Philippines: Cautious optimism rules the day

By ANDY OVERBECK

CAGAYAN DE ORO, Philippines — Along with their Asian neighbors, the Philippines has pine — Along with their Asian course industry, which is reliant to slow the growth of golf development in the country. The golf course industry, which is reliant on imported goods from maintenance equipment and fertilizer to expatriate management staff, has been hit hard by the dollar.

“JM £ Sweaty palms? ** Dry Throat? * —
Gremlins in your pump station have you feeling the water pressure? Call FLOWTRONEX PSI. No one has created more industry innovations. No one gives you better, more advanced service. No one maintains over $2 million in parts. And no one engineers a better pump station to fit your needs. So talk to FLOWTRONEX PSI. We may cost a little more. But we promise you, we won’t leave you high and dry.

Andrew Overbeck is currently on a Watson Fellowship studying golf course development in Asia and is regularly contributing to GCN. He is visiting both existing golf courses and those under construction in Thailand, China and Vietnam.

Add the effects of El Nino, disgruntled farmers, and the rising cost of San Miguel and you have a dangerous cocktail.

However, despite these difficulties, the golf course industry marches on with plenty of projects under construction, some newly opened courses, and a handful of projects in the developmental stages.

ONGOING CONSTRUCTION AND ANGRY FARMERS

Most of the golf course development in the Philippines has concentrated in the areas close to Manila. To the south, development continues to grow for two reasons, the relative ease of access along the South Superhighway (this doesn’t keep some members from utilizing their helicopters) and the relative ease of acquiring land. In this area, large tracts of land belong to single land owners and therefore, annexing property is fairly easy. In contrast, the land to the north of Manila is owned primarily by multiple owners, making land purchases expensive and difficult to negotiate. With the withdrawal of US forces from the Philippines in 1991, vast areas of land to the north became available for development.

However, as more agricultural land is being converted for factories and real estate development, farmers and small landowners are finding themselves increasingly displaced. The fight for land is yet another challenge to developing a golf course in the Philippines.

Within the newly formed Clark Special Economic Zone, there are three new golf courses under construction. If they are developed to the full extent, the area will eventually boast 182 holes of golf.

Indeed, complete development of the following projects is in serious question as the newness disputes between existing developments and the Clark Development Corporation.

Regardless, the task of construction has begun at the Fontana Golf Club, where a 54-hole course is due to be built. The timeline for the construction of this project will likely stretch into the next millennium.

Meanwhile, work at True North, a 36-hole Nick Faldo designed course is progressing. However, the site is proving difficult due to the aftermath of the eruption of Mt. Pinatubo. There are drastic elevation changes and controlling the erosion of the lahar and ash from the volcano is a challenge. Further, construction delays have been caused by the minority Negritos claiming the area as ancestral land. However, all of the hard work will be worth it, since it will mean the rebirth of land that was turned into an environmental wasteland by volcanic ash. The first 18 holes are due to be completed in May of 1999.

The final project at Clark is the Hacienda Golf and Country Club where work has progressed the furthest. This despite ma-chete-wielding locals who did their best to disrupt the initial land surveying. All 18 holes of the Sewe Ballesteros course are due to open in December of 1998.

The Jose Maria Olazabal designed course will follow.

Further north in the mountain town of Baguio, development is also moving along. The area boasts a cool climate year round, and has become an annual summer spot for Filipino families. The Fil-Estate Development Corporation along with other investors have a corner on the market in Baguio having purchased the rights to the most prized piece of property in the area — Camp John Hay, a former US military rest and recreation post.

They plan to build a full scale mountain resort on the 245-hectare property and are currently renovating the existing golf course. The Jack Nicklaus re-designed course is 35 percent finished and is slated for completion in the beginning of 1999.

Continued on page 50

If Pump Station Paranoia Has The Vultures Circling, We Can Rescue You.

FLOWTRONEX PSI
Pumping Systems
(800)786-7480 (214)357-1320
E-mail: ftpsi@flowtronex.com
Philippines
Continued from page 11

Back in Manila, the reconstruction of the old courses continues. The Wack Wack Golf and Country Club is renovating 18 holes of their 36-hole layout with the help of Brit Stenson and the IMD team. In addition to new lakes, better shaping, and an updated layout the course will also have better drainage, irrigation and turf grass. In order to conserve water, a new water treatment plant has been added to recycle and treat water so that can be used on the golf course. The renovation is due to be completed by August 1998. Nearby, the Fort Bonifacio Development Corporation is planning to incorporate an 18-hole layout within their larger cityscape. The land was a former Filipino Army base and upon its redevelopment by the Metro Pacific Group, the Bases Conversion Development Authority (BCDA) mandated that a replacement of the old military golf course be included in the plans. However, the BCDA is failing to come through on their part of the deal—annexing the additional land for the golf course is proving rather difficult and has lead to some heated standoffs between construction crews and local residents. If all goes well the Ronald Fream-designed, inner city, executive style course should be finished by July 2000.

Moving south of Manila, the Tagaytay Highlands Golf and Country Club is looking to add more golf to their existing mega project. They are currently preparing the site for the Richard Biegler-designed Midlands Course which will be decidedly flatter and more golf friendly than the existing Highlands course. The hillside resort will be linked to the lower Midlands resort via a tramway that was imported from Austria. The East course is due to be finished in 1999 and the West course should follow in 2000.

A bit further west from Tagaytay, bursts of unrest have marred the construction of the Eagle Ridge Golf and Country Club in Cavite. With the size of the intended project, conflicts with displaced farmers was unavoidable. Angry farmers and land conversion activists have hampered the project and efforts to remove squatters from the land have led to violent retaliation ending when two shapers were shot. Construction has continued on the 740-hectare site and will eventually boast 72 holes of golf designed by Andy Dye, Greg Norman, Isao Aoki, and Nick Faldo. They have completed the Faldo and nine holes of the Dye courses open for play at the moment.

Two new courses are slated to begin construction in the coming months. The Tanay Mountain Spa is being developed by a newcomer to the golf business, Universal Rightfield. The Rodney Wright-designed layout near Laguna De Bay is due to start construction in September.

In Cebu, the Ever-Gotesco Holdings Company is looking to add to their empire of golf courses, yacht clubs, and shopping malls with the development of the Evercrest Cebu Golf and Country Club. Following a delay, construction should continue in the coming months on the 122-hectare site that sits in the hills above Cebu City. The full project will include resort and hotel accommodations in addition to the 36-hole golf course. The “plantation” 18, designed by Nick Price, is on line for completion in March 1999 and a “garden” 18 laid out by David Leadbetter will follow.

Despite the multitude of obstacles, new course construction continues. However, it is wise to point out that the proposed scale of many of the projects will likely be cut back and adjusted in keeping with the ongoing recovery of the Philippine economy. Meanwhile, developers of these courses are hoping to hit the ground running when the recovery arrives.

OUTLOOK

There are still many reasons to be bullish on the Philippines golf market. First of all, the market has not disappeared, there is still a large demand for golf that cuts across all levels of the population.

Bill Cornwell, chief consultant for Pacific Golf contends: “There is a great tradition for golf in the Philippines, due to the American influence, and the growing middle class mindset. More people want a place to get away from the city, a place that gives them prestige.”

Further, the economic collapse has solidified the market. Gone are the days of speculative and over-valued club shares. The market has matured and without the cost that has been seen in other Asian countries.

“The advantage is that it happened before the market expanded too much so it is helping to pressure specific faults within the industry without causing too much pain,” claims Eric Mannaquin of Santa Lucia Real Estate. The benefits of this are clearly evident in the secondary shares market where the volume of trading has stayed active despite the economic slowdown.

Clearly, with an economy that is still recovering and the added contingencies such as the recent transfer of presidential power, the continuing Philippine Airlines strike, and the increasing volatility of the currency markets in Asia, there is enough uncertainty floating around to make investors and developers more than a bit cautious.

AQUATIC HERBICIDE

NEW AquaCure Aquatic Herbicide and AquaCure Aquatic Algaecide can keep your lakes and ponds serene and clean — without interrupting use of the water for irrigation and recreation.

• AquaCure treated lakes and ponds are available immediately for irrigation of putting greens, fairways and ornamental plants.
• AquaCure treated water can also be used without interruption for fishing and swimming.

www.pbigordon.com

AQUATIC HERBICIDE

AQUATIC ALGAECIDE

AquaCure™ provides effective control of many aquatic weed species, including American pondweed (Potamogeton nodosus), Hydrilla (Hydrilla verticillata) and Brazilian Elodea (Elodea densa).

AquaCure™ provides effective control of various filamentous, planktonic and branched algae in golf course, ornamental, fish, irrigation and fire ponds.

© 1998, PBI/Gordon Corporation. T029/698

CIRCLE #139

An Employee-Owned Company