

Business Establishments in Sorsogon Province

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Abstract— This descriptive type of study is focused on the assessment of the business establishment in the province of Sorsogon. The data were gathered from the Department of Trade and Industry and the different LGU's in the province. Documentary Analysis and the informal interview was used in this study. Findings revealed that the three municipalities having the largest number of business establishments are Sorsogon City, Bulan and Matnog while the municipalities with the least number of business establishments registered in DTI are Barcelona, Prieto Diaz and Sta. Magdalena. The nature of business with the most number of engagements by the Sorsoguenos are Wholesale, Retail and Trade and Services, respectively. The following conclusions were drawn, there is a various business establishment in each of the municipalities in Sorsogon Province. The biggest municipalities in the province have the most number of business establishments registered in the Department of Trade and Industry. Most of the people in the different municipalities in the province of Sorsogon engaged in wholesale, retail and trade businesses. The Department of Trade and Industry have programs that will address the needs of the business industry in the province.

Keywords— Business Establishment, Sorsogon Province, Department of Trade and Industry (DTI), DTI Registered, Nature of Business.

I. INTRODUCTION

Micro, Small, Medium Enterprises (MSMEs) are the backbone of the economy of a country in terms of sustainable growth, employment generation, increasing trade, development of entrepreneurial skills and contribution to export earnings. Generally, all the businesses start either as a sole proprietorship or a small partnership operated by individual(s). The development of MSMEs is the most viable option to accelerate the achievement of wider socio-economic goals, including poverty alleviation. MSMEs generally operate close to a locality, thus offering employment opportunity to the local people who would acquire the required skills and knowledge. It also provides necessary and needed sustainability and innovation in the economy as a whole.

A large number of people transact with the MSMEs directly and indirectly. Studies have shown that MSMEs contribute over 55% of Gross Domestic Product (GDP) and over 65% of total employment in high income countries. MSMEs and informal enterprises account for over 60% of GDP and over 70% of total employment in low-income countries, while they contribute about 70% of GDP and 95% of total employment in middle income countries.

The Department of Trade and Industry (DTI), ever since its conception from Pres. Aguinaldo up to the present times, is anchored on its mandate to realize the country's goal of globally competitive and innovative industry and services sectors. In order to achieve this mandate, DTI aims to achieve inclusive growth and to generate employment. By realizing the different goals, the

department and the government in general, is targeting to eradicate poverty by including both the large companies and the small and business enterprises (SMEs) in all of its programs.

Pursuant to the Philippine Development Plan (PDP) 2017-2022, DTI shall proceed endeavour to reduce inequality and poverty by expanding economic opportunities in industry and services, and by increasing the access particularly of micro, small and medium enterprises (MSMEs), cooperatives and overseas Filipinos (OFs) to these opportunities. To attain these sector outcomes by 2022, the department need to: 1. Increase local and foreign investments 2. Increase competitiveness, innovativeness and resilience of industries and services 3. Improve access to finance, to production networks, and to markets 4. Enhance productivity, efficiency, and resilience 5. Ensure consumer access to safe and quality goods and services.

DTI region 5 is composed of four contiguous provinces: Albay, Camarines Norte, Camarines Sur and Sorsogon and two island provinces consisting of Masbate and Catanduanes. Seven cities are included in the region namely Legazpi, Naga, Iriga, Tabaco, Ligao, Masbate and Sorsogon. Geographically, Bicol Region is located in the southernmost tip of Luzon, which lies at 123 to 126 degrees longitude and 12 to 14 degrees latitude or generally at the mid-section of the country. It has a total land area of 17,362 square kilometers representing 5.67% share of the Philippines in terms of land area. Bicol is accessible by land from Manila and the rest of Luzon thru the Maharlika and Quirino Highways. From

the Visayas and Mindanao islands, it can be reached via the Matnog ferry terminal. Manila is about 10 hours away from Legaspi City. It is serviced by major bus lines traversing the Manila-Bicol route.

Sorsogon Province is considered as “Luzon’s South Pearl” not only because of its tour-de force tourist destinations but it is becoming urbanized as well. In the years, the province had a lot of infrastructures and different establishments built up that help the trade and industry foster more. As a matter of fact the Sorsoganons can actually explicitly see the improvements happening in the place especially in Sorsogon City. The area is showing that it is ready for a big leap in the next years – to become what it is being branded as a late bloomer city with a myriad of potentials.

According to the [Philippine Information Agency](#) being the official public information of the Government of the Republic of the Philippines, “40.0 percent of the families in Sorsogon derived their main source of income from their entrepreneurial activities, about 33.0 percent from wages and salaries and the remaining 27.0 percent got their income from other sources such as assistance from abroad, rentals, interests on bank deposits, pensions and retirements, etc.

Among those receiving salaries and wages, about 12,250 families are in the agricultural sector and 27,343 are in the non-agricultural sector. Among those that engage in entrepreneurial activities, a total of 31,445 families derive their income from crop farming, livestock and poultry raising, fishing industry and forestry and 16,554 families are doing wholesale and retail, manufacturing, transportation, construction and other personal services.”

In the article “Sorsogon gearing for economic high this 2012” composed by Irma A. Guhit, it was stated that Sorsogon is a trade center in the south having two sea ports exchanging high volume goods and great ties with neighboring Masbate Province said by the Department of Trade and Industry Director Leah Pagao. As it is known, local products like pili, abaca, karagumoy, and moras are among the common commodities offered by the province which sits comfortably in competition in the global market. The production of these local products gives good morale to the small and medium enterprises because of the developmental support given by the congressional fund allocations.

To encourage more entrepreneurial activities and small-medium scale businesses, DTI launched the”

NegosyoCenter” program in Sorsogon Province last 2015 to make it easier for the business-minded people to start and register their business. This program is to cater the local businesses in each municipality.

II. OBJECTIVES

This study is focused on the assessment of the business establishment in the province of Sorsogon. It specifically aims to provide the number of DTI registered business establishment by municipality and their nature of business; (a) Agriculture/Fisheries, (b) Mining and Quarrying, (c) Manufacturing, (d) Construction, (e) Wholesale / Retail / Trade, (f) Transportations, (g) Financial Institutions and Real Estate and (h) Services; to determine the number of business establishment with Municipal registration along the identified variables; to identify the different programs of the Department of Trade and Industry.

III. METHODOLOGY

This study focused on the assessment of the business establishment in the Sorsogon Province for the 2016 - 2017. This is a descriptive type of research employing quantitative methods. Descriptive research design gathers information to describe a certain area of interest or help uncover new ideas or facts. Hungler (1999) explained that this type of research collects data to describe individuals, groups or situation.

In gathering the needed data, the researchers sought the permission from the Mayors of the different municipalities as well as the director of DTI. The researchers obtained a copy of the list of business establishment and the municipal profiles of each Municipality as reference to answer some research objectives.

The researcher only gathers data that are available per municipality. Documentary analysis was used in this study. An informal interview with some of the officers assigned was also conducted.

The researchers categorized or group the data gathered based on the nature of business identified by the Department of Trade and Industry. Frequency, rank and percentage was used in analysis and interpreting the data.

IV. RESULTS AND DISCUSSIONS

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The following results were gathered, analyzed and interpreted by the researchers. The presentation of data was based on the objectives of this study.

1. The number of DTI registered business establishment by municipality and by nature of business.

The benefits of legitimizing your business in the Philippines merit a lot of advantages on both the entrepreneur and to the status of the country’s economy. Being DTI registered, municipally registered and BIR recognized will avoid future legal problems such as, the business being shut down or paying huge amount of penalty. As an entrepreneur you have the responsibility to follow the business registration process to maintain your good reputation as a novel businessman. Customers would want to make sure that the products or services of the business’ offering are safe and beneficial for them. Another point in the advantage of registering the business is depending on the form of business, your employees would want security that they will be taken care of in return of their services rendered. Ultimately, legalized businesses enjoy the freedom of exploring new heights of the business world – venturing new opportunities such as invitation of new suppliers or investors as well as transacting with big companies which can bring competitive advantage to your business.

It can be gleaned from table I that the top 3 municipalities having the largest number of business establishments are Sorsogon City, Bulan and Matnog. The table also shows that Sorsogon City has the largest number of businesses related in mining/ quarrying, construction, wholesale/ retail, transportation, financial institution/ real estate and services while Bulan had the highest number of business establishment related in manufacturing.

Sorsogon City is the only city in the province of Sorsogon and one of the characteristics of a city in

today’s setting is its population and annual income. The number of business establishments has a significant relationship with the population and land area of a certain place. For instance, Sorsogon City has a total population of 168,110 and a total land area of 27, 611 hectares, having the highest number among all municipalities in Sorsogon Province and being a 3rd class city, proves that it is just right to have the most DTI business established in the province. The same scheme applies to the 1st class municipality Bulan ranking in 2nd for the number of population and 3rd in land area. However, 1st class municipality Pilar ranking in 3rd for the number of population and 2nd for land area, has only 60 DTI business registered as shown in the table below. The reason for this may be geographically influenced; firstly, it is 57 kilometres road distance away from Sorsogon City and 47 kilometres from Legazpi City, Albay – both cities which has various businesses. Inhabitants from Pilar opt to travel forth to satisfy their needs as well as wants as opposed to starting up their own.

The table below also shows that the 3 municipalities with the least number of business establishments registered in DTI are Barcelona, Prieto Diaz and Sta. Magdalena. These municipalities were also the municipalities with the least number of land area covered and the least number of population based from Philippine Information Agency and National Statistics Authority. They are actually considered as 5th class municipalities in Sorsogon province which means in terms of annual income along with progression and industrialization, higher class municipalities are more superior having more advantages in business undertakings.

Table 1: Number of DTI Registered Business Establishment in Sorsogon by Municipality and Nature of Business

Municipality	A	B	C	D	E	F	G	H	TOTAL	RANK
Sorsogon City	6	3	6	17	388	10	57	255	742	1
Pilar	4	2	1	1	32	1	2	17	60	9
Castilla	6	1	9	1	31	0	0	19	67	7
Gubat	3	2	5	1	47	2	6	37	103	6
Donsol	4	0	5	1	62	1	5	31	109	5
Irosin	3	3	12	3	68	2	4	42	137	4
Bulusan	1	0	7	1	24	1	2	8	44	11
Barcelona	0	0	2	0	11	0	3	8	24	13
Matnog	4	3	3	0	58	1	4	72	145	3
Juban	1	2	4	1	24	0	0	4	36	12
Casiguran	1	1	13	0	35	0	0	7	57	10
Sta. Magdalena	1	0	1	0	6	0	0	3	11	15
Magallanes	1	0	3	2	24	2	0	33	65	8
Pto. Diaz	0	0	4	1	12	0	0	4	21	14

Bulan	2	2	24	5	87	2	8	46	176	2
TOTAL	37	19	99	34	909	22	91	586	1797	

Legend: A- Agriculture, B- Mining/ Quarrying, C- Manufacturing, D - Construction, E- Wholesale/ retail/trade, F - Transportation, G - Financial institution/ real state, H - Services

Table 1 also shows the total number of businesses per nature of business, and it can be seen in the table that with the frequency of 909 and 586, the nature of business with the most number of engagements by the Sorsogueños are Wholesale, Retail and Trade and Services, respectively. Under Wholesale, Retail and Trade category are businesses like grocery and general merchandise, shops, sari- sari store and other businesses that provide basic commodities. Most of the Sorsogueños choose to venture on this kind of businesses since it does not require a large amount of capital and the return of investment is relatively easier and faster. The second highest number of business engagements of the Sorsogueños is the Service category. This covers businesses such as services in food and water, communication, accommodation, amusement, medical and health, education, funeral and memorial and specialized and professional. These kinds of businesses offer services that address the demands as well as the needs of the people in Sorsogon.

Agriculture. This refers to the science, art or practices of cultivating the soil, producing crops, and raising livestock and in varying degrees the preparation and marketing of the resulting products. Under this category includes businesses related to fisheries, ricemill, and livestock and poultry.

The table above shows that with a frequency of 6, the municipalities with the highest number of businesses related to agriculture and fisheries are Sorsogon City and Castilla, followed by Pilar, Donsol and Matnog with frequencies of 4. Aside from the number of population and land area it covers, Sorsogon City being a developing city has still a lot of agricultural lands available for this nature of business engagement. It can be noted, though, Bulan as the third largest municipality in the province, has lesser number of businesses involved in agriculture. It can suggest that because of industrialization being a 1st class municipality, the municipality is putting its efforts on Wholesale, Retail, Trade and Services businesses as reflected in the table above.

Mining and Quarrying. These are businesses on excavating minerals, and other materials (stones, slate and limestone) used for building. Naturally, the Philippines is blessed to enjoy lots of mineral formation throughout the country mainly because of the

geographical location where it is situated called the “Circum- Pacific Rim of Fire” where natural phenomena like process of volcanism and other plate movements occur that leads to the precious mineral deposits of gold, copper, iron, chromite, nickel, cobalt, platinum and many others. According to the Mines and Geosciences Bureau, minerals such as gold, columbite and copper are abundant in the Bicol region.

It can be seen in the table that the municipalities with the highest number of businesses involved here are Sorsogon City, Irosin, Bulusan and Matnog. With the rich mineral deposits around the region, it is no surprise that there are few mining and quarrying businesses operating to suffice the needs of the people of Sorsogon.

Manufacturing. These are businesses that deal with the processing of raw materials and wares by hand or by machinery. In this study it includes bakery, metalworks and glasswares, handicrafts, furniture and local products businesses. Based from table above the municipality with the highest number of businesses engaged in manufacturing business is Bulan, most of its businesses is on glass and aluminum supplies. This can be attributed to its population and progress at the same time. The municipality is a 1st class municipality reflecting developments in industries, with the emerging of new buildings for commercial and residential uses.

Castilla, as ranked 2nd in having the most business engagements in this category can suggest that because of it as jointed in the national highway, passing through Sorsogon City, Juban, Irosin, Bulan and many others gives more activity within the municipality resulting to more businesses opportunities and engagements eventually. Irosin on the other hand, enjoys the benefit being strategically surrounded by five municipalities namely Matnog, Bulan, Bulusan, Juban and Sta Magdalena. With this being said, people coming from those different municipalities can transact in Irosin freely.

Construction. This category includes businesses involving the process of building in which in this study includes Cocolumber, Hardwares, Aggregates Business and Contractors. The table shows that with the frequency of 17, Sorsogon City has the highest number of businesses engaged in construction business followed by Bulan and Irosin. In Sorsogon City, there is a lot of

urbanization that has been going on which results to more construction businesses in the city. Bulan as a 1st class municipality and Irosin as 2nd class, entails developments as well in various industries.

Wholesale, Retail and Trade (WRT). These are businesses involved in the sale of commodities in quantity usually for resale, or to sell in small quantities directly to the ultimate consumer and as well as the business associated with buying or selling of commodities.

The table above shows that Sorsogon City has the highest number of engagement in Wholesale, Retail and Trade businesses registered in Department of Trade and Industry. It has a frequency of 388 or 42.68% of the total number of said nature of business in the province of Sorsogon. Applying the law of demand and supply, with the highest percentage of population in the province (21%) – factors like these contribute as to why WRT businesses emerges in the city.

Moreover, with various demands of the consumers which special items or commodities can only be found in the city, adds up as to why the city ranks first.

Transportation. Under this category are businesses engaged not only in services for transporting but also booking offices, and gasoline stations. It can be gleaned from the table that Sorsogon City has the highest number of businesses engage in transportation while Gubat, Irosin, Magallanes and Bulan have frequencies of 2.

Financial Institutions and Real Estates (FIRE). These are business establishments in which people receive service relating to finance or financiers and businesses engaged in buying and selling of properties and lands. This includes banks, lending institutions and pawnshops.

Under this category, Sorsogon City has the highest business engagements followed by Bulan and Gubat. There is a significant relationship of the number of WRTs with FIRE because to venture a business, sometimes it needs a capital loan through financial institutions. Moreover, emergence of financial institutions especially banks and other real estate is one measure that a place is progressive or getting progressive. The same goes for Bulan and Gubat being a 1st class and 2nd class municipality, respectively.

Another reason can be for accessibility purposes. Neighboring municipalities can opt to transact in the mentioned places. For instance, inhabitants from

Castilla, Gubat, and Casiguran just to name a few can visit Sorsogon City to do the transactions. The same scenario can be for Bulan where people from Irosin, Sta. Magdalena, Bulusan can do so. In addition, clients from Pto. Diaz and Barcelona, can transact in Gubat.

Services. These are businesses that address the needs of the community. In this study, the two categories are professional and specialized services. Examples of professional services includes law firm and accounting firm while for specialized services includes vulcanizing shop, repair shops and many others.

It is also noted that there is a high number of services specifically Passenger Boats in Matnog. The nature of business of the said emphasis must be on Transportation but because this type of business is the normal service being provided in the municipality (a daily demand because of the boost in tourism), it was categorized under Services.

2. Business establishment with Municipal registration along the identified nature of business.

Sorsogon City, Castilla and Bulan have the highest number of ricemill in the municipality, with a frequency of 15, 14 and 13 respectively. Juban is the only municipality with registered business on mining and quarrying. Sorsogon City has the highest number of furniture business in the province, followed by Barcelona, Castilla and Casiguran with frequency of 15, 5, 4 and 3 respectively. In construction business, there were no businesses on coco lumber and aggregates that were registered in Sorsogon City. Bulan and Matnog have 45 and 20 registered businesses on cocolumber respectively. Pilar, Bulan and Juban are the municipalities with the highest number of aggregates business with frequency of 5, 4 and 4 respectively.

Under wholesale, retail and trade business, Sorsogon City has the highest frequency, next is Bulan and followed by Gubat. Next to Sorsogon City with the highest number of registered gasoline stations are the municipalities of Bulan and Castilla with 5 gasoline stations each. Irosin and Bulan have the highest number of registered booking office in the province with frequency of 9 and 5 respectively.

Sta. Magdalena is the only Municipality with no registered Cable or Tv Station, no hotels, appartelles, resorts and space rentals business. Sta. Magdalena, Prieto Diaz, Magallanes and Donsol are the municipalities with no registered Clinic. The Municipality of Barcelona is the only Municipality without a registered pharmacy or drugstore. Matnog,

Sta. Magdalena, Prieto Diaz and Gubat are the municipalities with no registered businesses on funeral and memorial services. Private school, tutorial houses and funeral and memorial services are only present in some municipalities.

3. Programs and accomplishment of DTI and municipalities for the improvement of the business industry.

"A more inclusive and prosperous Philippines with employment and income opportunities for all," with the

2022 Vision of the Department of Trade and Industry anchored on their 2017- 2022 Philippine Development Plan, the department plans to reduce the inequality and poverty through expanding economic business opportunities in various industries and current in-demand services, giving importance on strengthening the Micro, Small and Medium Enterprises (MSMEs).

The following tables below show the programs and accomplishments of the Department of Trade and Industry for the year 2016.

Table 2: Number of Assisted or Developed MSMEs per Industry/Sector

INDUSTRY/ SECTOR	NO. OF MSMES	%
Wearables&Homestyle	238	27
Processed Food	488	54
Bamboo	35	4
Coco-coir	11	1
Agribusiness	51	6
Tourism Support	50	6
Others	22	2
Total	895	100%

Source: DTI 2016 Highlights of Accomplishments

Table II presents the number of assisted or developed MSMEs per priority industries / sectors of DTI. The table shows that there are a total of 895 MSME’s assisted by the department, in which 54% and 27% of these industries/ sectors is under processed food and wearables and homestyle, respectively.

There are 405 MSME’s assisted or developed in the 1st district and 490 MSME’s in the 2nd district. The table also revealed that the three municipalities with the highest number of MSME’s assisted by DTI are Sorsogon City, Irosin and Bulan. While the municipalities with the least number are Sta. Magdalena and Barcelona.

With a percentage of 37, 32 and 10, the top 3 industries that generate job opportunities were under Processed Food, Wearable and Homestyle, and Agri-business, respectively. The total number of participants of 1,532, 956 and 755, the top 3 programs with highest number of participants are Entrepreneur and Managerial Training, Skills and Technology Transfer Training programs and Consumer Protection programs, respectively. Under the program “Entrepreneur and Managerial Training, the Department of Trade and Industry had conducted 50 seminars and had trained a total of 1,532 participants. Under the program “Skills and Technology Transfer Training Programs, a total of 45 seminars were

conducted with a total of 956 MSMEs participants were trained, while for Consumer Protection program, 18 seminars had been conducted with 755 consumers trained.

The programs Packaging and Labelling, product and development, BIZDEV Project and Mobile Learning were the programs with the least number of participants. This may be because the Department of Trade and Industry had prioritized programs on the preliminary part on starting up or putting up a business to equip the participants the essential business knowledge and skills.

The Sorsogon Province has 7 businesses with FDA license and 5 with Halal Certification. The businesses with Halal Certification are also FDA license. The Negosyo Centers, under the RA 10644, serves to provide easier access and services to Micro, Small and Medium Enterprises (MSMEs) all throughout the country. The provision of these Negosyo Centers in the different municipalities in Sorsogon province enabled MSMEs easier business registration, advisory services, business information and advocacy and monitoring evaluation of the different businesses. The Department of Trade and Industry in Sorsogon has also established Negosyo Centers in the different Municipalities of Sorsogon Province. Negosyo Centers are functioning in the municipality of Castilla, Gubat, Donsol, Irosin,

Bulusan and Bulan and 2 negosyo centers are in Sorsogon City.

IV. CONCLUSIONS AND RECOMMENDATIONS

Based from the result of the study, the researchers concluded that there are a number of business establishment in each of the municipalities in Sorsogon province. The biggest municipalities in the province have the most number of business establishment registered in the Department of Trade and Industry. While the smallest municipality are also the Municipality with the least number of DTI registered business establishment. Most of the people in the different municipalities in the province of Sorsogon engaged in wholesale, retail and trade businesses. The Department of Trade and Industry have programs that will address the needs of the business industry in the province.

This study is focused on the assessment of the business establishment in the province of Sorsogon. It specifically aims to provide the number of DTI registered business establishment by municipality and their nature of business; (a)Agriculture/Fisheries, (b) Mining and Quarrying, (c)Manufacturing,(d) Construction, (e) Wholesale / Retail / Trade, (f) Transportations, (g) Financial Institutions and Real Estate and (h)Services; to determine the number of business establishment with Municipal registration along the identified variables; to identify the different programs of the Department of Trade and Industry.

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