

# 2014

# Report on Regional Economic Developments



**Monetary Policy Sub-Sector**  
**Regional Monetary Affairs Sub-Sector**  
*Bangko Sentral ng Pilipinas*

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## Executive Summary

The Philippine economy maintained its position of relative strength in 2014, anchored by strong domestic activity despite a volatile external environment. Real GDP was recorded at 6.1 percent, lower than the 7.2 percent expansion in the previous year. Nevertheless, growth remained in line with the revised Development Budget Coordinating Committee (DBCC) target range of 6.0–7.0 percent, supported by positive outturns from the broad sectors of the economy.

The favorable economic performance was achieved amid a manageable inflation environment. Average inflation was at 4.1 percent, higher than the 3.0 percent average in 2013 but well within the government's target range of 3-5 percent for the review year. Among the 17 regions, Eastern Visayas posted the highest inflation upticks due mainly to the lingering effects of Typhoon Yolanda in 2013 which constrained supplies and services.

Domestic activity was seen in the broad sectors of the economy. The agriculture, hunting, forestry and fishery sector grew by 1.9 percent, higher than the 1.1 percent growth rate a year ago. Positive outturns in all sub-sectors of production, except fisheries, contributed to the slightly higher output. Palay harvest, which expanded by 2.9 percent during the review period, recorded a double-digit growth in the Central Luzon region (10.4 percent). Meanwhile, corn harvest grew by 5.3 percent of which Davao exhibited the fastest rate of increase (23.5 percent). Livestock and poultry continued to grow, albeit at slower rates. In particular, cattle production grew by 1.1 percent in 2014, of which the strongest expansion was seen in CALABARZON (5.5 percent); swine production expanded modestly by 1.0 percent, wherein Central Luzon (5.1 percent) grew fastest among the regions; and poultry increased by 1.1 percent, of which CARAGA (10.6 percent) posted a double-digit growth rate. On the other hand, the fisheries sub-sector declined by 0.2 percent, due mainly to lackluster output in primary fish-producing regions such as ARMM (2.4 percent) which failed to offset the double-digit declines in Davao (22.0 percent) as well as Eastern and Central Visayas (20.4 percent and 14.4 percent, respectively).

In the industry sector, growth remained strong in 2014 at 7.5 percent, from 9.3 percent in the previous year. The slight softening of growth could be attributed in part to slower expansion in construction at 8.5 percent for the review period from 9.6 percent in 2013. Across regions, the number of approved building permits rebounded to 0.4 percent from a decline of 0.2 percent in 2013. Cagayan Valley posted the largest recovery with a 46.9 percent increase in the number of building approvals. This notable growth may be attributed to the good investment climate in the region. Meanwhile, housing starts contracted by 1.9 percent during the review period from a modest growth of 0.5 percent in 2013 as several regions recorded double-digit declines. The ARMM posted the steepest contraction at 39.7 percent which could partially be attributed to the volatile peace and order situation in the region.

In terms of labor, based on the average data of the quarterly Labor Force Surveys of the Philippine Statistical Authority (PSA) in 2014, national employment rate improved to 93.2 percent in 2014 from 92.8 percent in 2013. At the regional level, all regions except Zamboanga Peninsula exhibited an increase in the number of employed. Unemployment rate likewise eased to 6.8 percent from 7.1 percent in the previous year. Meanwhile, underemployment rate showed improvement, declining to 18.4 percent in 2014 from 19.0 percent in 2013. Twelve regions exhibited a decline in underemployment, notably NCR.

Going forward, a key challenge to further regional growth is the provision and upgrading of infrastructure constraints which should promote competitiveness of agricultural products, accessibility of regional tourist spots and enhance attractiveness to new investments. Moreover, local preparedness for weather-related disturbances remains lacking, particularly in regions which rely largely on agri-based production.

Nevertheless, regional economic resilience is still expected in 2015. Government initiatives to help achieve higher productivity have been put in place. Some of these efforts are as follows: distribution of high-yielding crops to local farmers as well as repair and rehabilitation of irrigation systems to improve agri-based livelihood; conduct of trainings to increase employment opportunities; and promotion of tourism circuits to attract both local and foreign tourists. Moreover, the completion of several infrastructure projects such as bridges and airports is expected to sustain the vibrancy of local businesses.

## 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 the BSP's market surveillance, adding a geographic dimension to the economic indicators that it monitors regularly. The 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, monetary and price developments as well as the 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 the industry sector, the number of building permits and housing starts are used to measure construction activity; while developments in the tourism industry and the banking system are used to analyze the services sector. Developments in major industries specific to each region are also included.

Qualitative and quantitative information used in the report are collected from primary and secondary sources, reflecting 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, Makati, Malabon, Mandaluyong, Manila, Marikina, Muntinlupa, Navotas, Parañaque, Pasay, Pasig, Quezon, San Juan, Taguig and Valenzuela, and the Municipality of Pateros
Cordillera Administrative Region (CAR)	Abra, Benguet, Ifugao, Kalinga Apayao, and Mountain Province
Region I – Ilocos Region	Ilocos Norte, Ilocos 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 Mindoro, Oriental Mindoro, Marinduque, Palawan <sup>2</sup> , and Romblon
Region V – Bicol Region	Camarines Norte, Camarines 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 No. 429 transferring Palawan to Region VI has been deferred. This province will be included in the report of Region VI once the deferment is lifted.

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Region <sup>1</sup>	Provinces
Region VIII – Eastern Visayas	Leyte, Southern Leyte, Biliran, Eastern Samar, Northern Samar, and Samar
Region IX – Zamboanga Peninsula	Zamboanga Sibugay, Zamboanga del Norte, Zamboanga 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, Davao del Sur, Davao Oriental, and Compostela Valley
Region XII – SOCCSKSARGEN (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, Agusan del Sur, Surigao del Norte, and Surigao del Sur
ARMM (Autonomous Region in Muslim Mindanao)	Basilan, Lanao del Sur, Sulu and Tawi-Tawi, and Maguindanao Province



## Key Regional Developments

### Crop Production

- *Palay* and corn production in 2014 improved due to the continued support to farmers by the national and local governments as well as improved farming practices during the year. *Palay* production grew by 2.9 percent in 2014 from 2.3 percent in 2013. Similarly, corn production expanded by 5.3 percent in 2014 from a contraction of 0.4 percent in 2013. Big performers in the corn production included Davao (23.5 percent), Caraga (16.7 percent), Bicol (10.7 percent), Cagayan Valley (8.3 percent), Zamboanga Peninsula (7.5 percent), Western Visayas (6.6 percent), Ilocos (6.5 percent and Central Luzon (5.8 percent). Meanwhile, the regions, which helped sustain the expansion of the *palay* subsector included Central Luzon (10.4 percent), Davao (7.3 percent), Northern Mindanao (5.8 percent), MIMAROPA (4.6 percent), Cagayan Valley (3.8 percent), Zamboanga Peninsula (2.8 percent) and Ilocos (2.6 percent).

### Livestock, Poultry, Fishery

- Cattle, chicken and swine production decelerated while fish production improved. The deceleration in livestock and poultry production was mainly due to unfavorable weather and climate conditions and continued conversion of farmlands to residential lands. The positive performance of the fishery subsector could be traced mainly to the interventions of the government agencies (e.g., Bureau of Fisheries and Aquatic Resources (BFAR) and local government units (LGUs)). SOCCSKSARGEN (14.6 percent), Ilocos (11.9 percent), Central Luzon (3.1 percent), Autonomous Region in Muslim Mindanao (ARMM) (2.4 percent), MIMAROPA (2.1 percent), Cordillera Autonomous Region (CAR) (1.8 percent) and Northern Mindanao (1.2 percent) regions mitigated the further

contraction of the overall fishery subsector.

### Construction

Construction activity in most regions softened in 2014 as the number of new residential buildings contracted, offsetting the slight increase in the number of building permits approved. Caraga, SOCCSKSARGEN, Bicol region, Calabarzon, Central Visayas and ARMM showed notable decline in the construction activity indicators. The slight contraction in the construction of residential buildings could be due to the increase in prices of land and construction materials as well as lower government spending for infrastructure during the earlier part of the year. Other contributory factors included natural calamities that struck the country in 2014.

### Banking

- As of end-2014, credit activity increased, as evidenced by the growth in the loans-to-deposits ratio in all regions except for the CAR, Zamboanga Peninsula and Northern Mindanao. Financial activity was robust, as indicated by increased deposit generation and loan portfolio of banks. In terms of bank service availability as of end-2014, the NCR continued to have the highest number of banks available while the ARMM had the lowest.

### Inflation

- Average regional inflation in 2014 remained within the government's target range of 4.0 percent  $\pm$  1.0 percentage point for 2014. The higher inflation rate in 2014 was attributed largely to the acceleration of average food inflation to 7.0 percent in 2014 from 2.8 percent in 2013 as prices of all food items increased following some tightness in domestic supply conditions. Among the factors that contributed to the food inflation included weather-related production disruptions, delays in supply-side responses (e.g., failed bidding in rice imports), and bottlenecks in the supply chain (e.g., port congestion and changing

transportation policies). The average annual inflation rates recorded in the 17 regions ranged from as low of 3.2 percent (NCR) and a high of 7.0 percent (Eastern Visayas), with a 4.5 percent as median inflation rate.

### Employment

- The national employment rate improved to 93.2 percent in 2014 from 92.8 percent in 2013, with the number of employed increasing across regions except in Zamboanga Peninsula. This was supported by expansion in the agricultural sector and construction activity. Similarly, unemployment rate eased in nine out of 16 regions, with notable improvements in Davao and ARMM, bringing the national average down to 6.8 percent in 2014 from 7.2 percent in 2013.

### Opportunities and Challenges

- The country is expected to continue reaping the benefits of economic expansion. On the demand side, infrastructure development remains a top priority and will be buoyed by both public and private investment projects. Improving external trade dynamics brought by global economic recovery is also expected to lift exports of goods and services. Moreover, the regions will benefit from the country's structural transformation from consumption-driven to investment-led and employment-oriented economy. On the supply side, the revival of the manufacturing sector and the creation of new drivers of growth consistent with the sector where each region has comparative advantage should help promote a balanced and inclusive growth. The agriculture sector is also seen to post growth in crop, livestock and poultry subsectors supported by government programs as well as private investments in agribusiness. The country will also benefit from being an international and domestic tourism hub.
- To better achieve an inclusive economic expansion, the Philippine Development Plan (PDP) (2011-2016) Midterm Update has outlined strategies for provinces with high incidence of

poverty, including creating more opportunities to help raise economic activity, promotion of skills training and economic mobility of labor through human capital and infrastructure development, and strengthening peace-building efforts.

- A major challenge is the country's preparedness against the adverse effects of natural calamities. In 2014, the Philippines continued to experience natural calamities, such as, typhoons and volcano eruptions. The rehabilitation of the regions affected, as well as the implementation of disaster preparedness programs are top priorities. In addition, the prospect of power outages, particularly in Mindanao, as well as the potential rise in power rates could undermine development efforts, despite the decline in oil prices. It is also paramount that the government continue to implement reforms to further strengthen the 13 preferred economic activities under the PDP 2011-2016, namely: agriculture/agribusiness and fishery; creative industries/knowledge-based services; ship-building; mass housing; iron and steel; energy; infrastructure; research and development; green projects; motor vehicles; strategic projects; hospital/medical services; and disaster prevention, mitigation and recovery projects. On the external side, uncertainties in oil prices as well as slower global economic growth could also have a dampening effect on regional economic drivers.

## Agriculture, Livestock, Poultry and Fishery

### *Palay production improves*

	Region No.	2013	2014
1 PHILIPPINES		2.3	2.9
2 CAR		1.5	(1.6)
3 Ilocos Region	I	0.7	2.6
4 Cagayan Valley	II	(0.1)	3.8
5 Central Luzon	III	5.9	10.4
6 Calabarzon	IV-A	5.8	(1.5)
7 Mimaropa	IV-B	0.3	4.6
8 Bicol Region	V	6.0	1.2
9 Western Visayas	VI	(8.8)	(1.8)
10 Central Visayas	VII	6.3	(2.6)
11 Eastern Visayas	VIII	(0.5)	(0.7)
12 Zamboanga Peninsula	IX	3.3	2.8
13 Northern Mindanao	X	5.9	5.8
14 Davao Region	XI	(6.0)	7.3
15 Soccsksargen	XII	6.0	1.3
16 Caraga		24.4	(1.6)
17 ARMM		12.8	(9.0)

Source: Philippine Statistics Authority

- *Palay* production improved to 2.9 percent growth in 2014 from 2.3 percent in 2013. The continued support to farmers by the national and local governments held the positive performance of the rice subsector in the country.
- The improvement in the palay production in Central Luzon (10.4 percent), Davao Region (7.3 percent), Northern Mindanao (5.8 percent), MIMAROPA (4.6 percent), Cagayan Valley (3.8 percent), Zamboanga Peninsula (2.8 percent) and Ilocos Region (2.6 percent) helped sustain the expansion of the subsector. The higher growth in production were due to the following factors:
  - Increase in yield per hectare and area harvested in Cagayan Valley, Central Luzon and Zamboanga Peninsula;
  - Restoration of damaged areas under the Department of Agriculture's (DA) "Rehab Program" in the province of Cagayan, and Central Luzon;
  - Rehabilitation and opening of new irrigation areas in Isabela, Ilocos Region and MIMAROPA ;
  - Higher prices of *palay* in Ilocos Region and Central Luzon;
  - Increased fertilizer usage in Ilocos Region, Bulacan, Nueva Ecija and Tarlac;
  - Movement of cropping/early harvest in Occidental and Oriental Mindoro;
  - Control of black bug and stem borer infestation in Davao Region;
  - Availability and sustained use of good quality, inbred and certified seeds, and high-yielding varieties from the "Rice Program" of the DA in Ilocos Region, Central Luzon, Marinduque, MIMAROPA, Northern Mindanao, Davao del Sur and Compostela Valley;
  - Improved water management for areas covered by the "Early Wet Program" of the DA in Cagayan Valley; and

- Sufficient level of irrigation water and rainfall due to favorable weather conditions in Cagayan Valley, Nueva Ecija, Tarlac, MIMAROPA, Zamboanga Peninsula, Northern Mindanao and Davao Region.
- On the other hand, some regions exhibited declines in palay production, namely ARMM (-9.0 percent), Central Visayas (-2.6 percent), Western Visayas (-1.8 percent), CAR (-1.6 percent), CARAGA (-1.6 percent) and CALABARZON (-1.5 percent). These contractions could be traced to the following factors:
  - Insufficient rainfall in the CAR, CALABARZON, Western Visayas, province of Bohol, Camotes Island in Central Visayas and ARMM;
  - Lower yield per hectare as a result of damages caused by typhoons Luis, Mario, Ruby and Queenie in CAR, CALABARZON, Western Visayas and Negros Oriental;
  - Decrease in area harvested as a result of the repair of irrigation canals in Kalinga and Apayao, Andanan River in CARAGA and ARMM;
  - Land conversion of some palay farms to LGUs' access road project in Carcar, Cebu;
  - Growth of weeds in Western Visayas;
  - Desiltation of Can-asujan Dam in Carcar, Central Visayas;
  - Infestation of rice bugs in the Province of Siquijor; and
  - Reduction in the water level in irrigation systems in Central Negros and Central Visayas.

### Corn production rebounds

**Table 2. Corn Production, in metric tons  
Growth Rate, in percent**

	Region No.	2013	2014
1 PHILIPPINES		(0.4)	5.3
2 CAR		7.5	1.0
3 Ilocos Region	I	2.9	6.5
4 Cagayan Valley	II	(8.6)	8.3
5 Central Luzon	III	8.2	5.8
6 Calabarzon	IV-A	28.1	(1.1)
7 Mimaropa	IV-B	20.0	2.9
8 Bicol Region	V	12.0	10.7
9 Western Visayas	VI	4.5	6.6
10 Central Visayas	VII	0.6	(5.2)
11 Eastern Visayas	VIII	2.3	(1.3)
12 Zamboanga Peninsula	IX	(1.7)	7.5
13 Northern Mindanao	X	(3.6)	1.0
14 Davao Region	XI	14.3	23.5
15 Soccsksargen	XII	8.7	2.5
16 Caraga		20.1	16.7
17 ARMM		(12.8)	4.9

Source: Philippine Statistics Authority

- Corn production expands by 5.3 percent in 2014, from a contraction of 0.4 percent in 2013. The rebound was brought about by improved farming practices during the year.
- Almost all except for three regions exhibited growth in corn production in 2014. Big performers were Davao Region (23.5 percent), CARAGA (16.7 percent), Bicol Region (10.7 percent), Cagayan Valley (8.3 percent), Zamboanga Peninsula (7.5 percent), Western Visayas (6.6 percent), Ilocos Region (6.5 percent) and Central Luzon (5.8 percent). These improvements were attributed mainly to the following:
  - Sustained use of hybrid and quality seeds (e.g., Ryan Corn-conventional hybrid LVN 10 and open-pollinated variety) provided by the DA's "Corn Program Intervention" in Ilocos Region, Cagayan Valley, Central Luzon, Western Visayas, Compostela Valley, Davao City and CARAGA;
  - Expansion in area harvested due to the recovery of areas previously damaged by typhoons Labuyo, Odette and Vinta in Cagayan Valley;
  - Higher planting density in Central Luzon;
  - Establishment of additional four corn cluster areas in Masbate Province;
  - Availability of planting materials and improved farming practices in Central Luzon and Western Visayas;
  - Provision of nine units of four-wheel drive tractors to corn clusters with large corn areas under the government's "Farm Mechanization or Tractor Pool Program" in the Bicol Region;
  - Sufficient soil moisture in Cagayan Valley and Western Visayas;
  - Shift from traditional variety to hybrid or modified corn in Western Visayas;
  - Increased area for corn plantation converted from planting other crops (e.g., banana, rubber

- and coconut) in Zamboanga Peninsula, Davao Region and CARAGA;
  - Sufficient amount of rainfall and favorable weather condition in Cagayan Valley, Western Visayas, Zamboanga Peninsula, Davao Region and CARAGA;
  - Intensified fertilizer use in Bulacan, Pampanga, Tarlac, Ilocos Sur and Davao del Sur;
  - Lower incidence of pests in Western Visayas, Davao Region and CARAGA; and
  - Sufficient water supply from rehabilitated irrigation systems in La Union and Central Luzon.
- The three regions which contracted in 2014 were Central Visayas (-5.2 percent), Eastern Visayas (-1.3 percent), and CALABARZON (-1.1 percent). The poor performance from these regions was attributed to:
    - Decrease in area harvested in Central Visayas and Eastern Visayas;
    - Decline in yield per hectare due to damages caused by typhoon Glenda in CALABARZON;
    - Less utilization of hybrid seeds in Central Visayas;
    - Rat infestation in some provinces in Eastern Visayas;
    - Reduced application of fertilizer in Central Visayas; and
    - Insufficient rainfall resulting in moisture stress in some farms in Central Visayas and Eastern Visayas.

## Livestock, Poultry and Fishery

### Livestock and Poultry

#### *Cattle production slows*

- Cattle production slowed to a 1.1-percent growth in 2014, after growing by 1.8 percent in 2013. Positive performance was maintained on account of continued growth in CALABARZON (5.5 percent), Bicol Region (5.2 percent), Davao Region (5.0 percent), Western Visayas (4.5 percent), MIMAROPA (4.5 percent) and Northern Mindanao (3.2 percent). The improved performances of cattle



**Table 3. Cattle Production, in metric tons (liveweight)  
Growth Rate, in percent**

	Region No.	2013	2014
1 PHILIPPINES		1.8	1.1
2 CAR		0.2	(2.0)
3 Ilocos Region	I	3.1	(0.4)
4 Cagayan Valley	II	1.6	1.4
5 Central Luzon	III	1.8	(2.8)
6 Calabarzon	IV-A	2.5	5.5
7 Mimaropa	IV-B	2.6	4.5
8 Bicol Region	V	6.7	5.2
9 Western Visayas	VI	6.9	4.5
10 Central Visayas	VII	(3.3)	(0.2)
11 Eastern Visayas	VIII	9.5	(7.7)
12 Zamboanga Peninsula	IX	(3.6)	(3.5)
13 Northern Mindanao	X	1.5	3.2
14 Davao Region	XI	3.6	5.0
15 Soccsksargen	XII	0.1	(3.5)
16 Caraga		4.9	2.0
17 ARMM		(1.7)	(7.1)

Source: Philippine Statistics Authority

production in these regions was due to the following factors:

- Consumers' preference for beef over pork and fishery products in Western Visayas;
  - Strict implementation of regulatory quarantine advisories and policies in designated points of entry for animals for import and export in the Bicol Region;
  - High demand and good price of beef in CALABARZON and Western Visayas;
  - Increased slaughter activities in MIMAROPA and Davao Oriental;
  - Conduct of massive advocacy and information drive to educate animal raisers and farmers in the Bicol Region and Western Visayas;
  - Provision of vitamins, intensified vaccination and deworming against hemorrhagic septicemia of cattle, antibiotics by LGUs in the Bicol Region;
  - Infusion of genetically-improved ruminant animals resistant to diseases to produce high quality meats in the Bicol Region;
  - Less occurrence of cattle diseases in Northern Mindanao;
  - Periodic animal dispersal programs initiated by the Provincial Veterinary Offices in Western Visayas, Davao del Sur and Compostela Valley; and
  - Continued support to farmers by the DA and LGUs to increase cattle population through artificial insemination and livestock feed assistance in Bicol and Northern Mindanao regions.
- However, there were more regions in 2014 that posted contraction in its cattle production. These include Eastern Visayas (-7.7 percent), ARMM (-7.1 percent), SOCCSKSARGEN (-3.5 percent), Central Luzon (-2.8 percent), CAR (-2.0 percent), Ilocos Region (-0.4 percent) and Central Visayas (-0.2 percent). These weak performances were mainly due to the continued conversion of farmlands to residential lands.

*Chicken production declines*

**Table 4. Chicken Production, in metric tons (liveweight)  
Growth Rate, in percent**

	Region No.	2013	2014
1 PHILIPPINES		5.1	1.1
2 CAR		1.4	(2.4)
3 Ilocos Region	I	2.3	(1.0)
4 Cagayan Valley	II	7.3	3.9
5 Central Luzon	III	8.8	3.7
6 Calabarzon	IV-A	1.4	(1.3)
7 Mimaropa	IV-B	(4.3)	(0.5)
8 Bicol Region	V	25.2	5.7
9 Western Visayas	VI	4.4	(11.1)
10 Central Visayas	VII	1.1	4.4
11 Eastern Visayas	VIII	(12.1)	(14.2)
12 Zamboanga Peninsula	IX	5.1	(0.8)
13 Northern Mindanao	X	4.5	3.4
14 Davao Region	XI	4.9	1.5
15 Soccsksargen	XII	5.2	6.0
16 Caraga		18.8	10.6
17 ARMM		0.5	(7.2)

Source: Philippine Statistics Authority

- Chicken production declined by 1.1 percent in 2014 from 5.1 percent in 2013. Nonetheless, improved performances in chicken production were recorded in CARAGA (10.6 percent), SOCCSKSARGEN (6.0 percent), Bicol Region (5.7 percent), Central Visayas (4.4 percent), Cagayan Valley (3.9 percent), Central Luzon (3.7 percent) and Northern Mindanao (3.4 percent) regions. Contributory factors to the expansion in these regions include:
  - Increased demand for duck meat in restaurants and ambulant vendors in Central Luzon;
  - Rehabilitated and newly-opened commercial broiler farms in Cagayan Valley, Central Luzon and Western Visayas;
  - Increase in broiler, layer and native production to meet high demand, especially from the industrial areas of Bataan and Subic, Western Visayas, and Provinces of South Cotabato and Sarangani;
  - Improved poultry facilities in Misamis Oriental;
  - Increased hatching efficiency in San Miguel Corporation hatchery in Cagayan Valley;
  - Conduct of massive advocacy and information drive to educate poultry raisers in the Bicol Region;
  - Provision of drugs and biologics (antibiotics, dewormer and vitamins) which resulted in non-occurrence of infestation and diseases in the Bicol Region, Northern Mindanao and CARAGA;
  - Sustained animal dispersal by the LGUs in Northern Mindanao and CARAGA;
  - Establishment of more poultry and layer farms in Cagayan Valley, Provinces of Lanao del Norte and Camiguin, and CARAGA region; and
  - Higher disposal of native chicken brought about by increased demand as prices of fishery products were high in Central Visayas and SOCCSKSARGEN.
  
- The regions that exhibited contractions in chicken production in 2014 were Eastern Visayas (-14.2 percent), Western Visayas (-11.1 percent),

ARMM (-7.2 percent), CAR (-2.4 percent), CALABARZON (-1.3 percent), Ilocos Region (-1.0 percent), Zamboanga Peninsula (-0.8 percent) and MIMAROPA (-0.5 percent). The contraction in poultry production in the above-mentioned regions was due to lesser supply of broiler chicken; unfavorable weather and climate conditions which resulted in occurrence of poultry diseases and herd mortality; and high cost of production inputs.

### Swine production decelerates

	Region No.	2013	2014
1 PHILIPPINES		2.0	1.0
2 CAR		(3.3)	(5.8)
3 Ilocos Region	I	1.6	(1.6)
4 Cagayan Valley	II	0.4	(2.4)
5 Central Luzon	III	7.0	5.1
6 Calabarzon	IV-A	4.2	2.0
7 Mimaropa	IV-B	3.5	1.5
8 Bicol Region	V	0.9	6.2
9 Western Visayas	VI	(1.0)	(2.2)
10 Central Visayas	VII	0.4	0.3
11 Eastern Visayas	VIII	(3.7)	(10.9)
12 Zamboanga Peninsula	IX	(2.1)	(2.5)
13 Northern Mindanao	X	4.4	2.6
14 Davao Region	XI	(0.6)	1.8
15 Soccsksargen	XII	0.2	1.3
16 Caraga		(0.8)	(1.2)
17 ARMM		(8.2)	(3.3)

Source: Philippine Statistics Authority

- The regions that exhibited contractions in chicken production in 2013 were Eastern Visayas (-12.1 percent) and MIMAROPA (-4.3 percent). The contraction in poultry production in the above-mentioned regions was due to unfavorable weather and climate conditions which resulted in occurrence of poultry diseases and herd mortality.
- Swine production decelerated to 1.0 percent in 2014 from a 2.0 percent-growth in 2013. The weakening of swine production during the period was due to further contractions in Eastern Visayas (-10.9 percent), CAR (-5.8 percent), Zamboanga Peninsula (-2.5 percent), Cagayan Valley (-2.4 percent), Western Visayas (-2.2 percent), Ilocos (-1.6 percent), and CARAGA (-1.2 percent) regions. These shrinkage are caused by low supply of livestock available for slaughter; higher incidence of infections (e.g., pneumonia) due to unfavorable weather conditions; less availability of marketable hog species; and high cost of feeds.
- Nonetheless, some regions still posted improvements in the performance of their swine subsector. This could be attributed to the following factors:
  - Continued animal health disease control activities, such as deworming and vaccinations, which helped reduce the mortality rates of hogs in the Bicol Region;
  - High demand for pork for institutional uses in Central Luzon, MIMAROPA and Davao Region;

- Steady supply of hogs for slaughter in the Province of Quezon, Central Luzon and Davao del Sur;
- Conduct of massive trainings and information drive for hog raisers in the Bicol Region; and
- Opening of new hog commercial farms in Lanao del Norte.

## Fishery

### *Fish production improves*

	Region No.	2013	2014
1 PHILIPPINES		(3.1)	(0.2)
2 CAR		3.4	1.8
3 Ilocos Region	I	7.0	11.9
4 Cagayan Valley	II	3.0	(2.8)
5 Central Luzon	III	3.9	3.1
6 Calabarzon	IV-A	0.0	(3.9)
7 Mimaropa	IV-B	(19.7)	2.1
8 Bicol Region	V	1.7	(1.8)
9 Western Visayas	VI	(4.7)	(1.8)
10 Central Visayas	VII	(4.1)	(14.4)
11 Eastern Visayas	VIII	(13.8)	(20.4)
12 Zamboanga Peninsula	IX	(4.0)	0.0
13 Northern Mindanao	X	1.7	1.2
14 Davao Region	XI	3.9	(22.5)
15 Soccsksargen	XII	1.8	14.6
16 Caraga		(6.1)	(3.3)
17 ARMM		(1.0)	2.4

Source: Philippine Statistics Authority

- The rate of decline of the fishery subsector was slower at 0.2 percent in 2014 compared to 3.1 percent a year ago. The positive performances in SOCCSKSARGEN (14.6 percent), Ilocos (11.9 percent), Central Luzon (3.1 percent), ARMM (2.4 percent), MIMAROPA (2.1 percent), CAR (1.8 percent) and Northern Mindanao (1.2 percent) regions mitigated the further contraction of the overall fishery subsector. These positive performances could be traced to the following factors:

- Interventions by the Bureau of Fisheries and Aquatic Resources (BFAR) and LGUs, such as distribution of boats, fishing gears, setting up of fish-aggregating devices, and the stocking of fingerlings in communal bodies of water in CAR, Northern Mindanao and SOCCSKSARGEN;
- More fishing days due to favorable weather conditions in CAR, Ilocos Region, Central Luzon and ARMM;
- Better preparation and management of fish pens and cages in Ilocos Region and Lanao del Norte;
- Government rehabilitation efforts on damages caused by previous typhoons in MIMAROPA;
- Opening of the Puerto Rivas Commercial Landing Center in Bataan;
- Increased volume of unloadings of fish species such as Indian Sardines and Skipjack in Northern Mindanao and SOCCSKSARGEN; and
- Provision of better quality of fingerlings by the BFAR in CAR, Ilocos Region and Northern Mindanao.

- The decline of fish production in Davao (-22.5 percent), Eastern Visayas (-20.4 percent), Central Visayas (-14.4 percent), CALABARZON (-3.9 percent), CARAGA (-3.3 percent) and Cagayan Valley (-2.8 percent) regions contributed to the negative performance of the fishery subsector. The lower production in these regions was due to the following factors:
  - Unfavorable weather and strong winds caused by northeast monsoon limited the fishing activities in commercial waters in Cagayan Valley, Cebu and Central Visayas;
  - Few fishing efforts and diminishing population of rice eel in Isabela;
  - Decrease of unloadings from Philippine Fisheries Development Authority (PFDA);
  - Damaged fishing vessels for repair and maintenance in Cagayan Valley, Central Visayas and Eastern Visayas;
  - Low water level particularly at Magat Dam Reservoir in Isabela;
  - Washed-out fish cages in Batangas and damaged fish pens in Rizal due to typhoon Glenda;
  - Lack of seaweed planting materials in Agdangan and Padre Burgos in Quezon, Central Visayas and CARAGA regions; and
  - Temporary shutdown of some fish cages in Batangas due to financial constraints.

## Construction

### *Construction activity in 2014 softens*

- Overall, construction activity in most regions softened in 2014 as the number of new residential buildings contracted, offsetting the slight increase in the number of building permits approved.
- Caraga, SOCCSKSARGEN, Bicol, Calabarzon, Central Visayas and ARMM showed notable decline in construction activity indicators.

**Table 7. Total Number of Approved Building Permits by Region 2013-2014**

Levels and growth rates		Levels		Growth
Region No.		2013 <sup>r</sup>	2014 <sup>p</sup>	Rates
1	PHILIPPINES	120,775	121,256	0.4
2	NCR	13,948	12,674	(9.1)
3	CAR	1,161	1,433	23.4
4	Ilocos Region I	7,060	7,405	4.9
5	Cagayan Valley II	2,256	3,313	46.9
6	Central Luzon III	12,025	15,172	26.2
7	Calabarzon IV-A	31,340	27,463	(12.4)
8	Mimaropa IV-B	2,086	2,146	2.9
9	Bicol Region V	3,177	2,715	(14.5)
10	Western Visayas VI	5,124	5,330	4.0
11	Central Visayas VII	13,168	12,386	(5.9)
12	Eastern Visayas VIII	1,980	2,375	19.9
13	Zamboanga Peninsula IX	3,484	3,706	6.4
14	Northern Mindanao X	7,698	7,411	(3.7)
15	Davao Region XI	8,916	11,215	25.8
16	Soccsksargen XII	3,100	2,789	(10.0)
17	Caraga	3,984	3,551	(10.9)
18	ARMM	268	172	(35.8)

r/ Revised to reflect updates per PSA  
p/ Preliminary  
Source: Philippine Statistics Authority

**Table 8. Total Number of New Residential Building Construction, by Region 2013-2014**

Levels and growth rates		Levels		Growth
Region No.		2013 <sup>r</sup>	2014 <sup>p</sup>	Rates
	PHILIPPINES	87,767	86,072	(1.9)
	NCR	7,071	6,432	(9.0)
	CAR	842	1,021	21.3
	Ilocos Region I	5,346	5,616	5.1
	Cagayan Valley II	1,580	2,475	56.6
	Central Luzon III	8,298	11,220	35.2
	Calabarzon IV-A	25,059	20,163	(19.5)
	Mimaropa IV-B	1,445	1,442	(0.2)
	Bicol Region V	2,550	2,017	(20.9)
	Western Visayas VI	3,834	3,746	(2.3)
	Central Visayas VII	9,754	8,565	(12.2)
	Eastern Visayas VIII	1,214	1,547	27.4
	Zamboanga Peninsula IX	2,571	2,834	10.2
	Northern Mindanao X	6,445	6,100	(5.4)
	Davao Region XI	6,711	8,949	33.3
	Soccsksargen XII	1,922	1,480	(23.0)
	Caraga	2,896	2,327	(19.6)
	ARMM	229	138	(39.7)

r/ Revised to reflect data updates per PSA  
p/ Preliminary  
Source: Philippine Statistics Authority

- The slight contraction in the construction of new residential buildings could be due to the increase in prices of land and construction materials as well as lower government spending for infrastructure projects during the earlier part of the year. Other factors which contributed to the overall decline in construction activity were the natural calamities that struck the country such as the typhoons Glenda and Ruby.
- Meanwhile, Cagayan Valley, Central Luzon, Davao Region and CAR posted significant increases in the new residential buildings constructed. This may be attributed to the pickup in construction in the latter part of the year, which accelerated the industry sector's growth. Both the public and private sectors sped up the implementation of infrastructure projects, with public construction reversing its negative growth. For private construction, major developers remained bullish due to the continued strong demand for office, retail, and residential space.
- The slight improvement in the number of approved building permits in 2014 was on account of the notable performance of Cagayan Valley (46.9 percent), Central Luzon (26.2 percent), Davao Region (25.8 percent), CAR (23.4 percent), and Eastern Visayas (19.9 percent). This notable growth may be attributed to the good investment climate in the northern part of the country, the reconstruction and rehabilitation activities both for residential and non-residential buildings in the Yolanda affected areas as well as the steady prices of construction materials in the southern part of the Philippines.
- The reconstruction and rehabilitation activities in Yolanda-affected areas, as contained in the Comprehensive Rehabilitation and Recovery Plan (CRRP) are expected to spur investment and provide livelihood and employment

opportunities. The CRRP outlines the National Government's plans for the recovery of the 171 affected cities and municipalities in 14 provinces and six regions (collectively known as the 'Yolanda corridor').

- The Philippine Constructors Association Inc. (PCAI) likewise expects the Philippine construction sector to sustain its strong growth in 2015. The forecast assumed that the government would be able to fully roll out more than ₱500 billion infrastructure spending programmed for the year, on top of the expected outlay for the implementation of the public-private partnership (PPP) projects that have already been awarded. The government allotted a bigger amount for high impact infrastructure projects, which include the construction of roads, bridges, airports, seaports, and railways. The 2015 budget also supports the commitment to enable poor Filipinos to own safe and affordable homes through socialized housing.
- The PCAI anticipates a sustained increase in residential construction projects in a bid to revive the country's housing market and meet the demand of a growing population.<sup>3</sup> The Housing and Land Use Regulatory Board (HLURB) has set a target to construct one million housing units by 2016 and announced the construction of over 300 condominium projects in Metro Manila, most of which will be allocated to the mid-market segment. Residential sales will become stronger among the high-end market and foreigners will consequently be more prone to leasing and renting property.

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<sup>3</sup> Philippine Country Report, Fourth Quarter 2014, Philippine Constructors Association, Inc.

## Banking

### *Credit activity increases*

**Table 9. Loan Portfolio**  
in million pesos  
as of dates indicated

Name of Region		2013	2014
1 Philippines		4,249,347.5	5,092,317.0
2 NCR		3,629,647.6	4,336,868.0
3 CAR		10,769.1	11,922.0
4 Ilocos Region	I	26,786.0	31,178.0
5 Cagayan Valley	II	24,404.0	34,389.0
6 Central Luzon	III	90,732.5	119,806.0
7 Calabarzon	IV-A	93,185.2	107,476.0
8 Mimaropa	IV-B	11,567.1	14,473.0
9 Bicol Region	V	25,670.4	31,057.0
10 Western Visayas	VI	54,113.7	62,689.0
11 Central Visayas	VII	133,008.3	165,087.0
12 Eastern Visayas	VIII	15,741.3	20,372.0
13 Zamboanga Peninsula	IX	17,263.0	13,719.0
14 Northern Mindanao	X	31,615.6	36,252.0
15 Davao Region	XI	47,451.3	59,133.0
16 Soccsksargen	XII	24,929.5	32,089.0
17 Caraga	XIV	11,198.1	14,219.0
18 ARMM	XV	1,264.8	1,588.0

Source: Supervisory Data Center, SES-BSP

**Table 10. Loans-to-Deposits Ratio**  
as of dates indicated

Name of Region		2013	2014
1 Philippines		56.3	60.2
2 NCR		67.9	73.3
3 CAR		16.7	16.6
4 Ilocos Region	I	22.1	23.3
5 Cagayan Valley	II	33.3	40.2
6 Central Luzon	III	26.9	30.5
7 Calabarzon	IV-A	19.9	20.1
8 Mimaropa	IV-B	30.7	32.4
9 Bicol Region	V	32.5	34.2
10 Western Visayas	VI	27.9	28.9
11 Central Visayas	VII	36.1	38.3
12 Eastern Visayas	VIII	26.8	28.8
13 Zamboanga Peninsula	IX	28.8	19.4
14 Northern Mindanao	X	32.2	31.5
15 Davao Region	XI	36.6	39.4
16 Soccsksargen	XII	36.5	39.9
17 Caraga	XIV	28.2	29.7
18 ARMM	XV	20.1	21.0

Source: Supervisory Data Center, SES-BSP

### *Number of banks per municipality exhibits an uptrend*

- As of end-2014, credit activity increased, as evidenced by the growth in the loans-to-deposits ratio in all regions except for the CAR, Zamboanga Peninsula and Northern Mindanao. Financial activity was robust, as indicated by increased deposit generation and loan portfolio of banks. In terms of bank service availability as of end-2014, the NCR continued to have the highest number of banks available while the ARMM had the lowest.
- Deposit generation expanded in all regions as of end-2014. All of the 17 regions registered double-digit growth rate in deposit liabilities during the review period, with the following regions posting the highest growth: CAR (20.5 percent), ARMM (20.5 percent), and Eastern Visayas (20.3 percent).
- As of end-2014, net loan portfolio registered year-on-year growth across all regions, except for Zamboanga Peninsula. The growth in lending activity were highest in the regions of Cagayan Valley (40.9 percent), Central Luzon (32.0 percent), and Eastern Visayas (29.4 percent).
- The NCR registered the highest loans-to-deposits ratio at 73.3 percent as of end-2014. The NCR was followed by Cagayan Valley (40.2 percent), SOCCSKSARGEN (39.9 percent), and Davao Region (39.4 percent). The high loans-to-deposits ratios in these areas reflected banks' efficiency in channeling deposits to lending activities.
- The NCR continued to have the highest number of banks relative to the total number of cities/municipalities under its jurisdiction with a density ratio of 192.7 percent as of end-2014. Following NCR were CALABARZON and Davao Region with density ratios of 11.0 and 8.0, respectively. The density ratios of all regions have increased compared to the end-2013 level. This indicates that more banks are able to provide services to a greater number of



cities/municipalities in their areas. Of the 17 regions, ARMM has the lowest density ratio, as of end-2014.

### Microfinance

*Number of banks with microfinance services declines*

- The number of microfinance providers in the country slightly decreased by 3.2 percent due to bank closures, particularly rural and cooperative banks. However, total portfolio increased by 30.7 percent to ₱11.4 billion as of end-2014.

### Inflation

*All regions post higher inflation rates*

- For the full year 2014, average annual inflation rates registered an increase across all regions. Nonetheless, average regional inflation rates in majority of the regions remained within the national government’s inflation target range of 4.0 percent  $\pm$  1.0 percentage point for 2014. The average annual inflation rates recorded in the 17 regions ranged from a low of 3.2 percent (in NCR) to a high of 7.0 percent (Eastern Visayas), with 4.5 percent as median inflation rate.
- These contributed to an average inflation rate of 4.1 percent at the national level, which was higher than the 3.0 percent posted in 2013. The higher inflation rate in 2014 was attributed largely to the acceleration of average food inflation to 7.0 percent in 2014 from 2.8 percent in 2013 as prices of all food items increased following some tightness in domestic supply conditions. Among the factors that influenced food inflation in 2014 include weather-related production disruptions, delays in supply-side responses (e.g., failed bidding in rice imports), and bottlenecks in the supply chain (e.g., port congestion and changing transportation policies) during the first three quarters of 2014.
- Out of the 17 regions, 12 posted within-target inflation rates in 2014 ranging from 3.2 percent to 5.0 percent. These regions were the National Capital Region (3.2 percent); Cordillera Administrative Region, Central Luzon and Davao

	Region No.	2013	2014
1 PHILIPPINES		3.0	4.1
2 NCR		1.6	3.2
3 CAR		3.4	3.6
4 Ilocos Region	I	2.3	4.5
5 Cagayan Valley	II	3.4	4.0
6 Central Luzon	III	2.7	3.6
7 Calabarzon	IV-A	2.6	4.0
8 Mimaropa	IV-B	2.6	4.5
9 Bicol Region	V	3.5	5.3
10 Western Visayas	VI	3.8	4.7
11 Central Visayas	VII	4.7	5.0
12 Eastern Visayas	VIII	4.3	7.0
13 Zamboanga Peninsula	IX	4.3	5.6
14 Northern Mindanao	X	4.4	4.5
15 Davao Region	XI	3.2	3.6
16 Soccsksargen	XII	3.7	5.2
17 Caraga		3.9	5.3
18 ARMM		3.4	4.1

Source: Philippine Statistics Authority

(3.6 percent); Cagayan Valley and CALABARZON (4.0 percent); Autonomous Region of Muslim Mindanao (4.1 percent); Ilocos, MIMAROPA, and Northern Mindanao (4.5 percent); Western Visayas (4.7 percent); and Central Visayas (5.0 percent).

- The remaining five regions which registered above-target inflation rates in 2014 were SOCCSKSARGEN (5.2 percent); Bicol and Caraga (5.3 percent); Zamboanga Peninsula (5.6 percent); and Eastern Visayas (7.0 percent).
- The acceleration of annual inflation in Eastern Visayas to 7.0 percent from 4.3 percent in 2013 was a result of the lingering effects of Super Typhoon Yolanda, which hit the country on 8 November 2013, prompting local traders and service providers to temporarily stop operations to accommodate rehabilitation work of warehouses and commercial buildings in the region. While some traders resumed operations in the middle of the year, others have yet to commence operation. Disruption in supply production of food items such as rice, fish, meat, fruits and vegetables due to damaged farmlands, equipment, fishponds, fish cages and farm facilities in the aftermath of the typhoon also resulted in inflationary pressures in the area. Higher transportation cost due to damaged ports, airport and roads contributed further to the increase in prices of commodities.

## Employment

*Labor indicators improve; employment rates highest in ARMM and SOCCSKSARGEN*

- The national employment rate improved to 93.2 percent in 2014 from 92.8 percent in 2013, with the number of employed increasing in all regions except in Zamboanga Peninsula. Those with the highest employment rates were the ARMM (96.5 percent) and SOCCSKSARGEN (96.4 percent).<sup>4</sup>

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<sup>4</sup> In a letter to the BSP dated 22 August 2012, the National Statistics Authority (now the Philippine Statistics Authority) explained that the high employment rate in the ARMM can be attributed to the high proportion of employed sectors in the agriculture sector. It also noted that the labor force participation rate (the percentage of the total number of persons in the labor force to the total population 15 years and over) of the ARMM is the lowest at 56.9 percent.

- Employment in ARMM was supported by expansions in the agriculture sector which continues to employ a sizeable number. Meanwhile, the high employment in SOCCSKSARGEN was attributed to the increase in construction activity (e.g., commercial establishments, housing and hospitals) in the region.

**Table 12. Employment indicators by region**

Region	2013			2014 <sup>a</sup>		
	Employment	Unemployment	Underemployment	Employment	Unemployment	Underemployment
PHILIPPINES	92.8	7.2	19.0	93.2	6.8	18.4
NCR	89.7	10.3	12.1	89.6	10.4	11.1
CAR	95.4	4.6	14.1	94.5	5.5	19.3
Ilocos Region I	91.7	8.3	20.0	91.6	8.4	16.0
Cagayan Valley II	96.8	3.2	12.9	96.9	3.1	11.1
Central Luzon III	91.3	8.7	14.5	91.7	8.3	12.5
CALABARZON IV-A	90.8	9.2	17.9	91.8	8.2	18.7
MIMAROPA IV-B	95.9	4.1	23.4	95.4	4.6	20.4
Bicol Region V	92.5	6.5	37.1	93.8	6.2	34.9
Western Visayas VI	93.1	6.9	22.7	94.0	6.0	21.8
Central Visayas VII	93.7	6.3	15.1	94.0	6.0	18.4
Eastern Visayas VIII	-	-	-	-	-	-
Zamboanga Peninsula IX	96.6	3.4	21.8	96.3	3.7	19.8
Northern Mindanao X	94.3	5.7	25.7	94.2	5.8	25.7
Davao Region XI	93.1	6.9	17.3	94.2	5.8	19.3
SOCCSKSARGEN XII	95.6	4.4	22.7	96.4	3.6	20.5
Caraga XIII	94.0	6.0	27.1	94.2	5.8	25.1
ARMM	95.4	4.6	12.4	96.5	3.5	11.7

Note: Estimates for 2013 and 2014 include Region VIII (Batangas) only.

Source: Labor Force Survey, Philippine Statistical Authority.

- The unemployment rate eased in nine out of 16 regions, with notable improvements in Davao Region and ARMM, bringing the national average down to 6.8 percent in 2014 from 7.2 percent in 2013. The NCR still had the highest unemployment rate at 10.4 percent, a slight increase from 10.3 percent in the previous year. This was followed by Central Luzon (8.3 percent) and CALABARZON (8.2 percent).
- The underemployment rate showed improvement, declining to 18.4 percent in 2014 from 19.0 percent in 2013. It improved in 12 regions but worsened in Central Visayas, Davao Region, and CALABARZON. Those with the lowest underemployment rates were the NCR (11.1 percent), Cagayan Valley (11.2 percent) and ARMM (11.7 percent). Meanwhile, Bicol Region (34.9 percent), Northern Mindanao (25.7 percent) and Caraga (25.2 percent) registered the highest underemployment rates.

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  - Inflation
  - Employment
- Supervisory Data Center, Bangko Sentral ng Pilipinas (SDC-BSP)
  - Loans
  - Deposits
  - Bank density
  - Microfinance
- Various newspapers articles and websites

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<b>A. Opportunities</b>	
<b>CAR</b>	
<ul style="list-style-type: none"> <li>• Visit of Japanese investors in La Trinidad, Benguet who scouted for sources of good quality highland vegetables. The Department of Agriculture (DA) is also arranging deals with other countries such as Singapore and United Arab Emirates for the export of these vegetables.</li> <li>• Completion and operation of the Benguet Agri-Pinoy Trading Center (BAPTC) in 2015 will boost the development of a vibrant and alternative agricultural marketing system in the country.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of various infrastructure projects in Apayao in 2015 funded through a ₱2.1 billion allocation from the NG.</li> <li>• Construction and completion of roads and bridges interconnecting the provinces in the Region will boost the economic activities and other industries in the Region.</li> <li>• Implementation of the ₱1.5 billion worth of infrastructure projects (e.g., concrete paving of primary roads of Kalinga-Abra national highway, Pullekak-Naneng and Tomiangan roads) in 2015 in the province of Kalinga.</li> <li>• Resumption of operations of the Philex Padcal Mines following the lifting of the cease and desist order imposed on the company after the August 2012 tailings pond accident.</li> <li>• Recovery of the electronics manufacturing sector as world market demand for automotive and consumer electronics is expected to make a comeback.</li> <li>• Development of a proposed Product and Technology Roadmap to be led by the Semiconductor and Electronics Industries in the Philippines, Inc. (SEIPI) that will help sustain the share of the electronics industry to total exports.</li> <li>• Expansion of Business Process Outsourcing (BPO) companies outside of Metro Manila. Baguio City</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>continues to be in the Tholons List of Top 100 Outsourcing Destinations in the world in 2014.</p> <ul style="list-style-type: none"> <li>• Completion and operation of the Likud Mini-Hydro Power Plant Project (LMPPP) at Barangay Haliap in Asipulo, Ifugao in 2015 is seen to generate electricity for the community, earn income and provide employment to the people of Ifugao.</li> <li>• Rehabilitation of all four units of the Binga hydropower plant has increased its output capacity to 132 MW from 100 MW, which is expected to provide system reliability given the projected power shortfall in the summer months of 2015.</li> </ul>
Ilocos Region	
<ul style="list-style-type: none"> <li>• Expansion of garlic production to a two-crop cycle every year through the Sudipen Vegetable Techno-Demo Farm Project in La Union. This would help increase garlic production, solve the shortage of the cash crop in the country and ease dependence on imported supply.</li> <li>• Distribution by the Provincial Government of Ilocos Norte (PGIN) of more than 26 tons of high quality garlic planting materials to 521 farmers in the Province last 9 October 2014 as part of the project “Revitalizing the garlic industry through a sustainable seed support system”. This initiative is expected to increase farmers’ hectarage, and eventually, the volume of high quality harvest in the next few years.</li> <li>• Provision of a ₱5 million loan package for Mango and Dragon Fruit Growers</li> </ul>	<ul style="list-style-type: none"> <li>• Operation of the toll road project Tarlac – Pangasinan – La Union Expressway or TPLEX starting in 2015 is projected to lessen travel time from Manila and other southern provinces, and help boost economic development in the Region.</li> <li>• Designation of the 204-year-old St. Anne Parish Church in Piddig, Ilocos Norte as a heritage structure on 14 September 2014.</li> <li>• Conversion of the Aguitap Diversion Dam in Solsona, Ilocos Norte into an eco-tourism site destination launched in 29 September 2014.</li> <li>• Declaration of Vigan City as among the New 7 Wonders City on 7 December 2014 has been attracting a large number of tourists.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>Association with zero interest rate for a period of one year by the PGIN starting on The distribution of the loan package began on 22 September 2014.</p> <ul style="list-style-type: none"> <li>• Signing of an agreement between the PGIN and the Vegetable Importers, Exporters and Vendors Association of the Philippines (VIEVA) on the provision of good quality seeds for the production of off-season vegetables, which started in August 2014.</li> <li>• Launch of a coffee plantation project in July 2014 in Piddig, Ilocos, which adopted the public and private partnership scheme in support of the National Convergence Initiative for Sustainable Rural Development. The project is expected to benefit almost 1,000 families, who in order to have a regular income, must maintain two hectares of land.</li> <li>• Launch of the water supply system project under the <i>Sagana at Ligtas na Tubig sa Lahat (Salintubig)</i> Program of the Department of Interior and Local Government (DILG) on 11 August 2014 in Pinili, Ilocos Norte. The ₱8.2 million portable system project is seen to benefit households engaged in tobacco farming and in the production of other agricultural products.</li> <li>• Approval by the Regional Project Advisory Board (RPAB) in Region 1 of ₱230.4 million for the rehabilitation of the Caba-Nagulian Farm-to-Market Road (FMR) and Rosario-Tubao FMR with Pideg Bridge, to improve the transportation conditions of mango- producing towns in La Union. The FMR projects are also expected to reduce the high cost of transportation, reduce travel time by 50 percent, minimize post-</li> </ul>	<ul style="list-style-type: none"> <li>• Proclamation of the Shrine of Our Lady of the Rosary of Manaoag as Basilica Minore on 17 February 2015. The Province expects a big increase in the number of devotees and pilgrims visiting the shrine.</li> <li>• Completion of projects of the DOT-DPWH Convergence Program on enhancing road access leading to tourism destinations in the Region.</li> <li>• Completion of the Nagbibingcaan Bridge and the Tabug Bridge in Batac City, Ilocos Norte.</li> <li>• Implementation of the road widening projects in the Region in 2015. The continuous initiatives are projected to improve the delivery and transfer of both agricultural and industrial products.</li> <li>• Completion of Phase I of the ₱17-million science and technology park project of the Department of Science and Technology and the Commission on Higher Education, located at the Mariano Marcos State University (MMSU) Compound in Batac City, last January 2015. This will showcase the technologies being developed by the MMSU and private entrepreneurs.</li> <li>• Operation of two wind farm projects - the 150-megawatt (MW) Burgos wind farm project (BWP) and the 81 MW Caparispisan Wind Energy project in Pagudpud town - to ease the country's looming power shortage in 2015.</li> <li>• Investments by the US Government,</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>harvest losses and increase the profit of local farmers.</p> <ul style="list-style-type: none"> <li>Branding <i>bangus</i> or milk fish raised in Dagupan fishponds as ‘Dagupan Certified’. This is expected to boost sales of Dagupan bangus by setting it apart from bangus produced elsewhere.</li> </ul>	<p>through the United States Agency for International Development (USAID) of more than ₱1.9 billion (roughly US\$46.5 million) to support the marine biodiversity conservation in the Philippines which include the Ilocos Norte coastlines. The project will enable the government, through the Bureau of Fisheries and Aquatic Resources, to rebound and sustain the country’s marine resources, conservation and competitiveness initiatives.</p> <ul style="list-style-type: none"> <li>Commencement of operations of the Expert Global Solutions (EGS), a global leader in BPO on 21 November 2014 at Ilocos Norte Centennial Arena. Moreover, Accenture, one of the world’s largest management consulting, technology services and outsourcing companies, is set to open its branch in the Province in 2015. The opening of these companies is projected to provide career opportunities for Ilocanos.</li> <li>Implementation by the City Government of Batac of a 10-year solid waste management plan for 2014 to 2023 in support and compliance of the Solid Waste Management Act of DENR.<sup>1</sup></li> </ul>
Cagayan Valley	
<ul style="list-style-type: none"> <li>Opening of the ₱121 million Agri-Pinoy Trading Center in Roxas, Isabela, which will boost agricultural trade in the area and encourage agricultural production in the nearby provinces and municipalities as this will be a venue for the Region’s</li> </ul>	<ul style="list-style-type: none"> <li>Operation of the Cagayan Special Economic Zone and Free Port, including the construction of the Northern Cagayan International Airport (known as the Lal-lo International Airport in Lal-lo,</li> </ul>

<sup>1</sup> The local government enforced the following: (1) the “No Styrofoam” policy in all eateries, schools and households; and (2) the “Balik Bayong” program was also implemented to reduce the use of plastic bags in public market and other general stores.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>products.</p> <ul style="list-style-type: none"> <li>• Adoption of the use of certified seeds as well as capital and technology transfer from the Rice Program of the DA in coordination with the various LGUs, will improve the agricultural productivity of the Region.</li> <li>• Conduct of research for the development of disaster-resilient crops will mitigate the effects of climate change and weather disturbances in the agriculture sector.</li> <li>• Repair and rehabilitation of irrigation systems in the Region will improve production and productivity in the agriculture sector especially during the dry season of the year.</li> <li>• Establishment and development of a Communal Irrigation Systems (CIS) and Small Water Impounding Projects (SWIPs) will help mitigate the impact of the dry season on agriculture. The CIS and SWIP store rain water during the rainy season and will be used during the dry season. The benefits of the CIS and the SWIPs were maximized through the establishment of fish cages. Among the successful SWIP documented is the Dalaoig SWIP in Alcalá, Cagayan which is handled by the Dalaoig Cooperative and continues to serve hundreds of rice farmers in the area.</li> </ul>	<p>Cagayan) will attract more investors and tourists to visit and invest in the Region.</p> <ul style="list-style-type: none"> <li>• Operation of Oceanagold Corporation Philippines, a producer/exporter of copper concentrate and gold ore (unrefined gold) and FCF Minerals, a mining company, in the Province of Nueva Vizcaya will increase employment and income in the area.</li> <li>• Ongoing construction of the Ilagan-Divilacan Road Project provided employment opportunities in the province of Isabela. This will also boost tourism and trade in the Eastern Seaboard, especially the coastal Municipalities of Dinapigue, Divilacan, Palanan and Maconacon.</li> <li>• Completion of the ₱772 million all-weather Lullutan Bridge in the City of Ilagan, Isabela which connected the western <i>Barangays</i> to the City proper will provide trade opportunities for the farmers from nearby villages and towns.</li> <li>• Operation in the Region of big establishments such as Puregold Supermarkets, SM and Robinson's Malls, Valiant Rice Mills Corporation, Family Choice Grains Processing Center, Golden Season Grains Center, Herco Agro Industries, JDT Silver Grains Center, New Cauayan Goldyluck Grains and the La Suerte Rice Mill Corporation, among others, continuously provide employment and income opportunities for the people.</li> <li>• Inauguration of the Ninoy Aquino</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>Bridge interconnecting Cagayan Valley, Cordillera Administrative Region and Ilocos will help boost tourism and trade. The bridge will expedite the transportation of goods and agricultural products among the three regions.</p>
Central Luzon	
<ul style="list-style-type: none"> <li>• Extension of funding assistance by the Japan International Cooperation Agency (JICA), in partnership with LGUs for ₱29.8 million worth of projects in Zaragoza, Nueva Ecija, particularly, the construction of FMRs and establishment of potable water system. The projects are aimed at easing the transportation cost of farmers in the Province.</li> <li>• Collaboration between the Philippine Center for Postharvest Development and Mechanization (Philmech) in Anao, Tarlac and the Korean International Cooperation Agency to deploy ten (10) oil extractor machines for ylang ylang oil production. The machines are expected to make extraction of oil more efficient to allow for higher export.</li> <li>• Completion of the construction of the Umiray Bridge, connecting Aurora and Quezon. This will generate additional income for farmer beneficiaries by improving the mobility of agricultural products as well as improving access between the two provinces.</li> <li>• Development of cultured disease-resistant <i>lacatan</i> and <i>saba</i> varieties of banana in Aurora State College, seen to enhance banana production and quality in the Province.</li> </ul>	<ul style="list-style-type: none"> <li>• Completion by the DPWH of the construction of the Tarlac River Dike to prevent flooding in Tarlac and nearby provinces.</li> <li>• Partnership between the Provincial government of Nueva Ecija with MTD Philippines, a unit of a Malaysian conglomerate, to construct a 37,500 square meters business complex. The complex will be home to two BPO buildings, a 75-room hotel and the Provincial Government offices. This project is envisioned to entice investors into the Province, as well as create employment opportunities for locals.</li> <li>• Enshrining of “The Veil of Mannoppello” at the Immaculate Concepcion Church in Nampicuan, Nueva Ecija. This will increase tourist traffic/pilgrimages in the Province.</li> <li>• Acquisition of a shopping mall and nine (9) supermarkets located in various points in Luzon by Cosco Capital Inc. This is expected to increase employment opportunities and inspire additional investments in the region.</li> <li>• Inauguration of the world’s biggest indoor-domed coliseum, the Philippine Arena inside Ciudad Victoria in</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Extension of manpower/technical and funding assistance by Provincial Government and the DA-Regional Field Office (RFO) III to Tarlac Office of the Provincial Agriculturist.</li> <li>• Pursuit of High-Value Crops Development Program (HVCDP) as one of the priority programs of DA-Tarlac to promote the production, processing, marketing, and distribution of high-value crops.</li> <li>• Provision of 1,760,000 pieces of fingerlings to 183 recipients in Tarlac.</li> <li>• Allocation of ₱2.5 million by DA-RFO III for implementation of the Organic Agriculture Act in Tarlac.</li> <li>• Distribution of vegetable seeds (199 kilograms) such as: eggplant, tomato, squash and mango seedlings in Tarlac.</li> <li>• Distribution of Duck Hose (80 roll), Knapsack Sprayer (40), Plastic Drum (100 pcs.), and Power Sprayer (5) to qualified farmer-beneficiaries in 18 municipalities.</li> <li>• Establishment of Techno demo projects for the culture of <i>Tilapia</i> and <i>ulang</i> in major fishery areas of the Province.</li> <li>• Production of 61,361.49 kilograms of organically-grown assorted vegetables through the <i>Organikong Gulayan</i> Project in Tarlac.</li> <li>• Production of 184,150 tilapia fingerlings which were distributed to 95 fishpond operators and two communal waters in Zambales.</li> <li>• Hauling of 556,000 pieces of saline and freshwater tilapia fingerlings from</li> </ul>	<p>Bulacan. The arena is expected to increase tourism traffic and investments in the area.</p> <ul style="list-style-type: none"> <li>• Turnover of parcels of land by the NG to the provincial government of Bulacan for conversion into a techno hub.</li> <li>• Ongoing rehabilitation efforts for three dams – Angat, Bustos and Bulo – in Bulacan.</li> <li>• Selection of Clark Field, Pampanga as one of the sites to host the Asia Pacific Economic Cooperation meetings in 2015. This is an opportunity for the Region to highlight its places of interest, products and investment potential to the international community.</li> <li>• Allocation of ₱143.5 million by the Provincial Government of Bataan for the following areas: Social Development (₱32.5 million), Economic Development (₱7.3 million), Environmental Development (₱3.4 million) and Infrastructure Development (₱100.2 million) and other Development Projects (₱0.300 million).</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>modern mechanized forest nurseries (MMFN) in Looc and Castillejos. These were distributed to 60 fishpond operators and 18 communal waters from San Antonio to Candelaria in Zambales.</p> <ul style="list-style-type: none"> <li>• Establishment of 6.0177 hectares of new area for 50 fishpond owners with provision for tilapia fingerlings (inputs) and technical services in the municipality of Castillejos, San Marcelino, Botolan and Palauig.</li> <li>• Provision of support services and assistance to farmers, landowners and women who are capable of managing micro-, small- and medium- enterprises in Zambales.</li> </ul>	
CALABARZON	
<ul style="list-style-type: none"> <li>• Promotion of sustainable aquaculture through the following: <ul style="list-style-type: none"> <li>○ Fish ponds, fish cages and fish pens development;</li> <li>○ Environment-friendly technologies;</li> <li>○ Polyculture technologies;</li> <li>○ Organic aquafarming;</li> <li>○ Ornamental fish culture;</li> <li>○ Seaweeds development; and</li> <li>○ Multi-species finfish hatchery.</li> </ul> </li> <li>• Availability of technology for high-value fish species breeding and hatchery operation.</li> <li>• Development of resource enhancement programs like the establishment of fish sanctuaries and reforestation of mangrove areas.</li> </ul>	<ul style="list-style-type: none"> <li>• Promotion of tourism circuits to attract both local and foreign tourists.</li> <li>• Promotion of CALABARZON, as hub of next wave cities for IT-BPM companies. It is currently home to 10 operating PEZA IT parks and centers.</li> <li>• Promotion of residential, commercial and industrial development due to the Region's proximity to NCR.</li> <li>• Presence of support infrastructure facilities, such as, concrete roads/expressways and international port due to strengthened public-private partnerships.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<b>MIMAROPA</b>	
<ul style="list-style-type: none"> <li>• Use of new farming techniques in the Region.</li> <li>• Construction of DA regulatory centers to monitor the quality of the Region's agriculture products.</li> <li>• Implementation of Targeted Actions to Reduce Poverty and Generate Economic Transformation (TARGET) in the fishery sector programs and Strategy of Cooperative Organized for Poverty Eradication (SCOPE) to help seaweed farmers starting 2015.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of MIMAROPA Regional Government Center in Calapan City.</li> <li>• Conduct of New Ultimate Destination Experience (NUDE) MIMAROPA Fair in 2015 to showcase MIMAROPA's tourist destinations.</li> <li>• Development of a MIMAROPA Regional brand – <i>"MIMAROPA, Naturally, The Destination of Choice"</i></li> <li>• Completion of the following infrastructure projects: <ul style="list-style-type: none"> <li>○ <i>Mag-asawang</i> Tubig Flood Control Structure in Victoria, Oriental Mindoro;</li> <li>○ Del Pilar River Control Project in Naujan, Oriental Mindoro;</li> <li>○ Alag River Control in Baco, Oriental Mindoro;</li> <li>○ Drainage and Protection System in Balatero and San Isidro, Puerto Galera, Oriental Mindoro; and</li> <li>○ Upgrading of <i>"Ospital ng Mamamayan"</i> in Puerto Galera, Oriental Mindoro.</li> </ul> </li> <li>• On-going construction of the following projects: <ul style="list-style-type: none"> <li>○ Abaton-Maidlang Bridge in Calapan City, Oriental Mindoro;</li> <li>○ Passenger Terminal Building at Balatero Port, Puerto Galera, Oriental Mindoro;</li> <li>○ Abrade Ilog, Occidental Mindoro – Puerto Galera, Oriental Mindoro road section along the Mindoro Circumferential Road;</li> <li>○ Upgrading of the new Puerto Princesa City Airport to international standards; and</li> <li>○ Bridges under the Spanish bridge-</li> </ul> </li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>assisted project in MIMAROPA.</p> <ul style="list-style-type: none"> <li>• Expected increase in tourist arrivals due to sustained flights between Puerto Princesa City and Kota Kinabalu, Malaysia.</li> <li>• Continued RORO Operations between the ports of Puerto Princesa City and Kota Kinabalu, Malaysia.</li> <li>• Possibility of opening commercial flights between Puerto Princesa City and Japan.</li> <li>• Promotion of DOLE's Project Jobsfit which focuses on skills supply deficit in terms of quality, quantity and corresponding reforms in the curriculum, faculty and faculty development, career guidance and counseling and industry-academe linkages.</li> <li>• Establishment of Skills Registry System (SRS) which aims to institute a live registry of skills at the Public Employment Services Offices (PESO) to facilitate referral and placement of jobseekers given the available job vacancies of establishments in the community.</li> <li>• Approval of MIMAROPA Health in Tourism Program to enforce and sustain implementation of laws, rules and regulations on sanitation, cleanliness, health and safety in tourism areas.</li> </ul>
<b>Bicol</b>	
<ul style="list-style-type: none"> <li>• Endorsement of the Bicol Agri-Water Project to cover all provinces to improve</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of the ₱170.70 billion North-South Railway Project - South Line by</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>water security, enhance farmers' resiliency to climate change, and build capacity of LGUs for effective water governance.</p> <ul style="list-style-type: none"> <li>• Implementation of the Philippine Rural Development Program (PRDP), which will establish an inclusive, and market oriented agri-fishery sector through strategic investments in priority commodity value chain. This program will provide key infrastructure, facilities, technology, and information that will raise incomes, productivity, and competitiveness. The Region has an approved budget of ₱626 million for 2015 under I-BUILD (Intensified Building Up of Infrastructure and Logistics for Development) to deliver strategic and climate resilient rural infrastructure facilities in the provinces of Albay, Camarines Sur and Camarines Norte.</li> <li>• Endorsement of the "Bottom-up Approach" Budgeting (BUB) to ensure adequate budget for the actual agricultural needs of the Region. The Region has an approved BUB budget of ₱229 million for 247 projects in 2015.</li> <li>• Approval of the budget in the amount of ₱149 million in 2015 for the PAYapa at MASaganang PamayaNAn (PAMANA) for the provinces of Camarines Norte, Camarines Sur, Masbate and Sorsogon. The PAMANA is a NG's program which extends development intervention to isolated and hard-to-reach, and conflict-</li> </ul>	<p>the NEDA Board during its meeting in February 2015.<sup>2</sup></p> <ul style="list-style-type: none"> <li>• Approval of the New Naga Airport Development project by the Investment Coordination Committee on 29 October 2014. The project will improve the existing airport and address the increase in demand when it reaches its full capacity by 2025.</li> <li>• Promotion of Albay in the 2015 Marche International Professionels d'Immobilier, an annual show participated in by influential and tourism players worldwide at the Palais des Festival, in Cannes, France from 10-13 March 2015 by the DOT. This event will further promote and position the Province as one of the country's major tourism destinations.</li> <li>• Hosting of the following international events: <ul style="list-style-type: none"> <li>➤ Joint Meeting of Association of South East Asian Nations (ASEAN) and United Nations World Trade Organization (UNWTO);</li> <li>➤ Asia Pacific Economic Cooperation (APEC);</li> <li>➤ Pacific Asia Travel Association (PATA) Adventure &amp; Responsible Conference and Mart;</li> <li>➤ International triathlon events- <i>Xterra in Albay</i> and <i>CamSur Challenge</i>; and</li> <li>➤ <i>Zegrahm Expedition</i>, an international luxury cruise will visit the Region with Donsol and Ticao island as among the Ports of</li> </ul> </li> </ul>

<sup>2</sup> This project consists of commuter railway operations between Tutuban and Calamba, Laguna. It also includes a long haul railway operation between Tutuban and Legaspi, Albay and on the branch line between Calamba and Batangas and an extension between Legaspi and Matnog.



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>affected communities, ensuring that they are not left behind.</p> <ul style="list-style-type: none"> <li>• Implementation of High Yield Technology Adoption Program (Plant Now, Pay Later) which provides farmers with hybrid/certified seeds and fertilizers to improve productivity. In 2015, DA allocated budget for 6,026 hectares of rice lands.</li> <li>• Production of good quality cacao in the Region, which could result in increased demand and greater investment potential.</li> </ul>	<p>Call and with Albay/Legazpi-Donsol-Pilar and Ticao island included in the itinerary.</p> <p>The events will promote tourism in the Region and provide exposure for Legazpi City and Albay as possible venue for future international conferences.</p> <ul style="list-style-type: none"> <li>• Development of new businesses in Naga City and its neighboring towns in Camarines Sur to bring more economic activities and jobs in 2015, as follows: <ul style="list-style-type: none"> <li>a. Opening of car sales and service centers of Toyota and Honda, groundbreaking of Foton, a China-based automaker and the construction of a new plant for Subaru Motors;</li> <li>b. Opening of new malls in Naga City: Robinson's Mall, Gaisano Mall and StarMall; and</li> <li>c. Construction of a 5-storey building for the expanded office of IBM Naga branch.</li> </ul> </li> </ul>
Western Visayas	
<p><b><u>NEGROS OCCIDENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Visit of the Organization for Industrial, Spiritual and Cultural Advancement (OISCA)<sup>3</sup> officials to the Negros Occidental's 9<sup>th</sup> Organic Festival.</li> <li>• Approval of the ₱2.637 billion 2015 budget of the Province by the <i>Sangguninang Panlalawigan</i> which gave priority to food security and peace and order in Negros Occidental.</li> </ul>	<p><b><u>NEGROS OCCIDENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of ₱31 million worth of infrastructure projects for October 2014 in Bacolod City.</li> <li>• Hosting of a conference of the Asia Pacific Economic Cooperation (APEC) Summit in Bacolod City for the promotion of free trade and economic cooperation throughout the Asia-Pacific Region.</li> </ul>

<sup>3</sup> OISCA has been a key contributor for livelihood projects of marginal farmers that helped boost economic development in the province.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Gathering of more than 500 vegetable growers and stakeholders in Bacolod City for the 12<sup>th</sup> National Vegetable Congress and Exposition which united vegetable farmers across the country to help in strengthening high value and organic crops.</li> <li>• Allocation of ₱117 million more for irrigation projects by DA in Negros Occidental on top of ₱96 million earlier approved, for a total of ₱213 million this year.</li> <li>• Approval by the Bacolod <i>Sangguniang Panlungsod</i> of the Metro Negros Coastal and Marine Fisheries Resource Management Agreement between the cities of Bacolod, Talisay, Silay and the Municipalities of E.B. Magalona, province of Negros Occidental for a joint management and development of coastal fisheries resources within its territorial waters.</li> <li>• Planting of more than a million trees on 1,300 hectares by the Energy Development Corporation, which it has reforested in Negros Occidental from 1995 to 2013.</li> <li>• Turnover of sixty axial pumps to farmers of Negros Occidental and engine sets worth ₱2.9 million by the Food and Agriculture Organization of the United Nations to boost food production.</li> <li>• Hosting of the Harvest Festival by the Organic farmers from the Municipality of Toboso as part of its Organic Farming Training Program to empower marginalized farmers with updated agricultural farm technology.</li> </ul>	<ul style="list-style-type: none"> <li>• Development of a Negros-based sugar mill for possible production of biodegradable plastics from sugarcane to boost earnings and help minimize environment hazard.</li> <li>• Opening of SMX Convention Center in Bacolod City, making the city a strong contender as a MICE (meetings, incentives, conferences and exhibitions) destination in the country.</li> <li>• Construction of a production facility in the Municipality of Toboso to raise cattle and production of señorita bananas by Japanese investors.</li> <li>• Construction of two Negros Occidental ports worth ₱29 million to boost the livelihood and food security of coastal communities.</li> <li>• Promotion of Negros Occidental and Bacolod City (placing second) as top tourism destinations in Western Visayas.</li> <li>• Deployment of personnel at the Bacolod-Silay airport to help facilitate international flights.</li> <li>• Construction of a Negros Island-Panay Island Bridge was planned to promote interconnectivity among major Visayan Islands.</li> <li>• Declaration of the 4<sup>th</sup> District of the province composed of six LGUs, “peaceful and ready for development” as indicated by the absence of insurgency-related incidents for the past 20 years.</li> <li>• Inauguration of the newly built</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>Expansion of Wellness Farm by the 303<sup>rd</sup> Infantry Brigade in Negros Occidental to ensure food security and generate basic income and sustainability especially for former rebels.</li> <li>Distribution of a bee colony for organic honey production to Organic coffee growers from La Castellana town.</li> <li>Completion of the San Lorenzo Wind Farm project in Guimaras province. The farm will supply more electricity and alleviate the energy shortage in the Region.</li> </ul>	<p>Merceditas J. Montilla District Hospital in Sipalay City to help cater to indigent-patients through better medical and health services.</p> <ul style="list-style-type: none"> <li>Training of <i>Pantawid Pamilyang Pilipino Program</i> (4Ps) beneficiaries from Salvador Benedicto town on food processing and sanitation by DTI.</li> <li>Commencement of the ₱100 million Bacolod-Silay Airport Access Road (BSAAR) streetlighting project to address vehicular/traffic incidents and security problems during night time along the BSAAR.</li> </ul>
<p><b><u>CAPIZ</u></b></p> <ul style="list-style-type: none"> <li>Development of the central part of the Province for irrigated rice and fishponds.</li> <li>Development of the northern and northeastern tip of the province along the coastline, ideally suitable for brackish-water fishponds and mangroves.</li> <li>Development of the southern and eastern part generally suitable for cultivation of annual crops (e.g., upland or rainfed rice, corn and sugarcane).</li> <li>Development of coastal areas like Roxas City, Pontevedra, Panay, Pilar, Pres. Roxas, Ivisan and Sapian to supply the aqua-marine products in the markets of the province and even in Manila and nearby areas like Kalibo in Aklan, Iloilo City and Passi City. The volume of production is enough for local consumption and surplus is distributed to nearby areas.</li> <li>Development of the agri-fishery activities by the Provincial Government by putting</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of the Ayala Land Plan on the property it has leased from the Provincial Government of Negros Occidental, which will generate around 5,000 jobs for 2015.</li> <li>Opening of the first BPO firm at the Negros Cyber Centre with an expected generated income of ₱7.5 million per month.</li> <li>Construction of the 8-storey, 210 bed Metro Bacolod Hospital and Medical Center to be completed in 2017.</li> <li>Construction of the 18.9 megawatt diesel power plant by Energreen Power Development and Management, Inc. in Bago City. The plant would be ready to supply “peak and reserve power” to Central Negros Electric Cooperative by January 2015.</li> <li>Plans by the Energy Development Corporation to explore Mt. Mandalagan in Negros Occidental as a possible source of geothermal power.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>in place support services and facilities for this purpose. The even distribution of rainfall throughout the year makes the province highly suitable for agriculture and aquaculture industries.</p> <ul style="list-style-type: none"> <li>Promotion of major crops grown in the Province which include rice, corn, sugarcane, coconut, banana, coffee, mango and vegetables. The Province is one of the biggest rice and corn producers in the Region.</li> <li>Promotion of Capiz as the garden capital of Northern Panay. Capiz farms grow orchids, various ornamental plants and flowers that supply a thriving cutflower business. With the increasing demand of the export market, it is projected that the cutflower and cutfoliage industry will likely become one of the major income earner and employment providers in the Province of Capiz.</li> <li>Development of the coastal waters of Capiz as one of the richest fishing grounds in the Western Visayas.</li> <li>Promotion of reforestation and forest protection by Civil Society Organizations and citizens. This is also recognized in Fresh Water Ecosystems preservation and Coastal Marine Ecosystems Management.</li> </ul>	<ul style="list-style-type: none"> <li>Development of the 7.7 hectare provincial government property into a mixed-used civic and commercial township by Ayala Land Inc. (ALI).</li> <li>Approval of the ₱15 billion Annual Investment Plan and ₱469.5 million, 20 percent Development Fund for 2015 by the Provincial Development Council of Negros Occidental.</li> <li>Visit by Japanese experts for a possible development of sorghum production in Negros Occidental, as an alternative feedstock for bioethanol as well as feed for livestock.</li> <li>Promotion of direct flights from Ibaraki Prefecture, Japan to Negros Occidental, as initiated by tour operators.</li> <li>Allotment of ₱648 million for the Grassroots Participatory Budgeting Program initiatives in support of poverty reduction projects by the NG.</li> <li>Expansion of a shipbuilding operations from an area of 50 to 100 hectares in the northern part of Negros Occidental by a Japanese shipbuilding firm.</li> </ul>
<p><b><u>ILOILO</u></b></p> <ul style="list-style-type: none"> <li>Construction of the Jalaur River Multi-Purpose Project (JRMP) Stage II considered as the first large-scale reservoir dam outside Luzon.<sup>4</sup> This will help farmers in the 25 towns of Iloilo Province to increase production thus increase profits.</li> </ul>	<ul style="list-style-type: none"> <li>Awarding of a ₱1.975 million loan-grant to a lime quarry company in Sagay City as part of DOST's program to finance manufacturing sectors with the potential to produce in huge scales.</li> </ul>

<sup>4</sup> The projects aims to sustain the Region's rice self-sufficiency and contribute to the annual increase in the country's rice production target by 7.6 percent under the Food Staples Self-Sufficiently Roadmap 2011-2016.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Construction of small scale irrigation projects worth over ₱41.48-million to boost the agricultural production in 13 areas in the Province.</li> <li>• Approval of the Environmental Management Bureau for the construction of ₱262-million farm-to-market road in the mountainous barangays of Passi City in Iloilo.<sup>5</sup></li> </ul>	<ul style="list-style-type: none"> <li>• Investments for VMA Global College in Bacolod City in the amount of ₱100 million for the institution's improvement and expansion program.</li> <li>• Launch of OFW Welfare Program in Victorias City, which aims to assist the modern-day heroes in starting their own business.</li> <li>• Commencement of Cebu Pacific's Silay-Davao route to open up opportunities and cater to more tourists and visitors of two the cities.</li> <li>• Commencement of operations of a 31-megawatt diesel plant in Cadiz City by mid-2014.</li> <li>• Ongoing construction of a 105-hectare airport in Kabankalan City. Its completion will boost trade, commerce and tourism industry in southern Negros.</li> <li>• Reopening of the vendors' plaza market at Bacolod City to cater to displaced vendors affected by sidewalk-clearing operations.</li> <li>• Commencement of the commercial operations of the 19.4-megawatt solar power project worth ₱1.9 billion in San Carlos City, which started in the second quarter of 2014.</li> <li>• Recognized as one of the four "Centers of Excellence in</li> </ul>

<sup>5</sup> The project which is funded by the World Bank under the Philippine Rural Development Project (PRDP) of the Department of Agriculture will cover the 28-kilometer Imbang Grande-Tagubong-Gemumua Agahon-Agtabo farm-to-market road – the longest in the Visayas. PRDP is a six-year World Bank funded program (2013-2018) designed to establish an inclusive, market-oriented, climate resilient agriculture, and fisheries sector through strategic investments in priority commodity value chains.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>Communication and Information Technology.” Bacolod Call Center Companies continued to employ 18,000 agents in the city. 124,000 more BPO job opportunities would open by 2015.sam</p> <ul style="list-style-type: none"> <li>• Upgrading of the existing facilities of the National Grid Corporation of the Philippines-Visayas Power Center to ensure efficiency in the delivery of power supply. It also declared that the whole area of the Visayas, including Negros Occidental, would have enough power supply this summer despite the potential increase of power usage.</li> <li>• Commencement of an employment caravan in the barangays of Bacolod City as part of recruitment of 4,000 employees by the PanAsiatic Call Center Company.</li> <li>• Opening of the new Himoga-an Bridge and Access Road in Sagay City for public use.</li> <li>• Launch of the newest ship of the biggest shipping company, 2GO Travel, at Bacolod City port.</li> <li>• Investment in the amount ₱3 billion of the Lancaster group of hotels in Bacolod City. Its development and construction will be completed within 3 to 5 years.</li> <li>• Approval of the ₱240-million tourism road construction project for the improvement of Bacolod roads.</li> <li>• Approval of the ordinance on the establishment and regulation of a</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>night market in Bacolod City by the Bacolod <i>Sangguniang Panlungsod</i>.</p> <ul style="list-style-type: none"> <li>• Promotion of Labor Day Jobs Fair at the SM City mall transport hub, which offered about 27,000 job vacancies in Negros Occidental.</li> <li>• Ongoing negotiations between Asian Alcohol Company and the Municipality of EB Magalona on the company's intention to put up a factory in the town's coastal barangay.</li> <li>• Interest of Japanese investors to put up a retirement hotel at Mambukal Resort, Murcia, Negros Occidental.</li> <li>• Plan of a Japanese group to introduce a biological farm technology that would improve the chemical condition of soil to help local farmers of the Province with the quality of their products.</li> <li>• Groundbreaking of Universal Robina Corporation's biomass fired boiler that will generate 46 megawatts of power at its plant in Kabankalan City.</li> <li>• Opening of the airport in the Municipality of Hinoba-an, which would boost tourism and business activity in southern Negros.</li> <li>• Proposed construction of two hydro-power projects at Mambukal Resort in Murcia town, Negros Occidental would help address the anticipated power supply deficit of the Province in the next several years.</li> <li>• Awarding of the biomass/power co-generation projects of the sugarcane</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>industry totalling 19 mills in Negros Occidental could produce a projected capacity of 138.7 MW.</p> <ul style="list-style-type: none"> <li>• Approval by the DPWH the creation of a Visayas tourism highway, which would create four-lane routes connecting the Visayas islands.</li> <li>• Declaration by President Benigno Aquino III, through Presidential Proclamation No. 802, the Negros First CyberCentre in Bacolod City as an Information Technology Center special economic zone.</li> <li>• Establishment of a BPO global firm that would create 1000 jobs in the Negros First CyberCentre and expected to generate more than US\$1 million investments in its Bacolod operations. More BPO firms from abroad are expected to expand its operations in Bacolod City to serve international clients.</li> <li>• Partnership has been finalized between Pepsi Cola Products Philippines Inc. and 888 China Town Square Mall for the creation of a 2-storey state-of-the-art mall in Bacolod City.</li> <li>• Japanese firm donation of an off-grid solar power system device (100 W) to the victims of typhoon Yolanda in Molocaboc Island, Sagay City.</li> <li>• Construction of a 32-hectare resort-themed memorial park at the Circumferential Road in Bacolod City in the latter part of 2015.</li> <li>• Installation of Closed Circuit Television</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>Cameras (CCTVs) along major streets in Bacolod City to keep track of road accidents and enhance public security.</p> <ul style="list-style-type: none"> <li>• Cited by the KMC MAG Group, the largest Philippine-based real estate brokerage company in the country, has cited Bacolod City, as the third best area outside Manila for industrial investments in the Philippines due to the existence of Information and Communications Technology (ICT) hubs.</li> <li>• Expansion and development of the Bacolod-Silay airport operations and maintenance to enhance its capabilities in accommodating local and international travelers.</li> </ul> <p><b><u>CAPIZ</u></b></p> <ul style="list-style-type: none"> <li>• Development of tourism zones in the municipalities of Pilar, Pres. Roxas, Maayon, Dumarao, Dumalag, Mambusao and Jamindan.</li> <li>• Development of Capiz as potential source of mineral resources such as clay, coal, manganese, rock phosphate, limestone, silica and construction materials (gravel and sand). Although there is no estimate as to the volume of gold present in Capiz, the Mines and Geosciences Bureau (MGB) has identified the province to have possible deposits of metal. The presence of limestone has already undergone geological investigation with estimated deposits of 180 million metric tons.</li> <li>• Development of Villareal Stadium, a sports complex, located in Roxas City which is a possible venue for</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>basketball competition that includes the holding of out-of-town games of the Philippine Basketball Association (PBA). The stadium also houses an Olympic-size swimming pool and a fitness gym. The Dinggoy Roxas Civic Center also in Roxas City is utilized for sports events.</p> <ul style="list-style-type: none"> <li>• Availability of 67 tourist facilities in Capiz, which are composed of hotels, resorts, inns, pension houses, lodging houses, apartelles and dormitories.</li> </ul> <p><b><u>AKLAN</u></b></p> <ul style="list-style-type: none"> <li>• Completion of the reconstruction of the damaged RORO ramp at Caticlan Jetty Port.</li> <li>• On-going expansion of the terminal building in Cagban.</li> <li>• Endorsement of a Provincial Government-Wide Human Resource Development Plan to improve its Human Resource Management Information System and strengthen the agency's competency.</li> <li>• Completion projects of major road works and bridge rehabilitations as reported by the Provincial Engineer's Office.</li> <li>• Promotion of Boracay Island as Asia's new cruise haven, receiving nine cruise ship visits in 2014. The visits brought a total of 9,970 tourists and 5,950 crew members to the island.</li> </ul> <p><b><u>ILOILO</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of investments of on-going and future projects worth ₱150</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>billion by the country's top six business conglomerates i.e., Ayala Land Inc. (ALI), Global Business Power Corp. (GBPC), Phinma Corp., SM Investments Corp., Megaworld Corp., and In Japan Investments Inc. and foreign investors.</p> <ul style="list-style-type: none"> <li>• Investments by Megaworld in the amount of ₱25 billion for the development of the Iloilo Business Park in Mandurriao District, Iloilo City.<sup>6</sup></li> <li>• Ongoing widening and improvement of the Benigno S. Aquino Avenue, also called the Iloilo-Jaro Diversion Road.<sup>7</sup></li> <li>• Development of containerized port in Dumangas, Iloilo, amounting ₱500 million. It is expected to boost economic potentials in the province thru RORO of goods from other islands and vice versa.</li> <li>• Expansion of the Iloilo International Airport at Cabatuan, Iloilo to accommodate additional international flights. At present, the airport hosts three weekly international flights and over 50 daily domestic flights.</li> <li>• Development of power projects by the Global Business Power Corporation (GBPC) in the amount of US\$1 billion to provide much power supply in the entire Province and the Region.</li> </ul>

<sup>6</sup> The park will include a boutique hotel, a commercial district, a lifestyle mall, BPO office buildings, and a convention centre. At least 25,000 jobs will be generated. This will boost Iloilo's bid to be an IT-BPO center in the Visayas. Along the wide Megaworld Boulevard, the 54-hectare mixed-use development will house the Megaworld Centre Mall, Festive Walk, the international brand Marriott Courtyard Hotel, Richmonde Hotel and the Iloilo Convention Centre.

<sup>7</sup> As the first of its kind in the country, the multi-million peso project will widen the 5.78 km-road stretch from the Iloilo Bridge at Gen. Luna Street to the Iloilo City – Pavia boundary. The widening and improvement of Diversion Road, with provisions for the needs of pedestrians, the elderly, and bikers, will further improve Iloilo City.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Completion of a residential condominium in Iloilo City and 21-storey building structure owned by INJAP property firm Double Dragon Properties.</li> <li>• Establishment of 5 Citimalls over a three-year period in Iloilo. Citimall Centre Inc. is investing US\$1.4 billion. The Citimall Center is 34 percent owned by SM Investments Corp. and 66 percent by Double Dragon Properties. Citimalls plans to put up 100 malls in five years in the Visayas and Mindanao including five in Iloilo are expected to be in place in 2015.</li> <li>• Investments from SM Investment Corporation (SMIC) reached ₱10 billion. SMIC noted that the quality of Iloilo's human resources and the quality of life are two factors that make the province and city very attractive to investments. Also, noting that the leaders of Iloilo are all working together in harmony in moving the province forward.</li> <li>• Hosting of some meetings of Asia Pacific Economic Conference (APEC) in October 2015 in Iloilo City. The APEC organizing committee was impressed with the preparation made by the Iloilo City Government for 2015.</li> <li>• Construction of power plant project and cable car connecting Iloilo City and Guimaras Island in the amount of ₱10 billion by Dream Engineering Co. Ltd. This will boost tourism activities in the area.</li> <li>• Investments of Ayala Land Inc. for next</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	five to ten years due to tourism projects in the northern part of Iloilo which will be developed similar to the El Nido in Palawan.
Central Visayas	
<ul style="list-style-type: none"> <li>• Signing of an agreement between the Department of Agrarian Reform (DAR) in Region 7 and Department of Public Works and Highways (DPWH) for the construction of 13 bridges in Bohol.<sup>8</sup></li> <li>• Signing of a Memorandum of Agreement (MOA) between DAR Region 7 and Professional Service Providers (PSPs) for implementation of various projects worth ₱33.2 million for the benefit of the Agrarian Reform Beneficiaries Organizations (ARBOs) in Central Visayas. These include support services that will help the ARBOs become viable entrepreneurs, capacity-building and technical assistance that will assist ARBOs in its enterprises, farm management and business operations. This program will help improve farm-based income of ARBOs and to reduce rural poverty.</li> <li>• Assistance extended to Cebu farmers in Toledo City by the Toledo City Agriculture Office (CAO) in marketing their products.</li> <li>• Expansion of the DA's Community Seed Banking Program which uses farmers to propagate the seeds in the community, thereby providing them free seeds.</li> <li>• Development of the six-hectare property in Cebu as location for planned enchanted</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of 52 nationally-funded infrastructure projects in Cebu City in 2015 (e.g., construction, rehabilitation, and improvements of flood control, and drainage system projects along various national roads within the city).</li> <li>• Creation of the Cebu City Mega Cebu Team by Cebu City Government to oversee all projects and activities under the Metro Cebu Development Coordinating Board (MCDCB) or Mega Cebu. It aims to address challenges that go with the rapid growth and urbanization in the next 30 years. Joining Cebu City in this project are 12 other LGUs, regional agencies, private groups and persons and the Cebu Capitol.</li> <li>• Expansion by the SM Group of its food retail operations in the country including Cebu as it seeks to get new lands for future developments. They are now considering Minglanilla and other areas in the north and south for its retail store expansion. The new SM Hypermarket in Lapu-Lapu City is the firm's 43rd hypermarket around the country and is the third in Cebu, which will open in March 2015 and will employ around 3,000 workers.</li> </ul>

<sup>8</sup> The project is being undertaken under the *"Tulay Ng Pangulo Para sa Magsasaka"* which aims to link farmers to production areas and economic centers of Bohol. Thirteen proposed bridge sites will be provided with steel bridges especially those badly damaged by the 7.2 magnitude earthquake. DAR 7 is targeting these projects to be implemented during the 1st quarter of 2015.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>farm project by the Network of Independent Travel Agencies (NITAs).<sup>9</sup></p> <ul style="list-style-type: none"> <li>• Launch of BFAR's (Central Visayas) "Ahon" (Rise) project to build 2,000 boats and provide fishing gears for fishermen whose boats were destroyed during the onslaught of Typhoon Yolanda last 2013.<sup>10</sup></li> <li>• Continued implementation of DENR's Region 7 National Greening Program (NGP). The program rejuvenates rural economies particularly in the uplands by providing livelihood opportunities to its members.</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of the first phase of the sprawling seaside residential project, Tambuli Seaside Living, as targeted by Cebuano developer Tytans Properties and Development Inc.<sup>11</sup> The development of Tambuli Seaside Living is timely as there is a demand for seaside living in Cebu especially since the province is gaining popularity as a second home destination for both local and foreign markets.</li> <li>• Cebu CFI Community Cooperative, one of the largest cooperatives in the country, is offering its credit facilities to micro-entrepreneurs and informal vendors. CFI will soon formulate a program to encourage small vendors to join the cooperative this 2015. From ₱200 start-up money, the cooperative has now ₱7.6 billion in capitalization with a growing membership base dominated by government employees and OFWs.</li> <li>• Hosting of some meetings for the Asia Pacific Economic Conference (APEC) Summit 2015 in October 2015. This big event will boost the Region's tourism industry.</li> </ul>
<p><b><u>NEGROS ORIENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Launch of Eco Fish Project of BFAR in the Municipalities of Basay, Siaton, Sta. Catalina and Bayawan City to enhance sea biodiversity for sustainable fisheries of the Southern Negros Island. The project was funded by the USAID and will run until 2017.</li> <li>• Construction of a modern mechanical seedling nursery is in progress in Barangay Banban, Ayungon, Negros Oriental through the local DENR. The nursery will culture coffee, cacao, rubber and fruit trees seedling for dispersal.</li> <li>• Installation of sea ranching project, establishment of delineation buoys and sinkers for marine sanctuary and stocking</li> </ul>	<p><b><u>NEGROS ORIENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Launch of zoo-theme park at Amlan, Negros Oriental in partnership with</li> </ul>

<sup>9</sup> NITAs will help coordinate with the provincial government for land sponsorship or partnership in order to accelerate the establishment of the farm. This kind of facility will encourage immersion travels most notably foreign students who want to experience the locals' way of life, or try their hand at starting their own business.

<sup>10</sup> BFAR-7 will shoulder the ₱6.4 million project cost, while DSWD Central Visayas will provide a counterpart fund of ₱3.2 million for the labor costs. The boats will be built by the beneficiaries themselves who will be paid by the DSWD through its Cash for Building Livelihood Assets (CBLA), at ₱322 per day for five days.

<sup>11</sup> The ₱5 billion project is the company's maiden venture. It sits on the 11-hectare property formerly known as the Tambuli Beach Club in Lapu-Lapu City, which was acquired by Tytans Properties in 2012.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>of milkfish hatchery in Barangay Capiñahan, Bais City, Negros Oriental.</p> <ul style="list-style-type: none"> <li>• Creation of Barangay Fishery and Aquatic Resources Management Council in Bais City, Negros Oriental to strengthen the local fisher folk's association.</li> <li>• Province-wide distribution of Department of Agriculture-Provincial Agriculture Technology Coordinating Office (DA-PATCO) through local LGU of the following: <ul style="list-style-type: none"> <li>○ Four (4) bags of mestizo 19 hybrid palay seeds;</li> <li>○ 156 bags of certified palay seeds;</li> <li>○ 89 bags of registered palay seeds;</li> <li>○ 1,152 kgs of OPV Var 6 white corn seeds;</li> <li>○ 1,056 kgs Pioneer Hybrid corn seeds;</li> <li>○ 378 kgs of OPV yellow corn seeds; and</li> <li>○ Eight (8) bags of hybrid yellow corn (ACM Genetics 8000).</li> </ul> </li> </ul> <p><b><u>SIQUIJOR</u></b></p> <ul style="list-style-type: none"> <li>• Province wide distribution of artificial reefs in Siquijor worth ₱1 million in all marine protected areas (fish sanctuaries). The Provincial Disaster and Risk Reduction Management Council (PDRPMC) will rehabilitate the damaged sea corals caused by strong earthquake hitting Visayas in 2013 fund the reefs.</li> <li>• In line with the Agri-Pinoy Rice Program, the following initiatives include: <ul style="list-style-type: none"> <li>○ National Irrigation Administration (NIA) in Siquijor supported the construction of 50-meter irrigation canal in Looc, Maria through the Looc Farmer's Association. The office supplied the construction materials</li> </ul> </li> </ul>	<p>Palawan Wildlife Center, a project between the local government unit of Amlan and a private corporation under the Public-Private-Partnership Program (PPP), which aims to promote the town's tourism increase livelihood opportunities.</p> <ul style="list-style-type: none"> <li>• Power rate reduction of ₱0.45 per-kilowatt-hour of Negros Oriental II Electric Cooperative as an amendment to their Power Supply Agreement with Green Core Geothermal Inc.</li> <li>• Inauguration of 49.4MW Nasulo geothermal plant of Energy Development Corporation (EDC) in Valencia, Negros Oriental. The new plant as an addition to EDC's Palinpinon I and II geothermal plants in Valencia, Negros Oriental that generates a total of 192.5MW ensures ample supply of electricity in the province and additional power in the Visayas grid.</li> <li>• Investment of ₱5.4 million for the Coopreneurship Surety Fund of the provincial government to assist small cooperatives secure loan from banks.</li> <li>• Launching of Negros Oriental Tourism Roadmap to ensure support to the development of tourism as guide for sustainable and inclusive economic growth in the province.</li> <li>• Construction of the four-storey Negros Oriental Provincial Hospital Central Block Building worth ₱350 million to decongest the jam-packed provincial hospital.</li> <li>• Ongoing construction of bio-ethanol</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>while the farmers provided labor as their counterpart.</p> <ul style="list-style-type: none"> <li>○ Office of the Provincial Agriculturist (OPA) of Siquijor distributed 150 bags of registered seeds from the DA-RFU VII. The seeds were intended for the Community Seed Banking Program.</li> <li>○ Provincial Agriculturist Office of Siquijor received 36 bags of upland rice [National Seed Industry Council (NSIC) 23], 17 bags hybrid rice (NSIC 204H), three (3) bags inbreed rice [Philippine Seed Board Rice (PSB RC) 18] and two (2) bags upland rice (NSIC 298).</li> <li>● In line with the Agri-Pinoy Corn Program: the following initiatives include: <ul style="list-style-type: none"> <li>○ Provincial Agriculturist Office of Siquijor received 179 bags of Modern-Open Pollinated (Modern OPV) corn white seeds (Var 6) to be distributed to corn farmers throughout the province.</li> <li>○ 41 farmers from the municipalities of Lazi and Maria, Siquijor received 127 kgs of OPV Var 6 seeds (Modern OPV) from DA-RFO VII while another 19 farmers from the municipality of Maria received 72 kgs of ACM 8000 seeds (hybrid yellow).</li> </ul> </li> <li>● Rehabilitation of irrigation system conducted by NIA in different sites of the province of Siquijor.</li> <li>● Conduct of various animal health and reproduction services such as deworming, vaccination and artificial insemination in Siquijor by the Provincial Veterinary Office and its counterparts from the Municipal Agriculturist Office.</li> </ul>	<p>plant in Barangay Alangilan, Majuyod, Negros Oriental.</p> <ul style="list-style-type: none"> <li>● Provision of rubber sheet processing equipment worth ₱411,150.00 by the Department of Trade and Industry (DTI) under its Shared Service Facility (SSF) to RUBBERCO in Bayawan City.</li> <li>● Conduct of job fair by DOLE in coordination with the local government of Dumaguete City, The Tripartite Industrial Peace Council (TIPC) and the Philippine Overseas Employment Administration (POEA) to generate jobs for the unemployed sector of the country.</li> <li>● Distribution of coco fiber processing equipment to two (2) coconut farmers cooperatives, namely: Bacong Small Coconut Farmers' Development Cooperative (BASCOFADCO) and Zamboanguita Small Coconut Farmers' Multi-Purpose Cooperative (ZASCOFAMCO) both in Negros Oriental with a total of 300 units of twining machines, 90 units of handheld weaving equipment and seven handlooms as part of DTI's SSF Program in the Province.</li> <li>● Funding assistance of DOST to two small local business groups worth ₱860,000.00 in Negros Oriental to upgrade its current processing technology.</li> <li>● Opening of Business One-Stop-Shop (BOSS) to process business permit application or renewals at Dumaguete City Hall.</li> <li>● Declaration of Negros Oriental</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>province as “conflict manageable and development ready” by the Armed Forces of the Philippines (AFP) and the Philippine National Police (PNP).</p> <ul style="list-style-type: none"> <li>• Recognition of Dumaguete City as one of the best places to retire across the globe according to the 2014 Retire Overseas Index released by the Overseas Retirement Letter.</li> <li>• Implementation of DOLE’s program <i>Tulong Pangkabuhayan sa Ating Disadvantaged/Displaced Workers</i> (TUPAD) in Dumaguete City.</li> <li>• Allocation of over ₱140 million by the Civil Aviation Authority of the Philippines (CAAP) under the Department of Transportation &amp; Communication (DOTC) to fast track the improvement of the Dumaguete City Airport.</li> <li>• The Canadian government has extended funding assistance worth ₱5.1 million under the Local Governance Support Program for Local Economic Development (LGSP-LED) to improve the business climate of the local tourism industry of Negros Oriental.</li> <li>• Budget ready for proposed installation of Doppler radar worth ₱100 million. It will complement and serve as back up to Cebu City’s Doppler radar.</li> <li>• Initiation of DOTC in bidding procedures for the Siquijor Airport Development Project. The project costs around ₱10.6 million that includes concreting of its apron and taxiway.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Approval of ₱24.8 million budget by the DOTC for the rehabilitation of Siquijor town's port terminal building that was destroyed by typhoon Pablo in December 2012. Siquijor port is the gateway of tourism and economic development in the island-province.</li> <li>• Launch of Productivity Toolbox in Siquijor by the DOLE benefitted 26,320 workers of 11,860 micro, small and medium enterprises (MSMEs). The Productivity Toolbox is a ladderized package of developmental assistance to MSMEs.</li> <li>• Signing of MOA between DOST and San Juan, Siquijor on a Grant-in-Aid project. The project aims to introduce solar technology concept, install ICT-based information system, install Science and Technology Academic and Research-based Openly Operated Kiosk Station (STARBOOKS), put up butterfly sanctuary, construct wall garden using hydroponics technology and adoption of water treatment facility. The DOST is set to allocate ₱613,000.00 for the program to support the tourism industry in the said LGU.</li> <li>• Funding assistance of DOST-Provincial Science and Technology Center (PSTC) to its Small Enterprises Technology Upgrading Program (SET-UP) beneficiary worth ₱980,000 in Poblacion, Siquijor to upgrade its meat processing equipment and another ₱277,623.00 to a beneficiary for its furniture-making equipment.</li> </ul> <p><b><u>SQUIJOR</u></b></p>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>Opening of Tourism Center in Larena, Siquijor that houses the Tourist Police office and serves as the <i>Pasalubong</i> Center.</li> </ul>
Eastern Visayas	
<ul style="list-style-type: none"> <li>Implementation of the Fisheries, Coastal Resources and Livelihoods Projects (FishCORAL) is expected to reduce poverty, improve the low and declining coastal productivity, as well as sustainably manage the fishery and coastal resources. The project is expected to generate livelihood benefits to the 500 coastal barangays in the Region.</li> <li>Implementation of the Philippine Component Better Rice Initiative Asia (BRIA)-Fostering Agriculture and Rice Marketing by Improved Education and Rural Advisory Services (FARMERS) Project and Abaca Sustainability Initiative Project to improve the sagging performance of the agriculture sector, particularly rice and abaca.</li> <li>Creation of a value-chain and climate-resilient agri-fisheries sector by the Philippine Rural Development Program (PRDP) to enhance economic opportunities and generate employment in the field.</li> <li>Implementation of major strategies aimed at improving production and productivity in agriculture as stipulated in the Updated Eastern Visayas-Regional Development Plan 2014-2016 will address the problem of visible underemployment in agriculture. Thus, incomes of farmers/fishermen would increase, poverty incidence among this sector would decrease, and food</li> </ul>	<ul style="list-style-type: none"> <li>Fast track the resurgence of the different sectors heavily affected by the disaster. This is included in the cluster plans initiated by the Office of the Presidential Assistance for Rehabilitation and Recovery. Systematic execution of these plans along housing, infrastructure, livelihood and social services will hasten the economic recovery of the Region.</li> <li>Implementation of the ₱4.2 billion anti-poverty programs for the Region under the <i>Kapit-Bisig Laban sa Kahirapan</i> Comprehensive and Integrated Delivery of Social Services-National Community Driven Development Project (KALAHI CIDSS-NCDDP) is expected to alleviate the worsening poverty situation of the Region. The project (2014-2019), will also help restore basic social services and rebuild communities affected by typhoon Yolanda.</li> <li>Newly BOI-registered investments for 2014, namely: Aviva Global Marine Corporation, Biliran Geothermal Incorporated and Sea Cage Industries, Inc. are expected to bring in more revenue and employment to the Region.</li> <li>Declaration of Eastern Samar as “Manageable Conflict-affected and Development Ready” province will</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
security will not be compromised.	boost and promote investors' confidence and pave the way for economic expansion in the area.
Zamboanga Peninsula	
<ul style="list-style-type: none"> <li>• Implementation of the Scale Insect Emergency Action Program of the government. The program is a 6-month plan detailing the emergency measures to control, manage and eradicate the pest outbreak in all affected areas including the three threatened Regions of MIMAROPA, Bicol and Zamboanga Peninsula.</li> <li>• Implementation of the cash-for-work program wherein farmers who help in the spraying, cutting, pruning, and burning of infested trees are paid ₱200 to ₱300 a day. This is expected to rehabilitate the coconut industry of the country and augment the lost income of the coconut farmers whose coconut trees are gone due to infestations.</li> <li>• Launch of the DTI's benchmarking mission on natural rubber to India to learn from the country's best practices in rubber production, together with the DOST and stakeholders from the Philippine Rubber Industry. This effort is expected to boost the production of rubber in Zamboanga Peninsula.</li> <li>• Intensifying agricultural production which includes the production of livestock, poultry, and swine. Other programs included expansion of beneficiaries for crop production, especially for coconut and banana. In line with the nationwide implementation of the Participatory Coconut Planting Project (PCPP) of the DA and the Philippine Coconut Authority, LGUs have</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of the ZAMBOECOZONE International Cargo Terminal at the ZAMBOECOZONE Second Industrial Park. The proposed Terminal will ease the congestion in the Port of Zamboanga. It will cater to local and international cargo vessels. The presence of an international cargo terminal in the ZAMBOECOZONE is expected to result in an influx of export-oriented industries. The project cost for the construction amounts to ₱3.01 billion.</li> <li>• Construction of the Philippine Science High School (PSHS), located in a 5-hectare lot in Brgy. Cogon, Dipolog City, equipped with the necessary school facilities, which will benefit students with high academic grades in Science and Mathematics from nearby provinces of Mindanao and Visayas. The cost of ₱50 million is proposed to be shared by the Dipolog City Government, Zamboanga del Norte LGU, and the Congressional Office-2nd District of Congressman Labadlabad.</li> <li>• Development of the Ipil Airport and Seaport recognizes the importance of Ipil Municipality as an emerging growth center in Western Mindanao. The airport will also serve as an alternative airport in times of disaster or calamity because of its strategic location at the center of the Region. The DOTC has proposed ₱160 million for the development of the said</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>also played a role in encouraging farmers to improve the planting of coconuts. The Integrated Farming Systems that integrated coconut with lanzones, durian, rambutan, ginger, flowers, coffee and kangkong has also been introduced. In Zamboanga Sibugay and Zamboanga del Norte local entrepreneurs are improving and promoting coco-based products. A most promising income-earner among high-value crops is rubber, which is the focus of many activities in Zamboanga del Norte and Sibugay.</p> <ul style="list-style-type: none"> <li>• Presence of the Provincial and Fishery Council (PAFC/FARMC) and the Small and Medium Enterprise Development Council in three LGUs of Zamboanga del Norte helped to monitor programs and projects to mainstream governance and restoration of aquatic and marine resources. The Illana Bay Regional Alliance (IBRA 9) has sustained the activities of the Fisheries Law Enforcement Team (FLET) to fight sea piracy and other illegal activities.</li> </ul>	<p>airport with an additional ₱40.5 million for perimeter fencing and additional runway. As for the Ipil Seaport, it will facilitate seamless regional cargo transport and logistics, as well as, improve tourism potential, investment opportunities and industrial competitiveness of the Region.</p> <ul style="list-style-type: none"> <li>• The identification of Top Priority Programs/ Projects for the Region for Resource Mobilization which are as follows: <ul style="list-style-type: none"> <li>a) Transfer of the Zamboanga International Airport;</li> <li>b) ZAMBOECOZONE World Class International Seaport;</li> <li>c) Establishment of the National Seaweeds Center;</li> <li>d) Integrated Regional Radio-Based Communications System;</li> <li>e) Rehabilitation of Liquid Nitrogen Facility;</li> <li>f) Rehabilitation of Zamboanga Fish Port Complex;</li> <li>g) Integrated Development Project for Abaca;</li> <li>h) Halfway House in Zamboanga Peninsula: <ul style="list-style-type: none"> <li>i) Western Mindanao Drug Abuse Treatment and Rehabilitation Center (DATRC); and</li> <li>j) Integrated Rice-Duck Farming, Processing and Marketing.</li> </ul> </li> </ul> </li> </ul>
Northern Mindanao	
<p><b><u>Palay</u></b></p> <ul style="list-style-type: none"> <li>• Provision for various production support services, adequate infrastructure facilities and other strategic interventions by the DA and other key agencies in the Region is expected to boost the performance of the Region in terms of <i>palay</i> production.</li> </ul>	<p><b><u>Construction</u></b></p> <ul style="list-style-type: none"> <li>• Implementation of disaster risk reduction and mitigating projects all throughout the Region will likely increase both public and private construction projects.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Continued development in post-harvest facilities, construction and rehabilitation of farm-to-market roads, and the construction, repair and rehabilitation of irrigation facilities in some areas will improve production in the Region.</li> </ul> <p><b><u>Cattle</u></b></p> <ul style="list-style-type: none"> <li>• Development of priority areas include conservation and improvement of genetic materials; sustenance of disease-free environment to ensure food security; promotion of technologies that can provide value-adding to commodities and address climate change; and in establishing and upgrading of facilities to support development of stock.</li> <li>• Development of production activities of cattle growers in the Region are expected to be alleviated through the programs, projects and activities undertaken by DA, as follows: the production of forage seeds and planting materials, maintenance of breeder animals, artificial insemination program for large and small ruminants, and small ruminant semen processing laboratory.</li> </ul> <p><b><u>Swine</u></b></p> <ul style="list-style-type: none"> <li>• Sustained government programs and support provided to farmers in the Region such as animal dispersal, artificial insemination, massive vaccination and deworming aimed at encouraging more farmers to engage in swine growing would potentially alleviate production in the Region.</li> <li>• Increased multi-stake holder cooperation such as the loan assistance for feeds (Purina and Pilmico) will positively affect</li> </ul>	<p><b><u>Employment</u></b></p> <ul style="list-style-type: none"> <li>• Expansion and construction of commercial centers and establishments (e.g. malls, superstores, hotels, restaurants and recreation centers) in the Region will increase employment opportunities in the coming years.</li> <li>• Completion of top priority infrastructure agenda of the Region, as follows: (1) commercial operation (including night time flights) of Laguindingan Airport; (2) enhanced capacity of the Mindanao Container Terminal; and (3) the allied projects (Laguindingan Seaport, seaports improvement, roads construction, widening and improvement, and Panguil Bay Bridge). These will strategically link key growth areas in the Region and will generate economic investment and employment.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>swine production in the Region by encouraging farmers to engage in backyard swine farming.</p> <p><b>Fishery</b></p> <ul style="list-style-type: none"> <li>Implementation of intensified campaign and coordination with the LGUs against illegal fishing activities and destructive fishing methods along with monitoring, control and surveillance activities point toward improving the performance of the fish industry.</li> </ul>	
Davao Region	
<ul style="list-style-type: none"> <li>Development of export opportunities for coconut, cacao and oil palm manifested in the trade talks between the DA and Sri Lanka for coconut product imports and the partnership between the Federation of Cooperatives and Singaporean firm for the supply of cacao beans.</li> <li>Expansion of plantation areas of 1,000 hectares in Paquibato District in Davao City that may increase palm oil production in 2015.</li> <li>Production of high-value crops such as coffee, cacao and rubber is also expected to take an uptick as the Department of Environment and Natural Resources (DENR) targets to plant in 2015 such crops in 35,528 hectares throughout the Region.</li> <li>Launch by the Davao Agri Trade Expo (DATE) of the Region's agriculture to ASEAN investors, supplemented with the formulation of the Regional Comprehensive Economic Partnership, and the preparation of agri players by the DA for the ASEAN integration.</li> <li>Allocation of the proposed 4-year budget for the <i>saba</i> development program,</li> </ul>	<ul style="list-style-type: none"> <li>Opening and operation of the Matina IT Park will boost the BPO industry which is expected to thrive in Davao Region with Davao City as the "Next Wave" city or the top alternate destination of BPO players. There will also be four BPO companies that will put up shop in Davao City, with a combined 3,500 seats. Likewise, existing BPOs are also planning to expand their workforce within the year.</li> <li>Operationalization of economic zones in 2015, which includes Felcris Centrale, Aeon Towers and Abreeza Corporate Center 2 in the Region.</li> <li>Designation as Mindanao Destination, a private-public partnership tourism venture, will also spur more fun in the Region as it provides easier tour across the Region.</li> <li>Market assessment of the Davao Region by the South Korean travel agencies that may lead to the proposal of a direct flight from Incheon, South Korea to Davao City.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>which aims to provide research and development funding, postharvest and marketing services, and other support and extension services.</p>	<ul style="list-style-type: none"> <li>• Promotion of Davao City and the Region as a prime destination for Meetings, Incentives, Conferencing, Exhibitions (MICE); “Visit the Philippines Year” or VPY 2015. This is a complementary tourism campaign which will banner three major events such as Visit Davao Fun Sale, Visit Samal Islands and 7<sup>th</sup> International Boulder Face Challenge; and the hosting of the 2015 <i>Palarong Pambansa</i> by the Provincial Government of Davao del Norte, which will bring more locals and foreign visitors to the Region.</li> <li>• Construction of five roads projects worth ₱330 million are scheduled in Compostela Valley in 2015 which were designed to boost tourism.</li> <li>• Investments on coal-fire power plants of Aboitiz and San Miguel to provide adequate power supply for the Davao Region.</li> <li>• The DOE recently approved 22 potential hydroelectric power projects for the Region, paving the way for the conduct of preliminary works in the pre-development and development phases of renewable energy projects in the coming years.</li> <li>• Establishment of “Halal” Laboratory in DOST XI that augurs well with the ASEAN Economic Integration.</li> <li>• Turnover of hydro meteorological sensors to LGUs of Davao Region.</li> <li>• Promotion of the Regional Invention Contest and Expo 2015 in October which will showcase S&amp;T inventions</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>and recognition of outstanding S&amp;T innovations and inventions; Health and research Expo on July; and the Protect and Modernize the Philippine Banana Production (Promobanana) Project, which aims to establish laboratories and/or improve existing banana laboratories to increase capacity in detection and management of banana diseases.</p> <ul style="list-style-type: none"> <li>• Operation of the ₱3 billion Davao Works Rolling Mill.</li> <li>• Widened access for the Region's property developers, construction companies and even homeowners to high-grade and affordable steel products.</li> <li>• Establishment of the ₱5.3 million Food Processing Innovation Center (FPIC) which will provide support services and assist MSME and other agri-businesses to improve and develop products, innovate production processes, and incorporate additional value to agricultural, including fishery products, through innovations.</li> <li>• Development of the small enterprise technology upgrading program (SETUP) which aims to encourage and assist MSME to adopt technological innovation to improve products and services and thereby increase productivity and competitiveness.</li> <li>• Intensified DOLE Integrated Livelihood and Emergency Employment Program which will provide capacity-building projects to provide livelihood to poor and vulnerable workers, emergency employment for calamity displaced</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<p>workers and provision of capital start-up for setting up small businesses.</p> <ul style="list-style-type: none"> <li>Strengthened DSWD's Sustainable Livelihood Program (SLP) for 2015, targeting more than 21,000 beneficiaries. The SLP will sharpen its focus on developing the necessary skills of jobseekers to land them in better-quality and better-paying jobs.</li> </ul>
SOCCSKSARGEN	
<ul style="list-style-type: none"> <li>Implementation of the planting of 75,000 trees throughout the Province supported by the South Cotabato Provincial Government and DBP. The bank pledged a funding under its flagship forest program that will be implemented as an income-generating initiative for poor upland farmers.</li> <li>Provision of rice processing complex in Sto. Niño, South Cotabato from DA-RFO XII will increase the milling recovery of palay and provide better income for the farmers.</li> <li>Approval of the Fish Pen project in 2 barangays in Pikit, North Cotabato by the World Food Program-Project Management Office (WFP-PMO) Regional Director for Asia. The project aims to bring peace and development especially to fisherfolks living in the area.</li> </ul>	<ul style="list-style-type: none"> <li>Launch of DOT's "12<sup>th</sup> Paradise" as the new tourism brand of the Region. The brand shows 12 different experiences a tourist may enjoy in the Region.</li> <li>Proposed construction of a new terminal building for the General Santos Airport, which will increase tourist arrivals and attract investors.</li> </ul>
CARAGA	
<ul style="list-style-type: none"> <li>Development of 67,000 hectares of land in Agusan del Sur for coconut plantation worth ₱4 billion proposed by a Singapore-based multi-national corporation. The company will produce coconut water, virgin coconut oil and other coconut</li> </ul>	<ul style="list-style-type: none"> <li>Signing of the MOA between the Butuan City Government and Andinax, a Belgian Company for the establishment of power generation facility using banana grass and solid waste.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>food-based products which will be exported to USA and Europe.</p> <ul style="list-style-type: none"> <li>• Launch of a Philippine Cold Chain Project (PCCP) in Caraga Region by the United States Department of Agriculture (USDA), through its Foreign Agricultural Service's Food for Progress to help farmers earn more income by increasing productivity and food safety while reducing losses.</li> <li>• Implementation of ₱125 million worth of new livelihood projects between May to October 2014 in various provinces in Mindanao under the Community Fund for Agriculture Development (CFAD) component of the Mindanao Rural Development Project (MRDP). Rubber-based farming and crumb rubber processing comprise the bulk of the ₱30 million CFAD allocations in Caraga.</li> </ul>	<ul style="list-style-type: none"> <li>• Construction of a US\$70 million biomass plant in Butuan City by Caraga Renewable Power Corporation, which is owned by Eastern Petroleum. The plant having a capacity of 20 MW will run on woodchips sourced from industrial tree plantations in Agusan del Norte and Agusan del Sur. It is expected to boost the power supply in the Region.</li> <li>• Development of Surigao del Sur as a potential market for power generation and nickel refinery and smelting plant, based on Dubai-based Kampac Group, a multi-billion international oil and gas conglomerate.</li> <li>• Construction of a ₱1 billion 10-megawatt bunker fuel power plant by Nickel Asia Corporation (NAC), the biggest nickel mines and processing plant in the country. NAC has signed a power sales agreement with the Surigao del Norte Electric Cooperative (SURNECO) in October 2014. NAC will maintain the power plant for 15 years.</li> <li>• Construction of a 5-megawatt solar photovoltaic (PV) plant initially in San Francisco, Agusan del Sur by GPower, another power company, to address the predicted power shortage in 2015.</li> </ul>
<b>ARMM</b>	

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>Availability of large tracks of land for agriculture, given the Region's good agro-climatic environment suitable for cassava, white corn and coffee production.</li> </ul>	<ul style="list-style-type: none"> <li>Signing of the "Framework Agreement on the Bangsamoro" between the Philippine Government and Moro Islamic Liberation Front on 15 October 2012. This is expected to be the main driver for increased investments in the Region.</li> <li>Grant of investment incentives by the Regional Board of Investments to large industrial firms to attract more firms to invest in the Region.</li> </ul>
<b>B. Challenges</b>	
<b>CAR</b>	
<ul style="list-style-type: none"> <li>Benguet and Mountain Province are two provinces in the Region that experience frost or "andap" which poses some threats to farmers. While they learned to adapt ways to mitigate the effects of andap, they are still faced with problems in dealing with the phenomena such as water source or irrigation.</li> <li>Though ASEAN Economic Integration in 2015 provides wider consumer market base with the country's commodities of comparative advantage, the agriculture sector needs to address needs of farmers to take full advantage of the prospects of the integration, especially on the marketing aspect, such as infrastructure, logistics and the marketing system as a whole.</li> </ul>	<ul style="list-style-type: none"> <li>Possibility of rerouting the Tarlac-Pangasinan-La Union Expressway (TPLEX), as proposed by former Pangasinan Representative Mark Cojuangco, could have negative effects to the farmers in Benguet and Mt. Province, who will be using the TPLEX everyday to deliver tons of vegetables in Manila. The TPLEX under the proposed route will mean another toll fee as it is farther by around five to seven kilometers than the originally planned route.</li> </ul>
<b>Ilocos Region</b>	
<ul style="list-style-type: none"> <li>Shortage of <i>bangus</i> fry in Pangasinan. After the evaluation of the JICA 5-year Comprehensive Fish Breeding Project, the officials of the Japan International Cooperation Agency (JICA) revealed that self-sufficiency in <i>bangus</i> fry did not improve. Estimates show that the country</li> </ul>	<ul style="list-style-type: none"> <li>Fund constraints in the construction of the Sual International Seaport and its completion remains uncertain. The construction stopped in 2014 and needs ₱700 million more in order to accommodate big ships. As of date, only barges and ro-ro vessels can dock</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>needs 800 million to more than one billion fry per year. The two hatcheries in Pangasinan, one in Sual which is privately-owned, produces about 35 million fry, and the BFAR in Dagupan produces about 15 million fry. With this supply shortage, the Philippines imports <i>bangus</i> fry from Indonesia where backyard hatchery is widely practiced. Adding to the problem is the cheaper price of imported fry which discourages aquaculture businessmen from venturing into fry hatchery. Adoption of backyard hatchery in the province needs to be encouraged and supported.</p>	<p>at the port. Originally, the project was expected to be completed in 2015 since it was launched in 2011 with a ₱500 million budget to be co-shared by three parties: ₱200 million from Philippine Ports Authority and Department of Transportation and Communication, ₱200 million from the provincial government, and ₱100 million from the local government of Sual. The international port was envisioned to help Pangasinan export its various products which include minerals like chrome ore, manganese and nickel as well as allow importation of fertilizers to give farmers cheaper production inputs.</p>
Cagayan Valley	
<ul style="list-style-type: none"> <li>• Unpredictable weather disturbance will greatly affect the agricultural sector.</li> <li>• Slow decline in the growth of the Region's agriculture sector. Being the Region's backbone for economic growth and employment in the past years, the agricultural sector needs programs and interventions in order to sustain its growth.</li> </ul>	
Central Luzon	
<ul style="list-style-type: none"> <li>• Unprecedented amount of garbage due to the increased influx of tourists in Aurora. The provincial government needs additional resources to keep up with proper sanitation in the area as this could lead to damage on their natural resources.</li> <li>• Need for a mindset change among farmers to look for multiple sources of income despite local government's provision for free seminars and training. Farmers in Aurora are not keen on</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of packaged tourism attractions offering a variety of things to see and do, limiting the choices of tourists in Central Luzon.</li> <li>• Lack of accommodations and convention facilities to meet demand in Aurora, as tourism traffic and interest in the area rise. This limits the opportunities and local economic benefits of the boom in tourism.</li> <li>• Congestion in the Port of Manila</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>changing traditional farming practices or on adopting new food processing methods according to the Aurora Provincial Agriculturist.</p> <ul style="list-style-type: none"> <li>• Difficulty in supporting local market and income due to Aurora’s relatively low population and lack of big investors. According to the Provincial Director of DTI Aurora, one challenge in promoting Aurora’s food products and woodcrafts is ensuring that local suppliers can meet buyers’ required volume and quality requirements.</li> </ul>	<p>causes delays in transporting raw materials for importers/exporters in Bulacan.</p> <ul style="list-style-type: none"> <li>• Lack of international commercial flights connecting Diosdado Macapagal International Airport to big source markets for tourism such as Japan, Australia and China. There is also an absence of an integrated transportation system that will seamlessly move visitors from the airport to the rest of the Region.</li> </ul>
Calabarzon	
<ul style="list-style-type: none"> <li>• Uncompetitive agri-based products brought about by weak agri-industry linkages</li> <li>• Inadequate farm infrastructure and other support facilities</li> <li>• High cost of agricultural inputs</li> <li>• Depletion of marine and inland water resources</li> <li>• Siltation, pollution, mine tailings and agricultural wastes</li> <li>• Displacement of fisherfolks due to mega development projects in coastal areas</li> <li>• High cost of feeds</li> <li>• Inadequate financial capital and credit support</li> <li>• Incidence of seaweeds diseases, i.e. “ice-ice” and epiphytism</li> <li>• Illegal fishing</li> </ul>	<ul style="list-style-type: none"> <li>• Unstable economic growth due to vulnerability to adverse external factors such as external market shocks and uncertainties, impacts of climate change and natural disasters, etc.</li> <li>• Inadequacy of social services due to fast-growing population</li> <li>• High unemployment and underemployment rate caused by skills mismatch and lack of human capital</li> <li>• Inadequate infrastructure, particularly land-based transportation in the eastern section of the Region</li> <li>• Development pressure to environment and natural resources due to unregulated urbanization resulting to conversion of agricultural land to built-up areas, over-extraction of groundwater resources.</li> <li>• Assimilation of Disaster Risk Reduction/Climate Change Adaptation principles in planning at all levels</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Mangrove deforestation</li> <li>• Depletion of fish endemic species</li> <li>• Invasion of alien fish species in lakes</li> <li>• Weather disturbances and natural calamities like typhoons, El Niño and La Niña</li> </ul>	<ul style="list-style-type: none"> <li>• Upgrading and sustaining capacity of public sector to deliver services and promote good governance and transparency</li> <li>• Sustain cheap power supply to meet increasing demand of the industrial, commercial and household requirements</li> <li>• Maintaining a single-digit unemployment level</li> <li>• Unstable growth brought about by weak value-adding technology and diversification and anemic development of market niches, particularly for manufacturing in the automotive, electronics and semi-conductors</li> <li>• Decreasing competitiveness brought about by high cost of doing business exacerbated by unstable supply of electricity and limited transport mobility</li> <li>• Limited responsiveness and relevance of current education curricula to labor market demands and industry requirement (job-skills mismatch)</li> <li>• Deficiency in the maintenance of industrial labor relations in compliance with labor standards</li> <li>• Dependence of the IT-BPM industry in the performance of foreign markets and susceptibility to market shocks</li> <li>• Disjointed capacities of LGUs, investors stakeholders and institution in keeping with the growing IT-BPM industry</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Difficulty in accessing financing opportunities for micro and small enterprises</li> </ul>
MIMAROPA	
<ul style="list-style-type: none"> <li>• Adoption of modern technology and international practices to increase productivity in agriculture and agri-businesses.</li> </ul>	<ul style="list-style-type: none"> <li>• Improvement of physical connectivity and accessibility through infrastructure development to allow opportunities for greater interaction among the island provinces of MIMAROPA and increase trade activities.</li> <li>• Development of potential tourist areas, improvement of facilities and accessibility to hard-to-reach tourism destinations in the Region, and intensification of promotion of local destinations.</li> <li>• Strengthening research and development to enhance product development and production systems reliability.</li> <li>• Building disaster resilient and climate change adapted communities.</li> <li>• Providing quality education and health services to the people.</li> <li>• Protection, development and conservation of biodiversity areas of the Region.</li> </ul>
Bicol	
<ul style="list-style-type: none"> <li>• Costly processing and arduous documentation requirements for the Good Agricultural Practices (GAP) accreditation for farmers to compete with their counterparts in the onset of ASEAN integration.</li> <li>• Lean number of government personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Sustaining the Region's high economic growth trend as Bicol's 9.4 percent gross regional domestic product (GRDP) in 2014. More effort is required to translate this growth into more jobs and higher family income.</li> <li>• Pursuit of the formulation of local</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>employed for agriculture and the reduction in agriculture budget from ₱2.8 billion in 2014 to ₱1.6 billion in 2015 despite the large agricultural areas in the Region.</p>	<p>tourism development plans conducive to sustainable tourism development. The plan will guide the LGUs in proper utilization of the assets and resources taking in consideration the zoning, land use plan, tourism infrastructure and the protection and conservation of the natural and cultural heritage sites.</p> <ul style="list-style-type: none"> <li>• Lack of quality employment remains a big challenge in Bicol's development.</li> <li>• Concerns on the completion of the Bicol International Airport in 2017, such as, the presence of some residents on site and power lines crossing the airstrip. As reported by a representative from DOTC during the RDC 5 full council meeting on 6 March 2015, the overall accomplishment is 44 percent and that the project is on schedule.</li> </ul>
Western Visayas	
<p><b><u>NEGROS OCCIDENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Damage brought about by tropical depression Queenie in the Municipality of Cauayan which destroyed 74 houses and damaged 186 others located in 10 coastline barangays. It affected mostly fishermen.</li> <li>• Damages brought about by Typhoon Ruby worth ₱48.9 million of crops, fisheries and livestock in the province.</li> <li>• Environmental and health concerns on the operation of Energreen Power Development and Management, Inc.'s diesel plant located in Negros Occidental.</li> <li>• Concerns on Timber poachers harassing</li> </ul>	<p><b><u>NEGROS OCCIDENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Approved 7 percent increase (20 centavos per square meter) in real property tax on urban properties in the municipalities of Negros Occidental by the <i>Sangguniang Panlalawigan</i>.</li> <li>• Traffic problem in Bacolod City due to narrow roads and lack of flyovers. Traffic congestion has affected labor productivity and contributed to fuel wastage.</li> <li>• Illegal entry of volumes of ceramics and plywood without clearance. DTI would meet with hardware operators of Bacolod City to follow up reports.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>members of Task Force Tag-amlig that monitored illegal cutting of trees in the Municipality of Hinoba-an.</p> <ul style="list-style-type: none"> <li>• Non-compliance of environmental laws by eight major operational industrial plants in Negros Occidental reported by the Environment Management Bureau of the DENR.</li> <li>• Low water level at the Bago River Irrigation System in Central Negros Occidental due to the hot weather as reported by the Federation of Irrigators Association.</li> <li>• Long drought expected to hit the country. Negros Occidental province has allotted budget for cloud-seeding operations and establishment of pumps and irrigation facilities near water sources.</li> <li>• Drying up of several coffee bean plants in La Castellana town due to extreme heat brought by the summer season.</li> <li>• Wiped-out of almost 300 hectares in the forest of Hinoba-an town by poachers in the past several years.</li> </ul> <p><b><u>CAPIZ</u></b></p> <ul style="list-style-type: none"> <li>• Need for improvement and development to enhance production and productivity. There are areas which have agri-fishery industrial and tourism development potentials, which were underutilized if not overly-used and exploited -- especially those brackish water fishponds within the coastal and marine zones; areas highly suitable for diversified crops-agro-forestry, and; production forest area which are suitable for forest plantation and tourism development.</li> </ul>	<ul style="list-style-type: none"> <li>• Filing of petition for jeepney fare increase by the <i>Sentrong Samahang Tsuper</i> at Operators-Negros (SSTONE) despite the further drop of gasoline prices nationwide during the latter part of 2014.</li> <li>• Rise in incidents of carnapping by 55 percent in Region 6 in the first five months of 2014.</li> <li>• Concerns on the most human deaths caused by rabies in Western Visayas in the first six months of the year.</li> <li>• Concerns on increase of Negros Occidental crime by more than 500% in the first 45 days of 2014 compared to the previous year.</li> <li>• Concerns on the non-inclusion of Bacolod City in the list of the top ten most competitive cities in the Philippines as released by the National Competitiveness Competition. This raised alarms that this will discourage potential investors.</li> <li>• Implementation of an increase in real property tax by the Bacolod City government could undermine local business climate as the move could discourage real estate developers and homebuyers.</li> </ul> <p><b><u>CAPIZ</u></b></p> <ul style="list-style-type: none"> <li>• Frequent occurrence of storm surges in the Municipalities of Sapián, Ivisan, Panay, Pontevedra, President Roxas, Pilar and Roxas City, which are facing the Sibuyan Sea.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Concerns on minimal productivity of agri-fisheries and tourism areas, which can be attributed to the following:               <ol style="list-style-type: none"> <li>1) inadequate infrastructure and other support facilities and services for agriculture, fisheries, and tourism activities; and</li> <li>2) weak/poor coordination and complementation between the national government agencies and LGUs in the implementation of various projects, especially intended for the development of agricultural infrastructure support facilities and services which aim to provide support and improve agricultural productivity.</li> </ol> </li> <li>• Increasing demand for land for settlements expansion in Roxas City which is aiming to be the business hub in northern Panay. To address the demand, land is being prematurely reclassified, and converted. This resulted in decreasing production areas for food, especially those intended for marine fisheries and aquaculture production. Likewise, several unclassified lands had been reclassified as alienable and disposable which are otherwise intended to be utilized to provide support for food security and or to maintain the ecological balance for environmental stability.</li> <li>• Depletion of resources intended to provide support for food security and to maintain the ecological balance. This resulted in the exploitation, settlements intrusion, unsound management practice, and premature conversion of land for urban use. As a result, built-up and production lands in the low lying areas were also greatly affected. These areas experienced perennial flooding problems, particularly during monsoon heavy rains.</li> </ul>	<ul style="list-style-type: none"> <li>• Concerns on the presence of tectonic faults situated at Tablas, Pandanan, Negros Trench, West Panay, Philippine Fault, and Central Negros Fault System. Other areas are expected to be affected by earthquakes are the upland barangays of the municipalities of Jamindan and Tapaz. However, sometimes tremors are felt in the municipalities of Cuartero, Maayon and even Roxas City.</li> <li>• Concerns on the need for decent dwelling, housing services and access to basic utilities.</li> <li>• Concerns on pollution control and proper solid waste management which are essential in preserving the integrity of the environment.</li> </ul> <p><b><u>AKLAN</u></b></p> <ul style="list-style-type: none"> <li>• Lack of high-level interventions to capacitate its employees to be ready and primed to face the challenges.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>• Slowdown in economic activity and development in the Province due to of constant flooding; low agricultural productivity, and, poor or inadequate agricultural infrastructure and other infra support facilities and services.</li> </ul>	
Central Visayas	
<ul style="list-style-type: none"> <li>• Decline of fisheries production in Central Visayas according to BFAR-7 due to typhoons which hit the Region in 2014, particularly in Cebu and Bohol. Fisher folks and fishing companies are also still recovering from the 15 October 2013 earthquake and the 8 November 2013 super typhoon.</li> <li>• Issues on management and utilization of foreshore lands, such as, unauthorized or illegal reclamation, wrong development of improvement from foreshore<sup>12</sup> to offshore, massive landfill as these areas have been used as sink of human refuse and wastes, berm damaged, and uncontrolled influx of informal settlers or encroachment as reported by DENR 7's Land Management Bureau (LMB).</li> </ul> <p><b><u>NEGROS ORIENTAL</u></b></p> <ul style="list-style-type: none"> <li>• Insufficient and inadequate irrigation water supply causing serious damage on potential production.</li> <li>• Strict implementation of local ordinances in some towns and city on marine sanctuaries and regulation on fishing nets and sizes.</li> <li>• Rehabilitation of Tampocon II Bridge in</li> </ul>	<ul style="list-style-type: none"> <li>• Concerns on possible occurrence of El Niño starting March 2015 reported by the Philippine Atmospheric, Geophysical and Astronomical Services Administration (PAGASA). This could affect economic activities of the Region.</li> <li>• Low reserves in the Region's power supply according to DOE Region 7. The low reserves were caused by maintenance repairs of some power plants in the Region. Power outages could affect business and productivity. Power interruptions could force enterprises to cut production or change its schedule, rent generators, or worst to implement forced leave on their employees.</li> <li>• Non-compliance to labor laws cited by DOLE-7. These concerns include: (1) underpayment, mostly of the small businesses where the owners are not aware of the labor laws; (2) subcontracting where sub-contractors do under-cutting, which resulted in the non-compliance of minimum wage law; and (3) health and occupational safety in construction and manufacturing companies wherein workers are not provided with</li> </ul>

<sup>12</sup> Foreshore is a string of land margining a body of water or the part of a seashore between the low-water line usually at the seaward margin of a low tide terrace and the upper limit of wave wash at high tide usually marked by a beach scarp or berm. To address this problem, a Foreshore Land Master plan must be drafted, developed and implemented.

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>Ayungon, Negros Oriental was hampered by the destruction of its detour bridge due to flashflood brought by tropical depression “Queenie”.</p> <ul style="list-style-type: none"> <li>Concerns on El Niño, which may affect agricultural production for the provinces of Negros Oriental and Siquijor.</li> </ul>	<p>protective gears. DOLE-7 has hired 372 labor law compliance officers in 2014 as it embarked on a new approach to inspect establishments.</p> <ul style="list-style-type: none"> <li>Issues raised included importation, port congestion, port development, power taxation, and development of an international airport, waste management and flood control.</li> <li>Concern on natural calamities such as typhoons in the provinces of Negros Oriental and Siquijor, which may have an impact on agriculture, tourism and infrastructure.</li> </ul>
Eastern Visayas	
<ul style="list-style-type: none"> <li>Need to strengthen National Government Agencies (NGAs) and Local Government Units (LGUs) strategies to improve disaster resilience and effectively mitigate disaster impact in the future.</li> </ul>	
Zamboanga Peninsula	
<ul style="list-style-type: none"> <li>Concern on the report of DA placing eight provinces and two cities in Mindanao in the list of areas vulnerable to the El Niño or dry spell. One of the cities the DA classified is Zamboanga City as “highly vulnerable” to El Niño. The provinces of Zamboanga del Norte, Zamboanga del Sur and Zamboanga Sibugay are also in the list as “moderately vulnerable” to El Niño. This phenomenon will affect greatly the Region’s rice, corn, vegetable, and fruit output, among others.</li> <li>Implementation of the closed fishing season for the conservation of sardines in Sulu Sea, Basilan Strait and Sibuguey Bay. For the past four years, the Region has been adopting the “closed fishing season for sardines” in said areas which resulted</li> </ul>	<ul style="list-style-type: none"> <li>Concerns about the power situation in Mindanao: <ul style="list-style-type: none"> <li>a) the National Power Corporation-Agus &amp; Pulangi Complexes were exempted from privatization;</li> <li>b) Mindanao is not connected to the Philippine Grid;</li> <li>c) Low appetite for new power generation investments in Mindanao Island;</li> <li>d) Transmission and distribution facilities need further improvement, and</li> <li>e) Load Customers e.g., DUs and industries need to secure short to long-term supply contracts.</li> </ul> </li> <li>Increased demand for electricity in Mindanao by 4.56 Annual Average</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>in increase in sardines' catch benefiting commercial and sustenance fisherfolks. However, this was not yet institutionalized and a need for coming up with BFAR Administrative Circular and its strict observance by all fishermen.</p> <ul style="list-style-type: none"> <li>• Concern on coconut scale insect infestation observed in the City of Isabela. It was first sighted in the barangays of Cabunbata and Maligue on October 2012. Since then, infestations have been observed in both bearing and non-bearing coconuts, as well as in ornamental palms, lanzones, and mango planted under the coconut. As of May 2014, the infestation has spread out to 17 barangays involving 67,338 coconut palms with 1,073 farmers affected.</li> <li>• Concern on idle grasslands totaling 89,000 hectares in the Region. There is need to convert these idle lands into the production of high-value commercial crops for agri-processing and exports.</li> <li>• Rampant denudation of forests in Region 9. There is still large-scale illegal logging throughout the Region, putting forest resources and wildlife at risk. The scarcity of lands to till in the lowlands because of the increase in population has aggravated the situation. Human settlers have been illegally taking over parts of forestland in the area and indications are that remaining reserves exist only on paper. Still, there have been attempts by the LGUs to maintain and increase forest cover through the implementation of various projects and programs, including vigorous reforestation efforts like the Community-Based Forest Management (CBFM), Integrated Social Forestry (ISF), Socialize Integrated Forest Management</li> </ul>	<p>Growth Rate (AAGR). With these demand projections, a total of 1,950 MW of new capacity is needed on top of the 286 MW committed projects in the planning period. Mindanao grid was experiencing insufficient reserve requiring a total of 250 MW additional load capacity starting 2011 to 2013. Mindanao's power supply situation is heavily dependent on its committed and indicative capacities. All of its 188 MW of committed capacities and 235 MW of indicative capacities between 2013 and 2014 should come on stream as scheduled. Otherwise, supply condition in the island will continue to be critical. It is projected that the next critical periods will be from 2018-2020.</p>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p>Agreement (SIFMA), Timber-Forest License Agreement (TFLA) and Private Tree Plantation projects.</p> <ul style="list-style-type: none"> <li>• Need to mobilize the Fisheries and Resource Aquatic Council to help protect and manage municipal waters and perform its mandated tasks, among them the improvement of infrastructure support for the fishery sector like mariculture parks, fish ports, seaweeds village ecozones, and sea cages, as well as the extension of credit facilitation services to fisherfolks.</li> </ul>	
Northern Mindanao	
<p><b><u>Palay</u></b></p> <ul style="list-style-type: none"> <li>• Unfavorable weather condition which are increasing in frequency and intensity.</li> <li>• Low adoption of modern and productive technologies and infestation of pests and diseases in some areas, as well as the high cost of farm inputs are some of the challenges confronting the Region.</li> <li>• Inadequate infrastructure support facilities such as problem in water availability and sufficiency, and poor and/or bad condition of farm- to-market roads in some areas Region-wide contribute to low productivity.</li> </ul> <p><b><u>Corn</u></b></p> <ul style="list-style-type: none"> <li>• Increasing frequency and intensity of extreme weather condition emerged as a major challenge to corn farmers.</li> <li>• Shifting to other high-value crops such as banana and pineapple in corn-growing areas of the Region is a concern by farmers.</li> </ul>	<p><b><u>Construction</u></b></p> <ul style="list-style-type: none"> <li>• Concerns on fast rate of urbanization and climate change. There is a need for an effective land-use planning and urban management to create sustainable housing communities.</li> <li>• Continuing increase of prices of land and construction materials would result to slow return of investment and marginal profitability.</li> </ul> <p><b><u>Employment</u></b></p> <ul style="list-style-type: none"> <li>• Threats in the peace and order situation in Mindanao will have negative effects on the labor situation in the Region.</li> </ul>

## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<p><b><u>Cattle</u></b></p> <ul style="list-style-type: none"> <li>• Extreme weather condition is a major threat to cattle production in the Region.</li> <li>• Transport of cattle breeds imported from New Zealand to Mindanao via Bulacan poses serious bio-security concerns and unnecessary risk to the Region's cattle industry.</li> </ul> <p><b><u>Swine</u></b></p> <ul style="list-style-type: none"> <li>• Production-related cost and farm-gate prices are the two threats to swine production in the Region.</li> </ul> <p><b><u>Poultry</u></b></p> <ul style="list-style-type: none"> <li>• Extreme weather conditions experienced in the Region pose a threat to the poultry industry. This may affect not only the availability of feeds and raw materials but also the health of the poultry stock, e.g. the occurrence of avian disease due to continuous heavy rains.</li> </ul> <p><b><u>Fishery</u></b></p> <ul style="list-style-type: none"> <li>• Extreme weather condition remains a major threat to the fishing industry. More particularly, high winds and rough waters preclude fishing in the open sea. Fluctuating temperatures which affects the salinity level and the amount of dissolved oxygen in the water can also harm fish farming.</li> </ul>	
Davao Region	
<ul style="list-style-type: none"> <li>• Threat posed by the Panama Disease, which has resulted in 3,000 hectares of banana plantations in Mindanao abandoned.</li> <li>• Low price of bananas in the international market due to lesser imports from China due to oversupply in the Chinese market.</li> </ul>	<ul style="list-style-type: none"> <li>• Spillover effects of unstable peace and order situation in some parts of Mindanao to Davao Region.</li> <li>• Power outages could be expected. Demand in power may come in the summer months, which could be aggravated by a potential occurrence of the El Niño phenomenon.</li> </ul>



## ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION

Agriculture, Fishery and Forestry	Industry/Services/General
<ul style="list-style-type: none"> <li>Forecast of dry spell in the first quarter of 2015 and the periodic typhoons that may enter the Region. This may affect agriculture and fishery production.</li> </ul>	<ul style="list-style-type: none"> <li>Transition to the ASEAN Economic Community (AEC), making sure that the Region seizes the opportunities of this major economic shift.</li> <li>Access to education, healthcare and human resource development that will narrow the gap between the knowledge, skills and abilities of young people entering the workforce.</li> </ul>
SOCCSKSARGEN	
<ul style="list-style-type: none"> <li>Unusual weather disturbances to affect agriculture and fishery production in the Region.</li> </ul>	<ul style="list-style-type: none"> <li>Concerns on peace and order i.e., Maguindanao incident, which led to the death of 44 members of SAF and other MILF affect the tourist arrivals of some areas in the Region.</li> <li>Suspension of the discussions and hearings related to the passage of the Bangsamoro Basic Law (BBL) until the Maguindanao incident is clarified, may affect the peace and order condition of the Region.</li> </ul>
CARAGA	
ARMM	
	<ul style="list-style-type: none"> <li>Proliferation of armed groups that results to more areas vulnerable to insurgency problems.</li> <li>Limited access to credit due to many unbanked areas in the Region.</li> <li>Low educational achievement of a large portion of the population.</li> <li>Inadequate infrastructure especially in the remote towns and villages.</li> <li>High incidence of power outage</li> </ul>

**ECONOMIC OPPORTUNITIES AND CHALLENGES BY REGION**

Agriculture, Fishery and Forestry	Industry/Services/General
	<ul style="list-style-type: none"> <li>• Concerns brought about by the transition to the proposed BBL (e.g., the transfer of skills and sustainability of economic programs and governance).</li> <li>• Interconnectivity of the different areas due to geographical locations.</li> </ul>

