

[EXECUTIVE ORDER NO. 599, January 18, 2007]

ADJUSTING THE DIVIDEND RATE OF NATIONAL POWER CORPORATION ON ITS 2005 NET EARNINGS PURSUANT TO SECTION 5 OF REPUBLIC ACT NO. 7656

WHEREAS, Section 1 of Republic Act (RA) No. 7656 provides that:

"SECTION 1. Declaration of Policy. It is hereby declared the policy of the State that in order for the National Government to realize additional revenues, government-owned or controlled corporations, without impairing their viability and the purpose for which they have been established, shall share a substantial amount of their net earnings to the National Government."

WHEREAS, Section 5 of RA 7656 provides that: "[i] the interest of national economy and general welfare, the percentage of annual net earnings that shall be declared by the government-owned or controlled corporations may be adjusted by the President of the Philippines upon recommendation by the Secretary of Finance";

WHEREAS, to support the viability and mandate of the National Power Corporation (NPC), the liquidity, capital position, retained earnings and medium-term plans and programs of NPC were considered in the determination of the reasonable dividend rates on its 2005 net earnings;

WHEREAS, pursuant to Section 5 of RA 7656, the Secretary of Finance has recommended the adjustment on the percentage of 2005 net earnings that shall be declared by NPC as dividend to the National Government, in the interest of national economy and general welfare.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The percentage of net earnings to be declared and remitted by the NPC as dividends to the National Government as provided for under Section 3 of Republic Act No. 7656 is authorized to be adjusted to three (3%) percent for 2005, or an equivalent amount of not less than P2.6 Billion.

SECTION 2. The adjusted dividend rate provided for under Section 1 is only applicable on 2005 net earnings of the NPC.

SECTION 3. This Executive Order shall take effect immediately.

Done in the City of Manila, this 18th day of January, in the year of Our Lord, Two Thousand and Seven.

(SGD.) GLORIA MACAPAGAL-ARROYO

By the President: