

## 1.5 THE ECONOMIC STRUCTURE

Makati is the country's premier business district. It has the largest concentration of commercial activities in the Philippines, and is the country's primary link to international finance and the global economy. With 2.75 million square meters of prime office space as of the end of 2010, the City's business district is 5.56 times larger than the second largest (Bonifacio Global City) in the country, and accounts for 60% of Metro Manila's prime office space inventory of 4.5 million square meters.

Unlike most cities and municipalities in the Philippines, whose primary concerns revolve mostly around local development issues, the major economic challenges facing the City are how: (a) to enhance its role as the premier central business district, not only of the country but of the entire Southeast Asian region, amidst competition from other business districts, and (b) to ensure that its residents share in the benefits as well as the responsibilities of this role. In order to address these challenges, there is a need to anticipate and provide for future growth requirements, and to continuously upgrade local service capacities and improve the overall physical environment.

### 1.5.1 Number and Type of Business Establishments

#### *Number of Establishments*

The number of establishments showed an increasing trend from 2007 to 2010; from 55,129 to 60,304.

The highest number recorded was in 2006 with 61,974 business establishments. The lowest number of business establishments was in 2007 when there was a significant decrease of General Merchandise, Services & Real Estate.

For 2011, *services* comprised a majority of establishments, followed by *General Merchandise*, and *Real Estate*. *Manufacturing* represents the lowest number of business establishments. This may be attributed to the shifting of manufacturing companies to other peripheral areas.

**Table 57. Number of Establishments by Type**

Number of Establishments	2006	2007	2008	2009	2010	2011
General Merchandise	20,402	16,481	16,650	16,611	17,644	17,546
Services	19,825	18,842	19,117	19,353	20,655	19,629
Real Estate	10,043	9,616	9,726	9,797	10,150	9,703
Convenience Stores, Restaurants & Amusement Places	4,518	4,163	4,194	4,389	4,745	4,473
Import/Export	1,971	1,453	1,471	1,702	2,115	2,747
Manufacturing	1,390	1,131	1,144	1,197	1,261	1,123
Banks & Finance-Related Business	3,825	3,443	3,477	3,529	3,734	3,594
Special Business Permits	-	-	-	-	-	105
<b>Total</b>	<b>61,974</b>	<b>55,129</b>	<b>55,779</b>	<b>56,578</b>	<b>60,304</b>	<b>58,920</b>

Source: Business Permits Office

### 1.5.2 Growth Rate per Type of Establishment

Establishments engaged in Import/Export recorded the highest average growth rate of 8.96% from 2007-2011. Convenience Stores, Restaurants & Amusements Places exhibited the lowest growth rate of negative 0.2%.

**Table 58. Growth Rate by Type of Establishment**

Number of Establishments	2007	2008	2009	2010	2011	Ave.
General Merchandise	(19.22)	1.03	(0.23)	6.22	(0.56)	(2.55)
Services	(4.96)	1.46	1.23	6.73	(4.97)	(0.10)
Real Estate	(4.25)	1.14	0.73	3.60	(4.40)	(0.64)
Convenient Stores, Restaurants & Amusement Places	(7.86)	0.74	4.65	8.11	(5.73)	(0.02)
Import/Export	(26.28)	1.24	15.70	24.27	29.88	8.96
Manufacturing	(18.63)	1.15	4.63	5.35	(10.94)	(3.69)
Banks & Finance-Related Business	(9.99)	0.99	1.50	5.81	(3.75)	(1.09)
Total	(11.04)	1.18	1.43	6.59	(2.30)	(0.83)

Source: Business Permits Office

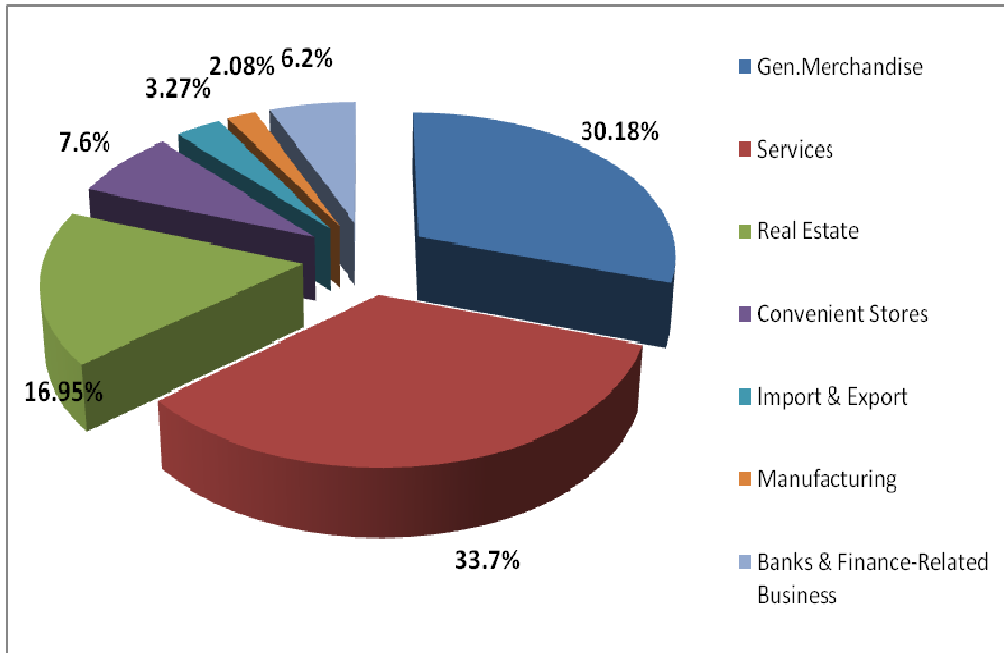
### 1.5.3 Share per Type of Establishments

Services remains the largest number of share in all business establishments which accounted for an average of 33.70 % of the total number of establishments followed by General Merchandise at 30.18%, Real Estate (16.95%), Convenience Store, Restaurants & Amusement Places (7.60%), Banks and Finance-Related Business (6.20%), Export/Import (3.27%) and Manufacturing (2.08%).

**Table 59. Share to Total Number of Establishments, by Type**

Number of Establishments	2006	2007	2008	2009	2010	2011	Ave.
General Merchandise	32.92	29.90	29.85	29.36	29.26	29.78	30.18
Services	31.99	34.18	34.27	34.21	34.25	33.31	33.70
Real Estate	16.21	17.44	17.44	17.32	16.83	16.47	16.95
Convenient Stores, Restaurants & Amusement Places	7.29	7.55	7.52	7.76	7.87	7.59	7.60
Import/Export	3.18	2.64	2.64	3.01	3.51	4.66	3.27
Manufacturing	2.24	2.05	2.05	2.12	2.09	1.91	2.08
Banks & Finance-Related Business	6.17	6.25	6.23	6.24	6.19	6.10	6.20
Special Business Permits	-	-	-	-	-	0.18	-
Total	100	100	100	100	100	100	100

Source: Business Permits Office



**Figure 8. Average Share to Total Number of Establishments, by Type, 2006 - 2011**

**Table 60. Average Distribution of Business Establishment by Type of Activity, 2010**

Establishment Type	Ave % Dist.	Establishment Type	Ave % Dist.
<b>Wholesale/Retail</b>	<b>100.0%</b>	<b>Services</b>	<b>100.0%</b>
Retailer (Essential)	2.5%	Advertising/Sign//Billboards	0.0%
Retailer (Non-Essential)	50.3%	Hotel	0.3%
Retailer –Sari-Sari Store	25.4%	Services – Gen. Contractor	1.8%
Gen. Merchandise – Essential	1.4%	Services – Other Contractor	97.8%
Gen. Merchandise – Non-Essential	30.5%	Services – Fixed	0.0%
<b>Real Estate</b>	<b>100.0%</b>	<b>Convenient Stores, Rest. &amp; Amusement Places</b>	<b>100.0%</b>
Office Space	30.9%	Amusement Place – For Adults	7%
Shopping Center – Market	0.5%	Amusement Place – For Gen. Patronage	2.8%
Real Estate Dealer	10.5%	Food Establishment by Area	75.2%
Real Estate – Lessor Commercial	38.6%	Carinderia	15%
Real Estate – Residential	19.5%	<b>Export/Import</b>	<b>100.0%</b>
<b>Banks &amp; Finance–Related Business</b>	<b>100.0%</b>	Importer – Essential	2.4%
Banks	12.6%	Importer – Non-Essential	68.5%
Dealer in Securities	3.6%	Exporter	29.2%
Foreign Exchange	11.8%	Manufacturing	100.0%
Cooperative	6.1%	Manufacturer – Essential	10.5%
Fixed Tax	0.0%	Manufacturer – Non-Essential	89.5%
Financial Lending Institutions	53%		
Money Shop	0.5%		
Pre-Need Company	1.7%		
Insurance	4.3%		
Pawnshop	6.5%		

Source: Business Permits Office

### 1.5.4 Number of Assessed Business Establishments

During the period 2006-2011, the total number of establishments assessed (renewal and new establishments) by the Business Permits Office increased by 2.26% from 29,207 in 2006 to 32,632 in 2011.

Renewals have been fairly static at the 27,000 level each year in 2009 and 2010. In the short-run, this could be symptomatic of the need for regular revaluation of taxable properties and more vigorous tax mapping.

**Table 61. Number of Business Establishments Assessed (New and Renewed)**

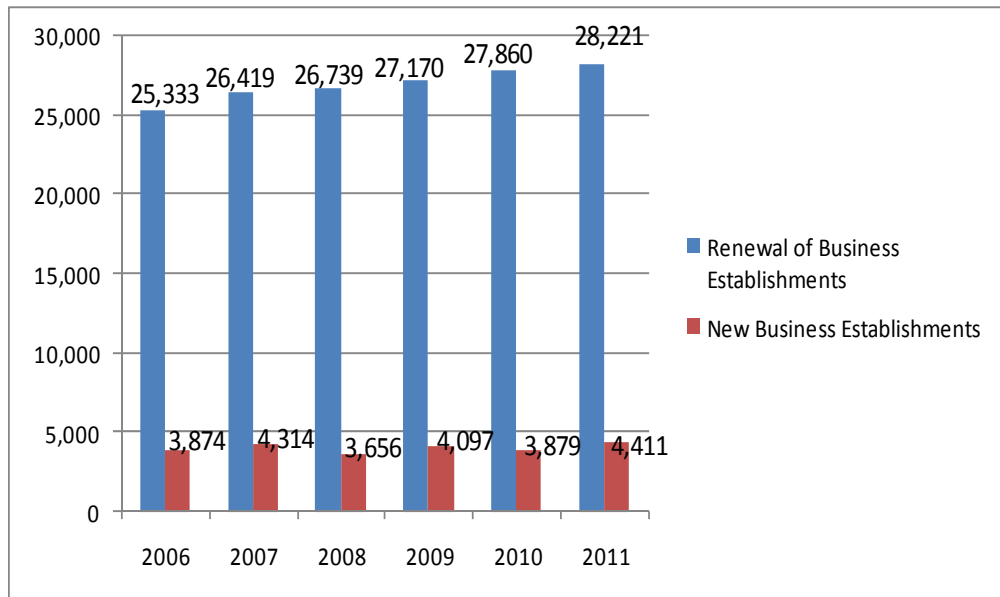
No. of Business Establishments	2006	2007	2008	2009	2010	2011
Renewal of Business Establishments	25,333	26,419	26,739	27,170	27,860	28,221
New Business Establishments	3,874	4,314	3,656	4,097	3,879	4,411
Total	29,207	30,733	30,395	31,267	31,739	32,632

Source: Business Permits Office

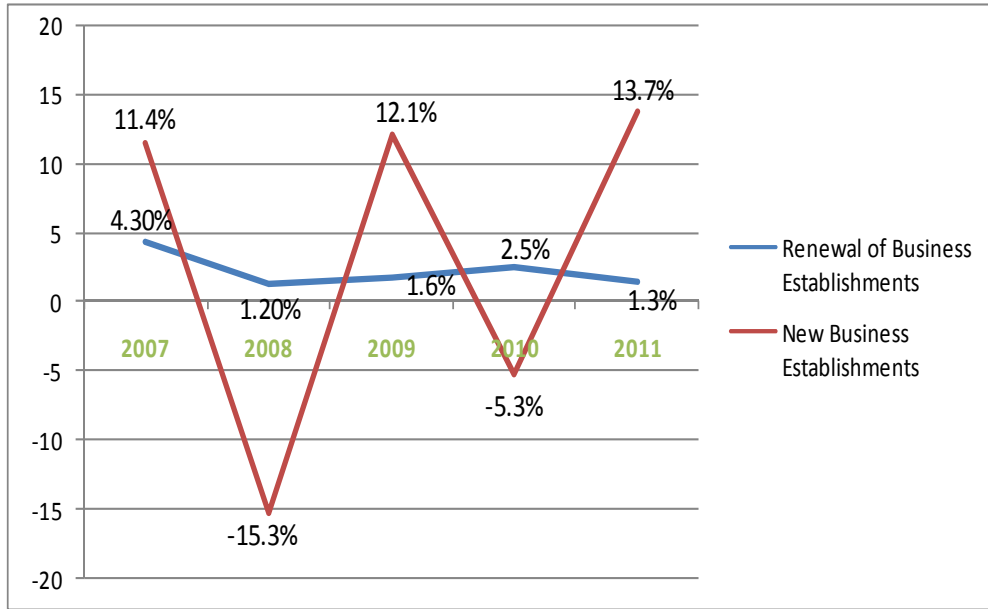
**Table 62. Growth Rates in Number of Business Establishments Assessed**

Activity	2007	2008	2009	2010	2011	Ave.
Renewal of Business Establishments	4.30%	1.20%	1.6%	2.5%	1.3%	2.2%
New Business Establishments	11.4%	-15.3%	12.1%	-5.3%	13.7%	3.3%
Total	5.2%	-1.1%	2.9%	1.5%	2.8%	2.26%

Source: Business Permits Office



**Figure 9. Number of Assessed, New and Renewed Business Establishments**



Figure

10. Growth Rates, Number of Assessed, Renewal and New Business Establishments

### 1.5.5. Business Density Ratio

The business density ratio per 1,000 population is another indicator of economic activity. Table 63 shows that the business density ratio in Makati averages 114 business establishments per 1,000 persons from 2006-2011. The highest record of ratio was in 2006 of which it constitutes the lowest number of population of 481,424 in 2006. Banks & Finance-Related Business constitutes the least number of figures and remained constant together with Manufacturing from 2007-2011.

Table 63. Business Density Ratio

Item	Business Density Ratio (No. of Establishments per 1,000 Pop'n)					
	2006	2007	2008	2009	2010	2011
Total Number of Establishments	131	108	109	111	114	111
General Merchandise	43	32	33	33	33	33
Services	42	37	37	38	39	37
Real Estate	21	19	19	19	19	18
Convenient Stores, Restaurants & Amusement Places	10	8	8	9	9	8
Export/Import	4	3	3	3	3	5
Manufacturing	8	7	7	7	7	7
Banks & Finance-Related Business	3	2	2	2	2	2

Sources: CLUP 2000, Business Permits Office (BPO)

### 1.5.6 Office and Commercial Centers

Aside from wholesale and retail trade and services, real estate establishments including office and commercial space play an important role in the City's economy. Many commercial and office establishments are located in the Ayala-owned Central Business District (CBD) which houses the headquarters of almost 40% of all companies listed in the top 1,000 corporations. In addition to the CBD, the Rockwell Center in Barangay Poblacion likewise plays host to commercial and business activities in the City.

Commercial centers and wet markets also provide a steady supply of commercial spaces in the City. Major commercial centers include Ayala Center (Glorietta I- V and Greenbelt I –V), South Gate Mall, Guadalupe Commercial Center, A Venue, Unimec, and Power Plant.

Wet markets include Bangkal Market, Palanan Market, Pio del Pilar Market, Poblacion Market (City Government-owned), Sacramento Market, and Tejeros Market in District I; and Comembo Market, Comembo Commercial Complex, Guadalupe Commercial Complex, and Kalayaan Talipapa in District II.

### 1.5.7 Employment

Makati gives priority to providing employment opportunities to its residents. It currently has several employment assistance programs such as job placement/referral; job fairs; government internship program, employment of students, senior citizens, persons with disability, and differently-abled persons; emergency employment; and career development programs. In 2011, 7,053 out of 22,033 registered applicants (32.0%) were hired under the City's employment programs.

**Table 64. Employment Assistance Programs**

Program	2009			2010			2011		
	Registered	Hired	Hiring Rate	Registered	Hired	Hiring Rate	Registered	Hired	Hiring Rate
Job Placement	1,838	189	10.3%	3,683	511	13.9%	4,008	864	21.6%
Jobs Fair (Mini/Mega)	3,673	530	14.4%	4,528	907	20.0%	10,538	1,284	12.2%
Pwede Pa Kami Program	10	2	20%	12	4	33.3%	-	-	-
Brgy. PESO Satellite	919	268	29.2%	151	45	29.8%	800	288	36.0%
TULAY	20	2	10%	22	3	13.6%	16	16	100.0%
TUPAD	-	-	-	132	132	100.0%	-	-	-
GIP	6,219	3,541	56.9%	6,000	3,500	58.3%	5,361	3,359	62.6%
SPES	2,734	200	7.3%	1,000	300	30%	1,310	1,242	94.8%
Total	15,413	4,732	30.7%	15,396	5,270	34.2%	22,033	7,053	32.0%

Source: Makati Public Employment Service Office (PESO), 2009-2011

Note: TULAY - Tulong Alalay sa Taong May Kapansanan  
 TUPAD - Tulong Panghanapbuhay Para sa Disadvantaged Workers  
 GIP - Government Internship Program  
 SPES - Special Program for the Employment of Students

The City's PESO coordinates with companies for the latter's manpower requirements and refers qualified applicants. The status of applicants' employment is then monitored largely through coordination with concerned barangays. Registered applicants who were not employed are referred either to other companies or to the Makati Training Placement and Livelihood Consortia (MTPLC) for further training.

Others who are in dire need of employment or any other assistance are considered for TUPAD (an emergency employment program), DOLE Integrated Livelihood Program (DILP), Government Internship Program (GIP), and Special Program for the Employment of Students (SPES), among others. Under SPES, the City shoulders about 60% of the salaries while the DOLE bears the balance. Persons with disabilities (PWDs) or differently-abled persons (DAPs) are hired under TULAY while under senior citizens are hired for temporary employment under the *Pwede Pa Kami Program*. A program of the Department of Labor and Employment (DOLE) called Workers' Entrepreneurship (WORKSTREP) Livelihood Program has benefited selected Makati residents by providing them with seed capital for business enterprises.

**Table 65. Workers' Entrepreneurship (WORKSTREP) Livelihood Program**

Item	2009	2010
No. of Beneficiaries	39	25
Approved Capital (Php)	947,000	204,714

Source: PESO

Startup capital and self-employment starter kits are provided to beneficiaries under the Displaced Overseas Filipino Workers Livelihood Assistance Program and the Youth Entrepreneurship Support (YES) Program of the DOLE. The City also implements Labor Enhancement for Graduating Students (LEGS) which trains graduating college on their basic rights and obligations as part of the country's labor force.

Despite the City's efforts at providing employment, it still has 15,650 unemployed persons seeking employment as of 2011 (Table 66).



**Table 66. Number of Unemployed Persons**

Barangay	No. of Unemployed	Barangay	No. of Unemployed
Bangkal	467	Pitogo	579
Carmona	487	Poblacion	358
Cembo	1,627	Post Proper Northside	110
Comembo	402	Post Proper Southside	267
East Rembo	647	Rizal	897
Guadalupe Nuevo	454	San Antonio	209
Guadalupe Viejo	1,117	San Isidro	1,022
Kasilawan	161	Singkamas	364
La Paz	769	South Cembo	488
Olympia	568	Sta. Cruz	407
Palanan	194	Tejeros	648
Pembo	1,039	Valenzuela	126
Pinagkaisahan	373	West Rembo	948
Pio del Pilar	922	<b>Total</b>	<b>15,650</b>

Sources: Skills Registration System, Makati Public Employment Service Office (PESO), 2011

The target of 50.5% percent hiring rate was apparently achieved during 2006 and 2008. Hiring rate dramatically decrease starting in 2009 to 2011.

The drop off in numbers may be attributed to the job mismatch of the applicants to the job requirements. The number of applicants referred in 2011 was the largest number among the number of applicants for the six (6)-year period. However, out of the total number of job applicants referred in 2011, less than half of the job applicants were successfully hired.

**Table 67. Job Placement Program Employment Assistance Referred vs. Hired**

Year	2006	2007	2008	2009	2010	2011
<b>Referred</b>	6,877	5,021	3,950	1,838	3,683	22,033
<b>Hired</b>	3,472	2,457	2,015	189	511	7,053
<b>Hiring Rate</b>	50.50%	48.90%	51.00%	10.30%	13.90%	32%

Source: Makati PESO

Note: SPES and GIP not included

### 1.5.8 Tourism

The City boasts numerous hotels, historical and cultural sites, shopping centers, art galleries, restaurants and bars serving local and international gourmet, and sports/recreational facilities. Its accessibility to the Ninoy Aquino International Airport is another advantage.

The City has 58 hotels, six (6) of which are 5-star hotels (Hotel Intercontinental, Mandarin Oriental, Dusit Hotel Nikko, Makati Shangri-la Hotel, Peninsula Hotel, and New World Hotel). There are also high-class tourist inns and apartelles in the City such as St. Illian's Inn Makati, El Cielito Tourist Inn, Sq. Resources, Ascott, Amorsolo Mansion Apartment and Suites, and Fraser Place Service Residences. There are also premier malls located in the City such as Glorietta Malls, SM, Rustan's, among others.

The City is also home to 50 foreign embassies, 43 consulates, and 17 international organizations.

Museums include the Ayala Museum and *Museo ng Makati* (Makati Museum). Historical and cultural sites include *Libingan ng Bayani*, American Cemetery, and the Guadalupe Ruins. Heritage structures (historical houses and church) are also located in Poblacion.

Makati has its own annual festivals, which regularly draw tourists such as Araw ng Makati, Balik Culi-Culi, Caracol, Filipino Heritage Festival and Flores de Mayo.