

**STATUS OF PHILIPPINE BANANA PRODUCTION
IN GLOBAL VALUE CHAIN**

THESIS

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ABSTRACT

CABRERA, IRAH MAY D. and ESCOPETE, MA. JULIENNE E. Status of Philippine Banana Production in Global Value Chain. Undergraduate Thesis Bachelor of Science in Economics. Cavite State University, Indang, Cavite, June 2019 Adviser: Dr. Jenny Beb F. Ebo.

The main focus of this study is to determine the current status of the Philippine banana production when it comes to Global Value Chain. Specifically, this study aimed to determine the characteristic of banana production in the Philippines that engage in export; to determine the value chain of Cavendish banana in Japan, Korea and China; to analyze the effect of global value chain in Philippine banana exports in Japan, Korea and China in terms of volume of banana exports used for manufacturing, volume of banana used for consumption, and production; to determine the competitive advantage of the Philippines in other Cavendish banana exporter countries in Japan, Korea and China in terms of volume, location and price.

Results revealed that most of the Philippines' Cavendish banana production was for exports, and those top importing countries were China, Japan and Korea, and mostly consumed in fresh and some of it was used for manufacturing.

Using the Ordinary Least Square (OLS) regression the result showed that China consumption, Japan consumption, Korea consumption, Korea manufacturing and production have significant relationship with banana exports.

Philippines do have a competitive advantage among the exporters in each of the three countries: China, Japan and South Korea. First reason was that only Philippines can produce a large number of Cavendish bananas which most of it was exported to other countries. Another thing was that Philippines has an agreement between those countries when it comes to trading, these agreements are Japan-Philippine Economic Agreement Partnership and ASEAN Free Trade Area which supports the local trade and manufacturing in all ASEAN countries.

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INTRODUCTION

Banana is a major crop serving as both a commercial crop and as a source of nutrition and the livelihood for millions across the globe. One way to promote banana globally is to improve exports. Some countries are starting to think of ways and means on how they can differentiate their products in the world market and perceived the strategy to keep them ahead of the rest. For instance, diversification might take the form of moving downstream into food processing, or beginning the production of new types of food of banana products (FAO, 2018).

Philippines is known as an agricultural economy where most if it is agricultural production is exported to other countries. One of the top agricultural products that our country is exporting is banana. The country is considered as one of the largest exporters of banana. Likewise, much of the employment was also created (Dela Cruz, 2018).

Banana is widely grown fruit crop in the Philippines and one of the major dollar earner. In 2017, Philippines ranked sixth as the top exporter country with the highest dollar value worth with 5.6 percent in the world market share.

Bananas can be prepared and can be made into puree, candies and preserved in various forms when not eaten fresh. The extract could be used in