

MAKATI COMMERCIAL ESTATE ASSOCIATION
MaCEA Compound, cor Amorsolo/Tindalo Streets
Makati Metro Manila

May 26, 1988

MEMORANDUM CIRCULAR # 88-04:
Building-Owner Members Concerned

In January this year certain government mandated policies particularly increased daily workers wages and value added taxes (VAT) affected the operational costs of all our contractual services. From data submitted by our contractors, particularly garbage collection contractors, subject wage increases and the incremental effects of the VAT on prices of spare parts and other equipment maintenance increased operational costs as much as 46% over their current operations.

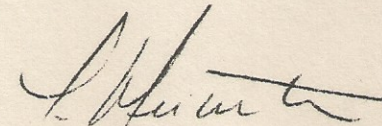
In this light, our Contractors have requested for corresponding increases in the current level of garbage fees to cover the added-on operational costs.

From January 1988 to about the middle of this month (May) we have had a series of meetings, bargainings and dialogues with our Contractors specifically to fix the rate of increases to a compromise level. This new level of dues should not be too burdensome to the members without affecting the operational efficiency of the garbage collection system in our community. Our Contractors after hearing the side of the MACEA Board have agreed to share with the Association members certain present economic sacrifices with the outlook that things are turning towards better times.

With the foregoing therefore, the MACEA Board have convinced our garbage collection Contractors to limit the increase of garbage collection fees to 25% over the current rates and not the 46% added-on costs as a result of the wage increases and the VAT. Further, our contractors gave in to the request of the Board that the garbage collection increases be made effective on July 1988 not retroactive to January 1988.

The Board is reiterating its appeal for your kind support in our desire to maintain a clean and sanitary business community.

Thank you.



ADDOLFO DUARTE
Vice President