

April 2008 Special issue

'07 A FAVORABLE YEAR FOR SOCCSKSARGEN

It was a favorable year for SOCCSKSARGEN or Region 12 based on its 2007 Economic Report. The number of jobs created has increased, more crops were harvested and export, investments and tourism performed above expectations.

SOCCSKSARGEN, located in Central Mindanao stands for the region's four provinces and one of its cities: South Cotabato; Cotabato; Sultan Kudarat; Sarangani; and General Santos City. In this region, one can find the Rio Grande de Mindanao in Cotabato, the longest river in Mindanao and the second longest in the Philippines.

The Region's regional center is Koronadal City in the province of South Cotabato. The major earners in the region are products from agriculture, fishing and forestry (AFF). Coconut, pineapple, rubber, sugarcane, rice, corn, banana and other fruits are the main agricultural produce. Fishing is also a major economic activity because of the rich fishing grounds of Iligan bay, the Moro Gulf and the Celebes Sea. Its water resources include the Maria Cristina Falls, large and numerous rivers, lakes and streams.

Steel, cement and coconut oil are also some of the important products of the Region. Moreover, the Region has rich mineral resources such as gold, copper, iron, chromium, silver, zinc, clay gypsum, limestone and phosphate. It is also the main source for hydroelectric power for Mindanao.

A LOOK AT '07

Based on the 2007 Economic Report on Region 12, the following characterized the performance of the Region's economy:

More Jobs Were Created. More people were employed in 2007 according to the Report. Employment rate was estimated at 94.7 percent with a slight increase of 0.6 percent. Total number of employed was 1.516 million persons in April 2007. Of the total employed 965,000 or 63.65 percent were men and the remaining 551,000 or 36.35 percent



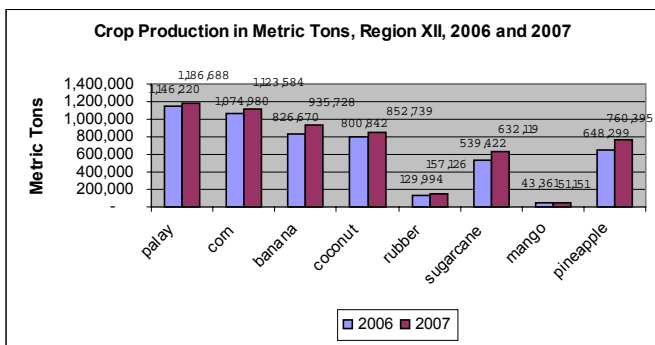
cent were women. Of these, 40 percent were employed by the services sector, 51 percent, AFF; and 9 percent, industry sector.

Labor and Employment Indicators April 2006 and 2007

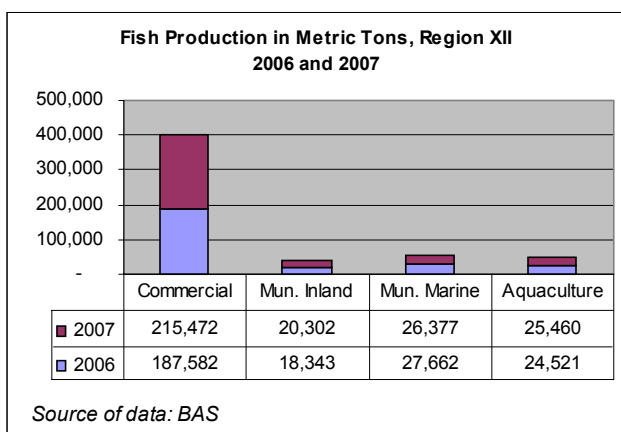
Indicator	April 2006	April 2007	% Change
Population 15 years old and over ('000)	2,400	2,374	(1.08)
Labor Force Participation Rate (%)	66.7	67.4	0.7
Employment Rate (%)	94.1	94.7	0.6
Unemployment Rate (%)	5.9	5.3	(0.6)

Agriculture, Fishery and Forestry (AFF) Sector Still the Region's Lead Contributor to Growth. Last year was favorable for the production of all commercial crops because of good weather conditions as well as the support of the government's programs such as the GMA for Rice and Corn and the GMA High Value Commercial Crops (HVCC) programs.

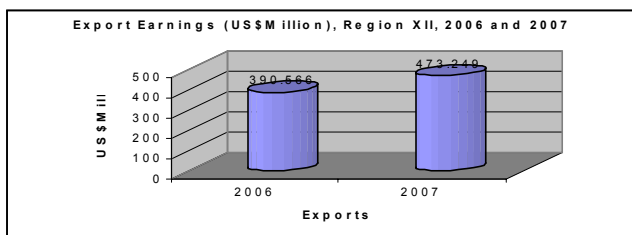
Palay and corn production increased by 3.5 percent and 4.5 percent, respectively. Moreover, production of rubber was able to grow by 21 percent; mango, 18 percent; sugarcane and pineapple, 17 percent; banana, 13 percent; and coconut, 6.5 percent.



Commercial fishing remains the sector's major earner. It contributed 72 percent of the sector's total production. Fish production grew by 15 percent. Production in municipal inland and aquaculture activities increased by 10.7 percent and 3.8 percent, respectively. The increase can be attributed to the abundant fish supply and favorable weather condition.



Export Earnings Reached US\$473.249 Million. This is 21 percent higher than the US\$390.566 million earnings in 2006. Top export products were canned and fresh pineapple; canned/fresh/chilled/frozen tuna; crude coconut oil; banana chips; and corn; among others. These products were exported to the United States of America (USA), European Union, Singapore, Japan, Canada, Vietnam, Kuwait, China, Korea and Israel.



More Tourists Visited SOCCSKSARGEN. Total arrivals, both domestic and foreign, increased by 0.91 percent in 2007. Meetings, conferences, festivals and other celebrations in the Region attracted more domestic visitors by 0.94 percent. Foreign tourist arrivals, however, dropped by 2.7 percent due to the negative travel advisories from foreign embassies on the security conditions in the Region.

Source: Economic Report of Region XII

Visitor Arrivals 2006 and 2007

Visitor	2006	2007	Growth Rate (%)
Domestic	621,526	627,357	0.94
Foreign	4,335	4,218	(2.7)
Total	625,861	631,575	0.91

Source: DOT XII

Investments Was Not So Bad Either. Total investments reached PhP5,250.57 million in 2007, albeit 5.0 percent lower than in 2006 at PhP5,529.52 million. Investments came from business loan, investment facilitation, business name registration and One-Town, One-Product (OTOP) related activities. Most of these investments were in General Santos City (12%), Cotabato City (12%), North Cotabato(9%), and Kidapawan City (8%).

Looking at 2008

The Report expects that 2008 will not be a bad year for Region 12. The AFF sector will continue to perform better through increased production of crops in the first quarter, although a decline is expected during the dry season in the second quarter.

Based on the Region's Medium-Term Regional Development Plan (MTRDP) 2004-2010, the following strategies will be pursued under the AFF sector to increase crop production: (a) improve irrigation facilities; (b) utilization of new production technology; (c) use of high yielding variety; and (d) good post harvest facilities, among others.

Export earnings, on the other hand, will also increase because of the abundant supply of raw materials that are agribased and the availability of manpower supply.

Based on the MTRDP, exports are expected to increase to US\$397.97 million by 2010. Processed fruits and canned tuna shall continue to dominate the exports industry along with coconut-based products, banana, vegetables, among others. Investments, on the other hand, is expected to increase by PhP3.260 billion in 2010.

To achieve these targets, the following strategies will be pursued: (a) continuing advocacy for appropriate or updated technology in product development, manufacturing, packaging and labeling; (b) compliance with product standards and testing; (c) development and use of database management and information system and use of e-commerce; (d) establishment of one stop action center for exports and investment; (e) development of cooperatives, among others.

For the Tourism sector, more visitors are expected to visit the Region in 2008 as the tourism offices and the local government units continue to promote tourism activities and sites as well as ensure peace and order in the Region. The ongoing peace talks between the government and the Moro Islamic Liberation Front (GRP-MILF) are expected to yield positive results.