


COST OF DOING BUSINESS


START-UP COSTS

I. REGISTRATION FEES

 PHILIPPINE SECURITIES AND EXCHANGE COMMISSION (SEC)	
Registration of Corporations & Partnerships	Main Fees to be Paid (In Pesos)
Stock Corporations	
Filing Fee	1/5 of 1% of the Authorized Capital Stock or the subscription price of the subscribed capital stock whichever is higher but not less than P1,000.00 plus LRF*
By-laws	P500.00 plus LRF*
Non-Stock Corporations	
Filing Fee of Articles of Incorporation	P500.00 plus LRF*
By-laws	P500.00 plus LRF*
Partnership	
Articles of Partnership	1/5 of 1% of the partnership's capital but not less than P1,000.00 plus LRF*

*Legal Research Fee equivalent to 1% of Filing Fee but not less than P10.00

Source: <http://www.sec.gov.ph/>

 DEPARTMENT OF TRADE AND INDUSTRY (DTI)	
Business Name Registration (Bureau of Trade Regulation and consumer Protection -- BTRCP)	Main Fees to be Paid (In Pesos)
A. Filipino National	
Single Proprietorship Business Name Registration Certificate (based on territorial jurisdiction) :	
Barangay	P200.00
City/Municipality	500.00
Regional	1,000.00
National	P2,000.00
Documentary stamp	P15.00
B. Foreign National	
Business Name Registration Certificate	P300.00
Certificate of Authority to Engage in Business (Filing Fee)	P500.00
Registration Fee	P5,000.00
Documentary stamp	P15.00

Source: <http://www.dti.gov.ph/>

Filing / Application Fees^a

Classification	Project Cost	MSE Fees (Php)	Regular Fees (Php)
New / Expansion			
Micro	Not exceeding Php3 million	Waived	1,500
Small	Exceeding Php3 million but not over Php4 million	375	1,500
	Exceeding Php4 million but not over Php15 million	750	3,000
Medium	Exceeding Php15 million but not over Php20 million	NA	3,000
	Exceeding Php20 million but not over Php50 million	NA	4,500
	Exceeding Php50 million but not over Php100 million	NA	6,000
Large	Over Php100 million	NA	6,000
Existing Assets			
Micro	Not exceeding Php3 million	Waived	1,500
Small	Exceeding Php3 million but not over Php15 million	375	1,500
Medium	Exceeding Php15 million but not over Php100 million	NA	1,500
Large	Over Php100 million	NA	1,500

Registration Fees

Classification	Project Cost	MSE Fees (Php)	Regular Fees (Php)
New Expansion			
Micro	Not exceeding Php3 million	Waived	1/10 of 1% of project cost, but not less than Php3,000; and not to exceed Php15,000
Small	Exceeding Php3 million but not over Php15 million	25% of 0.1% of project cost, but not less than Php3,000	
	Medium	Exceeding Php15 million but not over Php100 million	
Large	Over Php100 million	NA	
Existing			
Micro	Not exceeding Php3 million	Waived	3,000
Small	Exceeding Php3 million but not over Php15 million	750	3,000
Medium	Exceeding Php15 million but not over Php100 million	NA	3,000
Large	Over Php100 million	NA	3,000

^a There is additional fee for Legal Research Fund (LRF), equivalent to 1% of filing fee but not lower than Php20.00 as per P.D. 1856.

Source: <http://www.boi.gov.ph>


PHILIPPINE ECONOMIC ZONE AUTHORITY (PEZA)	
APPLICATION	Main Fees to be Paid (In Pesos)
Registration of Ecozone Enterprises	
Application for New Project (non-pioneer)	P3,600.00
Application for New Project (pioneer)	P6,000.00

Application for any Amendments in Registration	P1,200.00 (application) P3,600.00 (registration)
Application for Conversion from Non-Pioneer to Pioneer	P2,400.00
Application for Expansion for Production Capacity	P2,400.00
Registration Fees	
Registration for New Projects	P6,000.00
Registration for Expansion of Project - New Project	P3,600.00
Telecom Services and Other Utilities	P6,000.00 + 10% of monthly gross revenues from operations
All other Services Enterprise	P3,600.00
II. PROCESSING FEES	
Availment of Incentives	
Endorsement of 5% Gross Income Tax and of Income Tax Holiday	P1,200.00
Extension of ITH Entitlement Period	P1,200.00
III. CERTIFICATION / TRUE COPIES	
Certificate of Registration	P120.00
Filing approval of application	P120.00
Other Documents	P120.00


Source: <http://www.peza.gov.ph/>

 CAGAYAN ECONOMIC ZONE AUTHORITY (CEZA)	
Application Fee	US\$200.00

Source: <http://www.ceza.gov.ph/>


 SUBIC BAY METROPOLITAN AUTHORITY		
Certificate/Permit	Fees	Validity
1. Filing Fee	US\$50.00	One Year
2. Certificate of Registration and Tax Exemption	US\$250.00	One Year
3. Registration Certificate (Permit To Operate)	US\$150.00	One Year
4. Business License Plate Fee	US\$20.00	One Year
5. Business Renewal Sticker	PHP200.00	One Year

Source: <http://www.sbma.com/>

 CLARK FREEPORT ZONE	
ONE-TIME FEES	
REGISTRATION OF ENTERPRISES	
Application/Processing Fee	
Certification and Tax Exemption (CRTE)	P2,000.00

Registration Certificate (RC)	P2,000.00
Pre-Operating Permit	P500.00
PROCESSING AND ISSUANCE OF ENVIRONMENTAL COMPLIANCE CERTIFICATE (DENR)	P5,550.00

Source: Clark Freeport Zone

 ZAMBOANGA CITY SPECIAL ECONOMIC ZONE AUTORITY (ZAMBOECOZONE and Freeport Authority)	
	Main Fees to be Paid
Application Fee (non-refundable)	US \$80 (Php 3,600)
Certificate of Registration & Tax Exemption	US \$220 (Php 10,000)
Permit to Operate	
Temporary Permit to Operate (renewable every six months)	Php1,000
Non-registered locators with Physical presence in the Zone	US\$150(Php6,750)
Permit to Operate	US\$80 (Php 3,600)
Accreditation (non-registered companies without physical presence in the zone)	US\$100.00
Certificate of True Copies	
Certificate of Registration	P200.00
Filing/Approval of Application	P200.00
Other Documents	P200.00

Source: <http://www.zambofreeport.philippine.org/>

II. TAX RATES

Taxation in the Philippines

The country's taxation system is governed by the Tax Reform Act 1997, passed into law on December 11, 1997 and became effective on 01 January 1998. The law was aimed at the expanding the country's tax base and maintaining the healthy fiscal standing of the government.

Corporate Income Tax Rates		
	Domestic/Resident Foreign Corporation	Non-resident Foreign Corporation
Taxable income not subject to special tax rates	30%	30%
Interest from deposits and yield from deposit substitutes/trust funds and royalties	20%	35%
Interest on foreign loans	N/A	20%
Interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system	7.5%	N/A
Dividends from domestic corporations	0	15% / 35%

Gains on sales of shares of stock not traded in the Stock Exchange		
Not over P100,000.00	5%	5%
On any amount in excess of P100,000.00	10%	10%

NOTES: The rates of tax applicable for corporations entitled to special tax privileges are set out below:

1. The corporate tax rate was increased from 32% to 35% with effect from 1 July 2005 but will be reduced to 30% effective 1 January 2009.
2. The rate is reduced to 7.5% for interest income derived by a domestic corporation from a depository bank under the expanded foreign currency deposit system.
3. The rate of 15% applies if the host country exempts the dividend from tax or permits a 20% or greater credit for underlying corporation tax paid by the company paying the dividend.
4. The 5% rate applies to the first P100,000 of gains annually, with the 10% rate applying to the excess. Stocks of shares in listed companies are subject to a 0.5% tax on the sale proceeds.

Entity	Rates	Tax Base
Proprietary educational institutions and non-profit hospitals	10%	Taxable income
Certain enterprises registered with the Philippine Economic Zone Authority	5%	Gross income
Non-resident owner or lessor of aircraft, machinery and other equipment	7.5%	Gross Philippine rentals, lease, charter fees
Non-resident owners of vessels chartered by Philippine nationals and approved by the Maritime Industry Authority	4.5%	Gross Philippine rentals, lease, charter fees
Non-resident cinematographic film owners, lessors or distributors	25%	Gross Philippine source income
Foreign international carriers (air and sea)	2.5%	Gross Philippine billings
Offshore banking units (OBUs) and foreign currency deposit units (FCDUs) authorized by the Bangko Sentral ng Pilipinas	10%	Gross Taxable Income on Foreign Currency Transaction
	32%	Taxable Income Other than Foreign Currency Transaction
Regional operating headquarters	10%	Taxable income

Income Tax Rates as Passive Income of Domestic/Resident Corporation

Cash and/or Property Dividends

Beginning January 1, 1998	6%
Beginning January 1, 1999	8%
Beginning January 1, 2000 & thereafter	10%

Interest on any currency bank deposit and yield or other monetary benefit from deposit substitutes and from trust fund and similar arrangements 20% of final tax

Interest Income from foreign currency deposits with Foreign Currency Deposit Units (FCDUs) 7.5% of final tax

Gains for shares of stock not listed and traded in the local stock exchange 5% capital gains tax (CGT) on net gains not exceeding P 100,00 and 10% on the amount



	in excess of P 100,000.
Gains from sale or exchange of land or buildings not actually used in business and treated as capital asset	6% CGT on gross selling price or fair market value, whichever is higher
Royalties (except on books as well as literary & musical composition – 10%)	20%

New Taxes for Corporation Under the Tax Reform Act of 1997

Minimum Corporate Income Tax (MCIT) - A 2% MCIT on gross income on an annual basis is imposed on corporations whose regular corporate income tax liability is less than the MCIT beginning the fourth taxable year following the year they commenced business operation. Any excess of the MCIT over the normal tax shall be carried forward and credited against the normal tax for the three (3) immediately succeeding taxable years.

Fringe Benefits Tax - Fringe benefits granted to supervisory and managerial employees are subject to 32% tax on the grossed-up monetary value of the fringe benefit. Fringe benefits given by OBUs regional operating headquarters of multinational companies, petroleum contractors and subcontractors to qualified alien employees and in certain cases, to Filipino employees, are taxed at 15% of the grossed-up monetary value of the fringed benefit.

Improperly Accumulated Earnings Tax - a 10% tax is imposed on the improperly accumulated earnings of a corporation, except in the case of publicly held corporations, banks, and other non-bank financial intermediaries and insurance companies. When a corporation allows its earnings or profits to accumulate beyond its reasonable needs, it shall be assumed that the purpose is to avoid tax on stockholders, unless proven to the contrary.

Individual Taxation	Rates
Non-resident aliens not engage in trade and business flat income tax rate	25%
Resident citizens/aliens (gainfully employed) Graduated income tax rates	0%-35%

The following individuals shall not be required to file an income tax return:

1. An individual whose gross compensation income does not exceed his total personal and additional exemptions;
2. An individual whose compensation derived from one year employer does not exceed P60,000 and the income tax on which has been correctly withheld;
3. An individual whose income has been subjected to final withholding tax (alien employee as well as Filipino employee occupying the same position as that of the alien employee of regional or area headquarters and regional operating headquarters of multinational companies, petroleum service contractors and sub-contractors, and offshore banking units, non-resident alien not engaged in trade or business), and
4. An individual who is exempt from income tax.

Married individuals shall file single return for the taxable year to include the income of both spouses, separately computing their individual income tax based on their respective taxable income. Where it is impracticable for the spouses to file one return, each spouse may file a separate return.

Tax Table for individuals earning purely compensation income and individuals engaged in business and practice of profession

If Taxable Income is:	Tax Due is:	If Taxable Income is:	Tax Due is:
Not over P10,000		5%	
Over P10,000 but not over P30,000	P500+10% of the excess over P10,000	Over P140,000 but not over P250,000	P22,500+25% of the excess over

Over P30,000 but not over P70,000	P2,500+15% of the excess over P30,000	Over P250,000 but not over P500,000	P140,000 P50,000+30% of the excess over P250,000
Over P70,000 but not over P140,000	P8,500+20% of the excess over P70,000	Over 500,000	P125,000+34% of the excess over P500,000

Note: Effective January 1, 1999, the maximum rate shall be thirty-three percent (33%) and thirty-two percent 32% on January 1, 2000.

Note: When the tax due exceeds P2,000.00, the taxpayer may elect to pay in two equal installments, the first installment to be paid at the time the return is filed and the second installment on or before July 15 of the same year at the Authorized Agent Bank (AAB) within the jurisdiction of the Revenue District Office (RDO) where the taxpayer is registered.

Value Added Tax (VAT)

Sale of goods, other properties, and services in the Philippines, as well as importation of goods to the Philippines, are subject to the 12% VAT. VAT is imposed on the gross selling price (in case of sale of goods) and gross receipts (in case of sale of services).

Tax Rate

- For output tax (0% or 12%)
- For input tax on importation of goods or local purchases of goods, properties or services, including lease or use of properties, in the course of trade or business (0% or 12%)
- For creditable input tax on advance VAT payments made by the seller/owner of refined sugar and importer/miller of wheat/flour (12%)

Stock Transaction Tax

1/2 of 1% of gross selling price is imposed on the sale, barter, exchange or other disposition of shares through the facilities of stock exchange, which shall be paid by the seller or transferor.

Source: Bureau of Internal Revenue (BIR)

COST OF LIVING

I. Education

The Philippines has both private and public school systems for elementary, secondary and college levels. The public schools are subsidized by the Government, fees are minimal and teaching is done in English and Filipino. The normal school year is from June to March.

Foreign nationals have a choice of going to either the elitist local private schools, majority of which are run by religious orders and teaching is done in English, or the international schools.

International School Manila School Fees 2010-2011

Pre-School 3-year old Program	US\$4,520.00 + P146,500.00
Pre-School 4-year old Program	US\$ 6,040.00 + P195,400.00
Elementary School (Early Childhood Learning Center – Grade 4)	US\$9,560.00 + P306,000.00
Middle School (Grade 5 – 8)	US\$10,440.00 + P335,300.00
High School (Grade 9 – 10)	US\$11,100.00 + P357,500.00
High School (Grade 11 – 12)	US\$12,420.00 + P399,400.00
Matriculation Fee – for all NEW students in grades ECLC & above	US\$3,000.00
Facilities Upgrade Deposit – for all NEW students in grades ECLC & above. FUD should be paid in full upon enrollment. Fully refundable when student leaves the school.	US\$2,500.00
Application Fee – for Admissions	US\$400.00
Additional Tuition Fees – if applicable	
English as a Second Language (ESL)	
Year 1	US\$2,500.00
Year 2	US\$1,500.00
Learning Support Services*	
Level 1 Support	US\$1,250.00
Level 2 Support	US\$3,000.00
Level 3 Support	US\$5,000.00
Miscellaneous Fees	
Extra Car Sticker – First Sticker Free	P100.00 per sticker
ID	P100.00 per piece
Musical Instrument Rental	US\$120.00 per instrument

*Subject to change

Source: <http://www.ismanila.com/>

**British School Manila
School Fees 2009-2010**

Nursery	£ 2,490.00 + P100,500.00
Reception - Year 6	£ 4,995.00 + P201,000.00
Year 7 –9	£ 5,610.00 + P227,490.00
Year 10 – 11	£ 5,910.00 + P238,920.00
Year 12 - 13	£ 6,510.00 + P262,320.00
Other School Fees:	
Entrance Fee	P130,000.00
Application Fee	
Nursery	P1,600.00
Reception to Year 13	P13,500.00
PTA Dues	P1,000.00
Yearbook	P2,000.00

Source: <http://britishschoolmanila.org/>

II. Public Transport

Computation of Fares: Add-on Method

1. Jeepneys

As of May 15, 2012, fare costs P8.00 (US\$20 cts) for the first 4 kilometers and an additional P1.40 for every succeeding kilometer.

2. Buses (usually used for long journeys)

P10.00 (non-aircon buses) for the first five kilometers + P1.85 for every succeeding kilometer.

P12.00 (air-conditioned) for the first five kilometers + P2.20 for ever succeeding kilometer

3. Taxi

As of January 2011, the flag down rate is P40.00 (US\$0.93) for the first 500 metres and an additional P3.50 (US\$0.08) for every succeeding 250-metres or 2 minutes waiting time.

4. Minivans/FX

These are relatively new mode of transportation. They are generally cheaper than taxis but more expensive than jeepneys. Minimum fare costs around P15.00.

5. Tricycles

P8.00 for ordinary fare (You would likely share the ride with 4 or 5 people.)

P16.00 to P20.00 for special trips.

6. Rails

Light Rail Transit (LRT) Line 1 (also known as Yellow Line) runs along Taft Avenue from Baclaran in Parañaque to the Congressional Avenue in Quezon City: P12.00 – P20.00.

Light Rail Transit (LRT) Line 2 (also known as the Purple Line) runs from Santolan in Pasig to Recto in Manila.

Metro Rail Transit (MRT) (also known as Line 3 or the Blue Line) runs from North Avenue Station in Quezon City to Taft Avenue Station in Pasay City. P10.00 to P15.00

7. Air Transport (Domestic Flights – One way Fare per Person)

Promotional Fare: P1,000.00 to P3,000.00

Regular Fare: P4,000.00 to P6,000.00

III. Shopping in Manila

Metro Manila is considered as shopper's paradise. The peso exchange rate is favorable to the tourists' dollars and expatriates relocating to Manila. The major shopping center in Makati is the Ayala Commercial Center housing Glorietta and Greenbelt where most items found overseas can be bought.

The SM Mall of Asia (MOA), SM Megamall, Robinson's Galleria, Rustan's Department Store and EDSA Plaza Shopping Mall are modern malls with extensive array of consumer goods. These malls offer comfortable shopping with an air conditioned entertainment center where families can spend leisure time.

The Divisoria area is for adventuresome bargain hunters who wish to experience a typical Asian open market. It is known for wholesale market which has everything (from nuts to wedding dresses to electronic appliances). Within the area is the Tutuban Center, 168 Shopping mall and Divisoria market, modern and air-conditioned shopping malls that offer variety of products at moderate prices.

IV. Accommodation

House Rental

Type	Location	Specifics	Rental Rate
Residential	Dasmariñas / Forbes, Makati	600-2,600 sq m (4-6 bedrooms) inclusive of garden and swimming	P200,000-P600,000/ month
	Alabang, Muntinlupa		P150,000 to P200,000 / month
	Bel-Air, Makati	300-800 sq m (3-4 bedrooms) inclusive of garden and swimming	P80,000-P260,000/ month
Condominium	Makati / Fort Bonifacio, Taguig	160-300 sq m (3-BR)	P80,000-P300,000/ month
		50-180 sq m (1 to 2 bedrooms)	P50,000-P160,000/ month
Business / Traveller Condotel	Makati / Fort Bonifacio, Taguig	100 sq. m.	P60,000- P120,000/month
		50 to 70 sq. m.	P40,000- P70,000/month

Condominium Ownership (NCR)

Location	Price
Makati	P70,000-P180,000 / sq m
Alabang, Muntinlupa	P75,000-P100,000/ sq m
Ortigas, Pasig	P60,000-P100,000/ sq m
Quezon City	P70,000-P90,000 / sq m
Fort Bonifacio, Taguig	P60,000-P130,000/ sq m

Office Rental (NCR)

Location*	Rental Rate
Makati	P400 to P950 / sq. m. / month
Ortigas, Pasig / Mandaluyong	P400 to 600 / sq. m. / month
Quezon City	P400 to P500 / sq. m. / month
Alabang, Muntinlupa	P400 to P500 / sq. m. / month
Manila / Pasay City	P350 / sq. m. / month - for old bldgs.
	P400 to P500 / sq. m. / month - for new bldgs.
Fort Bonifacio, Taguig	P650 to 750 / sq. m. / month

Source: Colliers International

MANPOWER COSTS

I. Manpower Resources (Labor):

The laws on labor standards and employment relations are consolidated in the Labor Code of the Philippines. The salient points of employment conditions and employee benefits under the Philippine labor laws are as follows:

Hours of Work. Eight (8) hours per day or 48 hours per week. Rest periods of short duration during work hours shall be counted as hours worked.

Meal periods. Every employer shall give his employees not less than sixty (60) minutes time-off for their regular meals.

Night shift differential. Every employee is entitled to a night shift differential of not less than ten percent (10%) of his regular wage for each hour of work performed between ten o'clock in the evening and six o'clock in the morning.

Work Day. A day is the 24-hour period which commences from the time the employee regularly starts to work.

Overtime work. An additional compensation equivalent to an employee's regular wage plus at least twenty-five percent (25%) shall be given if the employee does overtime work. Work performed beyond eight hours on a holiday or rest day shall be paid an additional compensation equivalent to the rate of the first eight hours on a holiday or rest day plus at least thirty percent (30%) thereof.

Minimum Wage (Manufacturing Sector). The minimum wage rate for agricultural and non-agricultural workers in every region are determined by the Regional Tripartite Wages and Productivity Board.

Fringe Benefits. This refers to goods, services, or other benefits furnished by an employer in cash or kind, in addition to basic salaries; to managerial or supervisory employees such as but not limited to the following:

- Housing
- Expense Account
- Vehicle of Any Kind
- Household personnel, such as maid, driver and others
- Interest on loans at less than market rate to the extent of the difference between the market rate and actual rate granted;
- Membership fees, dues and other expenses borne by the employer for the employee in social and athletic clubs or other similar organizations;
- Holiday and vacation expenses
- Educational assistance to the employee or his dependents; and
- Life or health insurance and other non-life insurance premiums or similar amounts in excess of what the law allows

Managerial employees refer to those who are given powers or prerogatives to lay down and execute managerial policies and or to hire, transfer, suspend, lay-off, recall, discharge, assign or discipline employees. Supervisory employees are those who effectively recommend such managerial actions if the exercise of such authority is not merely routinary or clerical in nature but requires the use of independent judgment.

Overtime (OT) Remuneration. Overtime premium is allotted for work exceeding the maximum prescribed period. Every employee who is entitled to premium pay is likewise entitled to the benefit of overtime pay

Computation of Wages.

Computing Overtime:

In Ordinary Days

Plus 25% of the hourly rate multiplied by the number of hours.

On a Rest Day, Special Day or Regular Holiday

Plus 30% of the hourly rate on said days multiplied by the number of hours.

Computing pay for work done on:

A Special Day (130% x basic pay)

A Special Day, which is also a scheduled Rest Day (150% x basic pay)

A Regular Holiday (200% x basic pay)

A Regular Holiday, which is also a scheduled Rest Day (260% x basic pay)

Computing Night Shift Premium where Night Shift is a Regular Work:

On Ordinary Day (110% x basic hourly rate)

On a Rest Day, Special Day, Regular Holiday (110% of regular hourly rate for Rest Day, Special Day, Regular Holiday)

Computing Overtime on Night Shift:

On Ordinary Day (110% x overtime hourly rate)

On Rest Day, Special Day or Regular Holiday (110% x overtime hourly rate for Rest Days, Special Days, Regular Holidays)

Computing 13th Month Pay:

Total basic salary earned for the year exclusive of overtime, holiday, and night shift differential pay divided by 12 = 13th month pay.

Source: Bureau of Working Conditions

Department of Labor and Employment

<http://www.bwc.dole.gov.ph/faq.php?page=2>

DAILY MINIMUM WAGE RATES
National Capital Region (NCR) ^{a/}
Per Wage Order No. NCR-16 ^{b/}
Effective 26 May 2011

Sector/ Industry	Basic Wage under Wage Order No. NCR 15	COLA Increase	New Minimum Wage Rates
Non-Agriculture	P404.00	P22.00	P 426.00
Agriculture (Plantation and Non Plantation)	P 367.00	P22.00	P 389.00
Private Hospitals with bed capacity of 100 or less	P 367.00	P22.00	P 389.00
Retail/Service Establishments employing 15 workers or less	P 367.00	P22.00	P 389.00
Manufacturing Establishments regularly employing less than 10 workers	P 367.00	P22.00	P 389.00

a/ Covers the Cities of Caloocan, Las Pinas, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Paranaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela and Municipalities of Navotas and Pateros.

b/ Grants a P22.00 COLA per day to all minimum wage workers in the private sector in the region. W.O. issued 09 May 2011, published at Philippine Daily Inquirer on 11 May 2011.

SUMMARY OF CURRENT REGIONAL DAILY MINIMUM WAGE RATES
Non-Agriculture, Agriculture
Updated as of May 1, 2012
(In pesos)

REGION	WO No./ DATE OF EFFECTIVITY	NON- AGRICULTURE	AGRICULTURE	
			Plantation	Non-Plantation
NCR a/	WO 16/May 26, 2011	P 389.00 - 426.00	P 389.00	P 389.00
CAR b/	WO 14/January 1, 2011	255.00 - 272.00	238.00 - 254.00	238.00 - 254.00
I c/	WO 14/January 20, 2011	228.00 - 248.00	228.00	200.00
II d/	WO 14/February 16, 2011	237.00 - 245.00	225.00 - 233.00	225.00 - 233.00
III e/	WO 16/June 24, 2011	279.00 - 330.00	264.00 - 300.00	244.00 - 284.00
IV-A	WO 15/May 15, 2012	255.00 - 337.00	251.00 - 312.00	231.00 - 292.00
IV-B g/	WO 05/Nov. 11, 2010	252.00 - 264.00	210.00 - 219.00	190.00 - 199.00
V h/	WO 14/ Nov. 1, 2010	216.00 - 247.00	215.00 - 225.00	195.00 - 205.00
VI i/	WO 19/ July 15, 2011	223.00 - 265.00	233.00	223.00

VII j/	WO16/Sept 22, 2011	260.00 - 305.00	240.00 - 287.00	240.00 - 287.00
VIII k/	WO 16/June 1, 2011	253.00	228.00-234.00	213.50
IX l/	WO 17/ Nov. 25, 2011	267.00	242.00	222.00
X m/	WO 16/July 24, 2011	271.00 - 286.00	259.00 - 274.00	259.00 - 274.00
XI n/	WO 17/Jan. 1, 2012	291.00	281.00	281.00
XII	WO 16/ April 18, 2012	240.00-270.00	240.00	235.00
XIII p/	WO 11/November 11, 2011	258.00	248.00	228.00
ARMM q/	WO 13/ September 2, 2011	232.00	232.00	232.00

- a/ Provide P 22.00 COLA
- b/ Granted P 12.00 COLA
- c/ Granted P 5.00 or 8.00 wage increase and integrated the P10 COLA under W.O. 13 into the basic pay.
- d/ Granted P 10.00 wage increase.
- e/ Granted additional P 14 COLA, the P4 under W.O. 15 will be integrated into the basic wage on January 1, 2012
- g/ Granted P 12 wage increase
- h/ Granted P 8 wage increase and integrated the 7 COLA into the basic wage.
- i/ Granted P12.00 ECOLA for three months
- j/ Granted P20.00 wage increase
- k/ Granted P15 COLA to be given in 2 tranches: P10 on Jun 1 & P5 on Sept. 1, 2011; integrated into the basic pay the P8 COLA under W.O.14
- l/ Granted P 12 wage increase.
- m/ Integrated the P17 COLA effective for 6 months; to be integrated into the basic wage thereafter.
- n/ Granted P15 COLA; P5 effective Jan. 1, 2012 and P10 effective May 1, 2012
- p/ Granted P11 wage increase and P4 COLA
- q/ Granted P10.00 COLA.

Source: National Wages and Productivity Commission
<http://www.nwpc.dole.gov.ph/>

II. Mandatory Employment Contribution

13th Month Pay. Employers are required to give its employees a 13th month pay equivalent to at least one (1) month salary. 13th month pay should be given not later than December 24 of every calendar year.**

** Date Last Reviewed: 2009-12-21 12:00:18

Contribution to Home Development and Mutual Fund (HDMF). Companies/employers are also required to contribute at least P100.00 per month to HDMF for employee benefits. Companies/employers remit this contribution plus that of the employee's which will be deducted from their payroll, in accordance with the periodic remittance schedule provided by HDMF.

Contribution to National Health Insurance Program (NHIP). As mandated by Republic Act 7835 on Medicare Program which is administered by the Philippine Health Insurance Corporation (Philhealth), both employers and employees are to contribute for the medical insurance/benefits of the employees in accordance with the schedule provided by Philhealth. Premium Contribution Schedule - For the Employed Sector - Effective January 1, 2007 (pdf file) (Source: Philippine Health Insurance Corporation http://www.philhealth.gov.ph/members/employed/contri_tbl.htm)

Contributions. As Mandated by law, both employer and employees are to contribute for the social security benefits of the employees in accordance with the new schedule provided by SSS. SSS Contribution Schedule - Effective January 1, 2007:

RANGE OF COMPENSATION	MONTHLY SALARY CREDIT*	EMPLOYER-EMPLOYEE							SE / VM / OFW
		SOCIAL SECURITY			EC	TOTAL CONTRIBUTION			TOTAL CONTRIBUTION
		ER	EE	Total	ER	ER	EE	Total	
1,000 - 1,249.99	1,000	70.70	33.30	104	10	80.70	33.30	114	104
1,250 - 1,749.99	1,500	106.00	50.00	156	10	116.00	50.00	166	156
1,750 - 2,249.99	2,000	141.30	66.70	208	10	151.30	66.70	218	208
2,250 - 2,749.99	2,500	176.70	83.30	260	10	186.70	83.30	270	260
2,750 - 3,249.99	3,000	212.00	100.00	312	10	222.00	100.00	322	312
3,250 - 3,749.99	3,500	247.30	116.70	364	10	257.30	116.70	374	364
3,750 - 4,249.99	4,000	282.70	133.30	416	10	292.70	133.30	426	416
4,250 - 4,749.99	4,500	318.00	150.00	468	10	328.00	150.00	478	468
4,750 - 5,249.99	5,000	353.30	166.70	520	10	363.30	166.70	530	520
5,250 - 5,749.99	5,500	388.70	183.30	572	10	398.70	183.30	582	572
5,750 - 6,249.99	6,000	424.00	200.00	624	10	434.00	200.00	634	624
6,250 - 6,749.99	6,500	459.30	216.70	676	10	469.30	216.70	686	676
6,750 - 7,249.99	7,000	494.70	233.30	728	10	504.70	233.30	738	728
7,250 - 7,749.99	7,500	530.00	250.00	780	10	540.00	250.00	790	780
7,750 - 8,249.99	8,000	565.30	266.70	832	10	575.30	266.70	842	832
8,250 - 8,749.99	8,500	600.70	283.30	884	10	610.70	283.30	894	884
8,750 - 9,249.99	9,000	636.00	300.00	936	10	646.00	300.00	946	936
9,250 - 9,749.99	9,500	671.30	316.70	988	10	681.30	316.70	998	988
9,750 - 10,249.99	10,000	706.70	333.30	1,040	10	716.70	333.30	1,050	1,040
10,250 - 10,749.99	10,500	742.00	350.00	1,092	10	752.00	350.00	1,102	1,092
10,750 - 11,249.99	11,000	777.30	366.70	1,144	10	787.30	366.70	1,154	1,144
11,250 - 11,749.99	11,500	812.70	383.30	1,196	10	822.70	383.30	1,206	1,196
11,750 - 12,249.99	12,000	848.00	400.00	1,248	10	858.00	400.00	1,258	1,248
12,250 - 12,749.99	12,500	883.30	416.70	1,300	10	893.30	416.70	1,310	1,300
12,750 - 13,249.99	13,000	918.70	433.30	1,352	10	928.70	433.30	1,362	1,352
13,250 - 13,749.99	13,500	954.00	450.00	1,404	10	964.00	450.00	1,414	1,404
13,750 - 14,249.99	14,000	989.30	466.70	1,456	10	999.30	466.70	1,466	1,456
14,250 - 14,749.99	14,500	1,024.70	483.30	1,508	10	1,034.70	483.30	1,518	1,508
14,750 - over	15,000	1,060.00	500.00	1,560	30	1,090.00	500.00	1,590	1,560

Source: Social Security System

http://www.sss.gov.ph/sss/printversion.jsp?id=111&file=regi_contrib_table.html

TRANSPORTATION COSTS

OCEAN FREIGHT RATES	
Freight Rates of Ocean going Vessels (20-Footer Container Van)	
Route	Freight (US\$)
Manila - Kaoshiong	50.00-1000.00
Manila - Hongkong	40.00 – 540.00
Manila - Singapore	75.00 – 650.00
Singapore - Manila	75.00 – 650.00
Manila - Bangkok	70.00 – 650.00
Manila - Jakarta	60.00 – 550.00
Jakarta - Manila	60.00 – 550.00
Manila - Nagoya/Yokohama	300.00 – 900.00
Manila - Osaka	300.00 – 750.00
Manila - Tokyo	350.00 – 850.00
Cebu - Osaka	650.00
Cebu - Tokyo	650.00
Manila - Middle East	1,795.00
Manila - US West Coast	1,490.00 – 2,510.00
Manila - US East Coast	2,450.00 – 3,985.00
Manila - Northern Europe	2,050.00
Manila - Central & Southern Europe	1,250.00

Last Updated: April 2012

Above are the current ocean freight rates from DTI-PSB accredited sea freight forwarders for general merchandise and cargoes. These rates are determined based on recent activity and current freight rates in the international market.

Source: *Philippine Shippers' Bureau*

FREIGHT RATES OF DOMESTIC VESSELS FOR EXPORT CARGOES						
Breakdown of Total Charges						
Route Charges 1 Transport Freight/n.m.	Distance nautical miles (n.m.)	Total Charges (US \$)	Auxiliary Charges	Charges from Repositiong 2	Sea Transport Freight	Sea Transport Freight/n.m. (US \$)
Manila - Cebu	392	553.94	30.12	144.23	311	0.79
Manila - Cagayan de Oro	504	680.34	30.91	166.61	369	0.73
Manila - Zamboanga	512	689.37	30.91	166.61	384	0.75
Manila - Gen. Santos	723	927.50	30.91	166.61	453	0.63
Manila - Davao	829	1,047.14	30.91	166.61	507	0.61

Source: *Domestic Shipowners Association*

1 Includes local arrastre at ports of origin and destination, wharfage & doc. stamps.

2 Freight of empty containers

FREIGHT RATES FOR CONTAINERIZED CARGOES OF LOCAL ORIGIN/DESTINATION				
Route 1 US \$ 2	Distance(n.m.) \$ Rate/ n.m.	Freight – P	Rate 1 US S2	\$ Rate/ nautical miles (n.m.)
Manila - Cebu	392	17,634	354.88	0.79
Manila - Cagayan de Oro	504	21,658	435.86	0.76
Manila - Zamboanga	512	21,946	441.65	0.76
Manila - Gen. Santos	723	29,319.92	590	0.80

Manila - Davao	892	33,335	670.86	0.75
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Source: Domestic Shipowners Association

1 Excluding 10% VAT

2 Exchange Rate : 1 US\$ = P41.85

FREIGHT RATES FOR CONTAINERIZED CARGOES FOR SELECTED ROUTES:

Another category of cargo transport involves non-containerized breakbulk cargoes. Tabulated below are the attendant freight rates for selected routes:

Route	Distance (n.m.) Rate/ n.m.	Freight (per cbm or ton)	Rate/n.m.
Manila – Hongkong	633	US\$ 5	US \$ 0.0079
Manila - Keelung, Taiwan	732	US\$ 15	US \$ 0.02
Manila – Singapore	1,308	US\$ 12	US \$ 0.009
Manila - Cagayan de Oro	504	P 503.23 - 773.52 US\$ 10.12- 15.56	US \$ 0.02-0.03
Manila - Gen. Santos	723	P 586.07 - 1,054.54* US\$11.79 - 21.22	US \$ 0.016 -0.029
Manila - Davao	829	P 774.57 - 1,190.56 US\$15.59- 23.96	US \$.018 - 029

Source: Philippine Shippers' Bureau for the oceangoing rates and Maritime Industry Authority for the domestic rates.

*Covers the range of freight rates for Class C to Class A commodities which are now deregulated

Mailing Rates

International	
Airmail Letters (20 g. - 2000 g)	P 30 – 3,545.00
Aerogram and Postcards	P13.00/pc. to all countries via airmail
Printed Matter (20 g -1,000 g.) (add'l. 500g or less)	P25.00 - 1,695.00 P435.00 - 850.00
Domestic	
Ordinary Mail (first 20 grams to 2k)	P7.00 - 113.00 (Intra) P9.00 - 135.00 (Inter/Airmail)
Priority Mail (first 20 grams to 2k)	P20.00 - P 155.00 (Intra) P25.00 - P 205.00 (Inter)
Express (first 20 grams to 2k)	P30.00 - 165.00(Intra) P35.00 - 225.00 (Inter)
Registered (first 20 grams to 2k)	P25.00 - 155.00 (Intra) P30.00 – 205.00 (Inter/Airmail)
3rd Class & C.O.D. (first 20 grams and 2k)	P5.00 - 90.00 (Intra) P6.00 - 101.00 (Inter)

Source: Philippine Postal Corporation

<http://www.philpost.gov.ph/>

INTERNATIONAL SHIPPING

FedEx International

For International Priority Shipments (Rates exclude special fee and dynamic fuel charge)

Major Destinations (From Manila)	China (South), Hongkong, Taiwan	China (excluding South), Japan, Thailand	Canada, Mexico	France, Germany, United Kingdom	Russia, South Africa, United Arab Emirates	US West Coast	Puerto Rico, US (Rest of the country)
0.5 kg	US\$19.10	US\$31.70	US\$44.80	US\$45.60	US\$54.00	US\$42.60	US\$42.60
1.0 kg	US\$22.60	US\$34.70	US\$51.30	US\$53.80	US\$64.80	US\$48.60	US\$48.60
1.5 kg	US\$26.10	US\$37.70	US\$57.80	US\$62.00	US\$75.60	US\$54.60	US\$54.60
2.0 kg	US\$29.60	US\$40.70	US\$64.30	US\$70.20	US\$86.40	US\$60.60	US\$60.60
2.5 kg	US\$33.10	US\$43.70	US\$70.80	US\$78.40	US\$97.20	US\$66.60	US\$66.60

Current fuel charge for export shipment as of May 2, 2010 is 10.50%.

Updated April 2012

Source: <http://fedex.com/ph/>

DHL International

Major Destinations (From Manila)	Rates
	(Document Package, 1 kg, Express)
Hongkong, Singapore	PHP841.00
China, Indonesia, Thailand, Japan	PHP1095.00 - PHP1213.00
United Arab Emirates	PHP3063.00
Italy	PHP2776.00
Spain, Finland, Denmark	PHP3063.00
United States	PHP1705.00

Last Updated: April 17, 2012)

Source: <http://www.dhl.com.ph/>

UTILITY COSTS

I. GAS AND FUEL PRODUCTS

**PREVAILING RETAIL PRICES OF PETROLEUM PRODUCTS
IN METRO MANILA**

**As of March
12, 2012**

PRODUCT	CALTEX	PETRON	SHELL	SEAOIL	FLYING V	UNIOIL
UNLEADED	55.95 - 58.64	54.55 - 61.02	55.95 - 61.02	57.13 - 58.10	56.85 - 58.50	54.35 - 57.56
PREMIUM UNLEADED	56.75 - 59.64	55.45 - 62.21	56.75 - 62.21	57.90 - 60.70	57.20 - 60.00	54.85 - 58.06
PREMIUM PLUS UNLEADED		63.85 - 64.10	59.00 - 63.95			
DIESEL	46.10 - 48.30	46.10 - 48.34	46.10 - 49.90	46.90 - 47.99	46.55 - 48.10	45.80 - 47.31
DIESEL (PUJ Discount)						
KEROSENE	53.04 - 59.30	52.95 - 56.55	52.35 - 54.95	57.85	53.48	
PRODUCT	TOTAL	CITY OIL	JETTI	EASTERN		
UNLEADED	56.00 - 58.25	56.55 - 57.00	54.70 - 57.85	57.35 - 57.50		
PREMIUM UNLEADED	56.90 - 60.00	57.20 - 58.00	55.70 - 58.45	58.30 - 60.05		
DIESEL	46.20 - 48.10	46.35 - 47.40	45.65 - 46.70	46.70 - 47.94		
DIESEL (PUJ Discount)						
KEROSENE		52.90 - 56.25				

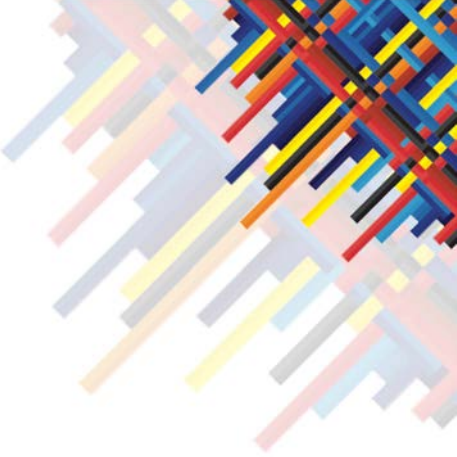
Effectivity:

Caltex - March 8, 2012/6:00 AM
 Petron - March 8, 2012/6:00 AM
 Shell - March 8, 2012/12:01 AM
 Total - March 8, 2012/6:00 AM
 Seaoil - March 8, 2012/6:00 AM

Unioil - Mar 9, 2012/6:00 AM
 Flying V - March 9, 2012/12:01 AM
 Cityoil - March 8, 2012/6:00 AM
 Eastern - March 9, 2012/12:01 AM
 Jeti - March 9, 2012/6:00 AM

¹⁶ Generation Charge Adjustment (GCA) added to Peak and Off-Peak generation charge rates of qualified Residential, IS and NIS customers. Regular rates for other charges apply. ¹⁷ NPC adjustments added to NPC's basic hourly TOU rates (generation) for qualified NIS and IS customers. Not included in these adjustments is Franchise and Benefits to Host Communities fixed at P0.0245 per kWh which is also added to the basic rates to arrive at the total generation rate. Regular rates for other charges apply. ¹⁸ PSALM stopped the PHP 0.3444 per kWh NPC ICERA refund effective April 2011 supply month. ¹⁹ Energy Tax - for residential customers only

* Rates are VAT exclusive



III. WATER RATES

Service Rates and Tariffs

Under the socialized structure of Maynilad's water rates and tariffs, those who consume less water are charged lower rates. Residential customers who consume 10 cu.m. or less per month are given a 20% discount by Maynilad. Commercial, industrial and high-consuming customers are billed higher rates.

Additional information:

http://mayniladwater.com.ph/uploaded/Tariff_as_of_121609.pdf

IV. TELECOMMUNICATION RATES

Telephone Rentals

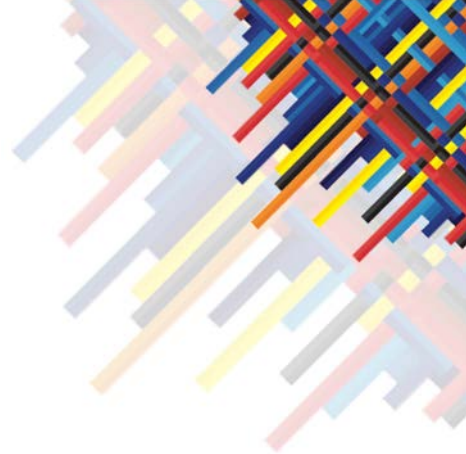
Residential -	P1,999.00
Installation -	P1,000.00
Subscriber Investment	P600.00
Plan - Monthly Rates*	
Business - Installation	P3,500.00
- Subscriber	P1,500.00
Investment Plan -	P1,410.00
Monthly Rates*	

*Subject to change due to foreign currency adjustment Updated: April 15, 2008

Source: Philippine Long Distance Telephone Company (PLDT)

<http://www.pldt.com.ph>

International Calls	PLDT Rates
ASEAN / Hongkong / Japan / Macao / South Korea	US\$0.15/minute
Australia / New Zealand	US\$0.40
USA / Canada	US\$0.40
France / Germany / Italy / Spain / U.K.	US\$0.40
China & India	US\$0.40
Kuwait / UAE / Bahrain / Saudi Arabia	US\$0.40



BAYAN PHONE		
Plan	Monthly Recurring Rate	Packages
BASIC	P499.00	Unlimited local landline calling
DSL	P1499.00	Unlimited local landline calling w/ 1.3 Mbps internet connection w/ free WIFI modem

Source: <http://www.bayan.com.ph/>

Cellular Mobile Phone System

Local Text		Call	Abroad Text		Call
Globe	P1.00	P6.50 same network and P7.50 other network or landline	P15.00		US0.40/min
Smart	P1.00	P6.50 same network and P7.50 other network or landline	P15.00		US0.40/min
Sun	P1.00	P6.50 same network and P7.50 other network or landline	P15.00		US0.40/min.
Fax Charges		Local	Abroad		
		.40/copy	.80/copy		
256 KB Frame relay w/ local loop (Mla. To W. Europe)			US\$22 to 27,000/month		

Internet Service Fees

DSL Web Account P4,000.00
 Subscription Rates (Varies depending on the type of plans – monthly, quarterly, semi-annual & annual- & number of hours to be used by the company)

PLDT *

Broadband Internet Access (DSL)

- 1.0 Mbps *P999.00/ month
- 2.0 Mbps *P1,995.00/ month
- 3.0 Mbps *P3,000.00/ month

For Corporation's LAN to Internet Requirement			
Package	Download	Committed Information Rate	Monthly Recurring Charge (Php)
SmallBiz Micro	up to 3.0 Mbps	307 Kbps	3,000
SmallBiz Lite	up to 3.5 Mbps	358 Kbps	4,000
SmallBiz Jr.	up to 4.5 Mbps	454 Kbps	8,000
SmallBiz Sr.	up to 5.0 Mbps	512 Kbps	14,500
Powerpacked A	up to 6.0 Mbps	614 Kbps	20,000
Powerpacked B	up to 7.0 Mbps	768 Kbps	35,000
Powerpacked C	up to 8.0 Mbps	1024 Kbps	50,000

Source: <http://www.pldt.com.ph>

SMART BRO				
Product	Speed	No. of hours use	Connection	Initial Payment
PREPAID	Up to 3.6 Mbps	Pay per use (P10.00/30 mins), surf-per-minute charging (online registration required)	Wireless Connection (Via USB Modem)	P995.00 with free 120 hours of internet surfing (valid for 5 days)
PLAN 999	Up to 2 Mbps	Unlimited	Broadband, Fixed wireless connection, Plug-it modem	P999.00
POCKET WIFI	Up to 5 Mbps	Pay per use. P10 for every 30 mins. Or avail of any usage package (Unlisurf, Per Minute, Prepaid Lifestyle).	Wireless Connection (Via Wifi Router)	One-time fee: P3,895

Source: <http://smart.com.ph/bro/>