

Investment Lagging in Cebu: Can Cebu Be the Next Manila

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Abstract: - Both Manila and Cebu are great cities. Lots of potential in terms of land, destination, trading, and most importantly in investing. However, even though both cities are great, investors still see Manila as the superior city without knowing what Cebu can offer. Manila has caught the attention of the investors as it is seen as the city that holds the potential to be globally competitive and be on par with the cities of other countries. On the other hand, Cebu is slowly rising and also holds the spot to be competitive enough to go globally. Cebu just needs the enough exposure to be properly introduced to the foreign investors. Now, can Cebu be the next Manila.

Key Words: — City, Cebu, Invest, Manila.

I. INTRODUCTION

On March 10, 1917, Act No. 2711 established the province of Cebu. Cebu City is the capital of the province of Cebu and is known as the "Queen City of the South." It is also recognized as the Philippines' "second city" because it is the country's second most populous area after Metro Manila. Cebu witnessed fast economic expansion in the 1980s, thanks to strong local entrepreneurship and foreign investment. Next to Manila, Cebu is one of the Philippines' most developed provinces and the principal hub of business, trade, education, and industry in the country's central and southern regions. Five-star hotels, casinos, white-sand beaches, world-class golf courses, meeting centers, and shopping malls may all be found there.

During the timeline of 2018-2020, Cebu has led the economic growth of central visayas garnering 30.7 percent share. According to the findings, the Province of Cebu led the regional economy with an average share of 30.7 percent from 2018 to 2020, accounting for about 365.11 billion pesos out of the 1.19 trillion pesos regional economy of Central Visayas.

When Philippine Statistics Authority (PSA) has released the results for the Provincial Product Accounts (PPA) of the central visayas area, it has been found out that Cebu has contributed the biggest and what follows are the provinces and high urbanized cities like province of Bohol, province of Negros Oriental, province of Siquijor, Province of Cebu, City of Cebu, City of Lapu-Lapu, and City of Mandaue.

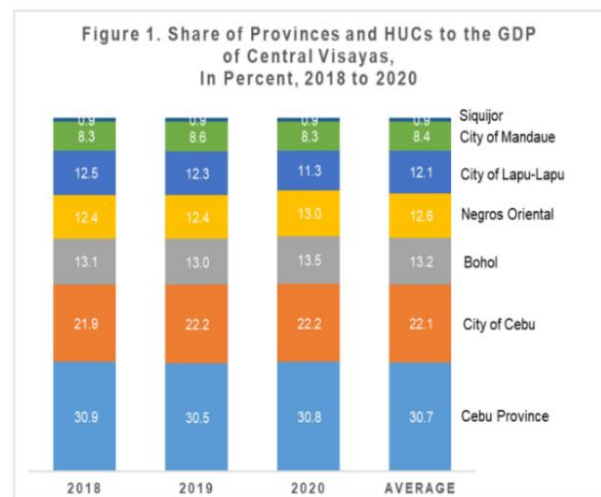


Fig.1. Share of Provinces and HUCs to the GDP of Central Visayas.

Then there is Manila, the capital city of the Philippines which considers Cebu city as its leading contender to be the next capital of the country. Manila is the Philippines' capital and largest city.

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The city serves as the economic, political, social, and cultural hub of the country. Economic activities such as commerce and trading, transportation, electronics, business product outsourcing, tourism, and other service-oriented businesses are all thriving in the city. Manila Harbor, the country's principal harbor, can accommodate hundreds of ships at once and is a busy port for import and export. Hotels, apartments, and shopping complexes are being constructed to accommodate tourists, residents, and other migrants. Other newcomers include individuals in the gaming and entertainment industries.

out of 22 cities in terms of city investment possibilities in the 2022 Emerging Trends in Real Estate study, down from 19th the previous year. Manila just outperformed Kuala Lumpur, which came in 22nd. All of the region's developing markets were near the bottom of the list, with high rates of coronavirus disease 2019 (COVID-19) infections. Despite having a young population and a strong long-term economy, Manila will struggle to absorb a huge quantity of new supply, both residential and commercial, even as demand has diminished due primarily to lockdowns and business closures. The exerted efforts of the government and private sector only got Manila in its current place right now.

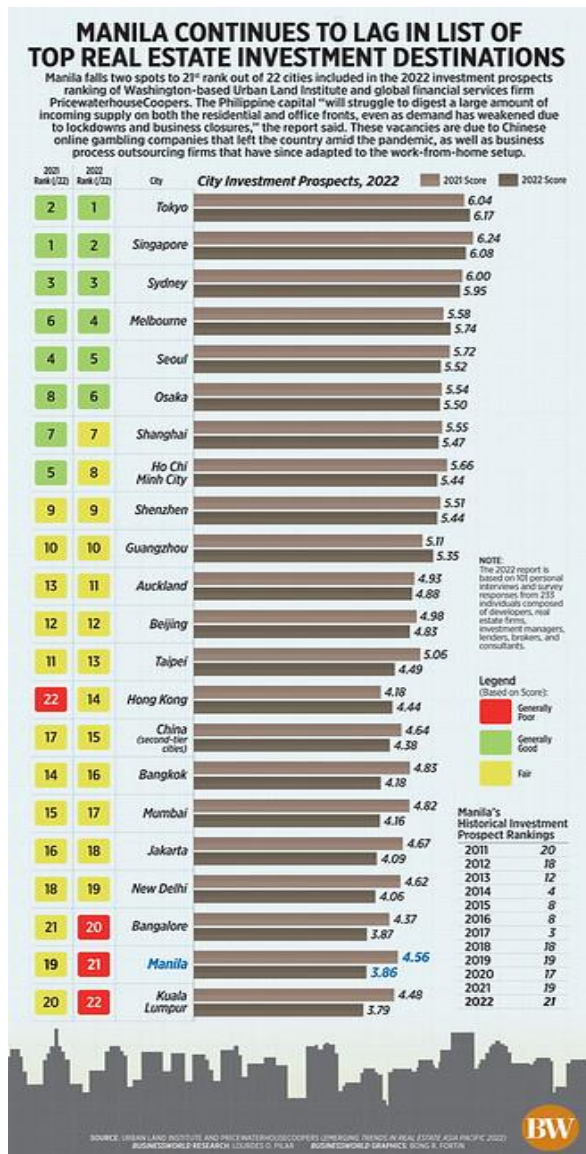


Fig.2. City Investment Prospects 2022.

However, Manila, considered to be the epicenter of development, is having a hard time catching up in the rankings of real estate investments around the world. Manila placed 21st

However, all of these figures are nothing if the right people are not in their right positions. This goes to show that investing also in human resource management is a key in order to bring out the best of each and every department in the company to act out the plan towards one goal. According to Ryosidi (2021), it has been found out that businesses should invest in human resources as it will definitely add to the sustainability of having a competitive advantage over other companies, thus, leading to having a better performance than others.

II. STATEMENT OF THE PROBLEM

Mainly due to the pandemic, the investment in healthcare, e-commerce, logistics, infrastructure, technology and more are being delayed and crippled. Investments, especially from foreign investors, is one if not the most important thing next to capital to allow businesses to have room for additional budget for improvements.

Additional thing to consider is that Manila seems to be a *mainstream* destination to invest an individual's money just mainly for being considered as the capital city of the Philippines. Moreover, some better places like Cebu are being overshadowed by the aforementioned city.

As the pandemic is slowly being dealt with by the joint forces of the government, private companies, and by the cooperation of the people, Cebu is slowly getting all of the attention as being the next prospect next to Manila to be the next destination to put your investments for.

One thing to also consider is how businesses handle the operations. Investing in human resources will definitely help how businesses tackle problems and how businesses make

solutions to make the best out of the situation that they are in. This is just another factor to make-up the differences in performances of different companies in their respective areas. This is also one of the problems that businesses may encounter as people are not really fit in the job that they are assigned to, hence, not being able to perform well.

With all of that in mind, as seen in the improvements of both cities, can Cebu surpass Manila or be the next Manila?

III. CAUSE OF THE PROBLEM

Manila, considered as the heart and soul of the Philippine economy, it can be said that finance, transportation, tourism, real estate, legal services, theater, and the arts are all represented in the city. Even though Manila is a good area for investing, the said city is becoming polluted, crowded, and slowly being overtaken by Cebu. However, many investors still see Manila greater than Cebu because of the belief that Manila is the capital city of the Philippines and having the misinformation that return on investments will just be right away.

Lack of the right people is also one problem. Hiring the wrong people for the job is one of the common mistakes that businesses make. In addition to this, investing in human resources is lacking in businesses. That is why employees do not have the specific skill set to make solutions to the problems that they encounter.

IV. COURSE OF ACTION

To combat the misinformation and thoroughly encourage foreign investors to invest in Cebu and allow it to reach its potential to surpass Manila, the heed to call many credible websites to share their documentations backed-up with statistics like PwC. PwC stated that Cebu city has a competitive and dynamic economy. Cebu's competitive local ranking in economic dynamism is due to its vibrant IT and BPO industry. In terms of global competitiveness, this same industry places Cebu in the seventh spot in the world. That being said, this will allow investors to have other or better choices of to invest upon and not be stuck with Manila.

Investing in human resources is a must in order for businesses to allow their companies to prosper. Having the right amount of equipment and resources does not cut it because without having the right people to handle it is useless. With that being said, to

have sustainable progress in the industry is that the investment to human capital is needed.

V. CONCLUSION

With the economic and information difficulty being tested under the pandemic, investing in the Philippines became much harder for the foreign investors as they see the country yet stabilized.

But still, along with the good use of technology, getting the right and accurate information from credible sources will be the key for foreign investors to pick the best choice for investing.

Manila is not the only city in the Philippines that is actively and eagerly progressing, Cebu is slowly catching up as its GDP from the past years showcased tremendous amounts of improvements alongside Manila.

Recommendation:

In order for Cebu to successfully surpass Manila, the need for active media endorsement is in need because social media today is one of the most used platforms, thus, many people will be able to see the contents of it. Moreover, the use of analyzing the statistical data of each city in the Philippines will allow foreign investors for better choices.

In a comprehensive analysis and study made by JICA (Japan International Cooperation Agency) that is offered for the MICB (Metro Cebu Development and Coordinating Board), JICA projected that the GRDP (Gross Regional Domestic Product) of Metro Cebu will be just behind Singapore, Japan, Hong Kong, and Brunei in the year of 2050.

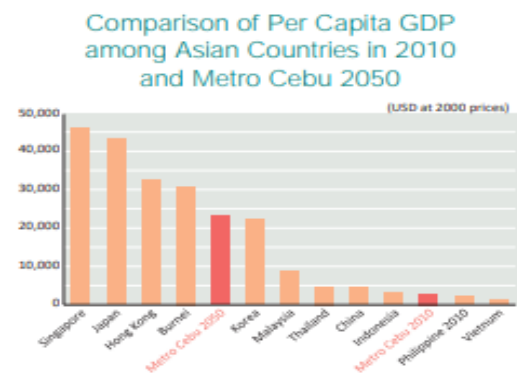


Fig.3. Comparison Per Capita GDP among Asian Countries in 2010 and Metro Cebu 2050.

In addition to the aforementioned recommendation, investing in human resources is a must in order for businesses to allow their companies to prosper. Having the right amount of equipment and resources does not cut it because without having the right people to handle it is useless. With that being said, to have sustainable progress in the industry is that the investment to human capital is needed.

To end it, social media and investing in human capital is the key to boost the tourism and exposure of Cebu to the whole world. Cebu is already known as the runner up for investment destination next to Manila. However due to lack of efforts of the MICB to showcase Cebu to foreign investors, it is still being overshadowed by Manila. That being said, Cebu just needs the proper breakthrough to be the next big thing.

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