



# Report on Regional Economic Developments

*First Semester 2008*

**Department of Economic Research**  
*Monetary Stability Sector*  
*Bangko Sentral ng Pilipinas*



## Foreword

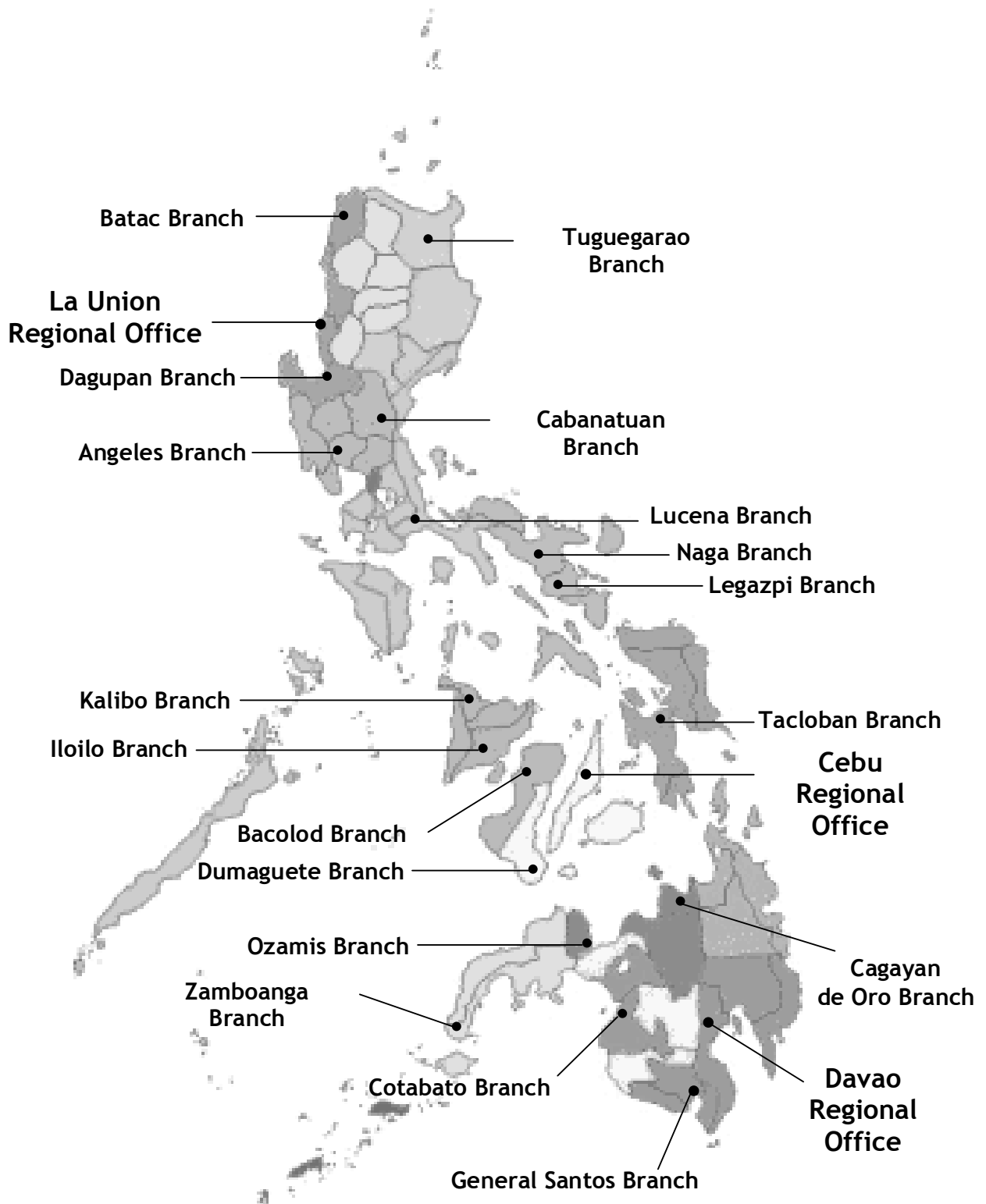
In June 2005, the Monetary Board approved the release of the maiden issue of the BSP's Report on Regional Economic Developments in the Philippines. The report widens the scope of BSP's market surveillance, adding a geographic dimension to the economic indicators that it monitors regularly. Analysis of regional trends and developments are valuable inputs in monetary policy formulation and financial supervision.

The report tracks economic developments in the regions, focusing on demand and supply conditions, price developments and monetary conditions, as well as emerging economic outlook. It helps confirm the results of the business and consumer expectations surveys conducted by the BSP. Moreover, identifying opportunities and challenges faced by the different regions enhances further the BSP's forward-looking and proactive approach to monetary policy.

Regional performance is gauged using developments in output, prices, and employment. Selected key indicators in each of the major sectors of the economy are the focus of the surveillance. Agriculture covers rice and corn, crops such as banana, livestock, fishery, and poultry production. In industry, the number of building permits and housing starts are used to measure construction activity; while in the services sector, hotel occupancy rate and banking sector performance are analyzed. Developments in major industries particular to each region are also included.

Qualitative and quantitative information used in the report are collected from primary and secondary sources and reflect the extensive information gathered by the BSP regional offices and branches on a provincial level.

## BSP Regional Offices/Branches



## PHILIPPINES: Regional Composition

Region <sup>1</sup>	Provinces
National Capital Region (NCR)	Cities of Caloocan, Las Piñas, Quezon City, Makati, Manila, Muntinlupa, Parañaque, Pasig, Pasay, Malabon, Mandaluyong, Marikina, and Valenzuela, and the Municipalities of Navotas, Pateros, San Juan, and Taguig
Cordillera Administrative Region (CAR)	Abra, Benguet, Ifugao, Kalinga Apayao, and Mountain Province
Region I - Ilocos Region	Ilocos Norte/Sur, La Union, and Pangasinan
Region II - Cagayan Valley	Batanes, Cagayan, Isabela, Nueva Vizcaya, and Quirino
Region III - Central Luzon	Aurora, Tarlac, Pampanga, Zambales, Bataan, Nueva Ecija, and Bulacan
Region IV A - CALABARZON (Cavite, Laguna, Batangas, Rizal, and Quezon )	Cavite, Laguna, Batangas, Rizal, and Quezon
Region IV-B MIMAROPA (Mindoro, Marinduque, Romblon, and Palawan)	Occidental/ Oriental Mindoro, Marinduque, Palawan <sup>2</sup> , and Romblon
Region V - Bicol Region	Camarines Norte/Sur, Albay, Masbate, Sorsogon, and Catanduanes
Region VI - Western Visayas	Negros Occidental, Iloilo, Antique, Guimaras, Aklan, and Capiz
Region VII - Central Visayas	Bohol, Cebu, Negros Oriental, and Siquijor

<sup>1</sup> BSP Regional Offices are located in Regions I (La Union), VII (Cebu), and XI (Davao). There are BSP branches/offices located in Regions I - XII. These offices/branches have currency units, which handle cash transactions in the regions.

<sup>2</sup> The implementation of Executive Order transferring Palawan to Region VI has been deferred. This province will be included in the report of Region VI once the deferment is lifted.

Region	Provinces
Region VIII - Eastern Visayas	Leyte, Southern Leyte, Biliran, Eastern/ Northern Samar, and Samar
Region IX - Zamboanga Peninsula	Zamboanga Sibugay, Zamboanga del Norte/del Sur, Zamboanga City (Zamboanga Peninsula), and Isabela City (Basilan Province)
Region X - Northern Mindanao	Bukidnon, Camiguin, Misamis Oriental, Misamis Occidental, and Lanao del Norte
Region XI - Davao Region	Davao City, Davao del Norte/Sur , Davao Oriental, and Compostela Valley
Region XII - Central Mindanao and SOCKKSARGEN (South Cotabato, Cotabato, Sultan Kudarat, Sarangani and General Santos City)	North Cotabato, South Cotabato, Sultan Kudarat Province, Sarangani, and the cities of Cotabato, General Santos, Kidapawan, Koronadal, and Tacurong
Region XIII - Caraga	Agusan del Norte/Sur and Surigao del Norte/Sur
ARMM (Autonomous Region in Muslim Mindanao)	Basilan, Lanao del Sur, Sulu and Tawi-Tawi, and Maguindanao Province

### Key Regional Developments

#### Crop Production

- Grain production in 2008 grew at a slower rate of 3.3 percent from the previous year's growth of 7.3 percent owing to adverse weather conditions, which dampened the benefits reaped from increased harvest areas and continued government support. Declines in crop production were recorded in MIMAROPA, Zamboanga, Davao, Caraga and ARMM. Significant increases in growth of grain production were recorded in Northern Mindanao, and Western and Northern Visayas. Cagayan Valley remained the largest contributor to national grain production (15 percent), followed closely by Central Luzon (14 percent) and Western Visayas (11 percent).

#### Livestock, Poultry, Fishery

- Livestock production declined by 1.3 percent during the year from a growth of 2.3 percent in 2007. Hog diseases and higher production costs dampened livestock production, particularly in Central Luzon and Calabarzon, the two top producers of livestock (accounting for 30 percent of total livestock production). In contrast, the growth of poultry production rose to 6 percent in 2008 from the previous year's 0.5 percent. The growth in poultry production could be in response to the shifting consumption patterns or diet preferences in favor of chicken meat. Meanwhile, the growth of fishery production decelerated slightly due to more inclement weather conditions.

#### Construction

- The growth of construction activity slowed down to 0.9 percent in the first semester of 2008 after posting a 30.4 percent growth in 2007; but advance indicators of construction activity remained upbeat.\* Approved building permits rose by nearly 3 percent to 47,932 during the period under review from 46,544 in 2007, along with residential building constructions (by 9.3 percent to 34,610) in 2008.

#### Banking

- Credit activity picked up in the first semester of 2008 as seen in the double-digit expansion in the loans-to-deposits ratios of banks situated in Caraga, NCR, Ilocos, Bicol, and Southern and Western Mindanao.\* The increased presence of banks in the regions was also noted, particularly in MIMAROPA.

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\* Full-year 2008 data are not yet available.

- Inflation**
- Regional inflation rates were, on the average, on the rise in 2008 compared to 2007, driven mainly by higher food prices, particularly rice. Higher price adjustments in fuel products in the second and third quarters of the year likewise contributed to the rise in regional inflation, but the general decline in fuel prices in the last quarter mitigated the rise in inflation. The regions with significantly higher inflation rates were Caraga, Eastern Visayas and Western Mindanao.
- Employment**
- All regions in Mindanao reported improvements in employment rates during the year as new investments into these regions (e.g., airport construction and mining activities) fueled the demand for labor. Meanwhile, employment rates in key regions such as the NCR and Calabarzon decreased slightly due to layoffs in several export-oriented industries during the latter part of the year.
- Opportunities and Challenges**
- The government has embarked on substantial infrastructure projects in the regions, which are expected to mitigate the effect of the global economic downturn and help spark economic development across the country (Annex A). These projects include the construction and repair of various international and domestic airports, expressways and other road improvement projects, further expansion of “Roll-On, Roll-Off” (RORO) ferry systems, and continuous improvement of economic zones and free ports. In addition, the introduction of several new international and local airline routes is expected to attract more foreign and local tourists.
  - To help boost agricultural production and spur countryside development, several projects were initiated by the government in the regions, including the Ginintuang Masaganang Ani (GMA), which is the banner program for agricultural development in the country. Other projects include the construction and rehabilitation of irrigation systems and aqueducts for year-long production of crops, development of agro-forestry and highland farming, rehabilitation of farmlands devastated by natural calamities, construction and repair of post-harvest facilities, and the implementation of fertilizer subsidy program. The implementation of the

seeds subsidy program, otherwise known as the Hybrid Rice Commercialization Program (HRCP) was also sustained.

- The efforts of the government to promote the mining sector led to improved prospects for investments and accelerated development of mining and quarrying sites in various parts of the archipelago. In its drive to achieve energy self-sufficiency, the government is accelerating the production of geothermal energy, the construction and rehabilitation of various power plants, and the fast-tracking of bio-diesel and alternative fuel production.
- Further serving as a catalyst for development, the “Super Regions” strategy continued to be implemented to capitalize and focus on the economic strengths of the regions. The geographical units grouped into five super regions were the Northern Luzon Agribusiness Quadrangle, Metro Luzon Urban Beltway, Central Philippines, Mindanao Super Region and the Philippine Cyberservices Corridor, which traverses the “super” regions from Baguio to Cebu and to Davao.
- Meanwhile, there are several challenges confronting the regions that could impinge on economic development efforts. Among the challenges identified by regional offices of economic agencies and local authorities are the global economic slowdown, unfavorable weather conditions, price increases of primary commodities, lack of post-harvest facilities, rapid increase in population, environmental degradation (illegal logging, poaching, soil erosion and siltation), the displacement/lay-off of overseas Filipinos (OFs) and domestic workers, and the peace and order situation in some regions.

## 2008 Economic Performance

### Agriculture, Livestock, Poultry and Fishery

- Palay production posted a 3.5 percent growth in 2008, despite the natural calamities that hit some areas in the country. This was, however, lower than the 6.0 percent increase recorded a year ago.



Palay Production, in metric tons  
Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	3.5	6.0
1 CAR	2.0	9.8
2 Ilocos Region (I)	3.0	2.8
3 Cagayan Valley (II)	2.7	3.7
4 Central Luzon (III)	2.5	9.9
5 Southern Tagalog-CALABARZON (IV-A)	9.4	9.2
6 Southern Tagalog-MIMAROPA (IV-B)	(1.6)	5.7
7 Bicol Region (V)	0.6	11.6
8 Western Visayas (VI)	6.3	0.3
9 Central Visayas (VII)	23.8	2.7
10 Eastern Visayas (VIII)	8.6	14.3
11 Zamboanga Peninsula (IX)	(0.4)	7.7
12 Northern Mindanao (X)	9.8	8.8
13 Davao Region (XI)	(1.9)	(10.3)
14 SOCCSKSARGEN (XII)	4.1	3.5
15 Caraga	(1.9)	11.5
16 ARMM	2.6	11.1

Source: National Statistics Coordinating Board

### *Growth of palay production decelerates*

- Higher growth rates of palay production were seen in Central Visayas (23.8 percent); Northern Mindanao (9.8 percent); CALABARZON (9.4 percent); Eastern Visayas (8.6 percent); Western Visayas (6.3 percent); and SOCCSKSARGEN (4.1 percent). Interventions from the Barangay Seed Assistance Program (BSAP) and Barangay Fertilizer Assistance Program (BFAP) of the province of Bohol, Central Visayas' top rice producer, contributed to the expansion of palay production in this region.
- Higher palay production in these regions as well as the modest production growth recorded in the regions that were affected adversely by erratic weather conditions were attributed to the following factors:
  - ✓ Sustained use and timely availability of hybrid and high-quality seeds, such as those distributed under the Hybrid Rice Commercialization Program (HRCP) in CAR, CALABARZON, Western Visayas, Central Visayas, Northern Mindanao, SOCCSKSARGEN, and Eastern Visayas;
  - ✓ Location-specific interventions, with the use of Bio-N<sup>3</sup> fertilizers in Eastern Visayas;
  - ✓ Rehabilitation of irrigation systems and small water reservoirs in CAR, Ilocos Region, Central Luzon, Western Visayas, Central Visayas, and Eastern Visayas;
  - ✓ Distribution of machineries and equipment such as shredders and sprayers to farmers in Western Visayas;
  - ✓ Adoption of technologies learned from PALAYCHECK trainings and QUICK TURN AROUND planting, and other government trainings/programs in CALABARZON and Bicol Region ;
  - ✓ Provision of fertilizer discount coupons in CALABARZON, Northern Mindanao and SOCCSKSARGEN;
  - ✓ Expansion in area planted/harvested in CAR, Central Luzon, Western Visayas, Central Visayas, and Northern Mindanao; and
  - ✓ Higher prices of palay in Ilocos Region.

<sup>3</sup> Bio-N is an organic fertilizer suited for corn, rice and vegetables, which replaces 30-50 percent of the total amount of nitrogen requirement of the crop, enhances shoot growth and development, increases yield of the crop, maintains the natural soil properties and soil fertility and makes plants healthy and green, even making them resistant to drought and pests.

### Growth of corn production slows down

Corn Production, in metric tons  
Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	2.8	10.8
1 CAR	11.9	9.7
2 Ilocos Region (I)	8.4	4.8
3 Cagayan Valley (II)	15.3	5.1
4 Central Luzon (III)	13.8	8.7
5 Southern Tagalog-CALABARZON (IV-A)	(9.0)	24.0
6 Southern Tagalog-MIMAROPA (IV-B)	(4.0)	6.7
7 Bicol Region (V)	3.5	37.7
8 Western Visayas (VI)	11.4	22.1
9 Central Visayas (VII)	(12.1)	10.2
10 Eastern Visayas (VIII)	9.5	15.9
11 Zamboanga Peninsula (IX)	(17.7)	7.5
12 Northern Mindanao (X)	7.6	8.7
13 Davao Region (XI)	(19.2)	3.0
14 SOCCSKSARGEN (XII)	(0.5)	3.3
15 Caraga	(20.7)	45.8
16 ARMM	(4.3)	28.8

Source: National Statistics Coordinating Board

- These expansions were, however, offset by the decline of palay production in the CARAGA and Davao regions (-1.9 percent); MIMAROPA (-1.6 percent); and Zamboanga Peninsula (-0.4 percent). These contractions may be attributed to the continued conversion of some palay areas to banana plantations in the Davao Region, continued flooding in the province of Zamboanga Zibugay, and high prices of farm inputs in the CARAGA Region.
- Corn production continued to grow in 2008, but at a decelerated pace of 2.8 percent from 10.8 percent a year ago. Almost all the regions posted lower growth rates, if not contractions, compared to a year ago, except in Cagayan Valley (from 5.1 percent to 15.3 percent), Central Luzon (from 8.7 percent to 13.8 percent) and CAR (from 9.7 to 11.9 percent) where higher growths were recorded.
- The slowdown in corn production was due largely to unfavorable weather conditions. The adverse effect of natural calamities were, however, mitigated by the following factors:
  - ✓ Increase in area harvested in CAR, Cagayan Valley and Central Luzon;
  - ✓ Sustained use of hybrid and certified open pollinated variety (OPV) of corn seeds in CAR, Cagayan Valley, MIMAROPA, Central Visayas and Eastern Visayas;
  - ✓ Technical assistance on effective farming styles and management conducted by the DA such as the Corn-based Farmer-Scientist Training Program in CAR, Bicol Region and Eastern Visayas;
  - ✓ Seed and fertilizer subsidies from the local government units (LGUs), the GMA corn program, and other private institutions in CAR and Ilocos Region;
  - ✓ Operationalization of the Bio-N Mixing Plant in Cagayan Valley;
  - ✓ Provision of farm equipments and production inputs initiated by LGUs in Eastern Visayas; and
  - ✓ Increase in both market demand and price of corn in Ilocos Region and Central Luzon.
- The regions that reversed to double-digit contractions in corn production in 2008 from year-ago expansions included CARAGA (from 45.8 percent to -20.7 percent), Davao Region (from 3.0 percent to -19.2 percent),

Zamboanga Peninsula (from 7.5 percent to -17.7 percent) and Central Visayas (from 10.2 percent to -12.1 percent). These contractions were due mainly to typhoon “Frank” that caused floods and landslides in these regions in 2008 and the conversion of some corn fields into plantations for other crops, such as banana, sugarcane and pineapple. These led to the drop in the overall yield per hectare and in the area harvested.

## Livestock, Poultry and Fishery

### Livestock and Poultry

#### Livestock and poultry production recovers

##### Cattle Production, in metric tons (liveweight)

Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	1.0	(0.6)
1 CAR	(7.0)	6.4
2 Ilocos Region (I)	(0.1)	(0.2)
3 Cagayan Valley (II)	(0.7)	(4.9)
4 Central Luzon (III)	(1.0)	1.8
5 Southern Tagalog-CALABARZON (IV-A)	8.1	5.3
6 Southern Tagalog-MIMAROPA (IV-B)	3.9	(0.2)
7 Bicol Region (V)	(3.9)	(2.7)
8 Western Visayas (VI)	(2.8)	(4.6)
9 Central Visayas (VII)	0.6	(9.3)
10 Eastern Visayas (VIII)	(8.4)	(5.4)
11 Zamboanga Peninsula (IX)	(0.03)	0.8
12 Northern Mindanao (X)	2.9	1.4
13 Davao Region (XI)	(0.2)	(9.5)
14 SOCCSKSARGEN (XII)	13.7	6.9
15 Caraga	(5.6)	(2.7)
16 ARMM	(6.8)	11.9

Source: National Statistics Coordinating Board

##### Chicken Production, in metric tons (liveweight)

Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	5.8	0.5
1 CAR	5.0	(5.6)
2 Ilocos Region (I)	5.3	4.3
3 Cagayan Valley (II)	(5.5)	(16.0)
4 Central Luzon (III)	6.4	1.0
5 Southern Tagalog-CALABARZON (IV-A)	8.5	3.6
6 Southern Tagalog-MIMAROPA (IV-B)	6.7	4.8
7 Bicol Region (V)	(6.0)	(9.1)
8 Western Visayas (VI)	4.1	2.3
9 Central Visayas (VII)	4.7	(0.3)
10 Eastern Visayas (VIII)	20.1	0.7
11 Zamboanga Peninsula (IX)	2.0	(4.8)
12 Northern Mindanao (X)	10.3	3.5
13 Davao Region (XI)	3.0	(7.7)
14 SOCCSKSARGEN (XII)	1.5	7.9
15 Caraga	(9.8)	2.4
16 ARMM	(14.5)	4.3

Source: National Statistics Coordinating Board

- Cattle production grew by 1.0 percent in 2008 after declining by 0.6 percent in 2007. The growth of cattle production in SOCCSKSARGEN (13.7 percent), CALABARZON (8.1 percent), MIMAROPA (3.9 percent), Northern Mindanao (2.9 percent) and Central Visayas (0.6 percent) contributed to the overall better performance of the cattle industry. The growth of cattle production in these regions is attributed to improved market conditions and the absence of cattle epidemics, the animal healthcare assistance provided by the Department of Agriculture such as deworming, vaccination and antibiotics and continuous dispersal, and the artificial insemination program by the government.
- Chicken production expanded at a faster rate of 5.8 percent in 2008 from 0.5 percent growth in 2007. The improvement was due to the significant growth of chicken production in Eastern Visayas (20.1), Northern Mindanao (10.3 percent), CALABARZON (8.5 percent), MIMAROPA (6.7 percent), Central Luzon (6.4 percent) and Ilocos Region (5.3 percent). The higher supply of chicks for contract growers and additional broiler farms in Central Luzon, the Ilocos Region and Northern Mindanao; the declaration made by the DA that CALABARZON is free from bird flu; and the enhanced market demand for chicken due to consumers' preference over high-priced beef and pork in Eastern Visayas contributed to the improvement in chicken production.

## Swine Production, in metric tons (liveweight)

Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	(1.6)	2.7
1 CAR	(2.1)	11.0
2 Ilocos Region (I)	(3.2)	0.8
3 Cagayan Valley (II)	(10.0)	(15.8)
4 Central Luzon (III)	(6.5)	3.0
5 Southern Tagalog-CALABARZON (IV-A)	(1.8)	8.9
6 Southern Tagalog-MIMAROPA (IV-B)	(0.2)	7.5
7 Bicol Region (V)	(11.0)	0.04
8 Western Visayas (VI)	5.5	3.3
9 Central Visayas (VII)	0.4	3.5
10 Eastern Visayas (VIII)	(4.6)	(0.7)
11 Zamboanga Peninsula (IX)	(0.4)	(2.7)
12 Northern Mindanao (X)	5.5	5.2
13 Davao Region (XI)	0.2	1.8
14 SOCCSKSARGEN (XII)	11.4	4.8
15 Caraga	(8.7)	2.0
16 ARMM	11.9	23.8

Source: National Statistics Coordinating Board

- Swine production posted a slight contraction of 1.6 percent in 2008 from a growth of 2.7 percent in 2007. Almost all the regions posted negative or slower growth rates, except for SOCCSKSARGEN (from 4.8 percent to 11.4 percent), Northern Mindanao (from 5.2 percent to 5.5 percent) and Western Visayas (from 3.3 percent to 5.5 percent). The improvement in swine production in these regions was due to the establishment of new swine businesses, entry of new contract growers as well as assistance offered by the DA to prevent animal diseases through vaccinations and other animal health services. However, the production decline in most of the regions was due mainly to the outbreak of hog cholera and the high cost of feeds, especially in major hog-producing regions (i.e., Central Luzon and CALABARZON).

- Central Luzon and CALABARZON together accounted for 31.0 percent of hog production in 2008.

## Fishery

## Fish production continues to grow

## Fish Production, in metric tons

Growth Rate in Percent, y-o-y

Region	2008	2007
PHILIPPINES	5.4	6.9
1 CAR	6.4	9.5
2 Ilocos Region (I)	1.8	14.5
3 Cagayan Valley (II)	3.7	8.7
4 Central Luzon (III)	6.0	9.8
5 Southern Tagalog-CALABARZON (IV-A)	5.6	9.9
6 Southern Tagalog-MIMAROPA (IV-B)	11.2	(6.7)
7 Bicol Region (V)	5.3	10.1
8 Western Visayas (VI)	(1.8)	6.1
9 Central Visayas (VII)	(0.3)	11.7
10 Eastern Visayas (VIII)	4.1	10.2
11 Zamboanga Peninsula (IX)	5.2	7.2
12 Northern Mindanao (X)	4.7	12.8
13 Davao Region (XI)	0.4	19.9
14 SOCCSKSARGEN (XII)	13.8	11.3
15 Caraga	1.9	11.0
16 ARMM	6.5	8.5

Source: National Statistics Coordinating Board

- The fishery subsector grew by 5.4 percent in 2008 from 6.9 percent a year ago. Significant increases were recorded in SOCCSKSARGEN (13.8 percent), MIMAROPA (11.2 percent), ARMM (6.5 percent), CAR (6.4 percent), and Central Luzon (6.0 percent).

- The reasons cited for the growth of the fishery subsector in these regions were:

- ✓ Increase in area harvested coupled with the decline in mortality because of good quality fry in CAR, CALABARZON and Davao Region;
- ✓ Increase in fishing trips due to lower operational cost as a result of successive fuel price rollbacks;
- ✓ Higher prevailing market price and demand in Central Luzon, CALABARZON, MIMAROPA, Zamboanga Peninsula and ARMM;
- ✓ Provision of technical assistance by the BFAR in Cagayan Valley and Eastern Visayas;
- ✓ Establishment of more fish shelters or payaos<sup>4</sup> under the auspices of the Bureau of

<sup>4</sup> This is a fish-aggregating device consisting of a floating raft or drums anchored by a weighted line with suspended materials, such as palm fronds which attract pelagic and schooling species of fish.

Fisheries and Aquatic Resources (BFAR) in Ilocos Region, Cagayan Valley, Zamboanga Peninsula and Davao Region; and

- ✓ Continued fingerlings dispersal program led by BFAR in CALABARZON, MIMAROPA, Zamboanga Peninsula, Davao Region and SOCCSKSARGEN.

## Construction

*Growth of construction activity slows down in the first semester of 2008, but advance indicators for construction activity remain upbeat*

Total Number of Approved Building Permits By Region 2007-2008, First Semester			
Region	2007 1st Semester	2008	Growth Rate (in percent)
Philis.	46,544	47,932	2.98
NCR	10,204	8,250	(19.15)
CAR	431	505	17.17
Ilocos Region (I)	4,014	3,126	(22.12)
Cagayan Valley (II)	455	1,119	145.93
Central Luzon (III)	5,488	6,636	20.92
Southern Tagalog Calabarzon (IVA)	7,604	10,223	34.44
Southern Tagalog MIMAROPA (IVB)	334	688	105.99
Bicol Region (V)	1,143	938	(17.94)
Western Visayas (VI)	1,958	2,141	9.35
Central Visayas (VII)	5,672	4,286	(24.44)
Eastern Visayas (VIII)	984	1,031	4.78
Zamboanga Peninsula (IX)	466	844	81.12
Northern Mindanao (X)	2,099	2,408	14.72
Davao Region (XI)	4,273	3,812	(10.79)
Central Mindanao (XII)	601	828	37.77
CARAGA (XIII)	814	1,092	34.15
ARMM	4	5	25.00

Total Number for Residential Buildings Construction Started 2007-2008, First Semester			
Region	2007 1st Semester	2008	Growth Rate (in percent)
Philis.	31,680	34,610	9.25
NCR	5,572	4,720	(15.29)
CAR	345	402	16.52
Ilocos Region (I)	3,234	2,433	(24.77)
Cagayan Valley (II)	312	808	158.97
Central Luzon (III)	4,009	4,943	23.30
Southern Tagalog Calabarzon (IVA)	6,090	8,692	42.73
Southern Tagalog MIMAROPA (IVB)	216	407	88.43
Bicol Region (V)	832	662	(20.43)
Western Visayas (VI)	1,324	1,471	11.10
Central Visayas (VII)	4,232	3,557	(15.95)
Eastern Visayas (VIII)	699	680	(2.72)
Zamboanga Peninsula (IX)	270	559	107.04
Northern Mindanao (X)	1,060	1,506	42.08
Davao Region (XI)	2,783	2,586	(7.08)
Central Mindanao (XII)	370	459	24.05
CARAGA (XIII)	328	722	120.12
ARMM	4	3	(25.00)

- Construction for the first semester in 2008 grew marginally by 0.9 percent from the previous semester's higher growth of 30.4 percent based on NSCB reports.\* The lower growth in construction was due to the soaring prices of steel and cement in 2008. Some big ticket projects were deferred as major market players put their investments on hold. The OFWs also reconsidered their plans to buy residential properties, according to the Regional Office of the National Economic and Development Authority (NEDA) in Central Visayas.
- Construction activity in the 17 regions showed general uptrend during the first semester of 2008. The total number for both the approved building permits and residential building construction increased during the same period.
- During the first semester of 2008, the total number of approved building permits in the Philippines rose by 1,388 or nearly 3 percent, after declining by 7.7 percent for the same period in 2007.
- Significant increases in the number of approved building permits were observed in Calabarzon, Central Luzon and Cagayan Valley. These regions registered the highest increases in the number of building permits in the first semester in 2008 vis-à-vis 2007. Likewise, seven (7) regions, namely: MIMAROPA, Western Mindanao, Northern Mindanao, SOCCSKSARGEN, CARAGA, Cordillera Administrative Region and Eastern Visayas posted growths in the number of approved building permits.

\* Full-year 2008 data are not yet available.

- Drops in the number of approved building permits were prominent in five regions led by NCR, Ilocos Region, Bicol Region, Central Visayas, and Davao Region.
- Similarly, the total number of approved residential building constructions grew by 2,930 or 9.3 percent to 34,610 during the period under review, after contracting by 34.2 percent in 2007.
- Notable increases in the total number of housing starts were observed mainly in seven regions, led by Calabarzon, Central Luzon, Cagayan Valley, Northern Mindanao, SOCCSKSARGEN, CARAGA, MIMAROPA. These were, however, partly offset by significant declines in housing starts in four regions led by the NCR, Ilocos Region, Central Visayas, and Davao Region.

## Banking

*NCR continues to have more banks to service its population than other regions*

- Bank density ratio, or the total number of population per banking office, continued to be highest in the NCR at 4,213 persons per bank as of June 2008. NCR was followed by CALABARZON and Central Luzon regions with bank density ratios of 9,681 and 11,754 persons per bank, respectively.\* It must be noted, however, that density ratios for these three regions have been on an increasing trend since 2006, indicating that the rate of growth in the number of banks or bank branches has been slower than the rate of population growth in these regions for the past three years.
- In terms of expansion in deposit liabilities, all regions, except Western Visayas, posted growth rates year-on-year as of June 2008. MIMAROPA registered the highest growth in deposit liabilities at 69.7 percent. This reflected improving confidence by residents in the region's banking services. Other regions that exhibited double-digit growth in deposit liabilities in June 2008 were Northern Mindanao (13.2 percent), SOCCSKSARGEN (12.3 percent), CARAGA (12.3 percent) and Cagayan Valley (11.5 percent).

Region	June 2008	June 2007
1 NCR	4,213	4,119
2 CAR	14,114	14,458
3 Ilocos Region (I)	13,274	12,837
4 Cagayan Valley (II)	13,315	13,418
5 Central Luzon (III)	11,754	11,749
6 Southern Tagalog-CALABARZON (IV-A)	9,681	9,540
7 Southern Tagalog-MIMAROPA (IV-B)	19,824	26,588
8 Bicol Region (V)	24,307	24,388
9 Western Visayas (VI)	18,710	17,240
10 Central Visayas (VII)	12,810	12,876
11 Eastern Visayas (VIII)	31,567	30,934
12 Zamboanga Peninsula (IX)	25,328	26,655
13 Northern Mindanao (X)	16,074	15,990
14 Davao Region (XI)	16,556	16,288
15 SOCCSKSARGEN (XII)	22,711	22,806
16 ARMM	139,927	131,308
17 Caraga	21,140	20,744

Source: Supervisory Data Center, SES-BSP

\* Full-year 2008 data are not yet available.

Total Deposit Liabilities		
Growth Rate in Percent, y-o-y.		
Region	June 2008	June 2007
1 NCR	2.08	14.47
2 CAR	4.78	15.26
3 Ilocos Region (I)	4.79	8.62
4 Cagayan Valley (II)	11.48	15.89
5 Central Luzon (III)	8.14	11.27
6 Southern Tagalog-CALABARZON (IV-A)	9.32	12.94
7 Southern Tagalog-MIMAROPA (IV-B)	69.74	13.05
8 Bicol Region (V)	7.49	16.25
9 Western Visayas (VI)	(0.87)	9.76
10 Central Visayas (VII)	4.20	12.10
11 Eastern Visayas (VIII)	7.53	10.39
12 Zamboanga Peninsula (IX)	3.16	12.06
13 Northern Mindanao (X)	13.19	12.80
14 Davao Region (XI)	8.23	10.37
15 SOCCSKSARGEN (XII)	12.30	6.52
16 ARMM	7.02	11.26
17 Caraga	12.25	16.75

Total Loan Portfolio		
Growth Rate in Percent, y-o-y.		
Region	June 2008	June 2007
1 NCR	19.68	3.67
2 CAR	(13.24)	3.56
3 Ilocos Region (I)	21.04	14.52
4 Cagayan Valley (II)	15.95	4.78
5 Central Luzon (III)	12.87	0.37
6 Southern Tagalog-CALABARZON (IV-A)	10.86	9.09
7 Southern Tagalog-MIMAROPA (IV-B)	78.34	-4.61
8 Bicol Region (V)	21.96	2.61
9 Western Visayas (VI)	1.96	1.52
10 Central Visayas (VII)	2.35	1.32
11 Eastern Visayas (VIII)	13.76	13.43
12 Zamboanga Peninsula (IX)	13.84	4.54
13 Northern Mindanao (X)	15.50	-10.90
14 Davao Region (XI)	21.87	-8.68
15 SOCCSKSARGEN (XII)	20.47	-14.69
16 ARMM	(5.78)	-33.20
17 Caraga	33.12	1.29

Loans-to-Deposits Ratio		
Region	June 2008	June 2007
1 NCR	93.15	79.45
2 CAR	8.72	10.53
3 Ilocos Region (I)	22.07	19.10
4 Cagayan Valley (II)	36.46	35.05
5 Central Luzon (III)	22.51	21.57
6 Southern Tagalog-CALABARZON (IV-A)	15.95	15.73
7 Southern Tagalog-MIMAROPA (IV-B)	25.35	24.13
8 Bicol Region (V)	35.32	31.13
9 Western Visayas (VI)	18.96	18.44
10 Central Visayas (VII)	23.33	23.75
11 Eastern Visayas (VIII)	24.22	22.89
12 Zamboanga Peninsula (IX)	22.25	20.16
13 Northern Mindanao (X)	32.64	31.99
14 Davao Region (XI)	24.97	22.18
15 SOCCSKSARGEN (XII)	27.34	25.49
16 ARMM	10.64	12.08
17 Caraga	36.66	30.91

- The growth of loan portfolio was also on the rise in all regions, except in CAR and ARMM. Following a significant impressive increase in deposit liabilities, MIMAROPA posted the highest rate of growth in loan portfolio at 78.3 percent as of June 2008. Other regions that reported notable increases in loan portfolio were CARAGA (33.1 percent), Bicol region (22.0 percent), Davao Region or Southern Mindanao (21.9 percent) and Ilocos (21.0 percent).
- The NCR, which accounted for about 90 percent of the total loans of the banking sector, topped as the region with the highest loans-to-deposits ratio at 93.2 percent as of June 2008. This was an improvement from the 79.5 percent posted in June 2007. The NCR was followed by CARAGA (36.7 percent), Cagayan Valley (36.5 percent), Bicol region (35.3 percent) and Northern Mindanao (32.6 percent). The growth in loans-to-deposits ratio in these areas reflected greater efficiency of banks in channeling deposits to lending activities.
- Meanwhile, loans granted by microfinance institutions as of September 2008 grew markedly in the following regions: ARMM (76.5 percent), Cagayan Valley (70.0 percent), Central Luzon (40.8 percent) and Bicol Region (38.4 percent). Although the size of loan disbursements in ARMM was the lowest in the country, the region managed to post the highest growth in September. This development could be attributed to efforts by the Mindanao Microfinance Council to improve access to small-scale business financing in the region by adopting a more aggressive strategy of marketing loan products, including encouraging account officers to go directly to the market rather than wait for potential borrowers to approach the banks.

## Inflation

*Higher oil and food prices push inflation up in 2008*

**Inflation Rates, in percent**

Region	2008	2007
PHILIPPINES	9.3	2.8
1 NCR	6.9	2.6
2 CAR	8.9	1.8
3 Ilocos Region (I)	9.0	2.5
4 Cagayan Valley (II)	10.2	2.4
5 Central Luzon (III)	11.1	2.6
6 CALABARZON (IV-A)	8.0	2.6
7 MIMAROPA (IV-B)	10.3	3.3
8 Bicol Region (V)	9.5	3.4
9 Western Visayas (VI)	11.0	2.9
10 Central Visayas (VII)	10.9	2.2
11 Eastern Visayas (VIII)	13.6	3.0
12 Zamboanga Peninsula (IX)	13.6	3.4
13 Northern Mindanao (X)	11.2	3.8
14 Davao Region (XI)	10.3	2.9
15 SOCCSKSARGEN (XII)	11.7	3.4
16 ARMM	12.7	5.0
17 Caraga	14.9	2.3

- For the whole year of 2008, inflation rates across all regions increased, averaging 9.3 percent compared to 2.8 percent in the previous year.
- Higher food prices along with sharp price adjustments in fuel products in the second and third quarters of 2008 contributed to the rise in regional inflation. However, the increase in inflation was tempered by the general decline in fuel prices in the fourth quarter of 2008.
- The increase in inflation was evident in Caraga, Eastern Visayas and Zamboanga Peninsula where the uptick in prices was mainly brought about by the insufficient supply of rice in the said regions.

## Employment

*Employment rates highest in ARMM, Cagayan Valley and Zamboanga Peninsula*

**Employment and Unemployment Rates By Region\* 2008, in percent**

Region	Employment	Unemployment	Underemployment
PHILIPPINES	92.6	7.4	19.3
NCR	87.0	13.0	11.8
CAR	95.5	4.6	22.5
Ilocos Region (I)	91.9	8.1	16.7
Cagayan Valley (II)	95.5	3.5	18.3
Central Luzon (III)	90.8	9.2	8.7
CALABARZON (IV-A)	90.0	10.0	16.1
MIMAROPA (IV-B)	95.8	4.2	27.2
Bicol Region (V)	94.4	5.6	35.8
Western Visayas (VI)	93.0	7.0	23.8
Central Visayas (VII)	93.0	7.0	15.1
Eastern Visayas (VIII)	95.5	4.5	27.6
Zamboanga Peninsula (IX)	95.5	3.5	23.7
Northern Mindanao (X)	95.3	4.7	25.8
Davao Region (XI)	94.2	5.9	19.8
SOCCSKSARGEN (XII)	95.5	4.5	23.3
Caraga (XII)	94.4	5.6	25.9
ARMM	97.3	2.7	16.1

\*Starting April 2005, the new unemployment definition was adopted per NSO Resolution No. 15 dated October 20, 2004. The definition of unemployed includes the availability criterion. Previously, only those without jobs and looking for work were considered unemployed. Hence, data for labor force, labor force participation rate, employment rate, unemployment rate and unemployment rate are not comparable with previous survey rounds.

Sources of Data: Bureau of Labor and Employment Statistics, National Statistics Office

- Based on the average data for the four rounds of the Labor Force Survey (LFS) of the National Statistics Office (NSO) in 2008, the highest employment rate was recorded in the Autonomous Region in Muslim Mindanao (ARMM) at 97.3 percent followed by the Cagayan Valley and Zamboanga Peninsula, both at 96.5 percent. On the other hand, the lowest employment rate in 2008 was registered in the NCR at 87.0 percent from the year-ago level of 87.8 percent.
- The high employment rate in the ARMM could be attributed to the significant expansion in agricultural output and microfinance loans.
  - Total fish production in ARMM registered the largest volume of output in the entire country in 2008, with 852.9 thousand metric tons that translated to a production growth of 6.5 percent. The ARMM recorded the highest increment in its swine production among the other Mindanao regions during the period with 11.9 percent growth.



- Microfinance loans granted in the region posted the highest growth of 76.5 percent in 2008.
- In Cagayan Valley, the rise in the employment rate was due to increased investments in the industry sector, particularly in manufacturing, agri-based production, and trading and services in the area.<sup>5</sup>
- The increase in employment in the Zamboanga Peninsula is reflective of the rise in the number of chicken contract growers and commercial farms in the area. Chicken production grew by 2.0 percent in 2008 after declining by 4.8 percent in 2007.
- In 2008, four (4) regions recorded unemployment rates that were higher than the national average of 7.4 percent, namely: NCR (13.0 percent), CALABARZON (10.0 percent), Central Luzon (9.2 percent) and Ilocos (8.1 percent).
  - There were eight (8) regions that exhibited increases in unemployment rates from 2007 to 2008, top two of which were NCR (12.2 percent to 13.0 percent) and CALABARZON (9.2 percent to 10.0 percent). Meanwhile, declines in unemployment rates occurred in nine (9) regions, top two of which were in Northern Mindanao (6.0 percent to 4.7 percent) and Central Luzon (10.0 percent to 9.2 percent).
- The Bicol Region posted an underemployment rate of 35.8 percent in 2008, higher than the national average of 19.3 percent.<sup>6</sup> The lowest underemployment rate was in the Central Luzon Region at 8.7 percent during the same period.

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<sup>5</sup> BSP Tuguegarao Branch report, source: Department of Trade & Industry RO2, NEDA:QRES 2008 (1<sup>ST</sup>-3<sup>RD</sup> Quarter 2007-2008)

<sup>6</sup> Underemployed persons include all employed persons who express the desire to have additional hours of work in their present job or an additional job, or to have a new job with longer working hours.

### Demand and Supply Conditions

- Aggregate supply and demand indicators in agriculture and banking posted lower growths in 2008 compared to their levels in 2007.
- In the agriculture sector, production of major crops declined in 2008 from their year-ago levels due to erratic weather conditions and high fertilizer costs. On the other hand, production of livestock and poultry increased modestly due to strong local and foreign demand. Fishery production likewise grew with the robust performance of aquaculture.
- Construction of residential buildings increased in all regions, except in Bicol, Central Visayas and Davao. The total number of approved building permits likewise rose in most of the regions.
- Financial market conditions improved during the review period as total loan portfolio grew in most of the regions. There was also better public access to banking services in the regions as evidenced by the improvement in the bank density ratio. Moreover, majority of the banks in the regions recorded higher deposits.
- Employment rate declined in 2008 compared to its level in 2007. Unemployment rate increased in eight (8) regions, with the NCR and CALABARZON areas recording the highest increase. These two regions host many large manufacturing and export companies. The global economic crunch has put pressure on these industries to downscale their operations and rationalize their manpower resources.
- Average inflation increased significantly in 2008 to 9.3 percent from 2.8 percent in 2007. The rise in average inflation in 2008 was traced to high oil and food prices during the early part of the year. Inflation began to taper off in the third quarter of 2008 with the weakening of global economic activity and as supply conditions in both domestic and international markets improved. Of the 17 regions, CARAGA posted the highest inflation rate at 14.9 percent followed by Eastern Visayas and Zamboanga Peninsula at 13.6 percent. Inflation rate at the NCR was registered at 6.9 percent.

### Opportunities and Challenges

- The government has embarked on substantial infrastructure projects in the regions, which are expected to mitigate the effect of the global economic downturn and help spark economic development across the country (Annex A). There have been constructions and repairs of various international and domestic airports, expressways and other road improvement projects, continued implementation of “Roll-On, Roll-Off” (RORO) ferry systems, and continuous improvement of economic zones and free ports. In addition, the introduction of several new international and local airline routes is expected to attract more foreign and local tourists in the country.
- To boost agricultural production and spur countryside development, several projects were initiated in the regions, including the Ginintuang Masaganang Ani (GMA), which is the banner program for agricultural development in the country. The other projects include the construction and rehabilitation of irrigation systems and aqueducts for year-long production of crops, development of agro-forestry and highland farming, rehabilitation of farmlands devastated by natural calamities, construction and repair of post-harvest facilities, and the implementation of fertilizer subsidy program. The implementation of the seeds subsidy program, otherwise known as the Hybrid Rice Commercialization Program (HRCP) was also sustained.
- The efforts of the government to promote the mining sector led to improved prospects for investments and accelerated development of mining and quarrying sites in various parts of the archipelago. In its drive to achieve energy self-sufficiency, the government is accelerating the production of geothermal energy, construction and rehabilitation of various power plants, and the fast-tracking of bio-diesel and alternative fuel production.
- Further serving as a catalyst for development, the “Super Regions” strategy continued to be implemented to capitalize and focus on the economic strengths of the regions. The

geographical units grouped into five super regions were the Northern Luzon Agribusiness Quadrangle, Metro Luzon Urban Beltway, Central Philippines, Mindanao Super Region and the Philippine Cyberservices Corridor, which traverses the “super” regions from Baguio to Cebu and to Davao.

- Meanwhile, there are several challenges confronting the regions that could impinge on economic development efforts. Among the challenges identified by regional offices of economic agencies and local authorities are the global economic slowdown, unfavorable weather conditions, price increases of primary commodities, lack of post-harvest facilities, rapid increase in population, environmental degradation (illegal logging, poaching, soil erosion and siltation), the displacement/lay-off of OFs and domestic workers, and the peace and order situation in some regions.

**-Sources of data and other information:**

- Bureau of Agricultural Statistics, Department of Agriculture (BAS-DA)
  - Palay, corn and banana production
  - Cattle, chicken and swine production
  - Fishery production
  - Performance of the Philippine agriculture (January-June 2007)
- Bureau of Fisheries and Aquatic Resources
- Department of Tourism (DOT)
  - Hotel occupancy rate
- National Economic and Development Authority (NEDA)
  - Regional Economic Situationer
- National Statistics Office (NSO)
  - Approved building permits and housing starts
  - Residential building constructions started
  - Inflation
  - Employment
- Supervisory Data Center, Bangko Sentral ng Pilipinas (SDC-BSP)
  - Loans
  - Deposits
  - Bank density
  - Microfinance
- Various newspapers articles and websites

Annex A

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<b>A. Opportunities</b>		
<b>NCR</b>		<ul style="list-style-type: none"> <li>• Improvement of business environment by simplifying and standardizing business registration and permit processes for new businesses, consistent with the covenant of the Metro Manila Mayors, the Secretaries of the Department of the Interior and Local Government (DILG) and the Department of Trade and Industry (DTI) as well as the President of the League of the Cities of the Philippines (LCP), which was presented to President Gloria Macapagal Arroyo on 19 February 2009.</li> <li>• Awarding by the Philippine National Oil Corp. (PNOC) of the contract for the construction of the <i>Batangas-Manila Gas Pipeline</i>—a 100-km pipeline that will deliver Malampaya’s natural gas supply from Batangas to Manila. The planned pipeline shall be connected to the 850-MW Sucat bunker fuel-fired plant which will be converted into a natural gas facility. The project is estimated to be completed in three to four years.</li> </ul>
<b>CAR</b>	<ul style="list-style-type: none"> <li>• Launching by the Department of Agriculture (DA) regional office in the Cordillera of additional 16 Barangay Bagsakan throughout</li> </ul>	<ul style="list-style-type: none"> <li>• Expectation of Philex Mining Corporation that 2009 will be better with the expected increase in the price of gold. With the anticipated higher price of gold, the mining firm</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>the region in the first quarter of 2009. Barangay Bagsakan is a socialized barangay marketing system where farmers can sell their products at a higher price and consumers can buy these products and other basic commodities at a price lower than prevailing market value. To date, there are already 34 Barangay Bagsakan throughout the region.</p> <ul style="list-style-type: none"> <li>• Improving yield (by 21 to 30 percent) and increasing productivity (38 percent) of farmers in the strawberry fields in Longlong, La Trinidad, Benguet using tissue-cultured strawberry runners distributed by the Benguet State University’s Office of Extension Services. The tissue-cultured strawberry runner increases productivity because they recover quickly from transplanting, have good vigor and large foliage, and bear large and good-shaped fruits early.</li> <li>• Provision of a ₱2-million grant by the DA-Bureau of Agricultural Research (BAR) to the fisherfolks from the municipalities of Alfonso Lista and Lamut in the province of Ifugao to enhance technology transfer to the fishery sector. The financial assistance is expected to improve the resource management capability of the beneficiaries, and promote</li> </ul>	<p>is seen to operate until the year 2014.</p> <ul style="list-style-type: none"> <li>• Allocation of funds for Lamut, Ifugao by the provincial government for tilapia packaging materials and facilities in an effort to improve the quality of processed tilapia products of the local fisherfolks and to make their products competitive in the market. Fish production in the said municipality has increased with an estimated production of about 900 tons annually due mainly to the projects devoted to improve fish production by the provincial government.</li> <li>• Launching by the Philippine National Police of project <i>Implan Bisita</i> in an effort to reinforce security arrangements for tourists visiting Ifugao. Personnel from the Regional Mobile Group dubbed as Tourist-Oriented Police, Community-Oriented Police (TOPCOP) were assigned to the Ifugao Provincial Police Office. The Viewpoint Tourist Police Assistance Center in Banaue serves as the project’s main visibility point where police assistance can be availed by tourists. Tourist assistance centers will also be activated in the municipalities of Lamut, Kiangan, Hingyon, Hungduan and Mayoyao.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>the processing and packaging of their products.</p> <ul style="list-style-type: none"> <li>• Mechanization of corn-drying process to reduce drying losses, with the inauguration of the National Food Authority's (NFA) corn-drying center in Alfonso Lista, Ifugao last 28 January 2009. The ₱7.5 million drying center will improve the quality of corn by reducing its Aflatoxin level.<sup>1</sup></li> </ul>	
<p><b>Ilocos Region</b></p>	<ul style="list-style-type: none"> <li>• Release of an initial ₱10 million by the DA to the La Union Provincial Government for the construction and restoration of nine farm-to-market roads (FMRs) located in different areas of the province totaling 2.6 kilometers. The construction and repair of FMRs are expected to boost farm production, facilitate transportation of farm produce and provide emergency employment opportunities to the rural folks.</li> <li>• Construction of the ₱125-million irrigation-flood control project in Sta. Barbara, Pangasinan which is expected to serve an</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of livelihood assistance grant amounting to ₱400,000 to the Kababaihan Kabalikat sa Kaunlaran (KKK) cooperative in Malasiqui, Pangasinan in January 2009, courtesy of the Department of Labor and Employment (DOLE). This will finance the garments project of the KKK which has 5,000 members in 65 barangays. The pillow cases and curtains, which the association will produce, will be sold to local and export markets.</li> <li>• Construction of an 85-km Pangasinan-Zambales super-highway that will connect the towns of Mangatarem and Aguilar in Pangasinan to the town of Sta. Cruz in Zambales. Once completed, the new highway will open the boundary of Pangasinan and Zambales to investments,</li> </ul>

<sup>1</sup> Aflatoxin is a potent cancer-causing substance or carcinogen formed by the fungi *Aspergillus flavus* and *Aspergillus parasiticus*. The mold grows when farm crops are exposed to prolonged hot weather, drought, insect damage, and high moisture content. Corn, peanut, copra and cassava are usually contaminated by aflatoxin. (Source: <http://www.bic.searca.org/news/2006/aug/phi/31b.html>)



OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>additional 3,600 hectares of rice farmland in the area. Aside from Sta. Barbara, the project, which is targeted for completion in 2009, will also benefit nearby towns of Malasiqui, Mangaldan, Mapandan and Calasiao.</p> <ul style="list-style-type: none"> <li>• Construction by the National Irrigation Administration (NIA) of the ₱200-million Masidem Small Water Impounding Project (SWIP). The SWIP will irrigate six barangays in Bani, Pangasinan, and is expected to boost agricultural production.</li> <li>• Conversion of a dormant research station of the Philippine Cotton Development Administration in Ilocos Sur into a demo farm. This 16.5-hectare farm project will improve farming techniques that the local farmers can adopt, such as breeding and mating of native and purebred pigs, upgrading of stocks of goats and raising native as well as imported breed of chicken, planting of sweet sorghum, and the production of organic fertilizer. A Pinakbet Garden is also maintained in the farm where the latest high yielding varieties of vegetables are grown.</li> </ul>	<p>especially in eco-tourism.</p> <ul style="list-style-type: none"> <li>• Unveiling of the Robinson’s Mall project in San Nicolas, Ilocos Norte, which held its ground-breaking ceremony on 26 June 2008. The Construction of the project is expected to commence in the first quarter of 2009. This is anticipated to boost investments in the province and generate employment opportunities for the local residents.</li> <li>• Inauguration of the Ilocos Rosewell Hotel, a newly-constructed hotel in San Nicolas, Ilocos Norte, which will start operations in the first quarter of 2009. The Ilocos Rosewell Hotel is expected to attract tourists and create jobs in the area.</li> <li>• Launching of a commercial airline service by the Inter-Island Airlines Company in March 2009. The airline will serve the Manila-Vigan-Manila route with two flights a week.</li> <li>• Expansion of Sitel Philippines, with the opening of four new call-center facilities in different areas in the country in 2009, including La Union. Within the first half of 2009, the company will be operating its new location inside the Poro Point Special Economic and Free-port Zone in San Fernando, La Union. Sitel Philippines remains bullish on the Philippine BPO (business process outsourcing) sector and is committed to continue its expansion programs in San Fernando, La Union in spite of the economic downturn in the US.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<p><b>Cagayan Valley</b></p>	<ul style="list-style-type: none"> <li>• Initiatives in the fishery sub-sector, such as fingerling dispersal and breeding and development of high-value species like sea urchins, abalones, sea cucumbers and lobsters, are expected to enhance fishery development in the region. These will provide more diverse fishery-related alternatives to the marginalized fisherfolks.</li> </ul>	<ul style="list-style-type: none"> <li>• Creation of the Cagayan Development Foundation for Information Technology (CADF-IT). With the emerging information communications technology (ICT) industry in the province of Cagayan, the region anticipates gains in its “Offshore and Outsourcing Industries”. In turn, the region’s workforce, especially IT experts and graduates, will be given employment opportunities.</li> <li>• Start-up of the Xiamen-Tuguegarao flight that will help realize the region’s trade and transportation potentials. Moreover, Cebu Pacific Airlines’ entry into the region and its “all-inclusive fare” marketing promotion will encourage travelers to utilize air transportation services, thereby boosting tourism in the region.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<p><b>Central Luzon</b></p>	<ul style="list-style-type: none"> <li>• Provision of assistance by the Department of Trade and Industry Region 3 - Comprehensive Agrarian Reform Program (DTI-3 CARP) to 90 agrarian reform communities (ARCs) and establishment of 51 and maintenance of 233 income-generating projects in 2008. These projects generated total investments of P76.4 million in the region, notably in Nueva Ecija, Aurora and Bulacan.</li> <li>• Generation of 6,745 jobs in 2008 through the DTI-3 CARP. The bulk of employment was in the provinces of Pampanga, Nueva Ecija and Tarlac.</li> <li>• Conduct of 23 productivity trainings, 60 skill trainings, 88 managerial/entrepreneurial trainings and 3 technology missions by the DTI-3 CARP to 3,727 agrarian reform beneficiaries. These activities are expected to improve skills and enhance business competencies and thus promote greater economic productivity to the beneficiaries of CARP.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved mobility of goods and services within the Clark Special Economic Zone (CSFZ) with the opening of Clark North Interchange of the Subic-Clark-Tarlac Expressway (SCTEx) last 23 December 2008.</li> <li>• Promotion of Subic as a transshipment and logistics hub. This proposal by the National Competitiveness Council and the PCCI aims to lower the cost of doing business in the country and create job opportunities as well as entice companies to use Subic port for their shipments.</li> <li>• Development by Ayala Land Inc., (ALI) of an upscale residential building and a mall in a 46-hectare property in Angeles, Pampanga. The Marquee Mall is scheduled for completion during the first half of 2009 and will generate 1,200 jobs from the 42 major shopping brand companies and restaurants that will occupy the said mall.</li> <li>• Ongoing telecommunications interconnection project of the Clark Development Corporation (CDC) dubbed as “Interconnection and Integration of Clark Telephone Lines with the rest of Pampanga”, which will continue to create jobs and generate investment to the freeport and the rest of Central Luzon. With the cheaper phone calls resulting from the interconnection of telecom companies, residents, locators and investors inside the Clark Freeport have generated savings of at least P13.2 million yearly on long distance calls.</li> <li>• Approval of at least 164 projects in the Clark Special</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>Economic Zone in 2008. Out of the 164 projects signed by local and international firms, 65 are new projects while the other 22 are expansion projects that are expected to yield investments of about ₱14 billion from 2008 to 2013. The remaining 77 projects are renewal of contracts and memoranda of understanding. The CDC is expecting a committed employment of 13,737 from the new projects in 2009.</p> <ul style="list-style-type: none"> <li>• Launching by the South East Asian Airline (Seair) of its first regular flight from Manila to Baler (Aurora) on 14 April 2008, marking improved tourism opportunities and investments for the province of Aurora in the coming years. In March 2008, Aurora held its investment summit in Clark where there was recognition of Aurora’s huge potential to become a prime industrial and eco-tourism zone given its strategic site in the Pacific and its infrastructure and support facilities, such as the seaports in Dingalan, Casiguran and Baler and its economic zone in Casiguran.</li> <li>• Launching by DTI-3 of the National Economic Research and Business Assistance Center (NERBAC) - Central Luzon on 31 January 2008 to support the national initiative to improve the country’s business environment. The NERBAC in Central Luzon is the third to be established in the country, and the first in Luzon. Since its initial operation in July 2007, it has been performing three main functions - Investment Promotion and Facilitation; Databank and Knowledge Management; and Business Registration and Licensing.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<p><b>CALABARZON</b></p>	<ul style="list-style-type: none"> <li>• Training of rice farmers under the Palay Check System per municipality as a package of technology (POT) project for increasing rice production.</li> <li>• Declaration of CALABARZON as FMD- and bird flu-free region.</li> <li>• Availability of two poultry dressing plants with Halal accreditation.</li> <li>• Expansion of areas devoted for livestock and poultry production in the region.</li> <li>• Increased market value of hogs and other livestock produced in the province; increased number of hog producers, haulers and traders and wider market opportunities (export breeders and slaughtered animals to all parts of the country).</li> <li>• Presence of agri-based cooperative engaged in carabao dairy project.</li> <li>• Strengthened market potentials for export of poultry products and by-products.</li> <li>• Initiative by the province of Batangas to become the “egg capital of the country.”</li> </ul>	<ul style="list-style-type: none"> <li>• Provision of livelihood projects amounting to ₱51.5 million to the cities, municipalities and barangays in the province of Quezon in June 2008.</li> <li>• Promoting livelihood opportunities by utilizing local resources.</li> <li>• Operationalization of NERBAC in CALABARZON.</li> <li>• Establishment of a DOST-assisted Biogas Project in CALABARZON.</li> <li>• Provision of funds by the Coconut Industry Investment Fund (CIIF) to support the National Coconut Productivity Program for CALABARZON.</li> <li>• Improvement of the Food Security Program of agri-cooperatives involved in food production, which will provide loan opportunities for banks and other lending institutions.</li> <li>• Construction of malls in Batangas and Cavite (i.e., SM Supercenters in Rosario and Tagaytay).</li> <li>• Opportunities in BPO and other types of services in Cavite.</li> <li>• Emergence of ecotourism opportunities in Laguna, particularly in Pagsanjan and Los Baños.</li> <li>• Emergence of Calamba and Sta. Rosa, Laguna as industrial</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Tapping ready technology, potential areas for development and expansion, skilled workers, available financing and stable market for aquaculture.</li> <li>• Available government logistics/financial assistance for municipal fishing.</li> <li>• Utilization of the Agriculture Competitiveness Enhancement Fund for upgrading equipment and gears needed for commercial fishing.</li> </ul>	<p>and commercial hubs.</p> <ul style="list-style-type: none"> <li>• Attractiveness of Laguna as a site for housing projects because of its proximity to the NCR.</li> <li>• Continuing rehabilitation of the SLEX and development of other road networks in the region.</li> <li>• Development of Tanay as an industrial zone.</li> <li>• Promotion of the province of Rizal as recreational and golf destination as well as convention site.</li> <li>• Development of tourist sites in Quezon (e.g. beaches and other natural wonders).</li> <li>• Utilization of vast lands of the province of Quezon for agribusiness and service facilities.</li> <li>• Implementation of Laguna’s LEAP (Livelihood Emergency Employment Accelerated Program) to clean up Laguna Lake with water hyacinths and water lilies and exploring the use of these plants as raw materials for a community-based livelihood enterprise.</li> <li>• Ongoing government infrastructure projects in the region that are crucial to the sustained growth of the region’s economy, as follows:             <ul style="list-style-type: none"> <li>○ SLEX- TR1-Alabang Viaduct; TR2- Alabang to Calamba Section; TR3- Calamba to Sto. Tomas;</li> <li>○ Manila-Cavite Toll Expressway Project R-1 Extension</li> </ul> </li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		(3 <sup>rd</sup> East West Lateral Road in Cavite); <ul style="list-style-type: none"> <li>○ Installation of Signages in STAR Tollway;</li> <li>○ Marikina Infanta Road;</li> <li>○ Carmona-Dasmariñas-TMC Road (Governor’s Drive);</li> <li>○ Quezon Eco-Tourism Road;</li> <li>○ San Juan-Laiya-Lobo Road;</li> <li>○ Mabini Circumferencial Road; and</li> <li>○ Quirino Highway - Guinayangan and Tagkawayan, Quezon.</li> </ul>
<p><b>MIMAROPA</b></p>	<ul style="list-style-type: none"> <li>• Tapping congressional funding for additional support to the rice and corn productivity program of the region.</li> <li>• Continuing education of farmers and fishermen on the use of modern technologies.</li> <li>• Availability of quality seeds (hybrid and certified seeds), organic fertilizers and extension support services.</li> <li>• Processing/value adding for aquaculture products; demo farm for silviculture,<sup>2</sup> and establishment of mariculture<sup>3</sup> parks.</li> </ul>	<ul style="list-style-type: none"> <li>• Full transfer of some of the regional line agencies like NEDA to Calapan City as Region IV-B’s regional government center.</li> <li>• Use of Community-Based Monitoring System (CBMS) data for local and developmental planning. Except for Occidental Mindoro which is still in the mobilization stage, all the other provinces of the regions are already implementing CBMS.</li> <li>• Creation of the MIMAROPA Tourism Council to spearhead tourism development of the region.</li> <li>• Completion of the majority of road projects in Palawan. Some roads in Southern Palawan that remain unfinished are targeted for completion in 2010.</li> </ul>

<sup>2</sup> Silviculture is the art and science of controlling the establishment, growth, composition, health, and quality of forests to meet the diverse needs and values of landowners, societies and cultures.

<sup>3</sup> Mariculture is a specialized branch of aquaculture involving the cultivation of marine organisms for food and other products in the open ocean, an enclosed section of the ocean, or in tanks, ponds or raceways which are filled with seawater.

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Continuing high demand for organically-grown food, including livestock and poultry.</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of the Puerto Princesa City airport which will support the increasing traffic of passengers and goods in Palawan.</li> <li>• Completion of the P306-million San Vicente Airport in Palawan.</li> <li>• Dredging of the P52 million-worth El Nido port back-up area and completion of the Roll-On, Roll-Of (RORO) ramp project to accommodate large RORO vessels.</li> <li>• Completion of the P80-million Taytay Port development project in early 2009.</li> <li>• Implementation of other water projects under the President's Priority Program on Water (P3W) in Palawan.</li> </ul>
<p><b>Bicol</b></p>		<ul style="list-style-type: none"> <li>• Identification by the Regional Development Council (RDC 5) of priority infrastructure projects for inclusion in the Economic Resiliency Plan (ERP) of the government. These projects are as follows:               <ol style="list-style-type: none"> <li>(1) Construction of Bicol International Airport (New Legazpi Airport);</li> <li>(2) Rehabilitation of Pantao Port;</li> <li>(3) Rehabilitation of the Libon-Marocmoc-Pantao Road;</li> <li>(4) Improvement of Catanduanes Circumferential Road;</li> <li>(5) Improvement of Sipocot-Baao Road Section;</li> <li>(6) Construction of Caramoan Peninsula Road;</li> <li>(7) Construction of GMA Highway (Cam. Sur-Albay</li> </ol> </li> </ul>



OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>diversion Road);</p> <p>(8) Construction of Albay West Coast Road;</p> <p>(9) Rehabilitation of the Bagong Silang-Capalonga Road;</p> <p>(10) Rehabilitation of the Tinambac-Siruma Road;</p> <p>(11) Improvement and asphalt overlaying of Andaya Highway;</p> <p>(12) Construction of Balud Port;</p> <p>(13) Flood and Hazard Mitigation;</p> <p>(14) Rehabilitation of irrigation facilities;</p> <p>(15) Watershed Management and Development;</p> <p>(16) Improvement of the Libmanan-Cabusao Dam Project;</p> <p>(17) Construction of Mainline South Railway Project, Phase 1B (Lucena-Legazpi Section); and</p> <p>(18) Construction of Mainline South Railway Project Phase II (Extension to Matnog, Sorsogon).</p> <ul style="list-style-type: none"> <li>• Completion of four more RORO transit points for the nautical highway program of the government will boost movements/transport of commodities as well as tourism in the region. The RORO facilities which will be in Sorsogon and Masbate will serve as nautical highway links between the region and the other major areas in the country such as Cebu province and other points in Visayas and Mindanao.</li> <li>• Facilitation of more flights between Cebu and Legazpi.</li> <li>• Opening of the Embarcadero Commercial and Information Technology Complex which will house open-air food parks, restaurants, spas, groceries, entertainment center and a call center at the Legazpi City port, is expected to spur</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>economic activity in the area and generate employment.</p> <ul style="list-style-type: none"> <li>• Start-up of the Masbate Gold Project during the first half of 2009 which is expected to increase the output of the mining sector and provide local employment.</li> <li>• Implementation by the Overseas Workers Welfare Administration-Region 5 (OWWA-5) of a “reintegration” program for returning overseas Filipinos (OFs) by encouraging them to invest/do business in the region.</li> <li>• Expansion of the coverage of social protection program for the poor (i.e., Pantawid Pamilyang Pilipino Program), which is being piloted in Masbate, to other areas of the region.</li> </ul>
<p><b>Western Visayas</b></p>	<ul style="list-style-type: none"> <li>• Attendance by fish farmers and hatchery/nursery operators in the first in-country marine fish hatchery training course held at Iloilo would allow transfer of marine fish production technologies developed in the Philippines and Indonesia to hatchery operators. This would enable small-scale operators to switch between marine fish species in accordance with market demands.</li> <li>• Launching by the Negros Island Sustainable Agriculture and Rural Development (NISARD) Foundation of the Negros Island Rainforest Coffee produced by farmers from upland</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a 30-MW wind farm in San Carlos City by the Smith Bell Group of Companies and Global Renewable Energy Partners of Denmark, which would be the second wind farm in Southeast Asia.</li> <li>• Operation of the San Carlos Bioenergy Inc., a new ethanol plant will generate 125,000 liters of ethanol daily and approximately 8 MW of power in the first half of 2009.</li> <li>• Setting up of a ₱60.9 million project called “Renewable Energy and Livelihood Development Project for the Poor”, or RENEW Negros by the Japan Fund for Poverty Reduction, through the Asian Development Bank (ADB). This project aimed to reduce poverty in off-grid areas of</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>communities of La Castellana, La Carlota and EB Magalona.</p> <ul style="list-style-type: none"> <li>• Inauguration of a sub-lateral irrigation system in Bago City as part of the Bago River Irrigation System-Rehabilitation and Improvement Project. The facility will serve 112 to 120 hectares of ricefields in the area to facilitate increased crop production through proper water management.</li> <li>• Establishment of the “Educational and Sustainable Natural Farming and Profit Center” in partnership with the city government of Sagay. The project is an integrated livelihood and educational support project to enable farmers to be productive by enhancing their skills on sustainable natural farming, farm management and agricultural entrepreneurship.</li> <li>• Establishment of the Estancia Emerge Project in Iloilo, which will be the “bagsakan” of marine produce caught in the Visayan Sea triangle. This project is expected to boost trade and tourism industry in the region. It will further serve as the town’s flagship industry that will usher in vast opportunities, especially for the fisherfolks, in the locality.</li> </ul>	<p>Negros Occidental.</p> <ul style="list-style-type: none"> <li>• Opening of the Negros Cooperative Bank in Bacolod City to help the cooperative movement of the province. The bank could provide low interest loans to small- and medium-enterprises especially those that could not obtain loans through regular banking facilities.</li> <li>• Adoption of a comprehensive plan for the development of public markets in Bacolod City. The development of the markets is expected to increase economic activity in Bacolod City.</li> <li>• Recognition by investors of the potentials of Bacolod City to host outsourcing industry and other foreign companies, due to its business-friendly environment, peace and order condition, and availability of competent work force.</li> <li>• Grant of financial assistance to Iloilo City amounting to ₱4.7 million by the Cities Development Initiative for Asia (CDIA) to study the viability of various infrastructure projects of the city, such as seaport, heritage conservation site and revitalization of a Central Business District (CBD) in line with the proposed development under the Metro Iloilo Guimaras Economic Development Council (MIGEDC).</li> <li>• Construction of a two-storey hostel training facility worth ₱5 million in Guimaras will allow interested local residents to attend various hotel and restaurant trainings, for livelihood improvement.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Installation of an automated weather system in eight towns in the province of Iloilo, which are considered rice-producing areas. The weather system will help farmers determine cropping cycles to increase production.</li> <li>• Construction of the Aganan-Sta. Barbara River Irrigation system situated in San Miguel town and Brgy. Tungay in Sta. Barbara, Iloilo after typhoon “Frank” caused the erosion of the infrastructure’s 2.5-km canal embankment and service roads.</li> </ul>	<ul style="list-style-type: none"> <li>• Continued operations of RORO service in Aklan will sustain economic growth in the province. The RORO service has provided an alternative mode of sea transport and served to augment the lack of cargo vessels in the region. Cargo and passenger traffic has increased, which also expanded demand for locally-produced agri-fishery products, manufactured goods, fruits, vegetables and livestock.</li> </ul>
<p><b>Central Visayas</b></p>	<ul style="list-style-type: none"> <li>• Establishment of the Negros Oriental Investment Promotion Center in order to seek more investors to promote and develop the province’s indigenous resources, such as fiber and bamboo. The 1<sup>st</sup> ABAKAWAYAN Expo 2008 held recently at the Sidlakang Negros Village drew support from the provincial government of Negros Oriental, the Department of Science and Technology, and the Negros Oriental Business Development Foundation. The event featured skills trainings, demonstrations and media presentations on how to utilize and manufacture local products (e.g., abaca and bamboo) in accordance with international standards.</li> </ul>	<ul style="list-style-type: none"> <li>• Declaration of a new five-star resort in Cebu as a tourism economic zone to facilitate expansion of operations to include leasing of condotels and hotel rooms. The 7.5 hectare seaside property will have a shoreline of 180 meters, making it the longest waterpark facility in Cebu. About 90 percent of the 556 room hotel will open in April 2009 and is expected to create 1,000 jobs.</li> <li>• Signing of a memorandum of agreement (MOA) between the Bureau of Immigration (BI) during the 6<sup>th</sup> International Forum for Parliamentarians and Local Authorities, wherein the BI will issue a 14-day visa upon arrival to foreign tourists accredited by tour operators in their respective countries as a means to make travel more convenient.</li> <li>• Continuing efforts of industry players to promote Central</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Designation of an estimated 8,000 square meter enclosed area situated in Olympia, North Bais Bay as a breeding and hatching ground for different marine species.</li> <li>• Attendance of 100 agricultural technicians and farmers in Siquijor province to the Farmers Field School (FFS) training in banana production, conducted by the provincial government of Siquijor through the Office of the Provincial Agriculturist (OPA) will promote food self-sufficiency. The hands-on training included actual planting of some 600 banana seedlings in the identified demo farm in San Juan, Siquijor.</li> </ul>	<p>Visayas as a recreation destination offering medical services provide reason to believe that the industry will continue to grow, albeit at a slower pace. Industry players observed that the reputation of Central Visayas as a prime recreation and medical destination has started to gain ground. A number of foreign travelers visiting the region, including balikbayans, avail of cheaper medical and dental services as a side benefit to their vacation. With the relatively low cost of medical procedures in Cebu compared to other leading medical tourism destinations like India, industry players are optimistic to get a significant chunk of the medical tourism market.</p> <ul style="list-style-type: none"> <li>• Conduct of seminar on Russian Lifestyle in Bohol for the industry's key players in order to equip them with knowledge on Russian culture. The seminar was sponsored by the Consulate of the Russian Federation in coordination with the Bohol Tourism Office. The industry is preparing for the anticipated influx of Russian tourists.</li> <li>• Expectation of the region's mining industry of an invigorated regional economy with the start of production of the Toledo Mines in October 2008. Likewise, the full operation of Carmen Copper Corporation will lead to higher demand for lime that will benefit other mining companies in the region. Toledo Mines is projected to consume about 50 to 60 tons of lime per day for its operations, including implementation of environmental protection measures. At 42,000 tons per day copper ore production output, Carmen Copper Corporation will be producing 135 million pounds of copper, 67 thousand</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>ounces of gold, 258 thousand ounces of silver, 163 thousand metric tons of pyrite and 433 thousand metric tons of magnetite concentrates yearly.</p> <ul style="list-style-type: none"> <li>• Completion of Robinsons Land Corporation's (RLC) Commercial Center Division of its three-level mall in Dumaguete City in mid-2009, will provide employment to residents.</li> <li>• Proposed training of interested students of the Foundation University (FU) by a Japan-based company (F-Tech Company) which is engaged in the production and manufacture of Honda auto parts, will facilitate employment of these students once they have completed their studies.</li> <li>• Construction of an ₱11 million hydropower plant in Amlan, the first hydropower plant to be built in Negros Oriental, to service the electricity needs of the town and nearby areas. Located in Sitio Pasalan, Barangay Silab, Amlan, Negros Oriental, the Amlan Plant is the first power facility to be constructed in the province.</li> <li>• Construction of five geothermal power plants in Negros Oriental by the Philippine National Oil Co. (PNOC) to lessen the country's dependence on imported oil.</li> <li>• Negotiation by the city government of Bayawan for a ₱300 million loan for the concreting of a 22-kilometer road that will link Bayawan and Bacolod cities. The completion of the road project will enhance Negros Island's bid to be</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>the Organic Food Basket of Asia.</p> <ul style="list-style-type: none"> <li>• Inauguration of a contact center in Dumaguete City by the Student Universe, the largest internet reseller of airline tickets to college students in the United States. There are plans to invite more BPO companies to locate in the city.</li> <li>• Establishment by PNOC of a P200 million mini-hydro power plant in Bindoy, Negros Oriental with a potential power generation at 3-5 megawatts. The PNOC believes that the hydro power project can provide a source of energy to at least four towns in the first district of Negros Oriental and fill up the current power deficiency in the area.</li> </ul>
<p><b>Eastern Visayas</b></p>	<ul style="list-style-type: none"> <li>• Restoration/rehabilitation of communal irrigation systems by NIA which covered 4,173.5 hectares benefiting 9,136 farmers in 2008, will increase palay production in the region.</li> </ul>	<ul style="list-style-type: none"> <li>• Generation of employment following the operation of call centers in Leyte, and two mid-sized shopping malls in Tacloban City; implementation of infrastructure projects; improvement of agricultural productivity especially in palay and abaca production; and the continued growth in the number of MSMEs in the region.</li> <li>• Approval by the NEDA Board of the P2.5-billion Samar Pacific Coastal Road Project which will link the towns in Samar Island to enhance the development of potential agricultural lands and fishing grounds of Northern Samar and Eastern Samar provinces as well as facilitate the movement of goods and services in the area.</li> <li>• Endorsement by the Regional Development Council (RDC)</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>VIII of programs and projects in the region such as the construction of roads and bridges, airports and seaports, power and generation transmission, flood control, post harvest facilities, machineries and equipment, small farm reservoirs (SFRs) and irrigation projects. In the event that these programs and projects are approved by the NEDA ICC, these will enhance agricultural production, eco-tourism and industries in the region.</p> <ul style="list-style-type: none"> <li>• Completion of RORO projects in the provinces of Leyte, Southern Leyte and Biliran will facilitate the movement of goods and services in the region.</li> <li>• Conversion of Tacloban City from a component city into a Highly Urbanized City (HUC) in December 2008 could attract investors and spur economic activities in the region. In turn, generating more employment opportunities.</li> <li>• Hosting of the Palarong Pambansa in the province of Leyte on 28 April - 2 May 2009 will benefit the tourism industry and the other sectors of the region.</li> </ul>
<b>Zamboanga Peninsula</b>	<ul style="list-style-type: none"> <li>• Increased fishery production.</li> <li>• Increased commercial production of farm products like mango and other fruit-based agri-products because of the long-term campaign to promote the production and</li> </ul>	



OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>marketing of these products.</p> <ul style="list-style-type: none"> <li>• Implementation of irrigation projects by both the LGUs and NIA would help develop agricultural land for rice production in support of the food security program of the National Government.</li> </ul>	
<p><b>Northern Mindanao</b></p>	<ul style="list-style-type: none"> <li>• The continued implementation of DA-Region 10 programs is seen to have a positive effect on the region's palay production. The Region 10 programs, which include enhancing farmers capability, provision of farming technology and promotion of organic farming are seen to boost palay production.</li> <li>• Introduction of bio-mass fueled flatbed dryers which are seen to reduce cost for drying rice during the wet season.</li> <li>• Identification by the NIA and DA-10 of areas which are suited for replanting within the same season. Wide irrigated areas that are suitable for replanting after harvesting will encourage farmers to replant within the same season.</li> <li>• DA-10 programs such as seed assistance, Bio-N, and the promotion of organic farming are all seen to boost corn production of the region by bringing down production cost.</li> </ul>	<ul style="list-style-type: none"> <li>• Entry of new real-estate developers, such as Ayala Land Inc., will have a positive effect on the performance of the construction sector in the region.</li> <li>• Increasing number of corporations and entities interested in agribusiness ventures in Bukidnon is seen to create additional employment for the region. The construction of the US\$167.1 million Laguindingan International Airport and the resumption of the US\$2.0-billion Hanjin shipbuilding facility project will provide additional employment opportunities in the region. The Hanjin shipbuilding facility in Villanueva, Misamis Oriental alone is seen to provide an estimated 40,000 jobs.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Recognition of Northern Mindanao as FMD-free region will attract livestock production ventures.</li> <li>• Intensification of contract growing by some corporations in many provinces of the region is expected to boost production in 2009 and in the coming years. Exports by the region of poultry products, such as eggs, to some Middle East countries will also increase poultry production.</li> </ul>	
<p><b>Davao Region</b></p>	<ul style="list-style-type: none"> <li>• Entry of Davao City cocoa beans, which is regarded as having premium quality, to the US market is expected to boost production of this product.</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of 479 infra projects worth ₱1.1 billion during the third quarter of 2008.</li> <li>• Presence of various educational institutions in the region that produce highly-qualified IT graduates.</li> <li>• Opening of IT/BPO parks in Davao City in late 2009 that would lead to the establishment of more BPO centers.</li> <li>• Opening of two malls in Davao City that will create jobs and attract investors.</li> <li>• Completion of the ₱420-million port of Sasa Wharf expansion project in Davao City will allow the entry of more cargo vessels from Southeast Asia, Middle East, United States and the BIMP - EAGA. This development is also expected to bring additional revenue to the government of around ₱30 million.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<ul style="list-style-type: none"> <li>• Construction of the ₱5.12-billion hydropower plant in Sta. Cruz, Davao del Sur by Aboitiz-owned Hedcor would generate 1,100 local jobs and ₱700 million in taxes. The said hydropower plant is considered as a clean energy source because of its use of non-polluting and indigenous energy source.</li> <li>• Generation of export sales amounting to US\$6.7 million and 1,175 jobs following the establishment of 59 new export companies in 2008 through the Export Pathways Program.</li> <li>• Implementation of the Regional Designers Capability Build Up Program for Region XI where a pool of local designers will be developed to assist the MSMEs in product development, product quality improvement and technical assistance. To date, a total of 174 designs were completed and 82 prototypes were executed and showcased during the Davao Trade Expo '08 held in 23-25 October 2008.</li> <li>• Continued MSME development in the region through the following:             <ol style="list-style-type: none"> <li>1) OTOP that generated export sales of US\$9 million in 2008;</li> <li>2) Subcontracting Partnerships in Innovations (SPIN) that brought one of DTI -XI's private sector partners, Crystal Seas (GTH Exporter), as raw and semi-processed product consolidator and subcontractor of</li> </ol> </li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>finished products for the export market; and                      3) Compostela Valley’s Monkayo Jewelry Making and Training Center that trained more than 100 jewelry makers in Compostela Valley Province and paved way for the establishment of Davao de Oro Jewelry Makers Association.</p> <ul style="list-style-type: none"> <li>• Implementation of micro-financing programs for market vendors groups/cooperatives that resulted in the grant of loans amounting to ₱1.7 million, which benefited 151 beneficiaries.</li> <li>• Development of the halal food industry that will cater to local and foreign markets.</li> <li>• Continued interest by real estate and property developers to construct mid-rise condominiums.</li> </ul>
<p><b>SOCCSKSARGEN</b></p>	<ul style="list-style-type: none"> <li>• Production of several export products such as fresh/canned/frozen tuna, fresh/canned pineapples, fresh bananas, coconut/crude, cutflowers, asparagus, okra, abaca pulp, aquaculture products among others, which will increase the income of the region.</li> </ul>	<ul style="list-style-type: none"> <li>• Linkage of the region with the rest of the world through modern telecommunications facilities and the internet would allow accessibility of the rural areas to business centers.</li> <li>• Continued operations of the port of General Santos City, which is considered as the biggest seaport in the region is expected to sustain economic activities in the region.</li> </ul>
<p><b>Caraga</b></p>		<ul style="list-style-type: none"> <li>• Influx of private housing development projects in the region brought about by the entry of construction and real</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>estate companies in the region.</p> <ul style="list-style-type: none"> <li>• Implementation of DOLE-Caraga livelihood programs namely: Tulong Pangkabuhayan sa Ating Disadvantaged Workers (TUPAD) and Integrated Services for Livelihood Advancement of the Fisher Folks (ISLA) could provide livelihood to workers affected by company closures/shutdowns.</li> <li>• Provision of financial assistance by OWWA to Caraga amounting to ₱50,000.00 as livelihood assistance for displaced OFs in the region.</li> </ul>
<p><b>ARMM</b></p>	<ul style="list-style-type: none"> <li>• Support coming from the Philippine Development Assistance Program (PDAP) and Canadian International Development Agency (CIDA) for the growth and development of the Sitangkai seaweed industry.</li> <li>• Increased investment in agriculture and agrarian reforms to support critical factors essential to food production, including the construction of irrigation, farm-to-market roads, and post-harvest facilities, among others.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of government peace programs and donor-assisted projects particularly in conflict affected areas, namely:               <ol style="list-style-type: none"> <li>1) Mindanao Rural Development Program II and ARMM Social Fund Project by World Bank and JBIC;</li> <li>2) Act for Peace by the United Nations;</li> <li>3) Socio-Economic Reconstruction for Conflict Affected Areas by JICA;</li> <li>4) Agrarian Reform Community Project by ADB;</li> <li>5) Growth with Equity in Mindanao by USAID and the United States Provident Loan;</li> <li>6) Local Governance Support Program by CIDA;</li> <li>7) Basic Education Assistance in Mindanao by AusAID;</li> <li>8) 6<sup>th</sup> Country Programme for Children by UNICEF; and</li> <li>9) World Food Program by United Nations.</li> </ol> </li> <li>• Institutionalization of the informal trade sector or the</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>“barter trade” through Regional Economic Zone Authority (REZA). It is considered as one of the significant programs for the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA). Free trade zones in areas such as Sulu and Tawi-Tawi through REZA have helped facilitate border trade in the BIMP-EAGA growth triangle.</p> <ul style="list-style-type: none"> <li>• Continued support to the thriving Halal Industry. Muslim Mindanao Halal Certification Board inked a Memorandum of Understanding with the Halal Industry Corporation in Kuala Lumpur, Malaysia last May 2008. The Certification Board also entered into technical and educational collaboration with the Central Islamic Committee of Thailand which would further strengthen institutional linkage.</li> <li>• The Japan Bank for International Cooperation (JBIC) is funding 32 socio-economic projects in ARMM worth \$270 million through the ARMM Social Fund Project (ASFP).</li> <li>• Consolidation programs of DSWD, and other anti-poverty agencies to protect the poorest of the region’s population and to assist those with very limited income. Assistance will include livelihood projects, microfinance, skills technology transfer, self-employment, food assistance, and cash subsidy.</li> <li>• Enhance Protection and conservation of environment with priority to the watersheds of Lake Lanao, Kabulnan and Malitbog - Maridagao, and Liguasan Marsh.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<ul style="list-style-type: none"> <li>• Enactment of the following priority legislative measures:               <ol style="list-style-type: none"> <li>1) ARMM Administrative Code;</li> <li>2) Regional Sharia'h Law;</li> <li>3) Creation of Regional Development Coporation;</li> <li>4) ARMM Securities Act or Bond Flotation Law;</li> <li>5) System of Economic Agreement and Trade Compacts;</li> <li>6) Amendment of the Local Government and Regional Tax Codes; and</li> <li>7) Regional Appropriations Act of 2009.</li> </ol> </li> </ul>
<b>B. Challenges</b>		
<b>CAR</b>	<ul style="list-style-type: none"> <li>• Overproduction of 15 major vegetable commodities (potatoes, carrots, cabbages, wombok, beans, sweet peas, onion leeks, sayote, pepper, cauliflower, broccoli, celery, lettuce, pechay, and strawberry) raised in Benguet and nearby provinces led to a glut in supply, dampening prices of these products at the La Trinidad trading post.</li> </ul>	<ul style="list-style-type: none"> <li>• Opposition by various sectors to the entry of large-scale mining companies in the region dampened investments in the said industry.</li> <li>• Threat to textile industry in Cordillera of a reduction of demand due to the world economic crisis.</li> <li>• Offer of a retrenchment package by the micro chip corporation, Texas Instrument Philippines Incorporated (TIPI), to its 392 employees based in Baguio City export processing zone.</li> <li>• Adoption of a "flexible work arrangement" by four companies in Baguio City, with a total of 414 workers.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>Flexible work arrangements are on a short-term basis, as it is subject to DOLE evaluation every six months. There are already a total of 1,478 local workers in the region that are under flexible work arrangements, while 550 local workers have been displaced. Reduction of work days of Lepanto Mines in agreement with its workers. But Lepanto Mines is optimistic that its work arrangement will be back to normal within the first half of 2009.</p>
<p><b>Ilocos Region</b></p>	<ul style="list-style-type: none"> <li>• Resurgence of the Ebola Reston Virus (ERV) in hogs and the ERV infection of hog farm workers and a slaughterhouse laborer in Pangasinan in the first two months of 2009 raised an alarm about the quality of the region's pork products.</li> <li>• Reduction in Pangasinan's mango harvest in 2009 due to extensive damage caused by Typhoon Cosme in 2008. About 35.0 percent of the mango trees in the province were uprooted during the typhoon. The lower harvest will prevent domestic producers from taking advantage of the export potentials to the US market following the release by the US Department of Agriculture of the results of a survey showing that mangoes produced in Pangasinan are pulp and seed-weevil pest free and thus ready to enter the international market.</li> </ul>	



OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<p><b>Central Luzon</b></p>	<ul style="list-style-type: none"> <li>• Marginalization of fishermen in the province of Bataan, Bulacan, and Pampanga, due to pollution of the Manila Bay area.</li> <li>• Inability of small-scale business establishments like piggery farms to construct state-of-the-art pollution control facilities and adopt environmental mitigating measures is a major concern on livestock and agri-based operations in Region 3. Only 3.0 percent or 21 out of 623 piggery farms in the region have adopted the biogas technology in their operations to convert methane gas into energy.</li> </ul>	<ul style="list-style-type: none"> <li>• In terms of environmental concerns, Central Luzon is one of the most critical regions because of the large number of industries and settlements without the necessary land use and environmental planning permits. Of the 40 rivers surveyed in Central Luzon, five are biologically dead. These dead rivers are the Balagtas, Bocaue, Guiguinto, Marilao and Meycauayan rivers, all in Bulacan. In Pampanga, San Fernando River in Bacolor has been declared heavily polluted.</li> <li>• Of the total population load<sup>4</sup> of polluted rivers and creeks, 51 percent of the biochemical oxygen demand (BOD) loading is generated by domestic sources, 14 percent by the industrial sector, and 35 percent by the agricultural sector.</li> <li>• Air quality in Central Luzon suffered, with about 804,000 registered motor vehicles in the region, as of December 2008, which are contributing to air pollution.</li> </ul>
<p><b>CALABARZON</b></p>	<ul style="list-style-type: none"> <li>• Increasing cost of farm inputs (e.g., feeds and biologics for livestock, poultry and aquaculture production).</li> <li>• Fluctuating prices of palay/rice.</li> <li>• Pest infestation.</li> </ul>	<ul style="list-style-type: none"> <li>• Competition from imported products.</li> <li>• Strengthened market linkages between SMEs and producer/suppliers of raw materials to sustain supply of raw materials and ensure market demand.</li> <li>• Constrained funding access of MSMEs to establish/sustain</li> </ul>

<sup>4</sup> The amount of pollutants present in a given body of water.

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Maintenance of the status of the region as “FMD-free area”.</li> <li>• Reduced demand for pork due to the negative effect of media reports on the outbreak of Porcine Reproductive and Respiratory Syndrome<sup>5</sup> (PRRS) and Ebola Virus in Bulacan.</li> <li>• Conversion of backyard aquaculture production to commercial operation.</li> <li>• Upgrading of motorized banca and gears of municipal fishermen to be able to fish in deep waters.</li> </ul>	<p>operation.</p> <ul style="list-style-type: none"> <li>• Downsizing and/or closure of major manufacturing companies like Intel in Cavite resulting to reduced business activities and mass layoff of workers.</li> <li>• Congestion of roads in some parts of Cavite discourages additional investments in the area.</li> <li>• Depressed export demand for manufactured products, especially in the US.</li> <li>• Closure of businesses, lay-off of workers and high prices of basic commodities.</li> </ul>
<p><b>MIMAROPA</b></p>	<ul style="list-style-type: none"> <li>• Rising cost of agricultural inputs (for crop, livestock production and aquaculture).</li> <li>• Inadequate irrigation facilities.</li> <li>• Declining farm gate price for agricultural produce.</li> <li>• Insufficient farm equipment/implements and post-harvest facilities and lack of processing</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced export sales in the region.</li> </ul>

<sup>5</sup> Porcine Reproductive and Respiratory Syndrome (PRRS) is caused by a virus which was first isolated and classified as an arterivirus in as 1991. The disease had been first recognized in the USA in the mid 1980's and was called "mystery swine disease."

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>facilities (including slaughterhouses).</p> <ul style="list-style-type: none"> <li>• Competition posed by imports of fish from foreign countries.</li> <li>• Absence of livestock auction market in Marinduque.</li> </ul>	
<p><b>Bicol</b></p>		<ul style="list-style-type: none"> <li>• Expectations of job cuts and repatriation of some OFWs in the region. Reduced demand for products/services will cause private investments to contract. Tourism, a promising industry in the region could slowdown, as foreign tourist arrivals dwindle.</li> <li>• Absence of a disaster management office in the region; the region being a disaster-prone area. Inadequate funds for preparedness and mitigating measures.</li> </ul>
<p><b>Western Visayas</b></p>	<ul style="list-style-type: none"> <li>• Negative effects of the drilling activities of a mining company at Hinoba-an, Negros Occidental on the rice fields and coastal resources in the area.</li> <li>• Rising prices of fertilizers remained a problem for small sugar planters in Negros Occidental. Fertilizer prices soared from ₱1,200.00 to ₱3,000.00 per bag, while prices of urea rose from ₱900.00 to ₱1800.00 per bag.</li> </ul>	<ul style="list-style-type: none"> <li>• Power shortages in Negros Island during peak hours. The power needs of Negros has been growing. However, production of power remained stagnant. There is no available alternative source of power, especially since the new ethanol power plants have yet to be fully operational.</li> <li>• Declining tourist arrivals in Aklan and temporary closure of some commercial and industrial establishments in the area.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
<p><b>Central Visayas</b></p>	<ul style="list-style-type: none"> <li>• Diminished prospect for the establishment of a large-scale bio-fuels project in Bais City, Negros Oriental by 2009. The local government is cautious about the proposal since the project will require vast tracts of land, which the city might not be able to provide. This project would require 5,000 to 10,000 hectares of land for jatropha plantation. In addition, the project offer has yet to be studied thoroughly by the local government.</li> </ul>	<ul style="list-style-type: none"> <li>• Slowdown in the construction industry which is expected to recover starting in the second quarter of 2009. With many businessmen becoming more cautious in their investments because of the less favorable economic conditions, fewer construction projects may be realized within the next two quarters of 2009. A number of planned projects in 2008 were put on hold.</li> <li>• Lack of mining engineers and geologists was cited as deterrent to the growth of the mining industry. In the Visayas region, only one educational institution (the Cebu Institute of Technology) offers Geology and Mining Engineering courses.</li> <li>• Declining furniture exports in 2009 is expected by furniture exporters, unless the country is able to comply with the new requirement of the US for certification on formaldehyde-free materials. At present, there is no certifying body in the Philippines that can issue the necessary certification of wood products as formaldehyde-free. The Forest Management Bureau (FMB) cannot serve as certifier since the US requires private third-party bodies to provide the certification.</li> </ul>
<p><b>Eastern Visayas</b></p>	<ul style="list-style-type: none"> <li>• Inadequate irrigation system. To date, only 59,991 hectares are supported by existing irrigation systems. The potential irrigable area in Eastern Visayas is 115,489 hectares. The three Samar provinces posted the</li> </ul>	<ul style="list-style-type: none"> <li>• Limited capacity of the SMEs in Eastern Visayas in meeting the demand of the foreign market. Currently, SMEs can only serve the local domestic market due to low supply of raw materials.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>smallest area benefiting from irrigation system resulting in low rice sufficiency index. The needed large-scale irrigation system in the provinces of Samar will not materialized in 2009 since NIA's budget for the year is solely for the restoration and rehabilitation of existing irrigation facilities.</p> <ul style="list-style-type: none"> <li>Declining prices of copra from a high of ₱40.00/kg in September to October 2008 to the current ₱12.00 to ₱18.00/kg. prevented oil mills in the region from buying copra. In turn, affecting more than 365,000 farmers who are dependent on this industry. Coconut comprises 30 percent of the total agricultural output of Region VIII.</li> </ul>	
<b>Zamboanga Peninsula</b>	<ul style="list-style-type: none"> <li>Declining harvest due to the unusually dry weather and wastage due to inefficient post-harvest production process and lack of storage facility have affected the income of rice farmers in the region.</li> </ul>	<ul style="list-style-type: none"> <li>The increase in the price of tin will adversely affect the manufacturing industries, particularly producers of canned sardines.</li> <li>Possibility of increased political tension in the upcoming ARMM elections will affect regional security.</li> </ul>
<b>Northern Mindanao</b>	<ul style="list-style-type: none"> <li>Interruption in the provision of irrigation services by NIA due to the maintenance of existing facilities will prevent farmers in Lanao del Norte to plant during the first</li> </ul>	<ul style="list-style-type: none"> <li>Anticipation of lay offs or offering of shorter work hours to an estimated 34,000 workers in 2009 due to the global economic and financial crises.</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
	<p>cropping season in 2009. If the Lanao farmers will push through with their plans not to plant during the said cropping season, the area cultivated for rice production will be reduced by approximately 2,000 hectares.</p> <ul style="list-style-type: none"> <li>• Rising costs of commercial fertilizer and unpredictable weather condition that may persist in the entire year will reduce corn production.</li> <li>• Unfavorable weather condition are major challenges in commercial fishing and aquaculture.</li> </ul>	<ul style="list-style-type: none"> <li>• Announcement by the Swiss cement company, HOLCIM that it will suspend temporarily its local operation due to weak demand for cement. Pilipinas KAO in Jasaan, Misamis Oriental also announced that there will be a temporary maintenance shut-down of its coconut oil processing plant.</li> <li>• Anticipation by DOLE of workforce retrenchment by companies such as the Global Steel and Refractors Corp. in Iligan, Platinum Group of Companies in Manticao, Misamis Oriental, IDS Philippines in Cagayan de Oro and Air Philippines would increase unemployment in the region.</li> </ul>
<p><b>Davao Region</b></p>		<ul style="list-style-type: none"> <li>• Reduced access to credit due to the global financial crisis. In turn, this will limit the expansion of the agricultural and business ventures in the region.</li> </ul>
<p><b>SOCCSKSARGEN</b></p>		<ul style="list-style-type: none"> <li>• Inadequate measures to address the weak points of the agriculture, farming and fisheries sectors.</li> </ul>
<p><b>Caraga</b></p>		<ul style="list-style-type: none"> <li>• Permanent and/or temporary closures of some mining companies brought about by high-operating costs and low market demand of mineral products could lead to large displacement of workers.</li> <li>• Decreased international demand for nickel ores, and banana chips will result in the contraction in the volume</li> </ul>

OPPORTUNITIES AND CHALLENGES BY REGION

Region	Agriculture, Fishery and Forestry	Industry/Services/General
		<p>of exports for these products.</p> <ul style="list-style-type: none"> <li>• Cancellation of multi-million peso investments in 2008, including the First Gen mini hydro-power plant of the Lopez Group.</li> <li>• Postponement of the establishment of a mineral processing plant in Carrascal, Surigao del Sur to 2010 by Sumitomo, a Japanese firm in partnership with the Taganito Mining Corporation.</li> </ul>
<p><b>ARMM</b></p>		<ul style="list-style-type: none"> <li>• Interruption of the momentum of development efforts following the recent natural and man-made calamities that heavily affected the region.</li> <li>• Potentially large cost to the region of the repair, rehabilitation and reconstruction of the damaged properties and infrastructures, including roads, bridges, houses, health and education facilities, irrigation facilities, and agricultural crops.</li> </ul>