



THE PRESIDENT'S REPORT

REPORT ON THE KEY ACCOMPLISHMENTS OF CLARK DEVELOPMENT CORPORATION

August 2008 – June 2010



At Clark We Care

Expanding Development
Changing Lives





Expanding Development Changing Lives

Executive Summary

For yet another year, Clark Development Corporation (CDC) has proven its resiliency and competitiveness amidst the economic slowdown. The corporation's decision to redefine its goals, build up more productive areas of collaboration with its stakeholders, develop more efficient processes and enhance internal capability, have started reaping early rewards.

Clark remains a major contributor to the region's economic figures this year. The Clark Freeport Zone's (CFZ) exports of US\$ 890,948,569 comprised 33% of Region III's US\$ 2,706,555,364 total exports from 2009, and the record 58,023 employment by the end of 2009 complemented the entire region's 3,889,000 partial count on employment for the year. Clark's Php 6,364.36B in actual investments is an impressive 19% of the region's investment figure of Php 33,840.03B for 2009.

And bigger Clark contributions are forth coming as the global economy recovers, as good projects in the pipeline are pursued, and the number of capability-enhancing measures instituted by CDC this year bring in positive results.

Ultimately, it is CDC's performance as a development corporation that will determine the Freeport's success. It is imperative that the development in Clark continue to elevate the lives of the thousands of people gainfully employed in the zone, along with their families.

The marginalized sectors of the community also directly benefit from the various Corporate Social Responsibility (CSR) programs that the corporation generously undertook.

A resurgent Clark Freeport Zone is merely the start. Clark proposes to be the catalyst for regional, if not national, economic development. Hence, CDC shall continue with its parallel development program which aims to uplift the standards of business in the area.

BENIGNO N. RICAFORT
President and CEO





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When President Benigno N. Ricalfort assumed office on August 2008, he came up with the idea of enhancing Clark's competitiveness in the global arena with the creation of the 8-Point Agenda. The program aims to empower CDC officers and employees to actively participate in the management process and enjoin adjacent communities to collaborate with CDC in developing the Metro Clark area. Emphasis was also given to the development of the Next Frontier and Corporate Social Responsibility programs which are geared towards the upliftment of the way of life of the Aetas. All these were pursued without neglecting the core business of the corporation which is in the area of transforming the Freeport Zone into an international service and logistic center in the region and instituting streamlined business processes to reduce the cost of doing business.

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8-Point Agenda

Major Accomplishments

Challenges

I. THE 8-POINT AGENDA

1 – International Standard “Business Center”

DELIVERABLES	STATUS
CDC's 3-2-1 Dream/ Strategies 2010-2014	Done
Increase by 7.21% in Actual Investments (Php 6.36 B); all time high employment of 58,777; and annual exports of around USD 900M	Achieved
Infra Projects worth Php 873,716,096.53 - Bulk Water Study (Financial Advisory Services Agreement (FASA) - Clark-Subic Telecoms connectivity, - MOA for Solar /Renewable Energy	- Completed and bid-out - Agreement Signed – March 24, 2010 - Approved on April 2010 - MOA Signed – July 16, 2010
Institutionalized the Clark Awards	Done
Metro Clark awarded the Center of Excellence in June 2010 by the CICT	Attained
Facilities and curriculum upgrades at the Clark Polytechnic	CHED permit issued for Baccalaureate courses
Completion of the Comprehensive Traffic Study for CFZ (2010– 2015)	Completed
Completion of Comprehensive Drainage Study	Completed
MOA with CILA, Federation of Public Employment Services Offices (PESO) of Pampanga and Tarlac to promote the common use/sharing of manpower database.	Done



8-Point Agenda

Major Accomplishments

Challenges

1 – International Standard “Business Center”

DELIVERABLES	STATUS
Jobs Fair on May 4, 2010 for manpower requirements of 38 companies with 2,785 job vacancies. 1,392 job seekers hired.	Done
Streamlining Visa issuance through Joint Memorandum Order (JMO) among SCADC, SBMA, CDC, DOLE, BI and CIAC.	On-going
Streamlining of investments-Registration/ policies/ procedures/ E-taps	On-going
Human resource management and development programs through active tie-up with industry partners such as DOLE, NCMB, SSS/PhilHealth/PagIBIG.	On-going
Partnership with SSS, Pag-Ibig and Phil Health for the creation of Social Welfare Coordinating Council and Adhoc Technical Working Group	MOA signing for review with SSS Commission
Completion of the Philippine Investment Promotions Plan (PIPP) 2010-2014. Action plans for the 8 target-sectors identified. Steering Committee chaired by P/CEO Benigno Ricafort.	Completed



8-Point Agenda

Major Accomplishments

Challenges

2- Participative Management

DELIVERABLES	STATUS
Institutionalization of Professionalized Manpower Complement Based on Merit (New Performance Evaluation System)	Continuing
Conduct of Customer Service, EQ and Value Formation seminars	Done
Designation of Account Officers to proact with locators	Done

3- Parallel Development Program (Socio-Economic Plans)

DELIVERABLES	STATUS
Master Development Plan for the Next Frontier <u>Positive Results :</u> Master Plan Acceptance Consultation Services (Road shows) <u>Challenges:</u> - IRR issues Congressional Hearings - East Road 3 Commitment -Withholding/Suspension of Development activities - Investor Withdrawal - Spine Road Construction	Done On-going
Community Projects: Roads, Street lighting, joint security enforcement	On-going
Joint programs with LGUs and stakeholders on emergency relief efforts	On-going
Aligning CDC's development plans with adjacent LGU's	On-going



8-Point Agenda

Major Accomplishments

Challenges

4 – Pro-active Coordination with DMIA (One Family)

DELIVERABLES	STATUS
Successful resolution of height clearance restriction with ICAO/CAAP on December 2009	Resolved
EO 716: Delineation and Revenue sharing between CDC and CIAC	Done
Monthly coordination meetings between CDC and CIAC planning teams	On-going

5 – Clark-Subic Synergy

DELIVERABLES	STATUS
Harmonized Business Processes and Regulatory Policies	Done
Completion of technical groundwork for the BOC's E2M (Electronic to Mobile Project)	Completed
Easier Access to the SCTEX– Subic Clark Tarlac Economic Corridor	Completed
Subic Clark Taiwan Economic Corridor	On-going

6 – Tourism Development

DELIVERABLES	STATUS
Ties with Key Tourism Partners Forged – Clark Freeport Tourism Association (CFTA), Greater Clark Visitors' Bureau (GCVB)	On-going
Development of new tour packages: production of joint promotional collaterals	On-going



8-Point Agenda

Major Accomplishments

Challenges

7 – Strengthening of “After Sales” Support Services to Investors

DELIVERABLES	STATUS
Institutionalization of After Sales Services (Customer Assistance for Retention and Expansion CARE Program)	On-going
Quarterly Fellowship Inter-action with Old and New Investors to exchange views	Continuing
Resolution of 29 accounts with business concerns	- 26 resolved - 3 pending/on-going
Assistance provided to locators with issues with government agencies	On-going

8 – Corporate Social Responsibility

DELIVERABLES	STATUS
Involvement in Several CSR Projects including the creation of Clark Prosthesis Laboratory and Training Center in partnership with Kapampangan Development Foundation (KDF) and Rotary International.	On-going <u>No. of Beneficiaries for the year 2008 - 2010:</u> Prosthesis – 213 Wheelchair Distribution – 172 Harelip/ Cleft Palate Surgery – 423 Cataract/Pterygium Surgery – 543 Seeing Clearly – 74
Employment Opportunities for Aetas	88 Security Force 25 Tourist Guides
Launching of joint efforts in Emergency Response with CLA and individual Investor firms	On-going



8-Point Agenda



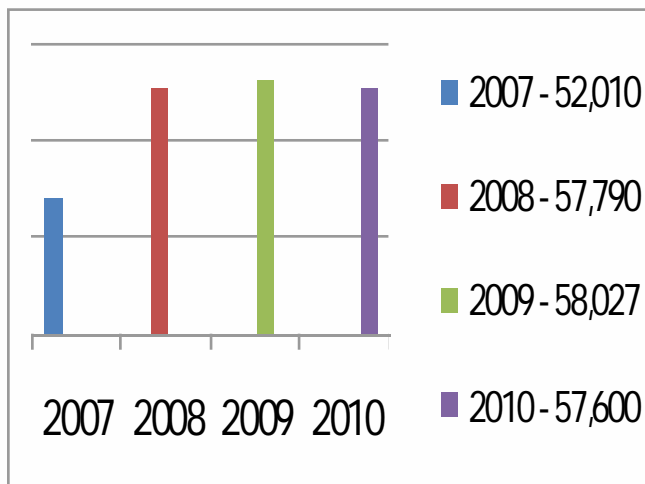
Major Accomplishments



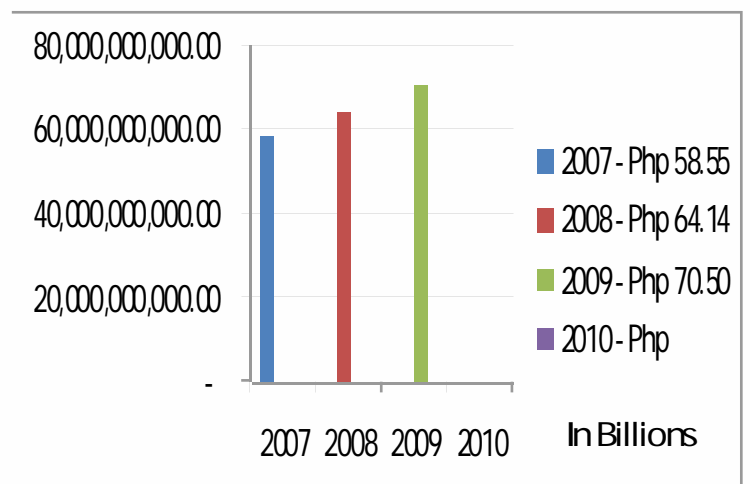
Challenges

II. Economic Indicators

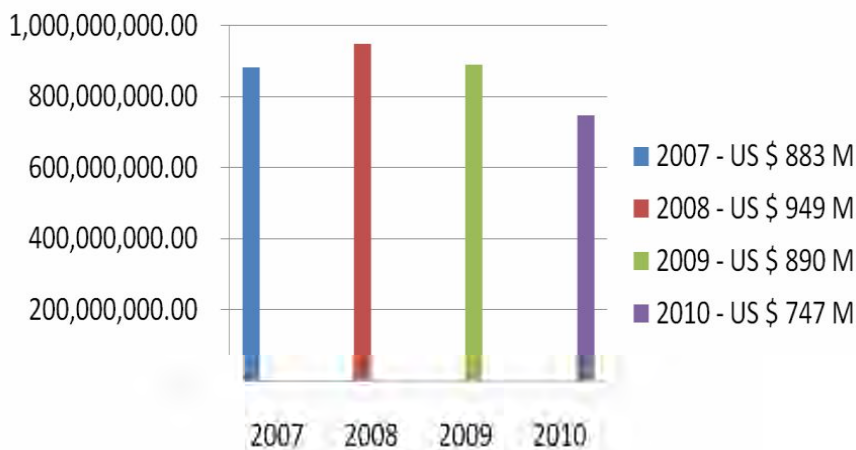
Employment



Investment



Export



As of June 2010



8-Point Agenda

Major Accomplishments

Challenges

Major Investments	Value (US\$) - Committed Investments	Employment
1. PSPC	2,000 Million	3,000
2. HLD Pipes	40 Million	1,500
3. Multi-Tek Fastener	30 Million	1,000
4. Community Gaming, Oxford Hotel	50 Million	500
5. Donggwang Clark Corp. 12 Storey Bldg. Resort development Next Frontier	40 Million	2,000
6. AITMG	6 Million	1,000
7. Phil. Tourism Authority	2 Million	300
8. Phil. Science High school	1 Million	150
9. Clark Polytechnic	.500 Million	150
10. Berthaphil	625 Million	OPEN
11. Health Centers	2 Million	100
12. SMK	17 Million	1,500
13. Veterans Bank	.200 Million	14
TOTAL	US\$ 2.814 Billion	11,214



8-Point Agenda

Major Accomplishments

Challenges

ACCOMPLISHMENTS WITH NATIONAL IMPACT:

- | | |
|---|--|
| <p>1. Additional Committed Investment of US\$2.814 billion and 11,214 Committed Employment from contracts signed for the period 2008-2010.</p> | <p>6. Institutionalized the Quality Customer Care and After Sales Service Program as well as Parallel Development Programs - ties with Key Tourism Partners (Clark Freeport Tourism Association and Greater Clark Visitors Bureau), Hiring of 88 Aeta Security Force and 25 Aeta Tourist Guides.</p> |
| <p>2. Awarded the Center of Excellence for Information Communication Technology (ICT) in June 2010 by the Commission on ICT and Employer of the year for 2008 by SSS.</p> | <p>7. Harmonization of Business Processes and streamlining of Investments-Registration/policies/ procedures.</p> |
| <p>3. fDi Magazine of the Financial Times (FT) Group of London Ranks Clark as Top 19 among 700 Freeports in the World; No. 1 in Cost Effectiveness and No. 7 in Over-all Economic Potential (June/July 2010).</p> | <p>8. Completed 2010-2014 Development Strategies and the Philippine Investment Promotion Plan.</p> |
| <p>4. Resolution of the CAAP Restrictions on Height of structures in the CSEZ paving the way for the Php 3.2 Billion of Actual Investments.</p> | <p>9. Involvement in Corporate Social Responsibility Projects. 1,425 Beneficiaries for the year 2008-2010.</p> |
| <p>5. Upgrading of Power Infra; Bulk Water Study and Interconnection of Subic-Clark corridor telecom lines.</p> | <p>10. Accreditation of the BS Aircraft Maintenance Technology (BSAMT) Program of Clark Polytechnic by the Commission on Higher Education (CHED).</p> |



II. WHAT'S NEXT?

1. Sustain Streamlined and Harmonized procedures in Investment and Business processing
2. Upgrading of Infrastructure and Facilities
3. Competence Building of Staff
4. Employment opportunities for Aetas and Qualified Individuals
5. Target Investment through PIPP
6. **Coordinated Planning, Investment and Tourism promotions** with LGU's
7. Work on Signing of IRR for JMA. Expanding JDC
8. Continue CSR programs; GK housing, service clusters
9. Continue CARE program and feedback mechanism; Industry groups
10. Implement IRR 716 and harmonized programs with Subic



8-Point Agenda



Major Accomplishments



Challenges

PROJECTS IN THE PIPELINE	Committed Investment USD
1. Ingasco, Inc.	30 M
2. HLD Steel Pipes (expansion)	29M
3. Viskase Company, Inc.	14 M
4. La Rose Noire	1.687 M
5. Eldorado Stone Philippines, Inc.	.550 M
6. Stoneworks Specialists Int'l., Inc.	.560 M
7. Grepac Realty Leasing Corp.	(TBA)
8. J & E International Freight Forwarding	1.343 M
9. Aero Innovations	(TBA)
10. Rikko Homes	.435 M



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IV. TESTIMONIALS/ RECOGNITIONS



Center of Excellence Award
for Information Communication
Technology (ICT) on June 2010 by
the Commission on Information
and Communication Technology
(CITC) Business Process
Outsourcing Association of the
Philippines (BPO-P), and the
Department of Trade and Industry
(DTI)



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No. 1 in Cost Effectiveness

**No. 7 in Over-all Economic
Potential**

**No. 19th among 700
Freeports in the World**

<p>fDi GLOBAL FREE ZONES OF THE FUTURE 2010/11</p>	<p>fDi GLOBAL FREE ZONES OF THE FUTURE 2010/11</p>	<p>fDi GLOBAL FREE ZONES OF THE FUTURE 2010/11</p>
<p>CATEGORY: BEST COST EFFECTIVENESS</p>	<p>CATEGORY: BEST ECONOMIC POTENTIAL</p>	<p>CATEGORY: OVERALL</p>
<p>Winner: Clark Freeport</p>	<p>Top Ten: Clark Freeport</p>	<p>Top 25 Overall: Clark Freeport</p>

The FDI Magazine, published by the prestigious The Financial Times, ranked the Clark Freeport Zone 19th among the 700 Freeports in the World. The Clark Freeport Zone topped the list in terms of cost effectiveness and was 7th in Overall Economic Potentials. The list of top zones was published in the magazine under the title “Global Free Zones of the Future for 2010 and 2011.”



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TOP 25 FREE ZONES OF THE FUTURE 2010/11: OVERALL		
RANK	NAME OF ZONE	COUNTRY
1	Shanghai Waigaoqiao Free Trade Zone	China
2	Dubai Airport Free Zone	UAE
3	San Luis Potosi	Mexico
4	Aqaba Special Economic Zone	Jordan
5	Free Port of Ventspils	Latvia
6	Dubai Knowledge Village	UAE
7	DuBiotech	UAE
8	Tanger Free Zone	Morocco
9	Bahrain Logistics Zone	Bahrain
10	Dubai Media City	UAE
11	Lodz Special Economic Zone	Poland
12	Industrial Estates of Thailand	Thailand
13	Bahrain International Airport	Bahrain
14	Jebel Ali Free Zone	UAE
15	Free Trade Zones of Guatemala	Guatemala
16	Dubai Studio City	UAE
17	Walbrzych Special Economic Zone	Poland
18	Togo Export Processing Zone	Togo
19	Clark Freeport	Philippines
20	Klaipeda Free Economic Zone	Lithuania
21	Dubai International Academic City	UAE
22	Industrial and Free Zone Kukuljanovo	Croatia
23	Dahej Special Economic Zone	India
24	Bahrain International Investment Park	Bahrain
25=	Masan Free Trade Zone	South Korea
25=	South Carolina Foreign Trade Zones # 21 & 38	US



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GLOBAL OUTLOOK GLOBAL FREE ZONES OF THE FUTURE 2010/11

TOP 10 BEST ECONOMIC POTENTIAL

RANK	NAME OF ZONE	COUNTRY
1	San Luis Potosi	Mexico
2	Industrial Estates of Thailand	Thailand
3	Jebel Ali Free Zone	UAE
4	Chittagong Export Processing Zone	Bangladesh
5	Jubail Industrial City II	Saudia Arabia
6	Aeksa Nakorn Industrial Estate	Thailand
7	Clark Freeport	Philippines
8	Aqaba Special Economic Zone	Jordan
9	Jazan Economic City	Saudi Arabia
10=	Masan Free Trade Zone	South Korea
10=	Rakia Industrial Zone	UAE

TOP 10 BEST COST EFFECTIVENESS

RANK	NAME OF ZONE	COUNTRY
1	Clark Freeport	Philippines
2	Togo Export Processing Zone	Togo
3	Chittagong Export Processing Zone	Bangladesh
4	Free Port of Ventspils	Latvia
5	International Media Production Zone	UAE
6	Rezekne Special Economic Zone	Latvia
7	San Luis Potosi	Mexico
8	Mauritius Freeport	Mauritius
9	Industrial Estates of Thailand	Thailand
10	Starachowice Special Economic Zone	Poland

TOP 10 BEST FACILITIES

RANK	NAME OF ZONE	COUNTRY
1	Shanghai Waigaoqiao FTZ	China
2	Bahrain International Investment Park	Bahrain
3	Bahrain Logistics Zone	Bahrain
4	Aqaba Special Economic Zone	Jordan
5	Klaipeda Free Economic Zone	Lithuania
6	Shannon Free Zone	Ireland
7	Dubai Airport Free Zone	UAE
8	Tanger Free Zone	Morocco
9	Free Trade Zones of Guatemala	Guatemala
10	Bahrain International Airport	Bahrain

TOP 10 BEST TRANSPORTATION

RANK	NAME OF ZONE	COUNTRY
1	Jebel Ali Free Zone	UAE
2	Dubai Airport Free Zone	UAE
3=	Dubai Media City	UAE
3=	Dubai Knowledge Village	UAE
5	Masan Free Trade Zone	South Korea
6	Dubai International Academic City	UAE
7	Dubai Studio City	UAE
8	DuBiotech	UAE
9	Dalian Free Trade Zone	China
10=	Colon Free Zone	Panama
10=	Dubai Outsource Zone	UAE



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2008 SSS Balikat Ng Bayan Award
Top Employer – Luzon Central Cluster
(large-sized category)



Corporate Social Responsibility

CDC spearheaded notable socio-civic projects such as relief operations for typhoon victims. Under this initiative, CDC also worked with Kapampangan Development Foundation for the establishment of prosthetics laboratory inside Clark. Through this undertaking, the CDC has distributed artificial legs to hundreds of deserving amputees. CDC has also facilitated surgery of children with cleft palates and adults with cataracts in cooperation with Rotary Int'l., Quota Int'l., ZONTA Int'l., and SACOP





Beaumont

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Livelihood Projects for Tribung Ayta Specialized Tour Guiding for Aetas (June 15-19, 2009)

In coordination with the Department of Tourism, 21 Aetas have been trained as tourist guides and are currently employed at the Clark Museum.



88 Aetas were also trained by the CDC-Public Safety Department to be part of the Citizen's Armed Forces Geographical Unit Active Auxiliary (CAA), in coordination with the Philippine Air Force, the Philippine National Police, and the Philippine Army, to assist and provide security to the surveying and engineering personnel in compliance with the Next Frontier Master Development Plan.





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Signing of Lease Agreement between CDC and Phoenix Semi-conductor Philippines Corp.



Signing of Lease Agreement Between CDC and Multi-Tek Fastener Incorporated



MOA signing with **CILA, Federation of Public Employment Services Offices (PESO)** of Pampanga and Tarlac to promote the common use/sharing of manpower database.



Job Fair organized by the CDC Customer Service Dept. on May 14, 2010 held at SM Clark and attended by around 1,392 job seekers



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CDC Executive Officers



CDC Executive Officers: (L-R) **Mr. Noel F. Manankil** – VP for Finance, **Atty. Jose C.S. Lukban** – AVP for the Office of Legal Affairs and General Counsel, **Mr. Bernardo F. Angeles, Jr.** – AVP for Investment Promotions, **Atty. Perlita M. Sagmit** – Corporate Secretary/Manager for Board Secretariat, **Ms. Mariza O. Mandocdoc** – AVP for Permits, Licensing and Monitoring, **CDC President Benigno N. Ricafort**, **Ms. Evangeline G. Tejada** – AVP for Finance, **Mr. Pepito M. Galang** – AVP for Corporate Services Group, **Mr. Ernesto S. Gorospe** – VP for Business Development Group, **Executive Vice President Philip J.B. Panlilio**, **Mr. Franco A.L. Madlangbayan** – VP for Operations and Technical Services