

ISABELA

Isabela is the second largest province in the Philippines, second to Palawan with its aggregate area almost 4 percent of the total national territory. Despite its immense land area, it is easily accessible from all points of Luzon. The province is strategically located between two national freeports, the Cagayan Special Economic Zone and Freeport (CSEZFP) and the Subic Freeport. The Province of Isabela has become a land of investment opportunity with the establishment of the Isabela Special Agro-Industrial Economic Zone and the Multi-Industry Clusters (MICs) located in the western portion of the province. It is the hybrid corn and rice champion of the Philippines and home to the biggest corn processing facility in South East Asia.

I. Overview

Area	It has an aggregate area of 1,066,456 hectares representing 39.74 percent of the regional territory. It is divided into three physiographical areas: Eastern Isabela, rugged and thickly forested, Coastal Isabela which is generally flat to rolling, and Western Isabela, a vast sprawling, fertile valley hemmed in by the Sierra Madre foothills in the east and the Cordillera Central foothills in the west.
Capital	Iligan City
Population	1.5 million people (per 2011 Census)
Municipality	34 municipalities; 3 cities
Baranggay	1,055

Source: NSCB

II. Physical Characteristics

Location and Land Area:

- Isabela is the second largest province in the Philippines.
- It is situated in the northeastern part of Luzon and is bounded on the north by the province of Cagayan, on the east by the Pacific Ocean, on the south by the province of Nueva Vizcaya, Quirino and Aurora and on the west by the provinces of Kalinga, Mt. Province, and Ifugao.
- Ilagan, the capital town is 398 kilometers north of Manila.

Topography:

- The province has a long coastline, stretching 113 kilometers along the edge of the Pacific Ocean. Towering over the province is the majestic Sierra Madre mountain range, home to various terrestrial eco-systems. This is a vast natural park where huge swaths of forest-covered areas are still unexplored.

Climate Relatively wet from May to October and dry from November to April

III. Natural Resources

Land Resources:

- Isabela is a major contributor to food security of the country. It has received awards and citations as the top grain producer of the Philippines, achieving high production rates for both rice (13 percent of the country's total output) and corn (almost 16 percent of the national production).
- Isabela has bountiful mineral reserves which have yet to be fully tapped and developed into a sustainable industry. It has extensive metallic mineral deposits of copper, gold, zinc and chromite, manganese, and nickel, as well as non-metallic minerals, such as limestone, clay, marble, guano, and sand and gravel.
- Isabela is more than 60 percent protected forest, while 38 percent is made up of timber land for the production of wood working industry. The forest land also has the potential to be developed as an eco-tourism destination.

Water Resources:

- Isabela has a long coastline which has the potential to yield abundant fishing and aquatic resources. Sections of the Magat Dam as well as other numerous rivers and ponds, can also be utilized for inland fishing.
- The Dam also provides irrigation to the agricultural lands of the province. Pie-water systems are present in most municipalities served by district offices and the Local Water Utility Administration.

IV. Human Resources

Population:

- The biggest ethnic groups in the province are the Ilocanos, Ibanags, Yogads and Gadang. Certain parts of the mountains and forests of Eastern Isabela are home to a stone-age race of kinky-haired pygmies called Dumagats.
- Major Dialects are Ilocanos, Ibanag, Tagalog
- Literacy rate : 95.8%
- Isabela's people are honest, hardworking, appreciative and determined. There are known for their simple lifestyle and strong value for money.

V. Infrastructures / Utilities

Extensive Transportation:

- Isabela has an extensive network of national and provincial roads. Public utility vehicles and private bus companies have regular service routes across the whole province.
- The province is also accessible via air transport. Isabela is the alternative destination point in Region 2 of commercial airlines through the Cauayan Domestic Airport, the province has four active airstrips located in Palanan, Maconacon, Dinapigue, and Divilacan.

Water and Energy

- The 540-megawatt Magat hydroelectric plant supplies electrical power to the entire island of Luzon, while Isabela's electrical supply is provided by the National Power Corporation of the Philippines and distribution by the two local electric cooperatives, ISELCO I and II

Communication:

- Isabela is connected to the rest of the Philippines and the world through national and international direct dial-up satellite and internet and cellular phone service providers

VI. Economy

Socio-economic activities:

One Town One Product (OTOP)

- The One Town One Product (OTOP) is a priority program of government to promote entrepreneurship and job creation. OTOP Philippines supports micro, small and medium enterprises (MSMEs) to manufacture, offer, and market distinctive products or services through the use of indigenous raw materials and local skills and talents.

- Woodworks
 - § Excellently crafted and quality wood furniture are the pride of Iligan, San Mariano, Cauayan City, Jones and Cordon. These towns offer a myriad selection of custom built furniture made from softwood species which are abundantly found in industrial plantations sites.
 - § Ilagan City, as the OTOP Craft Village for furniture, is the furniture center of the region. Its "Giant Butaka" chair symbolizes the hospitality that Isabela forebears are noted for and stands majestically as testament to the world furniture makers of Isabela.
- Gifts, holiday decors and Housewares
 - § Isabela is blessed with indigenous materials such as sabutan and rattan for the production of small gifts and holiday decors for export.
- Fresh and Processed Foods
 - § Isabela produces delicious native delicacies. In demand are the traditionally made rice cakes or "Bibingka" of Ilagan City, San Pablo, Echague and Naguiliann, and the much preferred "Pancit Cabagan". In the town of San Pablo, fresh carabao's milk are processed into delicious milk candies.
 - § Isabela, being the rice bowl of the region, offers the best quality rice at reasonable prices. The Eden Rice of Roxas captivates the market with its luscious and fresh taste.
- Eco-tourism
 - § Notable tourism destinations in the province include colonial churches, shrines, rivers, beaches, caves, waterfalls, and mountains for outdoor activities such as trekking, mountaineering, diving, snorkeling, river cruise and crocodile watching.
 - § The Palanan Rainforest, which is part of the Northern Sierra Madre Natural park, is one of Asia's remaining virgin forests. It has several waterfalls that are ideal for picnics.

Finance: 15 Commercial Banks; 2 Cooperative Banks and 7 Rural Banks

VII. Cost of Doing Business

Wage Rate

Industry Sector	Daily Minimum Wage Rate (in Philippine Peso)
Non-Agriculture	Php 255.00
Agriculture	Php 243.00
Retail Service	
Employing more than 10	Php 247.00
Employing less than 10	Php 220.00

B. Power

Type	Average Rate per KWH
Residential	Php 10.1144
Commercial	Php 8.9243
Industrial	Php 8.9243

C. Water

Type	Rate per cubic meter
Residential	Php 33.25
Commercial	Php 100.00
Industrial	Php 100.00

D. Communication Rates

Telephone

Category	Installation Cost	Monthly Subscription Cost	Domestic Long Distance Calls (per minute)	International Long Distance Calls (per minute)
Residential	Php 1,100.00	Php 600.00	Php 5.00	Php 150.00 (using card)
Commercial	Php 1,500.00	Php 1,048.00	Php 5.00	Php 150.00 (using card)

Internet

Category	Rate per Hour
DSL Subscription	
Residential Package	Php 1.80
Business Package	
Internet Cafes	Php 20.00


E. Real Estate Cost

Classification	Cost per square meter
Residential	Php 660.00
Commercial	Php 1,100.00
Agricultural	
Irrigated	Php 400,000.00/hectare
Non-Irrigated	Php 220,000.00/hectare

F. Rental Rates

Classification	Cost per square meter per month
Residential	Php 80-100/sq.m./month
Commercial Space	Php 100-150/sq.m./month
Building Space	Php 150-250/sq.m./month

- **5 Steps in Doing Business in Isabela:**
 1. **Submit a Letter of Intent to the Provincial Governor**
 - a) Introduction of Intent
 - b) Project Description
 - c) Articles of Incorporation
 2. **Submit an Application Letter**



To the Local Investment Board, copy furnish the Isabela Investment Council and the Provincial Investment Promotions Center.

3. **Submit a Feasibility Study**

The document will be reviewed and approved to ensure proposed investment project is consistent with the Provincial Investment Areas.

4. **Secure Environmental Clearances**

1) Clearance from National Commission for Indigenous People, 2) Environmental Impact Assessment, and 3) Environmental Compliance Certificate.

5. **Get Clearance from Protected Area Management Board**

Isabela is a protected area under the National Integrated Area System.

VIII. Investment Potentials

Isabela possesses huge potential for investment opportunities because it has remained true to its important national role as a major food producer. Its economic development is still anchored on agricultural industries but with the infusion of new technologies, production methods, support facilities and infrastructure, and highly skilled labor force, Isabela increases its potential as the next powerhouse of regional progress.

- **Agriculture, Fishery and Livestock**

Despite natural calamities such as floods and drought, Isabela continues its lead in corn production and remains as the Philippine's top corn producing province. Rice production also remains high and there are plans to develop productivity enhancing technologies and post-harvest facilities in order to be competitive and raise the annual production growth rate.

In addition, part of the development plans of the province is to concentrate on high value commercial crops, including fruits and vegetables, and identify the niche markets. Value-added production commands higher prices for raw agricultural products. By applying this development strategy, it opens more agribusiness possibilities and other investment areas as well.

In the past few years, livestock and poultry products from Isabela have become popular among outside traders. Multinational companies are seeing the potential of partnering with local businesses to produce broilers and other poultry. Part of the priority investment areas are hog production and processing and cattle fattening.

Other than agricultural and livestock production, Isabela is endowed with quality marine and aquatic resources. Thus, aquaculture is also a priority investment area. There are substantial number of coastal areas that can adequately support aquaculture, such as the Cagayan River system, and Magat Dam and its tributaries. In fact, Isabela holds the record as the highest producer of tilapia for Region 2. Opportunities are seen in livestock and poultry production and processing.

- **Industrial and Commercial Centers**

Because of its bountiful agriculture-based resources, Isabela has the potential to develop large-scale agri-processing industries. Examples of these thriving industries can be found in San Mariano, where an operating ethanol plant is located, and in the municipality of Reina Mercedes, where a multi-grains complex is set up.

- **Tourism**

The Sierra Madre Forest Park alone can attract many adventurous travelers and tourists. Other equally scenic and exciting recreational spots are the white beaches, waterfalls, and caves. Isabela has a rich cultural heritage with century-old churches such as the Parish Church of St. Mathias in Tumauni built in 1753, and the Our lady of Atocha Church in Alicia, its convent built and inaugurated in 1849.

IX. Priority Industries

A. Agriculture/Aqua-Based Enterprises

- § Hybrid Rice Production and Processing
- § Hybrid Corn Production and Processing
- § Corn Oil Production
- § Rice Production/processing
- § Fruits and Vegetables Production and Processing
- § Livestock and Poultry Production and Processing
- § Dairy Production and Processing
- § Mango Processing and Export Trading
- § Sugarcane Production and Processing
- § Feeds Production
- § Banana Production and Processing
- § Seaweed Production and Processing
- § Sweet Sorghum Production and Processing
- § Tilapia and Prawn Production and Processing

B. Forest-Based Enterprises

- § Bamboo Industry Development
- § Rattan Industry Development
- § Woodworking/Furniture Making

C. Tourism Development

- § Eco-cultural and Historical Tourism
- § Tourism Accommodation and Facilities
- § Tour Operators and Travel Agencies
- § Health and Wellness Tourism
- § Religious Tourism
- § "Experiential" Tourism

D. Gifts, Toys and Housewares

- § Basketry
- § Pottery
- § Ceramics
- § Novelty Items
- § Holiday Decors

E. Support and Allied Services/Knowledge-Based Industries

- § Information and Communication Technology / Business Process Outsourcing
- § Medical, Educational and Crisis Intervention Facilities

F. List of Priority Projects

- § Airport Development Project
- § Development of Cauayan Agro-Industrial Center and Special Economic Zone
- § Mini Hydro Power Generation
- § Sugarcane Plantation for Bio-Diesel
- § Sweet Sorghum Production for Ethanol
- § Biomass Plant Development
- § Ilagan Hydro Power Plant
- § Bio-Ethanol Plant Development
- § Rehabilitation of Ilagan Divilacan Road Project
- § Construction of Pasa Small River Impounding Project

X. Contact Details

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