



Inspiring Iloilo



*Doing business
and investing
in Iloilo*

2018



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Iloilo

Inspiration. Intellect. Vigor.

Iloilo is an outstanding city. It is a high-achieving, progressive urban center; it is also a haven for ecology and cultural identity. Hardworking Ilonggos prioritize health, spirituality, and strong social relationships. In both private and public sectors, an inspirational dynamic has been formed; thus, successful joint infrastructure projects between the local government and the private sector are laudable.

While the BPO industry allows Iloilo's younger working population to thrive, there are other business ventures worth exploring: livestock and agriculture prospects are extensive; the tourism industry is booming; and commercial fishing can be just as competitive as other southern cities in the Philippines.

With the increase in the purchasing power of young professionals, Iloilo will need a massive housing development to stimulate capital spending. Other opportunities abound in leisure and festival organization, as the annual bike festival and summer regatta continue to attract local community and global visitors.

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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.

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Iloilo: The city that shines

While Iloilo City was a small fishing community during the Spanish colonial period in the 1500s, resources and traded goods such as tobacco, textile, and sugar eventually placed the city on the map upon the opening of the Iloilo port to international trade in the latter part of the 1800s.

Sugar cane was the primary product at the time; its production paved the way for further infrastructure development. First-class infrastructure and commercial buildings enhanced the business districts; educational institutions and Baptist churches were likewise established.

Strategic location

The city is most endowed with a strategic geographical location, a highly skilled labor pool, and contemporary infrastructure and amenities. Iloilo City is an icon of peace and order, making the city a preferred destination for meetings, incentive travel, conventions,



and events (MICE). Its major industries are education, tourism, agro-fishery processing, services within the banking and finance sector, retail, business process outsourcing (BPO), information and communications technology (ICT), and management of port facilities and harbors. The Iloilo City government offers adequate incentives to assist businesses during the various phases of their ventures. With the continuous growth of its major industries, the city is developing into a new Philippine economic powerhouse.



The SMART City of the Philippines

Iloilo City endeavors to be a “SMART” City in the next three to six years. SMART, which stands for Services, Manufacturing and agri-business, Arts and culture, Research, and Technology and tourism, are among the growth areas of Iloilo City. The growing presence of business outsourcing companies, stronger awareness of arts and culture, increasing investments in research and development as well as the tourism campaigns will help achieve this vision.

With Iloilo’s 0.691 human development index (HDI), the entire province ranked tenth on the list of best places to live in the Philippines. Based on the ratings, Iloilo was the only province outside Luzon that made it to the top ten. Iloilo’s high score shows that the province performed well in social indicators that include having the ability to lead a long and healthy life, acquire knowledge and skills, and have access to the needed resources.

A model of good governance and sustainability confidence



Iloilo City is hailed as one of the most livable places in the Philippines. With its enthralling beauty, diverse culture, and historical significance, the city emerged as a powerhouse of business and trade, and a haven for those seeking an ideal escape to calm the mind.

With its abundant natural resources from the adjoining bodies of water, utility companies engaged in power generation and water distribution as well as transportation support facilities have established their presence in the city and its neighboring districts. Companies present include Panay Energy Development Corporation, Metro Iloilo Water District, and Green Power Panay Philippines, Inc.

Iloilo City served as a commercial center during the Spanish colonial period. At present, it is a center of commerce, trade, finance, education, and governance in the Western Visayas region.

Striving towards growth

The city has been accelerating its socio-economic growth through infrastructure development, and the restoration of old heritage structures. In 2017, eight road projects worth PHP583m have been approved by the Department of Public Works and Highways. Other projects in the pipeline include the Fort San Pedro Development, Sunburst Park – Freedom Grandstand Rehabilitation, Iloilo Central Market Redevelopment, and the development of government-owned properties.

Iloilo City was also recognized by online real estate portal Lamudi Philippines that ranked it third on the Top 10 Cities to Watch 2017 list. Real estate developers that entered the city include Megaworld, Sta. Lucia, SM Prime, Robinsons Land, and the Ayala group.



Land area 78.34 km² (7,834 hectares)

6 districts | 180 barangays
All considered urban

The **City Proper** represents the smallest district, occupying only **6%** of the entire city.



465.72 km
 Distance from Manila
 (Flight duration: 0.52 min)

Majority of Ilonggos speak Hiligaynon



The climate is monsoonal



22°C (January) ~
 35°C (May)



2mm (Feb-Mar) ~
 320mm (August)

Higher education



9 major educational institutions



95.4% Literacy rate
 (SY2014-2015)

PHP597.3bn*
 GRDP (2016)



6.1%*
 GRDP
 growth
 rate
 (2016)

PHP133.4k*
 GRDP per capita (2016)

** Western Visayas*



Iloilo Business Park
72 hectares | One of the biggest business parks in Asia



Iloilo Convention Center
11,832 sqm | **4,000** guests capacity



1 2 T H BEST AIRPORT IN ASIA

4 T H PHILIPPINES' BUSIEST

1 . 2 M TRAFFIC CAPACITY

DAILY FLIGHTS TO AND FROM
 MANILA

DIRECT INTERNATIONAL FLIGHTS
 TO AND FROM HONG KONG &
 SINGAPORE



Ortiz Wharf allows tourists to survey the Iloilo Strait

GRDP - Gross Regional Domestic Product

The Iloilo capacity

The city government ensures that the basic needs of businesses—utilities, easy access, flood control, transportation, and communication facilities—are met through initiatives such as:

- Supplementing a quality power supply (standby capacity 314 MW), which provides steady, dependable, and cheaper electricity for business.
- Pushing the Metro Iloilo Water District (MIWD) leadership to come up with a mechanism that will ensure sustainability of water supply to cope with the increasing demand.
- Maintaining an international-standard airport in Iloilo for easy access to the place.
- Conducting a Flood Control Project to mitigate flood damages within the vicinity of Iloilo. The 4.75-kilometer Jaro Floodway is an operational project that provides flood relief.
- Managing several modes of transport within the city to serve the public.
- Supporting various available communication services—telephone, facsimile, mobile communications, internet, telegraph, and telex stations—powered by the four major telecommunications companies, namely: PLDT, Smart, Globe, and Sun.

Agro-fishery processing

One of the city's investment priorities is agro-fishery processing. Agri-based food processing include virgin coconut oil, fruits, and vegetable processing; marina and aqua food processing. With the potential economic zones actively pursued by the local government, the city has the potential to support production and distribution of raw materials for processing/production.

Total capitalization of companies in Iloilo City (December 2015)

PHP13.9m	VS	PHP44.5bn
Agriculture, fishery, forestry (13 companies)		All companies (12,104 companies)

Fisheries profile (December 2015)



1,256	registered fisherfolks
512.7mt	Projected annual production (based on 75 actual fishermen per active fishing barangay)

Vegetable production (2015)

	production (M.T.)	planted area (Has.)
Leafy	1,447.24	27.43
Fruit & vegetables	875.40	26.80
Root vegetables	4.42	0.39
Legumes	336.00	7.00
Watermelon	400.00	15.00

Information and Communications Technology

Boasting a high (95.4%) literacy rate and number of graduates per year, Iloilo City is the center of education in Western Visayas. The major universities of the city include University of the Philippines-Visayas, University of San Agustin, Central Philippine University, St. Paul University-Iloilo, John B. Lacson Foundation Maritime University-Molo, John B. Lacson Foundation Maritime University-Arevalo, West Visayas State University, University of Iloilo-Phinma, and Iloilo Science and Technology University. These schools provide an abundant source of skilled workers and professionals for the ICT and other services industry.

ICT, being one of the fastest-growing industries, helped Iloilo attract BPO companies. Currently, the city has over 50 BPOs, making it one of the Top Ten New Wave cities in the country. Companies that established offices in the city include Transcom, Teletech, Nearsol, and Yazaki-Philippine EDS Technoservice, Inc.

The rise in the BPO industry contributes to the increase in the number of business parks in Iloilo.

Township developments

Iloilo Business Park 72-hectare mixed-used development site by Megaworld Corp.

Ayala Atria Park and Technohub 21-hectare mixed-use property

Gaisano City Center 16-hectare mixed-use property

Real estate

Plazuela de Iloilo 8,891-sqm expansion project

SM Development 18-storey IT building

Tourism

Iloilo City is geographically located at the center of the islands of the Philippines, that's why it is indeed the "Heart City of the Philippines". Surrounded by bodies of water, it is one of the highlights of Panay Islands, and is perfect for those who want to experience the beach and the sun while being amazed by the rich heritage and culture. Iloilo City is the preferred destination for MICE. In 2015, the Asia-Pacific Economic Cooperation (APEC) Forum was held at the Iloilo Convention Center.

The city is just 20-30 minutes drive from the Iloilo International Airport.

994,923 tourist arrivals (2016)



31 Hotels

13 Pension houses

8 Tourist inns

3 Resorts

22 Cultural attractions

19 Tourist attractions

6 Festivals

2 Manmade attractions

Iloilo is known for...



Public and private partnerships with local government

1

Guimaras-Iloilo Ferry Terminal (GIFT) project

The ₱260m terminal is a collaboration between the local government of Iloilo City and Double Dragon Properties Corporation (DDPC). This project in Fort San Pedro, set to increase the number of existing wharves, was envisioned to provide a world-class ferry terminal for all pumpboat ferries plying the Iloilo-Guimaras routes. The new terminal will be used by all Guimaras-Jordan and Buenavista-bound passengers.

Iloilo Bike Fest On 30 March 2014, Iloilo City held its first Bike Fest after which the local government decided to hold it every year. The Annual Bike Festival is held every March, which is a week-long celebration attended by more than 5,000 bikers across and outside the country. The festival includes activities such as Obstacle and Adventure Course, Kids Biking Activities, Bike Expo, Interscholar Cycling, Flatland BMX Street, Fitstop Amazing Race, and the longest single line of moving bicycles.

ILED F The Iloilo Economic Development Foundation, Inc. (ILED F) is a non-stock, non-profit organization founded by key representatives from local government, the business community, and private individuals in the City and Province of Iloilo in February 2007. The Foundation exemplifies a strong partnership between government and the private sector where key stakeholders in business have come together and agreed to undertake promotional and marketing activities to sell the City and Province of Iloilo as a premier investment destination. Supported by a stable membership base representing influential leaders in both government and corporate sectors, ILED F aims to become the formal institutional medium that will initiate and organize activities and projects, which will improve local economic activities.

Iloilo International Airport Located 19 kilometers away from Iloilo City, Iloilo International Airport is the Philippines' fourth busiest airport and regarded as one of the country's most beautiful and efficient airports. It serves direct international flights to and from Hong Kong and Singapore, and domestic flights to and from other major cities in the country. The airport serves the provinces of Iloilo and Guimaras as well as the general area of Panay Islands.



Food

2

La Paz Batchoy, Pansit Molo, Binakol, Biscocho Its changing landscape bears witness to its overwhelming progress and prosperity as the city becomes a fast-rising foodie destination and culinary star. From exciting new restaurants budding around town to locally sourced meals, its numerous classic food stylings evoke Iloilo City's prominent heritage and culture. A taste of the classic Ilonggo cuisine will complete the authentic experience as food is often linked to historical events and cultural development. The prevailing culinary art and food preferences of its people are essential components in describing tales of the past and unveiling future surprises.



Festival

3

Dinagyang One of the most successful private and public collaborations is the city's biggest festival, the Dinagyang Festival. It is held every fourth Sunday of January, or right after the Sinulog in Cebu and the Ati-Atihan in Aklan, to honor the Santo Niño and to celebrate the arrival of Malay settlers in Panay and the subsequent selling of the island to them by the Atis. The natives dance in the streets, their bodies covered with soot and ashes, to simulate the Atis dancing to celebrate the present festival. The Dinagyang Festival was voted as the best Tourism Event of 2006, 2007 and 2008 by the Association of Tourism Officers in the Philippines.

Paraw Regatta Another popular festival in Iloilo City is the Paraw Regatta festival, a race among seafarers on colorful sailboats called paraws in the straits between Guimaras Island and the City of Iloilo. The event has grown from being just a boat race to a festival with various interesting activities.

"Best MICE City in 2016"

4

Iloilo City Convention Center Iloilo is slowly becoming the go-to place for conferences, exhibitions and meetings.

It was in 2015 that Iloilo was launched to be a MICE city by hosting the APEC meetings in the Iloilo Convention Center. The city showcased the available facilities and ongoing infrastructure developments, attracting potential investors to consider putting up businesses in the city.




- State-of-the-art convention venue in Western Visayas
- Built on a 1.7-hectare lot in Iloilo Business Park and designed by Ilonggo architect William Coscolluela
- Exterior fins design is inspired by Paraw Regatta sailboats and abstract designs of the famous Dinagyang Festival featured on the glass walls of Iloilo Convention Center
- Two-storey structure with a total floor area of 11,832 sqm
- The main hall on the ground floor has a 3,700-seat capacity, 500-seat function rooms on the second floor, and a rooftop of 1,500 sqm available for outdoor functions
- 233 parking slots



The Yusay-Consing Mansion, popularly known as the Molo Mansion, is a significant and historic house in Molo, Iloilo, facing the town plaza and the St. Anne Parish Church. It was built in the 1920s.

Homes and history

Iloilo, being one of the oldest cities, features a lot of beautiful ancestral houses. These heritage houses, now considered to be part of the city's treasures, date back more than a century ago. Most of them, such as Nelly's Garden, Antillan House, Lopez Boat House, Lizares Mansion, Casa Mariquit, Balay na Bato, and the Molo Mansion are now open for tourists to visit.


Iloilo
Golf and
Country
Club



Also known as the Santa Barbara Golf Course, it is the oldest operating golf and country club in the Philippines. It was built by the English and the Scots during 1907 to ease their boredom while constructing the railways connecting Iloilo and Roxas for the Philippine government. It is now 110 years old.



Lopez Mansion



This 89-year old ancestral house was built during 1928 by the statesman, Don Vicente Lopez and his wife, Doña Elena Hofileña. It is considered as the “Queen of Heritage Houses in Iloilo.”



Jaro Metropolitan Cathedral



The Jaro Metropolitan Cathedral is the home of the patroness of the Western Visayas, Nuestra Señora de Candelaria, also known as the ‘National Shrine of Our Lady of Candles’. Ilonggos celebrate the feast of Our Lady of Candles in the month of February by holding a pageant with fiesta queens parading along the streets of Jaro District.

Other known tourist destinations

Nature/recreational parks

1. Iloilo River Esplanade
2. Museo Iloilo/National Museum in Iloilo
3. Plaza Libertad
4. Villa Beach

Historical/Cultural:

1. Molo Church
2. Iloilo Provincial Capitol
3. Casa Real (Provincial Capitol)
4. Heritage Houses such as Casa Mariquit, and Vicente Lopez Heritage House

Calendar:

- January Fourth Sunday: Dinagyang Festival
- February 2: Jaro Fiesta
- February: Paraw Regatta

Map Labels: ILOILO CITY, ILOILO RIVER, ILOILO STRAIT, GUIMARAS

Map Markers: A red pin is located in the upper left. An orange pin with a '4' is in the center of Iloilo City. A brown pin is in the lower right. Numbered markers 1, 2, 3, and 4 are placed along the Iloilo River and near the coast.

Lightbulb Icon: A yellow lightbulb icon is located at the bottom left of the map area.

Guimaras can be reached by boat from Iloilo City with a travel time of about 15 to 20 minutes. It is the home of the famous Manggahan Festival and known for its white sand beaches. It is the best place for someone who wants to have a quick escape from the city.



A starter pack for business investors

Business-friendly

Registration and permits

#20 **15 days**
In ease of starting a business processing time

Fiscal incentives

Investment tax holidays

- **1 year** PHP5m but less than PHP20m
- **2 years** PHP20m but less than PHP40m
- **3 years** PHP40m but less than PHP60m
- **4 years** PHP60m and above

Non-fiscal incentives

- Assistance in securing additional business permits and other related data
- Facilitating access to financial and technical assistance programs of the government
- Facilitating service connections with local utilities and other services as may be recommended by the Executive Committee

Efficient public utilities

Communication network



12
Print media



11
Television
stations



23
Radio
stations



40
Government
postal services

Telecommunications



3
Telephone
companies



3
Mobile phone
companies



5
Internet service
providers

Labor force



94.04%

high employment rate (Region VI)

64%

labor force participation rate (Region VI)

Competitive cost of doing business

Average prices per sq m

Residential

Duplex: PHP6,283
Apartment: PHP6,833
Condo: PHP9,100

Industrial:

PHP3,517

Commercial:

PHP9,100

**Commercial space
rentals** (average per
sq m, in PHP)

PHP250 ~

PHP1,250

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, Iloilo City stands as follows:



**NATIONAL
COMPETITIVENESS
COUNCIL | PHILIPPINES**

- 32nd Most Competitive City
- 17th in Economic Dynamism
- 32nd in Government Efficiency
- 27th in Infrastructure
- 31st in Resiliency

Daily minimum wages per sector

PHP323.50 Non-agriculture/Industrial/Commercial and Retail/Service employing more than ten workers

PHP281.50 Plantation

PHP271.50 Non-plantation

PHP271.50 Retail/
Service employing not
more than ten workers

★★★★★

Champion (2015) – Livable Cities,
Asian Development Bank

★★★★★

First Place – Government Efficiency among Highly Urbanized
Cities (2015), Regional Competitiveness Summit, National
Competitiveness Council

★★★★★

5th Most Business Friendly Local Government Unit Award
(2015), Philippine Chamber of Commerce and Industry (PCCI)

★★★★★

Hall of Fame – National Red Orchid Award for 2012, 2013 and
2014 for 100% Tobacco-free Environment, Department of Health
(DOH) and World Health Organization (WHO)

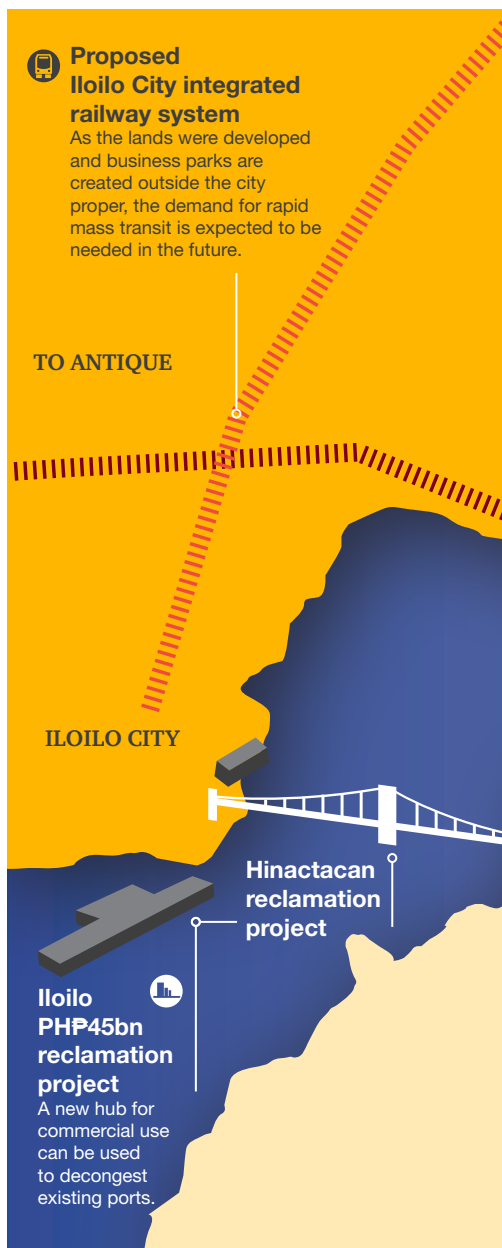
★★★★★

Reimagining Iloilo

The economies of both Iloilo and Bacolod can't help but intertwine. With the building of a superhighway that connects these 'twin cities', the increased access will possibly result in more trade.

Another crucial bridge that needs constructing is the highway from Iloilo leading to the vacation island of Guimaras. Clearly, two provinces are better than one. When these two provinces become bound by massive infrastructure projects, the Visayan Islands will have achieved a connectedness that will ensure prosperity for everyone in the region, because people will become more mobile, thus allowing themselves the expansion their businesses and trades need in order to flourish.

Finally, Iloilo's Annual Regatta is a wonderful summer sight to behold. The opportunities for recreational water travel and the "yachtie" life are waiting to be realized. With the largest percentage of working individuals (94%) in the region and a healthy, fit population, a city like Iloilo would set its sails higher.



TO ROXAS



Proposed Panay Island integrated railway system

An integrated railway system connecting the provinces of Antique, Roxas, and Aklan will surely boost tourism and trade across the Panay Island.



Proposed Iloilo-Bacolod bridge

It is expected to ease the movement of goods and services between these two crucial urban centers in the Visayas and provide more opportunities for expansion and mobility for its residents.

While two separate bridges are more feasible, one direct long bridge may provide a more efficient way of travelling.

GUIMARAS

Proposed Iloilo-Guimaras-Bacolod bridge

Travel will be accessible with the connecting islands of Iloilo, Guimaras, and Bacolod. The islands that will be connected by the bridges can be destinations and markets at the same time of each other.

BACOLOD

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Rex C. Drilon II

Iloilo Economic Development Foundation, Inc.
(ILEDf)

Narzalina Lim, ILEDf Chair

Lea Lara, Executive Director of ILEDf and of
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