

OTOP- Philippines: Boosting Entrepreneurship, Creating Jobs



photos of SMEs courtesy of LANDBANK-CAD

The One Town One Product-Philippines is a priority program of the government that aims to promote entrepreneurship as well as help create jobs. The program was introduced in 2001 and spearheaded by the Department of Trade and Industry (DTI). Adopted from Japan's One Village One Product (OVOP) project, OTOP was designed to encourage the country's small and medium enterprises (SMEs) to produce and market specific products or services that have competitive advantages.

The implementation of OTOP is one of the priorities indicated in the Medium-Term Philippine Development Plan (MTPDP) 2004-2010.

For the 1st semester of 2006, a total of 30,805 new jobs were generated under OTOP. Region III recorded the most number of jobs (5,682) generated during this period. The number of direct jobs generated reached 25,982.

SALES GENERATION

Meanwhile, total export sales for OTOP in the first semester of 2006 amounted to US\$28.21 million with Region 12 generating the highest sales of

US\$12.04 million. Domestic sales, on the other hand totaled to PhP895.64 million with Region 9 topping the list with PhP206.83 million.

INVESTMENT GENERATION

Total amount of investments generated for the program reached PhP752,526 million.

SME DEVELOPMENT

As for the promotion and development of micro, small and medium enterprise (MSMEs), 1,057 new MSMEs were developed while 3,465 were assisted in their operations.

LOANS TO SMEs

Loans released to 70 SMEs in the first half of 2006 amounted to PhP11.49 million. Financing windows are provided through the assistance of institutions such as the Small Business Corporation under the DTI that implements the SME Unified Lending Opportunities for national growth (SULONG) program. Government financial institutions (GFIs) also provides credit facilities for these SMEs.

| JOBS GENERATED | | | | | | | |
|-----------------------|---------------------------|--|---|---------------------------------------|---|---|---------------------------------------|
| Region | New jobs generated | No. of community-based jobs generated | No. of new direct jobs generated | No. of indirect jobs generated | No. of home-based jobs generated | No. of new direct jobs generated | No. of indirect jobs generated |
| NCR | 100 | 61 | 61 | NA | 39 | 39 | NA |
| CAR | 981 | 638 | 425 | 213 | 343 | 311 | 32 |
| I | 650 | 382 | 346 | 36 | 268 | 233 | 35 |
| II | 656 | 383 | 182 | 201 | 273 | 92 | 181 |
| III | 5,682 | 4,347 | 4,235 | 112 | 1,335 | 1,022 | 313 |
| IV-A | 1,231 | 260 | 165 | 95 | 971 | 856 | 115 |
| IV-B | 217 | 136 | 131 | 5 | 81 | 51 | 30 |
| V | 890 | 392 | 174 | 218 | 498 | 320 | 178 |
| VI | 4,348 | 2,991 | 1,905 | 1,086 | 1,357 | 659 | 698 |
| VII | 902 | 566 | 325 | 241 | 336 | 158 | 178 |
| VIII | 1,184 | 728 | 281 | 447 | 456 | 173 | 283 |
| IX | 3,564 | 2,199 | 2,008 | 191 | 1,365 | 1,199 | 166 |
| X | 3,387 | 3,187 | 1,250 | 1,937 | 200 | 175 | 25 |
| XI | 4,066 | 2,175 | 1,580 | 595 | 1,891 | 1,377 | 514 |
| XII | 888 | 750 | 344 | 406 | 138 | 47 | 91 |
| CARAGA | 2,059 | 914 | 854 | 60 | 1,145 | 585 | 560 |
| TOTAL | 30,805 | 20,109 | 14,266 | 5,843 | 10,696 | 7,297 | 3,399 |

CHALLENGES

Access to financing remains a challenge for OTOP-Philippines. Hence, the local government units (LGUs) have been empowered to provide the necessary resources in order to make OTOP work in the cities and towns.

According to the DTI, no financial subsidies are provided by the national government except for programs and services already in place in the national government agencies. Thus, LGUs are encouraged to really own the program and be responsible for the success of their OTOPs.

| REGION | TOWN | PROVINCE | PRODUCT |
|---------------|---------------|-------------------|----------------------------|
| CAR | Tabuk | Kalinga | Processed coffee |
| I | Rosario | La Union | Wood furniture |
| II | Baggao | Cagayan | Home furnishing |
| III | Cabiao | Nueva Ecija | GHD |
| IV-A | Paete | Laguna | Wood carving & paper mache |
| IV-B | Torrijos | Marinduque | Woven buntal |
| V | Tiwi | Albay | Ceramics |
| VI | Maasin | Iloilo | Bamboo |
| VII | Inabanga | Bohol | Woven raffia |
| VIII | Jiabong | Samar | Mussel |
| IX | Pagadian City | Zamboanga del Sur | Seaweed |
| X | Impasug-ong | Bukidnon | High value vegetables |
| XI | Davao City | | Banana chips |
| XII | Makilala | N. Cotabato | Fresh Banana |
| CARAGA | La Paz | Agusan Del Sur | Oil Palm |
| NCR | | Quezon City | Health care & wellness |