

Building the Economy? Why Build the Bagong Nayong Pilipino Entertainment City?

A Position Paper by:

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The government of the Republic of the Philippines (RP); the Philippine Amusement and Gaming Authority (PAGCOR); in full connection to different private foreign investors like the Bloomberry Hotels and Resorts Inc and the Travellers International, are planning to uphold and to revitalize the income of the Philippines by rebuilding the what was once closed “Nayong Pilipino” into a more productive tourist attraction. They are planning to give rise to the economic strength of the country by reconstructing the Nayong Pilipino to an entertainment-based district that will have gambling leisure and hotel accommodations as its basic commodities for attracting tourists and for having foreign monetary remittances higher. The planned “Bagong Nayong Pilipino Entertainment City Manila”, proposed by the now-ousted PAGCOR chairman Efraim Genuino, will be constructed in the comforts of the Manila Bay shore by means of direct structural reclamation of 120 hectares of sea, together with initial projects like resorts and hotels

that would be made together in the whole Entertainment City itself. By economic and statistical studies, the project will harbour at most 150,000 direct and indirect additional jobs for Filipinos through means of the second largest collector of funds in the country – gambling – and is expected to gradually harbour 500 Million dollars per year that would enable the government to gradually diminish its debts from the World Bank (Genuino, 2007). The project is expected to triple the annual PAGCOR revenue of \$500 Million to \$1.5 Billion, which in due time would be about enough to pay for the total debit revenue and debt of the Philippines amounting to \$5 trillion. (PCJJ, 2012)

This sounds to be a very idealistic and very optimistic idea from PAGCOR, and it is clear enough that economic and statistical data backs up their claims on having the Philippine economy relatively high than its level now. However, in terms of economical, environmental, ecological and geological factors, this Bagong Nayong Pilipino Entertainment City Manila would not be even helpful in addressing our problems in the National Debt. On one hand, the project could be helpful, but in terms of catastrophic analysis, the proposed project would do more harm and less productivity relative to the so-called monetary and economic advantages that the PAGCOR project would bring out.

The proposed 800 hectare of reclaimed land that will be the site for the Entertainment City will cost an ultimately expensive 20 billion dollars, consisting equity, debt and site construction (Rubio, 2007). Obviously, the RP government's budget allocation alone could not suffice the expected cost for building such an idealistic facility, and the power of the private companies, both local and foreign alike, comes very well in this money shortage. Different private enterprises like the SM Development Corporation and the Greek Loutraki Casino each invested for the completion and the enhancement of the facilities that the Entertainment City

would have, if it is made into full operation (Reyes, 2009). Particularly speaking, the Entertainment City project itself is a government-private partnership owned enterprise, which brings out problems with respect to the division of profit that the Entertainment City will harbour. The government-private profit division ratio is at 1:5, with 5 private investors present, and this would mean that just one-fifth of the profit that will be earned from the project will come in the hands of the Philippine Government. However, this would still be diminished because the over-all profit that the government would have would still be divided according to the initiating sector for the project, which is PAGCOR (Lim, 2012). The transparent showing of audits and accountabilities that the project had in its full operation will be needed for the Filipino people to be sure that the Entertainment City is really working and is earning for the sake of the country. However, the transparent disclosure to the Filipino people of the remaining four-fifths of the project profit will be up to the discretion of the partnered private companies, as said in the Article VII, section 8 of the 1987 Constitution (Arellano Law Foundation, 1998). This full power of the private companies to hide their shares of profit could allow several monetary “backdoors” that would basically lead to the diminishing of the shares that the RP Government should have, if PAGCOR itself would be involved in this malice.

The US\$20B project initially includes a 665-m (2,182-ft) tall PAGCOR Observatory Tower, believed to become the second tallest structure in the world after Burj Khalifa; a breathtaking Manila Eye, Philippine version of London Eye; a high-speed monorail transit, which will connect the main hub to the airport; PAGCOR Arena; residential complexes; integrated shopping complex; commercial and financial centers; deluxe hotels; casinos and resorts (Genuino, 2007). This is basically a futuristic engineering marvel for the Filipinos, but, structurally speaking, would all of these proposed structures be viable enough to be built on the

Entertainment City site, which is a reclaimed area? To follow up, would this extensive reclamation of sea to give rise to territorial construction and structural site of the Entertainment city be without harm?

Geographically, the proposed reclamation construction site of the Entertainment City is relatively near towards the Paranaque-Las Piñas Lagoon System, a sanctuary for wildlife like species of birds and fishes. While the 800 hectare region out the coast of Manila Bay is eyed by the government in building the Entertainment City, the Philippine Reclamation Authority consequently eyes the 175 hectare Paranaque-Las Piñas Lagoon System, including the outstretch of waters outside the border of the location, as another site for reclamation, which will basically lead to the formation of a concretized sanctuary for all the faunal species located in the said lagoon region (Morelos, 2011). While ecological problems concerning the region are also related to the construction of the Entertainment City, an alarming study made by environmental activist groups suggests that the large scale reclamation of the Paranaque-Las Piñas Lagoon System and the adjacent Entertainment City project would intensify the flooding that the Southern NCR experiences (Mayuga, 2012). For any land reclamation activity, the relevant drainage outfalls and rivers are of vital concern and should be carefully examined in order to prevent the adverse effects of flooding on the main land. The reclamation projects along Manila Bay were implemented according to the Boulevard 2000 Framework Plan, which contains mandatory provisions such as the preparation of drainage plans that will satisfy technical, economic and environmental requirements (Abaya, 2011). However, the proposed reclamation of the Entertainment City and the Paranaque-Las Piñas Lagoon System is not closely monitored in terms of the adverse effects of flooding that the reclamation of these sites would bring.

The reclamation of an isolated portion of sea actually regulates and prohibits flooding coming out of the coastal region by adding protective sea barriers, as defined by the international reclamation code, against the incoming waters of a certain storm surge (Chen 2012). However, the reclamation – the dumping of concrete and aggregates to form a viable construction site – of a coastal region itself is developing a diminished state of drainage in adjacent drainage systems close to the reclaimed area (Chen, 2010). Chen also suggested that the diminished state of flooding is happening due to the framework of drainage systems, in which drainage pipes alleviating floods in a specific region all open to a near coastal region, where the pipes carry water out of the cities. Since reclamation of land is relatively close to the coastal regions, it is expected that developers should reframe the drainage opening systems that each of the adjacent cities has to give rise to reclamation. This is the reason why reclamation sites should not be relatively close to each other, to give rise to the restructuring of drainage systems in a specific city (Chen, 2010). However, it is the case that the Entertainment City reclamation site is relatively close to another reclamation site in the location of the Paranaque-Las Piñas Lagoon System. Having two near reclamation sites in a coastal region would give engineers a hard time to restructure the drainage systems that the adjacent cities are using. Since the coastal region is now seemingly crowded with two large-scale reclamation sites, it is expected that the flooding in the Southern NCR region would be aggravated unless the engineers of the reclamation sites would have an alternative in restructuring the drainage systems (Mayuga, 2012)

In another point, a problem that the reclamation of these two adjacent reclamation sites presents is the concept as to where the faunal species inhabiting the Paranaque-Las Piñas Lagoon System would reside while the reclamation of these sites are undergoing (Morelos, 2011). While the lagoon system and the location of the Entertainment City are being reclaimed, the mangroves

that serve as the habitat for wildlife in the lagoon region will be cut off to give rise to reclamation (Morelos, 2011). If the adjacent reclamation of the Entertainment City is not present, the wildlife could simply be collected and moved to that adjacent location while the reclamation of the Paranaque-Las Piñas Lagoon System is being initiated. But obviously, this is not the case now. Wildlife would obviously go to another place viable for shelter and habitat while these two are being constructed. It's ironic that the Paranaque-Las Piñas Lagoon System reclamation project, named the Wildlife Coastal Reclaimed Sanctuary (Morelos, 2011), would have a hard time putting animal wildlife in it since most of the fauna inhabiting that place had moved away in a more comfortable location.

The location of the Entertainment City, including the adjacent structures like the Mall of Asia, One esplanade et.al is at the outskirts of the Manila Bay. This provides a panoramic view of the sea, as wanted by the developers of the project (Genuino, 2007). However, the location of the Entertainment City itself is at the expected location of the occurrence of a geological catastrophe being monitored all over the country, which makes the location of the project to be very unstable. Metro Manila is expecting a major earthquake in two of the active fault and subduction regions surrounding Metro Manila anytime in a span of at most 40 years, counting this year (Dimalanta, 2012). Two of the major earthquakes that could be in the range of magnitude greater than or equal to 7.0 may come from the movement of the West Valley Fault system in Marikina, or the release of pressure from the subduction of the Sundaland block comprising the Philippine arc system along the Manila trench (Dimalanta, 2012). Earthquakes having magnitudes 7.0 and above that are happening on oceanic basins are oftentimes tsunamigenic (tsunami forming), and could affect the coastal region of Metro Manila catastrophically, which is the reason why disaster mitigation and preparedness should be

executed as early as now (Dimalanta, 2012). The relative date with respect to the 40-year range of the big Manila Earthquake could not be detected by geologists, but it could happen anytime soon. With the Entertainment City on the hot-eye of the possible path of the generated tsunami formed by the possible Big Manila Quake on the Manila Bay, it is expected that the Entertainment City would not be made into full completion; even if the quake strikes early or it doesn't, the Entertainment City would not attract patron tourists at all due to the havoc that the possible tsunamis will inflict on the outskirts of the said project. The project will suffer and take a big loss of profit from this catastrophe in terms of patrons, stocks, shares, damage to property and manpower diminishing.

The aim of the project promotes to the welfare and the gradual upbringing of the once-mighty Filipino economy, and basically, there is no doubt about the main goal of the Entertainment City. The City, on one hand, could work and could literally bring the Filipinos on the top again, but due to the several problematic factors presented, it is implied that the government should find other alternative sources if it is really wanting to promote the rise of the economy, including its trickle-down effect, which is the manner at which the countrymen, not just the macro economy, are also experiencing the wonders of the high-economy that this project wants to point out.

It is clear enough that there are different private sectors wanting to fund and partner with the government to bring out a project that would promote a two-way mutualism of profit between both parties. If this is the case, why doesn't the government initiate other tourism based infrastructures, such as resorts, hotels and other structures that could enhance the specific landscape wonder of a certain place that would be constructed on other places, like provinces, which are viable and plausible tourism hotspots? If certain place has natural wonders that would

lead people to go there, then the government, with its joint partnership to other enterprises, should enhance that place to further attract tourists by providing services for the tourists to enjoy the natural wonders of that place more. It is alarming that the government is focusing on making everything concretized and urban, when in fact the country could earn money by being simple and gradually enhancing the its natural beauty.

The government could also use the money from private-joint partnerships for making the economy on a high-grade as well as making another factor enhanced. As of now, the Philippines is being bullied by China due to territorial disputes, and it is degrading for the Filipinos couldn't stand face to face on China due to diplomatic, security-based and fear-based reasons. The Philippines fears large countries due to the war potentials these countries have. If this is so, the Philippines should also take initiative in bringing the war-potential that the country should have had before. By having the money from partnerships, and by basically having the upbringing of economy as the main consideration, the war-potential of the Philippines could also be enhanced by making war-factory enterprises which, in this case, is jointly owned. By doing so, there would not be anymore import of weapons from other countries and basically, the Philippines could take in more income from civilian and military buyers wanting to supply themselves with enough material from the nation's never-ending arms race.

The Entertainment City could actually be made into full completion if the government would take into consideration the factors presented. It is best that the government should carefully study, along with the local and interior sectors, the plausibility of a certain project before initializing it into completion. They should not be closed minded to hear the certain whereabouts and appeals certain studies and independent scientific research that other people are presenting and doing, because after all, all of these is for the better welfare of the Filipino people

and the economy. In another perspective, the government should not just involve itself in making hasty projects just for the gleam of money-making opportunities. On one hand, they should be critical enough to think of other factors that would lead the Philippines and the Filipinos on the economic pedestal that should be rightfully theirs from the start.

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Word count: 2,494 words