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Industry Study: Accelerating Inclusive Economic Growth in Cagayan de Oro City

Investment Enabling Environment (INVEST) Project

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LIST OF ACRONYMS

AIM	Asian Institute of Management
ASEAN	Association of Southeast Asian Nations
BIMP-EAGA	Brunei Darussalam- Indonesia- Malaysia- Philippines East ASEAN Growth Area
BPO	Business Process Outsourcing
CAAP	Civil Aviation Authority of the Philippines
CDI	Cities Development Initiative
CDO	Cagayan de Oro
CLUP	Comprehensive Land Use Plan
CTO	City Treasurer's Office
DOE	Department of Energy
DTI	Department of Trade and Industry
GBPS	Giga Bits Per Second
ICT	Information and Communications Technology
IM/EX	Import/Export
INVEST	Investment Enabling Environment Project
LGU	Local Government Unit
MCT	Mindanao Container Terminal
MPDFP	Mindanao Peace and Development Framework Plan
MSDF	Mindanao Strategic Development Framework
MT	Metric Ton
NEDA	National Economic and Development Authority
NMRDP	Northern Mindanao Regional Development Plan
NSO	National Statistics Office
NSCB	National Statistical Coordination Board
OroChamber	Cagayan de Oro Chamber of Commerce and Industry Foundation, Inc.
PAGASA	Philippine Atmospheric, Geophysical, Astronomical Services Administration
PCCRP	Philippines Cities Competitiveness Ranking Project
PEZA	Philippine Economic Zone Authority
PIE-MO	Phividec Industrial Estate - Misamis Oriental
PPA	Philippine Ports Authority
P/W/R	Producer/Wholesaler/Retailer
SEC	Securities and Exchange Commission
TESDA	Technical Education and Skills Development Authority
TEU	Twenty-foot Equivalent Unit
TPH	Total Petroleum Hydrocarbons
TS	Tropical Storm
USAID	United States Agency for International Development

I. INTRODUCTION

A. Background

The Investment Enabling Environment Project (INVEST) is a two-year undertaking of the United States Agency for International Development (USAID) that seeks to improve the investment climate in the Philippines by providing direct technical and capacity-building assistance to three (3) selected first-class cities: Batangas, Iloilo, and Cagayan de Oro. The Project's objectives are to lower transactions costs and reduce the cost of doing business in the cities' jurisdictions, as well as to increase their competitiveness as investment destinations. More specifically, INVEST is assisting these cities, which are considered as partner cities of USAID under its Cities Development Initiative program (CDI), in streamlining business registration processes and in improving local investment planning and promotion.

Under the Project's Program Area 2.3: "Managing Performance to Enhance City Competitiveness," specifically Deliverable No. 3: "Enhanced Positioning of Industries in Partner Cities," the Project commissioned the conduct of an industry study for each of its partner cities. The conduct of these studies was triggered by consultations with city officials and local business chambers, which indicated the lack of information on the potentials of the target cities in promoting industrial growth. While there is willingness on the part of city officials to provide incentives, they need to be guided on the kind of industrial activities where the city would have comparative and competitive advantages.

The results of the studies are envisioned to assist the city governments in identifying priority sectors and industries that can be promoted. These will also help prospective investors by identifying the sectors or industries where their investments can yield better, if not best, returns. In the end, the expected outcome of the efforts of both city officials and the business sector in promoting leading industries in the long-run is acceleration in local growth and employment generation in the partner cities.

This report is focused on Cagayan de Oro (CDO), one of the three cities being assisted under the CDI program. The objectives of the study, the framework and research design used, and the methodology for data gathering and processing are explained in the succeeding sections. There are four sections to the report after this introduction. A brief background on CDO is provided in the second section, followed by the industry landscape in the city. The drivers of growth in the city and the proposed actions to enhance industry growth are part of the last two sections of the report.

B. Objectives of the Study

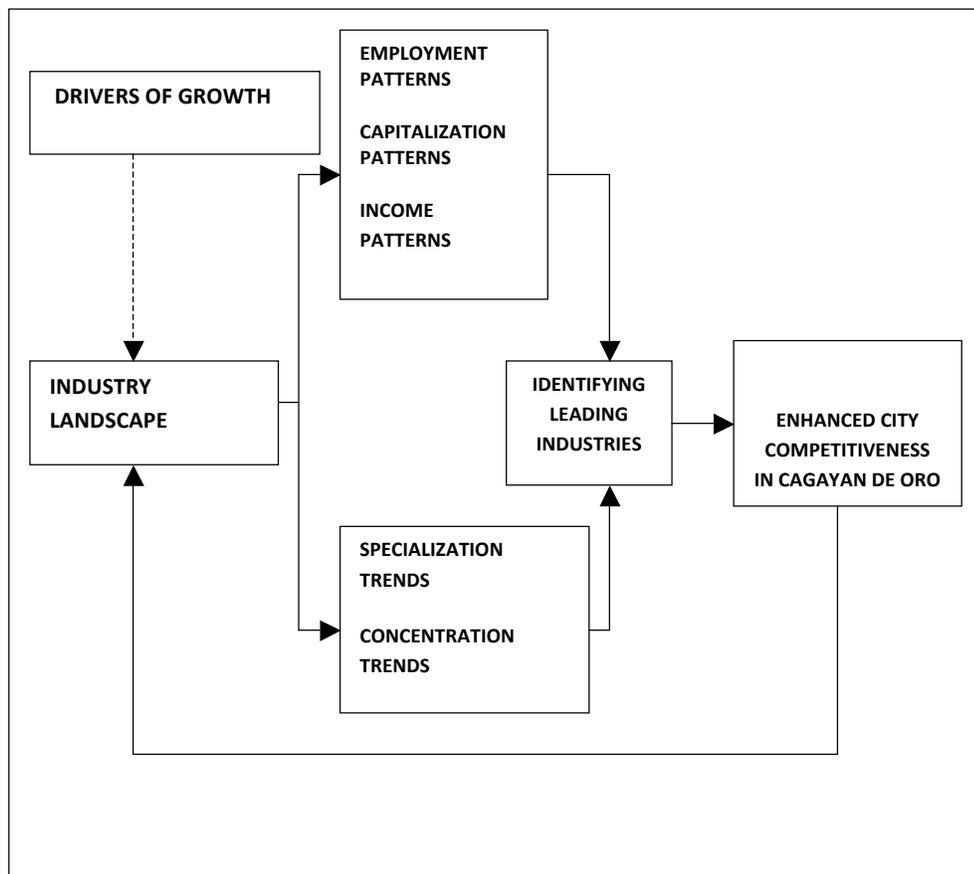
The industry study is primarily intended to: (1) assess the current industry mix in CDO and their potentials; (2) identify industries that will lead future economic growth in the city; (3) evaluate the backward and forward linkages of such industry or industries; and (4) draw up strategies to promote the development of these industries.

C. Framework and Methodology

1. Research Framework

The study aims to assess the industry landscape in CDO, specifically looking at spatial and temporal patterns of industry growth over time. The research framework used (Figure 1) examined indicators of specialization and concentration trends as well as employment, capitalization, and income patterns to establish industry shifts over time. Specialization and concentration data provided an indication of the nature of dominant industries and their location considerations over time across districts of the City. The patterns of income, employment, and capitalization among industries, on the other hand, were studied for indications of forward linkages.

Figure 1. Research Framework for the Study



While analyzing the degrees of industry dispersion, indicators of drivers of growth were used to identify more focused interventions which stakeholders can undertake to propel the growth of particular industries. These were analyzed alongside opportunities that could be harnessed to maximize the growth and potentials of identified leading industries.

Information on spatial growth and direction of industries, in addition to financial attributes of business establishments in the city (e.g., capitalization and income) can be used by public

and private sector decision-makers to make informed decisions on future investments as well as needed logistical support to industries. The information will also enable planners to advocate zoning policies that would result in the optimum utilization of land given its fixed and limited nature.

2. Research Design

The study employed qualitative and quantitative approaches in data analysis. It used a descriptive analysis of data from key informant interviews involving individuals who are knowledgeable on the industry landscape of CDO. The study also utilized quantitative techniques to derive conclusions and generalizations. Simple statistical tools were used in the analysis of data and in the interpretation of results and findings.

The challenges of broad-based and inclusive growth in CDO discussed during Action Planning Workshop conducted by INVEST on October 25, 2012 were considered in the report, including the action plans formulated by local stakeholders to respond to these challenges.

3. Data Requirements and Processing

The study made use of several sources of data and information, viz.: (a) the Department of Trade and Industry (DTI) Misamis Oriental Provincial Office; (b) the Security and Exchange Commission (SEC) Regional Office X; (c) CDO Chamber of Commerce and Industry Foundation, Inc. (OroChamber); (d) CDO City Treasurer's Office (CTO); (e) the National Statistical Coordination Board (NSCB); and (f) National Statistics Office (NSO).

Specific pieces of information from these sources include the following:

- a. Number, type, location, capitalization, and employment of DTI-registered establishments in Misamis Oriental for the years 2007 to 2012;
- b. Number and location of SEC-registered establishments in Misamis Oriental for the years 2007 to 2012;
- c. Number, type, location, capitalization, and income of CTO-registered establishments with new and renewed permits in CDO for the years 2007 to 2012; and
- d. Capitalization range of member companies of the Cagayan de Oro Chamber of Commerce.

Establishments in CDO were categorized according to type, number, and location by district and year. Microsoft Excel and Software Map Info were used in data processing.

One of the challenges encountered in classifying data was the variation in classification of industries by the different sources of information. DTI had nine categories,¹ CTO had over 44 categories, and SEC had a simple listing of companies with their addresses but without categories. The study adopted a standard system of classification for industries to establish comparability of data across years. In addition, the study used the number of business registration renewals from 2007 to 2012, categorized by major sectoral classifications using the data from the CTO, to identify possible shifts or trends among the major sectors.

¹ The DTI classification system consists of the agriculture, chemical-based, consumer, forest, metals, mining,

In order to better understand the industry structure of CDO, the study categorized industries into two types. The first followed the industry classification of the NSCB, which uses three major categories – agriculture, fisheries and forestry, industry and services. The second classifies establishments into the following three major categories: (a) Services; (b) Producer, Wholesaler, Retailer (P/W/R); and (c) Import and Export (Im/Ex). Under this system, service establishments were further sub-classified into 14 categories while P/W/R and IM/EX enterprises were sorted into 11 and four sub-categories, respectively.²

The study also used the political subdivision of CDO as basis for locating various business enterprises and establishing the spatial context of the city's industrial landscape. CDO is currently politically subdivided into 80 barangays. For purposes of the study, data was further segregated into three areas to cover CDO and areas outside CDO but within Misamis Oriental, as follows: (a) District 1 (24 barangays at the western portion of CDO); (b) District 2A (the Poblacion which covers 40 urban barangays of CDO); (c) District 2B (16 barangays located at the eastern portion of CDO)³ (Figure 2).

The study used thematic maps and graphs to show the concentration and specialization of establishments across districts and to demonstrate employment, capitalization, and income patterns. These patterns were validated through computations of simple averages and growth rates.

From the processed secondary data, the specialization of each district was identified through an analysis of the most common type of establishments located therein over time. Concentration was derived by computing the industry share of each major industry to the total number of establishments. The study also analyzed the average growth of capitalization, employment and income by business category.

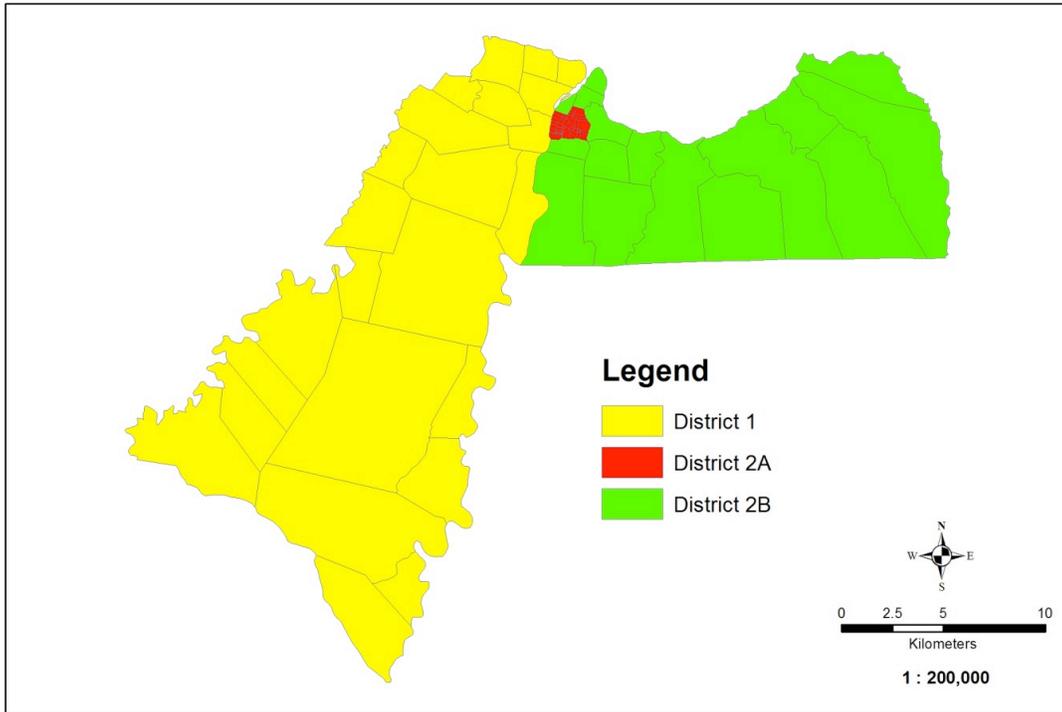
² For purposes of the study, the following categories were used:

- a. Services: Automotive, Electrical & Other Equipment Repair Services, Brokerages, Computer Sales & Services, Construction Services/Fabrication Services, Education/Other Training Services, Hospitals & Healthcare Services, Hotels, Resorts & Other Tourism related Services, Insurance, Manpower & Consultancy Services, Pawnshops, Banks, Lending & Other Financial Services, Restaurant & Food Services, Property Development/Rental, Transportation / Storage, and Other Services
- b. P/W/R: Agricultural, Livestock,Poultry & Fishery, Bakery Products, Construction Materials, Fashion, Fine Jewelries, Garments, Handicrafts, Furniture & Furnishing, Gifts, Toys & Housewares, Horticulture Other Industries, Processed Foods, Processed Wood Products General Merchandise, Auto Supply, and Other Industries
- c. IM/EX: Agri/Marine/Mining Products, Industrial Supplies/Cars/Engines, and Other import/export industries

³ The following spatial disaggregation of districts (within CDO) was used in the study:

- a. District 1: Barangays Baikingon, Balulang, Bayabas, Bayanga, Besigan, Bonbon, Bulua, Canitoan, Carmen, Dansolihon, Iponan, Kauswagan, Lumbia, Mambuaya, Pagalungan, Pagatpat, Patag, Pigsag-an, San Simon, Taglimao, Tagpangi, Tignapoloan, Tuburan, and Tumpagon
- b. District 2a: Barangays 1-40 (Poblacion Barangays)
- c. District 2b: Barangays Agusan, Balubal, Bugo, Camaman-an, Consolacion, Cugman, F.S. Catanico, Gusa, Indahag, Lapanan (Agora), Macabalan, Macasandig, Nazareth, Puerto, Puntod, and Tablon

Figure 2. District Map of Cagayan de Oro



II. CAGAYAN DE ORO: THE STUDY AREA

A. Location

Cagayan de Oro is bounded in the north by the Macajalar Bay, in the south by the Province of Bukidnon, in the east by the Municipality of Tagoloan, Misamis Oriental, and in the west by the Municipality of Opol, Misamis Oriental. It has a total land area of 488.86 square kilometers accounting for 13% of the total land area of Misamis Oriental. Figure 3 shows the location of CDO.

Figure 3. Location Map of Cagayan de Oro City



CDO is composed of 80 barangays, politically subdivided into 2 districts, with Cagayan de Oro River serving as natural boundary between the two districts. There are 24 barangays in District 1 and 56 barangays in District 2 including 40 barangays in the Poblacion.

B. Land Use, Climate, and Rainfall Pattern

Of the total land area of CDO, lands devoted to agricultural activities account for around 73% and lands for non-agricultural uses 27%. Of the total non-agricultural lands, 73% is open spaces while 21% is residential. The rest are allocated for commercial and industrial uses.

The lowland of CDO is relatively flat and stands at more than 10 meters above mean sea level. It is separated from the highlands by steeply-inclined hills. The city's soil is predominantly clay and its climate is tropical, receiving an annual average rainfall of 1,640 millimeters. Its coldest

temperatures are registered during the months from November to March and hottest during the summer months of from April to August.

C. Demographics

Based on the 2000 Census of Population, CDO had a total household population of 93,525 and an average household size of 4.9 members, slightly lower than its 1995 figure of 5.07. It ranked 4th in Region X in population size, contributing almost 17% of the 2.7 million regional population in 2000. In the same period, median age was 21 years and dependency ratio was 60%. The city's economically active population (aged 15-64 years) accounted for 62% of the total and represents human resource potentials that can be tapped to propel regional economic growth and development.

In 2007,⁴ the population of the city was 553,966, distributed between District 1 (composed of 24 barangays) with a population of 254,644 and District 2 (composed of 56 barangays) with 299,322. CDO's population grew to 602,088 in 2010, according to the 2012 NSCB Statwatch, attaining a population density of 1.458 persons per square kilometer.

Majority of the Cagayanons come from Cebu, with ancestries that can be traced to Spanish, American, Chinese, and Maranao lineages. More than 75% of the population is Roman Catholic.

D. Socio-economic Profile

1. Exports. According to Philexport (Region X) data, exports from Misamis Oriental totaled 18,559 metric tons in 2012, valued at PhP652.1 million. There are 55 exporters from CDO, of which 5 are exporters of agriculture/forest products, 12 of minerals, 15 of processed products, and 23 of other products.

2. Infrastructure.

Transport. CDO has an extensive road network, it being a transportation hub for Misamis Oriental and the nearby provinces of Bukidnon, Lanao del Norte and Camiguin. Its national roads measure 79.7 kilometers (km) while its provincial roads total 621.68 km. The city had 28,404 registered motor vehicles in 2012.

Power. The Cagayan Electric Power and Light Company (CEPALCO) and the Misamis Oriental I Rural Electric Service (MORESCO) supply electricity to almost all the 80 barangays in the city. Nearly 60% of all households are energized.

Water. The water supply system of the city is operated and managed by the Cagayan de Oro Water District. About 47% of the households has access to potable water.

Communication. There are five telephone companies in CDO to whom subscriptions totaled 33,433 in 2010.⁵

⁴ Census on Housing and Population, National Statistics Office, 2007.

⁵ DTI Industry Profile, 2010.

3. **Financial Institutions.** In 2012, 53 banks operated 75 branches in the city.
4. **Health.** CDO serves as the regional center for health services. It is home to the newly established Polymedic Medical Plaza with state of the art medical facilities comparable to those of the Capitol University Medical City. The city also hosts two large government-owned and -controlled hospitals for Northern Mindanao - the Northern Mindanao Medical Center and the JR Borja Medical Memorial Hospital. The Department of Health in the Region reported 13 public and private hospitals with a combined bed capacity of 1,237 in 2011.
5. **Education.** CDO is also dubbed as a Center of Excellence for Education⁶ owing to the quality and quantity of academic institutions situated in it. It has 135 pre-schools, 139 elementary schools, 75 secondary schools, and 16 tertiary schools.⁷ It is also host to three major private universities: Xavier University (Ateneo de Cagayan), Liceo de Cagayan University, and Capitol University.
6. **Hotels.** The Department of Tourism (DOT) Region X reported that in 2010, there were a total of 41 hotels and lodging houses with a combined capacity of 1,540 rooms.

E. Development Plan and Vision of the City

The Northern Mindanao Regional Development Plan (NMRDP) for 2011-2016 envisions the region to be the lead industrial core and trade center in Southern Philippines. The region positions itself as the “most competitive, efficient and attractive transshipment hub and venue for industrial ventures in the country” with more value adding activities, such as processing and manufacturing, to harness and sustain agricultural and resource-based endowments and potentials in the area. The development plan further promotes inclusive growth by enhancing the productivity of the labor force.

CDO has been identified as playing a pivotal role in the development of Northern Mindanao as the gateway and industrial center in the south. Specifically, the NMRDP has identified the following strategies to tap the potentials in CDO:

- Maximizing the utilization of the Mindanao Container Terminal (MCT) in PHIVIDEC; and
- The operation of the Laguindingan airport to boost trade and services and other economic activities in the region.

The Draft Comprehensive Land Use Plan (CLUP) of CDO, which was formulated in 2012, supports the NMDRP regional framework. The vision that guided its formulation has CDO developing into a "globally competitive trade and services center" by increasing agricultural productivity and improving and enhancing the capacity of its labor force. Given its natural and man-made resource attractions, the CLUP also envisions CDO to be one of the major tourist destinations in Southern Philippines supported by "equitable, efficient and sufficient infrastructure and utilities" and a sustainable environment.⁸

⁶ DTI Industry Profile, 2010.

⁷ DepEd – X and CHED – X, 2011.

⁸ Comprehensive Land Use Plan for Cagayan de Oro City, 2012 (Draft).

In the same plan, an assessment of the city's physical, economic, and human resources shows the following sectors playing a key role in the development of the area: (1) trade, commerce and industry; (2) tourism; and (3) agriculture. Among these sectors, trade, commerce, and industry were identified as the most viable sectors to lead in the new economic growth of Cagayan de Oro. According to the CLUP, the sub-sectors most likely to benefit from this favorable prospect are business or corporate services, transport, trade and communication, and light manufacturing like food manufacturing or processing.

In the visioning exercise organized by INVEST with the stakeholders in CDO, the key sectors identified in the CLUP were confirmed as propelling the growth of industries in the area. The following strategies were likewise identified as necessary in accelerating inclusive economic growth and enhance CDO's position as a globally competitive trade and services center in the region:

1. Optimizing agri-industrial development within the context of a Metro CDO, with CDO as the center of development,
2. Exploring potentials for ICT-based industries as key revenue and job generators,
3. Improving the productivity and competitiveness of the tourism sector, and
4. Enhancing capacities as a logistics hub for Metro CDO.

III. INDUSTRY LANDSCAPE IN CAGAYAN DE ORO

A. Industry Trends

NSCB Industry Classification

Based on data culled from business registration applications compiled by the City Treasurer's Office, CDO is a services-driven local economy, with 88.5 percent of establishments belonging to the services sector, with the rest of establishments divided into industry (6.7%) and agriculture (4.8%) (Table 1). Cagayan de Oro's registered establishments reached 17,398 in 2012. Registrants belonging to the wholesale and retail business, followed by the real estate sector dominated the services sector. The industry sector, on the other hand, is mostly composed of firms engaged in manufacturing and construction sectors.

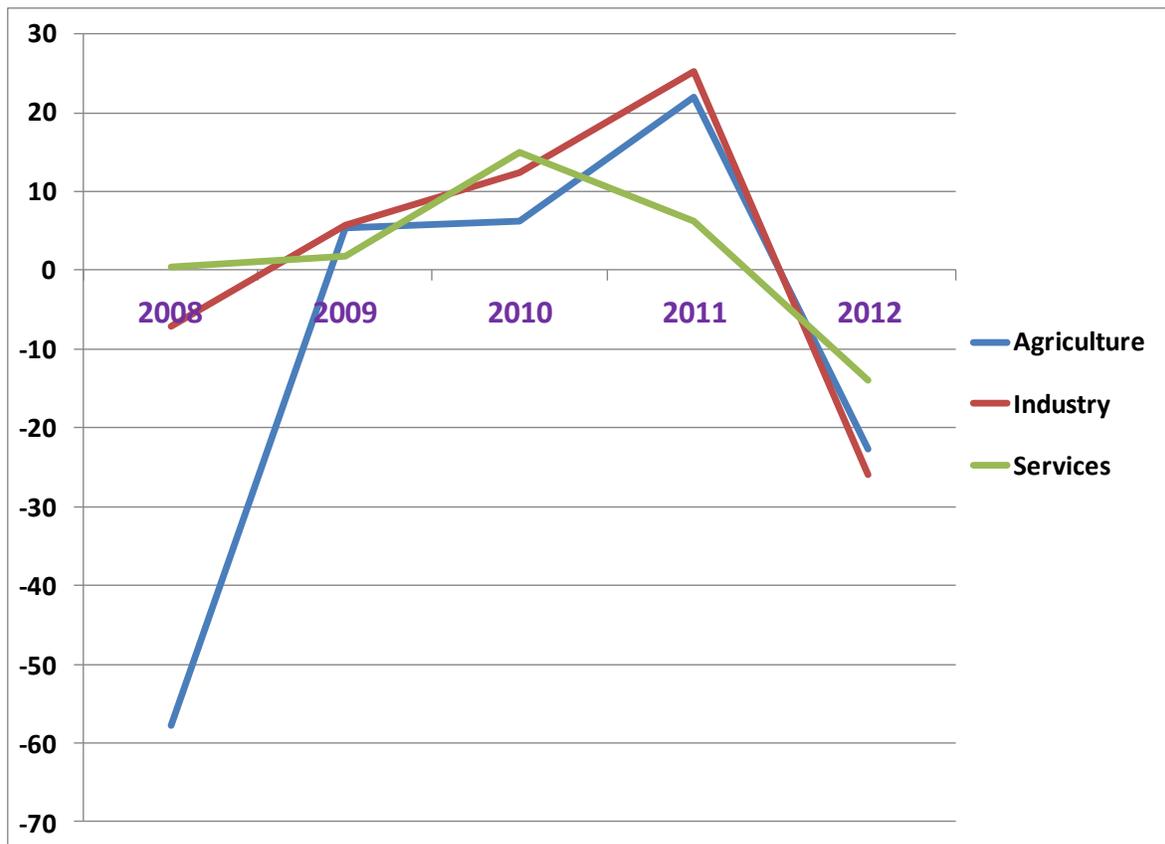
**Table 1. Number of Registered Enterprises in CDO,
by Sector, 2007-2012**

INDUSTRY SECTOR	2007	2008	2009	2010	2011	2012	Ave. Annual Share (%)
1. Agriculture, Forestry and Fishery	1,356	573	604	642	783	605	4.72
2. Industry							
a. Mining and Quarrying	0	0	2	1	1	0	0.00
b. Manufacturing	561	485	513	614	791	609	3.70
c. Construction	362	365	369	389	481	312	2.37
d. Electricity, Gas and Water	78	80	99	101	110	103	0.60
Subtotal	1,001	930	983	1,105	1,383	1,024	6.60
3. Services							
a. Transportation, Communication and Storage	200	220	235	266	274	231	1.46
b. Wholesale and Retail	4,763	4,555	4,843	5,059	5,131	7,457	32.51
c. Finance	584	630	642	685	775	714	4.12
d. Real Estate	948	984	1,030	1,084	1,201	1,143	6.55
e. Private Services	2,072	1,957	2,141	2,378	2,894	2,402	14.12
f. Others	4,461	4,737	4,424	5,827	5,965	3,822	29.95
Subtotal	13,028	13,083	13,315	15,299	16,240	15,769	88.70
TOTAL	15,385	14,586	14,902	17,046	18,406	17,398	100.00

The pattern of registrations in CDO from 2007-2012 has been erratic. The city seemed to have been affected by the general slowdown of the Philippine economy in 2008 due to the world financial crisis that started in 2007. The total number of registrants slightly declined by 5.2% in 2008, dragged by the reduction of businesses renewing their permits. Surprisingly, new business registrants were unaffected, with 192 new firms recorded in the same year, perhaps buoyed by those catering to the local economy. Since 2008, the local economy, as gauged from the number of business registrants, recovered in the succeeding four years up to 2011, with registrations hitting a peak of 18,406 in 2011, growing by 26.2% or an additional 3,820 firms formally registering for a Mayor's permit.

Typhoon Sendong, which hit Cagayan de Oro in December 2011, however, significantly affected businesses in the city. By 2012, the number of firms applying for a business permit dropped by 2,818 establishments or 15.8 % of the 2011 level. Most of these firms belonged to the services sector (2,277 firms) followed by industry (359 firms) and by agriculture (182 firms). In terms of percentage, however, the industry sector suffered the biggest percent drop in the number of registered firms, wiping out the 25.2% gain between 2010 and 2011 (Figure 4). Within the sector, manufacturing and construction posted the largest reduction in registrations.

Figure 4. Growth Rate of Registered Establishments in Cagayan de Oro, 2008-2012 (in Percent)



In terms of geographical location, most of the registered firms are located in District 2A (6063 firms) with almost the same number of firms as in the bigger District 1 (5,979) in 2012.

Alternative Industry Classification

As described in the last section, the industry study for CDO also analyzed trends in business registration using the following three major classifications of firms, i.e. those in the Producers, Wholesalers and Retailers sector (P/W/R), the services sector (S) and the Export/Import sector (Ex/Im). Based on this classification, about 60% of the total number of registrants belonged to P/W/R sector while about 40% is shared by the subsectors in services and a negligible 0.20% (or 1/5 of 1 percent) is contributed by the Ex/Im sector (Table 2).

Table 2. Number of Registered Establishments in Cagayan de Oro City, by Broad Industry Type, 2007-2012

Industry Category	2007	2008	2009	2010	2011	2012
Services	5,838	5,846	7,048	6,750	8,012	7,352
Producer, Wholesaler, Retailer	9,527	8,720	7,835	10,266	10,363	10,008
Export/Import	20	20	19	30	31	38
Total	15,385	14,586	14,902	17,046	18,406	17,398

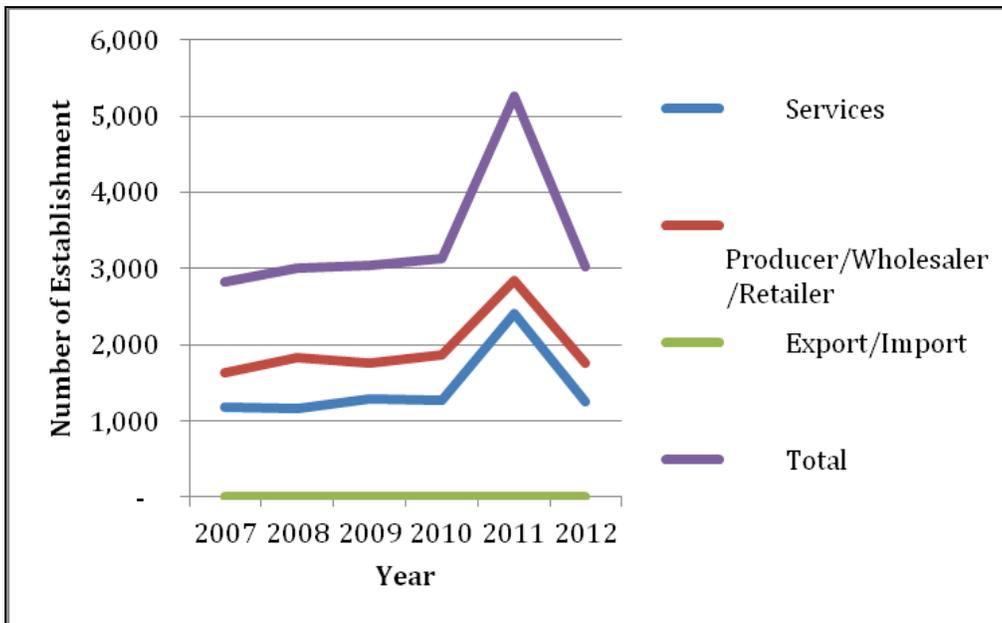
Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

As stated earlier, CDO experienced two episodes of declines in business registration during the last five years. The first episode in 2008, which was caused by a general slowdown in the world economy that spilled over in the Philippines, the sector that was most affected was the producer, wholesaler and retailer sector with the services sector hardly affected using this classification of firms (Table 2). In contrast, the Sendong typhoon affected the services sector mostly.

In between these two episodes, registrations were generally on the uptrend, reflecting the recovery of the Philippine economy from the world-wide financial crisis in 2008. The highest increase in registrations at 14% was posted between 2010 and 2011, which coincidentally was the period when the Philippine economy grew by 2.8 percent, signaling the start of the upward trajectory for the economy. Among the sectors, the services sector was the driver of growth in the city, posting the sharpest increase in registrations during the recovery period but the P/W/R sector still had the most number of registrations.

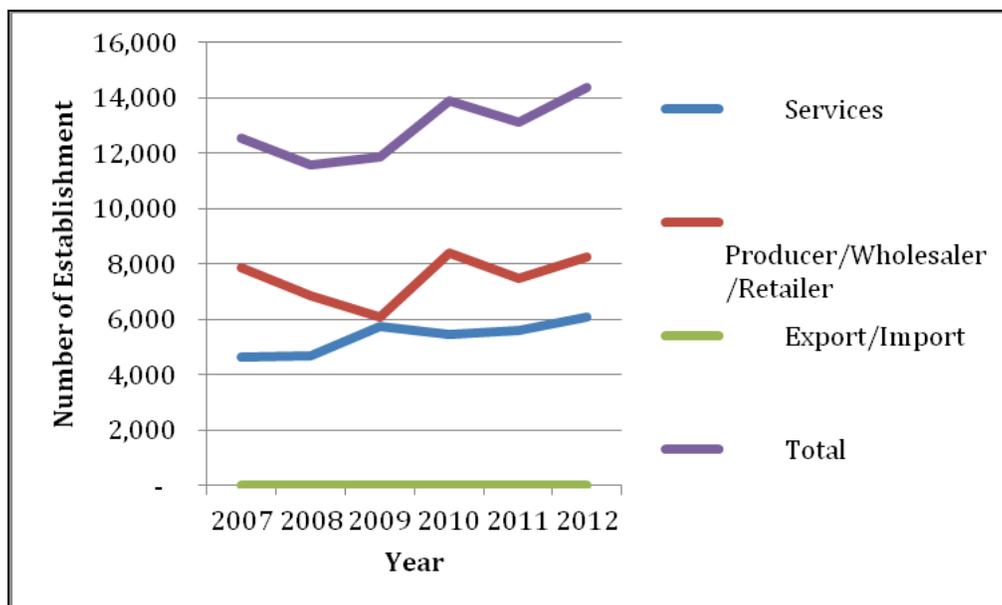
An examination of the data for new business registrations and business renewals showed slightly different trends in the period 2007-2012. The number of new business registrations has been increasing since 2007, but suffered a 5.5% decline in 2011 with the typhoon Sendong (Figure 6). The new registrants were predominantly in the P/W/R sector.

Figure 5. Number of New Business Registrants in Cagayan de Oro City, By Broad Industry Type, 2007-2012



Business renewal registrants, however, showed another trend: a decline from 2007 to 2008, followed by increases for the next two succeeding years (2009 and 2010), then a slight decrease in 2011 and a rebound in 2012 (Figure 6). The pattern for business renewals mirrored the behavior of the registrants from the P/W/R sector, which again dominated the number of renewals.

Figure 6. Number of Business Renewal Registrants in Cagayan de Oro City, by Broad Industry Type, 2007-2012



B. Spatial Concentration and Dispersion of Establishments

Table 3 presents the geographical concentration of business establishments among the three districts of CDO using data from business registrations which have been categorized into three broad industry types (i.e., Services, P/W/R and Ex/Im).

As of 2012, most of the registered firms in CDO are concentrated in District 2A, followed by Districts 1 and 2B. Establishments under the Services sector can be found in the city's District 2A, the Poblacion. In all but one of the years in 2007-2012, the district hosted the largest number of such establishments. During the same period, District 2B, the eastern portion of the city, hosted the largest number of establishments under the P/W/R sector, except in 2012. In that year, the district hosted the least number of P/W/R establishments and District 2A hosted the second largest (Table 3) Annex 7 contains detailed data on the spatial concentration and dispersion of establishments.

Table 3. Ranking of Business Registrations in Cagayan de Oro City, by District, 2007-2012

Year	Broad Industry Category	Ranking in terms of the number of registered establishments		
		Dist 1	Dist 2A	Dist 2B
2007	Services (38%)	3	1	2
	Producers, Wholesalers and Retailers (62%)	2	3	1
	Overall	3	1	2
2008	Services (38%)	3	1	2
	Producers, Wholesalers and Retailers (60%)	2	3	1
	Overall	3	2	1
2009	Services (48%)	3	1	2
	Producers, Wholesalers and Retailers (52%)	2	3	1
	Overall	3	2	1
2010	Services (40%)	3	1	2
	Producers, Wholesalers and Retailers (60%)	2	3	1
	Overall	3	1	2
2011	Services (44%)	1	2	3
	Producers, Wholesalers and Retailers (56%)	2	3	1
	Overall	1	3	2
2012	Services (42%)	2	1	3
	Producers, Wholesalers and Retailers (58%)	1	2	3
	Overall	2	1	3

The analysis of the above data shows following trends:

- a. The more dominant business types are consistent to top the list of businesses, although there are shifts on their rankings over the period under review (2007-2012);
- b. Restaurants and food services, as well as property development and rentals are generally concentrated in District 2A;
- c. Increases in “other services” are strongly influenced by District 1 performance;
- d. Over the years, businesses related to property development and rentals had been decreasing its share on the total number of businesses;
- e. District 2B generally hosts businesses related to P/W/R, except in year 2012 when it shifted to District 1; and
- f. General merchandising and sari-sari stores are relatively stable over the years and across the three districts.

C. Average Start-up Capitalization

Based on the data sample provided by the SEC Field Office in Northern Mindanao, the average capitalization for business start ups in Cagayan de Oro City ranged from as low as PhP2,500 (Horticulture industry in 2010) to as high as PhP12.1 million (Property Development and Rental industry in 2012) (Table 4).

Within the services sector, the industry requiring the highest start-up capitalization was the Property Development/Rental Industry with an average capitalization requirement within the period 2007-2012 of PhP 3.1 million although in 2012, this ballooned to PhP12.1 million. The second and third industries with the highest start-up capitalizations were Pawnshops, Banks, Lending & Other Financial Services and Hotels, Resorts & Other Tourism related Services.

In the meantime, the services industries requiring the lowest start-up capitalizations were Dress shop/Tailoring; Automotive, Electrical & Other Equipment Repair Services; and Brokerages.

Within the P/W/R sector, the industry whose average start-up capitalization was highest during the same period was Auto Supply. A businessman entering the industry would have needed an average of PhP3,203,921, although in 2009, he would have needed PhP15,249,976. The Furniture & Furnishing industry was the second most expensive to join, its start-up capitalization averaging PhP916,494. Third most expensive was the Chemical/Pharmaceutical/Laboratory industry.

The least expensive in which to start an enterprise among the industries in the P/W/R sector were the Horticulture, Processed Wood Products, and Bakery Products industries. The Horticulture industry required an average of PhP21,250 as start-up capital while the Processed Wood Products industry required an average of PhP75,042. Opening a bakery would have cost an average of PhP129,834.

**Table 4. Average Start-up Capitalization in Cagayan de Oro City,
by Industry Type, 2007-2012**

TYPE OF ESTABLISHMENT	2007	2008	2009	2010	2011	2012	Average*
Services							
1. Automotive, Electrical & Other Equipment Repair Services	163,089	80,846	59,309	89,191	148,044	120,917	110,233
2. Brokerages	126,583	166,250	200,725	35,000	334,979	46,250	151,631
3. Computer Sales & Services	432,708	273,602	195,960	271,833	250,693	361,861	297,776
4. Construction Services / Fabrication Services	653,040	517,355	538,186	550,952	485,328	646,667	565,255
5. Education/Other Training Services	315,490	712,246	314,539	231,407	351,929	267,083	365,449
6. Hospitals & Healthcare Services	247,333	385,386	242,708	329,333	543,166	137,500	314,238
7. Hotels, Resorts & Other Tourism related Services	274,451	182,188	1,493,983	1,296,393	490,375	901,520	773,152
8. Insurance	70,000	355,000	192,500	1,958,339	135,667	150,000	476,918
9. Manpower & Consultancy Services	209,763	272,761	527,083	605,655	358,152	127,250	350,111
10. Pawnshops, Banks, Lending & Other Financial Services	703,734	699,514	835,715	1,205,047	1,790,811	1,340,485	1,095,884
11. Restaurant & Food Services	101,069	191,407	96,576	178,849	137,396	328,047	172,224
12. Property Development/Rental	1,167,890	1,041,833	2,225,546	1,541,332	753,840	12,110,755	3,140,199
13. Transportation/Storage	321,514	392,480	591,344	935,695	583,521	1,081,429	650,997
14. Other Services	-	-	-	-	-	-	-
Personal Care and Wellness	135,794	190,408	105,952	174,848	140,591	536,761	214,059
Video/Photo	273,583	51,667	240,000	90,000	112,000	110,000	146,208
Dress shop/Tailoring	145,433	65,753	72,778	54,714	79,762	56,111	79,092
Others	200,361	305,225	390,276	340,023	608,325	372,239	369,408
Producer/Wholesaler/Retailer							
1. Agricultural, Livestock, Poultry & Fishery	130,067	214,102	267,762	148,004	119,890	335,765	202,598
2. Bakery Products	101,505	87,983	165,887	160,763	98,512	164,353	129,834
3. Construction Materials	301,417	193,029	290,784	239,485	288,901	227,455	256,845
4. Fashion, Fine Jewelleries, Garments, Handicrafts	142,310	167,088	266,960	228,453	176,992	574,808	259,435
5. Furniture & Furnishing	243,750	353,750	987,500	1,047,917	784,211	2,081,833	916,494
6. Gifts, Toys & House wares	10,000	51,000	130,000	576,667	67,643	-	167,062
7. Horticulture	5,000	12,500	65,000	2,500	-	-	21,250
8. Other Industries	-	-	-	-	-	-	-
Purified Water	431,250	402,500	447,773	405,000	274,886	301,117	377,088
Chem/Pharma/ Lab	298,600	1,193,218	788,130	526,433	1,285,536	895,368	831,214
Gadgets/Cellphones	69,768	192,955	132,880	228,458	93,750	200,000	152,969
Others	349,135	193,580	226,081	843,238	168,751	503,916	380,784
9. Processed Foods	82,096	101,536	181,847	209,297	1,731,710	167,237	412,287
10. Processed Wood Products	26,250	17,500	139,500	189,500	44,167	33,333	75,042
11. General Merchandise	44,667	65,898	126,915	81,642	625,011	384,907	221,507
12. Auto Supply	1,971,643	578,576	15,249,976	513,720	293,611	616,000	3,203,921
Importer/Exporter							
1. Agriculture/Marine/Mining Products	-	-	-	-	-	-	-
2. Industrial Supplies/Cars/Engines	-	-	-	-	-	-	-
3. Processed Wood Products/Handicrafts	-	-	-	-	-	-	-
4. Other import/export	320,625	198,333	1,155,630	605,417	1,302,750	1,425,670	834,738

*Only for years for which data is available.

Source of Basic Data: Security and Exchange Commission Field Office for Northern Mindanao.

D. Average Annual Incomes of Establishments

Average annual incomes of establishments varied widely across the sectors and industries. For the whole 6-year period of 2007-2012, these incomes ranged from the average of PhP333,222 for establishments in the Horticulture industry to the average of PhP256,415,351 for establishments in the Furniture/Furnishing industry (Table 5).

Of the Services sector industries, the one whose members earned the highest average income for the period 2007-2012 was the Construction Services/Fabrication Services industry. An establishment in this industry earned an average of PhP14,856,835 a year. The next industry that offered the highest earnings was the Pawnshops, Banks, Lending & Other Financial Services industry where an establishment earned an annual average income of PhP12,728,009. The industry with the third largest average annual income for a member-establishment was the Insurance industry. A firm into the insurance business earned an average of PhP12,242,631 a year during the same period.

Meanwhile, the Services industries which offered the lowest average annual income for their respective members were Brokerages (PhP527,966), Dress shop/Tailoring (PhP598,621), and Personal Care & Wellness (PhP915,624) industries.

Within the P/W/R sector, the industry whose establishments earned the highest annual average income was Furniture & Furnishing. The industry, which offered the second highest annual average income for its members, was Processed Foods. An enterprise engaged in processing foods during the period 2007-2012 earned an annual average of PhP100,689,706. The P/W/R industry with the third largest annual average income for its members was Chemical/Pharmaceutical/Laboratory whose enterprises earned an average of PhP49,400,023.

The three P/W/R industries whose members earned the lowest annual average income were Horticulture, Purified Water, and Gadgets/Cellphones. Establishments belonging to these industries earned annual averages of PhP333,222, PhP1,598,265, and PhP2,494,448, respectively.

Table 5. Average Annual Income of Establishments in Cagayan de Oro City, by Industry Type, 2007-2012

TYPE OF ESTABLISHMENT	2007	2008	2009	2010	2011	2012	Average*
Services							
1. Automotive, Electrical & Other Equipment Repair Services	1,977,986	1,046,780	1,135,889	1,361,952	7,763,760	3,265,029	2,758,566
2. Brokerages	613,702	449,150	467,227	600,931	732,739	304,044	527,966
3. Computer Sales & Services	2,258,954	1,779,426	2,190,330	3,517,189	3,847,026	4,963,482	3,092,735
4. Construction Services/ Fabrication Services	8,994,661	13,936,838	18,277,128	15,359,392	17,317,956	15,255,034	14,856,835
5. Education/Other Training Services	11,117,114	10,122,542	11,232,634	9,057,925	9,620,526	9,316,297	10,077,840
6. Hospitals & Healthcare Services	8,837,020	11,628,898	13,381,705	13,815,509	14,864,572	9,161,475	11,948,197
7. Hotels, Resorts & Other Tourism related Services	2,329,294	2,957,746	3,102,910	2,824,051	3,102,131	3,215,987	2,922,020
8. Insurance	9,861,537	13,529,167	11,487,231	12,286,623	10,572,816	15,718,413	12,242,631
9. Manpower & Consultancy Services	1,203,759	1,340,515	1,429,053	1,835,073	2,442,387	2,225,410	1,746,033

TYPE OF ESTABLISHMENT	2007	2008	2009	2010	2011	2012	Average*
10. Pawnshops, Banks, Lending & Other Financial Services	11,201,815	12,223,572	12,178,160	14,363,681	14,361,931	12,038,896	12,728,009
11. Restaurant & Food Services	2,892,921	3,437,494	3,774,688	3,532,295	3,891,023	4,534,931	3,677,225
12. Property Development/Rental	3,717,119	3,515,565	4,153,869	4,818,217	4,809,381	5,741,584	4,459,289
13. Transportation/Storage	4,173,441	4,447,706	5,550,693	6,218,653	6,161,509	7,115,282	5,611,214
14. Other Services	-	-	-	-	-	-	-
Personal Care & Wellness	580,419	774,047	898,033	992,722	1,035,380	1,213,140	915,624
Video/Photo	1,091,011	1,022,058	1,366,648	1,651,911	1,905,899	1,925,294	1,493,804
Dress shop/Tailoring	396,120	501,039	575,119	643,310	573,502	902,635	598,621
Others	2,703,426	3,083,216	1,648,625	3,892,008	3,877,178	2,464,224	2,944,780
Producer/Wholesaler/Retailer							
1. Agricultural, Livestock, Poultry & Fishery	14,801,941	20,978,771	31,814,207	25,158,045	27,868,843	31,672,220	25,382,338
2. Bakery Products	2,616,721	2,804,828	3,066,892	3,539,121	4,010,394	5,176,065	3,535,670
3. Construction Materials	6,844,388	6,547,821	9,973,614	9,203,514	10,729,869	15,416,907	9,786,019
4. Fashion, Fine Jewelleries, Garments, Handicrafts	6,878,166	7,338,016	13,007,415	7,759,044	4,058,901	5,159,406	7,366,825
5. Furniture & Furnishing	214,019,612	241,817,679	318,297,962	350,039,567	392,457,191	21,860,095	256,415,351
6. Gifts, Toys & House wares	15,332,410	16,933,305	18,210,892	21,265,762	22,591,042	23,526,383	19,643,299
7. Horticulture	257,200	214,266	337,119	323,924	421,582	445,241	333,222
8. Other Industries	-	-	-	-	-	-	-
Purified Water	1,575,431	1,535,143	1,702,007	1,567,598	1,657,779	1,551,629	1,598,265
Chem/Pharma/Lab	42,717,441	50,861,114	57,450,694	50,647,110	53,672,080	41,051,700	49,400,023
Gadgets/Cellphones	3,300,345	2,144,555	1,781,510	2,451,624	2,176,266	3,112,388	2,494,448
Others	11,174,407	11,521,683	24,773,761	12,234,539	17,422,928	46,514,714	20,607,005
9. Processed Foods	120,352,890	123,935,524	122,269,375	107,202,466	61,077,103	69,300,877	100,689,706
10. Processed Wood Products	16,964,055	18,936,091	17,350,149	14,780,706	15,386,002	19,920,062	17,222,844
11. General Merchandise	3,381,887	3,884,180	4,167,418	3,981,759	7,882,665	4,590,062	4,647,995
12. Auto Supply	10,906,522	10,731,082	10,463,167	14,881,815	15,858,969	17,991,639	13,472,199
Importer/Exporter							
1. Agriculture/Marine/ Mining Products	-	-	-	-	-	-	-
2. Industrial Supplies/ Cars/ Engines	-	-	-	-	-	-	-
3. Processed Wood Products/ Handicrafts	-	-	-	-	-	-	-
4. Other import/export	65,523,478	5,760,295	11,534,823	10,114,855	8,920,972	1,794,493	17,274,819

*Only for years for which data is available.

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

The Services sector appears to be offering steadier annual average incomes for establishments belonging to it than the P/W/R sector in CDO. Of the 14 industries under it, five or 35.7% experienced increased in annual average incomes in at four of the five years during the 2008-2012 period. These industries were Hospitals & Healthcare Services; Hotels, Resorts & Other Tourism related Services; Manpower & Consultancy Services; Restaurant & Food Services; and Transportation/Storage.

Moreover, of the four sub-industries under the Other Industries category, one, the Personal Care and Wellness sub-industry experienced increases in annual average incomes in all of the years during the period and the other, Video and Photo, had income increases in four of the five years.

Meanwhile, only four out of the 12 industries under the P/W/R sector experienced increases in annual average incomes in four of the five years within the same period. Two industries, Bakery

Products and Gifts, Toys & House wares, earned average income increases in each year. The other two were Agricultural, Livestock, Poultry & Fishery and Furniture & Furnishing. The Furniture & Furnishing industry suffered a dramatic decline of 1,695% in annual average income increase in 2012 (Table 6).

Table 6. Growth Rate of Average Annual Income of Establishments in Cagayan de Oro City, 2007-2012

TYPE OF ESTABLISHMENT	2007-2008	2008-2009	2009-2010	2010-2011	2011- 2012
Services					
1. Automotive, Electrical & Other Equipment Repair Services	(89)	8	17	82	(138)
2. Brokerages	(37)	4	22	18	(141)
3. Computer Sales & Services	(27)	19	38	9	22
4. Construction Services/Fabrication Services	35	24	(19)	11	(14)
5. Education/Other Training Services	(10)	10	(24)	6	(3)
6. Hospitals & Healthcare Services	24	13	3	7	(62)
7. Hotels, Resorts & Other Tourism related Services	21	5	(10)	9	4
8. Insurance	27	(18)	7	(16)	33
9. Manpower & Consultancy Services	10	6	22	25	(10)
10. Pawnshops, Banks, Lending & Other Financial Services	8	(0)	15	(0)	(19)
11. Restaurant & Food Services	16	9	(7)	9	14
12. Property Development/Rental	(6)	15	14	(0)	16
13. Transportation/Storage	6	20	11	(1)	13
14. Other Services	-	-	-	-	-
Personal Care and Wellness	25	14	10	4	15
Video/Photo	(7)	25	17	13	1
Dress shop/Tailoring	21	13	11	(12)	36
Others	12	(87)	58	(0)	(57)
Producer/Wholesaler/Retailer					
1. Agricultural, Livestock, Poultry & Fishery	29	34	(26)	10	12
2. Bakery Products	7	9	13	12	23
3. Construction Materials	(5)	34	(8)	14	30
4. Fashion, Fine Jewelries, Garments, Handicrafts	6	44	(68)	(91)	21
5. Furniture & Furnishing	11	24	9	11	(1,695)
6. Gifts, Toys & House wares	9	7	14	6	4
7. Horticulture	(20)	36	(4)	23	5
8. Other Industries	-	-	-	-	-
Purified Water	(3)	10	(9)	5	(7)
Chemical/Pharmaceutical/Lab	16	11	(13)	6	(31)
Gadgets/Cellphones	(54)	(20)	27	(13)	30
Others	3	53	(102)	30	63
9. Processed Foods	3	(1)	(14)	(76)	12
10. Processed Wood Products	10	(9)	(17)	4	23
11. General Merchandise	13	7	(5)	49	(72)
12. Auto Supply	(2)	(3)	30	6	12
Importer/Exporter					
1. Agriculture/Marine/Mining Products	-	-	-	-	-
2. Industrial Supplies/Cars/Engines	-	-	-	-	-
3. Processed Wood Products/Handicrafts	-	-	-	-	-
4. Other import/export	(1,038)	50	(14)	(13)	(397)

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City

IV. CAGAYAN DE ORO: ITS COMPETITIVENESS LEVEL AND DRIVERS OF GROWTH

A. Competitiveness Ranking of Cagayan de Oro City

Cagayan de Oro City consistently ranked high in competitiveness surveys conducted locally. In the Philippines Cities Competitiveness Ranking Project (PCCRP) conducted in 2009, the city ranked first among the ten cities in the growth center category. In the competitiveness ranking conducted by the National Competitiveness Council (NCC) in 2013, the city again ranked first among the 122 cities included in the project.

The PCCRP was undertaken by the Policy Center of the Asian Institute of Management, with support from USAID and other development partners, to understand the determinants of competitiveness of cities. It classified cities into three strata based on levels of development - metropolitan growth centers, growth centers, and emergent cities, with CDO being classified as one of the 10 growth centers.⁹ The project evaluated the competitiveness of cities by using the following drivers: dynamism of the local economy, cost of doing business, infrastructure, responsiveness of LGUs to business needs, human resources and training, and quality of life.

CDO ranked first among the ten cities in the growth center category. It garnered the highest rank in the driver “dynamism of the local economy,” second in “infrastructure,” and 3rd in the categories on: (1) cost of doing business, (2) human resource training, (3) responsiveness of the LGU, and (4) quality of life. The detailed ranking for some of these indicators are described below:

- a. Dynamism of Local Economy Indicators. Among the drivers under this indicator, CDO ranked first in total income, number of historical sites, and importance of membership in business organizations. It was second in membership in local chamber of commerce and industry and number of cars for rent. Finally, it was 6th in level of foreign interest and availability of website.
- b. Infrastructure Indicators. Of the 12 infrastructure indicators, CDO ranked 1st in travel time to seaport, reliability of water service, and tear of vehicles, and 2nd in travel time to airport and road maintenance. However, it was 4th in traffic management and 5th in reliability of telephone service.
- c. Cost of Doing Business Indicators. Among the indicators of cost of doing business, CDO was highest in average cost of fuel and 2nd in bribery incidence. However, it scored 4th in the categories of electricity rate per kwh, water rate per cubic meter, and corruption prevalence.
- d. Responsiveness of City Government to Business Needs Indicators. CDO ranked highest in length of time to renew business permits and 2nd in investment road shows, participation in investment road shows and provision of tax incentives. However, it was

⁹ Zamboanga City and General Santos City were the two other cities in Mindanao classified as growth centers.

5th in processing renewals of business permit and in number of firemen and 6th in participation in job fairs.

- e. Quality of Life Indicators. CDO was given a high ranking for the following categories: police to population ratio (3rd), solid waste management (3rd), and water pollution (2nd). However, it was 7th in the perceived prevalence of crime..

The 2013 Competitiveness Ranking of the NCC was again supported by USAID through the Investment Enabling Environment (INVEST) Project. The Project followed a nationally formulated competitiveness framework that considered three drivers of competitiveness – economic dynamism, governance and infrastructure, consisting of 30 indicators each. The newly formed Regional Competitiveness Councils collected data for these indicators. In this survey, CDO topped the list of competitive cities, ranking third in the governance and infrastructure categories and seventh in economic dynamism.

B. Drivers of Growth

The following drivers of growth can be tapped to propel CDO's efforts to niche as a globally competitive trade and services center:

- a. PHIVIDEDEC Misamis Oriental (PIE-MO) Industrial Estate

The PIE-MO in Tagoloan and Villanueva, covering 3,000 hectares, is one of the largest industrial estates in the country. Within it is, a special economic zone, measuring 1,072 hectares, that is registered with the Philippine Export Zone Authority and currently has 73 locators. Forty-six of these locators are in manufacturing, including STEAG State Power Inc. and the Philippine Sinter Corporation.

Locators enjoy low land lease rates and exemption from customs duties and taxes if goods produced are 50%-70% for export for both domestic and foreign companies. Investment priority areas include manufacturing, steel/metal, shipbuilding, food processing, port logistics, and ancillary services.

- b. Mindanao Container Port¹⁰

The Mindanao Container Terminal (MCT) Port in PIE-MO has the potential to be a main driver of growth in CDO, being the only international container terminal in Mindanao that serves as a transit port for international destinations such as Japan and the ASEAN

¹⁰ The Mindanao Container Port has the following features: (a) A 300-meter wharf with a deep harbor for 13 meters draft that can accommodate up to 30,000 DWT local and international vessels; (b) two quay side gantry cranes measuring 30 meters high; 37 meters outreach and four rubber-tired gantry cranes that are capable of stacking up to four-level high containers in six rows; (c) an 11-hectare area for port-related business firms near the MCP; (d) a container yard in Phase 1 and the Bulk Terminal in MCP Phase 2; (e) a 38.10-meter high control tower equipped with a port radar system, telecommunication system and closed circuit television that will enable the overseeing of yard and quay operations; (f) a six-hectare concrete container yard that can accommodate 6,816 TEUs at any one time; (g) 279 reefer-van outlets for refrigerated vans to cool perishables or frozen cargo; and (h) a food, bulk and grains terminal with two gantry cranes and four yard cranes in MCP Phase 2. The availability of the current gantry cranes enables a container van to be unloaded in just 2.5 minutes instead of the usual 10 minutes in ordinary ports. These cranes use a computer-based system for the efficient and orderly stacking and taking of vans.

countries. It can accommodate 270,000 – 500,000 twenty foot equivalent units (TEUs) and its state-of-the-art facilities and cargo handling equipment can unload one container van in about 2.5 minutes compared to the 10 minutes in an ordinary port. The MCT registered an increase in foreign and domestic ship calls from 106 to 136 from 2009 to 2010.

c. Cagayan de Oro Macajalar Port

While air trade has been picking up, 98% of the goods to and from Mindanao are still traded coastwise, mostly through the baseports of Davao, General Santos, Zamboanga, and Cagayan de Oro (NSO, 2008).

The Cagayan de Oro seaport, which occupies 22 hectares, is the most modern outside Metro Manila. The anchorage is ideal for transnational vessels and currently serves 14 domestic and four foreign shipping lines. Cargo can be efficiently shipped not only to and from PIE-MO, but also within the Brunei Darussalam-Indonesia-Malaysia-Philippines - East ASEAN Growth Area (BIMP-EAGA) area.

Based on PPA data, there were 55,299 ship calls made in Region X with a recorded cargo throughput of 43.5 million metric tons (MT), a container traffic of 268,012 and passenger traffic of 9.4 million in 2012 (PPA,2012). In the same period, the CDO port recorded 15,119 shipcalls, a cargo throughput of 7.2 million MT and passenger traffic of 2.2 M.

Aside from the Cagayan de Oro Base Port and the Mindanao Container Port, there are 19 other government and private ports in the province. The Philippine Sinter Corporation in PIE-MO has a private port which has the biggest berthing facility in the country that can handle break bulk ships of any capacity. Its quay length measures 350 meters with a depth of 25 meters. It has two cranes for loading and unloading, each with capacity of 6,000 total petroleum hydrocarbon (TPH) and 3,600 TPH, respectively. The common berth, which is available for use by other companies in PHIVIDEC, has a quay length measuring 220 meters with a depth of 5.5 meters. The loading and unloading of cargoes, however, are done manually.

The current cargo throughput in CDO has reached 3.6 million MT twice its capacity of only 1.8 million MT.

d. Laguindingan International Airport

The Laguindingan International Airport is located on a 4.17 square kilometers (sq. km.) site in Barangay Moog, about 46 km from the Lumbia Airport and the city center of Cagayan de Oro. The airport, which is valued at US\$167.09 million, is a flagship project of the Cagayan de Oro-Iligan Corridor Special Development Project, which covers both cities of Iligan City and Cagayan de Oro as well as five coastal towns in Lanao del Norte and all the 23 towns in Misamis Oriental's first and second congressional districts.

While the airport will have an international standard runway, it will operate a domestic trunkline that would meet the air transport needs of the region and the country. Based on information from its official website, the Laguindingan Airport is expected to handle more air passengers and cargo since it will serve as the main airport of Cagayan de Oro and Iligan cities.

Cebu Pacific and Philippine Airlines will operate in Laguindingan with routes to Cebu, Davao, Iloilo, and Zamboanga. The airport is projected to cater to at least 1.6 billion tourists who would help boost the economy of Misamis Oriental.

The Laguindingan Airport replaced Lumbia Airport in Cagayan de Oro, which is the second busiest airport in Mindanao in terms of passenger traffic and cargo volume. It is classified as a Class 1 Principal (major domestic) airport by the Civil Aeronautics Administration of the Philippines (CAAP) and has a 2,454-meter (8,050-foot) asphalt runway. CAAP Region X data show that the airport accommodated 12,590 flights, 1,301,502 passengers and 22,244,562 kilos of cargo in 2011.

e. Other Positive Opportunities

CDO Investment Code

CDO has issued the Investment Incentives Ordinance of 2002 to stimulate the entry of foreign investments in the area. In the implementing rules and regulations of the Ordinance, qualified investors enjoy fees and tax holidays for a number of years from start of business operation. This Code is currently being revised to align it with the priorities of the local government.

Mindanao Railway System

The establishment of the Mindanao Railway System will also pave the way for connectivity that will support passenger and cargo traffic that will pave the way for agro-industrial development within the region. The railroad will connect Davao, General Santos, Iligan, Cagayan de Oro, Butuan, Zamboanga, Cotabato, Marawi, Pagadian and Dipolog (MSFP, 2010-2011).

BIMP-EAGA Market

The new BIMP-EAGA blueprint for development specifically provides avenues and opportunities for Mindanao to tap into the market of member countries (BIMP-EAGA Implementation Blueprint, 2012-2016).

V. PROPOSED ACTIONS TO ENHANCE INDUSTRY GROWTH IN CAGAYAN DE ORO CITY

Given the opportunities available to Cagayan de Oro City to pursue its vision, including the presence of identified drivers of growth in the region, the industry study proposes specific action points that would accelerate inclusive economic growth in the city.

A. Optimizing Agri-Industrial Development Within the Context of a Metro CDO, with CDO as the Center of Development;

The NEDA Mindanao Strategic Development Framework, 2010-2020 (MSDF) envisions growth in Mindanao as being peaceful and socially inclusive with a strong, sustainable, competitive, ICT-driven, agri-industrial, and resource-based community that is responsive to local and global opportunities (MSDF, 2010-2020). In pursuit of this vision, there is now a clamor from various stakeholders to revive the Metro CDO initiative which was launched in 1990 through the Metro CDO Special Development Project. The first part of the plan was to develop the Cagayan-Iligan Corridor starting in 1993 with the construction of the International Airport in Laguindingan, Misamis Oriental. In a report, Mercado and Balandra (1998) revealed that Cagayan de Oro has initiated discussions with the local government' of Jasaan, Villanueva, Tagoloan, Claveria, Opol, El Salvador, Alubujid, Laguindingan, and Gitagum in Misamis Oriental and the municipalities of Libona, Manolo Fortich, Talakag, Baungon, Malitbog and Sumilao in Bukidnon as an initial step towards achieving this vision. These LGUs, together with CDO, were originally proposed to comprise the envisioned Metro CDO on account of their dependence on the same watershed, water supply sources, and infrastructure systems.

The CDO Comprehensive Land Use Plan (Draft 2012) further affirms support for the Metro CDO vision as the main strategy to enable CDO “to become a globally competitive trade and services center that supports the agricultural industry, tourism sector and infrastructure development and trade and commerce industry.” The creation of Metro CDO would not only create more jobs for skilled workers but is envisioned to usher in more investments, local and abroad, thus creating more jobs for technical service providers.

With vast land resources, the CDO government plans to realign its land usage to be able to maximize its potential as Northern Mindanao's trading and transshipment hub. It has designated the Poblacion area and the barangays contiguous to it to comprise the future Central Business District, which should cover up to 12,000 hectares. The other coastal and nearby uptown barangays, namely, District 1 barangays such as: Balulang, Canitoan, Kauswagan, Bulua, Bonbon, Patag, Iponan, Bayabas, Lumbia and Mambuaya and District 2B barangays such as Gusa, Puerto, Bugo, Camaman-an, FS Catanico, Tablon, and Agusan, will be expansion urban growth centers (CDO CLUP, Draft 2012).

Action Points:

1. CDO should set a framework for the development of Metro CDO. A master plan should be developed that would provide guidance on growth patterns proposed in the CLUP. The Metro CDO Plan should be complimentary to, and reflect, the land use designations adopted in the city's CLUP. The Plan should also take into account anticipated expansion of the urban growth boundary within the Metro CDO region to accommodate

much needed space for industrial development. The expansion strategies should consider sustaining the creation of livable places and protecting existing neighborhoods to contribute to the City's compact urban form.

2. Urban congestion was affirmed as an issue that needs to be addressed in the Metro CDO Plan. Some of the proposed action areas to address congestion are:

- Expansion of the scope of the master plan to include road mapping which should transcend political barriers;
- Accelerate the finalization of the Metro CDO concept to strengthen competitiveness of CDO as trade and services center; and
- Identification of alternative business districts and alternative growth areas towards the uplands.

B. Developing CDO as an Agro-Industrial Hub

Agro-industrial development is seen as one of the growth drivers in Mindanao in view of the presence on the island of eight major river basins in the area, including Cagayan de Oro which thus has abundant water resources vital for irrigation and other agricultural production and processing needs (MSDF). Two of the six Agri-industrial Economic Zones registered with the Philippine Economic Zone Authority are in Cagayan de Oro City.

Action Points

CDO should pursue the development of agro-industrial economic zones. These can: (1) attract major foreign investments which, among other benefits, increase access to modern agriculture technology; (2) promote backward and forward linkages between agriculture and processing industries; (3) pave the way for the production of high-value added products and better quality commodities for the export market; (4) increase the Agriculture sector's share in export earnings and employment; (5) accelerate agri-business development in the countryside; and (6) provide local employment opportunities and, ultimately, generate sustainable income (PEZA, 2010). The MSDF has thus provided that "efforts to promote existing agri-industrial economic zones in CDO, among others, shall be intensified to encourage locators" (MSDF, 2010-2020). A promising area that agri-industrial hubs should note is the emerging Halal market whose demand has increased, particularly from the Asian and Middle Eastern markets (Mindanao 2020 Peace and Development Framework Plan, 2011).

C. Exploring Potentials for ICT Development

Recognizing information and communications technology (ICT) as one of Mindanao's major source of income and employment, the MSDF has identified the cities of Cagayan de Oro City and Davao to be among the top ten next wave cities for business process outsourcing operations (MSDF, 2010-2010). The two cities are expected to take the lead in making Mindanao the new ICT hub among its neighbors in the Asia Pacific Region (MSDF, 2010-2020). CDO hosts the only PEZA-registered Pueblo de Oro IT Park in Mindanao. The 20-hectare facility is ready to house investors not only in call center operations but software development as well. It houses residential facilities, schools, a shopping mall, and an international golf

course. The Alwana Business Park is a 33-hectare park with ready to occupy business spaces and warehouses, hotel facilities, executive housing, and sports and leisure facilities.

The ICT industry will continue to thrive in CDO in view of the availability of human capital as well as the basic infrastructure to support the sector. Currently there are eight BPO companies operating in CDO - three are into call center operations, two in medical transcription, and three in software development. There are nine internet service providers, six telephone companies, and 310 internet cafes which increased the demand for internet users in the city (DTI, 2010).

Moreover, ICT infrastructure exists in the city. The Philippine Long Distance Telephone's 10 gigabytes per second (gbps) Digital Fiber Optic Backbone in CDO is directly connected to five international submarine cable systems in the Asia-Pacific and Southeast Asian regions, with connections to North America, Middle East, and Western Europe (DTI, 2010).

Action point: Improving Human Capital

The main challenge in human resource development in CDO is to match the manpower requirements of industries with the existing academic and skills preparation of the workforce. There is a perceived mismatch between industry needs and the graduates produced by the academe. There is also a shortage of technical and vocational workers much needed by the industry. Bridging the gap between demand and supply requires developing and implementing the appropriate curricula and ensuring that the knowledge base and technical skills are at par with global standards. There is also a need to generate interest among students and their families on what are needed by industry and what educational and training courses are available for the students to later on belong to the workforce that would answer these needs.

D. Developing CDO as a Tourism Hub

Aside from being an agri-industrial and ICT hub, CDO has also been identified as a major tourism hub in Mindanao (NEDA Regional Development Plan for Northern Mindanao, 2011-2016). The city belongs to two of the seven tourism hubs in Region X, particularly Tourism Hub No.1 (Coastal Corridor) together with Misamis Oriental, Iligan, and Lanao del Norte and Tourism Hub No. 5 (Eco-Cultural Route) together with Bukidnon (NEDA Region X, 2011).

One of the strategies identified to boost the tourism sector is the optimizing of the Tourism Highways Initiative. Under this initiative, tourism circuits that highlight each region's uniqueness (MDSF) will be developed. In the North Mindanao Tourism Circuit, CDO will serve as the international gateway while the beaches in Camiguin and the wilderness of Northern Mindanao shall be the main tourist attractions.

For CDO to maximize its potential as a tourism hub for Northern Mindanao, it should tap public-private partnership initiatives, particularly the Build-Operate-Transfer scheme and its variants, to generate resources for the construction and maintenance of the needed transportation and communication infrastructure. It should also encourage investments in tourism-related enterprises.

E. Developing CDO as a Logistics Hub

A key challenge that needs to be addressed for CDO to be a globally competitive trade and service center is developing its capacity as a major logistics hub.

In the MSDF Plan, CDO and Davao City have been identified as the two primary growth centers in Mindanao. For both cities to fulfill this role, their respective transportation and communication infrastructure and facilities must be improved to international standards. Improved transportation and communication infrastructure and facilities will enhance connectivity and strengthen economic linkages between urban and rural centers. For CDO, these improved infrastructure and facilities will enable it to be more cohesive with secondary growth centers identified within Metro CDO.

Some of the challenges identified in the study and confirmed during the stakeholders' consultation in CDO as impediments to the development of CDO as a logistics hub include inadequate roads to handle existing and future access to the CDO port. Another factor is the inadequate drainage system. Other issues include limited access to financial support for new businesses and the relatively high cost of doing business. Ensuring adequate and affordable supply of power was also foreseen as a challenge in the medium term.

Action Points:

1. Addressing Power Shortage

According to the Mindanao Peace and Development Framework Plan 2011-2030, there will be a Mindanao-wide power shortage of at least 1,000 mega watts (mw) by 2020 and another 1500mw by 2030. In 2009, the peak demand for power equaled Mindanao's dependable capacity of 1,525 MW. The reserve capacity is expected to fall to 7.5% or 84mw short of 212mw for the 2011 requirement that includes a 13% reserve level (DOE, 2009). The main issue is to look for alternative sources of power, including renewable power facilities, to meet the future requirements of industrial expansion.

2. Other Actions

- Addressing concerns on the operational safety of the Laguindingan Airport,
- Constructing diversion roads and alternative routes,
- Supporting nodal development to decongest the current business district,
- Organizing a logistics hub led by the private sector and reviewing value chains,
- Implementing a special lending program for new businesses that will set up stores in the new airport; and
- Strengthening investment promotions for priority industries that will promote CDO a logistics hub.

**Annex 1. Number of Registered Establishments in Cagayan de Oro City by
Broad Industry Type and by District, 2007**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	73	77	106	256
2. Brokerages	3	6	1	10
3. Computer Sales & Services	171	271	154	596
4. Construction Services/Fabrication Services	47	23	57	127
5. Education/Other Training Services	36	44	30	110
6. Hospitals & Healthcare Services	17	33	10	60
7. Hotels, Resorts & Other Tourism related Services	47	121	51	219
8. Insurance	10	82	5	97
9. Manpower & Consultancy Services	34	52	37	123
10. Pawnshops, Banks, Lending & Other Financial Services	105	264	118	487
11. Restaurant & Food Services	348	523	423	1,294
12. Property Development/Rental	227	428	293	948
13. Transportation Storage	43	48	109	200
14. Other Services	-	-	-	-
Personal Care and Wellness	56	125	32	213
Video/Photo	16	28	10	54
Dress shop/Tailoring	45	38	18	101
Others	292	318	333	943
SUB-TOTAL	1,570	2,481	1,787	5,838
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	380	553	356	1,289
2. Bakery Products	96	59	96	251
3. Construction Materials	74	77	84	235
4. Fashion, Fine Jewelries, Garments, Handicrafts	70	163	71	304
5. Furniture & Furnishing	13	1	9	23
6. Gifts, Toys & Housewares	2	9	6	17
7. Horticulture	4	10	1	15
8. Other Industries	-	-	-	-
Purified Water	37	12	29	78
Chemical/Pharmaceutical/Lab	75	87	58	220
Gadgets/Cellphones	11	47	25	83
Others	823	1,106	903	2,832
9. Processed Foods	84	95	131	310
10. Processed Wood Products	18	5	26	49
11. General Merchandise	1,430	677	1,483	3,590
12. Auto Supply	47	114	70	231
SUB-TOTAL	3,164	3,015	3,348	9,527
C. Export/Import				
1. Agriculture/Marine/Mining Products	-	-	-	-
2. Industrial Supplies/Cars/Engines	-	-	2	2
3. Processed Wood Products/Handicrafts	-	-	3	3
4. Other import/export	6	2	7	15
SUB-TOTAL	6	2	12	20
GRAND TOTAL	4,740	5,498	5,147	15,385

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 2. Number of Registered Establishments in Cagayan de Oro City by
Broad Industry Type and by District, 2008**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	69	66	108	243
2. Brokerages	8	8	7	23
3. Computer Sales & Services	170	269	155	594
4. Construction Services/Fabrication Services	47	22	54	123
5. Education/Other Training Services	42	47	37	126
6. Hospitals & Healthcare Services	17	37	21	75
7. Hotels, Resorts & Other Tourism related Services	48	73	51	172
8. Insurance	9	85	6	100
9. Manpower & Consultancy Services	39	52	37	128
10. Pawnshops, Banks, Lending & Other Financial Services	130	278	122	530
11. Restaurant & Food Services	337	493	360	1,190
12. Property Development/Rental	235	444	305	984
13. Transportation Storage	48	54	118	220
14. Other Services	-	-	-	-
Personal Care and Wellness	53	114	36	203
Video/Photo	15	29	11	55
Dress shop/Tailoring	44	27	21	92
Others	359	351	278	988
SUB-TOTAL	1,670	2,449	1,727	5,846
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	144	102	252	498
2. Bakery Products	95	64	94	253
3. Construction Materials	81	71	90	242
4. Fashion, Fine Jewelleries, Garments, Handicrafts	72	149	72	293
5. Furniture & Furnishing	12	2	8	22
6. Gifts, Toys & Housewares	3	10	5	18
7. Horticulture	3	17	-	20
8. Other Industries	-	-	-	-
Purified Water	36	12	32	80
Chemical/Pharmaceutical/Lab	70	87	54	211
Gadgets/Cellphones	7	42	23	72
Others	990	1,067	1,044	3,101
9. Processed Foods	78	62	92	232
10. Processed Wood Products	23	6	24	53
11. General Merchandise	1,341	661	1,377	3,379
12. Auto Supply	63	112	71	246
SUB-TOTAL	3,018	2,464	3,238	8,720
C. Export/Import				
1. Agriculture/Marine/Mining Products	-	-	-	-
2. Industrial Supplies/Cars/Engines	-	-	3	3
3. Processed Wood Products/Handicrafts	-	-	2	2
4. Other import/export	3	3	9	15
SUB-TOTAL	3	3	14	20
GRAND TOTAL	4,691	4,916	4,979	14,586

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 3. Number of Registered Establishments in Cagayan de Oro City,
by Broad Industry Type and by District, 2009**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	81	69	114	264
2. Brokerages	8	30	8	46
3. Computer Sales & Services	189	254	165	608
4. Construction Services/Fabrication Services	47	26	60	133
5. Education/Other Training Services	50	50	49	149
6. Hospitals & Healthcare Services	20	40	19	79
7. Hotels, Resorts & Other Tourism related Services	49	112	51	212
8. Insurance	9	84	7	100
9. Manpower & Consultancy Services	42	60	35	137
10. Pawnshops, Banks, Lending & Other Financial Services	147	274	121	542
11. Restaurant & Food Services	367	501	386	1,254
12. Property Development/Rental	250	457	323	1,030
13. Transportation Storage	54	53	128	235
14. Other Services	-	-	-	-
Personal Care and Wellness	57	116	40	213
Video/Photo	13	26	12	51
Dress shop/Tailoring	47	34	14	95
Others	520	451	929	1,900
SUB-TOTAL	1,950	2,637	2,461	7,048
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	142	106	282	530
2. Bakery Products	94	70	106	270
3. Construction Materials	83	71	82	236
4. Fashion, Fine Jewelleries, Garments, Handicrafts	73	145	42	260
5. Furniture & Furnishing	14	1	10	25
6. Gifts, Toys & Housewares	2	13	6	21
7. Horticulture	2	13	1	16
8. Other Industries	-	-	-	-
Purified Water	46	12	41	99
Chemical/Pharmaceutical/Lab	77	94	62	233
Gadgets/Cellphones	19	55	14	88
Others	544	643	645	1,832
9. Processed Foods	69	71	103	243
10. Processed Wood Products	29	5	22	56
11. General Merchandise	1,513	727	1,434	3,674
12. Auto Supply	55	113	84	252
SUB-TOTAL	2,707	2,026	2,850	7,583
C. Export/Import				
1. Agriculture/Marine/Mining Products	-	-	2	2
2. Industrial Supplies/Cars/Engines	-	-	3	3
3. Processed Wood Products/Handicrafts	-	-	2	2
4. Other import/export	4	2	6	12
SUB-TOTAL	4	2	13	19
GRAND TOTAL	4,661	4,665	5,324	14,650

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 4. Number of Registered Establishments in Cagayan de Oro City,
by Broad Industry Type and by District, 2010**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	87	66	109	262
2. Brokerages	10	6	8	24
3. Computer Sales & Services	192	235	163	590
4. Construction Services/Fabrication Services	48	20	60	128
5. Education/Other Training Services	56	60	53	169
6. Hospitals & Healthcare Services	22	40	24	86
7. Hotels, Resorts & Other Tourism related Services	59	131	50	240
8. Insurance	13	76	8	97
9. Manpower & Consultancy Services	41	61	36	138
10. Pawnshops, Banks, Lending & Other Financial Services	158	289	141	588
11. Restaurant & Food Services	423	606	430	1,459
12. Property Development/Rental	278	477	329	1,084
13. Transportation Storage	71	60	135	266
14. Other Services	-	-	-	-
Personal Care and Wellness	62	120	41	223
Video/Photo	14	28	13	55
Dress shop/Tailoring	44	24	15	83
Others	380	527	351	1,258
SUB-TOTAL	1,958	2,826	1,966	6,750
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	161	113	291	565
2. Bakery Products	107	71	119	297
3. Construction Materials	102	76	83	261
4. Fashion, Fine Jewelries, Garments, Handicrafts	74	158	84	316
5. Furniture & Furnishing	13	1	10	24
6. Gifts, Toys & Housewares	2	13	6	21
7. Horticulture	1	11	2	14
8. Other Industries	-	-	-	-
Purified Water	42	12	47	101
Chemical/Pharmaceutical/Lab	85	89	72	246
Gadgets/Cellphones	10	56	17	83
Others	1,081	1,528	1,247	3,856
9. Processed Foods	98	96	123	317
10. Processed Wood Products	26	6	29	61
11. General Merchandise	1,654	745	1,436	3,835
12. Auto Supply	65	111	93	269
SUB-TOTAL	3,521	3,086	3,659	10,266
C. Export/Import				
1. Agriculture/Marine/Mining Products	0	0	1	1
2. Industrial Supplies/Cars/Engines	0	1	3	4
3. Processed Wood Products/Handicrafts	0	0	2	2
4. Other import/export	4	10	9	23
SUB-TOTAL	4	11	15	30
GRAND TOTAL	5,483	5,923	5,640	17,046

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 5. Number of Registered Establishments in Cagayan de Oro City,
by Broad Industry Type and by District, 2011**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	83	66	115	264
2. Brokerages	33	9	10	52
3. Computer Sales & Services	174	235	190	599
4. Construction Services/Fabrication Services	77	19	62	158
5. Education/Other Training Services	74	61	59	194
6. Hospitals & Healthcare Services	40	40	23	103
7. Hotels, Resorts & Other Tourism related Services	90	138	56	284
8. Insurance	18	73	10	101
9. Manpower & Consultancy Services	71	60	34	165
10. Pawnshops, Banks, Lending & Other Financial Services	222	292	160	674
11. Restaurant & Food Services	738	611	483	1,832
12. Property Development/Rental	367	492	342	1,201
13. Transportation Storage	69	58	147	274
14. Other Services	-	-	-	-
Personal Care and Wellness	60	122	46	228
Video/Photo	12	28	11	51
Dress shop/Tailoring	46	25	22	93
Others	860	466	413	1,739
SUB-TOTAL	3,034	2,795	2,183	8,012
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	296	118	293	707
2. Bakery Products	141	69	123	333
3. Construction Materials	142	84	97	323
4. Fashion, Fine Jewelleries, Garments, Handicrafts	83	164	89	336
5. Furniture & Furnishing	15	2	28	45
6. Gifts, Toys & Housewares	9	17	5	31
7. Horticulture	2	15	1	18
8. Other Industries	-	-	-	-
Purified Water	45	12	53	110
Chemical/Pharmaceutical/Lab	92	95	76	263
Gadgets/Cellphones	8	51	310	369
Others	975	1,360	863	3,198
9. Processed Foods	199	121	138	458
10. Processed Wood Products	23	5	28	56
11. General Merchandise	1,535	749	1,483	3,767
12. Auto Supply	121	126	102	349
SUB-TOTAL	3,686	2,988	3,689	10,363
C. Export/Import				
1. Agriculture/Marine/Mining Products	-	-	1	1
2. Industrial Supplies/Cars/Engines	1	2	1	4
3. Processed Wood Products/Handicrafts	-	-	2	2
4. Other import/export	3	10	11	24
SUB-TOTAL	4	12	15	31
GRAND TOTAL	6,724	5,795	5,887	18,406

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 6. Number of Registered Establishments in Cagayan de Oro City,
by Broad Industry Type and by District, 2012**

TYPE OF ESTABLISHMENT	DIST 1	DIST 2A	DIST 2B	TOTAL
A. Services				
1. Automotive, Electrical & Other Equipment Repair Services	93	65	116	274
2. Brokerages	18	7	7	32
3. Computer Sales & Services	172	221	150	543
4. Construction Services/Fabrication Services	70	18	7	95
5. Education/Other Training Services	64	50	56	170
6. Hospitals & Healthcare Services	25	38	24	87
7. Hotels, Resorts & Other Tourism related Services	66	148	48	262
8. Insurance	12	73	7	92
9. Manpower & Consultancy Services	43	57	38	138
10. Pawnshops, Banks, Lending & Other Financial Services	174	291	157	622
11. Restaurant & Food Services	456	580	403	1,439
12. Property Development/Rental	301	502	340	1,143
13. Transportation Storage	62	44	125	231
14. Other Services	-	-	-	-
Personal Care and Wellness	54	126	40	220
Video/Photo	13	32	11	56
Dress shop/Tailoring	42	19	15	76
Others	669	584	619	1,872
SUB-TOTAL	2,334	2,855	2,163	7,352
B. Producer/Wholesaler/Retailer				
1. Agricultural, Livestock, Poultry & Fishery	215	112	218	545
2. Bakery Products	101	67	97	265
3. Construction Materials	95	51	71	217
4. Fashion, Fine Jewelleries, Garments, Handicrafts	66	169	65	300
5. Furniture & Furnishing	31	24	25	80
6. Gifts, Toys & Housewares	2	16	5	23
7. Horticulture	1	13	2	16
8. Other Industries	-	-	-	-
Purified Water	45	11	47	103
Chemical/Pharmaceutical/Lab	87	101	69	257
Gadgets/Cellphones	6	38	12	56
Others	405	378	475	1,258
9. Processed Foods	111	117	116	344
10. Processed Wood Products	18	5	17	40
11. General Merchandise	2,371	1,977	1,883	6,231
12. Auto Supply	73	117	83	273
SUB-TOTAL	3,627	3,196	3,185	10,008
C. Export/Import				
1. Agriculture/Marine/Mining Products	-	-	-	-
2. Industrial Supplies/Cars/Engines	2	4	1	7
3. Processed Wood Products/Handicrafts	-	-	4	4
4. Other import/export	7	8	12	27
SUB-TOTAL	9	12	17	38
GRAND TOTAL	5,970	6,063	5,365	17,398

Source of Basic Data: City Treasurer's Office, Cagayan de Oro City.

**Annex 7. Ranking of Top Business Types, by Broad Industry Type and
by District in Cagayan de Oro City, 2007-2012**

Year	Top Business Type per Broad Industry Type	Ranking in terms of the number of registered establishments		
		Dist 1	Dist 2A	Dist 2B
2007	Services	3	1	2
	1. Restaurants and Food Services	3	1	2
	2. Property Development and Rental	3	1	2
	3. Other services	3	2	1
	Producers, Wholesalers and Retailers	2	3	1
	1. General Merchandisers	2	3	1
	2. Other industries	3	1	2
Overall – 2007	3	1	2	
2008	Services (38%)	3	1	2
	1. Restaurants and Food Services	3	1	2
	2. Other services	1	2	3
	3. Property Development and Rental	3	1	2
	Producers, Wholesalers and Retailers (60%)	2	3	1
	1. General Merchandisers	2	3	1
	2. Other industries	3	1	2
Overall – 2008	3	2	1	
2009	Services (48%)	3	1	2
	1. Other services	2	3	1
	2. Restaurants and Food Services	3	1	2
	3. Property Development and Rental	3	1	2
	Producers, Wholesalers and Retailers (52%)	2	3	1
	1. General Merchandisers	1	3	2
	2. Other industries	3	2	1
Overall – 2009	3	2	1	
2010	Services (40%)	3	1	2
	1. Restaurants and Food Services	3	1	2
	2. Other services	2	1	3
	3. Property Development and Rental	3	1	2
	Producers, Wholesalers and Retailers	2	3	1

Year	Top Business Type per Broad Industry Type	Ranking in terms of the number of registered establishments		
		Dist 1	Dist 2A	Dist 2B
	(60%)			
	1. Other industries	3	1	2
	2. General Merchandisers	1	3	2
	Overall – 2010	3	1	2
2011	Services (44%)	1	2	3
	1. Restaurants and Food Services	1	2	3
	2. Other services	1	2	3
	3. Property Development and Rental	2	1	3
	Producers, Wholesalers and Retailers (56%)	2	3	1
	1. General Merchandisers	1	3	2
	2. Other industries	2	1	3
	Overall – 2011	1	3	2
2012	Services (42%)	2	1	3
	1. Other services	1	3	2
	2. Restaurants and Food Services	2	1	3
	3. Property Development and Rental	3	1	2
	Producers, Wholesalers and Retailers (58%)	1	2	3
	1. General Merchandisers	1	2	3
	2. Other industries	2	3	1
	Overall – 2012	2	1	3