generating gross sales proceeds of P22 billion;

WHEREAS, 399 transferred assets were entrusted to APT for disposition, of which 288 were privatized/disposed as of September 30, 1992, generating gross sales proceeds of P31 billion;

WHEREAS, the privatization program has proven successful and beneficial to the economy in terms of expanding private economic activity, improving investment climate, broadening ownership base and developing capital markets, and generating substantial revenues for priority government expenditures;

WHEREAS, there is still much potential for harnessing private initiative to undertake in behalf of government certain activities which can be more effectively and efficiently undertaken by the private sector;

NOW, THEREFORE, I, FIDEL V. RAMOS, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Restatement of Policy. - The National Government hereby reaffirms its privatization policy to promote an orderly,

coordinated and efficient program for the privatization of government entities, assets or activities which are better managed, undertaken or owned by the private sector.

Section 2. Privatization of GOCCs Approved for Disposition. Pursuant to the principles provided in Proclamation No. 50, s. 1986, the COP designated disposition entities shall submit to the COP a privatization action plan for all GOCCs approved for divestment as listed in Annex "A" within one month (1) from issuance hereof; Provided, that said action plan must contain a description of the privatization process to be adopted and a time frame for each step thereof. Said action plan shall include an offer to sell the company's shares/assets within five (5) months from its approval by the COP.

Section 3. Review of GOCCs for Retention. - The Government Corporate Monitoring and Coordinating Committee (GCMCC) shall review the need to retain the GOCCs which were previously approved for retention, including but not limited to those listed in Annex "B" hereof, and submit its recommendation of companies, activities or assets thereof of a second group of GOCCs for privatization, to the COP within two (2) months from issuance hereof.

Section 4. Designation of Disposition Entity - The COP shall review the list of disposition entities designated for the privatization of GOCCs and designate another disposition entity, such as the APT or the National Development Company (NDC) if it is necessary for the effective and expeditious privatization of certain GOCCs.

Section 5. Sale of Idle Government Properties. - The Committees created pursuant to Administrative Order Nos. 8 and 9, s. 1992, shall submit its recommended action plan for the disposition of idle government properties to the President, through the COP, within three (3) months from issuance hereof.

Section 6. Privatization of Other Activities. - All heads of departments, bureaus, agencies and other government corporations shall identify their assets or activities which may be more efficiently, effectively and economically undertaken by the private sector through such arrangements as sale of physical assets, leasing of assets, management and maintenance contracts or build-operate-transfer (BOT) schemes. Where these are within their competence, they shall implement such privatization directly. Where these require actions of the Office of the President or legislation, they shall submit their recommendations to the COP not later than three (3) months from issuance hereof. Where further assistance is needed, they may consult the COP and avail of grants for technical assistance for privatization, administered by the Department of Finance.

RECORDED

Section 7. Distribution of Net Proceeds - Except for subsidiaries of the Government Service Insurance System and the Social Security System, all GOCCs shall remit to the National Government at least fifty percent (50%) of the net proceeds derived from the sale of shares or assets effective October 14, 1992. Net proceeds shall mean gross proceeds less related liabilities and selling expenses.

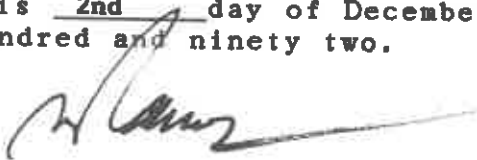
Section 8. - Implementing Rules. - The COP shall issue the necessary rules and regulations for the implementation of this Order within thirty (30) days from issuance hereof.

Section 9. Effectivity. - This Order shall take effect immediately.

Done in the City of Manila, this 2nd day of December, in the year of Our Lord, nineteen hundred and ninety two.

By the President:


EDELMIRO A. AMANTE
Executive Secretary



REMAINING GOCCS FOR PRIVATIZATION

CORPORATION

AREA OF ACTIVITY

ASSET PRIVATIZATION TRUST

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1 APO Production Unit Inc.	Printing services
2 Associated Bank	Commercial banking
3 Basin Dredging and Development Corporation	Dredging and reclamation
4 Bicolandia Sugar Development Corporation	Sugar milling
5 East Visayas Agricultural Projects, Inc.	Swine, poultry, farming
6 Leyte Park Hotels, Inc.	Hotel operations
7 Northern Foods Corp.	Tomato paste production
8 Philippine Fruit & Vegetable Industries Inc.	Tomato paste production
9 Philippine Shipyard Engineering Corp.	Ship repair and fabrication of of steel prod.
10 Philippine Sugar Corporation	Finance acquisition, rehab/expansion of sugar mills
11 Phividec Panay Agro-Industrial Corp.	Plantation farming/fertilizer prod'n & trading
12 Ridge Resort & Convention Center, Inc.	Resort and convention facility mgt.
13 San Carlos Fruit Corp.	Fruit puree production

DEVELOPMENT BANK OF THE PHILIPPINES

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1 DBP Data Center Inc.	Dev't and mgt. of DBP computer sys. & personnel
2 Philippine Amanah Bank	Commercial banking

DEPARTMENT OF AGRICULTURE

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1 Food Terminal, Inc.	Food trading, processing, storage, real estate mgt.
2 Republic Transport and Shipyard Corp.	Sugar terminal and shipyard operation

DEPARTMENT OF TRANSPORTATION AND COMMUNICATION

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1 Metro Manila Transit Corp.	Passenger bus operation and leasing
2 Philippine Aerospace Development Corp.	Aircraft mgt., maintenance eng., selling
3 Philippine Helicopter Services Inc.	Maintenance and overhaul of helicopters

GOVERNMENT SERVICE INSURANCE SYSTEM

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1 Manila Hotel Corporation	Hotel operation and management
2 Meat Packing Corporation of the Philippines	Meat processing/canning

REMAINING GOCCS FOR PRIVATIZATION

CORPORATION	AREA OF ACTIVITY
NATIONAL DEVELOPMENT COMPANY =====	
1 Batangas Land Company Inc.	Land ownership
2 CY Real Estate Inc.	Land ownership
3 Kamayan Realty Corp.	Land ownership
4 Nadeco Realty Corp.	Land ownership
5 National Steel Corp.	Steel production
6 National Trucking and Forwarding Corp.	Trucking, freight forwarding
7 NDC-Guthrie Estates, Inc.	Palm oil production
8 NDC-Guthrie Plantations, Inc.	Palm oil plantation
9 Philippine Associated Smelting & Refining Corp.	Copper smelting and refining
10 Philippine Phosphate Fertilizer Corp.	Fertilizer production
11 Philippine Plate Mills Company, Inc.	Manufacturing of steel plates
12 Philippine Pyrite Corp.	Production of pyrite concentrates
13 Pinagkaisa Realty Corp.	Land ownership
14 Refractories Corporation of the Philippines	Production of basic refractories
15 Semirara Coal Corp.	Coal mining
PRESIDENTIAL MANAGEMENT STAFF =====	
1 Integrated Feed Mills Corp.	Feed production
2 Marawi Resort Hotel Inc.	Hotel operation
3 Mindeva Coco-Coir Industries, Inc.	Production of coco-coir fiber product
4 Mountain Springs Development Corp.	Swine raising
5 Panaon Prawn Development Corp.	Prawn pry and larvae raising
6 Shoe Technology Corp.	Footwear manufacturing
PHILIPPINE NATIONAL OIL COMPANY =====	
1 Filoil Industrial Estates Inc.	Land ownership
2 Filoil Refinery Corp.	Oil refining
3 Malangas Coal Corp.	Coal mining
4 PNOC Oil Carriers, Inc.	Int'l Oil Tanker operation
NATIONAL IRRIGATION AUTHORITY =====	
1 NIA-Consult, Inc.	Consultancy, mgt. & special services of projects

ANNEX 'B'

**LIST OF RETAINED GOCCs
As of 31 August 1992**

	NAME OF CORPORATIONS	OFFICE TO W/C ATTACHED
1	National Food Authority	DA
2	National Irrigation Administration	DA
3	National Tobacco Administration	DA
4	Philippine Coconut Authority	DA
5	Philippine Fisheries Development Authority	DA
6	Philippine Rice Research Institute	DA
7	Quedan and Rural Credit Guarantee Corporation	DA
8	Sugar Regulatory Administration	DA
9	National Electrification Administration	DENR
10	Natural Resource Development Corporation	DENR
11	Philippine Veterans Assistance Commission	DND
12	Philippine Veterans Bank	DND
13	Philippine Veterans Investment Development Corporation	DND
14	Phividec Industrial Authority	DND
15	Veterans Federation of the Philippines	DND
16	Philippine Crop Insurance Corporation	DOF
17	Philippine Export & Foreign Loan Guarantee Corporation	DOF
18	Lung Center of the Philippines	DOH
19	National Kidney Institute	DOH
20	Philippine Children's Medical Center	DOH
21	Philippine Heart Center	DOH
22	Employment Compensation Commission	DOLE
23	Philippine Convention & Visitors Corporation	DOT
24	Philippine Tourism Authority (Including Duty Free Shops, other assets or subsidiaries)	DOT
25	Light Rail Transit Authority	DOTC
26	Manila International Airport Authority	DOTC
27	Philippine National Railways	DOTC
28	Philippine Ports Authority	DOTC
29	Postal Services Corporation	DOTC
30	Local Water Utilities Administration	DPWH
31	Metropolitan Waterworks & Sewerage System	DPWH
32	Asean Copper Products, Inc.	DTI
33	Center for International Trade & Exposition Mission, Inc.	DTI
34	Cottage Industries Technology Center (Formerly NACIDA)	DTI
35	Export Processing Zone Authority	DTI
36	National Development Company	DTI
37	a. Manila Gas Corporation	DTI
38	a.1 Later-Island Gas Service, Inc.	DTI
39	a.2 Pagkakaisa Gas Storage Corporation	DTI
40	b. Philippine International Trading Corporation	DTI
41	Small Business Guarantee and Finance Corporation	DTI
42	Home Development Mutual Fund	HUDCC
43	Home Insurance and Guarantee Corporation	HUDCC
44	National Home Mortgage Finance Corporation	HUDCC
45	National Housing Authority	HUDCC

**LIST OF RETAINED GOCCs
As of 31 August 1992**

	NAME OF CORPORATIONS	OFFICE TO W/C ATTACHED
46	Philippine Deposit Insurance Corporation	NEDA
47	Philippine Institute for Development Studies	NEDA
48	Bases Conversion Development Authority	OP
49	Central Bank of the Philippines	OP
50	a. Philippine International Convention Center, Inc.	OP
51	b. Private Debt Restructuring & Repayment Corporation	OP
52	Cultural Center of the Philippines	OP
53	Development Academy of the Philippines	OP
54	Development Bank of the Philippines	OP
55	Government Service Insurance System	OP
56	Land Bank of the Philippines	OP
57	a. LBP Insurance Brokerage, Inc.	OP
58	b. LBP Leasing Corporation	OP
59	c. Lumang Bayan Realty Development Corporation	OP
60	d. Masaganang Sakahan, Inc.	OP
61	Livelihood Corporation	OP
62	National Agri-Business Corporation	OP
63	National Power Corporation	OP
64	PAGCOR Services, Inc.	OP
65	People's Television Network, Inc.	OP
66	Philippine Center for Economic Development	OP
67	Philippine National Oil Company	OP
68	a. Petron Corporation	OP
69	b. Petron Tankers Corporation	OP
70	c. Petrophil Tankers Corporation	OP
71	d. PNOC Energy Development Corporation	OP
72	e. PNOC Exploration Corporation	OP
73	f. PNOC Shipping & Transport Corporation	OP
74	g. PNOC Tankers Corporation	OP
75	Philippine Retirement Authority	OP
76	Public Estates Authority	OP
77	Social Security System	OP
78	Southern Philippines Development Authority	OP
79	Strategic Investment Development Corporation	OP
80	Subic Bay Metropolitan Authority	OP
81	Technology & Livelihood Resource Center	OP