

DAVAO CITY ECONOMIC SITUATIONER 2012

The local economy of the city has been steadily growing over the last 5 years. Based on income, Davao City is the biggest local economy in Southern Philippines and is consistently part of the top 5 local economies in the whole country, the only city outside of Metro Manila.

The steady economic gains of Davao can be seen through its ever changing economic landscape as new buildings rise from almost every corner.

The year 2012 offered a lot of opportunities for the City. Investments nearly doubled as infrastructures and other buildings arose throughout the year. High rise residential projects like condominiums, malls and other infrastructures have emerged tremendously and the markets in the city continue to grow in sizes and in numbers.

Other industries such as tourism and agriculture also widened, offering new business activities and opportunities for the city as a whole.



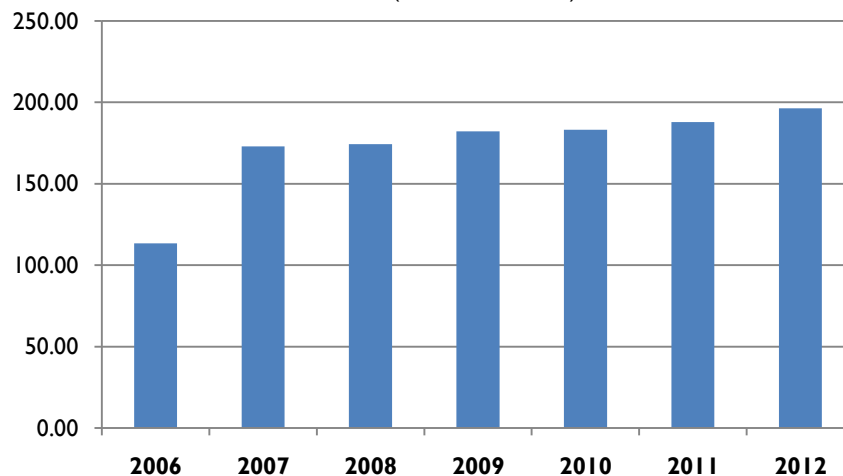
Total Registered Capital of Businesses in Davao City
(New and Renewal, 2006 – 2012)

Amount of Capitalization				
Year	New	Renewal	Total	Annual Growth Rate
2006	3,962,505,511.60	109,415,165,969.03	113,377,671,480.63	
2007	1,586,281,332.60	171,274,479,328.52	172,860,760,661.12	52.46
2008	1,913,736,684.75	172,494,090,888.28	174,407,827,573.03	0.89
2009	2,602,011,943.55	179,680,120,099.35	182,282,132,042.90	4.51
2010	2,497,582,139.72	180,673,218,588.00	183,170,800,727.00	0.49
2011	3,685,693,050.87	184,296,912,466.07	187,982,605,516.94	2.63
2012	6,070,934,780.61	190,247,593,390.00	196,408,528,170.61	4.48

Source: Business Bureau

From 2008 to 2012, the total registered capital of businesses in the city continuously increased. Total capitalization in went up by 12.61%, from P174,407,827,573.03 to P196,408,528,170.61 while capitalization of new registered businesses increased by 64.72% from 2011 to 2012.

Capitalization
(in Billion Pesos)



Source: Business Bureau

From 2007 to 2012, the movement of the capitalization of business in the city continuously increased. Based on the data provided, an overall 8.75% increase in total capital was observed. Fortunately, capitalization gained momentum in 2012, with a 4.48% increase from P187,982,605,516.94 in 2011 to P196,408,528,170.61 the following year.

Total Average Capital per Business, 2006 - 2012

Year	Total Capital	Total Applications	Average Capital per Registered Business
2006	113,377,671,480.63	31,209	3,632,851.789
2007	172,860,760,661.12	27,303	6,331,200.259
2008	174,407,827,573.03	30,786	5,665,166.880
2009	182,282,132,042.90	31,997	5,696,850.706
2010	183,170,800,727.00	32,700	5,601,553.539
2011	187,982,605,516.94	34,566	5,438,367.341
2012	196,408,528,159.87	35,826	5,482,290.185

Source: Business Bureau

For the last five years, investments registered with the Business Bureau increased by 12.61%; from P174,407,827,573.03 in 2008 to P196,408,528,159.87 in 2012.

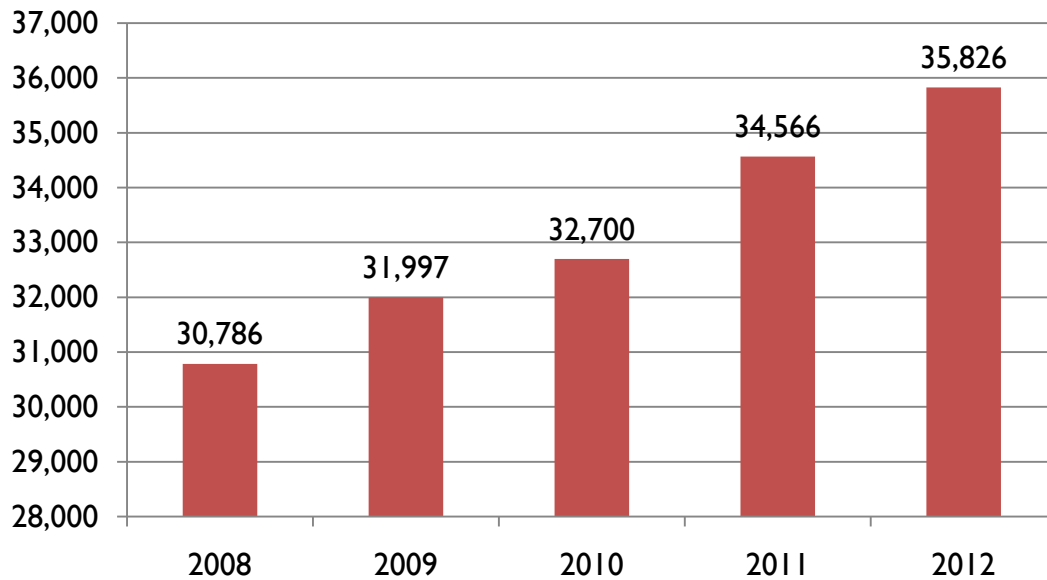
Number of Applications (new and renewal, 2006 – 2012)

Number of Applications			
Year	New	Renewal	Total
2006	6,961	24,248	31,209
2007	5,347	21,956	27,303
2008	6,101	24,685	30,786
2009	6,606	25,391	31,997
2010	6,229	26,471	32,700
2011	7,025	27,541	34,566
2012	6,411	29,415	35,826

Source: Business Bureau

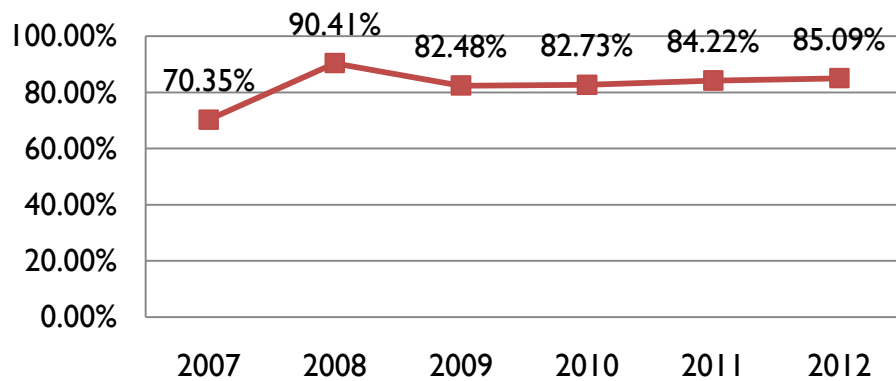
The average number of new applications for the period 2008 – 2012 is 6,474 while the average number of renewal for the same period is 26,700. In 2012, total number of applications pegged at 35,826; however, there was a decrease in the number of new applicants. Possible reasons for this reduction are stiff competitions in the market and the existence of possible apprehensions brought about by the upcoming elections.

Number of Business Permit Applicants



Source: Business Bureau

Survival Rate of Business



Source: Business Bureau

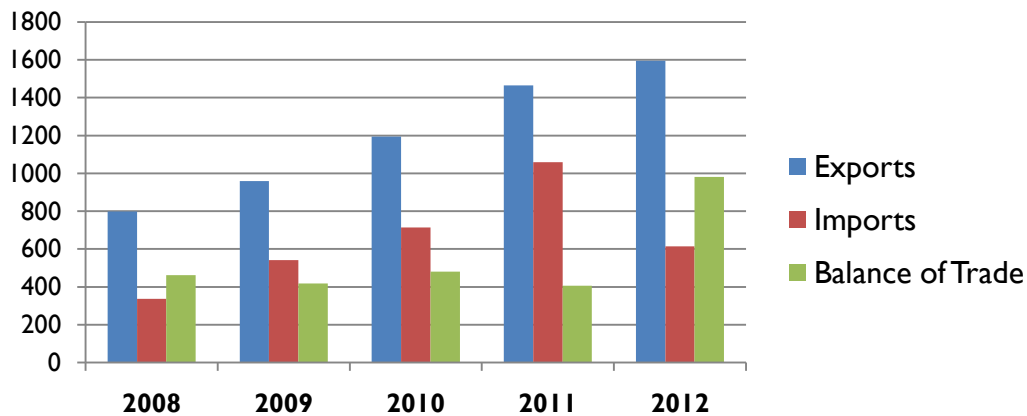
From 2008 to 2012, the total number of business registrations is steadily increasing. Average survival rate of business for the period 2008 – 2012 is 84.99 %, while survival rate for 2012 is 85.09%.

TRADING

Export earnings of the city's merchandise that were channeled through the Davao Port rose by almost 8.85%, from US\$ 1.465-billion the previous year to US\$ 1.6-billion in 2012. Balance of trade was registered at US\$ 981.23 in 2012. Banana remains as the No. 1 dollar earner for both the city and the region. Other traded commodities include coconut oil, rubber, desiccated coconut and pineapple (fresh and canned). Top import commodities include mineral fuels/mineral oils, fertilizers, cereals, miscellaneous chemical products and plastics.



Exports, Imports and Balance of Trade
(in Million, US Dollars)



Source: Bureau of Customs

Top 10 Countries of Destination of Exports as to Value
(In US\$, 2012)

Country	Value in US \$
1. Japan	425,476,820
2. China	208,761,352
3. Netherlands	149,914,771
4. Korea	139,635,821
5. USA	112,854,948
6. Saudi Arabia	75,286,354
7. UAE	61,826,230
8. Malaysia	52,530,517
9. Iran	46,641,603
10. Switzerland	42,173,632

Source: Bureau of Customs

Japan still occupies the top country of destination of Davao products for more than 2 decades now. China occupies the 2nd spot for Davao’s biggest buyers. Netherland is at 3rd and Korea at 4th. The US, which used to be the 2nd biggest buyer in the last two decades, came in 5th last year.

TOURISM

The city continues to attract more tourists. In 2012, around 32 percent of the tourists came to the city for business purposes. Those who attended conventions and conferences comprised 33 percent, while those who visited the city for holiday and pleasure accounted to 35 percent.

Also last year, there were 1,075,000 recorded tourist arrivals in the city, broken down as 81,081 foreign travelers, 983,315 local citizens, and 10,604 balikbayans/overseas Filipino workers. Estimated tourist receipts were recorded at 12.81 billion pesos while estimated economic benefits were 28.19 billion pesos.



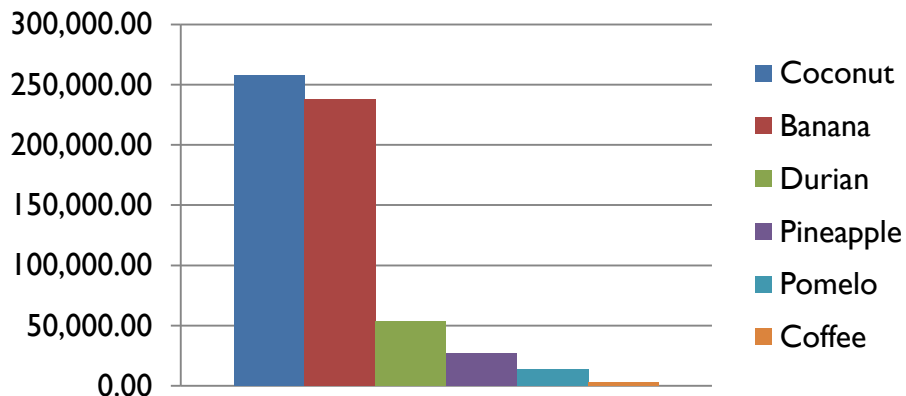
Year	Tourist Arrivals	% Increase	Estimated Tourist Receipts (Php Billion)
2006	574,165	.15	8.03
2007	641,161	11.7	8.97
2008	655,651	2.3	9.17
2009	672,863	2.6	9.42
2010	682,821	1.5	9.55
2011	744,275	9.0	10.42
2012	1,075,000	44.43	12.81

Source: Dept. of Tourism, Reg. XI / Davao City Tourism Operations Office

Agriculture. A big portion of Davao City remains to be an agricultural area. Around 163,943.6 hectares or 67.19 % (including grass and shrub lands) are devoted to agricultural production. In 2012, the City produced 19,744 metric tons of corn and 15,847 metric tons of rice. Other major commodities include coconut, banana, durian, pineapple, pomelo and coffee.



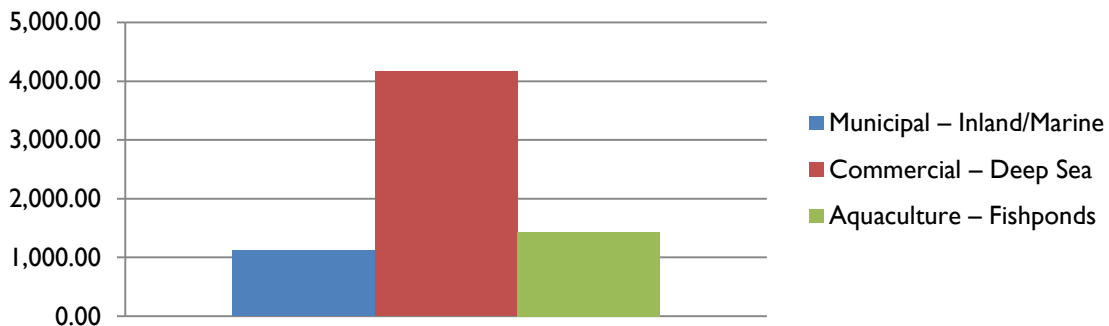
Major Crops (in metric tons)



Source: Bureau of Agricultural Statistics

Fishery Production. Davao Gulf is the city's major fishing ground. It is a home for many marine biodiversities, abundant in various fishes such as yellow fin tuna, anchovy, herring, and numerous marine products. Commercial/deep sea production reached 3,737.12 metric tons while aquaculture/fishponds production is at 1,899.86 metric tons.

Fishery Production (in metric tons)



Source: Bureau of Agricultural Statistics



Livestock and Poultry. The grounds of Davao City also provide a good environment for raising livestock and other animals. Records show that there are 229,177 hogs, 39,053 cattle and 3,712,392 (heads) of poultry produced in 2012.



Financial Institutions. There are 1,304 financial institutions in Davao City, which include 217 branches of domestic and foreign banks, 30 savings/loans associations and 478 financing companies and lending institutions. All leading banks in the country have more than one branch in the city with some banks operating seven days a week to ensure that clients are served seamlessly. Moreover, electronic banking is readily available and accessible as well.

Financial Institutions, 2007 - 2012

Financial Institutions	2007	2008	2009	2010	2011	2012
Commercial Banks, Industrial Banks, Development Banks	118	120	129	130	195	217
Financial and /or lending Investors	551	516	423	464	538	478
Insurance, pre-need companies, adjusters	140	127	120	119	125	127
Money Shops	72	80	54	56	69	96
Pawnshops	294	296	298	306	344	307
Savings and Loan Association	14	13	12	31	30	30
Authorized Dealers in Foreign Currency	6	3	3	3	7	18
Other Financial Institutions	29	37	35	22	28	31
TOTAL	1,262	1,229	1,111	1,176	1,336	1,304

Source: Business Bureau

For the last five years, an 80.83% increase in the number of banks and 83.33% in authorized dealers of foreign currency was noted due to the influx of its several branches operating in the city.

INFRASTRUCTURE

Road Network and Transportation.

As of 2012, Davao City has a total of 2,954.46 kilometers of road. It has 148,085 registered motor vehicles plying along the streets of Davao with 131,734 private vehicles, 1,917 government vehicles and 14,434 for hire vehicles.



Davao City Registered Motor Vehicles 2008-2012

Type of Motor Vehicles	Number of Motor Vehicles				
	2008	2009	2010	2011	2012
Cars	15,828	22,726	17,545	15,038	14,391
Utility Vehicles	35,764	38,522	37,495	34,915	33,892
Sports Utility Vehicles	4,011	4,790	6,344	5,955	5,862
Trucks	9,460	8,562	9,422	8,551	8,227
Buses	290	255	331	276	340
Motorcycles/Tricycles	56,016	57,601	64,326	66,716	84,582
Trailers	804	727	820	762	791
TOTAL	122,173	133,183	136,283	132,213	148,085

Source: Land Transportation Office, XI

Airport and Seaports. As of December 2012, the Davao International Airport posted an average of 847 outgoing flights per month with 116,949 passengers and an average of 847 incoming flights monthly with 114,722 passengers. In addition, the 4 government seaports and 23 corporate-owned piers in the city contributed to ship traffic of 28,212 in 2012. Cargo traffic (in metric tons) rose to 11,066,023 while passenger traffic went up from 1,042,289 in 2011 to 1,273,040 in 2012 or an increase of 22.14%.

Water and Power Supply

Total power consumption increased from 1,393,263,796 (kWh) in 2011 to 1,482,425,158 in 2012. Moreover, water production as of 2012 is 91,430,012 cubic meters while its consumption reached 68,593,480 cubic meters.



Construction

Number of Building Permits and Total Value of Construction

Indicator	2008	2009	2010	2011	2012
No. of Building Permits	4,379	4,563	3,838	5,776	6,624
Value (in Million Pesos)	6,786	7,002	7,288	8,090	14,457
Average Value per Construction	1,549,668	1,534,516	1,898,905	1,400,623	2,182,606

Source: Office of the Building Official

Value of construction projects has increased considerably in the last 5 years. The biggest surge was registered in 2012 with P 14.46-billion or a 78.70 % increase from 2011 figures. The number of building permits remains increasing with 14.68% in 2012. Average value per construction also rose from P1.4 million to almost P2.1 million, a significant 50% increase from 2011.