

MAKE WAY FOR THE SUPER REGIONS

In a strategic development move, the country's 16 regions have been grouped into four "super" regions for investment planning purposes. These are North Luzon, Metro Luzon, Central Philippines and Mindanao. President Gloria Macapagal Arroyo announced this in a joint meeting of her Cabinet and the Regional Development Councils (RDCs) held at Cauayan City, Isabela and later in her State-of-the-Nation (SONA) address before Congress last July 24.



fasttrack development initiatives in North Luzon as Agribusiness Quadrangle, Metro Luzon as Urban Beltway, Central Philippines, Mindanao and the Cyber Corridor.

North Luzon as Agribusiness Quadrangle. North Luzon includes Regions 1, 2 and the Cordillera Administrative Region, including the provinces of Aurora and Nueva Ecija. According to Secretary Neri, the economy of

North Luzon and Mindanao are expected to develop agribusiness as their major contribution to the country's economic growth and Metro Luzon in terms of logistics, services and manufacturing. Central Philippines, including Cebu, is envisioned to be the major contributor to the country's tourism industry.

North Luzon depends largely on agriculture. That's why agribusiness investments will be prioritized.

Socioeconomic Planning Secretary and NEDA Director-General Romulo L. Neri said during the RDC's meeting that creating the four super regions will promote domestic and global economic integration, strengthen rural-urban linkages and facilitate the exchange of goods and information. "With the pooling of resources, there will be more locally-initiated development, with better-off areas paying attention to lagging or backward localities and regions," he added.

The NEDA head said the government will take advantage of the North Luzon's proximity to China and Taiwan in order to lure more investors. Agriculture and mariculture will be developed to enable the region to become the food basket of Luzon and Metro Manila. Its watersheds and riverbasins will be tapped alongside responsible minerals development. To improve investment climate, basic social development concerns shall be addressed and infrastructure support strengthened.

In her SONA, President Arroyo added another region to boost telecommunications, technology and education called the Cyber Corridor and will cover the whole length of the country.

President Arroyo said that among the projects in the Region include the expansion of the San Roque Multipurpose Dam with the Agno River Project and completion of irrigation infrastructure such as the Banaoang Irrigation project. An international airport shall be constructed in Poro, La Union. Post harvest support shall be pursued in La Trinidad Benguet and other parts in North Luzon. To sustain the Region's

Fasttracking Development Through Super Regions

In her SONA, President Arroyo said that the government will enhance the competitive advantage of the natural geographic composition of the regions. This aims to



needs for power and energy, the San Roque Multi-Purpose Dam will be harnessed along with the Northern Luzon Wind Power projects in the coastal towns of Cagayan, Batanes and Ilocos Norte provinces.

Metro Luzon Urban Beltway. This spans most of Central Luzon, Metro Manila, Calabarzon, Mindoro and Marinduque. To be globally competitive, the government will pursue five comprehensive strategies: (a) reduce the cost of electricity for businesses to become competitive; (b) make food plentiful and affordable; (c) modernize infrastructure at least cost; (d) mobilize, upgrade and disseminate knowledge and technologies for productivity; and (e) reduce red tape in all agencies.

President Arroyo said that in order to bring the beltway to the west, the Subic-Clark Tarlac road shall stretch towards Dingalan port in Quezon province through Nueva Ecija, and the Marikina-Infanta road will connect to the port of Real. To ease traffic, the government will also invest in the construction of railways and expressways.

To become a globally competitive urban beltway, the Subic port and Clark airport will be promoted as logistics hubs while Batangas port will be fully operational. Sangley Point and Fernando Airbase will be used for civil aviation purposes. The Wholesale Electricity Spot Market will be implemented and infrastructure and communications technology (ICT) will be upgraded. These development activities shall be accompanied by faster business approval processes, among others.

Central Philippines. This area that covers Palawan and Romblon, the Visayas and Bicol, the Northern Mindanao Islands of Camiguin and Siargao, and Dapitan would make excellent tourist destinations due to its vast coastal and marine resources according to Secretary Neri.

The following strategies will be pursued in order to make Central Philippines an attractive tourist destination: (a) harness the vast coastal and marine resources as well as address the small islands fragile ecosystem; (b) promote Southern Tourism Center; (c) develop agribusiness, small and medium enterprises (SMEs) and export potentials; (d) pursue responsible mining and quarrying; and (e) enhance social services, among others.

President Arroyo said the projects for the Central Philippines include an instrument landing system for the Kalibo airport and the upgrading of the airports in Siargao, Guiuan and Tacloban. Roads to Dakak and Dapitan will be widened, while roll-on, roll-off (RORO) will connect Siquijor to Santander Cebu, Camiguin to Jagna, Bohol, Ubay, Bohol to Maasin, and Southern Leyte.

Mindanao. The second largest island in the Philippines will be the government's priority for agribusiness investment in the south. President Arroyo said that government's investment priorities in this region are similar to that of North Luzon. However, more investments are needed

because this region has the poorest provinces and logistics systems have to be spent to be able to link it to the North.

Among the projects to be implemented include: (a) the irrigation projects in 10 municipalities of Eastern Lanao del Sur, Kabulnan, and other areas in Mindanao; (b) farm to market roads; (c) Cotabato City sea port; (d) Metro Iligan Regional Infrastructure Development; (e) Davao City-Eden Park Road; and (e) local government unit (LGU) capacity building programs.

Cyber Corridor. This covers the length of all the super regions, with each region linked with others through ICT infrastructure. In order to achieve this, President Arroyo said that the government will continuously increase the budget for science and technology, and education.

Where's the Money

During the presentation for the President and the Cabinet of the Investment Costs for SONA Projects in 2007-2010 and Beyond, Department of Budget and Management Secretary Rolando Andaya said that projects in these super regions, also dubbed as "mega projects" will cost Php372.02 billion (\$7.2 billion) and about half the funding would come from the annual national budgets for 2007-2010. The rest will come from the private sector investments and official development assistance (ODA) from donor countries.

The private sector would be asked to tender for Php68.4 billion worth of projects or 18.39 percent of the total. Its participation would be undertaken largely through build-operate-transfer or BOT or similar schemes, while state-run firms would spend Php116 billion or 31.8 percent of the total cost of the program. The LGUs would put up Php1.33 billion of the total cost.

Rail projects account for 48 percent of the project costs, including a light rail loop covering MetroManila. Road projects would take up 27 percent. About Php43.1 billion or 11 percent of the total would be needed to build or improve 23 airports. Sea ports, irrigation canals, bridges, windmills, machine-readable passports and refrigerated warehouses make up the rest of the projects.

Five officials have been named by President Arroyo to oversee implementation of projects in the super regions.

Arthur Yap, Head of the Presidential Management Staff and former Agriculture Secretary, will head the North Luzon Agribusiness Quadrangle. Secretary Ed Pamintuan of the Subic-Clark economic zones was tapped as Chair of the

Metro Luzon Urban Beltway. Tourism Secretary Ace Durano, meanwhile, will focus on the Central Philippines region and Jesus Dureza, Presidential Adviser on the Peace Process, was named supervisor of the Mindanao area. Ramon Sales, Head of the Commission on Information and Communications Technology, will oversee the Cyber Corridor.

