

Column for Business Mirror
MANNY VILLAR
September 27, 2011

The Entrepreneur

Stop Selling Public Lands

It's a tempting offer. I'm referring to the P19 billion that somebody has offered to acquire the 103-hectare Food Terminal Inc. (FTI) in Taguig, the biggest remaining block of undeveloped property near the Naia and Bonifacio Global City.

It's tempting because the amount tendered by the still-unnamed prospective buyer was a lot higher than the P13-billion floor price set by the administration. Also, previous attempts to sell the property failed because the government did not find the P14 billion being offered by developers interesting.

Finance Secretary Cesar Purisima said during a recent Senate subcommittee hearing that the Privatization Council had accepted the offer, but only that it would be approved by Malacañang, after which it would be subjected to a Swiss challenge to give other interested groups the opportunity to submit higher bids.

The FTI property is the latest of the government's real estate to be put on the auction block to help raise revenues in the continuing effort to erase the fiscal deficit.

The government is also considering the sale of the huge tracts of land currently occupied by the military and the police: Camp Aguinaldo, the headquarters of the Armed Forces of the Philippines; and Camp Crame, the headquarters of the Philippine National Police.

The government reportedly can raise more than P55 billion from the sale of the two camps, both in Quezon City. Camp Aguinaldo covers 178 hectares, including the 26 hectares donated by Ortigas and Co.; Camp Crame, covers 40 hectares, including eight hectares donated by the Ortigas group.

The golf courses being maintained by the military have also caught our leaders' eye. According to reports, the AFP has five golf courses, including that at the Veterans Memorial Medical Center, with an aggregate area of 150 hectares and an estimated market value of P45 billion.

Proceeds from the privatization of military camps are supposed to be used for the modernization of the Armed Forces. At the beginning of 2011, the Bases Conversion and Development Authority (BCDA) reported that it had generated P50.82 billion from the privatization of former military camps since 1993, of which P3.28 billion was realized last year.

I don't know how much of the P50 billion or so actually went to the modernization of the military. What I know is that the new flagship of the Navy, the BRP Gregorio del Pilar, is a hand-me-down from the US Coast Guard, on which we even had to shell out at least P400 million to put back into sailing condition.

The conditions in the other branches of the military are not different, but I'm not going to discourse on that.

My point is: Do we really have to sell the remaining government-owned lands in Metro Manila?

First, as the state of the military's modernization program shows, it is not clear where the proceeds of privatization of the camps are going. In addition, there are uncertainties about government earnings from the joint ventures covering former military properties.

Second, Metro Manila is already suffering from congestion and its effects. The United Nations ranks Metro Manila as the 15th largest city in the world with an estimated population of 11.5 million in 2010.

The World Health Organization, on the other hand, says that with a population density of 15,500 people per square kilometer, Metro Manila is the most densely populated area in the Philippines.

Congestion results not only in traffic snarls, but also in other serious problems, including water pollution, (all surface waters in Metro Manila are considered biologically dead during the dry months; a notable exception is the Las Piñas-Zapote River, where fishes continue to thrive), air pollution (Metro Manila has some of the worst air pollution in the world) and environmental health risks. The dirty air that Metro Manila residents breathe every day leads to high incidence of pulmonary diseases.

As the center of commercial and industrial activity, Metro Manila contributes the bulk of revenues to the government. It is only fair to raise the quality of life of the people in Metro Manila.

When the government sells public land, buyers put up commercial structures like malls and markets. These attract shoppers, and with them cars, buses, jeepneys and the constant problem: traffic congestion.

The government would have to build new roads or widen existing roads and undertake other public-works projects to cope with the new problems. The result: more congestion.

In the end, the amount the government spent on additional infrastructure may even exceed the money it received from the sale of public lands.

That, to me, is anomalous. Selling public lands, at least at this stage in Metro Manila, is a losing proposition, both in terms of the environment as it relates to the quality of life of our people and from the economic point of view.

Let's stop the sale of the remaining public lands in Metro Manila. If the military's golf courses are offensive to our leaders, then convert them into public parks.

People need real parks, not the small green corners inside the residential towers, but places where families can gather for weekend picnics, where people can stroll on paths surrounded by trees.

You may send your comments/feedback to mbv_secretariat@yahoo.com.

LINK:

<http://www.businessmirror.com.ph/home/opinion/17071-stop-selling-public-lands>