

# Chapter 5

## Economic Development Plan

### 5.1. Introduction

The dynamics of Angeles City's economy is borne out by the fact that it is a strong magnet for in-migrants compelling greater dynamism in economic development planning. While the City has to contend with increasing population from natural increase, it has to accord equal importance and attention to every visitor in the area whether as tourist, investor, student, patient, jobseeker, or any other transient to optimize its presence in the City and make it a sustainable source of local revenue. Using this as the planning paradigm, greater challenges staring the City Government in the face involve the strategic provision of needed infrastructures, the effective transformation of people especially those who principally rely on social services for subsistence into more permanent, productive and reliable resource, maintaining the delicate balance between what opportunities the Clark Freeport and Economic Zone can offer and what unique role the City's economy has to play while taking into account the natural capability of the City's natural resource base to provide for the requirements of business and at the same time ensuring the health and safety, security, comfort and convenience of its every permanent resident or visitor.

## 5.2 Challenges

### 5.2.1 Declining land for agriculture

The economic landscape of Angeles City has been, for more than three decades, taking a shift from a predominantly agricultural economy to one led by a growing service sector and followed by industry. Areas for agriculture started to decline in post-war years as lands were converted to other uses primarily for settlement because of increasing population. Ancillary industries in the vicinity of the former Clark Air Force Base supported the growth of services making the City magnet to non-Angelenos for a living. The proliferation of industries after the Americans left particularly with the flourishing of the Clark Special Economic and Freeport Zone has continued this process thus leaving the city with just 35 percent of its total land area classified for agricultural use. Current effective use is even lower at 20 percent of total land area.

Aside from contracting land area for agriculture, the sector is also saddled with poor irrigation and difficulty in accessing financing for production. With these constraints, production growth in the sector has been negligible. The city thus fears that if conversion will go unabated and the constraints to agricultural production will continue, it will totally lose its agricultural products that still make food cheaper for its population and leave it dependent on import which can be procured at much higher price.

But the City's current agricultural lands are mostly planted to sugarcane, which is brought out of the city for processing, and to root crops. This hence leaves the City with no option but to import food products from other areas. The City, for example, gets the farm products sold at its food trade center, i.e., Pampang Public Market, from Pangasinan, Baguio City, and Isabela among others. But as the City buys wholesale for said products, the City is able to sell these at prices comparatively lower than other areas in Pampanga, and as a result attract market goers from the City and even nearby municipalities.

### **5.2.2 Congested Central Business District**

At present, the City's public markets are feeling the pinch from the City's shopping malls as market goers, particularly the retail shoppers, are increasingly shifting to the malls for their food and other home essentials. The convenience of mall shopping and the increasing traffic congestion in the CBD where the public markets are located are taking consumers' attention away from the public markets. Coupled with traffic congestion, flooding is another serious business concern that hampers mobility and access, thereby making the cost of doing business higher.

### **5.2.3 Limited tourist attraction and "Sin City" image**

Tourism is flourishing in Angeles City mainly because of the Diosdado Macapagal International Airport (DMIA). The City's proximity to the airport makes it a catchment area for tourists coming through Clark. Yet, while

tourists are trooping the City, its limited built and natural attractions have relegated it into a staging area for travels to other destinations in the region and the country, and a place for entertainment as it has hitherto earned its mark and tag "Sin City" because of its numerous entertainment joints. As most of the tourism-related establishments and amenities are located in the Balibago area, which is adjacent to Clark, tourism activities in the City have thus gravitated to this area. The City has identified historical landmarks as potential tourist attractions, but these are nonetheless unorganized, uncoordinated, and undeveloped as a package of attractions with the rest of the City lures and thus have caught little attention. And, as said landmarks are within the CBD, the traffic congestion here has also posed constraint to attracting visitors or tourism activities in the area.

#### **5.2.4 Need to strengthen local and export industries**

Manufacturing follows services as the City's economic growth engine. This is composed of light to medium industries producing for the local and export markets. The sector also serves, next to the service sector, as employment provider. The City's export products that include furniture, garments, handicraft and woodcraft have been the City's pride and one of its economic drivers. Yet, the recent financial crisis that hit the global market has led the City to realize how vulnerable the export industry is to economic downturns in the export market, and that it is important to strengthen both the local and export industries if the latter were to withstand the perils of an unpredictable global market and for the City to continue to have a stable source of revenue.

### **5.2.5 Lack of Investment Code**

While the City has expressed preference for light industries, the lack of investment code is limiting the growth of investments because of the absence of incentives essential to encouraging investments in the area. Current investment promotion is without focus and direction because the City has no defined criteria to guide investment in this area.

## **5.3 Potentials**

The City is witnessing an increasing inflow of tourists brought about by the mounting flights at the DMIA. This upsurge in visitor arrival is enabling the City regain the luster it has lost with the eruption of Mt. Pinatubo, and the withdrawal of the former Clark military base. Yet the City's tourism attraction has largely been centered in the areas near the Clark Freeport and Economic Zone and focused on entertainment and is more the result of availability of more hotels and amenities compared to other areas in the region. But the City has the capability to offer more than its traditional attractions, and it may well be to the city's advantage to tap on these assets and potentials to bring about increased economic opportunities and benefits to the City. The following are deemed to be the city's economic potentials:

### **5.3.1 A Place for Gourmet Tourism**

Food has been Pampanga's trademark. Food trippers and just about anyone wanting to have a gastronomic experience flock to the province and

anywhere Kapampangan food is served to sample a taste of the Kapampangan cuisine. A sample of the more popular fares and delicacies are Sisig, Kare-Kare, Kaldereta, Adobo, Adobong Kamaro, Halo-Halo, and Polvoron.

The above considering, Angeles City, as the center of commerce and tourism in the region, can tap on this strength by highlighting and promoting the City as a showcase of Kapampangan cuisine and culinary skills and build on what it currently has to further boost its attraction.

### **5.3.2 Health Tourism**

Angeles City has, along with the City of San Fernando, the concentration of the most number of hospitals in the region. It has thirteen (13) tertiary hospitals and twenty (20) health and wellness spas. The City therefore, as it continues to receive increasing number of tourists, could build on its health facilities and services and upgrade it to the level that would allow it to attract and provide health care services to the growing segment of the medical tourism market.

### **5.3.3 Shopping Tourism**

Aside from the small commercial establishments that abound in Angeles City, big malls now have added to the City lures. One can choose from the five malls located here, namely: SM, Robinsons, Marquee Mall, Jenra, and Nepo Mall for shopping compared to two in the City of San

Fernando. For tourists and avid shoppers, therefore, Angeles City is a natural magnet as it provides more options for consumers. The City could use this advantage as leverage for attracting interests on the City for shopping and other activities that would further stir its economy.

### **5.3.4 Entertainment Tourism**

Influenced by the U.S. military presence during the time of the former Clark Air Base, entertainment joints grew in Angeles City and eventually earned for it the "Sin City" image. While such branding puts a negative connotation to the City, it nonetheless has directed the spotlight on the City and drew to it more businesses and trips for fun and entertainment. Though such is the reputation Angeles City has gained, it can nonetheless use this to tap on the entertainment market and build on what it currently offers by expanding to more wholesome entertainment that can cater to all types and mix of tourists and local visitors.

### **5.3.5 Regional Core for Trade and Commerce**

The City had been a buyer's destination for various goods and services. The Pampang Market here is the center of trade for fresh farm products, while stores selling all sort of merchandise also abound in the City. The City could further boost this role by improving its market and access to its commercial and trading area to stimulate more buying and selling of products.

Angeles City's proximity to the Clark Special Economic and Freeport Zone and its being traversed by two expressways, SCTEX and NLEX, accord it with a significant opportunity for growth. The two expressways have made access to and from the City easier, increasing as a result the City's chances of inviting and maintaining more economic activities as well as businesses. Serving as venue for investments in the region, on the other hand, the CSEFZ presents opportunity for the growth of downstream or auxiliary industries or services for locators in the zone and employment for the City's residents. It is therefore important that the City prepares its labor force to respond to the requirement of the CSEFZ for labor, and for it to enhance its capacity to provide for the needed support and inputs from downstream industries to be able to seize the benefits presented by CFSEZ's presence.

## 5.4 Goals

In view of the challenges and potentials the City had identified, the overarching goal of achieving a strong and vibrant local economy as anchor to the City's sustainable growth and development was formulated to guide the City in addressing its concerns and unlocking its potentials in its quest for growth and development.

## 5.5 Objectives

To achieve the above goal, the City's resources and efforts must be directed at meeting the following objectives, namely:

- 5.5.1 To improve farm productivity and income of the City's farming sector.
- 5.5.2 To expand and strengthen private enterprise of light industries, commerce and exports.
- 5.5.3 To build and organize a robust tourism industry.

## 5.6 Targets

- 5.6.1 Improvement in farm productivity and income of the City's farming sector by at least 20 percent in three years.
- 5.6.2 Expansion of industries, commerce and exports by 10 percent annually.
- Increase in the number of establishments from the current level.
  - Increase in volume of production.
- 5.6.3 Increase in visitor arrival by 10 percent annually.

## 5.7 Strategies and Policies

Strategies are courses of actions designed to achieve the goals and objectives whereas policies are courses of actions intended to influence and determine decisions or actions that would help to accomplish the strategies.

The following strategies and policies were identified by the City as its guide in the pursuit of its goal and objectives.

### **5.7.1 Strategies**

#### **Agriculture Sector**

1. Promote farm diversification and integration;
2. Encourage value-adding for farm products;
3. Promote and facilitate producer-market link;
4. Promote cooperative formation and development; and,
5. Promote Angeles City as trading center for quality agricultural products.

#### **Trade and Industry**

1. Local enterprise and export development;
2. Human resource and skills development;
3. Support service and infrastructure development;
4. Quality product promotion; and,
5. Promote Angeles City as the regional core of trade and commerce.

#### **Tourism**

1. Develop and promote a City tourism brand or image;
2. Develop variety of appropriate tourism products;
3. Develop and maintain tourism network;

4. Develop and enhance tourism services and facilities; and,
5. Enhance access to tourist attractions, services and facilities.

### **5.7.2 Policies**

#### **Agriculture**

1. Sustain agricultural production in identified key agricultural production areas.
2. Support efforts for improving agricultural productivity, and initiatives for adopting non-traditional farm commodities.
3. Support value-adding initiatives on agricultural products.
4. Ensure affordable, quality and plentiful food for the City's residents and visitors.
5. Extend assistance for agricultural development through cooperatives.

#### **Trade and Industry**

1. Attract and facilitate investment of light industries, services and trade.
2. Stimulate growth of home-based enterprises.
3. Support promotion of export products.
4. Support programs for developing the knowledge and skills of human resources needed by industry.
5. Give premium to the production and distribution of quality products.

## Tourism

1. Promote development of tourism products that shall harness the resources or potentials of the City.
2. Promote the development of facilities and services of acceptable standards.
3. Support promotion of the City's tourism attractions in the domestic and international market.
4. Promote an environment conducive to sustainable tourism.

## 5.8 Programs and Projects

The future development of Angeles City shall ultimately be shaped by the programs and projects that will be implemented. To be effective in contributing to development, these must be aligned with the goals and objectives and address the gaps that presently serve to impede development.

Below are the programs and projects with their brief description that the city proposes to implement in pursuit of its goal and objectives:

	<b>Program/Project Title</b>	<b>Brief Project Description</b>
1	Tourism Management and Promotion Program	The program shall involve providing for and enhancing the facilities, amenities, attractions and services essential to tourists and promoting the City as a tourist destination. It shall have as components the following: (1) human resource development, (2) tourism product development, (3) support services development, and (4) tourism promotion and marketing.

	<b>Program/Project Title</b>	<b>Brief Project Description</b>
2	Sapangbato Eco-Tourism Development Project (Pinatubo Crater Hike)	The project shall entail harnessing the potential of Sapangbato as an eco-tourist destination and develop it as an alternative staging area or route for hikers to Mt. Pinatubo.
3	Sapangbato IP Livelihood and Agro-forestry Project	The project is intended to make the IP communities in Sapangbato self-reliant and active partners in sustainable forest management and development. The project shall entail training of IPs on appropriate livelihood activities and engaging them in upland rehabilitation.
4	Skills Training and Enhancement Program	The project shall involve preparing the labor force for the human resource needs of the industry and the service sectors and for developing entrepreneurial skills.
5	Cultural Promotion and Development Program	Angeles City is rich in history and culture which the City could tap to promote its tourism industry. This program shall involve the preservation of the City's cultural sites and the showcasing of traditions and cultural practices to keep these in perpetuity for the appreciation and enjoyment of the City's residents and visitors.
6	Street Food Vendors Registration, Regulation and Livelihood Assistance Project	Street food vending provides livelihood to many of the City's residents and a cheap food source for the poor and low income. Regulations, however, have to be institutionalized to ensure that street food is not only cheap but also clean. This is to help in the City's campaign for eliminating food-borne diseases and the overall effort to clean its environment.
7	Agri-Processing Support and Promotion Program	The project is to encourage initiatives to the processing of agricultural products as a means to generate livelihood and employment for the City's residents. Mechanisms for support and promotion shall be put in place to help in this

	<b>Program/Project Title</b>	<b>Brief Project Description</b>
		drive.
8	Palengkenomics Development Program	Commerce and trade is the heart and soul of the City and its public markets the foci of exchange for cheap fresh and manufactured consumer goods. The program is aimed at enhancing the public markets' features and services and encouraging vendors to be active partners in this endeavor to fully benefit from the markets' development.
9	Job Matching Program	The program shall facilitate access to jobs through information and services by linking seekers and sources of jobs.
10	Meat Quality Assurance Program	The program is integral to the drive to develop the City as the center of cheap and quality goods. With the City as major source of fresh food products, the program aims therefore at ensuring that the City provides for clean and quality meat products.
11	Local Investment and Incentive Code	The City shall formulate its Local Investment and Incentive Code. This is to help create an atmosphere conducive to investment in the City and rationalize the kind of investment or business it wants to promote.
12	Business Process Regulation and Licensing Streamlining Program	This is a continuing program aimed at facilitating the growth of business or investment by rationalizing business permitting processes.
13	MSMEs Export Promotion and Support Program	MSMEs are key to the growth of the local economy. The program aims therefore to ensure that assistance to MSME growth and development is available and accessible.
14	Rehabilitation and Construction of Local Market Project	The project involves improvement of the barangay public market to increase its appeal to marketers. This is to provide low cost or

	<b>Program/Project Title</b>	<b>Brief Project Description</b>
		affordable food and non-food products to consumers with more shopping convenience.
15	"Timbangan ning Balen" Program	This program is aimed at ensuring that consumers or buyers get from the product they purchase the last centavo they pay for. It intends to make the City assume a proactive role in the protection of consumer right to fair quantification of their purchases by making accessible and available anytime public weigh scales that they can use and check by themselves the accuracy of the volume of their purchases.
16	Cooperative Development Support Program	Cooperatives are a necessary and effective tool, when properly managed, in agricultural development or in any community endeavor that is in pursuit of economic development as they empower and enhance participation of community members in economic building. The program, therefore, is aimed at fostering cooperative participation in development through support services essential to the sustainable development of cooperatives.
17	Tax Rate Rationalization Program	Taxes are any economy's lifeblood. They provide the funds necessary for the government to deliver the public goods and services essential to a community's sustainable development. Yet, a fundamental principle in taxation is that it must be equitable as it must be efficient to ensure optimal collection. The program, hence, is intended to review and rationalize the tax structure to make more efficient tax or revenue collection, encourage taxpayers' participation in development, and ensure that resources are available for the government to utilize for the effective performance of its functions.