

# philippine studies

Ateneo de Manila University • Loyola Heights, Quezon City • 1108 Philippines

---

## European Companies in the Philippines

Review Author: Henry M. Schwalbenberg

*Philippine Studies* vol. 37, no. 2 (1989) 245

Copyright © Ateneo de Manila University

---

Philippine Studies is published by the Ateneo de Manila University. Contents may not be copied or sent via email or other means to multiple sites and posted to a listserv without the copyright holder's written permission. Users may download and print articles for individual, noncommercial use only. However, unless prior permission has been obtained, you may not download an entire issue of a journal, or download multiple copies of articles.

Please contact the publisher for any further use of this work at [philstudies@admu.edu.ph](mailto:philstudies@admu.edu.ph).

<http://www.philippinestudies.net>  
Fri June 27 13:30:20 2008

on the political economy of rent-seeking, and of Larry Westphal and Yung Rhee on technological development in Korea.

Nonetheless, his chapter on rent-seekers makes for interesting reading, with the discussion on royal and presidential families, crony and bureaucratic capitalists, and other members of the 'species' of government-connected capitalists. In sum, the contribution of the book is as a handy compilation of information on the business elite in ASEAN.

*Leonardo L. Sta. Romana*  
*Research Economist*

EUROPEAN COMPANIES IN THE PHILIPPINES. London: Catholic Institute for International Relations, 1987. 194 pages.

In this book the staff of the Catholic Institute for International Relations has done quite an impressive job of compiling descriptions of almost all the European-owned or partly owned companies active in the Philippines.

The organization of the book is quite straightforward. There is an introductory section that outlines the recent economic history of the Philippines from the Marcos period up until the first two years of the Aquino administration. This introductory material is followed by chapters arranged according to the major economic sectors found in the Philippine economy. For example there are chapters on traditional exports, the export processing zones, manufacturing, energy, and service sectors. Each chapter contains a short history of that particular industry followed by descriptions of the different European companies active in that sector.

Depending on the particular company, the description can be either short or long. In most cases, however, we are told the name of the company and its nationality, its principal products, sales, and employment levels. In not a few cases we are given detailed information about labor relations and the motivation for the industry to locate in the Philippines. Some examples may suffice.

Being of German descent I was amused to learn that a West German firm employs over 200 people in Laguna to make German wood carvings. The wood carvings are all exported to West Germany where they are sold to tourists. So the next time a relative brings you an authentic Bavarian wood carving, check to see if it was made by Filipino craftsmen using Filipino wood supplies. Apparently the best place to get authentic German wood carvings is a workshop located in Paete, Laguna.

Perhaps less amusing but far more serious are the discussions about foreign timber companies and their relationships with tribal minorities. I also found the description of the labor difficulties faced by Nestlé in the Philippines quite informative. Another item that continues to show up in many of these descriptions is the large role that the San Miguel Corporation plays in many foreign enterprises.

Given the recent debate over the drug industry, many will want to read the section on Pharmaceuticals. Readers will learn how a certain British company charges prices that are eight to fourteen times higher than the prices they charge for the same drugs in Britain. You will also learn that there are 162 brands of cough suppressant on sale in the Philippines, of which less than a dozen are based on codeine. According to the World Health Organization the only required cough suppressant is codeine. The implication is that Filipino consumers are wasting a lot of their pesos on medicines that may not be of much use, except to the foreign drug companies who sell them.

Of crucial importance to a text like this one is a good index. And this book has one. You can simply turn to the back of the book and look up the particular company you are interested in and then turn to the appropriate pages in the text. There are also six valuable tables at the end of the book summarizing European investment in the Philippines. These tables show that the British have by far the largest number of direct investments in the Philippines. They have 102 compared to the next largest country, Germany, with 29. Although the British might have the largest number of investments, it is the Dutch who show almost the exact same level of sales with only 24 direct investments. The reason is that the Dutch, along with the British, own a big proportion of the various Shell related companies. For example, one of these companies, Pilipinas Shell Petroleum Corp., is the fourth largest corporation in the Philippines.

The major drawback of this book is obvious. It only covers European companies. The difficulty is that the overwhelming bulk of foreign investment in the Philippines is from either North America or other Asian countries such as Japan and Taiwan. Let us hope that in the future we will see editions following the same format entitled "American Companies in the Philippines" and "Asian Companies in the Philippines." Anyone looking for a masters thesis to do, you have your topic as well as a guide.

Henry M. Schwalbenberg  
Economics Department  
Fordham University

MAN, AGRICULTURE AND THE TROPICAL FOREST. Edited by S. Fujisaka, P. Sajise and R. del Castillo. Bangkok, Thailand: Winrock International Institute for Agricultural Development, 1986.

The continued destruction of the Philippine forest has been causing an unstoppable flow of lowlanders toward the uplands. These lowlanders know only plow-agriculture and they do plow even the steepest slopes with the tragic consequences of soil erosion and torrential floods, which destroy the fertility of upland soils and silt river, lake, dams and coral reefs.

*Man, Agriculture and the Tropical Forest* is a well coordinated effort of ten prominent social scientists, ecologists and anthropologists to tackle this basic