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Good governance

Estanislao: 65% of PSE-listed co's now on a par with HK, Thailand

By Darwin G. Amojelar, Reporter

The Institute of Corporate Directors, the nation's—and the world's—most respected Philippine corporate governance watchdog, says 65 percent of PSE-listed corporations are now on a par with Hong Kong and Thailand and some of these on the good-governance level of the best in the United States.

Knowing that a corporation is run with rigorous ethical standards, says former Finance minister Dr. Jesus P. Estanislao, the founding chairman of ICD, is a big reason people buy shares in a company.

ICD gave the top 20 PSE-listed companies high marks on the basis of an internationally-accepted scorecard that rates a corporation's adherence to the best practices.

ICD's work of promoting good governance in business and government is supported by the World Bank, the US Chamber of Commerce under its CIPE program and the Europe-based Organization for Economic Cooperation and Development.

Philippine Stock Exchange President and CEO Francis Lim agrees with Dr. Estanislao. Lim told The Times statistics show that investors tend to invest more in companies with good corporate governance systems.

He says good corporate governance prevents the occurrence of problems similar to that which happened with BW Resources in 1999. Alleged share price manipulation and insider trading in BW Resources were among the issues raised in the impeachment complaint against ousted President Joseph Estrada who was convicted of plunder (and then pardoned by President Arroyo.)

Lim said strict monitoring of corporate governance can prevent scams and that is why PSE has an agreement with the Institute of Corporate Directors and the Ateneo Law School. ICD, in tandem with Ateneo, will monitor the corporate governance practices of all PSE-listed companies. ICD will release their scorecards to the PSE management and the public.

The PSE has also created a corporate governance office, which will be tasked to evaluate, with the ICD's support, the corporate

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