

A Catalyst for Development

A container terminal funded by JICA creates jobs and business opportunities and stimulates the economy of an entire region.

The growth of the Mindanao Container Terminal has transformed the economic landscape of Northern Mindanao.

MINDANAO CONTAINER TERMINAL PORT

PROJECT SITE:

The 3,000-hectare Phividec Industrial Estate located in the municipalities of Tagoloan and Villanueva in Misamis Oriental

OBJECTIVES:

- To construct a central port in northern Mindanao and a container terminal equipped with modern machinery, including two gantry cranes
- To improve the infrastructure in the region and promote its economic development

DURATION: 2002 to 2004

IMPLEMENTING AGENCY:
PHIVIDEC Industrial Authority

COST: 8,266 million yen



Ronald Jabagat saw an opportunity to help shipping lines move their goods to and from the MCT. So he started his own trucking business in 2008. Today, Jabagat owns three trucks—and needs three cell phones to cope with customer inquiries.

As a child, Ronald Jabagat rode a *carromata*. The boxlike vehicle was drawn by a carabao. Jabagat, the son of a poor farmer in the municipality of Villanueva, Misamis Oriental, also tilled the land in his teens to help make ends meet.

Today, he drives a brand-new pickup truck. Jabagat bought it only two years after he and his wife founded their company, Golden Arrow Trucking Services. “I never dreamed that I could afford a vehicle like this,” says the budding entrepreneur.

Jabagat’s rosy prospects are closely linked with the growth of the Mindanao Container Terminal (MCT) in Tagoloan. His company helps shipping lines move their goods to and from the MCT.

JICA funded the MCT. The 48-hectare modern container terminal is located within the 3,000-hectare PHIVIDEC Industrial Estate. The MCT is one of the reasons many companies have chosen to set up operations on the estate.

Since the MCT began operations in 2005, it has spurred development in Northern Mindanao in two main areas.

THE ECONOMY

More jobs and businesses:

“About 1,400 people, mostly from Misamis Oriental, are directly employed at MCT,” says Dante Clarito, manager at the port management department of PHIVIDEC Industrial Authority (PIA). PIA oversees the MCT.

Many more locals work at the 52 service firms and 30 manufacturing companies that have mushroomed within the PHIVIDEC Industrial Estate and in nearby areas.

The former offer a wide range of support services—from arrastre and customs brokerage to security services and trucking services. The latter produce goods such as dried fruit, high-grade silicon, and processed seafood.

Hefty port revenues: There are four ports in the district: Cagayan de Oro, Iligan, the MCT, and Ozamiz. The MCT sub-port was the top contributor to customs collections in the district in the first three quarters of 2010. It brought in almost 2.2 billion pesos in revenues during the period.

48 hectares	Or the space occupied by 12 Araneta Coliseums; the area occupied by the MCT
2.5 minutes	Or the time it takes to cook a cup of instant noodles; the time it takes one quayside gantry crane at the MCT to load one container van
2 units	The number of quayside gantry cranes at the MCT
270 thousand	The number of 20-foot-long cargo containers the MCT can process in a year

THE LOGISTICS INDUSTRY

Faster turnaround time:

It takes only 2.5 minutes for one quayside gantry crane at the MCT to load one container van. This is a fourth of the time needed at other ports.

The efficient equipment has cut the time it takes to load and unload vessels, an advantage in any shipping line’s race against time. “Before, at the Cagayan de Oro port, our vessels had a dwell time of 24 to 36 hours,” says Francisco Descallar, branch manager, Lorenzo Shipping Corp. “At MCT, 12 hours is the longest.”

More local and international destinations:

Every week, five foreign and three domestic shipping lines call on MCT. This is good news for the companies that import and export products from MCT.

In the past, these companies needed to ship their goods via Manila or Cebu; the costly process took a week. Now they can export them directly to other countries and save time and money.

Transshipment opportunities:

Transshipment refers to the transfer of cargo from one ship or other form of transport to another, for transfer to a final destination. The process makes the whole supply chain more efficient and more responsive to the ever-changing marketplace.

Northern Mindanao is seen as one of the country’s major transshipment hubs. Singapore-based Marianas Express Line Philippines, Inc. picked MCT as a transshipment point for containers and cargoes to and from many ports in the Asia-Pacific region.

Ronald Jabagat will have a lot of trucking opportunities to look forward to.

The MCT has created jobs for many locals. They work directly at the container terminal and at the 52 service firms and 30 manufacturing companies that have mushroomed in the area.

STEADY GROWTH

The Mindanao Container Terminal (MCT) efficiently handles volumes of cargo. The number of Twenty-Foot Equivalent Units that passes through the MCT has more than quadrupled in the past five years.

