

**Report on  
Regional  
Economic  
Developments in the  
Philippines  
2015**



Monetary Policy Sub-Sector  
Regional Monetary Affairs Sub-Sector

**BANGKO SENTRAL NG PILIPINAS**

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# Executive Summary

The Philippine economy finished on an even keel in 2015, propped up by strong domestic demand even as net exports hovered in the negative territory amid a frail global economy. Real GDP grew by 5.8 percent in 2015, anchored by robust household consumption, improved government spending, and surge in fixed capital formation.

The strong positive economic growth was supported by a sustained benign inflation environment. The average inflation eased to 1.4 percent in 2015, a deceleration from the 4.1 percent average in the previous year. For the first time in several years, annual inflation fell below the target range of 3.0 percent  $\pm$  1.0 percentage point, due mainly to the persistent decline in international crude oil prices. The lowest inflation rates were recorded in Luzon, particularly in CALABARZON (0.9 percent), NCR (1.0 percent) and Bicol region (1.0 percent). Meanwhile, the highest year-on-year inflation rates registered in four (4) out of six (6) regions in the Mindanao island group, namely Davao Region (2.6 percent), ARMM (2.6 percent), Zamboanga Peninsula (2.5 percent), and Caraga (2.5 percent).

Broad-based domestic sources of growth have significantly contributed in bolstering economic expansion in 2015. Despite the unfavorable weather condition caused by an extreme and protracted El Niño phenomenon, the agriculture, hunting, forestry and fishery (AHFF) sector managed to register a small positive growth of 0.2 percent in 2015. This performance reflected the counterbalance between lower year-on-year production in major agricultural crops, forestry, and fishery, and higher output in fruits, livestock, poultry, and other crops. Palay harvest, which accounted for nearly 22.0 percent of the AHFF gross value added, contracted by 4.3 percent during the review period on account of reduced harvest areas and yields brought about by the prolonged dry spell. The highest declines were posted in Caraga (16.2 percent), ARMM (12.4 percent), Central Luzon (12.2 percent), and CAR (11.4 percent). Corn harvest and fish production likewise decreased year-on-year by 3.2 percent and 0.9 percent, respectively, due mainly to the intense heat caused by El Niño. On the other hand, the livestock and poultry sub-sectors expanded, owing to improved cattle, chicken and swine production which grew by 2.1 percent, 5.7 percent and 4.3 percent, respectively. This positive performance occurred mainly in Ilocos, CALABARZON, MIMAROPA, Bicol, Northern Mindanao, and Davao regions, and was widely attributed to high local demand, absence of diseases in some areas, increased slaughter activities, and opening/expansion of hog and broiler farms.

The industry sector exhibited strong positive growth in 2015 at 6.0 percent, buoyed by the expansion in manufacturing and construction sub-sectors. Gross value added in construction

accelerated by 8.9 percent, largely driven by ramped-up infrastructure spending by the government including reconstruction and rehabilitation efforts in areas hit by Typhoon Yolanda, and the intensified Public-Private Partnership (PPP) program. In terms of housing starts, construction activity in the regions expanded by 2.2 percent, led by an increase in the number of new residential construction in Eastern Visayas (144.1 percent), Caraga (31.3 percent), Western Visayas (24.8 percent), and the Zamboanga Peninsula (22.5 percent). Meanwhile, the number of approved building permits contracted slightly by 1.9 percent, an indication of normalization in 2015 for regions which came from high double-digit growth rates in 2014.

The services sector, which accounted for about 57.0 percent of total GDP in 2015, accelerated by 6.7 percent, an improvement from the 5.9 percent growth in 2014, as output in all sub-sectors including financial intermediation picked up pace. Based on data as of September 2015, deposit generation increased in all regions except NCR, with the highest growth rates recorded in ARMM (50.0 percent) and MIMAROPA (19.2 percent). NCR, on the other hand, continued to have the highest bank density and loans-to-deposits ratio.

Labor indicators, based on the average data of the quarterly Labor Force Surveys of the Philippine Statistical Authority (PSA), improved in 2015 as national employment rate increased to 93.7 percent from 93.4 percent in 2014. The increase in the number of employed persons was registered in most of the regions, particularly in MIMAROPA (96.7 percent) and NCR (91.5 percent). Meanwhile, underemployment rate in 2015 inched up slightly to 18.5 percent from 18.4 percent in 2014 with marked increase in CAR (20.8 percent) and SOCCSKSARGEN (23.2 percent).

In 2016, the adverse impact of the ongoing strong El Niño conditions which may last until mid-2016 remains a key risk to regional economic performance, particularly in areas which rely heavily on agricultural and fishery production. Sufficient production support, working irrigation systems, and enhanced preparedness for weather-related disturbances are crucial interventions to ensure livelihood and income for local farmers and fisherfolks.

Moreover, addressing infrastructure bottlenecks, enhancing mobility of goods and services, improving facilities and accessibility of tourism destinations, promoting peace and order, and attracting more investments by improving ease of doing business, should help boost competitiveness and productivity in the regions. In turn, this will lead to vibrant local businesses and adequate employment opportunities, resulting in long-lasting and wide-reaching regional development.

# 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 and Branches





# Philippines: Regional Composition

Region <sup>1,2</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>3</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
Region VIII – Eastern Visayas	Leyte, Southern Leyte, Biliran, Eastern Samar, Northern Samar, and Samar

<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> This report uses the old classification of regions, which does not yet include the newly-created Negros Island Region (NIR). NIR, which was formed pursuant to Executive Order 183 signed on 29 May 2015, is composed of Negros Occidental and Negros Oriental.

<sup>3</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.

Region <sup>1,2</sup>	Provinces
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, Davao Occidental
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, Dinagat Islands
ARMM (Autonomous Region in Muslim Mindanao)	Basilan, Lanao del Sur, Sulu and Tawi-Tawi, and Maguindanao Province



# Key Regional Developments

## Agriculture, Livestock, Poultry and Fishery

**Palay.** Palay production contracted by 4.3 percent in 2015 from a growth of 2.9 percent in 2014. The strong and prolonged dry spell led to a reduction in harvest areas and yields in the different parts of the country.

### Palay production contracts due to prolonged dry spell

Almost all except for four regions posted declines in their palay production, with significant contraction coming from Caraga (-16.2 percent), ARMM (-12.4 percent), Central Luzon (-12.2 percent), CAR (-11.4 percent) and SOCCSKSARGEN (-5.4 percent). The negative performances were due to the following factors:

- Massive drop in area harvested and yield, as well as crop damages brought about by prolonged dry weather condition in SOCCSKSARGEN, Caraga and ARMM;
- Lower yield per hectare due to stem borer infestation in Sultan Kudarat (SOCCSKSARGEN);
- Decrease in crop yield as a result of damages caused by typhoons Lando and Nona in Central Luzon;
- Crop diversification in ARMM;
- Heavy rainfall and massive flooding in Central Luzon; and

- Adverse effect of typhoons Egay and Ineng in the provinces of Abra, Apayao, Kalinga and Mt. Province (CAR).

**Table 1. Palay Production per region, in metric tons**  
Growth rate and share to total production, in percent

	REGION	2014	2015	2014	2015
		Growth rate		Share to total production	
	<b>Philippines</b>	<b>2.9</b>	<b>-4.3</b>	<b>100</b>	<b>100</b>
1	CAR	-1.6	-11.4	2.4	2.2
2	Ilocos Region (I)	2.6	-1.1	9.5	9.8
3	Cagayan Valley (II)	3.8	-1.0	13.3	13.7
4	Central Luzon (III)	10.4	-12.2	19.9	18.2
5	CALABARZON (IV-A)	-1.5	-3.1	2.1	2.2
6	MIMAROPA (IV-B)	4.6	0.0	5.7	6.0
7	Bicol Region (V)	1.2	0.5	6.6	7.0
8	Western Visayas (VI)	-1.8	0.2	10.8	11.3
9	Central Visayas (VII)	-2.6	-0.8	1.8	1.9
10	Eastern Visayas (VIII)	-0.7	-2.7	5.2	5.3
11	Zamboanga Peninsula (IX)	2.8	0.8	3.5	3.6
12	Northern Mindanao (X)	5.8	1.6	3.8	4.0
13	Davao Region (XI)	7.3	-2.3	2.4	2.4
14	SOCCSKSARGEN (XII)	1.3	-5.4	7.2	7.1
15	Caraga	-1.6	-16.2	3.0	2.7
16	ARMM	-9.0	-12.4	2.9	2.7

Source: Bureau of Agricultural Statistics

Regions that exhibited small positive performances in palay production were Northern Mindanao (1.6 percent), Zamboanga Peninsula (0.8 percent), Bicol (0.5 percent) and Western Visayas (0.2 percent). This could be traced to the following factors:

- Expansion and rehabilitation of irrigation facilities under the Small Scale Irrigation Projects in rice cluster areas in the Bicol Region and Northern Mindanao;

- Deployment of mini-combine harvesters<sup>1</sup> for immediate harvesting of matured/harvestable palay when calamity is expected in the Bicol Region;
- Utilization of high quality seeds in the Bicol and Zamboanga Peninsula regions;
- Increase in areas allocated for the planting of palay in all of the provinces in Zamboanga Peninsula;
- Conduct of soil analysis for correct fertilization in the Bicol Region;
- Less occurrence of pest infestation in Zamboanga Peninsula;
- Improved research and development, as well as extension of delivery system in the Bicol Region;
- Implementation of countermeasures by rice farmers to mitigate the effect of El Niño in Western Visayas;
- Increased intervention on the provision of fertilizer and good quality seedlings to farmers of the Department of Agriculture (DA) in Western Visayas and Zamboanga Peninsula; and
- Sufficient water irrigation in Western Visayas.

**Corn.** Corn production likewise contracted by 3.2 percent in 2015, from a growth of 5.3 percent in 2014. The decline was brought about by insufficient water supply due to the El Niño.

### El Niño phenomenon causes decline in corn production

<sup>1</sup> A mini-combine harvester features cutter blades, axial flow threshing system, and bagging components that is being developed by PhilRice. It provides a bright prospect of improving timeliness of operation and addressing the problem of postharvest losses because it is appropriate to operate in small field parcels which is common in the country.

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

	REGION	2014	2015
	<b>Philippines</b>	<b>5.3</b>	<b>-3.2</b>
1	CAR	1.0	-2.8
2	Ilocos Region (I)	6.5	3.0
3	Cagayan Valley (II)	8.3	-3.0
4	Central Luzon (III)	5.8	12.6
5	CALABARZON (IV-A)	-1.1	-12.8
6	MIMAROPA (IV-B)	2.9	16.5
7	Bicol Region (V)	10.7	-14.6
8	Western Visayas (VI)	6.6	-4.9
9	Central Visayas (VII)	-5.2	-8.6
10	Eastern Visayas (VIII)	-1.3	3.4
11	Zamboanga Peninsula (IX)	7.5	-1.4
12	Northern Mindanao (X)	1.0	1.7
13	Davao Region (XI)	23.5	-20.0
14	SOCCSKSARGEN (XII)	2.5	-7.4
15	Caraga	16.7	-5.3
16	ARMM	4.9	-3.8

Source: Bureau of Agricultural Statistics

Large declines in corn production were registered for Davao (-20.0 percent), Bicol (-14.6 percent); CALABARZON (-12.8 percent), Central Visayas (-8.6 percent); SOCCSKSARGEN (-7.4 percent) and Caraga (-5.3 percent). The poor performance from these regions was attributed to:

- Decrease in area harvested in CALABARZON;
- Decline in yield per hectare brought about by prolonged dry spell in the Bicol, Davao, SOCCSKSARGEN and Caraga regions;
- Delayed plantation of corn due to non-availability of seeds in Tuguegarao and Bicol;
- Insufficient soil moisture during vegetative and reproductive stages of corn in Central Visayas;
- Damaged crop areas in Cebu (50 hectares) and Negros Oriental (10 hectares) caused by the dry spell; and

- Reduced application of fertilizer in Central Visayas.

Only five regions posted increases in their corn production, namely MIMAROPA (16.5 percent), Central Luzon (12.6 percent), Eastern Visayas (3.4 percent), Ilocos Region (3.0 percent) and Northern Mindanao (1.7 percent). These improvements were attributed mainly to the following:

- Sustained use of fertilizer, as well as hybrid and quality seeds (e.g., modern open-pollinated variety) provided by the DA's "Corn Program Intervention" in Ilocos and Central Luzon;
- Expansion in the area harvested due to increased planting intensity in Central Luzon;
- Sufficient soil moisture in Central Luzon;
- Shift in the use of land for planting corn from other crops such as sugar cane in Tarlac;
- Provision of seeds, trainings and farm machineries from local government units (LGUs) to corn farmers in MIMAROPA and Eastern Visayas; and
- Adoption of technology-based production systems in Eastern Visayas.

## Cattle, chicken and swine production improves

**Livestock and Poultry.** Cattle production in the country expanded by 2.1 percent in 2015 from 1.1 percent in 2014. Increase in cattle performance was on account of continued growth in CALABARZON (7.3 percent), SOCCSKSARGEN (7.1 percent), MIMAROPA (5.3 percent); Bicol Region (5.2 percent), Northern Mindanao (3.3 percent) and Davao Region (2.4 percent). The improved performance of cattle production in these regions was due to the following factors:

- High local demand for beef during festivals in CALABARZON, MIMAROPA, Northern Mindanao, and Davao;
- Good price of beef in CALABARZON;
- 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, deworming and antibiotics against hemorrhagic septicemia of cattle by LGUs in the Bicol Region, Northern Mindanao and SOCCSKSARGEN; and
- Infusion of genetically-improved ruminant animals resistant to diseases to produce high quality meats in the Bicol Region.

**Table 3. Cattle Production, in metric tons**  
Growth rate, in percent

	REGION	2014	2015
	<b>Philippines</b>	<b>1.1</b>	<b>2.1</b>
1	CAR	-2.0	-3.1
2	Ilocos Region (I)	-0.4	2.3
3	Cagayan Valley (II)	1.4	-3.0
4	Central Luzon (III)	-2.8	-0.5
5	CALABARZON (IV-A)	5.5	7.3
6	MIMAROPA (IV-B)	4.5	5.3
7	Bicol Region (V)	5.2	5.2
8	Western Visayas (VI)	4.5	0.3
9	Central Visayas (VII)	-0.2	-1.7
10	Eastern Visayas (VIII)	-7.7	-1.8
11	Zamboanga Peninsula (IX)	-3.5	-1.0
12	Northern Mindanao (X)	3.2	3.3
13	Davao Region (XI)	5.0	2.4
14	SOCCSKSARGEN (XII)	-3.5	7.1
15	Caraga	2.0	-7.8
16	ARMM	-7.1	0.5

Source: Bureau of Agricultural Statistics

## Key Regional Developments

However, there were some regions in 2015 that posted contraction in cattle production. These include Caraga (-7.8 percent), CAR (-3.1 percent), Cagayan Valley (-3.0 percent), Eastern Visayas (-1.8 percent), Central Visayas (-1.7 percent), Zamboanga Peninsula (-1.0 percent) and Central Luzon (-0.5 percent). These weak performances were due mainly to the limited stocks available for slaughter.

**Table 4. Chicken Production, in metric tons**  
Growth rate, in percent

	REGION	2014	2015
	<b>Philippines</b>	<b>1.1</b>	<b>5.7</b>
1	CAR	-2.4	7.7
2	Ilocos Region (I)	-1.0	0.4
3	Cagayan Valley (II)	3.9	2.8
4	Central Luzon (III)	3.7	6.9
5	CALABARZON (IV-A)	-1.3	7.7
6	MIMAROPA (IV-B)	-0.5	2.9
7	Bicol Region (V)	5.7	9.9
8	Western Visayas (VI)	-11.1	6.6
9	Central Visayas (VII)	4.4	5.9
10	Eastern Visayas (VIII)	-14.2	-6.8
11	Zamboanga Peninsula (IX)	-0.8	5.0
12	Northern Mindanao (X)	3.4	3.9
13	Davao Region (XI)	1.5	7.5
14	SOCCSKSARGEN (XII)	6.0	-1.7
15	Caraga	10.6	0.7
16	ARMM	-7.2	-1.3

Source: Bureau of Agricultural Statistics

Chicken production expanded by 5.7 percent in 2015 from 1.1 percent in 2014. This improved performance was due to the positive outturn in all regions in the country except for three. Notable improvements were posted in Bicol (9.9 percent), CAR (7.7 percent); CALABARZON (7.7 percent), Davao (7.5 percent), Central Luzon (6.9 percent), Western Visayas (6.6 percent), Central Visayas (5.9 percent) and Zamboanga Peninsula (5.0 percent). Contributory factors to the expansion in these regions include:

- Increased demand for chicken and duck meat in hotels, restaurants and institutional markets in Central Luzon, CALABARZON, Western Visayas, Central Visayas, Zamboanga Peninsula and Davao region;
- Opening of additional broiler farms in Compostela Valley;
- Newly-opened dressing plant in Davao del Sur;
- Improved dressed chicken production in Davao Region;
- Increase in broiler stock in Apayao and Ifugao;
- Increase in the number of businesses that ventured into poultry contract growing schemes in the Bicol Region;
- Absence of poultry diseases in Zamboanga Peninsula;
- Expansion in operations by broiler integrators in Central Luzon;
- Maximizing poultry farm capacity due to high demand for broiler meat in Central Luzon; and
- Increase in the number of chickens dressed in dressing plants for both broilers and native chicken in Central Luzon.

The three regions that exhibited contractions in chicken production in 2015 were Eastern Visayas (-6.8 percent), SOCCSKSARGEN (-1.7 percent) and ARMM (-1.3 percent). The contraction in poultry production in the above-mentioned regions was due to the high cost of production inputs such as feeds and unfavorable weather and climate conditions which resulted in occurrence of poultry diseases and herd mortality.

Swine production grew by 4.3 percent in 2015 from 1.0 percent in 2014. This could be attributed to improvements in the swine production of Central Luzon (11.0 percent), CALABARZON (6.6 percent); Davao (5.2 percent); MIMAROPA

(4.6 percent); Central Visayas (4.3 percent); Northern Mindanao (3.7 percent) and Cagayan Valley (2.6 percent), for the following reasons:

- High demand for pork from hotels, restaurants and other institutions in Cagayan Valley, Central Luzon, CALABARZON, MIMAROPA, Central Visayas and Northern Mindanao;
- Increase in the volume of fatteners available for disposition in Cagayan Valley;
- Steady supply of hogs for slaughter in Central Luzon;
- Increase in farm gate price of fatteners and finishers in CALABARZON;
- Absence of hog diseases in Northern Mindanao;
- Provision of vaccination against hemorrhagic septicemia and hog cholera from different LGUs in Central Visayas;
- Shift from fishery products to pork brought about by increase in fish prices in Central Visayas; and
- Opening of new hog commercial farms in Carmen, Bohol.

However, there were some regions that recorded poor production during the period. These were CAR (-7.0 percent), ARMM (-1.6 percent), SOCCSKSARGEN (-1.2 percent), Caraga (-0.6 percent), Western Visayas (-0.1 percent) and Eastern Visayas (-0.1 percent). The shrinkage was caused by low disposal of stocks; unfavorable weather conditions; and high cost of feeds.

**Table 5. Swine Production, in metric tons**  
Growth rate, in percent

Philippines		1.0	4.3
1	CAR	-5.8	-7.0
2	Ilocos Region (I)	-1.6	1.4
3	Cagayan Valley (II)	-2.4	2.6
4	Central Luzon (III)	5.1	11.0
5	CALABARZON (IV-A)	2.0	6.6
6	MIMAROPA (IV-B)	1.5	4.6
7	Bicol Region (V)	6.2	1.9
8	Western Visayas (VI)	-2.2	-0.1
9	Central Visayas (VII)	0.3	4.3
10	Eastern Visayas (VIII)	-10.9	-0.1
11	Zamboanga Peninsula (IX)	-2.5	1.4
12	Northern Mindanao (X)	2.6	3.7
13	Davao Region (XI)	1.8	5.2
14	SOCCSKSARGEN (XII)	1.3	-1.2
15	Caraga	-1.2	-0.6
16	ARMM	-3.3	-1.6

Source: Philippine Statistics Authority

## Fish production contracts further

**Fishery.** The rate of decline of the fishery subsector was faster at 0.9 percent in 2015 compared to 0.3 percent a year ago. The decline in fish production in Bicol (-9.1 percent), Ilocos (-7.1 percent), Cagayan Valley (-6.3 percent); Central Visayas (-4.1 percent), CALABARZON (-3.4 percent), CAR (-2.8 percent); Western Visayas (-2.4 percent) and Caraga (-2.1 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 and typhoons, which limited the fishing activities in CAR, Ilocos Region, Bicol Region and Central Visayas;

## Key Regional Developments

- Difficulty in fishing operations due to intense heat that caused species to go into deeper seas in Central Luzon;
- Non-stocking of some fishing farms due to hot weather in Ilocos Region;
- Pollution and illegal fishing in the Province of Cavite and Western Visayas;
- Less fishing operations in Central Luzon due to closure of Indonesian waters to Philippine vessels;
- Temporary stoppage of operations of three fishing boats in Toledo and Bantayan, Cebu;
- Limited commercial and municipal fishing operations as a result of prolonged dry spell in CALABARZON;
- Strict implementation of fishery laws in Cavite and Central Visayas;
- Occurrence of disease in seaweeds in Caraga Region;
- Reduction of unloading fishing activities in Western Visayas;
- Damaged fishing vessels and gears for repair and maintenance in Western Visayas and Central Visayas;
- Occurrence of red tide toxin in Western Visayas; and
- Low water level in Ilocos Region.
- Increased volume of fish catch in marine municipal fish landing centers of Davao Oriental, Davao del Sur and Davao City;
- Increased number of seaweed operators in Zamboanga City brought about by planting materials assistance from Department of Social Welfare and Development (DSWD) and Bureau of Fisheries and Aquatic Resources (BFAR); and
- Increased volume of unloadings of seawater species such as Indian sardines, frigate tuna and *tulingan* in Northern Mindanao.

The positive performances in Davao (9.4 percent); MIMAROPA (4.7 percent); Northern Mindanao (2.9 percent), Zamboanga Peninsula (1.6 percent) and ARMM (1.2 percent) mitigated the further contraction of the overall fishery subsector. These positive performances could be traced to the following factors:

- Increased fishing trips brought about by less occurrence of high seas in Zamboanga Peninsula, Northern Mindanao and ARMM;
- Abundant aquaculture harvest from brackish water in Northern Mindanao;

Table 6. Fish Production, in metric tons  
Growth rate, in percent

	REGION	2014	2015
	<b>Philippines</b>	<b>-0.3</b>	<b>-0.9</b>
1	CAR	1.8	-2.8
2	Ilocos Region (I)	11.9	-7.1
3	Cagayan Valley (II)	-2.8	-6.3
4	Central Luzon (III)	3.1	-0.4
5	CALABARZON (IV-A)	-4.1	-3.4
6	MIMAROPA (IV-B)	2.1	4.7
7	Bicol Region (V)	-1.8	-9.1
8	Western Visayas (VI)	-1.8	-2.4
9	Central Visayas (VII)	-14.4	-4.1
10	Eastern Visayas (VIII)	-20.4	-1.8
11	Zamboanga Peninsula (IX)	0.0	1.6
12	Northern Mindanao (X)	1.2	2.9
13	Davao Region (XI)	-22.4	9.4
14	SOCCSKSARGEN (XII)	12.9	-0.5
15	Caraga	-3.3	-2.1
16	ARMM	2.4	1.2

Source: Philippine Statistics Authority

## Construction

**Construction.** Overall construction activity in 2015 remained steady. While the number of approved building permits contracted by 1.9 percent, the construction of new residential buildings increased by 2.2 percent.

Among the 17 regions, ARMM posted the largest decline of almost 100 percent in both construction activities. ARMM's approved building permits and new residential building construction dropped from 245 to 9 and 195 to 4, respectively, in 2015. However, it must be noted that this may still be subject to change given that out of the 5 provinces comprising ARMM, only the province of Maguindanao furnished the necessary statistical data prior to the generation of preliminary tables.<sup>2</sup>

Regions which reported double-digit contraction for both construction activity indicators incidentally came from solid, double-digit growth for the same indicators in the previous year, with the exception of the NCR. These results suggest that 2015 was a period of normalization after high growth rates achieved in the previous year. Moreover, for CAR, it was noted that the average cost of construction per square meter jumped to ₱11,915 from ₱9,590 a year ago.

### Construction activity in 2015 remains steady

**Table 7. Total Number of Approved Building Permits**  
Levels and growth rates, 2010-2015

REGION	2010	2011	2012	2013	2014	2015 <sup>p</sup>	2010	2011	2012	2013	2014	2015
	Levels						Growth rate					
<b>Philippines</b>	105,230	112,881	121,051	120,775	126,875	124,426	-13.8	7.3	7.2	-0.2	5.1	-1.9
1 NCR	13,942	13,378	13,854	13,948	13,381	11,030	3.9	-4.2	3.4	0.7	-4.1	-17.6
2 CAR	940	1,282	1,181	1,161	1,460	1,107	6.2	26.7	-8.6	-1.7	25.8	-24.2
3 Ilocos Region (I)	6,611	7,489	7,219	7,060	7,511	7,907	1.1	11.7	-3.7	-2.3	6.4	5.3
4 Cagayan Valley (II)	2,349	2,501	2,655	2,256	3,347	3,306	1.1	6.1	5.8	-17.7	48.4	-1.2
5 Central Luzon (III)	13,748	11,987	13,509	12,025	16,047	13,351	-88.8	-14.7	11.3	-12.3	33.4	-16.8
6 CALABARZON (IV-A)	28,530	24,887	27,729	31,340	29,092	31,323	-10.6	-14.6	10.2	11.5	-7.2	7.7
7 MIMAROPA (IV-B)	2,065	1,887	2,218	2,086	2,508	2,632	37.2	-9.4	14.9	-6.3	20.2	4.9
8 Bicol Region (V)	1,945	2,657	2,997	3,177	2,830	2,972	-3.8	26.8	11.3	5.7	-10.9	5.0
9 Western Visayas (VI)	3,703	5,648	6,482	5,124	5,483	6,491	-12.1	34.4	12.9	-26.5	7.0	18.4
10 Central Visayas (VII)	9,627	13,097	14,353	13,168	12,440	12,516	-28.0	26.5	8.8	-9.0	-5.5	0.6
11 Eastern Visayas (VIII)	2,157	2,323	2,332	1,980	2,407	4,886	-3.4	7.1	0.4	-17.8	21.6	103.0
12 Zamboanga Peninsula (IX)	1,577	3,174	3,837	3,484	3,761	4,339	-11.5	50.3	17.3	-10.1	8.0	15.4
13 Northern Mindanao (X)	5,671	6,360	7,578	7,698	8,119	7,643	17.9	10.8	16.1	1.6	5.5	-5.9
14 Davao Region (XI)	7,803	9,985	9,124	8,916	11,500	8,058	-12.0	21.9	-9.4	-2.3	29.0	-29.9
15 SOCCSKSARGEN (XII)	1,897	2,307	2,674	3,100	2,822	2,641	2.2	17.8	13.7	13.7	-9.0	-6.4
16 Caraga	2,545	3,656	3,097	3,984	3,922	4,216	13.5	30.4	-18.0	22.3	-1.6	7.5
17 ARMM	120	263	212	268	245	9	-39.2	54.4	-24.1	20.9	-8.6	-96.3

r/ Revised to reflect updates per PSA

p/ Preliminary

Source: Philippine Statistics Authority

<sup>2</sup> Construction Statistics from Approved Building Permits (Philippine Statistics Authority quarterly report)



The decrease in construction activity in the NCR may be attributed to expectations of an excess supply in both office and residential spaces as Colliers International projects residential and commercial vacancy rates to further increase following the delivery of new residential condominium units within the next 12 months and the completion of new office buildings until 2017.<sup>3</sup>

Offsetting the contraction in construction activity in some regions was the continued boom in Eastern Visayas, which more than doubled for the year in review. Reconstruction efforts post-typhoon Yolanda (which devastated the region in November 2013) hastened during the year following President Aquino's approval of the Yolanda Comprehensive Rehabilitation and Recovery Plan (CRRP) in October 2014.

**Table 8. Total Number of New Residential Building Construction**  
Levels and growth rates, 2010-2015

REGION	2010	2011	2012	2013	2014	2015 <sup>p</sup>	2010	2011	2012	2013	2014	2015
	Levels						Growth rate					
<b>Philippines</b>	79,934	81,537	87,347	87,767	90,201	92,199	-16.7	2.0	7.1	0.5	2.8	2.2
1 NCR	7,617	6,866	7,133	7,071	6,772	5,507	6.3	-9.9	3.9	-0.9	-4.2	-18.7
2 CAR	614	887	840	842	1,041	819	-8.4	44.5	-5.3	0.2	23.6	-21.3
3 Ilocos Region (I)	5,325	5,888	5,587	5,346	5,695	5,775	-0.5	10.6	-5.1	-4.3	6.5	1.4
4 Cagayan Valley (II)	1,813	1,847	1,959	1,580	2,500	2,341	5.9	1.9	6.1	-19.3	58.2	-6.4
5 Central Luzon (III)	10,845	8,708	9,816	8,298	11,852	10,105	-53.0	-19.7	12.7	-15.5	42.8	-14.7
6 CALABARZON (IV-A)	22,990	18,287	20,838	25,059	21,480	24,482	-10.9	-20.5	13.9	20.3	-14.3	14.0
7 MIMAROPA (IV-B)	1,691	1,310	1,499	1,445	1,738	1,696	76.5	-22.5	14.4	-3.6	20.3	-2.4
8 Bicol Region (V)	1,487	2,037	2,336	2,550	2,084	2,237	0.7	37.0	14.7	9.2	-18.3	7.3
9 Western Visayas (VI)	2,855	4,271	5,073	3,834	3,851	4,807	-6.2	49.6	18.8	-24.4	0.4	24.8
10 Central Visayas (VII)	7,802	10,385	11,286	9,754	8,599	9,596	-24.7	33.1	8.7	-13.6	-11.8	11.6
11 Eastern Visayas (VIII)	1,499	1,424	1,408	1,214	1,569	3,830	-4.3	-5.0	-1.1	-13.8	29.2	144.1
12 Zamboanga Peninsula (IX)	1,314	2,353	2,830	2,571	2,868	3,513	3.1	79.1	20.3	-9.2	11.6	22.5
13 Northern Mindanao (X)	4,864	5,146	6,188	6,445	6,718	6,667	29.7	5.8	20.2	4.2	4.2	-0.8
14 Davao Region (XI)	5,926	7,635	6,400	6,711	9,168	6,000	-11.3	28.8	-16.2	4.9	36.6	-34.6
15 SOCCSKSARGEN (XII)	1,125	1,373	1,740	1,922	1,502	1,448	-2.9	22.0	26.7	10.5	-21.9	-3.6
16 Caraga	2,068	2,888	2,230	2,896	2,569	3,372	16.6	39.7	-22.8	29.9	-11.3	31.3
17 ARMM	99	232	184	229	195	4	-33.1	134.3	-20.7	24.5	-14.8	-97.9

r/ Revised to reflect updates per PSA

p/ Preliminary

Source: Philippine Statistics Authority

Other downside factors to construction activity also include the weak performance of private construction, weather-related disturbances such as typhoons Lando and Nona, and double-digit increases in average cost per square meter of residential and non-residential units.

Upside factors to construction activity include ramped up infrastructure spending as the government intensified efforts to meet its target infrastructure-to-GDP ratio of 4 percent in 2015. In the case of Western Visayas, which recorded double-digit growth in 2015, the increase in construction activity may have resulted from the preparations made for the APEC summit held in the region as well as rehabilitation projects in areas hit by typhoon Yolanda. For Zamboanga Peninsula, robust construction growth was achieved as housing projects for families displaced during the Zamboanga siege in 2013 were completed under the Zamboanga City Roadmap to Rehabilitation and Reconstruction (Z3R) program.

<sup>3</sup> Colliers International Philippines Research & Forecast Report, 3Q 2015.

Other factors contributory to growth in construction activity include the urbanization of the provinces as evident in the proliferation of shopping centers and business process outsourcing (BPO) offices, dramatic decrease in the average cost of non-residential construction in the last semester of the year, and slight decrease in the prices of construction materials.<sup>4</sup>

BMI Research expects a slowdown in construction growth in 2016, primarily driven by a projected decrease in government infrastructure spending as the transition in administration will likely lead to a review and consequent delay of both ongoing and planned projects. The continuity of the public-private partnership (PPP) program remains a crucial concern.<sup>5</sup> Under President Aquino's administration, contracts for 12 major projects cumulatively worth ₱217.4 billion have been awarded, while 8 projects remain in the pipeline for handling by the next administration. The House of Representatives' approval of the PPP Act (House Bill No. 6331) in February 2016 will ensure institutionalization of the PPP program and encourage further infrastructure investments by the private sector.

## Banking and Microfinance

**Banking.** On a regional basis, the latest available loans-to-deposits ratio (LDR) data is as of end-September 2015. During this period, credit activity in most regions decreased compared to end-September 2014, as shown by the decline in LDRs in 10 out of the 17 regions. Big declines were registered in the ARMM and SOCCSKSARGEN.

<sup>4</sup> Construction Materials Retail Price Index (CMRPI) in the National Capital Region (NCR). It must be noted that similar data for areas outside NCR is unavailable.

<sup>5</sup> BMI Research Philippines Election Primer, April 2016.

**Table 9. Loans-to-Deposits Ratio**  
as of dates indicated

	REGION	Sept-2014	Sept-2015
1	NCR	75	79
2	CAR	13	11
3	Ilocos Region (I)	19	20
4	Cagayan Valley (II)	36	39
5	Central Luzon (III)	25	24
6	CALABARZON (IV-A)	16	16
7	MIMAROPA (IV-B)	29	31
8	Bicol Region (V)	32	30
9	Western Visayas (VI)	23	22
10	Central Visayas (VII)	27	28
11	Eastern Visayas (VIII)	27	25
12	Zamboanga Peninsula (IX)	27	26
13	Northern Mindanao (X)	26	24
14	Davao Region (XI)	33	32
15	SOCCSKSARGEN (XII)	36	33
16	Caraga	27	28
17	ARMM	22	16

Source: Supervisory Data Center, BSP

Meanwhile, the NCR registered the highest LDR ratio at 79.0 percent as of end-September 2015. The NCR was followed by Cagayan Valley (39.0 percent), Davao region (32.0 percent), MIMAROPA (31.0 percent) and Bicol (30.0 percent). The high loans-to-deposits ratios in these regions reflected banks' greater efficiency in channeling deposits to lending activities in these areas.

### Credit activity declines while deposit generation accelerates

The general decline in regional LDRs was due mainly to the faster rate of increase in deposit generation compared to credit provision. Deposit generation expanded by double digit rates in all regions, except for the NCR, as of end-September 2015. The following regions posted the highest growth in deposits: ARMM (50.0 percent) and MIMAROPA (19.2 percent). Likewise, net loan portfolio registered year-on-year growth across all

regions, except for the Cordillera Administrative Region (CAR). The growth in lending activity were highest in the regions of Cagayan Valley (25.3 percent), MIMAROPA (25.3 percent), and Central Visayas (21.4 percent).

### Number of banks per municipality increases

Table 10. Regional Density Ratio as of dates indicated

	REGION	Dec-2014	Dec-2015
	<b>Philippines</b>	<b>6.31</b>	<b>6.55</b>
1	NCR	192.65	198.76
2	CAR	2.01	2.06
3	Ilocos Region (I)	3.65	3.89
4	Cagayan Valley (II)	3.54	3.73
5	Central Luzon (III)	7.95	8.37
6	CALABARZON (IV-A)	11.03	11.42
7	MIMAROPA (IV-B)	3.21	3.37
8	Bicol Region (V)	3.33	3.48
9	Western Visayas (VI)	4.51	4.70
10	Central Visayas (VII)	5.17	5.32
11	Eastern Visayas (VIII)	1.30	1.40
12	Zamboanga Peninsula (IX)	2.79	2.99
13	Northern Mindanao (X)	3.96	4.04
14	Davao Region (XI)	8.08	8.33
15	SOCSCSARGEN (XII)	4.28	4.44
16	Caraga	2.99	2.99
17	ARMM	0.18	0.18

Source: Supervisory Data Center, BSP

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 198.8 percent in 2015. Following NCR were CALABARZON and Davao Region with density ratios of 11.4 percent and 8.3 percent, respectively. The density ratios of all regions have increased compared to the 2014 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 in 2015.

**Microfinance.** The number of microfinance providers in the country slightly decreased by 3.4 percent due to bank closures, particularly rural and cooperative banks. Likewise, total portfolio decreased by 1.0 percent to P11.3 billion as of end-December 2015.

### Number of microfinance providers decline

## Inflation

**Inflation.** Average annual inflation rates across all regions decelerated in 2015, with most regions' inflation rates falling below the national government's inflation target range of 3.0 percent  $\pm$  1.0 percentage point during the year. The average annual inflation rates recorded in the 17 regions ranged from a low of 0.9 percent (in CALABARZON) to a high of 2.6 percent (Davao Region and ARMM), with 2.3 percent as the median inflation rate.

These contributed to an average inflation rate of 1.4 percent at the national level, which was significantly lower than the 4.1 percent recorded in 2014. The slowdown in inflation was accounted for mainly by the decline in the housing, water, electricity, gas and other fuels in most regions, owing to the lower global oil prices.

Out of the 17 regions, only 6 regions reached the lower end of the national government's inflation target during the year: Cagayan Valley (2.0 percent); Western Visayas (2.3 percent); Zamboanga Peninsula and Caraga (2.5 percent); as well as Davao Region and ARMM (2.6 percent).

Table 11. Inflation Rates (2006=100)  
In percent

	REGION	2014	2015
	<b>Philippines</b>	<b>4.1</b>	<b>1.4</b>
1	NCR	3.2	1.0
2	CAR	3.7	1.5
3	Ilocos Region (I)	4.5	1.4
4	Cagayan Valley (II)	4.1	2.0
5	Central Luzon (III)	3.6	1.3
6	CALABARZON (IV-A)	4.0	0.9
7	MIMAROPA (IV-B)	4.5	1.4
8	Bicol Region (V)	5.3	1.0
9	Western Visayas (VI)	4.7	2.3
10	Central Visayas (VII)	5.0	1.8
11	Eastern Visayas (VIII)	7.0	1.8
12	Zamboanga Peninsula (IX)	5.6	2.5
13	Northern Mindanao (X)	4.5	1.3
14	Davao Region (XI)	3.6	2.6
15	SOCCSKSARGEN (XII)	5.2	1.4
16	Caraga	5.3	2.5
17	ARMM	4.1	2.6

Source: Philippine Statistics Authority

## Employment

**Employment.** In 2015, the national employment rate improved to 93.7 percent from 93.4 percent in the previous year. The number of employed persons increased in most of the regions particularly in MIMAROPA (96.7 percent) and NCR (91.5 percent).

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Labor indicators improve as employment in NCR and MIMAROPA increases

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Increased employment opportunities in MIMAROPA were attributed to the expansion of the industry sector. Likewise, more jobs in NCR were created in the services sector.

The unemployment rate declined in eight (8) out of 17 regions, with the NCR registering the most notable improvement at 8.5 percent in 2015 from 10.2 percent a year ago. This brought the national average unemployment down to 6.3 percent in 2015 from 6.6 percent in 2014. Unemployment rate in the CALABARZON and SOCCSKSARGEN remain unchanged.

The underemployment rate in 2015 slightly increased to 18.5 percent from 18.4 percent in 2014, indicating that more employed persons desire to have additional hours of work, or have a new job with longer working hours.

Underemployment eased in some regions, but intensified in SOCCSKSARGEN and CAR.

Meanwhile, underemployment in Zamboanga Peninsula markedly decreased to 18.5 percent from 20.1 percent.

**Table 12. Employment Indicators**  
averages in percent

REGION		2014			2015 <sup>b</sup>		
		Employment	Unemployment	Underemployment	Employment	Unemployment	Underemployment
	<b>Philippines</b>	<b>93.4</b>	<b>6.6</b>	<b>18.4</b>	<b>93.7</b>	<b>6.3</b>	<b>18.5</b>
1	NCR	89.8	10.2	10.8	91.5	8.5	10.0
2	CAR	94.8	5.2	13.2	95.2	4.8	20.8
3	Ilocos Region (I)	91.8	8.2	15.4	91.6	8.4	16.9
4	Cagayan Valley (II)	96.3	3.6	11.6	96.8	3.2	11.1
5	Central Luzon (III)	91.9	8.1	14.3	92.2	7.8	13.5
6	CALABARZON (IV-A)	92.0	8.0	18.6	92.0	8.0	18.2
7	MIMAROPA (IV-B)	95.6	4.4	19.6	96.7	3.3	20.8
8	Bicol Region (V)	94.2	5.8	32.0	94.4	5.6	31.6
9	Western Visayas (VI)	94.2	5.8	21.4	94.6	5.4	21.3
10	Central Visayas (VII)	94.2	5.8	17.7	94.1	5.9	18.4
11	Eastern Visayas (VIII)	94.2	5.8	31.2	94.6	5.4	31.8
12	Zamboanga Peninsula (IX)	96.5	3.5	20.1	96.4	3.5	18.5
13	Northern Mindanao (X)	94.5	5.4	24.7	94.4	5.6	24.9
14	Davao Region (XI)	94.4	5.6	19.1	94.2	5.8	19.0
15	SOCCSKSARGEN (XII)	96.5	3.5	20.7	96.5	3.5	23.2
16	Caraga	94.8	5.2	25.0	94.3	5.7	26.2
17	ARMM	96.6	3.4	11.7	96.5	3.5	11.1

Source: Labor Force Survey, Philippine Statistics Authority

Note: Average estimate for 2014 covers April, July and October survey rounds only; while average estimate for 2015 covers January, April, July and October survey rounds. Both years exclude data of Leyte Province.



## CORDILLERA ADMINISTRATIVE REGION

### Opportunities

- Operation of the Benguet Agri Pinoy Trading Center (BAPTC) facility in La Trinidad, Benguet. Under the AgriPinoy Trading Center Program, the BAPTC serves as an alternative marketing outlet for farmers to improve their income, capability, and competitiveness.
- Ongoing development of the road system of the BAPTC.
- Intensified efforts of DENR's campaign against encroachment into the CAR's forestlands which is recognized as the watershed cradle of the North.
- Hiring of more forest protection officers to watch over the region's watersheds and closer as well as more effective coordination with the LGUs.
- Construction of a small water impounding or mini dam in three tobacco-producing municipalities in Abra by the National Tobacco Administration (NTA) amid growing market of quality tobacco production. Philip Morris and Universal Leaf Philippines Inc. will export tobacco from Abra starting March 2016.
- Efforts to boost various agricultural projects in Kalinga amounting ₱630 million are underway. These projects include concreting of three farm-to-market roads (FMR) under the Philippine Rural Development Program, Kalinga Integrated Coffee Processing Center, community and livelihood projects, rice and corn production, high value commercial crops, livestock production; Payapa at MasaganangPamayanan (Pamana) projects; and bottom-up-budgeting.
- Increased efforts to boost competitiveness through the 2016 project "Championing Cordillera Region's Competitiveness." This project aims to empower the LGUs in CAR.
- Declaration of the Ayaga-Sta. Marcela segment (the access road of Sta. Marcela, Apayao from Maharlika Hi-Way, connecting the cities of Laoag and Tuguegarao) as national road, could improve productivity and interregional trade.
- Implementation of provincial road improvement projects worth ₱95 million under the KALSADA (Konkreto at Ayos na Lansangan at Daan Tungo sa Pangkalahatang Kaunlaran) Program.
- Construction of two World Bank-funded farm-to-market road (FMR) projects in Kalinga under the Philippine Rural Development Project (PRDP) to be completed in 2017.
- Development of pyrite stone craft, an entrepreneurial endeavor of the Kabayan Barrio community in Kabayan. This is the art of packaging the stone as a novelty item.
- Development of mitigation projects totaling more than ₱62 million affected by the El Niño phenomenon in the region.
- Development of the proposed Communal Irrigation Projects (CIP) in support to the Balikatan Sagip Patubig Program (BSPP) worth ₱1.95 million in Benguet.



CORDILLERA ADMINISTRATIVE REGION

Challenges

- Operation of the BAPTC is not in full capacity. With a target of 120 metric tons of vegetables to be traded per day, the facility has so far traded only 36 metric tons daily. To fully realize the purpose of the project, DA-CAR needs to continuously inform and encourage the stakeholders to use the BAPTC and conduct their business at the trading center.
- Concerns against hogs/pigs with Porcine Respiratory and Reproductive Syndrome (PRRS) were raised by hog raisers from the municipalities of Bauko and Bontoc in Mountain Province. Animal raisers need to take preventive measures to safeguard their hogs from the PRRS disease.
- Concerns on the increasing demand for the native rice of Ifugao called “Tinawon”, here in the country and abroad. Since the rice can only be produced once a year because of its long maturing properties, the farmers’ activities need to be sustained to satisfy the demand. Cooperatives, such as the Rice Terraces Farmers Cooperative, Inc. (RTFCI), needs financial assistance as revolving fund for the members’ entrepreneurial activities for the whole province.
- Concerns on reported attack by members of the New People’s Army (NPA) to the Peace and Development Team of the 54th Infantry Battalion (IB) in Kiangan, Ifugao has brought concerns to the peace and development situation of the province.
- With the influx of tourists visiting Mount Pulag National Park, there is a need to protect and conserve the Park’s natural habitat and its vegetation. In order to achieve this, the Mt. Pulag Park Management needs to implement more restrictions and regulate the number of tourists and the number of days allowed to visit/camp at the park.

# Region I

## ILOCOS

### Opportunities

- Distribution of 20 units of fiber glass *payao*, a fish aggregating devise that can withstand extreme environmental pressure, which benefited at least 180 fishers in six coastal cities and municipalities of Ilocos Norte.
- Launch of Capitol Express Part two (CapEx 2.0) by the Provincial Government of Ilocos Norte (PGIN) in November 2015. The project “*Paspas Dur-as Biag ti Away*” (rapid development in the rural areas) aims to provide further agricultural support including distribution of seeds, machineries and facilities to Ilocano farmers.
- Launching of Laoag City’s own “dayo” on 4 September 2015. “Dayo” is a livestock selling event where sellers from different parts of the province peddle their livestock.
- Development of a program for tissue-cultured garlic to improve the quality of locally-produced garlic. Three farms, one each in Burgos, Pasuquin, and Batac City, received assistance for the tissue-cultured garlic production.
- Distribution of eight (8) motorized bancas to the Province of Ilocos Sur on 1 February 2016 during the opening of the Kannawidan Festival at the Provincial Capitol of Ilocos Sur.
- Implementation of the Community-based Participatory Action Research (CPAR) worth ₱10 million in Ilocos Sur and San Jacinto in Pangasinan.
- Implementation of Goat Multiplier Farm Project worth ₱4 million by the Department of Agriculture to the PG-La Union.
- Inauguration of the largest solar power field in Northern Luzon on 9 February 2016. This is the first grid-connected 20 megawatt (MW) solar power farm located in Currimaog, Ilocos Norte.
- Completion of the delivery center of Accenture, a global management consulting, technology services and outsourcing company, located in San Nicolas, Ilocos Norte.
- Opening of three museums in November 2015, namely, the *Taoid* Museum and the newly restored Burgos Lighthouse Museum, *Balay Dingras* and Paoay Convention Ruins.
- Creation of the Metro Ilocos Norte Council Night Express (MINCNE) for the establishment of travel schedules of transport groups to cater to night commuters, tourists, and visitors.
- Launch of four Negosyo Centers in the cities of Laoag, Batac and San Fernando. The Negosyo Centers will provide a one-stop shop for the following: registration assistance, business advisory services, business information, as well as monitoring and evaluation of business processes for micro, small, and medium enterprises (MSMEs).
- Opening of a state-of-the-art facility resort and hotel, Rivermount Resort and Hotel, in Sarrat, Ilocos Norte. This is expected to boost local tourism and provide more employment in the province.
- Upgrading of the power transformer from 50 mega volt amperes (MVA) to 100 MVA to increase the capacity of its San Esteban Substation in Ilocos Sur.

## Opportunities

- Rehabilitation of the Ambayaoan-Dipalo River Irrigation System (ADIRIS). This project is estimated to benefit 10,500 farmers in eight municipalities of Eastern Pangasinan.
- Opening of the state-of-the-art corn-seed processing facility called PRASSAD Seeds Philippines, Inc., in Rosales, Pangasinan.
- Construction of the Small Water Impounding Project (SWIP) for Pangasinan under the Water Harvesting Program. The project involves storing excess water during the rainy season and to be used during the dry season.
- Inauguration of various infrastructure projects in 2015 and early months of 2016, as follows:
  - Continuation of the improvement of the UNESCO heritage site, commercial arcade and plaza at Paseo de Paoay;
  - Redevelopment of Darat Garlic Center into Tourist Center;
  - Rehabilitation of Farmers Production Technology and One Town One Product (OTOP) Marketing Multi-Purpose Complex;
  - Construction of deadman at North and South Tower and Anchor and Improvement of Water system at Adventure Zone, Banaoang; and
  - Construction of new river flood control dike at Brgy. Bani.
- Opening of the ₱59.81 million-worth Poro Point baywalk and events center project inside the freeport zone on 14 February 2016.
- Launch of the provincial e-library in November 2015 for students, researchers and the public to have wider access to information.
- Recognition of the province's in quality corn production. The province bagged seven awards in the 11th National Corn Congress and 3rd Quality Corn Achievers Awarding Ceremony held at Clark, Pampanga on 22 October 2015.
- Establishment of the first convention center in La Union started in January 2016. The convention center will have up to 900 sitting capacity to cater to big events.
- Implementation of road projects to support the region's agricultural, industrial and tourism effort. This includes the following:
  - Tarlac-Pangasinan-La Union Expressway (TPLEX);
  - DPWH-DOT Tourism Convergence Program;
  - Road Widening along Manila North Road; and
  - Candon By Pass Project.

# Region I

## ILOCOS

### Challenges

- Concerns on severe effects of El Niño, rendering damage on rice and high value commercial crops. This is expected to affect production, hence, will lead to price increase of these crops.
- Concerns on halted projects such as the following:
  - Pangasinan Economic and Tourism Development Zone;
  - Sual Commercial Seaport; and
  - Upgrading/Improvement of the Lingayen Airport.

## Region II

### CAGAYAN VALLEY

#### Opportunities

- Completion of the construction and rehabilitation of 39 small water impounding projects and diversion dams in areas that are off-grid to the National Irrigation System. This will help mitigate the impact of El Nino.
- Implementation of various projects (i.e., production of dairy products, peanuts, seaweeds and mangoes in Cagayan; livestock and animal production, mangoes and mung beans in Isabela; and coffee, banana and corn starch in Quirino). The PRDP aims to establish a platform of inclusive value-oriented and climate resilient agricultural and fishery sector in order to provide more income opportunities in the region amidst the negative impacts of climate change and related disasters.
- Launch of eight Negosyo Centers in the different provinces of Region 2.
- Implementation of the projects under the Convergence program, which involves the construction of 11 road projects in 2014 and 13 in 2015.

## Region II

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### CAGAYAN VALLEY

#### Challenges

- Concerns on the impact of strong El Niño, which is expected to last until June of this year.
- Possible reduction in production levels brought by the El Niño could result to higher prices of food commodities particularly rice, vegetables, and meat and poultry products.

## Region III

### CENTRAL LUZON

#### Opportunities

- Distribution of machineries to Nueva Ecija farmers, including four wheel drive (4WD) cassava farm tractor, village type cob/grain drier, and corn/ hammer mills to the Valiant Primary Multi-Purpose Cooperative Inc. (VPMPCI) of Bongabon town.
- Completion of a course on sustainable rice production via the School-on-Air (SOA) program of the DA for 509 farmers and agricultural workers.
- Development of the ₱113 million-worth enterprise sub-projects approved under the DA's Philippine Rural Development Project (PRDP) to further enhance agribusiness in Central Luzon. The I-REAP, or the Investments for Rural Enterprise and Agricultural Productivity aims to strengthen and develop viable agro-fisheries-based enterprises.
- Conduct of a two-day training for Pampanga farmers on mango production by the Bataan Peninsula State University (BPSU). Participants included agricultural technologists and mango growers in Pampanga. The training aims to encourage existing or new farming enterprises to adopt the full application of package of technologies, increase farm productivity and maximize profitability of farmers.
- Instituted the Farmer Field School (FFS) to develop and increase production of palay and corn in the area.
- Conduct of the "Kabalikat sa Kabuhayan Farmer's Training Program" sponsored by the local government. The program intends to promote organic farming.
- Notable increase in the number of locators in Freeport Area of Bataan (FAB) from 39 in 2010 to 114 in 2015. These newly FAB enterprises include industries from the business process outsourcing, information and communication, tourism, administrative and support services, power sector and logistics.
- Development of the railway system project that would link Metro Manila to the City of Malolos, Clark Freeport and rest of Northern Luzon.
- The Bases Conversion and Development Authority (BCDA) shared its plan to extend the railway connecting Clark Freeport Zone (CFZ) all the way to Clark Green City (CGC) in Capas, Tarlac, through the proposed Clark Railway Transit System (CRTS) project.
- Development of a transport hub and commercial center and 47 hectares at Clark Freeport Zone (CFZ) to be used as train depot.
- Development of a five-star hotel in March 2016. The Midori Hotel, situated near the Fontana Leisure Parks and state owned-run Mimosa Leisure Estate, will be the first world-class five-star hotel to be established in Central and North Luzon.
- Development of a 260-hectare area in Clark Green City that will be the site of a 100-megawatt solar power facility worth ₱11.75 billion. A lease agreement has been signed between the BCDA and Sunray Power Inc., (SPI). The aim of this venture is to provide clean and renewable energy not only to Clark Green City but also to the neighboring areas in Central Luzon.



## Opportunities

- Distribution of 55 motorized bancas to barangays Balancatan, San Jose Gumi and San Rafael Baruya and six non-motorized bancas to barangays Bancal Sinubli and Pugad as well as fishing equipment to fisher folk in barangay Sta. Tereza II under DOLE's Grassroots Budgeting Program.
- Turnover of various machines worth ₱1.4 million to different enterprises in Bataan which showed potential in business development and job creation. Beneficiaries under DoST's Small Enterprise Technology Upgrading (SETUP) Program consist of three food-processing companies namely Montey's Food Products in Morong town, San Roque's Food Products in Samal town, and Linda & Nap Smoke & Dried Fish Processing in Balanga. The fourth project beneficiary is Robles Farm, a piggery farm in Abucay town.
- Construction of a mill by the Singapore-based Interflour Group (Interflour). This is seen to reduce the time and expenses incurred in hauling and transporting flour from Metro Manila to parts of Central and Northern Luzon by as much as 50 percent.
- Development of the ₱7 billion worth, three-hectare mixed-used facility intended for BPO, commercial, and retail enterprises by the Clark Green Frontier venture of Singaporean firm Capilion Corporation Pte. Ltd. in Clark.
- Construction of the proposed ₱498 million Balbalungao Small Reservoir Irrigation Project (BSRIP) in San Isidro village, Lupao, Nueva Ecija to boost agricultural production.
- Opening of the Techno Park in FAB to boost job opportunities for Bataan graduates and locals.
- Construction of a new factory for gas pipelines, directional drilling, and galvanized iron pipes by Crown Asia Chemicals Corporation in Guiguinto.

## Region III

### CENTRAL LUZON

#### Challenges

- Concerns on flooding and severe weather changes which threaten agriculture production's stability and productivity.
- Concerns on low water supply due to prolonged drought brought about by the El Niño. The lack of irrigation in the region may cut down the target output.
- Lack of international flights at the Clark International Airport.
- Lack of accommodation and convention facilities in the province to meet increasing demand. This limits the opportunities and local economic benefits of the boom in Aurora Provincial Tourism.

# Region IV-A

## CALABARZON

### Opportunities

- Use of high yield rice and corn varieties and provision of inputs subsidy to achieve higher crops output.
- Launch of the Imus-Ylang-ylang Rio Grande Rivers Water Quality Management Area to harness inter-LGU and stakeholders collaboration in promoting environmental awareness.
- Implementation of seasonal closure of Balayan Bay, Batangas to preserve biodiversity.
- Establishment of 8,588 hectares forest plantation in Quezon Province.
- Capacity building programs for local planners under the strengthening, upscaling and mainstreaming international migration and development (SUMMID) Project of CALABARZON.
- Additional source of energy from Pililla Wind Farm Project with aggregate capacity of 54 megawatts.
- Construction of Ecotourism Enhanced Project in Liliw, Laguna.
- Adoption of the new DOST 4A R&D Database dubbed as EXPLORE (Exchange, Probes, Learnings and Outputs of Researches), an online system that aims to possible easy access to various researches of the R&D institutions in the region.
- Opening of the Nasugbu-Magallanes road to boost ecotourism.
- Increase mobility in the region with the implementation of the following infrastructure projects: Daang Hari, Ternate-Nasugbu Road, Marawoy-Dagatan Road, Molino Boulevard, North-South Railway Project, LRT Line 6 Project, Laguna Lake Expressway and Taal Circumferential Road.
- Increase in container port traffic in the Port of Batangas due to congestion of Manila International Container Port.

# Region IV-A

## CALABARZON

### Challenges

- Occurrence of typhoons and other natural hazards.
- Destructive and overfishing that cause biodiversity losses.
- Degradation of water quality in freshwater lakes due to unmitigated discharge of domestic, industrial and agricultural wastes.
- Inadequate infrastructure in the eastern section of the region.
- Sustain cheap power supply to meet increasing demand of the industrial, commercial and household requirement.

## Region IV-B

### MIMAROPA

#### Opportunities

- Establishment of Rice Processing Center in Occidental Mindoro.
- Establishment of trade centers for the products of MIMAROPA in Asian countries.
- Establishment of weather forecasting facilities in strategic areas in the region.
- Promotion of organic agriculture in the region.
- Implementation of various training programs for farmers and fisher folks by the different LGUs and government agencies.
- Rehabilitation programs for the farms and fishing areas affected by typhoons.
- Financial assistance of the province of Oriental Mindoro to seaweed farmers.
- On-going implementation of Tourism Infrastructure and Enterprise Zone Authority (TIEZA) funded projects.
- Identification of MIMAROPA as one of the top destinations for ecological and agricultural tourism in the country.
- Conduct of Annual MIMAROPA Festival hosted by the provinces in the region on a rotation basis. In 2015, this was held in Calapan City, Oriental Mindoro. In 2016, it will be in Puerto Princesa City, Palawan and in 2017 in Romblon. This event showcases the best of MIMAROPA products and destinations.
- On-going construction of 77 tourism road projects in various parts of MIMAROPA.
- Inclusion of Palawan in the BIMP-EAGA sea and air linkages: Puerto-Princesa – Kota Kinabalu air linkage and Brooke's Point – Kudat and Brooke's Point – Labuan-Maura RORO routes.
- Development of Palawan-Visayas Nautical Highway (Taytay, Palawan to San Jose, Antique route via Cuyo, Palawan).
- Construction of the Rizal-Bataraza, Palawan Cross Country Road.
- Establishment of Project Development Assistance Center (PDAC) in all provinces of MIMAROPA.

## Region IV-B

### MIMAROPA

#### Challenges

- Negative effects of natural calamities and disasters.
- High cost of agricultural inputs.
- Need to improve and promote the competitiveness of high value crops.
- Need to improve the facilities and accessibility of tourism destinations.
- Need for an adequate and reliable supply of electricity.
- Need for an integrated modern port system with state-of the art cargo handling facilities to provide efficient and safe transfer of cargoes within and outside the region.
- Toxic contamination in Tapani pit, one of the waste storage areas abandoned by Marcopper Mining Corporation in 1996.

# Region V

## BICOL

### Opportunities

- Recognized the Region's climatic appropriateness and large area suitable for the production of high value crops like pili, Formosa pineapple, cacao and coffee.
- Presence of high capacity corn processing plants like South Luzon Feed Mill, Inc. lessens the overhead cost of corn farmers.
- Implementation of the Abaca Road Project of Albay costing ₱830 million will benefit the abaca areas of Polangui, Malinao and Tabaco City.
- Implementation of 158 projects with a total allocation of ₱490.2 million in 2015. These projects irrigated 197 hectares of previously rain-fed areas, restored irrigation service to 1,093 hectares of rice farms, and repaired irrigation facilities and structures in 1,576 hectares of ricelands.
- Under the Albay Green Economy Program, gains are as follows:
  - increase in forest cover by 88 percent in 7 years, from an initial 26,000 hectares of forest land to 44,000 hectares;
  - increase in mangroves from 700 hectares of mangrove forests when the program was launched to 2,400 hectares;
  - additional 700 hectares to be developed along the coast to create beach forests;
  - increased rice production from 147,291 metric tons (MT) in 2008 to 228,042 MT in 2014 through proper use of water resources; and
  - contributed 300 megawatts (MW) of geothermal energy to the national grid.
- Approval of the Triple C (Camarines Sur, Camarines Norte and Catanduanes) Tourism Development Plan for 2015-2020 by the Regional Development Council 5 through RDC Resolution No.30 (S.2015).
- Continued convergence of DOT and DPWH will provide vital access from gateways to service centers and tourism sites and destinations, specifically in the identified Tourism Destination Areas (TDAs).
- Hosting of various sport events in 2016 in Albay, particularly, Palarong Pambansa, Xterra Albay Triathlon Race and Le Tour De Filipinas biking competition.
- Participation in the Japan Business Mission to foster partnership with the City of Fuefuki of Yamanashi Prefecture and Albay for a joint promotion of two of the world's famous volcanoes, Mt. Mayon of Albay and Mt. Fuji of Japan.
- Rehabilitation of Rapu-rapu mining site and subsequent development into an ecotourism site, agro-forestry, golf course and other tourism facilities.
- Development of tourism facilities and access roads in emerging tourism sites such as in Surf Camp in Gubat, Ogod River, Orok Spring Resort, Sablayan Fish Sanctuary, Bucalbucalan Spring, Pilar River Egret Sanctuary, among others.
- Ongoing rehabilitation/ improvement of Mayon Skyline Hotel & Pavilion, Parks, Grounds & Facilities in Tabaco, City and Albay Parks and Wildlife in Legazpi City.
- Establishment of a three-building condotel and several commercial facilities in Legazpi by the Gaisano Group of Companies.

# Region V

## BICOL

### Challenges

- Ageing farmer population due to disenchantment of young individuals to enter the agriculture sector due to the poor image of the sector.
- Worsening effects of climate change that makes farmers weary in expanding their production.
- Need for the following:
  - Accreditation of tourism enterprises to ensure safety and favorable experience of tourists in the region;
  - Rehabilitation of infrastructures and agriculture damaged by Typhoon Nona in the Provinces of Sorsogon and Masbate; and
  - Fast tracking of implementation of interventions on food security under the Road Map to Address the Impact of El Niño.
- Issues on the Bicol International Airport Development project, such as, right of way acquisition, relocation and electrical posts at the runway.



# Region VI

## WESTERN VISAYAS

### Opportunities

- Inauguration of the Negros First Technology Business Incubation Center aimed to assist agriculture techno-preneurs.
- Declaration of Barangay Alangilan, Bacolod City as an eco-tourism barangay in order to protect its agricultural areas.
- Opening of a new building and milking parlor of the Sagay City Dairy Farm will enhance the management of cattle and visitors' appreciation of the dairy farm.
- Improvement of the national highway in the southern part of Negros Occidental paved the way to better investment opportunities and improved farm-to-market accessibility.
- Distribution of solar panels to upland farmers for the electrification of their communities in exchange for planting trees in the forests of Negros Occidental.
- Donation by Inada Inc., in partnership with Japan International Cooperation Agency (JICA) and Power Foundation, of two units of technologically advanced water purifier systems to the upland barangays of Baviera and Colonia Divina in Sagay City to enable disaster-stricken communities to use potable drinking water.
- Construction of a ₱5-million organic market at Brgy 5 Victorias City that serves as a trading post for organic products of local farmers in the area.
- Installation of a two-way bi-cable tramline system at Don Salvador Benedicto municipality, which would ease the transport of agricultural products from remote areas.
- Development of an economic triangle, a project that bridges three local governments through the establishment of a feeder port and improvement of existing ports of Victorias City (Negros Occidental), Ajuy and Banate in Iloilo.
- Construction of a shipbuilding facility in Negros Occidental by the Tsuneishi Shipbuilding Co., a Japanese firm. The company also explored the possibility of other business ventures such as sourcing biomass materials, lease of a portion of a dairy facility, and establishment of retirement homes.
- Additional investments to BagoSphere, a pioneering vocational training social enterprise based in Negros Occidental.
- Commencement of operation of the ₱10-billion solar farm, the biggest in Southeast Asia, in Brgy. Tinampaan, Cadiz City. The farm's construction phase provided 2,500 jobs and is expected to create 300-400 permanent jobs upon operation.
- Implementation of community driven development projects of 19 municipalities in Negros Occidental worth ₱544 million.
- Grant of livelihood projects worth ₱8.1 million for 964 parents of child laborers, the Association of Rebel Returnees for Peace & Development (Miag-ao Chapter), 4Ps Project beneficiaries, out-of-school youth, persons with disabilities (PWDs), solo parents, and former offenders, and P13,384,168.50 to provide emergency employment to 2,345 unemployed, underemployed, and displaced workers in the Province of Iloilo.

## Opportunities

- Distribution of 1,010 bags of registered seeds to farmer-beneficiaries in Passi City, Iloilo. In Mina, 82 bags of hybrid seeds were distributed under the "Plant Now, Pay Later Program". Likewise, 788 bags of certified seeds were distributed to farmers of Mina, Cabatuan, Passi City, Estancia and San Enrique.
- Delivery of two (2) hand tractors with trailer, one (1) turtle power tiller, three (3) rice blowers and two (2) threshers through the Farm Mechanization Project in Lemery, Iloilo.
- Operation of a newly constructed corn mill for feed processing and the procurement of corn and mungo for raw materials in Oton, Iloilo.
- Construction of the Organic Production Facility (Storage Facility) worth P800,000.00 to the LGU of Duenas in Iloilo under the Organic Project of DA.
- Distribution of 800 bags of palay seeds and 800 bags of urea fertilizer to palay farmers through the International Fund for Agriculture Development in Lemery, Iloilo.
- Implementation of the High Value Crops Development Program (HVCDP) of DA granting the LGU of Janiway, Iloilo with two (2) units of moisture dryer and one (1) unit of multi-commodity solar dryer.
- Distribution of agricultural needs, such as, fishing gears (315 rolls of ropes; 70 roles of twines and 4,375 floaters); 12,500 pieces of tilapia fingerlings; 600 sacks of palay seeds; 80 heads of goats, and six (6) heads of swine in the region.
- Grant of loans worth ₱10,000.00 each to 29 farmers for native chicken production in Lemery, Iloilo under the DA's "Agrikultura: Kaagapay ng Bayang Pinoy" (Akabay Pinoy) Program.
- Grant of livelihood projects for 484 Antiqueños worth ₱3.6 million, which included the provision of Starting Capital Kits to identified beneficiaries from the vulnerable groups, such as the youth, women and persons with disabilities (PWDs); various Income Augmentation Projects for low income farmers; Swine Fattening and Breeding Project for sugar migratory workers or sacadas and their dependents; and, various Livelihood Projects of former offenders.
- Grant of various livelihood projects worth ₱1.7 million for the Province of Guimaras which benefited 165 unemployed, underemployed, marginalized fisher folks and solo parents, and the amount of ₱1.8 million for emergency employment of 500 unemployed, underemployed, displaced and vulnerable individuals.
- Declaration of Aklan as an insurgency-free province by the Armed Forces of the Philippines.
- Development of the 400-hectare mixed-use, master planned township in Pueblo de Panay, Roxas City.
- Expansion and improvement of passenger terminal as well as the extension of runway in Roxas City airport worth ₱48.1 million.
- Development of Roxas City to make it "the logistics Hub of Northern Panay," a project supported by the city and provincial governments and the Capiz Micro, Small and Medium Enterprise Development Council.
- Entry of Ford Philippines showroom and service center in Roxas City.
- Presidential declaration of Pueblo de Panay as special economic zone.

## Opportunities

- Distribution of 43,000 and 5,000 day-old chicks in two (2) broiler and layer commercial farms in Iloilo. The Municipal Agriculture Office (MAO) injected 32 head of swine with antibiotic against swine flu and iron supplement. Eighteen (18) head of piglets were castrated and three (3) head of carabaos and 13 head of cattle were dewormed.
- Dispersal of 24 heads of swine to 12 farmer-beneficiaries in the town of Leganes under the Akbay Pinoy Program; 24 heads of female piglets and one (1) male piglet to 25 recipients of Cabilauan Farmer's Association; 20 heads of carabaos, 45 heads of cattle and 80 heads of goats as part of the Livestock Dispersal Program from Jalaur Convergence Project; 80 heads of hogs from the same project.
- Development of the Iloilo Flood Control Project which includes the improvement of the Jaro River, Dungon, Barangay Obrero-Mansaya and Rizal creeks and the construction of La Paz floodway, under a loan agreement between the governments of the Philippines and Japan.
- Construction of a world-class training center accredited by the Technical Education and Skills Development Authority (TESDA) at the Roxas City School for Philippine Craftsmen in Barangay Lanot.
- Acquisition of a 54-hectare old airport lot in Mandurriao worth ₱1.2 billion by Megaworld Corporation to develop the proposed Iloilo Business Park. This includes a Business Process Outsourcing (BPO) hub, the first ever in Western Visayas, BPO offices, residential condominiums, a hotel, convention center, commercial and retail center, skills training center and recreational facilities.
- Establishment of a Spanish-Italian styled building called Plazuela de Iloilo designed by Palafox and Associates who are also tasked to do the Iloilo City urban planning. This will host retail stores, coffee shops and restaurants in the ground floor and BPO locators in the second floor.
- Construction of the Ayala Iloilo Techno hub, a two-hectare property along Diversion Road, Mandurriao, Iloilo City. It will have three sets of three-storey BPO buildings with an area of at least 7,500 sq.m. with approximately 2,500 sq.m. floor plate/building.

## Region VI

### WESTERN VISAYAS

#### Challenges

- Blocked entry of citrus and banana-planting materials from Manila and Davao to Negros Occidental to prevent the spread of plant diseases such as Huanglongbing disease (or Citrus Greening disease) and Fusarium Wilt disease.
- Coastal erosion due to waves and currents resulting in a loss of approximately 9.5 hectares in the southern coast of Negros Occidental.
- Infestation of black bugs and army worms in agricultural crops during the summer season wherein black bugs breed in rain-fed and irrigated wetland environments and prefer continuously cropped irrigated rice areas and poorly drained fields.
- Onslaught of typhoons Egay, Falcon, Ineng and Hanna which caused damage to agriculture crops, irrigation facilities and fisheries in affected cities and municipalities of the province.
- Rampant illegal fishing and abuse of the Visayan Sea especially along Molocaboc Island, Sagay City.
- Concerns on the encroachment of commercial fishing vessels in the 15-kilometer municipal water limit, using illegal methods of fish catch.
- Inadequate water supply and irrigation water from National Irrigation Administration (NIA) and other irrigation sources such as Shallow Tube Wells (STW) and Small Water Impounding Projects (SWIP). Corn plantings and standing vegetables were also affected by intense heat. Water from deep wells and Shallow Tube Wells was reportedly drying up.
- Concerns on increasing demand for efficient and sustainable water supply in Iloilo City.
- Rampant illegal slaughtering operations in Bacolod City, which prompted local officials to intensify surveillance efforts to protect the health of the meat consumers.
- Limited planting of palay and corn in Iloilo due to El Niño.

## Region VII

### CENTRAL VISAYAS

#### Opportunities

- Conduct of the Paralegal Capacity Enhancement Training for 35 Agrarian Reform Beneficiaries (ARB) farmer leaders and selected 15 Municipal Agrarian Reform Program Officers (MARPOs) from the provinces of Bohol, Cebu and Negros Oriental. The training aims to enhance their skills as a paralegal and deepen their understanding of important laws relating to agrarian reform.
- Conduct of a series of cloud seeding operations in Tagbilaran City at the start of the planting season in January 2016. These operations were also intended for the four major dams in Bohol to store rainwater for the farmers.
- Eyed the town of Balamban in Cebu as prime supplier of quality cacao beans locally and globally. The DA distributed 25,000 cacao seeds to farmer groups.
- Implemented a program called Target, which stands for Targeted Actions to Reduce Poverty and Generate Economic Transformation led by the Bureau of Fisheries and Aquatic Resources (BFAR).
- Initiative by the Department of Environment and Natural Resources (DENR-7) to conduct regular monitoring, patrol and surveillance operation within the entire stretch of Tañon Strait Protected Seascape (TSPS) against illegal fishing activities.
- Improvement of facilities in Linuthangan livestock “Oksyon” market in Canlaon City. The project was funded by the LGU worth ₱4.7 million.
- Construction of the biggest solar power plant in Toledo City. The 60MW solar power plant will entail investments of US\$120 million and is expected to reduce carbon emissions by 1.72 million metric tons in 20 years.
- Construction of the eight cement grinding finish mill, worth ₱663 million in San Fernando, Cebu. This facility will increase the capacity of Taheiyo Cement Philippines, Inc. (TCPI) to produce one million tons more of cement in a year.
- Construction of the new Cebu International Container Port in August 2016, targeted to be completed by the second quarter of 2019.
- Development of the six-hectare property adjacent to the upscale village, Beverly Hills, in Lahug. This project will address the housing backlog in Cebu.
- Ongoing construction of the new airport in Bohol.
- Completion of the ₱20.9 million Siquijor port passenger terminal building.
- Development of the first economic housing project worth ₱60 million in Lapu-Lapu City by Filinvest Land Inc. (FLI). FLI’s Futura Homes will have 239 units sold between ₱1.6 and ₱1.9 million. Expansions for FLI house and lot projects in Cebu will start in the middle of 2016. FLI is also scheduled to turn over 209 condo units in One Oasis in the first quarter of 2017. This will bring the total number of turned over units in the said development to almost 800.

## Opportunities

- Signing of a memorandum of agreement (MOA) between the officials from the Provincial Government of Negros Oriental and the Philippine Crop Insurance Corporation (PCIC) to provide free crop insurance to the poorest farmers and fisher folks in the province.
- Expansion of abaca farm by the Fiber Industry Development Authority (FIDA) in Negros Oriental.
- Continued distribution by the DA of different seeds of palay, corn and vegetables in the region.
- Release by the Department of Labor and Employment (DOLE) of three (3) pump boats in Barangays Iniban, Tampocon 2 and Calagcalag while one (1) gillnet was given to Barangay Iniban. Fifteen (15) heads of breeder carabaos were dispersed in Barangays Carolan, Lamigan, Tibyawan, Gomentoc, Banban, Mabato, Tambo and Jandalamanon. Seventy (70) heads of breeder goats were released to 4Ps member-families and PWDs.
- Implementation of the subsidized insurance for livestock (poultry, cattle, and swine). This year's allocation is about ₱33 million for Negros Oriental.
- Turnover of ₱12.3-million worth of heavy tractors to farmer-beneficiaries in Negros composed of four (4) 90-horsepower four-wheel drive tractors that will benefit the farmers from identified agrarian reform beneficiaries organizations (ARBOS) in Negros Oriental.
- Accelerated the sustainable livelihood and backyard farming initiatives through the donation of piglets and "egg machines" by the food subsidiary of Aboitiz Equity Ventures, Inc.
- Distribution of Certificates of Land Ownership Awards to 111 farmer beneficiaries of Mabinay town in Negros Oriental.
- A subsidiary of Metro Pacific Investments Corp. (MPIC) has bagged the award for the financing, design, construction and operation of the 8.25 kilometer Cebu-Cordova toll bridge project. The ₱27.9-billion project includes the construction of the main bridge structure, viaduct, causeway, roadway and toll facilities.
- The construction contract for the Cebu Bus Rapid Transit (BRT) may possibly be awarded in the middle of this year. The Cebu BRT is scheduled to be completed by first quarter of 2018, involving the construction of 33 bus stations along a 16-kilometer segregated bus lane from Bulacao in Cebu City's south to Talamban in the north.
- GMR-Megawide Cebu Airport Corp. (GMCAC) announces its plans to establish a mall and commercial strip at the Mactan-Cebu International Airport (MCIA). The management will construct an airport village, a 230-meter commercial strip to be set up at the arrival road of the airport.
- At present, MCIA is connected to 22 domestic routes and 12 international routes. This March 2016, a new international route, Cebu-Los Angeles, will be opened. The management is also establishing Cebu-Middle East and Cebu-Istanbul routes.
- Opening of two big malls, the SM Seaside City and Robinsons Galleria in Cebu City. Two more malls will be opened within Cebu Province as well. Robinsons Land Corp. identifies Bogo City as one of the location
- Promotion of the "Meet China" program of the Philippine Embassy in China and the ASEAN-China Centre (ACC) will highlight Cebu as the gateway to Southern Philippines. This intensive promotion to attract the Chinese market is also the starting point for Cebu to position its ESL (English as Second Language) offer to the Chinese.

## Opportunities

- Installation of 40 farmer-beneficiaries in a landholding formerly owned by JLT Agro Incorporated in Calasgaan, Bais City.
- Pledged commitment for a forest restoration program that targets to plant 10 million trees in 10 years in Negros Island by the Energy Development Corp. (EDC) and its various partner-stakeholders.
- Recognition of Cebu as Top 10 of the Tholons' list of 100 emerging global outsourcing cities. Tholons is a leading strategic advisory firm for global outsourcing and investments.
- Implementation of the capacity-building activities worth ₱200 million for livelihood grants to marginalized workers for Special Program for Employment of Students (SPES), for Bottom-Up-Budgeting (BUB), and for Government Internship Program (GIP) and Tulong Panghanapbuhay sa Ating Disadvantaged (TUPAD) workers in the Region.
- Allocation of about ₱10 million for the construction of women's crisis center to address the increasing number of domestic violence against women and children.
- Groundbreaking of two big private hospitals with state-of-the-art equipment in the region.
- Repair and construction of wave deflector and passenger walkway in Dumaguete City's Port to boost the city's main attraction.
- Concluded a two-day, four-part materials innovation seminar series sponsored by the Department of Science and Technology (DOST) for selected homegrown designers and representatives of MSMEs in Dumaguete City, Negros Oriental.
- Inauguration of EDC's 49.4 MW Nasulo geothermal plant in Valencia, Negros Oriental.
- Arrival of the M/S Europa, an international cruise ship of the Hapag-Lloyd Cruise Company in Europe in Tagbilaran City.
- Expansion of the booming cargo-passenger business in the Visayas and Mindanao, Cokaliong Shipping Lines Inc. by adding another ship to its fleet, the M/V "Eins Soya". This vessel can accommodate at least 600 passengers.
- Launch of the loan program for MSMEs called the "Power Negosyo Loan 300 Program." The loan program allows MSMEs to loan up to ₱300,000 to expand their business.
- Implementation of the sustainable livelihood program for the beneficiaries of "Balik Balay" project in Pilar, Camotes. The recipients of this project will undergo training to help them take advantage of the island's tourism potential.
- Creation of Negros Island Region (Region 18) thru Executive Order No. 183 on 20 May 2015.
- Completion of bio-ethanol plant in Barangay Alangilan, Manjuyod, Negros Oriental.
- Conduct of the Speed Business Matching in Dumaguete City for MSMEs and other business owners in the province by the Department of Trade and Industry (DTI).
- Construction of a manufacturing plant for roofing materials by DN-PhilSouth Steel in Palinpinon, Valencia.
- Launch of the second Negosyo Center to boost the development of MSMEs in the province by the DTI.
- Establishment of multi-million Mackay Green Energy in Amlan, Negros Oriental.
- Completion of Hospital Central Block building. The building will address the lack of beds at the Negros Oriental Provincial Hospital.

## Opportunities

- Development, construction and operation of a solar power farm in Bais City, Negros Oriental per Subscription and Shareholders' Agreement with Bronzeoak Clean Energy Inc. and AC Energy Holdings, Inc.
- Produced 1,179 graduates from the Provincial Integrated Skills Training Center, TESDA and Technology and Livelihood Development Center.
- Awarded the Seal of Good Housekeeping and the Seal of Good Local Governance from the Department of Interior and Local Government (DILG). The ₱14 million monetary rewards for both projects was used for the improvement of the Bonawon to Calangag Road, and the construction of the flood control project along the Banica River in Dumaguete City.
- Approval of ₱18 billion worth of proposed infrastructure projects by the Provincial Development Council. The projects include road construction, improvement, upgrading, and rehabilitation of national arterial and secondary roads in the three engineering districts of the Department of Public Works and Highways (DPWH).
- Turnover of the ₱12.3 million worth of heavy tractors to farmer-beneficiaries in Negros Oriental to boost the quality of their agricultural products.



# Region VII

## CENTRAL VISAYAS

### Challenges

- Concerns on the El Niño phenomenon may significantly impact on the agricultural output of the region.
- Concerns on the decreasing number of Filipino farmers, which threaten food security and the growth of the agriculture sector. Farmers in the region are dwindling in number because of rapid urbanization.
- Increased demand for desalinated water threatens Cebu’s water source. The Cebu-based bulk water provider Mactan Rock Industries Inc., (MRII) reported an estimate of 60 percent increase in desalinated water demand in Cebu including Mactan Island.
- Insufficient and inadequate irrigation water supply causing serious damage on potential production.
- Concerns on the condition of Negros Island’s Kanlaon Volcano, after a minor explosion, which according to the Philippine Institute of Volcanology and Seismology (PHIVOLCS) meant the volcano had entered a “period of unrest.”
- Issues on the worsening traffic, poor infrastructure and port congestion.
- Loss of business opportunities due to lack of infrastructure.
- Lack of employment opportunities.
- Decreasing Cebu exports due to shrinking market shares and slowing imports from traditional trade partners and strong US dollar.
- Concerns on peace and order situation in the region.
- Increased cases of drug addiction and drug related violence have been noted.

## Region VIII

### EASTERN VISAYAS

#### Opportunities

- Development of agriculture-based projects worth ₱468 million in the region's LGUs will boost agricultural productivity in the province.
- Installation of 70 fish aggregating devices in the eastern seaboard of Samar Island, covering the territorial waters of seven LGUs from Eastern Visayas such as Calbayog City and towns of Almagro, Sto. Niño, Tagapul-an, Sta. Margarita, Daram, all in Samar and Maripipi town of Biliran, under the National Payao Program in 2015. Said project is expected to benefit 10,000 fisherfolks.
- Improved access to markets to enhance the competitiveness of smallholder farmers in the targeted agrarian reform community clusters under the DAR's Inclusive Partnership for Agricultural Competitiveness project funded by World Bank.
- Continuing improvements in the business environment through various reforms in doing business such as the streamlining of the Business Permits and Licensing System (BPLS), and investment promotion such as the Bahandi 2015.
- Release of the bulk of Yolanda Comprehensive Rehabilitation and Recovery Plan (YCRRP) will pump prime the reconstruction projects that will boost various sectors, particularly the construction subsector which is forecasted to buoy the annual performance of the regional economy.
- Implementation of the BUB, a program that ensures equitable allocation of substantial amount to all LGUs for priority poverty reduction programs and projects, to address the concern on underspending of public funds.

## Region VIII

### EASTERN VISAYAS

#### Challenges

- Need for further improvement in Disaster Risk Reduction and Management/Climate Change Adaptation (DRRM/CCA).
- Need to have an effective intervention to arrest the continuing decline of the agriculture and fishery sectors in Eastern Visayas.
- Concerns on the logistics sector, e.g. port congestion.
- Concerns on Eastern Visayas's diversification of its industries as the region is heavily dependent on the performance of the Philippine Phosphate Fertilizer Corporation (PhilPhos) and Philippine Associated Smelting and Refining Corporation (PASAR) in Leyte Industrial Development Estate (LIDE).

# Region IX

## ZAMBOANGA PENINSULA

### Opportunities

- Development of the halal industry in the Zamboanga Economic Zone Authority (ZEZA).
- Rehabilitation of the liquid nitrogen facility in Pagadian City. The said facility could be used for artificial insemination of ruminants.
- Development of the following top priority projects in Region IX:
  - Establishment of the National Seaweeds Center
  - Rehabilitation of Zamboanga Fish Port Complex
  - Integrated Development Project for Abaca
  - Halfway House in Zamboanga Peninsula; and
  - Integrated Rice-Duck Farming, Processing and Marketing.
- Observance of the closed fishing season for the conservation of sardines in East 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 in increase in sardines’ catch.
- Expansion/replanting of 6,745.2 hectares under two (2) planting/replanting programs.
- Identification of flood basin areas to ensure the safety of Zamboanga City residents. All areas that will be identified or classified as flood basins will be declared as no-build zones.
- Development of Southeast Asia’s largest solar energy plant with a power generation capacity of 100 megawatts in Zamboanga City by a group of Filipino and French investors.
- Development of the following:
  - Transfer of the Zamboanga International Airport to Brgy. Mercedes in Zamboanga City;
  - ZAMBOECOZONE World Class International Seaport;
  - Integrated Regional Radio-Based Communications System; and
  - Western Mindanao Drug Abuse Treatment and Rehabilitation Center (DATRC);
- Development of the proposed regional campus of the Philippine Science High School (PSHS) will be located in a 5-hectare lot in Brgy. Cogon, Dipolog City, equipped with the necessary school facilities.
- Development of the Ipil Airport, which will serve as an alternative airport in times of disaster or calamity because of its strategic location at the center of the region. It will facilitate seamless regional cargo transport and logistics, as well.
- Opening of KCC Mall de Zamboanga and City Mall Tetuan-Zamboanga. The KCC Mall, which sits in a four-hectare property, features fully air-conditioned mall with the widest array of products and services. Meanwhile, City Mall Tetuan-Zamboanga is a community mall owned and developed by Double Dragon Properties, Inc. (with SM as one its stockholders).

# Region IX

## ZAMBOANGA PENINSULA

### Challenges

- Need for concerned government agencies to inform economic zones of their projects in the area especially those involving quarrying as there could be illegal quarrying in the area.
- Concerns on the chronic food insecurity situation in the Provinces of Region IX based on the Integrated Food Security Phase Classification Protocol.
- Concerns on the critical rivers of Mindanao. The rivers in Region IX namely, Dicayo, Sindangan, Salug (in ZDN), Sibuguey, Layawan, and Dipolog were found to have unregulated sand and gravel extraction.
- Due to the El Niño phenomenon, Zamboanga City faces another possible water shortage. The level at the main water intake of the Zamboanga City Water District has dropped below normal level raising concerns of another water shortage in the City.
- Concerns on power crisis after the Mindanao grid lost efficiency of its hydroelectric power plants due to critical water level.
- Delay of ongoing projects at Dipolog Airport.
- Concerns on black sand mining activities and over-extraction of pebbles in some parts of the Province.
- Lack of comprehensive regional infrastructure development plan and large-scale infrastructure programs.

## Region X

### NORTHERN MINDANAO

#### Opportunities

- Continued programs in propagating and distribution high yielding rice varieties.
- Continued suitability for cattle production because of the availability of animal fodder and the absence of pests and parasites.
- Implementation of the DA programs particularly the improvement of genetic pool, disease monitoring and prevention.
- Hosting of the sustained programs by various organizations and LGUs. These programs include 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.
- Addressed the threat of diseases affecting swine through massive vaccination programs and the setting-up of quarantine areas at the borders of major swine-producing provinces of Misamis Oriental and Bukidnon.
- Increased multi-stake holder cooperation such as the loan assistance for feeds (Purina and Pilmico) will positively affect swine production in the region through encouraging farmers to engage in backyard swine farming.
- Absence of diseases affecting poultry.
- Sustained government support in the form of animal dispersal and other technology transfer provided to chicken growers.
- Sustained implementation of programs of various local government units in Northern Mindanao in coordination with BFAR to boost fishery output in the region.
- Sustained demand for fishery products not only within the region but also from other regions in the country, notably Cebu and the NCR.

# Region X

## NORTHERN MINDANAO

### Challenges

- Unfavorable weather condition which are increasing in frequency and intensity. La Niña, which is forecasted to affect the region, can negatively affect rice and corn production.
- High cost of farm inputs may prevent farmers from using modern farming technologies thus resulting to lower yield per hectare.
- Shifting of farmers to other high-value crops such as banana and pineapple in corn-growing areas of the region.
- High production costs brought about by the frequent electric power service interruptions and the need to use ventilators to mitigate the effect of extreme weather condition may discourage poultry farmers from expanding production.
- Need to adopt and implement a comprehensive land use plan to ensure the sustainability of communities in the region.
- Threats in the peace and order situation in Mindanao.
- Extreme weather condition, particularly the prolonged dry spell, is a major threat to cattle and poultry production in the region.

# Region XI

## DAVAO

### Opportunities

- Higher yields of major commodities such as palay and corn due to projected expansion and early palay cropping in Davao del Norte and Davao Oriental and expansion of corn harvest area in Compostela Valley and increased seed assistance by the DA and the LGUs in Davao Oriental and Davao del Sur.
- Continued increase in cacao production due huge demand for quality cacao beans from Davao Region. To meet the demand of the world market, an additional 7 million cacao seedlings are to be planted in the different parts of the region in 2016.
- Allocation by the DA of about ₱95 million for its El Niño Mitigation Plan which covers effective water management, provision of open-source pumps, small farm reservoirs and spring development, cloud seeding, distribution of seeds/planting materials, and conduct of IEC, among others. In addition, the City Government of Davao also allocated about ₱60 million for its El Niño mitigation plan that shall be used in the repair of dams, cloud seeding and purchase of mobile irrigation facilities.
- Development of the region's academic sector as Mapua Institute of Technology, De la Salle University and Lyceum of the Philippines plan to establish satellite campuses in the Region.
- Creation of the Davao City Halal Industry Development Council whose main purpose is to promote the development and growth of the Halal industry in Davao City.
- Speeding up of the full operation of the Unit 1 and Unit 2 of the Therma South Inc. coal-fired power plant to ease the low supply of power especially in Davao Region. In addition, the 300 mega-watt coal-fired thermal power plant of the San Miguel Consolidated Power Corporation in Malita, Davao Occidental is also targeted to be commissioned in 2016 to increase power supply in the Region.



# Region XI

## DAVAO

### Challenges

- Threat of the El Niño phenomenon. The below-to-normal rainfall shall have significant effects in the production of major agricultural products and high-valued crops such as palay, corn and banana.
- Inadequate and unreliable power supply which is the result of the intensified El Niño.

## Region XII

### SOCCSKSARGEN

#### Opportunities

- Increased provision of production and post-harvest facilities such as the two 4-wheel drive tractors, four corn shellers and one flat bed drier from the DA in the Municipality of Aleosan, Cotabato will strengthen technical support assistance in the corn production.
- Conduct of awareness campaigns to various farmers in South Cotabato on the topic “How to maintain good quality on cacao farming”. The farmers were also given saplings of UF18 variety of cacao for planting.
- Implementation of the Small Enterprise Technology Upgrading Program (SETUP) to bridge the gap between MSMEs and the appropriate technology interventions. The program aims to encourage and support MSMEs to boost their overall operation.
- Proposal to develop a special economic zone resulting in the investment of some ₱50 million for that aims to attract local and foreign investors.
- Development of a major infrastructure project under the Mindanao Development Corridors will boost the competitiveness of Region 12. The project called Aerotropolis will integrate the different points of entry in the region. The proposed aerotropolis will develop some 200 hectares of property surrounding the General Santos airport to an integrated complex that will include business parks, amusement parks, hotels, integrated food terminals, and shopping malls.

## Region XII

### SOCCKSARGEN

#### Challenges

- Continuing effect of El Niño brought intense hot weather condition which may affect the agriculture and fishery production in the region.
- Concerns on the peace and order situation in Maguindanao.
- Suspension of the discussions and hearings related to the passage of the Bangsamoro Basic Law.

# Region XIII

## CARAGA

### Opportunities

- Development of soybeans as one of the food sources used by LGUs in fighting malnutrition in the Caraga region. The DA will spearhead the updating of the region's Soybean Roadmap.
- Continued establishment and upgrading of two ice plants with cold storage facilities in the provinces of Dinagat Islands and Surigao del Sur as well as the establishment of a Regional Integrated Marketing Center in Agusan del Norte.
- Development of ten projects under the government's PAMANA program have been lined up for conflict-affected areas in the region. Five livelihood and five farm-to-market road (FMR) projects amounting to ₱464 million are set for implementation.
- Construction of the ₱145-million Janipaan-Andap Valley complex FMR, which will traverse the hinterlands of San Agustin and Marihatag towns.
- Turnover of ₱300 million worth of various agricultural projects, farm equipment, provision of seeds and other commodities to farmers in the region.
- Opening of the Go Hotel in Robinson's Place Butuan caters to both business and leisure travelers in the city/region.
- Opening of the first branch of RCBC Savings Bank (RSB) in March 2015 along JC Aquino Avenue, Butuan City.
- Launch of the Tigerair Philippines Manila-Butuan-Manila route through Butuan City's Bancasi airport. This presents many opportunities and may boost the city's economy and tourism industry.
- Launch of PAL flights from Bislig City to Cebu City or Manila.
- Completion of the newly completed road improvement project worth ₱133-million funded by the 2014 Department of Tourism-DPWH Convergence Program. This involves the upgrading of 6.8 kilometers of the NRJ Tagcatong-Vinapor Road in Carmen town.
- Continued increase in Agata Mining Ventures Inc.'s (AMVI) direct shipment of nickel ore with a goal of 2.5 million wet metric tons (WMT) in 2015 according to the Philippine unit of Canada's TVI Pacific Inc.
- Shipment of 55,400 WMT of nickel limonite ore with an estimated worth of ₱30.6 million and nickel saprolite ore of higher grade.
- Opening of three branches of Gaisano Malls in the region. The establishments provide opportunities for employment in the locality. It also plans to build malls in Bayugan City and in Tandag City, Surigao del Sur.

# Region XIII

## CARAGA

### Challenges

- Need for diversification of the region's export products particularly in mineral products.
- Concerns on Caraga's low score in the human development index in 2009.
- Concerns on the high unemployment and underemployment rates in the region.

## AUTONOMOUS REGION IN MUSLIM MINDANAO

### Opportunities

- Approval by the Regional Board of Investments (RBOI) of a ₱1.3 billion worth of palm oil plantation project in Maguindanao. The Gintong Agri-corporation which is a subsidiary of Agricola Holdings, a company that operates oil palm and rubber estates across Central America, West Africa and Southeast Asia, has committed to initially develop 5,000 hectares of oil palm in Datu Odin Sinsuat, Maguindanao. Construction of agricultural facilities that hastens the delivery of harvest to the market.
- Investments totaling P6.5 billion in Cavendish banana plantation in Maguindanao towns, napier grass biofuel plantation, petroleum, and mineral development projects.
- Re-opening of Polloc Port in Polloc, Maguindanao to international trading.
- Signing of the Joint Memorandum Order (JMO) between the Regional Economic Zone Authority (REZA) and the Bureau of Customs (BoC) will allow investors registered with the RBOI to enjoy duty-free importation of capital equipment, breeding stocks, generic materials, import construction materials and office equipment. They will also be entitled to avail of other investment incentives given by LGUs.

# ARMM

## AUTONOMOUS REGION IN MUSLIM MINDANAO

### Challenges

- Adverse effects of El Niño phenomenon to the Region's agricultural and fishery sectors.
- Rotational power fluctuations.
- Lack of infrastructure development and institutional framework necessary to support productivity of locators and encourage industrial agglomeration.
- Need to achieve lasting peace that will help ensure inclusive and sustainable growth in the region. The failure of the government, particularly of Congress to pass the Bangsamoro Basic Law (BBL) created widespread frustration among the Moro population in the Region and the members of the Moro Islamic Liberation Front (MILF), which may result to the delay in the delivery of basic services, and financing priority investments identified in the Bangsamoro Development Plan (BDP).