



Get into GenSan



*Doing business
and investing
in General
Santos City*

2018



www.pwc.com/ph/gensan

General Santos City

Tenacity. Toughness. Punch.

Three of the nation's boxing champions—Manny Pacquiao, Rolando Navarette, and Nonito Donaire—hail from General Santos City. Their career trajectories profoundly illustrate how the GenSan local, whatever the odds, can overcome any obstacle that impedes his growth.

The same goes with the city itself. GenSan has long been the Tuna Capital of the Philippines since it has been successful at supplying the whole world with high-grade yellowfin tuna. The city is just as successful in exporting sweetened fruit.

The people of GenSan now hope to thrive in other areas, such as in supply chain management systems, particularly sea and air logistics. Once operational, a larger, more accessible airport, initially dubbed the Aerotropolis, is expected to create efficiencies for all of the City's industries requiring the speedy transport of goods and people. This is particularly relevant to tuna, which is best shipped by air overnight to maintain absolute freshness.

In time, GenSan will come to be known not just for delivering tuna—but also for its secondary, but by all means just as important—products all over the Philippines and around the globe. It is a future the residents of this expansive industrial port city look forward to seeing.

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PwC has taken the liberty of selecting Philippine cities of the Visayas and Mindanao to showcase their culture, progress and real potential as a place for investments. PwC has endeavored to package current local knowledge for prospective local and foreign investors.

This investment guide is part of the PwC Reimagining VisMin Collection — observed, analyzed, written by our own people, and published in the hopes of making a difference and reimagining the possible.

Alex B. Cabrera
PwC Philippines

In tuna we trust



PHOTO BY JEOFFREY MAITEM

GenSan lies in southernmost Mindanao and is located approximately 1,050 kilometers southeast of Manila, 485 kilometers southeast of Cebu, and 150 kilometers southwest of Davao.

The city can be reached via land – through its two transport terminals namely, Eusebio Bulaong terminal and Lagao Food Terminals, by sea – through Makar Wharf, or by air – with direct flights to and from major cities like Manila, Cebu, and Iloilo.

Tuna Capital of the Philippines

The city is the largest producer of sashimi-grade tuna, being geographically located along Sarangani Bay and near rich tuna fishing grounds of the Moro Gulf and Mindanao Sea. In 2014, the City garnered the Guinness World Record for the largest display of yellowfin tuna.

Transshipment hub

Aside from being the country's Tuna Capital, the city is also the metropolitan hub of SOCCSKSARGEN Region as evidenced by its enduring stride for inbound shipments of agricultural products, vegetables, tuna, and other fishing resources. Adding to this is the presence of the international standard port "Makar Wharf" and airport, turning GenSan into the transshipment hub of the region to other parts of the country and the rest of the world including the USA, Europe, Asia, and Australia. It is indeed a gateway to ASEAN countries promoting connectivity and opportunity for more priority investment areas.

Bridging alliances

With its strategic location, a fast-growing economy, and continued government dynamism, GenSan holds a firm potential for investment in emerging and expanding businesses. In partnership with private players, local government alliances prepare the city for long-term developments and positioning it as a key player in the Brunei-Indonesia-Malaysia-Philippines-East Asean Growth Area region (BIMP-EAGA) and the ASEAN Community. The recently launched Roll-on Roll-off (RoRo) ASEAN maritime connectivity initiative with the Indonesian Government will further promote the city as an international gateway of Mindanao.

Cradle of champions

GenSan is not only rich in natural resources and infrastructure but also rich in terms of its people, producing world-class professional boxing champions Manny Pacquiao, Rolando Navarette, Nonito Donaire, and *It's Showtime* grand dance group champion XB Gensan. With its pool of talents, the City Government's vision of "Home of the Champions" offer opportunities to encourage the youth to develop their talents and be at par with global standards.

Luring investors

To turn GenSan into a globally competitive and livable city, the City Government focuses on power, telecommunication systems, drainage and sewerage systems, integrated food terminal with post-harvest facilities, redevelopment of the public market, integrated transport terminal, wharf and airport, and farm-to-market roads, among others. As more investors come, the overall functionality of GenSan – geographic location, promising agriculture and fishing industry, strong local government – assures technical and infrastructure development assistance to foreign donors. The local government also provides an alluring incentive that keeps improving the business environment.

The SOCCSKSARGEN hub

GenSan is a highly urbanized City of SOCCSKSARGEN with fertile lands and favorable climate conditions outside of the typhoon belt.

14,486 hectares of the city's total land area of 53,606 hectares consist of fertile land fit for agriculture, 46.7% of which is utilized for agricultural production, with 205.67 hectares devoted to aquaculture. The remaining 53.3% holds potential for agricultural use by local and foreign investors, particularly for fruit crops and aquaculture products.

Compared to the relative growth of national averages, the Gross Regional Domestic Product (GRDP) per capita index of Region XII (including GenSan) registered stable growth from 2013 to 2015.

GenSan, located outside the typhoon belt, has tropical wet and dry climates and is considered one of the driest places in the Philippines.

Population



594,446 (2015)

One of the country's driest places



21.4°C (January)
~ 33.4°C (April)

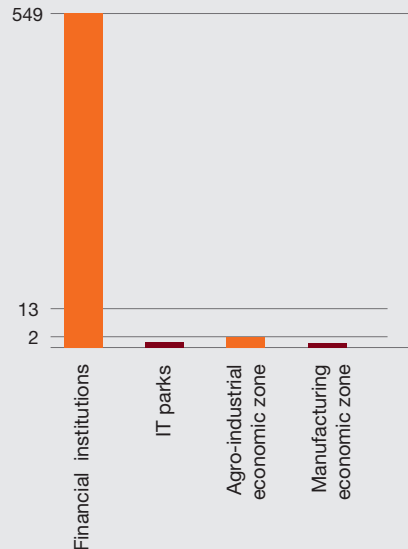


47mm (March) ~
118mm (June)

Majority of the population speak Bisaya/ Cebuano



There were 10,665 business establishments in GenSan in 2015



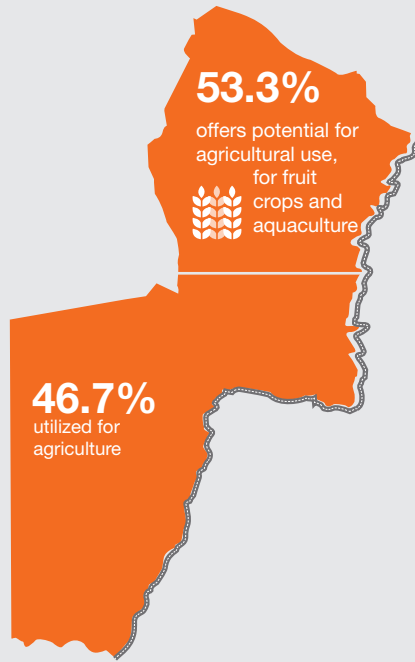
Land area 536.06 km²
(53,606 hectares)

14,486 ha.
fertile land for agriculture



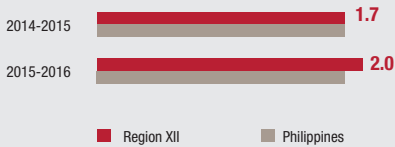
1,050 km

Distance from Manila
(Flight duration: 2 hours)



Region XII's GRDP growth rate in 2016

GRDP growth rate, Region XII vs Philippines
(2014-2016)



6.6%
GRDP growth rate
(SOCCSKARGEN,
2015-2016,
at current price)



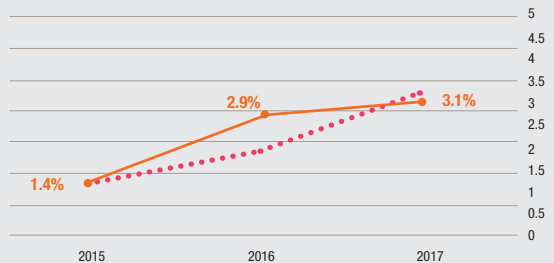
PHP386.8bn
GRDP
(SOCCSKARGEN, 2016,
at current prices)

PHP82.5k
GRDP per capita
(SOCCSKARGEN, 2016,
at current prices)

Region XII's inflation rate from 2014 to 2016

Inflation rate,
Region XII vs Philippines
(2015-2017)

— Inflation rate, Region XII
... Inflation rate, Philippines



GRDP - Gross Regional Domestic Product

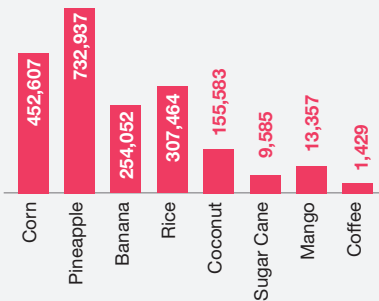
More than something fishy

Agribusiness sector

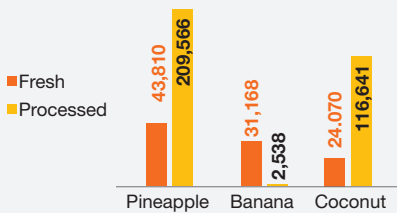
Abundant in fertile agricultural land and blessed with a typhoon-free climate, the city produces export-quality fresh and processed pineapple, coconut, and banana.

Canned pineapple remains to be the top exported product due to the presence of Dole Philippines in Region XII, with crude coconut oil as the third highest, following canned tuna in second place.

Major crops, metric tons (2016)



Agribusiness export in 2015, in USD'000

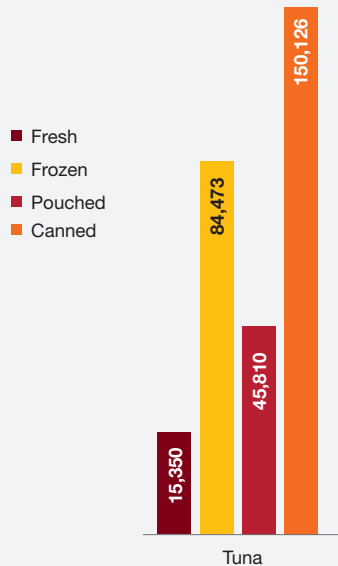


Fishing sector

Strategically located along Sarangani Bay and other rich fishing resources, the Tuna Capital of the Philippines produces export-quality and shashimi-grade tuna, and other fish products.

Tuna remains to be the top exported product – in frozen, whole, and canned forms, and its loins and other parts.

Fishing industry export in 2015, in USD'000



You know you're in GenSan...



1 ...when tuna dishes are on the menus of all local restaurants. GenSan is known as the largest producer of sashimi-grade tuna.



2 ...when, in the first week of September, the whole city holds the **Tuna Festival** to commemorate the city's charter anniversary and to celebrate its being the Tuna Capital of the Philippines.



3 ...when, from 22 to 27 February of every year, the city holds the **Kalilangan Festival**, commemorating the foundation and history of the city, and celebrating the city's diverse and rich culture and heritage.



4 ...when you see the various investments of **Manny Pacquiao**, the world-famous boxing champion.

Investing in the City is his way of giving back to his hometown, such as RoadHaus Economy Hotel, Wild Card Gym, JMP Shalom Travel & Tours, Pacman H2O, Team Pacquiao Store, JMP Phoenix 1 & 2, and MP Princess Printing Digital Solution. Get a glimpse of Pacman's life via the Pacman Adventour.

Quo vadis, General Santos?



General Santos Fish Port Complex

In the Tuna Capital of the Philippines, the General Santos Fish Port Complex (GSFPC) is a must-see for all tourists. Known as the region's principal trading port, it is located in Barangay Tumbler situated along the shores of Sarangani Bay, and fully equipped with modern facilities to produce high quality tuna for export.

To truly experience the "tuna magic" and see the gigantic tuna all lined up for local and export trading or consumption, visit the GSFPC between 5.00am and 7.00am.



Sanchez Peak

Located at the boundaries of Conel and Olympog, Sanchez Peak offers a scenic view of General Santos City at 800 feet above sea level. It is good for those who want to hike and climb the mountains. You can also build your own tent to witness the sea of fog embracing the mountains.

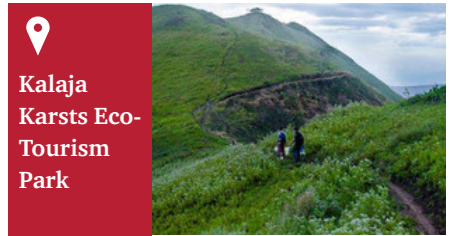
Other known tourist destinations

Nature/recreational parks

1. Dolores Tropicana Beach Resort
2. Olaer Spring Resort
3. Balakayo Adventure Park
4. Queen Tuna Park
5. Sarangani Highlands Garden

Historical/Cultural:

6. General Santos Museum
7. General Santos Cultural and Heritage Museum
8. MSU Cultural Museum
9. Plaza Heneral Santos



Kalaja Karsts Eco-Tourism Park

Be amazed by the mysterious beauty of karst formations that sustain the waterfalls and caves of the eco park, and discover the secret stories of the last frontier of Japanese soldiers during World War II. If you like outdoor adventure, the eco park is the right place to visit. There you can explore crystal-clear rivers, the Kalaja Cave with a pool inside, Kalaja and Amsikong waterfalls, and Bunga Springs, equipped with a campsite.



GenSan: Ready for the Big Fish

Business-friendly

The city has enacted its own Investment Code and issued the 2014 Economic Profile, through the City Economic Management and Cooperative Development Office, to provide business environment data to investors and researchers.

Registration and permits

#1 in ease of starting a business

5 days
processing time for new applicants

2 days
processing time for renewal

Fiscal incentives

Exemption from local business tax and Real Property Tax for a term of at least three years but not more than five years.

Non-fiscal incentives

- Assistance in site selection, negotiation for right of way, and acquisition of permits and licenses from different offices
- Identification and referral of joint venture partner
- Identification of local labor and raw materials sources
- Assistance and/or referral of available technical and financial programs in the national and local government levels
- Aftercare services to investors
- Provide opportunities to micro enterprises

★★★★★
Most Business Friendly City in the Philippines (2011),
Asian Institute of Management

★★★★★
Guinness World Record on the largest Fish Display
(2014), Guinness World Records

★★★★★

Competitive cost of doing business

The cost of doing business in GenSan is comparatively cheaper than other major cities.

PHP22,500 Estimated land rates per sq m

Commercial & warehouse space rentals (average per sq m)

Office space (CBD)
PHP130 ~ PHP630

Shopping malls
PHP130 ~ PHP1,400

Warehouses
PHP75 ~ PHP85

Daily minimum wages per sector in Region XII, including GenSan (as of 9 October 2016)

PHP295 Non-agriculture/Industrial/Commercial and Retail/Service employing more than ten workers

PHP272 Agriculture

PHP295 Retail/Service employing not more than ten workers

Labor force (Oct. 2017)

96.6% employment rate (Region XII)
63.8% labor participation rate (Region XII)

Competitiveness

Based on the 2017 National Competitiveness Council (NCC) ranking of Cities and Municipalities Competitiveness Index (CMCI), among 33 highly urbanized cities in the Philippines, GenSan stands as follows:

NATIONAL COMPETITIVENESS COUNCIL | PHILIPPINES

- 15th Most Competitive City
- 19th in Economic dynamism
- 10th in Government efficiency
- 18th in Infrastructure
- 18th in Resiliency

Reimagining GenSan

To cast the net wider, weave the broader, bigger net

With the goal of turning the entire region into a prime tourist destination of Mindanao, GenSan's city government devised a City Tourism Development Master Plan created for regional socioeconomic and cultural integration.

The Master Plan is a strategy that aims to diversify city industries and, simultaneously, to position the city as the tourism hub of the SOCCKSARGEN Region. Besides this, the project also addresses key concerns in labor, local policy reform, the rehabilitation of the poor, and the protection of the vulnerable.

Descendants of ancient fishers and boatmen who knew the lay of the Pacific Ocean, the people of GenSan stand impervious to typhoons and other kinds of storms. The future they've chosen to embrace is to cast their nets wider and to welcome other industries to power their SOCCKSARGEN capital.

While Davao is currently the most progressive city in Mindanao to date, GenSan aims to rival Davao in transport efficiency, quality of life, seaport systems and airport complexes. When GenSan achieves its own development, not only will there be one expansive industrial dockland hub in Mindanao, but two.



The GenSan Airport Complex or Aerotropolis PHP959m

This expands traditional airport operations around the airport to include hotel and entertainment facilities, conference and exhibition complexes, shopping centers, office buildings, integrated food terminal, and logistics and free trade zones.

Panguil Bay Bridge PHP4,859bn

Mindanao's longest bridge project connects Lanao del Norte and Misamis Occidental.



Proposed Mindanao Railway System PHP78bn



Mindanao Railway System
PHP78bn

To connect major cities on the island of Mindanao, the Philippine Government has proposed a Mindanao Railway System covering 2,000 km.



The GenSan port

Makar Wharf, the third busiest port in the Philippines and main sea gate in Region XII, includes the establishment of the Makar Wharf Special Economic Zone to attract foreign direct investments in the export manufacturing industry.

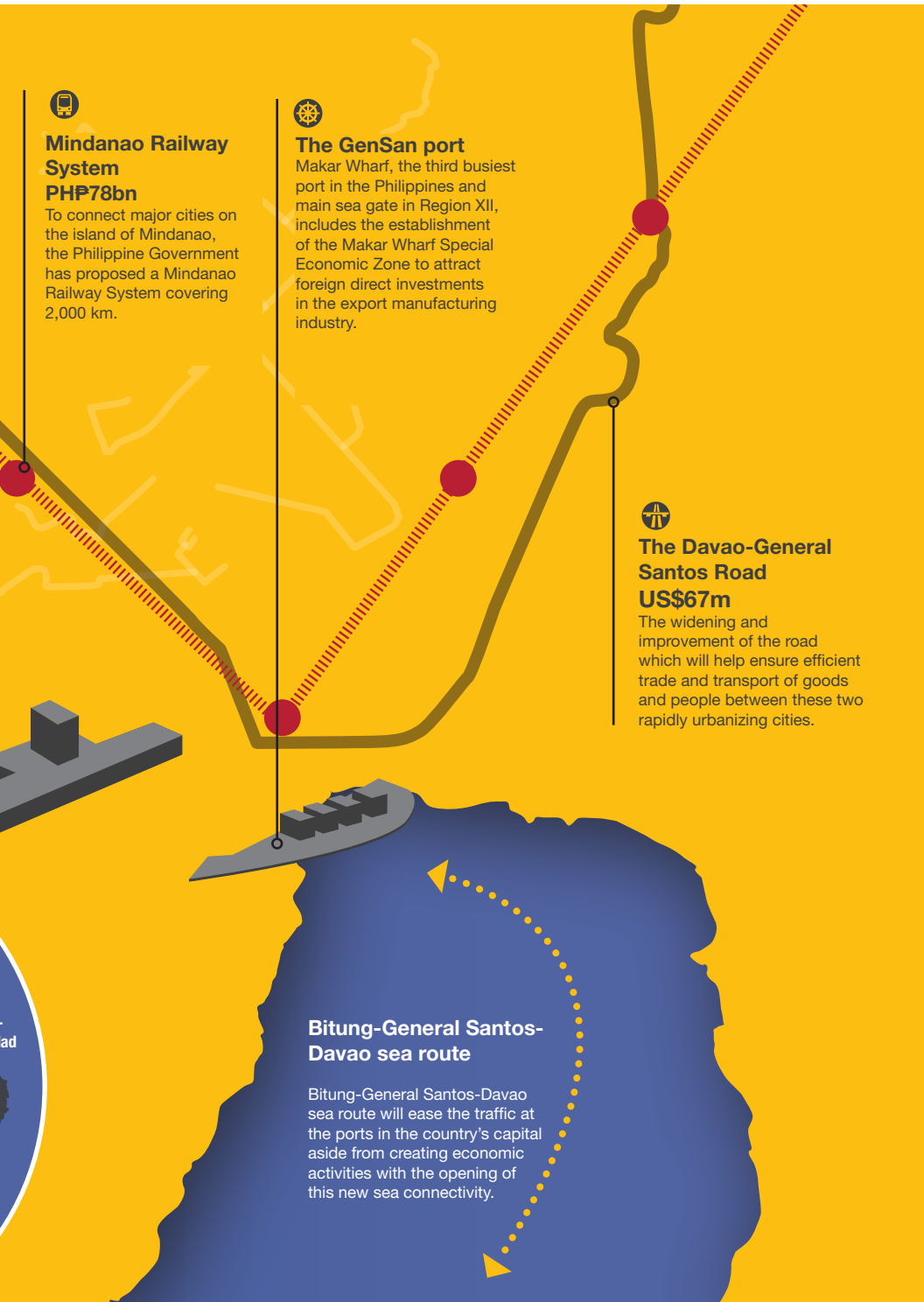


The Davao-General Santos Road
US\$67m

The widening and improvement of the road which will help ensure efficient trade and transport of goods and people between these two rapidly urbanizing cities.

Bitung-General Santos-Davao sea route

Bitung-General Santos-Davao sea route will ease the traffic at the ports in the country's capital aside from creating economic activities with the opening of this new sea connectivity.



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