Economic Corridors- Mindanao’s Gateway to the ASEAN Economic Community

Presented by

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during the
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These are exciting times for the country...

- High economic growth, compared to other Asian countries.
Business & Economic ratings improving...

- **Standard and Poor’s**: PH now Southeast Asia's economic leader

- **HSBC forecast**: PH will be the 16th largest economy in the world by 2050
Mindanao's Top 5 Exports


% SHARE TO MINDANAO TOTAL

- Others: 39.62%
- Coconut (copra) Oil, crude and refined: 21.26%
- Bananas, including plantains, fresh: 14.94%
- Nickel ores and concentrates: 8.83%
- Pineapples, fruits, nuts: 7.73%
- Fish, prepared or preserved: 7.63%

GROWTH RATE (2011 vs 2012)

- Coconut: 19.48%
- Bananas: 33.85%
- Nickel ores: 54.02%
- Pineapples: 18.37%
- Fish: 51.53%
Mindanao’s total foreign trade increased by **15.22%** in 2012

Trade Surplus increased by **22.62%**

- Increased Export earnings by **16.7%**
- Imports increased by **12.74%**
## Mindanao’s Top 5 Exports


<table>
<thead>
<tr>
<th>COMMODITY</th>
<th>2012 (In US$)</th>
<th>2011 (In US$)</th>
<th>GROWTH RATE</th>
<th>% SHARE TO MINDANAO TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coconut (copra) Oil, crude and refined</td>
<td>890,145,156</td>
<td>1,105,505,061</td>
<td>(19.48)</td>
<td>21.26</td>
</tr>
<tr>
<td>Bananas, including plantains, fresh</td>
<td>625,507,709</td>
<td>467,190,748</td>
<td>33.85</td>
<td>14.94</td>
</tr>
<tr>
<td>Nickel ores and concentrates</td>
<td>369,965,413</td>
<td>240,200,799</td>
<td>54.02</td>
<td>8.83</td>
</tr>
<tr>
<td>Pineapples, fruits, nuts, preserved</td>
<td>323,746,042</td>
<td>273,499,431</td>
<td>18.37</td>
<td>7.73</td>
</tr>
<tr>
<td>Fish prepared or preserved</td>
<td>319,323,190</td>
<td>210,731,543</td>
<td>51.53</td>
<td>7.63</td>
</tr>
</tbody>
</table>

Source: NSO-Central Office
### Region-wise Growth Rates

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth Rate (%) 2010-2011</th>
<th>Growth Rate (%) 2011-2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philippines (GDP)</td>
<td>3.6</td>
<td>6.8</td>
</tr>
<tr>
<td>Mindanao</td>
<td>4.2</td>
<td>8.2</td>
</tr>
<tr>
<td>IX- Zamboanga</td>
<td>0.1</td>
<td>12.4</td>
</tr>
<tr>
<td>X – N. Mindanao</td>
<td>3.7</td>
<td>7.4</td>
</tr>
<tr>
<td>XI - Davao Region</td>
<td>5.3</td>
<td>7.4</td>
</tr>
<tr>
<td>XII – SOCCSKSARGEN</td>
<td>4.0</td>
<td>8.1</td>
</tr>
<tr>
<td>XIII - CARAGA</td>
<td>8.5</td>
<td>10.6</td>
</tr>
<tr>
<td>ARMM</td>
<td>0.3</td>
<td>1.2</td>
</tr>
</tbody>
</table>

*Source of basic data: NSCB
* At constant 2000 prices
About the ASEAN Economic Community...

It’s objective to:

- Transform ASEAN into a single market and production base

which means **free flow of goods, services, investment, capital and skilled labor.**
Strategies in preparing Mindanao for the 2015 AEC
Developing Mindanao’s Export Gateways and Growth Corridors

- Primary Growth Center
- Secondary Growth Center

**Corridors:**
- Business Center, Agri-Business & Minerals Dev’t. Corridor
- Food, Agri-Business & Logistics Corridor
- EAGA Trading Hub & Processing Center

**Locations:**
- WMEC
- SMEC
- NMEC
Mindanao Economic Corridors

1. Food and Agri-Business Corridor
2. Food, Agri-Business and Logistics Corridor
3. Biodiversity and Eco-Tourism Corridor
4. Business Center, Agri-Business and Minerals Industry Corridor
5. Mariculture & Trade Corridor

Legends:
- Primary Growth Center
- Secondary Growth Center
Southern Mindanao Economic Cluster (Road Project)

- Davao High Standard Road (on-going FS)
- Padada-Kiblawan-Columbio-Datu Paglas Road (under consideration, ADB MRIP TA)
- Davao Orriental - Tagum (High Standard Highway, On-going FS)
- Lutayon-Columbio-Datu Paglas Road (Proposed)
- Kalamansig-Palimbang Road (Proposed)
- Surallah-Tupi Road (Proposed)
- Surallah-Lake Sebu-Maitum (under consideration, ADB MRIP TA)
- GenSan Bypass Road (under consideration)
- Port Devt. (Panabo, Mati Malalag & GSC)
- Food Terminals (Gensan and Davao)
- Shipment Hub (Carmen Davao del Norte)
The newly opened Laguindingan Airport

Photo credits: Mindanews
Northern Mindanao Economic Cluster (Road Project)

- Butuan-CDO-Iligan Road (High Standard Highway)
- Misamis Oriental-Bukidnon Bypass Road (Phividec-Alae Section) (For additional Funding)
- Mindanao East-West Lateral Road, Sta. Filomena-Ticalaan Section (For additional Funding)
- Parang-Lumbayanague Jct. Road (For improvement)

- Bonifacio-Don Mariano (under consideration, ADB MRIP TA)

Existing Roads
Zamboanga West Coast Road (For funding)

New Zamboanga Airport (For funding, with FS)

Zamboanga del sur Coastal Road (Dumalinao-San Pablo-Dinas-Dimataling-Tabina-Pitogo-Margosatubig Section (under ADB proposed MRIP PPTA)

Existing road network

Zamboanga port development

Basilan Circumferential Road (on-going)

Western Mindanao Economic Cluster (Road Project)
Ensuring Sufficient Power Supply

Committed and Proposed Private-Sector Initiated Power Projects

- Wind, Biomass, Solar
- Hydro Power
- Coal Fired
- Diesel Fired

EDC Camiguin Wind (5 MW)=September 2015
Tagoloan HEP (20 MW)=2016
Steag Expansion (200 MW)=2014
Green Power Bukidnon Biomass (35 MW)=2013
EEI Power HFO Peaking Plant (15 MW)=Dec 2012
FDC Circulating Fluidized Bed Biomass-Coal Fired PP (20 MW)=2015
San Ramon Coal-Fired PP (100 MW)= 2015
Mapalad Diesel Power Plant (15 MW)=2015
PNOC Coal-Fired PP (100 MW)= 2016
EDC Mindanao Geothermal 3 (50 MW)=2015
Southern Mindanao (Sarangani) CFTPP (200 MW) Unit I=2015, Unit II=2016
Darong Solar Photovoltaic Power Project (35 MW)=2015
On Going Aboitiz Coal Davao (300 MW)=2014

DOE List of Power Projects as of 05 November 2012
Indicative Projects = 527 MW
- Committed Projects = 580 MW

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- Committed Projects = 580 MW
Ensure that the 588 MW committed projects will come in and operate as scheduled

- 2013 - 38 MW
- 2014 - 150 MW
- 2015 - 300 MW
- 2016 - 100 MW
Enabling Policy Support for Industry Growth

- Review of Cabotage Law
- Review of EO on Roll-on Roll-off (RoRo) Shipping Network to include Chassis RoRo
ESTABLISHMENT OF AN ASEAN ROLL-ON ROLL-OFF (RORO) SHIPPING NETWORK

- DAVAO to GENSAN to BITUNG RORO LINKAGE WILL BE READY BY OCTOBER 2013
Investing in Research and Development

- Market Intelligence
- Product Innovation
- Leveraging on Information and Communications Technology (ICT)
- Value Adding
Maximizing BIMP-EAGA Sub-Regional Cooperation

Composition

LAND AREA : 1.6 million sq. km
POPULATION : 57.5 million

<table>
<thead>
<tr>
<th>Corridor</th>
<th>Primary Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sabah Development Corridor</td>
<td>Oil palm, cocoa, rubber, seaweed</td>
</tr>
<tr>
<td>Sarawak Corridor of Renewable Energy (+ oil palm,</td>
<td>Fish &amp; aqua, livestock</td>
</tr>
<tr>
<td>- cocoa - rubber - seaweed)</td>
<td></td>
</tr>
<tr>
<td>South Western Mindanao &amp; Palawan Corridor</td>
<td>Tropical fruits (pineapple, banana, mango, papaya), rice, coconut, rubber,</td>
</tr>
<tr>
<td></td>
<td>fishery (seaweeds, tuna &amp; sardines), poultry</td>
</tr>
<tr>
<td>Sulawesi &amp; Kalimantan Corridor</td>
<td>Copra, cloves, coffee, cattle, rubber, cacao</td>
</tr>
</tbody>
</table>

Figure 2: EAGA Economic Corridors viz Proposed Food Corridors
BIMP EAGA Economic Growth Corridors & Transport Connectivity

**Sarawak Corridor of Renewable Energy (SCORE):**
- Palm Oil
- Fish and Aquaculture
- Livestock

**Sabah Development Corridor (SDC):**
- Agro-based Industry

**Indonesia Growth Corridor:**
- Corn

**Mindanao Growth Corridor:**
- Tropical Fruits (Banana, Pineapple & Mango)
- Rice
- Poultry
- Coconut
- Mariculture
1. Improvement in Infrastructure
   • Multi-Modal Transport & Logistics Network System
   • BIMP-EAGA participation in the ASEAN RORO Network
   • Grid Interconnection; Electricity Spot Market

2. Mindanao & BIMP-EAGA Food, Agri-business and Logistics (Economic Growth) Corridor
   • Supply Chain Development
   • Agribusiness and Manufacturing Research & Devt
   • Trade service and regulatory framework

3. Strengthening Socio-economic ties with BIMP EAGA and other development partners
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