

SECTORAL OVERVIEW

Used equipment in the Philippines are utilized in a number of sectors and industries, the most important of which are agriculture (both plantation and small farm cultivation, fishery and forestry), mining and quarrying, oil and gas, manufacturing (chiefly food processing, textile, pulp and paper, and chemicals), construction, and utilities (chiefly power generation). The following presents sectoral profiles of current and potential industry users of used equipment in the country.

AGRICULTURE

The agricultural sector includes the cultivation of agricultural crops, livestock, poultry, fishery, and forestry. It is the backbone of the Philippine economy. It employs approximately half of the labor force and supports two-thirds of the population. It contributes a quarter of the country's total GNP and accounts for a third of total export earnings.

In 1988, the gross value added in agriculture reached P190.0 billion at current prices. More than half of the value added in agriculture was accounted for by the production of crops such as palay (rice), corn, coconut, sugarcane, banana, and others. The increasing share of "other crops" in agricultural production underscores the agricultural diversification that has been going on for some years. Rubber plantations, fruit orchards, vegetable track gardening, coffee growing, and cut flowers have emerged as new agricultural enterprises.

Palay, corn, and coconut production is chiefly done by small- and medium-scale farmers while sugarcane, banana, and pineapple are plantation operations. The enactment of the Comprehensive Agrarian Reform Program in 1988 effectively placed the entire Philippines under agrarian reform.

The rest of the 1988 gross value added in agriculture is contributed by livestock production (P13.8 billion), poultry production (P19.0 billion), fishery (P37.2 billion), and forestry (P13.1 billion). The significant contribution of fishery is due to its emergence as an export industry (chiefly tuna and other canned fish as well as prawns). On the other hand, the forestry industry has declined as a result of dwindling timber resources, increasing environmental concerns raised by the public, and the log export ban enforced by the government.

Available financial indicators of major firms in agriculture show that in 1988, the major subsectors in the industry posted positive net incomes. The only exceptions were coconut and rubber production. The positive performance of sugarcane production in terms of net income is a strong indication that