

REPORT ON
**REGIONAL
ECONOMIC
DEVELOPMENTS**
IN THE
PHILIPPINES
2018



Department of Economic Research

BANGKO SENTRAL NG PILIPINAS

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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, 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 banking system are used to analyze the services sector. Also included in this Report are trends in local governments' receipts and expenditures, approved investments, banking, as well as microfinance activities.

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. ■

Introduction

The Philippine economy continued its growth track, posting a 6.2 percent gross domestic product (GDP) expansion in 2018. All regions exhibited positive performance in 2018, led by CAR, Davao Region, Western Visayas, SOCCSKSARGEN, ARMM, Cagayan Valley, CALABARZON, MIMAROPA and Caraga. Growth rates in the regions ranged between 3.2 percent and 8.9 percent, with twelve regions registering expansions that were higher than the national GDP outturn during the year while three regions, namely, Bicol, MIMAROPA and Davao posted growth rates of above 8 percent. On the contrary, the slowest expansions during the year were recorded in Caraga (3.2 percent, a slowdown from its 3.6 percent growth in 2017), Cagayan Valley (3.3 percent from 7.1 percent), and NCR (4.8 percent from 6.2 percent).

Palay production contracted nationwide by 1.1 percent in 2018 from an improvement of 9.4 percent in 2017. The dry spell and damages brought by typhoons caused reduction in harvest areas and yields in the affected regions. Aggregate corn production also contracted in 2018, declining by 1.8 percent from an expansion of 9.6 percent in 2017. Similarly, the country's total cattle production contracted further by 1.2 percent in 2018 from 1.5 percent in 2017. Meanwhile, chicken, swine and fish production grew in most regions.

In the industry sector, construction activity grew in 2018 as approved building permits and new residential construction registered accelerated growth rates. At the same time, the industry remained a major driver of economic expansion during the review period due to the favorable performance of both public and private construction. On a regional basis, the leading performing regions for both indicators were Central Visayas, MIMAROPA and SOCCSKSARGEN.

In the financial services sector, aggregate credit activity showed improvement as reflected by the increase in loans-to-deposits ratios (LDRs) across most regions in 2018. Similarly, deposit liabilities of BSP-supervised institutions in all regions managed to perform positively in 2018. In terms of share to total deposit liabilities, more than half are concentrated in the NCR (67.1 percent). The NCR continued to have the highest concentration of banks relative to the total number of cities/municipalities with a density ratio of 219.9 percent in 2018. Following NCR were MIMAROPA, CALABARZON and SOCCSKSARGEN with density ratios of 12.9 percent, 9.9 percent and 9.6 percent, respectively. The number of microfinance service providers in the country steadily increased for most regions in 2018, reaching a total of 2,106 nationwide, a growth of 99.2 percent year-on-year. Cagayan Valley led the regions with the highest growth in the number of microfinance-oriented banks or MOBs (730.0 percent) in 2018.

Meanwhile, the national employment rate in 2018 increased by 0.4 percentage points (ppts) to 94.7 percent from 94.3 percent in 2017. Among the 17 regions, those with the highest employment rates were Cagayan Valley, 97.0 percent; ARMM, 96.3 percent; and SOCCSKSARGEN, 96.1 percent. Employment gains were likewise registered for the other regions. This improvement in employment was attributed to the joint private sector and national government efforts in the conduct of job fairs, acceleration of the “Build, Build, Build” infrastructure projects, availability of seasonal jobs in the agriculture sector, and provision of livelihood programs for displaced workers in the regions. In 2018, unemployment eased in 13 regions resulting in the national unemployment rate of 5.3 percent.

In 2018, the total ending cash balance of local government units (LGUs) for the Fiscal Year (FY) 2018 reached ₱450.4 billion, lower by 13.2 percent from FY 2017. Total LGU receipts reached ₱657.9 billion in FY 2018, of which 65.7 percent or ₱432.3 billion came from external sources (63.7 percent of which were accounted for by internal revenue allotment [IRA]); 32.1 percent or ₱210.8 billion came from local sources (22.2 percent from tax revenues); and 2.3 percent or ₱14.8 billion from non-income receipts (0.5 percent from capital investments). Out of the total LGU receipts, 16.9 percent came from NCR; 12.0 percent from CALABARZON; and 9.5 percent from Central Luzon.

Average annual inflation rates in all regions increased in 2018 compared to the previous year. Of the 17 regions, 11 posted notable increases, at rates that were more than double the previous year’s inflation. Despite the broad acceleration, inflation rates in two (2) regions managed to remain well within the national government’s inflation target range of 3.0 percent \pm 1.0 percentage point during the year. The CAR and Central Luzon regions posted annual inflation rates of 3.8 percent and 3.2 percent, respectively.

Approved foreign investments (FIs) in the country expanded by 69.2 percent in 2018, following the contractions in 2016 and 2017. Nine regions experienced increases in approved FIs. Similarly, the combined approved foreign and Filipino nationals’ investments in the country grew by 19.3 percent in 2018, following a strong performance in 2017 of 32.5 percent. The regional expansions were led by Northern Mindanao, Caraga, Eastern Visayas, Davao Region and Central Visayas.

Moving forward, key challenges to regional development remain, including the adverse impact of extreme weather-related disturbances, particularly for regions which are dependent on the agriculture sector. Other issues include the need for adequate and reliable infrastructure and connectivity. On the upside, efforts to improve ease of doing business are expected to attract more investments and encourage entrepreneurial activities in local industries. Timely implementation of infrastructure and road projects as well as rehabilitation of existing airports and seaports are likewise anticipated to promote tourism and further boost competitiveness and productivity in the regions. ■

BSP Regional Offices and Branches ¹



¹ BSP Regional Offices are located in Regions 1 (La Union), VI (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 region.

Philippines: Regional Composition

As of 31 December 2018

Region	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, and Romblon
Region V – Bicol Region	Camarines Norte, Camarines Sur, Albay, Masbate, Sorsogon, and Catanduanes
Region VI – Western Visayas	Iloilo, Antique, Guimaras, Aklan, Negros Occidental 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 (Western Samar)
Region IX – Zamboanga Peninsula	Zamboanga Sibugay, Zamboanga del Norte, and Zamboanga del Sur
Region X – Northern Mindanao	Bukidnon, Camiguin, Misamis Oriental, Misamis Occidental, and Lanao del Norte

Region	Provinces
Region XI – Davao Region	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)	Cotabato (North Cotabato), South Cotabato, Sultan Kudarat, and Sarangani
Region XIII – Caraga	Agusan del Norte, Agusan del Sur, Surigao del Norte, and Surigao del Sur, Dinagat Islands
ARMM (Autonomous Region in Muslim Mindanao) ²	Basilan, Lanao del Sur, Sulu, Tawi-Tawi, and Maguindanao

² Following the Bangsamoro plebiscite of January 2019 and its subsequent ratification, the Autonomous Region in Muslim Mindanao (ARMM) will be named Bangsamoro Autonomous Region in Muslim Mindanao (BARMM, Region 16). The Philippine Statistics Authority (PSA-ARMM) and the Department of Agriculture and Fisheries (DAF-ARMM) are set to harmonize agricultural statistics upon setting up of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) in 2019 (Source: PSA).

Key Regional Developments

Real Sector

Gross Regional Domestic Product

The Philippine economy's robust 6.2 percent growth in 2018 is reflective of the positive economic performance of all seventeen regions during the year. Growth rates in the regions ranged between 3.2 percent and 8.9 percent, with twelve regions registering expansions that were higher than the national GDP outturn during the

year while three regions posted growth rates of above 8 percent. These three regions were Bicol (8.9 percent from 5.0 percent in 2017); MIMAROPA (8.6 percent from 5.2 percent) and Davao (8.6 percent). On the contrary, the slowest expansions during the year were recorded in Caraga (3.2 percent, a slowdown from its 3.6 percent growth in 2017), Cagayan Valley (3.3 percent from 7.1 percent), and NCR (4.8 percent from 6.2 percent).

All seventeen regions perform positively in 2018 with Bicol region leading the pack

The robust economic growth in the Bicol region was supported by the broad-based growth of its three economic sectors, led by the industry and services sectors.¹ The region's industry sector recorded a growth of 14.2 percent from 3.5

Table 1. Gross Regional Domestic Product (GRDP)
Growth rate and share to total production, in percent

REGION	Growth Rates (%)				Share to total			
	2015	2016	2017	2018	2015	2016	2017	2018
PHILIPPINES	6.1	6.9	6.7	6.2	100	100	100	100
1 NCR	6.7	7.4	6.1	4.8	36.5	36.6	36.5	36.0
2 CAR	4.0	2.3	12.1	7.3	1.8	1.7	1.8	1.8
3 Ilocos Region (I)	5.4	8.5	5.8	6.5	3.1	3.2	3.1	3.1
4 Cagayan Valley (II)	4.1	3.8	7.2	3.3	1.8	1.7	1.7	1.7
5 Central Luzon (III)	5.6	9.5	9.3	7.1	9.3	9.5	9.7	9.8
6 CALABARZON (IV-A)	5.8	4.8	6.7	7.3	17.1	16.8	16.8	17.0
7 MIMAROPA (IV-B)	2.0	2.6	6.2	8.6	1.6	1.5	1.5	1.6
8 Bicol Region (V)	8.9	5.5	5.1	8.9	2.0	2.0	2.0	2.0
9 Western Visayas (VI)	8.8	5.9	8.4	6.1	4.0	4.0	4.1	4.0
10 Central Visayas (VII)	4.9	8.6	5.1	7.6	6.4	6.5	6.4	6.5
11 Eastern Visayas (VIII)	4.6	12.0	1.8	5.9	2.0	2.1	2.0	2.0
12 Zamboanga Peninsula (IX)	7.7	4.6	2.3	6.3	2.1	2.0	1.9	1.9
13 Northern Mindanao (X)	5.7	7.5	5.9	7.0	3.7	3.8	3.7	3.8
14 Davao Region (XI)	8.2	9.5	10.9	8.6	4.0	4.1	4.3	4.4
15 SOCCSKSARGEN (XII)	3.3	4.9	8.2	6.9	2.7	2.6	2.7	2.7
16 Caraga	4.5	2.0	4.3	3.2	1.3	1.2	1.2	1.1
17 ARMM	-0.4	0.4	7.3	7.2	0.7	0.6	0.6	0.6

Source: Philippine Statistics Authority (PSA)

¹ National Economic Development Authority (NEDA) Bicol Region. (2019). "Bicol Region's Economy Expanded the

Fastest by 8.9 Percent in 2018". Media Release No. 2019-02, April 25, 2019.

percent in 2017, supported by the double-digit expansion of the construction, as well as mining and quarrying sub-sectors by 21.7 percent and 18.8 percent, respectively. The increased construction activities was attributed to the “Build, Build, Build” (BBB) program of the government as public sector construction in the region accelerated by 70 percent in 2018 coupled with an increase in private sector construction by 36.9 percent. Public construction was mainly buttressed by the construction and improvement of access roads connecting service centers with the tourism sites through the Tourism Road Infrastructure Program (TRIP) of the Department of Tourism and the Department of Public Works and Highways. This initiative contributed largely to the growth of the tourism industry in the region.² Meanwhile, private sector construction benefited from the completion of commercial establishments such as malls and department stores in the region’s major centers.³ The services sector in the Bicol region also grew from 6.4 percent in 2017 to 8.8 percent driven by the positive performance of the transportation and communication, trade, financial intermediation, real estate and business services, public administration, and other services including tourism services. Tourism remained a major economic driver in the region, promoted mainly through the region’s holding of festivals and hosting of national events and conventions, as well as supported by the establishment of new tourism facilities and support services, and aggressive tourism promotion and marketing activities.⁴

² Government spending for infrastructure and other economic and social services also included widening of roads and bridges along the Maharlika Highway or the Asian Highway 26, Catanduanes Circumferential Road, Albay-Camarines Sur diversion road, Bacon-Manito Road, Pio Duran-Donsol Road, Guinobatan-Camalig-Daraga-Legazpi Platform road networks in Albay, and Guinobatan-Jovellar-Donsol Road leading to Pilar Port. Pilar Port serves as a gateway to other parts of the Bicol Region and the Visayas Island, among others.

Meanwhile, the Caraga region recorded the lowest growth in 2018 of 3.2 percent, lower than its 3.6 percent growth in 2017.⁵ This GDP outturn was supported mainly by the positive growth in services and agriculture sectors during the year even as the industry sector contracted further to 0.7 percent from 0.5 percent in 2017. The services sector in Caraga grew by 5.7 percent supported by the double digit growth of public administration and defense (14.3 percent) and other services (13.8 percent); financial intermediation (9.7 percent); and trade with 5.3 percent; and real estate, renting and business activities with 3.9 percent. The services sector continued to account for the largest share in the region’s economy with 51.1 percent, enabling it to contribute 2.8 percentage points (ppts) to the overall Caraga GRDP outturn in 2018. Meanwhile, the agriculture sector posted a 3.6 percent growth in 2018. Lending support to this were the 4.2 percent increase in agriculture and forestry outputs and 0.4 percent growth of the fishery sector. The Caraga industry sector, however, declined by 0.7 percent in 2018, pulling down the region’s growth by 0.2 ppts. This was mainly on the back of the contraction of the mining and quarrying sub-sector by 4.9 percent during the year.

In terms of share to total GDP, the National Capital Region (NCR) remained the primary contributor to the country’s growth as it accounted for more than a third of the aggregate GDP in 2018 (36.0 percent). The other three regions contributing significantly to the 2018 GDP growth were CALABARZON (which accounted for 17.0 percent

³ These include: SM City in Legazpi City, Vista Mall in Naga, Xentro Mall in Polangui, SM in Daet, Camarines Norte, and hotels like The Oriental Hotel Albay and Marison Hotel both in Legazpi City.

⁴ National Economic Development Authority (NEDA) Bicol Region. (2019). Brief Performance of the Bicol Economy in 2018.

⁵ Philippine Statistics Authority (PSA). (2019). Gross Domestic Product of the Philippines Highlights for 2018, 25 April 2019.

of the 2018 GDP), Central Luzon (9.8 percent), and Central Visayas (6.5 percent).

By economic activity, Central Luzon continued to account for the biggest share in agriculture, hunting, forestry and fishing (AHFF) output, comprising 16.8 percent of the country's total AHFF output. Central Luzon's top agricultural products include palay, chicken, hog, tiger prawn and tilapia. CALABARZON also had a substantial share in the country's AHFF sector (10.0 percent) followed by Northern Mindanao (9.4 percent), and Western Visayas (8.6 percent).

NCR, CALABARZON, Central Luzon and Central Visayas regions continue to be the key contributors to the overall growth of the Philippine economy

In the industry sector, CALABARZON continued to be the major regional hub of industrial activities as it accounted for 31.0 percent of the country's total industrial production. The CALABARZON region's growth accelerated by 7.3 percent in 2018, its fastest growth in the past six (6) years, with its industry sector expanding by 7.9 percent in 2018, enabling it to pitch in 4.9 ppts to the region's 7.3 percent GDP output during the period. The region's dynamic manufacturing and construction sub-sectors continued to provide stable foundation for the region's industrial activities and overall economic performance in 2018. Meanwhile, the NCR was the second biggest contributor to the country's industrial output (accounting for a 17.9 percent share of the total industry output in 2018) while Central Luzon follows as the third largest contributor (14.0 percent).

In the services sector, the NCR remained the primary provider of services-related activities,

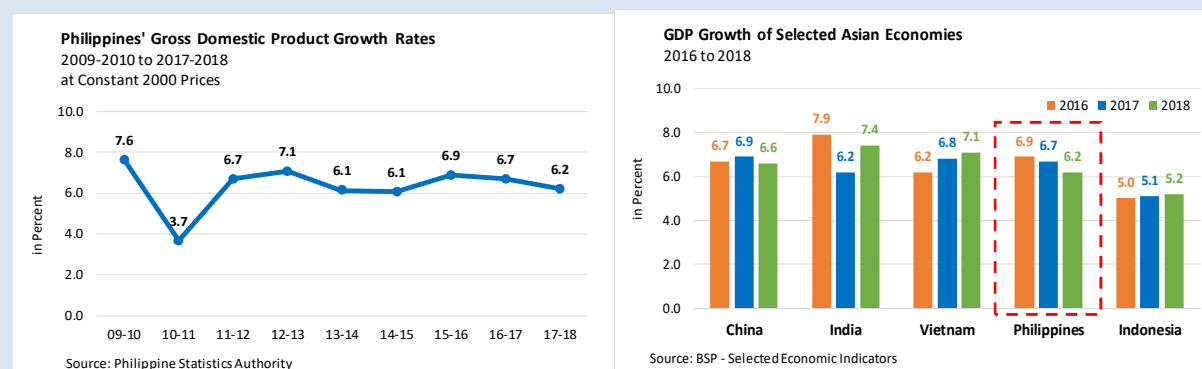
accounting for more than half (51.6 percent) of the country's total services sector output. Growth in the NCR's services sector continued to be supported by the robust performance of public administration and defense (16.1 percent), financial intermediation (6.1 percent), retail trade (5.7 percent), and transportation, storage and communication (4.7 percent). Next to the NCR were CALABARZON with a 9.7 percent share to total services output, Central Luzon (6.4 percent) and Central Visayas (6.3 percent).

Box Article

Research Notes on Gross Regional Domestic Product (GRDP), 2009-2018

Economic Developments at the National Level

The Philippine economy has managed to maintain uninterrupted output growth from 7.6 percent in 2009-2010 to 6.2 percent in 2017-2018 [or an average of 6.3 percent for the past nine (9) years] as economic performance remains resilient and robust even amid global slowdown and uncertainty in recent years. For the most part, the Philippine economy owes much of its strength from the implementation of critical structural reforms and continuous development of government programs that help in creating and encouraging investments in order to create jobs, increase incomes, and improve people's well-being.



The record high 7.6 percent economic growth rate in 2010 was largely driven by election-related expenditures and strong growth in the industry sector. However, the economy slowed down the following year due to the new administration's underspending on infrastructure in line with its anti-corruption and good governance campaign, ensuring that government agencies follow proper contracting and/or procurement process.¹ In 2012, the Philippine economy recovered at 6.7 percent and has consistently been above 6.0 percent up to present and is now one of Asia's fastest growing economies.

With this significant positive change in the country's growth trajectory (i.e., apparent shift away from the boom-bust cycle of the past), it is interesting to look into the progress that have transpired at the regional level.

Regional Economic Developments

Growth Rates

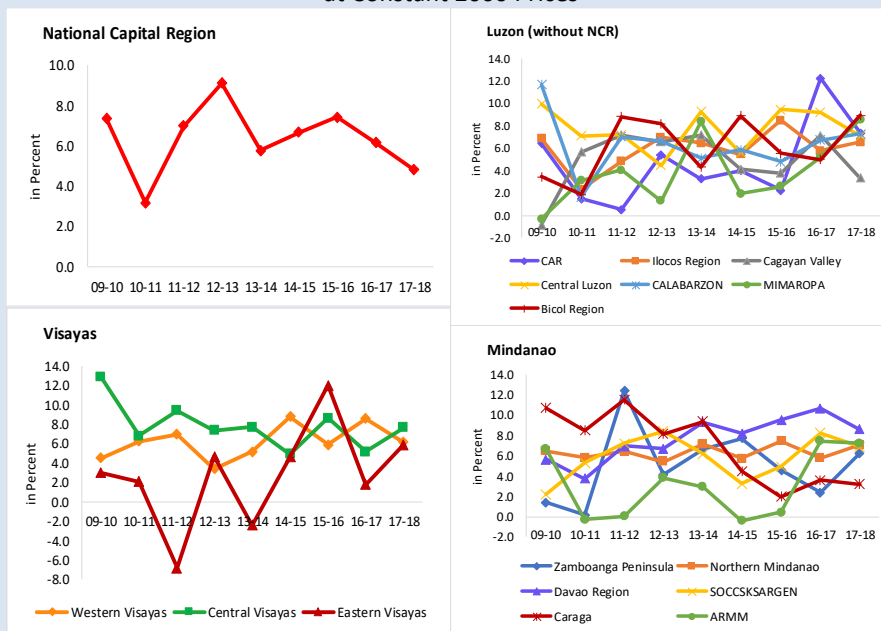
In general, regional growth rates exhibited an erratic pattern. The National Capital Region (NCR), on average, grew by 6.4 percent for the period 2010 to 2018. As the country's capital, the region is the premier center for finance and commerce and its performance was deemed critical to the overall development and growth of the economy. Excluding NCR, regions in Luzon grew by an average of 5.7 percent during the period in review, with Central Luzon exhibiting the fastest expansion with an average growth rate of 7.7 percent in 2010 to 2018 due mainly to various government infrastructure programs implemented in the region. Meanwhile, in 2018, Bicol Region grew fastest among all regions at 8.9 percent, which may be attributed to double-digit growth of the industry sector.

¹ Manasan, R. G., 2011. "Analysis of the President's Budget for 2012", Discussion Paper Series No. 2011-20, Philippine Institute for Development Studies.

GRDP in the Visayas regions rose by an average of 5.6 percent for the years 2010-2018. With an average growth of 7.8 percent, Central Visayas has consistently been among the best performing regions in the country due primarily to the vibrant economic activities in Cebu. Despite having the lowest average growth rate at 2.8 percent, Eastern Visayas continued to recover after its large underperformance following the onslaught of Super Typhoon Yolanda in 2013.

Mindanao regions posted an average of 5.8 percent expansion from 2010 to 2018, driven mainly by the sustained strong showing of Davao Region as it grew by an average of 7.7 percent and is considered the commercial hub of Mindanao.

GRDP Growth Rates, 2009-2010 to 2017-2018
at Constant 2000 Prices

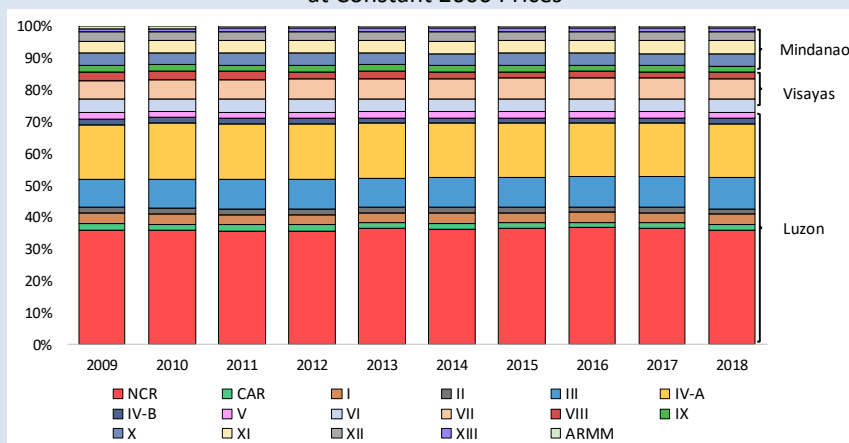


Source: Philippine Statistics Authority

Share to total GDP

In terms of regional share to the national GDP, NCR and CALABARZON were historically the major contributors to the country’s overall output. Evidently, NCR dominated the Philippine economy as it accounted for a little over one-third of the country’s real GDP (36.0 percent in 2018). Luzon, in aggregate, contributed more than 70 percent to the national economy and is the largest of the three major island groupings. The shares of Visayas and Mindanao have changed little in recent years, implying the unfulfilled potential of these resource-rich regions.

Regional Share to Total GDP, 2009 to 2018
at Constant 2000 Prices



Source: Philippine Statistics Authority

GRDP per capita

Meanwhile, the Philippines’ average real per capita GDP (at constant 2000 prices) rose from PhP58,199 in 2009 to PhP86,370 in 2018 as aggregate output increased at a faster pace than the growth in population.

Overall, there was a general increase in GRDP per capita in all regions from 2009 to 2018. NCR has consistently had the highest per capita GRDP at PhP253,893 in 2018 which was 56.4 percent higher than in 2009 and nearly three times the national average. This was followed by CALABARZON and CAR which were also higher than the national average at PhP104,708 and PhP87,722, respectively. These three regions were all situated in Luzon and considered as economic centers where business expansions are taking place [e.g., business processing outsourcing industry (BPO)] as well as infrastructure projects by both public and private sectors.

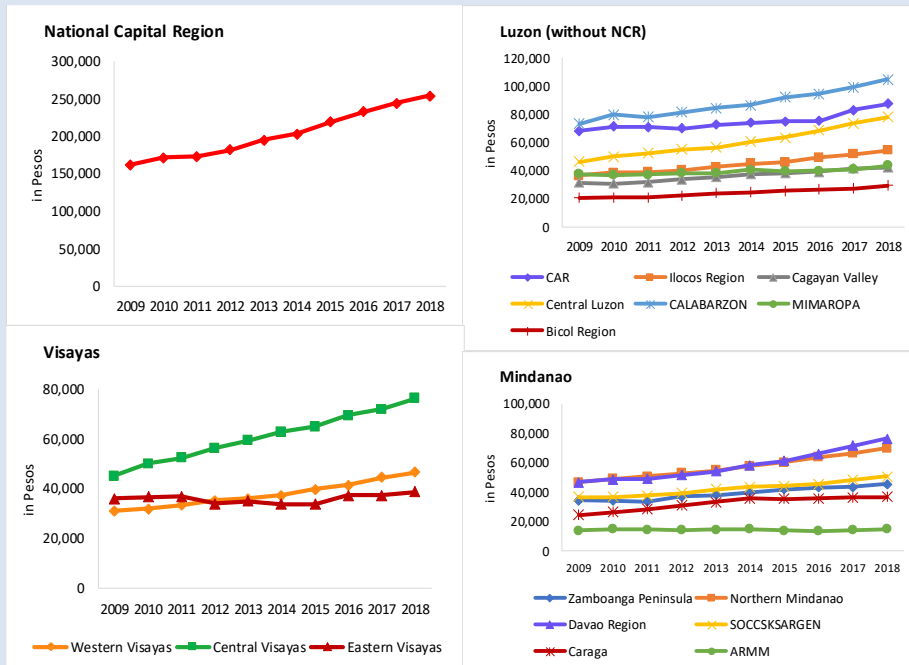
Meanwhile, Central Visayas’ GRDP per capita significantly increased by 69.0 percent or from PhP44,993 in 2009 to PhP76,024 in 2018, the fastest growth of regional per capita among the 17 regions.

The per capita income of the Autonomous Region in Muslim Mindanao (ARMM), on the other hand, remained to be the lowest in the country. ARMM’s per capita GDP increased by only 6 percent from PhP13,867 in 2009 to PhP14,657 in 2018. This may be attributed to limited investments in the region due to political as well as peace and order concerns.

During the reference period, there were no significant changes in the ranking of the regions in terms of growth in real GRDP per capita. This may imply that only a few regions have benefitted from robust national economic growth, while poverty remained concentrated in rural areas.²

² Asian Development Bank. 2009. “Poverty in the Philippines: causes, constraints, and opportunities”

GRDP per Capita, 2009 to 2018 at Constant 2000 Prices



Source: Philippine Statistics Authority

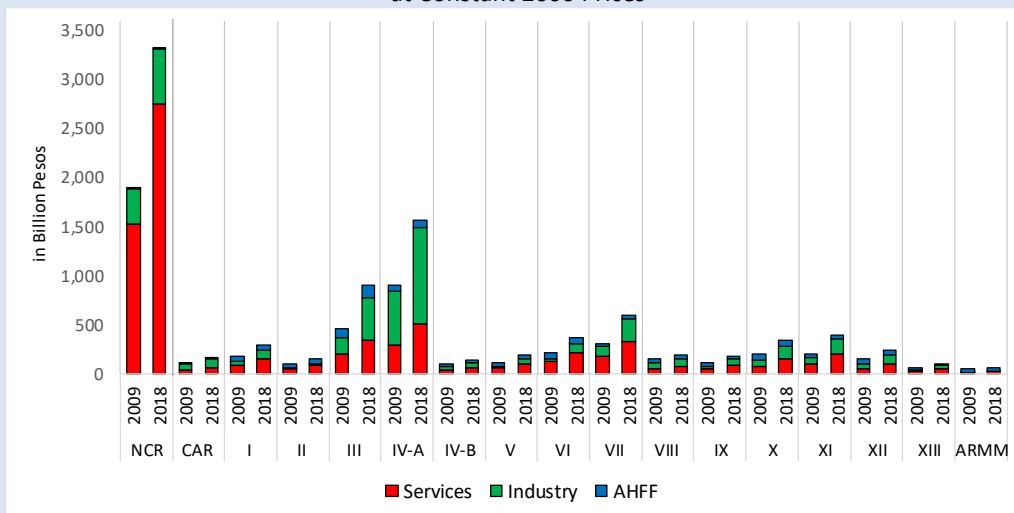
GRDP per Production Sector

Overall, services accounted for more than half of the country's real GDP and grew by 79.3 percent from PhP3.0 trillion in 2009 to PhP5.3 trillion in 2018 as all regions expanded their activities in the services sector. NCR continued to have the largest share to total services output at 51.6 percent in 2018 due to the concentration of BPO, telecommunication, real estate sectors, among others, in the region.

CALABARZON, on the other hand, had the largest share to total industry (31.0 percent). CALABARZON had historically been driven mainly by the industry sector, contributing more than 60 percent to total output of the region. As the industrial belt of the country, CALABARZON had benefitted from investments on various manufacturing activities such as automotive, semiconductors, electronics, and garments, among others.

Central Luzon continued to account for the largest share of the country's Agriculture, Hunting, Forestry and Fishing (AHFF) with a 16.8 percent share in 2018.

GRDP per Production Sector, 2009 and 2018
at Constant 2000 Prices

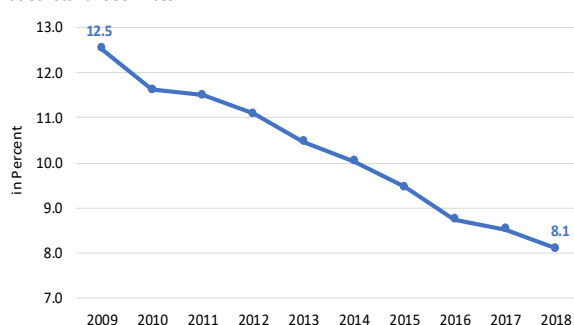


Source: Philippine Statistics Authority

During the reference period, the share to total GDP of AHFF in all regions had been declining (from 12.5 percent in 2009 to 8.1 percent in 2018) as agricultural lands were developed into industrial areas and farmers had shifted careers. The drop in AHFF share may also have been brought about by extreme weather events (drought and typhoons), pest infestations, and poor adoption of high-yielding crop varieties.

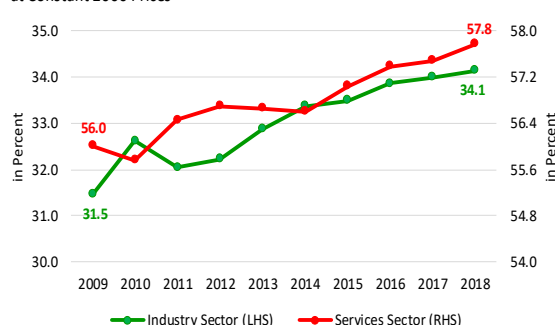
Accordingly, the increasing share to total of the industry and services sectors (from 31.5 percent and 56.0 percent in 2009 to 34.1 percent and 57.8 percent, respectively) may be linked to the migration of the regions towards a more knowledge-based economy. However, some regions remained highly dependent on its agriculture sector due to the limited understanding on new technologies that may help increase productivity.

Share to total GDP of AHFF Sector, 2009 to 2018
at Constant 2000 Prices



Source: Philippine Statistics Authority

Share to total GDP of Industry and Services Sectors, 2009 to 2018
at Constant 2000 Prices



Issues and Challenges

Despite the uninterrupted economic growth of the Philippines, there has been unequal level of regional output and per capita income which resulted in an uneven pace of economic development across the country. Thus, the government must give high priority to regional development outside the economic centers through regional inter-linkages and logistics hubs that would attract foreign direct investment into manufacturing and services. This concern may be addressed by the government's Build, Build, Build projects, which aim to accelerate infrastructure spending and develop Philippine industries. Hence, a private sector-led economy would also need a push from government for it to be sustainable and more inclusive. Nevertheless, the continued expansion of property developers would also spread the development outside the highly urbanized cities and would allow more equitable distribution of development among regions.

There has also been a structural shift from AHFF activities to industry and services sectors. While this may be an indication of gradual industrial growth of the economy, this development should be complemented with the government's role of helping the poor have access to quality education and acquire skills required in the modern economy. Furthermore, better jobs need to be created with higher productivity and wages that could improve the disposable income of families and eventually reduce poverty incidence in the long-run.

The Philippines has been known for its rich culture and resources; hence, tourism has been recognized as an important engine of growth as it creates opportunities for more local employment, in harnessing entrepreneurial capabilities and promoting business opportunities for new tourism products and services. In this regard, the government should likewise continue to rehabilitate tourist destinations, improve services, and enhance promotion and marketing activities. ■

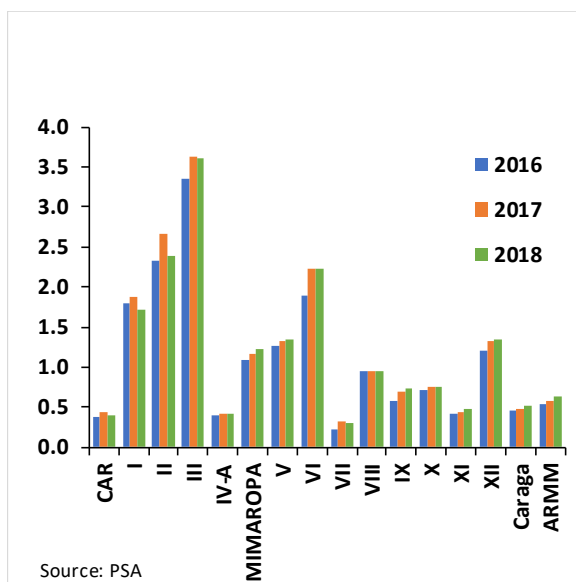
Agriculture, Livestock, Poultry and Fishery

Palay. Palay production contracted nationwide by 1.1 percent in 2018 from an improvement of 9.4 percent in 2017. The dry spell and damages brought by typhoons caused reduction in harvest areas and yields in the affected regions.

Palay production contracts due to dry spell and typhoon damage

Chart 1. Palay Production

in million metric tons



Five regions, majority of which came from Luzon, posted declines in their palay production, namely CAR (-12.1 percent), Cagayan Valley (-10.4 percent), Ilocos Region (-8.1 percent), Central Visayas (-4.8 percent) and Central Luzon (-0.5 percent). The negative performance in these regions was due to the following factors:

- Damaged crops caused by unfavorable weather conditions such as typhoons Ompong

and Rosita and “habagat” in CAR, Cagayan Valley and Ilocos Region;

- Insufficient water supply due to dry spell in Central Visayas;
- Late and unrealized planting intentions due to delayed and interrupted irrigation services in Ilocos Region and Central Visayas;
- Drop in harvest areas which may be attributed to conversion of agricultural lands to commercial, residential, and farm-to-market roads in Ilocos Region, Cagayan Valley and Central Visayas; and
- Lower yield per hectare due to incidence of bacterial leaf blight and bacterial leaf strip and hopperburn in Ilocos Region.

The poor performance in these regions was mitigated by favorable growth performance in palay production in Davao Region (12.6 percent), ARMM (10.5 percent), MIMAROPA (6.1 percent), Caraga (5.7 percent), Zamboanga Peninsula (4.0 percent), CALABARZON (2.3 percent), Northern Mindanao (2.1 percent), SOCCSKSARGEN (1.8 percent), Bicol Region (1.2 percent), Western Visayas (0.1 percent) and Eastern Visayas (0.1 percent) regions. This could be traced to the following factors:

- Sufficient water supply and improved irrigation services in Davao Region, Caraga, Northern Mindanao, Bicol and Eastern Visayas;
- Provision of hybrid and certified seeds as well as fertilizers and crop protection support under the rice program of the Department of Agriculture (DA) and local government units (LGUs) in Davao, ARMM, CALABARZON, Northern Mindanao and Bicol regions;
- Use of high yielding varieties of seeds in Eastern Visayas, Bicol Region and MIMAROPA;
- Favorable weather condition in Davao Region and MIMAROPA; and
- Use of new farming technology and government’s distribution of machineries

under Farm Mechanization Program and Agricultural Machinery, Equipment and Facilities Support Services (AMEFSS) in ARMM, Zamboanga Peninsula and Western Visayas.

Table 2. Palay Production

Growth rate and share to total production, in percent

REGION	Growth Rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	-2.9	9.4	-1.1	100	100	100
1 CAR	-4.5	16.2	-12.1	2.2	2.3	2.1
2 Ilocos Region (I)	1.6	3.7	-8.1	10.2	9.7	9.0
3 Cagayan Valley (II)	-6.3	13.9	-10.4	13.2	13.8	12.5
4 Central Luzon (III)	1.2	8.7	-0.5	19.0	18.9	19.0
5 CALABARZON (IV-A)	3.6	0.9	2.3	2.3	2.1	2.2
6 MIMAROPA	-0.1	7.4	6.1	6.1	6.0	6.5
7 Bicol Region (V)	0.9	4.7	1.2	7.2	6.9	7.1
8 Western Visayas (VI)	-7.8	17.6	0.1	10.8	11.6	11.7
9 Central Visayas (VII)	-31.0	40.2	-4.8	1.3	1.7	1.6
10 Eastern Visayas (VIII)	-0.1	-1.0	0.1	5.4	4.9	5.0
11 Zamboanga Peninsula (IX)	-12.2	20.6	4.0	3.3	3.6	3.8
12 Northern Mindanao (X)	-1.9	4.8	2.1	4.0	3.9	4.0
13 Davao Region (XI)	-5.4	3.8	12.6	2.4	2.2	2.6
14 SOCCSKSARGEN (XII)	-7.0	9.9	1.8	6.8	6.8	7.0
15 Caraga	-4.0	4.4	5.7	2.6	2.5	2.7
16 ARMM	11.5	6.2	10.5	3.1	3.0	3.3

Source: PSA

Corn production declines

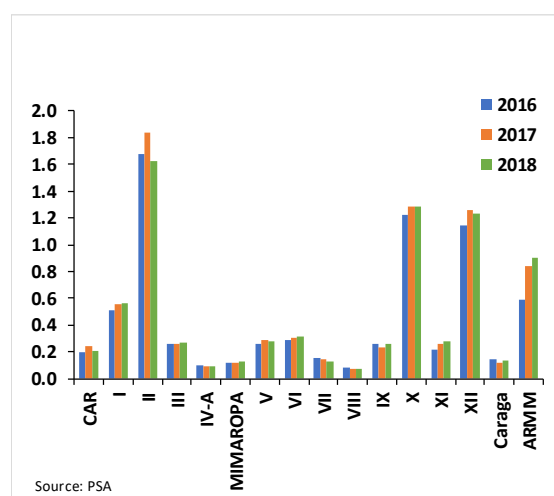
Corn. Aggregate corn production also contracted in 2018, declining by 1.8 percent from an expansion of 9.6 percent in 2017. The poor performance was due mainly to adverse impacts of natural calamities.

Large declines in corn production were registered for CAR (-14.6 percent), Central Visayas (-12.9 percent) and Cagayan Valley (-11.5 percent). The poor performance in these regions was attributed to:

- Damages in areas and losses in yield brought about by “habagat” and typhoons in CAR, Cagayan Valley and Negros Oriental in Central Visayas; and
- Decline in area harvested due to a shift in crops of farmers to watermelon, eggplant, tobacco, pineapple, banana and ginger in Cagayan Valley, while farmers in Siquijor shifted to dragon fruit plantation.

Chart 2. Corn Production

In million metric tons



Source: PSA

Ten regions posted increases in corn production in 2018, namely Caraga (13.0 percent), Zamboanga Peninsula (10.4 percent), MIMAROPA (7.5 percent) ARMM (7.2 percent), Davao Region (7.0 percent), Central Luzon (5.1 percent), Western Visayas (3.2 percent), Eastern Visayas (1.0 percent), Ilocos Region (0.8 percent) and Northern Mindanao (0.2 percent). The improvement from these regions were attributed mainly to the following:

- High demand for corn in Caraga, Central Luzon, Province of Negros Occidental in Western Visayas and Ilocos Region;
- Support from various government programs such as Agricultural Support to Farmers on Corn Production (ASFCP)⁶ in Zamboanga

⁶ ASFCP provides financial support of Php10,000 as

capital per farmer with zero interest payment.

Peninsula, Corn Program⁷ in ARMM; and seed subsidies/distribution in Davao Region and Western Visayas;

- Expansion in harvest areas in MIMAROPA, Davao Region, Central Luzon, Western Visayas and Eastern Visayas;
- Good weather conditions in Western Visayas, Eastern Visayas and Northern Mindanao;
- Sustained use of high-yielding corn seeds in Eastern Visayas and Ilocos Region; and
- Easy access to irrigation dams as well as sufficient soil moisture in Western Visayas.

Table 3. Corn Production

Growth rate and share to total production, in percent

REGION	Growth Rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	-4.0	9.6	-1.8	100	100	100
1 CAR	-16.2	21.8	-14.6	2.8	3.1	2.7
2 Ilocos Region (I)	3.5	9.5	0.8	7.0	7.0	7.2
3 Cagayan Valley (II)	-6.8	9.5	-11.5	23.3	23.2	20.9
4 Central Luzon (III)	-4.3	-0.3	5.1	3.6	3.3	3.5
5 CALABARZON (IV-A)	49.4	-4.2	-1.4	1.3	1.2	1.2
6 MIMAROPA	-8.7	5.7	7.5	1.6	1.5	1.7
7 Bicol Region (V)	6.3	10.7	-2.5	3.6	3.6	3.6
8 Western Visayas (VI)	-19.0	6.2	3.2	3.9	3.8	4.0
9 Central Visayas (VII)	4.5	-6.5	-12.9	2.2	1.9	1.6
10 Eastern Visayas (VIII)	-10.5	-10.0	1.0	1.1	0.9	1.0
11 Zamboanga Peninsula (IX)	17.6	-9.5	10.4	3.6	3.0	3.3
12 Northern Mindanao (X)	0.6	5.2	0.2	16.9	16.3	16.6
13 Davao Region (XI)	-2.2	17.2	7.0	3.0	3.2	3.5
14 SOCCSKSARGEN (XII)	-7.7	9.9	-2.1	15.8	15.9	15.8
15 Caraga	21.7	-17.0	13.0	2.0	1.5	1.7
16 ARMM	-12.3	42.5	7.2	8.2	10.6	11.6

Source: PSA

Livestock production. The country’s total cattle production contracted further by 1.2 percent in 2018 from 1.5 percent in 2017. The decline was on account of poor performance in Caraga (-8.9 percent), SOCCSKSARGEN (-7.5 percent), MIMAROPA (-5.4 percent), Cagayan Valley (-4.5 percent), CAR (-3.7 percent), Western Visayas (-2.1 percent), CALABARZON (-2.1 percent), Eastern Visayas (-1.9 percent), Bicol

⁷ Included distribution of open pollinated varieties (OPV) corn, establishment of corn technology demonstrations, farmers’ field schools, conduct of trainings and seminars

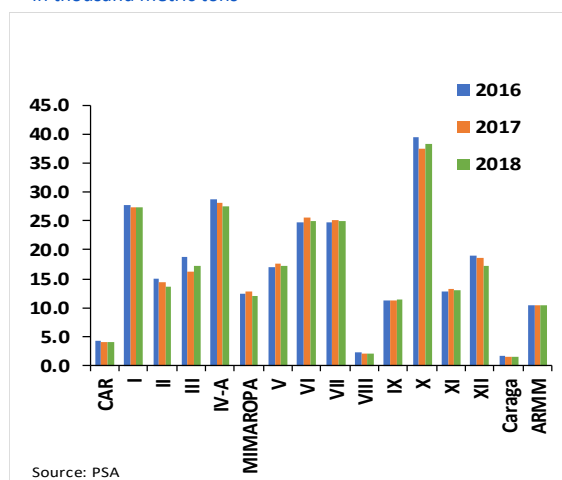
Region (-1.6 percent), Davao Region (-1.4 percent), Central Visayas

(-1.1 percent), Ilocos Region (-0.5 percent), and ARMM (-0.2 percent) due to the following factors:

- Unfavorable market prices that led raisers to hold their farm stocks in Caraga;
- Less stocks available for disposition as some were reserved for breeding, inventory build up or work animals in Cagayan Valley, CAR, CALABARZON and Davao Region;
- Disposition of smaller sized animals in Cagayan Valley and CAR;
- Decreasing backyard and commercial farms in SOCCSKSARGEN;
- Early disposal of livestock due to high buying rate of viajeros in Bicol Region; and
- Confinement of cattle farming to backyard means in ARMM.

Chart 3. Cattle Production

in thousand metric tons



Source: PSA

On the other hand, the regions that posted improvements in their cattle production in 2018 were Central Luzon (5.8 percent), Northern Mindanao (3.5 percent) and Zamboanga Peninsula (1.3 percent). The improved performance in these

to update corn farmers of the latest technology; and establishment of inbred model farms; distribution of inbred certified seeds and other stop gap variety seeds.

areas was due mainly to the sustained demand from consumers, arrival of imported animal stock and continued support of the government in these regions.

Cattle production further contracts

Table 4. Cattle Production

Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	1.3	-1.5	-1.2	100	100	100
1 CAR	-2.2	-4.1	-3.7	1.6	1.6	1.5
2 Ilocos Region (I)	-2.0	-1.4	-0.5	10.3	10.3	10.4
3 Cagayan Valley (II)	7.1	-5.2	-4.5	5.6	5.4	5.2
4 Central Luzon (III)	2.6	-13.8	5.8	6.9	6.1	6.5
5 CALABARZON (IV-A)	2.2	-1.8	-2.1	10.6	10.6	10.5
6 MIMAROPA	1.6	2.7	-5.4	4.6	4.8	4.6
7 Bicol Region (V)	3.1	3.4	-1.6	6.3	6.6	6.6
8 Western Visayas (VI)	1.9	3.5	-2.1	9.1	9.6	9.5
9 Central Visayas (VII)	3.0	1.8	-1.1	9.2	9.5	9.5
10 Eastern Visayas (VIII)	2.4	-5.4	-1.9	0.9	0.8	0.8
11 Zamboanga Peninsula (IX)	-7.4	0.2	1.3	4.1	4.2	4.3
12 Northern Mindanao (X)	0.8	-4.7	1.9	14.6	14.1	14.5
13 Davao Region (XI)	0.7	3.7	-1.4	4.7	5.0	5.0
14 SOCCSKSARGEN (XII)	-1.7	-1.3	-7.5	7.0	7.0	6.6
15 Caraga	18.0	-6.5	-8.9	0.6	0.6	0.5
16 ARMM	7.5	-0.1	-0.2	3.9	3.9	4.0

Source: PSA

Chicken and swine production improve further

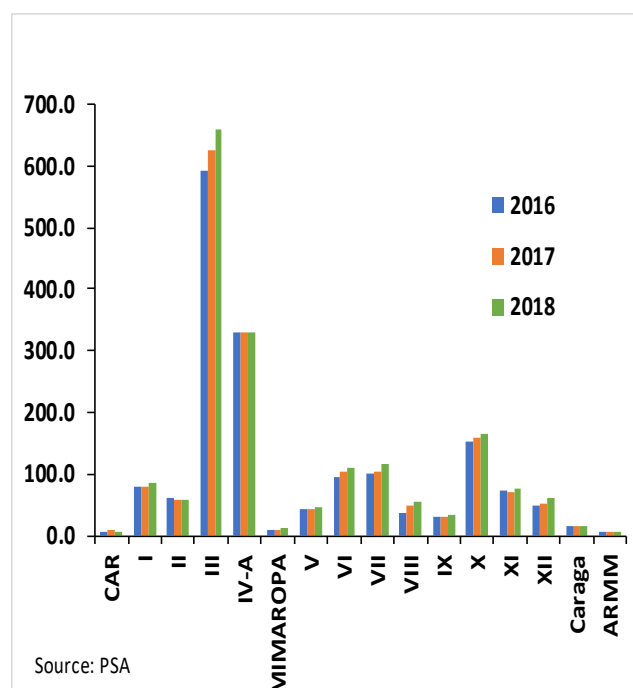
Chicken production. Chicken production grew by 5.2 percent in 2018 from 4.3 percent in 2017. Better performances in SOCCSKSARGEN (15.9 percent) Caraga (11.6 percent), Eastern Visayas (11.5 percent), Central Visayas (9.8

percent), Ilocos Region (8.8 percent), Bicol Region (7.3 percent), Zamboanga Peninsula (7.0 percent), MIMAROPA (7.0 percent), Davao Region (6.4 percent), Western Visayas (6.0 percent), Central Luzon (5.5 percent), ARMM (5.1 percent) and Northern Mindanao (3.5 percent) contributed to the improvement of the chicken production in the country. Factors behind the accelerated growth include:

- High demand for poultry products in SOCCSKSARGEN, Caraga, MIMAROPA and ARMM;
- Favorable market price in Caraga;
- Expansion of some commercial layer and poultry farms in Eastern Visayas, Central Visayas and Ilocos Region;
- Opening of new farms in Davao del Norte and Davao City as well as modern Halal hatchery and poultry dressing plant in Maguindanao;
- Continued support from the government such as distribution of chicken through the Special

Chart 4. Chicken Production

In thousand metric tons



Area for Agricultural Development (SAAD)⁸ in Caraga and Zamboanga Peninsula;

- Strict implementation of regulatory quarantine rules at entry points, massive advocacy and information drive, provision of veterinary biologics and supplements for the treatment, prevention and control of avian or bird flu in Bicol Region; and Increasing number of integrators and growers in Davao Region and Northern Mindanao.

On the other hand, regions that exhibited contraction in chicken production in 2018 were CAR (-8.2 percent) and Cagayan Valley (-1.5 percent). The dismal performances in poultry production in the above-mentioned regions were due largely to shifting of broiler farms in Ifugao to

Table 5. Chicken Production

Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	0.8	4.3	5.2	100	100	100
1 CAR	-1.7	4.2	-8.2	0.5	0.5	0.4
2 Ilocos Region (I)	-4.9	-0.9	8.8	4.7	4.5	4.6
3 Cagayan Valley (II)	2.2	-3.1	-1.5	3.6	3.4	3.2
4 Central Luzon (III)	-3.0	5.7	5.5	35.3	35.8	35.9
5 CALABARZON (IV-A)	2.1	0.1	0.7	19.6	18.8	18.0
6 MIMAROPA	-3.2	-1.4	7.0	0.6	0.6	0.6
7 Bicol Region (V)	5.5	4.1	7.3	2.5	2.5	2.6
8 Western Visayas (VI)	6.6	8.3	6.0	5.7	5.9	6.0
9 Central Visayas (VII)	2.2	5.1	9.8	6.0	6.0	6.3
10 Eastern Visayas (VIII)	28.0	35.9	11.5	2.2	2.8	3.0
11 Zamboanga Peninsula (IX)	8.5	5.9	7.0	1.8	1.8	1.9
12 Northern Mindanao (X)	4.6	4.1	3.5	9.1	9.1	9.0
13 Davao Region (XI)	-2.1	-0.3	6.4	4.3	4.1	4.2
14 SOCCSKSARGEN (XII)	5.7	7.1	15.9	3.0	3.1	3.4
15 Caraga	4.6	5.2	11.6	0.8	0.8	0.9
16 ARMM	-7.8	-1.9	5.1	0.3	0.3	0.3

Source: PSA

⁸ SAAD is a locally-funded program of the Department of Agriculture (DA) that is intended to help alleviate

breeder farms and temporary closure of some broiler farms due to Typhoon Ompong.

Swine production. Overall swine production grew by 2.4 percent in 2018, higher than the 15 percent expansion posted in 2017. This could be attributed to the improvement in swine production in the regions of ARMM (6.1 percent), Central Luzon (5.6 percent), Ilocos (5.1 percent), Northern Mindanao (4.3 percent), CAR (3.2 percent), Bicol (2.7 percent), CALABARZON (2.7 percent), Davao (2.1 percent), Eastern Visayas (2.0 percent), Central Visayas (1.2 percent) and Western Visayas (0.3 percent), for the following reasons:

- High demand for pork from hotels, restaurants and other institutions in ARMM, Central Luzon, CAR, Davao Region and Central Visayas;
- Favorable price of and high demand for *bagnet* and *longanisa* in stalls and carinderias specially during the Barangay/SK election-related events and *Palarong Pambansa* in Ilocos Sur;
- Continued government support to farmers in Northern Mindanao and strengthening of animal health services through the provision of veterinary biologics and supplements for the treatment, prevention and control of foot and mouth disease (FMD) in the Bicol region; and
- Increase in the number of swine raised in backyard farms in Eastern Visayas and Western Visayas.

poverty among the marginalized sectors on agriculture and fishery.

The growth in swine production was partially offset by the negative performance in certain regions during the period. These were Caraga (-3.6 percent), MIMAROPA (-2.7 percent), Cagayan Valley (-1.5 percent), SOCCSKSARGEN (-0.4 percent) and Zamboanga Peninsula (-0.1 percent). These declines were caused by the following factors:

- Decrease in stocks for slaughter in MIMAROPA and Cagayan Valley;
- Smaller sizes of animals disposed in Cagayan Valley; and
- Sudden change in temperature that resulted in unfavorable effects in the growing of hogs in SOCCSKSARGEN.

Table 6. Swine Production

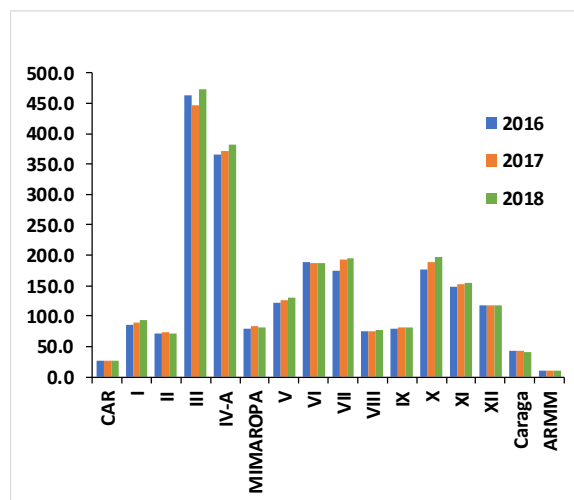
Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	5.3	1.5	2.4	100.0	100.0	100.0
1 CAR	-1.4	-2.0	3.2	1.2	1.1	1.1
2 Ilocos Region (I)	4.6	4.1	5.1	3.9	4.0	4.1
3 Cagayan Valley (II)	3.6	2.1	-1.5	3.2	3.2	3.1
4 Central Luzon (III)	9.4	-3.2	5.6	20.7	19.8	20.4
5 CALABARZON (IV-A)	8.5	1.8	2.7	16.4	16.4	16.4
6 MIMAROPA	2.5	4.4	-2.7	3.6	3.7	3.5
7 Bicol Region (V)	-1.7	4.2	2.7	5.4	5.6	5.6
8 Western Visayas (VI)	5.8	-1.1	0.3	8.5	8.2	8.1
9 Central Visayas (VII)	7.1	9.8	1.2	7.8	8.5	8.4
10 Eastern Visayas (VIII)	-0.1	0.1	2.0	3.4	3.4	3.4
11 Zamboanga Peninsula (IX)	-1.6	2.7	-0.1	3.6	3.6	3.5
12 Northern Mindanao (X)	4.5	6.1	4.3	8.0	8.3	8.5
13 Davao Region (XI)	4.1	1.6	2.1	6.7	6.7	6.7
14 SOCCSKSARGEN (XII)	0.6	-1.1	-0.4	5.3	5.2	5.1
15 Caraga	7.1	-0.5	-3.6	1.9	1.9	1.8
16 ARMM	-6.1	-2.6	6.1	0.5	0.4	0.5

Source: PSA

Chart 5. Swine Production

In hundred thousand metric tons



Fish Production. The fishery subsector in the country marginally improved at 0.9 percent in 2018 from a contraction of 1.0 percent a year ago. The recovery was due to the positive performances in NCR (17.0 percent), Central Luzon (7.7 percent), Bicol Region (7.6 percent), CAR (6.5 percent), ARMM (5.0 percent), MIMAROPA (3.2 percent), Zamboanga Peninsula (3.2 percent), SOCCSKSARGEN (0.3 percent) and Central Visayas (0.1 percent). The expansion could be traced to the following factors:

- Provision of good quality fingerlings and fishing gears from the Bureau of Fisheries and Aquatic Resources of Central Luzon, CAR, Zamboanga Peninsula and Central Visayas;
- Favorable weather condition in Bicol Region, ARMM and SOCCSKSARGEN;
- Bigger sizes of fish captured in Bicol Region;
- Increase in seaweeds culture activities and area expansion brought about by higher dispersal of seaweed planting materials in Bicol Region and Zamboanga Peninsula;
- Unloading of more fish species in the ports and canneries as a result of conservation measures implemented in the Visayas Sea and

Table 7. Fish production

Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2016	2017	2018	2016	2017	2018
PHILIPPINES	-6.3	-1.0	0.9	100.0	100.0	100.0
1 NCR	17.5	-31.0	17.0	2.9	2.0	2.3
2 CAR	8.7	-1.3	6.5	0.1	0.1	0.1
3 Ilocos Region (I)	-2.9	2.6	-3.8	3.6	3.7	3.6
4 Cagayan Valley (II)	-5.1	-4.6	-6.8	1.2	1.2	1.1
5 Central Luzon (III)	-1.6	5.4	7.7	6.3	6.7	7.1
6 CALABARZON (IV-A)	-12.5	0.2	-11.7	7.6	7.7	6.7
7 MIMAROPA	-17.9	1.3	3.2	11.1	11.3	11.6
8 Bicol Region (V)	-12.6	1.9	7.6	5.4	5.5	5.9
9 Western Visayas (VI)	-1.3	-1.7	-3.7	9.1	9.0	8.6
10 Central Visayas (VII)	-1.1	-17.7	0.1	4.2	3.5	3.5
11 Eastern Visayas (VIII)	3.9	-2.9	-15.4	3.2	3.2	2.6
12 Zamboanga Peninsula (IX)	-4.8	-7.3	3.2	12.8	11.9	12.2
13 Northern Mindanao (X)	2.4	-6.6	-2.1	3.8	3.6	3.5
14 Davao Region (XI)	-2.5	-2.3	-8.3	1.3	1.3	1.2
15 SOCCSKSARGEN (XII)	-11.2	11.6	0.3	6.7	7.6	7.5
16 Caraga	-8.5	-2.3	-0.1	1.8	1.7	1.7
17 ARMM	-5.0	3.9	5.0	18.9	19.9	20.7

Source: PSA

Zamboanga fishing grounds in Zamboanga Peninsula; and

- Intensified efforts/initiatives on resource management, regulatory and law enforcement in Bicol Region.

Nonetheless, the growth was almost offset by the dismal performances of Eastern Visayas (-15.4 percent), CALABARZON (-11.7 percent), Davao Region (-8.3 percent), Cagayan Valley (-6.8 percent), Ilocos Region (-3.8 percent), Western Visayas (-3.7 percent), Northern Mindanao (-2.1 percent) and Caraga (-0.1 percent).

The negative performance in these regions was due to the following factors:

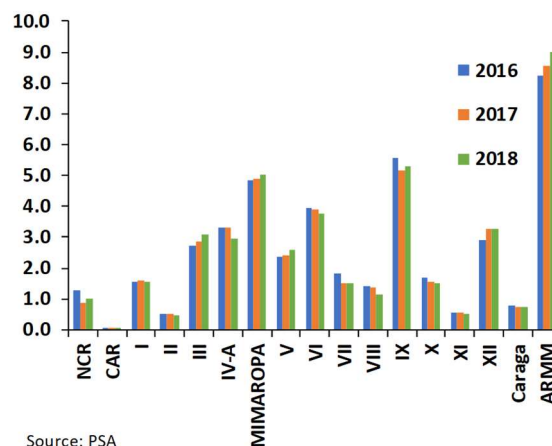
- Minimal catch due to rough seas brought about by unpredictable weather conditions in

Eastern Visayas, CALABARZON, Davao Region, Cagayan Valley and Western Visayas;

- Limited supply of fingerlings in Eastern Visayas and CALABARZON;
- Presence of “ice-ice” disease in some parts of Eastern Visayas;
- Diminished number of catch due to dry docking of fishing vessels in CALABARZON;
- High cost of fuel in Davao and Cagayan Valley regions;
- Shift from grow-out to hatchery operations in CALABARZON; and
- lesser unloadings of tuna due to presence of foreign and local commercial fishing vessels and transient fishermen in Ilocos Region.

Chart 6. Fish production

in hundred thousand metric tons



Source: PSA

Construction

Construction activity grows in 2018

Construction. Construction activity in the regions grew in 2018 as approved building permits and new residential construction registered accelerated growth rates. At the same time, the industry remained a major driver of the economic expansion during the review period due to the

favorable performance of both public and private construction. After a slowdown in 2017, the number of approved building permits rose by 4.4 percent nationwide to 158,664 in 2018 from a year ago's growth rate of 2.7 percent at a level of 152,012. Similarly, the number of new residential building construction made a turnaround in 2018 after posting a negative performance a year ago. The number of residential starts grew by 3.6 percent to 114,905 from a decline of 1.9 percent at a level of 110,942.

Table 8. Total Number of Approved Building Permits

Levels and growth rates, 2016-2018

	REGION	Levels			Growth rate		
		2016	2017 ^r	2018 ^p	2016	2017 ^r	2018 ^p
	PHILIPPINES	147,998	152,012	158,664	12.1	2.7	4.4
1	NCR	13,166	12,612	12,378	2.4	-4.2	-1.9
2	CAR	1,202	1,303	1,230	7.0	8.4	-5.6
3	Ilocos Region (I)	8,825	10,610	10,915	10.5	20.2	2.9
4	Cagayan Valley (II)	3,246	4,581	3,642	2.0	41.1	-20.5
5	Central Luzon (III)	14,481	16,340	17,777	3.5	12.8	8.8
6	CALABARZON (IV-A)	34,713	37,612	38,802	5.3	8.4	3.2
7	MIMAROPA (IV-B)	2,634	2,432	2,924	-8.4	-7.7	20.2
8	Bicol Region (V)	3,513	3,179	3,174	0.7	-9.5	-0.2
9	Western Visayas (VI)	10,863	11,545	11,211	53.9	6.3	-2.9
10	Central Visayas (VII)	19,941	15,517	20,272	55.5	-22.2	30.6
11	Eastern Visayas (VIII)	4,879	4,268	4,585	-1.2	-12.5	7.4
12	Zamboanga Peninsula (IX)	4,032	4,025	3,968	-10.5	-0.2	-1.4
13	Northern Mindanao (X)	9,378	8,791	9,242	9.1	-6.3	5.1
14	Davao Region (XI)	10,091	10,304	10,569	24.3	2.1	2.6
15	SOCCKSARGEN (XII)	3,013	3,809	4,436	5.9	26.4	16.5
16	Caraga	3,861	4,847	3,325	-15.1	25.5	-31.4
17	ARMM	160	237	214	49.5	48.1	-9.7

Note: Sum of details may not add up to totals due to rounding.

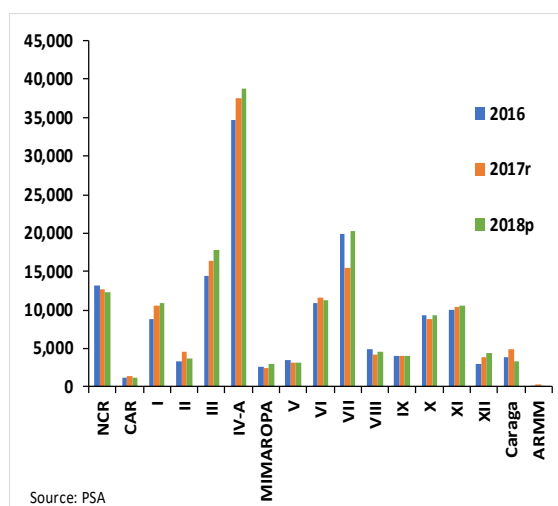
p Preliminary

r Revised to reflect data updates per PSA

Source: PSA

Chart 7. Approved Building Permits

Levels, 2016-2018



Source: PSA

On a regional basis, the y-o-y growth rates in the number of approved building permits were attributed largely to positive performances in the following regions: Central Visayas (30.6 percent), MIMAROPA (20.2 percent), SOCCSKSARGEN (16.5 percent), Eastern Visayas (7.4 percent), Northern Mindanao (5.1 percent), CALABARZON (3.2 percent) Ilocos Region (2.9 percent), and Davao Region (2.6 percent). Meanwhile, these developments were offset by significant contraction in CARAGA (31.4 percent) and Cagayan Valley (20.5 percent).

Based on the new residential building construction statistics, among the regions which contributed to the aggregate increase were MIMAROPA (37.4 percent); Central Visayas (36.7 percent); and

Table 9. Total Number of New Residential Building Construction

Levels and growth rates, 2016-2018

REGION	Levels			Growth Rates		
	2016	2017 ^r	2018 ^p	2016	2017 ^r	2018 ^p
PHILIPPINES	113,097	110,942	114,905	16.4	-1.9	3.6
1 NCR	6,587	6,477	6,005	2.4	-1.7	-7.3
2 CAR	938	952	885	13.6	1.5	-7.0
3 Ilocos (I)	6,498	7,614	7,871	12.0	17.2	3.4
4 Cagayan Valley (II)	2,265	3,550	2,559	3.5	56.7	-27.9
5 Central Luzon (III)	10,685	11,386	12,701	0.6	6.6	11.5
6 CALABARZON (IV-A)	27,829	29,260	29,815	7.7	5.1	1.9
7 MIMAROPA (IV-B)	2,007	1,569	2,156	7.2	-21.8	37.4
8 Bicol (V)	2,690	2,168	2,161	0.0	-19.4	-0.3
9 Western Visayas (VI)	8,744	8,935	8,327	68.4	2.2	-6.8
10 Central Visayas (VII)	17,122	12,230	16,713	77.9	-28.6	36.7
11 Eastern Visayas (VIII)	3,671	2,692	2,970	-4.8	-26.7	10.3
12 Zamboanga Peninsula (IX)	3,456	3,161	2,522	-5.8	-8.5	-20.2
13 Northern Mindanao (X)	8,014	7,187	7,597	9.6	-10.3	5.7
14 Davao Region (XI)	7,906	7,981	7,671	32.6	0.9	-3.9
15 SOCCSKSARGEN (XII)	1,556	1,817	2,383	0.8	16.8	31.2
16 Caraga	3,002	3,759	2,395	-17.6	25.2	-36.3
17 ARMM	127	204	174	39.6	60.6	-14.7

Note: Sum of details may not add up to totals due to rounding.

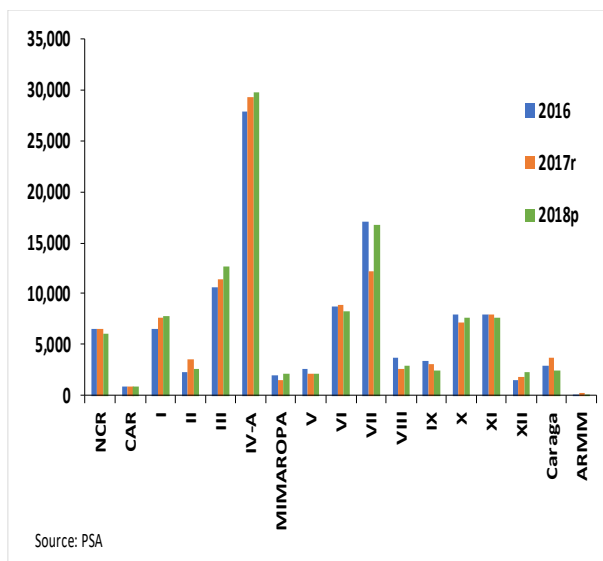
^p Preliminary^r Revised to reflect data updates per PSA

Source: PSA

SOCKSARGEN (31.2 percent). Meanwhile, these developments were offset by the decline in the following regions: CARAGA (-36.3 percent); Cagayan Valley (-27.9 percent); and Zamboanga Peninsula (-20.1 percent). Higher inflation rates and weather disturbances may have contributed to the slowdown in the construction activities in these regions.

Chart 8. New Residential Construction

Levels, 2016-2018



Region VII (Central Visayas) registered the most significant turnaround, approving 20,282 new building permits in 2018 vis-à-vis 12,230 permits in 2017. Residential buildings (around 72 percent of the total approved building permits) continued to dominate the new construction projects undertaken in the region. A bulk of new non-residential or commercial buildings were also undertaken following sustained demand from vibrant tourism activities. Likewise, Region IV-B (MIMAROPA), recovered from the two consecutive years negative performance. New building permits in this region rose by 20.2 percent in 2018 from a

year ago’s -7.7 percent. According to the City Economic Management and Cooperative Development Office (CEMCDO) in General Santos City, a reputable real estate developer has reportedly invested an initial ₱115 million for the construction of a 10 to 12-storey hotel and condominium building near a leading developer of a chain of shopping malls. The CEMCDO also announced that two more 10 to 12-storey buildings, described as “twin towers” will likewise grace the skyline in the City.

In terms of cost, it was noted that during the first quarter in 2018, the average cost per square meter of residential construction surged by 32 percent to ₱12,682 from the average cost of ₱9,605 in the same quarter the previous year. The significant increase, however, was not sustained as the average cost slid to ₱10,603 by the fourth quarter of 2018, lower compared to ₱10,777 in the same quarter in 2017.

Decelerating inflation rates and the roll out of 34 infrastructure flagships projects across the regions worth ₱522.6 billion,⁹ among others, are expected to propel the construction industry to a stronger performance this year and the ensuing years. On 28 March 2019, the Department of Trade and Industry (DTI), through the Construction Industry Authority of the Philippines (CIAP), and the Philippine Contractors Association (PCA) launched the Construction Industry Roadmap 2020-2030 with the theme "Tatag at Tapat 2030," which will ensure the sustainability of the construction industry’s growth and its competitiveness. The roadmap will also complement the government’s massive infrastructure program, “Build Build Build.”¹⁰ Under the roadmap, the construction industry aims to grow its contribution to the economy from ₱2.3 trillion in 2018 to a cumulative ₱130 trillion by 2030.

⁹ Source: Status of Infrastructure Flagship Projects as of 28 February 2019

¹⁰ Source: <https://www.dti.gov.ph/media/latest-news/12740-construction-industry-roadmap-2020-2030>

Labor and Employment

Employment. The national employment rate in 2018 increased by 0.4 percentage points (ppts) to 94.7 percent from 94.3 percent in 2017. Among the 17 regions, those with the highest employment rates were Cagayan Valley (Region II), 97.0 percent; ARMM, 96.3 percent; and SOCCSKSARGEN (Region XII), 96.1 percent.

Employment rises slightly

Employment gains were registered in most of the regions with large year-on-year increases in Ilocos Region (Region I), Northern Mindanao (Region X), and Caraga (Region XIII) by 2.1 ppts, 1.2 ppts, and 1.0 ppts, respectively. This improvement in

employment was attributed to the joint private sector and national government efforts in the conduct of job fairs, acceleration of the “Build, Build, Build” infrastructure projects, availability of seasonal jobs in the agriculture sector, and provision of livelihood programs for displaced workers in the regions.

In 2018, unemployment eased in 13 regions resulting in the national unemployment rate of 5.3 percent, lower by 0.4 ppts from 5.7 percent in 2017. Cagayan Valley had the lowest unemployment rate at 3.0 percent, followed by ARMM at 3.7 percent, and SOCCSKSARGEN at 3.9 percent, mainly due to the regularization of contractual workers. Conversely, Ilocos Region (Region I) posted the highest unemployment rate at 6.8 percent, as well as NCR and CALABARZON

Table 10. Employment Indicators
averages in percent

REGION	2016			2017			2018 ^p		
	Employment	Unemployment ^b	Underemployment	Employment	Unemployment ^b	Underemployment	Employment	Unemployment ^b	Underemployment
PHILIPPINES	94.6	5.4	18.3	94.3	5.7	16.1	94.7	5.3	16.4
1 NCR	93.3	6.7	8.7	92.6	7.4	9.3	93.4	6.6	7.2
2 CAR	95.6	4.4	23.1	95.7	4.3	14.8	95.9	4.1	15.2
3 Ilocos Region (I)	93.8	6.2	17.4	91.1	8.9	19.9	93.2	6.8	22.1
4 Cagayan Valley (II)	96.9	3.1	12.8	96.8	3.2	13.6	97.0	3.0	19.5
5 Central Luzon (III)	93.4	6.6	16.1	93.4	6.6	11.4	94.2	5.8	11.4
6 Calabarzon (IV-A)	92.8	7.2	15.6	93.0	7.0	14.0	93.4	6.6	13.4
7 MIMAROPA	95.9	4.1	21.8	95.2	4.8	23.7	95.3	4.7	20.6
8 Bicol Region (V)	95.4	4.6	30.2	95.4	4.6	27.6	95.1	4.9	29.6
9 Western Visayas (VI)	95.2	4.8	19.3	94.6	5.4	16.7	94.7	5.3	18.6
10 Central Visayas (VII)	95.1	4.9	14.7	95.5	4.5	17.5	94.7	5.3	17.8
11 Eastern Visayas (VIII)	95.5	4.5	29.9	95.6	4.4	22.6	95.8	4.2	21.4
12 Zamboanga Peninsula (IX)	96.2	3.8	22.5	96.0	4.0	17.3	95.9	4.1	18.9
13 Northern Mindanao (X)	94.8	5.2	27.9	94.7	5.3	18.6	95.9	4.1	20.8
14 Davao Region (XI)	95.5	4.5	16.8	95.1	4.9	17.8	95.7	4.3	15.4
15 Soccsksargen (XII)	95.9	4.1	23.7	96.0	4.0	17.9	96.1	3.9	17.0
16 Caraga (XIII)	95.0	5.0	28.0	94.9	5.1	23.1	96.0	4.0	25.4
17 ARMM	96.1	3.9	13.5	96.6	3.4	7.0	96.3	3.7	8.4

Notes

¹ Starting with April 2016 round, the Labor Force Survey (LFS) adopted the population projection based on the 2010 Census of Population and Housing (2010 CPH) while previous survey rounds were derived using 2000 CPH population projections.

³ Calculation of estimates excludes data from the Province of Leyte.

^p Preliminary

Source: PSA

(Region IV-A) both at 6.6 percent. Unemployment in Central Visayas (Region VII) grew faster by 0.8 pts due to the non-renewal of job contracts following the government's efforts to curb labor contractualization. Bicol Region's unemployment rate also increased by 0.3 pts due to the lack of available jobs for the large number of K-12 graduates.

The underemployment rate increased by 0.3 pts to 16.4 percent in 2018 from 16.1 percent in 2017. Six (6) out of the 17 regions exceeded the 2018 underemployment target of 17.8 percent to 19.8 percent (under the Philippine Development Plan 2017-2022), namely: Bicol Region, 29.7 percent; Caraga, 25.4 percent; Ilocos Region, 22.1 percent; Eastern Visayas (Region VIII), 21.4 percent; Northern Mindanao, 20.8 percent; and MIMAROPA (Region IV-B), 20.6 percent. Based on DOLE-Institute of Labor Studies, increased underemployment suggests that those employed desire for additional hours of work/job as they may have been receiving low pay, experiencing job mismatch, or lacking access to regular full-time jobs.

Meanwhile, underemployment eased in NCR, 7.2 percent; ARMM, 8.4 percent; Central Luzon (Region III), 11.4 percent; CALABARZON, 13.4 percent; and CAR, 15.2 percent. The notable improvement in these regions was attributed to the wage orders issued by DOLE-Regional Tripartite Wage and Productivity Boards which granted wage adjustments for workers.

Fiscal Sector

Receipts and Expenditures of LGUs

Receipts and Expenditures of Local Government Units (LGUs). The Local Government Units' (LGUs) total ending cash balance for the Fiscal Year (FY) 2018 reached ₱450.4 billion, lower by 13.2 percent from FY 2017. Total LGU Receipts reached ₱657.9 billion in FY 2018, of which 65.7 percent or ₱432.3 billion came from external sources (63.7 percent of which were accounted for by internal revenue allotment [IRA]); 32.1 percent or ₱210.8 billion came from local sources (22.2 percent from tax revenues); and 2.3 percent or ₱14.8 billion from non-income receipts (0.5 percent from capital investments).

NCR, CALABARZON, and Central Luzon post the largest receipts from tax revenues

Out of the total LGU receipts, 16.9 percent came from NCR amounting to ₱111.1 billion; 12.0 percent or ₱79.2 billion from CALABARZON (Region IVA); and 9.5 percent or ₱62.4 billion from Central Luzon (Region III). The said regions also topped the list of regions with the largest receipts from tax revenues. Of the ₱419.1 billion total IRA shares, CALABARZON, Central Luzon, and Western Visayas (Region VI) received the highest shares of 11.2 percent, 9.6 percent, and 7.9 percent, respectively. The NCR registered the highest non-income receipts at ₱4.3 billion, mainly from receipts from loans and borrowings.

Meanwhile, total LGU Expenditures amounted to ₱726.6 billion which were spent for general services, 49.0 percent or ₱355.9 billion; social services, 25.1 percent or ₱182.4 billion; economic services, 22.6 percent or ₱164.0 billion; and debt services, 3.3 percent or ₱24.3 billion.

In FY 2018, the regions that disbursed the largest amount were Central Visayas (Region VII) at ₱120.7 billion, NCR at ₱112.9 billion, and CALABARZON at ₱82.7 billion. The said amounts comprised 16.6 percent, 15.5 percent, and 11.4 percent of the total nationwide LGU expenditures, respectively. Most of the expenditures from these regions were devoted to general services.

Monetary Sector

Inflation

Inflation rates in the regions accelerate

Inflation. Average annual inflation rates in all regions increased in 2018 compared to the previous year. Of the 17 regions, 11 posted notable increases, at rates that were more than double the previous year's inflation. Despite the broad acceleration, inflation rates in two (2) regions managed to remain well within the

Table 11. Receipts and Expenditures
In billion pesos

REGION	NCR	CAR	I	II	III	IVA	IVB	V	VI	VII	VIII	IX	X	XI	XII	CARAGA	ARMM	GRAND TOTAL
BEGINNING CASH BALANCE	97.0	14.4	28.1	21.7	39.7	66.8	18.8	23.9	39.0	51.6	23.5	16.9	22.1	16.3	19.1	16.0	4.1	519.1
RECEIPTS	111.1	16.7	30.5	26.3	62.4	79.2	22.5	33.0	45.6	53.7	28.3	20.8	34.5	29.0	23.0	20.4	20.8	657.9
Local Sources	82.6	2.4	4.3	3.8	20.0	30.5	2.8	4.5	10.7	20.1	3.0	2.6	10.1	7.4	3.3	2.6	0.3	210.8
Tax Revenues	68.3	1.0	2.1	1.5	13.5	23.0	1.3	2.2	5.7	11.9	1.2	1.2	5.4	4.4	1.7	1.3	0.2	145.9
Non-Tax Revenues	14.3	1.3	2.2	2.2	6.4	7.5	1.4	2.3	5.0	8.2	1.8	1.4	4.7	3.0	1.6	1.4	0.1	65.0
External Sources	24.2	14.4	26.2	22.4	41.1	48.5	19.6	25.1	34.4	30.1	25.3	17.3	24.4	21.5	19.7	17.7	20.4	432.3
Share from IRA	22.9	13.7	22.0	22.2	40.2	47.0	19.4	25.1	33.2	29.4	25.0	17.2	23.3	21.3	19.6	17.5	20.1	419.1
Share from GOCCs (PAGCOR and PCSO)	0.1	0.0	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Other Share from National Tax Collection	1.1	0.6	4.1	0.0	0.5	1.1	0.1	0.0	1.2	0.4	0.1	0.0	0.5	0.0	0.0	0.2	0.2	10.2
Inter-Local Transfer	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	-	0.1	0.2	0.0	0.0	0.0	0.9
Extraordinary Receipts/Grants/Donations/Ai	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.5	0.0	0.0	0.0	0.1	1.3
Non-Income Receipts	4.3	0.0	0.0	0.1	1.3	0.3	0.1	3.3	0.5	3.6	0.1	0.9	0.0	0.1	0.1	0.1	0.1	14.8
Capital Investment Receipts	1.3	0.0	0.0	0.0	0.0	0.1	0.0	0.6	0.0	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	3.1
Receipts from Loans and Borrowings	2.9	0.0	-	0.1	1.3	0.2	0.1	2.7	0.5	2.7	-	0.9	0.0	0.1	0.1	0.0	0.1	11.7
EXPENDITURES	112.9	16.8	24.9	27.1	60.9	82.7	22.8	32.6	60.2	120.7	24.8	18.1	36.9	29.4	23.5	16.9	15.4	726.6
General Services	51.1	7.1	11.3	15.4	29.9	39.9	10.7	13.9	32.3	64.1	12.5	8.7	15.9	15.1	11.5	8.2	8.3	355.9
Economic Services	15.9	5.0	7.7	6.0	14.3	14.9	5.5	9.4	13.0	28.9	6.3	4.1	11.0	7.6	6.1	3.9	4.5	164.0
Social Services	43.8	4.3	5.0	4.7	14.6	25.0	5.7	8.3	11.3	25.0	5.4	4.2	9.1	5.7	4.9	3.2	2.3	182.4
Debt Services	2.2	0.4	0.9	1.0	2.1	2.9	0.9	1.1	3.6	2.7	0.7	1.1	1.0	1.0	1.0	1.6	0.3	24.3
ENDING CASH BALANCE	95.2	14.4	33.7	20.9	41.2	63.3	18.6	24.2	24.4	(15.4)	27.0	19.6	19.7	15.8	18.6	19.5	9.6	450.4

Source: Department of Budget and Management, Budget of Expenditures and Sources of Financing FY 2019

Table F.5 Statement of Receipts and Expenditures, By Regional Level of LGUs, 2018

national government's inflation target range of 3.0 percent \pm 1.0 percentage point during the year. The CAR and Central Luzon regions posted annual inflation rates of 3.8 percent and 3.2 percent, respectively.

The average annual inflation rates recorded in the 17 regions ranged from a low of 3.2 percent (Central Luzon) which was more than twice higher than the lowest average inflation registered in 2017 of 1.3 percent, to a high of 7.1 percent

Table 12. Inflation Rate

In percent
2012 = 100

	REGION	2016	2017	2018
	ALL ITEMS			
	PHILIPPINES	1.3	2.9	5.2
1	Metro Manila	0.7	3.7	5.5
	Areas Outside Metro Manil	1.4	2.7	5.1
2	CAR	1.7	1.8	3.8
3	Ilocos Region (I)	0.8	2.0	6.0
4	Cagayan Valley (II)	1.7	2.5	5.5
5	Central Luzon (III)	1.7	3.1	3.2
6	CALABARZON (IV-A)	0.9	2.9	4.8
7	MIMAROPA (IV-B)	2.0	2.2	5.1
8	Bicol Region (V)	1.0	1.3	7.0
9	Western Visayas (VI)	1.0	1.8	5.9
10	Central Visayas (VII)	1.8	2.5	5.6
11	Eastern Visayas (VIII)	1.1	3.4	5.6
12	Zamboanga Peninsula (IX)	2.1	3.0	6.2
13	Northern Mindanao (X)	2.3	3.0	5.3
14	Davao Region (XI)	1.5	3.1	5.6
15	SOCCKSARGEN (XII)	2.4	2.0	6.2
16	Caraga	1.3	1.9	4.2
17	ARMM	1.8	3.4	7.1

Source: PSA

¹¹ Approved foreign investments (FIs) represent investment commitments and pledges by foreigners regardless of the percentage of ownership of the ordinary shares, which may be realized in the near future, while foreign direct investments (FDI) refer to actual foreign

(ARMM). The rise in inflation was mainly attributed to supply-side factors namely, increase in both food and energy prices alongside the implementation of tax reform measures.

Specifically, food inflation increased due to supply bottlenecks caused by adverse weather conditions. Likewise, non-food inflation also rose in 2018 due largely to rising international oil prices, driven largely by geopolitical tensions and decision of major producers to limit production. This also resulted in higher transport inflation as minimum fares for jeepney and bus were adjusted upwards during the year. At the same time, the direct and indirect impact of the tax reform implementation also affected prices of sugar-sweetened drinks, gaming tickets, and domestic petroleum products in the regions.

External Sector

Approved Foreign Investments

Approved foreign investments expand

Approved foreign investments. As reported by investment promotion agencies (IPAs), approved foreign investments (FIs) in the country expanded by 69.2 percent in 2018, following the contractions in 2016 and 2017. Nine regions (out of 17) experienced increases in approved FIs.¹¹

Northern Mindanao and Cagayan Valley regions posted the highest growth (>1,000 percent) rate in

investments generated, with the foreign investors owning 10 percent or more of the ordinary shares. [Source: PSA. (2018). Foreign investments: fourth quarter 2017, In The Foreign Investments in the Philippines, 22 February 2018, Quezon City, Philippines.]

approved FIs followed by Bicol Region with 265.7 percent and CAR with 175.6 percent. Biggest

the projects would be mostly in construction activities.

Table 13. Approved Foreign Investments

Levels in million pesos, shares and growth rates in percent to Total

REGION	2016	2017	2018	Growth Rate			Share to total		
				2016	2017	2018	2016	2017	2018
PHILIPPINES	219,038.6	105,745.5	178,967.3	-10.7	-51.7	69.2	100.0	100.0	100.0
1 NCR	37,572.4	17,404.6	37,467.2	10.1	-53.7	115.3	17.2	16.5	20.9
2 CAR	24,667.8	143.7	396.1	-6.2	-99.4	175.6	11.3	0.1	0.2
3 Ilocos Region (I)	6,078.4	10,131.7	176.0	737.7	66.7	-98.3	2.8	9.6	0.1
4 Cagayan Valley (II)	2,164.5	82.5	1,322.7	263.4	-96.2	1,502.6	1.0	0.1	0.7
5 Central Luzon (III)	13,716.7	10,623.7	21,286.6	-39.6	-22.5	100.4	6.3	10.0	11.9
6 CALABARZON (IV-A)	94,336.7	48,352.0	42,331.8	-18.4	-48.7	-12.5	43.1	45.8	23.7
7 MIMAROPA (IV-B)	1,272.3	955.1	1,000.2	-66.9	-24.9	4.7	0.6	0.9	0.6
8 Bicol Region (V)	0.0	240.3	878.8	-100.0	--	265.7	0.0	0.2	0.5
9 Western Visayas (VI)	9,243.1	6,849.8	873.5	28.5	-25.9	-87.2	4.2	6.5	0.5
10 Central Visayas (VII)	13,613.7	6,102.9	3,728.2	16.4	-55.2	-38.9	6.2	5.8	2.1
11 Eastern Visayas (VIII)	2.6	141.3	0.0	-93.2	5,380.8	-100.0	0.0	0.1	0.0
12 Zamboanga Peninsula (IX)	206.0	0.0	308.9	--	-100.0	--	0.1	0.0	0.2
13 Northern Mindanao (X)	1,520.7	2,081.8	64,605.3	-60.7	36.9	3,003.4	0.7	2.0	36.1
14 Davao Region (XI)	1,285.3	687.8	1,274.7	-25.8	-46.5	85.3	0.6	0.7	0.7
15 SOCCSKSARGEN (XII)	10,922.6	657.2	106.3	69.0	-94.0	-83.8	5.0	0.6	0.1
16 Caraga	1,395.9	409.1	26.4	-55.2	-70.7	-93.5	0.6	0.4	0.0
17 ARMM	1,040.1	724.7	235.1	--	-30.3	-67.6	0.5	0.7	0.1
Several Locations ¹	0.0	157.3	2,000.6	-100.0	--	1,171.8	0.0	0.1	1.1
No Site Yet ²	0.0	0.0	949.0	-100.0	--	--	0.0	0.0	0.5

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Autonomous Region of Muslim Mindanao (BOI-ARMM), Clark Development Corporation (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA).

¹ Locations not indicated in the raw data submitted to PSA.

² As indicated in the raw data submitted to PSA.

Source: PSA

declines in approved FIs were observed in Eastern Visayas (100.0 percent) and Ilocos Region (98.3 percent) after a few years of strong growth, and Caraga (93.5 percent).

In terms of share to total approved FIs, top location regions in 2018 were Northern Mindanao (36.1 percent), CALABARZON (23.7 percent), NCR (20.9 percent), Central Luzon (11.9 percent) and Central Visayas (2.1 percent). Majority of the approved FIs in CALABARZON were intended for projects in the manufacturing industry. For NCR,

Approved Investments of Foreign and Filipino Nationals

Combined approved foreign and Filipino investments also expand

Approved investments of foreign and Filipino nationals. Combined approved foreign and Filipino nationals' investments in the country likewise

Table 14. Approved Foreign and Filipino Investments

Levels in million pesos, shares and growth rates in percent

REGION	2016	2017	2018	Growth rate			Share to total		
				2016	2017	2018	2016	2017	2018
PHILIPPINES	685,952.5	908,744.7	1,084,152.4	-0.1	32.5	19.3	100.0	100.0	100.0
1 NCR	159,018.1	128,173.9	188,565.6	34.7	-19.4	47.1	23.2	14.1	17.4
2 CAR	57,421.4	2,440.8	990.2	117.2	-95.7	-59.4	8.4	0.3	0.1
3 Ilocos Region (I)	17,388.6	61,920.9	13,599.0	495.3	256.1	-78.0	2.5	6.8	1.3
4 Cagayan Valley (II)	5,421.4	14,288.2	10,183.9	-1.1	163.6	-28.7	0.8	1.6	0.9
5 Central Luzon (III)	89,888.5	181,282.4	215,876.6	49.8	101.7	19.1	13.1	19.9	19.9
6 CALABARZON (IV-A)	181,680.9	374,748.6	228,452.9	-33.0	106.3	-39.0	26.5	41.2	21.1
7 MIMAROPA (IV-B)	5,700.0	3,803.1	3,551.9	-6.8	-33.3	-6.6	0.8	0.4	0.3
8 Bicol Region (V)	4,476.9	5,510.9	4,214.0	-51.9	23.1	-23.5	0.7	0.6	0.4
9 Western Visayas (VI)	41,221.6	26,738.0	14,748.9	-50.8	-35.1	-44.8	6.0	2.9	1.4
10 Central Visayas (VII)	51,031.0	44,874.1	67,054.3	24.7	-12.1	49.4	7.4	4.9	6.2
11 Eastern Visayas (VIII)	829.8	753.7	6,381.6	-88.9	-9.2	746.8	0.1	0.1	0.6
12 Zamboanga Peninsula (IX)	728.8	-	1,689.4	4,314.6	-100.0	--	0.1	0.0	0.2
13 Northern Mindanao (X)	15,413.4	12,633.1	230,695.2	-3.3	-18.0	1,726.1	2.2	1.4	21.3
14 Davao Region (XI)	27,998.9	13,416.2	20,344.2	276.4	-52.1	51.6	4.1	1.5	1.9
15 SOCCSKSARGEN (XII)	23,647.3	30,246.7	4,412.7	78.3	27.9	-85.4	3.4	3.3	0.4
16 Caraga	1,974.3	4,286.6	58,248.0	-49.3	117.1	1,258.8	0.3	0.5	5.4
17 ARMM	2,111.4	3,234.5	2,254.6	-19.2	53.2	-30.3	0.3	0.4	0.2
Several Locations ¹	-	393.3	11,940.5	-100.0	--	2,936.2	0.0	0.0	1.1
No Site Yet ²	-	-	949.0	-100.0	--	--	0.0	0.0	0.1

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Autonomous Region of Muslim Mindanao (BOI-ARMM), Clark Development Corporation (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA).

¹ Locations not indicated in the raw data submitted to PSA.

² As indicated in the raw data submitted to PSA.

Source: PSA

grew by 19.3 percent in 2018, following a strong performance in 2017 of 32.5 percent. The regional growths were led by Northern Mindanao and Caraga (>1,000 percent), Eastern Visayas (746.8 percent), Davao Region (51.6 percent), Central Visayas (49.4 percent) and NCR (47.1 percent).

Biggest declines in approved investments were observed in SOCCSKSARGEN (85.4 percent), Ilocos Region (78 percent), CAR (59.4 percent), Western Visayas (44.8 percent) and CALABARZON (39 percent).

In terms of share to total foreign and Filipino approved investments, top location regions in

2018 were Northern Mindanao (21.3 percent), CALABARZON (21.1 percent), Central Luzon (19.9 percent), NCR (17.4 percent), and Central Visayas (6.2 percent). Majority of the investments in Northern Mindanao, CALABARZON and Central Luzon were intended for projects in the manufacturing industry.

Financial Sector

Banking and Microfinance

Banking. The improvement in credit activity in the country is reflected in increased loans-to-deposits (LDR) ratio across most of the regions in 2018.

LDR ratios improve in most regions

NCR registered the highest LDR at 90.7 percent in 2018, followed by SOCCSKSARGEN (53.6 percent) and Central Visayas (46.3 percent). The high LDRs in these regions reflected banks' greater efficiency in channeling deposits into lending activities. Meanwhile, declines in LDR were observed in ARMM and Ilocos Region.

Table 15. Loans-to-Deposits Ratio
In percent

Regions	2016	2017	2018
PHILIPPINES	65.0	70.6	72.5
NCR - National Capital Region	81.8	89.0	90.7
CAR - Cordillera Administrative Region	14.1	13.7	16.9
I - Ilocos Region	22.5	24.5	24.2
II - Cagayan Valley	43.0	43.4	45.8
III - Central Luzon	29.6	33.3	36.2
IV-A - CALABARZON	19.6	23.4	26.6
IV-B - MIMAROPA Region ^{1/}	33.7	33.2	35.1
V - Bicol Region	34.1	33.2	34.7
VI - Western Visayas	28.1	30.8	31.9
VII - Central Visayas	42.4	45.6	46.3
VIII - Eastern Visayas	24.8	26.7	28.1
NIR - Negros Island Region ^{2/}	27.5	-	-
IX - Zamboanga Peninsula	29.8	25.3	25.9
X - Northern Mindanao	32.4	33.3	36.2
XI - Davao Region	42.5	40.8	53.1
XII - SOCCSKSARGEN	46.5	49.4	53.6
XIII - Caraga	32.5	32.1	36.4
ARMM - Autonomous Region in Muslim Mindanao	15.8	13.9	11.9

^{1/} Under Administrative Order No. 129 Palawan was reclassified from Reg
^{2/} Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2016, composed of the provinces of Negros Occidental (formerly from Region VI Western Visayas) and Negros Oriental (formerly from Region VII Central Visayas)
 Details may not add up to totals due to rounding-off
 Source: Supervisory Data Center, Supervision and Examination Sector, Bangko Sentral ng P

Deposit liabilities in all regions continue to grow

Deposit liabilities of BSP-supervised institutions in all regions managed to perform positively in 2018. Robust deposit liabilities upticks were observed in Ilocos Region (15.4 percent), MIMAROPA Region (14.3 percent), ARMM (12.3 percent) and Cagayan Valley (12.1 percent). Meanwhile, decelerated growth performance were observed for SOCCSKSARGEN (6.4 percent), CARAGA (6.9 percent), and CAR (7.6 percent).

In terms of share to total deposit liabilities, more than half are concentrated in the NCR (67.1 percent). Other regions with highest share of deposit liabilities were CALABARZON (7.0 percent), Central Luzon (5.2 percent), and Central Visayas (5.0 percent).

Bank density consistently improves

The NCR continued to have the highest concentration of banks relative to the total number of cities/municipalities with a density ratio of 219.9 percent in 2018. Following NCR were MIMAROPA, CALABARZON and SOCCSKSARGEN with density ratios of 12.9 percent, 9.9 percent and 9.6 percent, respectively. Meanwhile, the density ratios in 9 regions (namely: Ilocos Region (2.4 percent), Central Luzon (4.6 percent), CALABARZON (9.9 percent), Bicol Region (4.0 percent), Western Visayas (4.4 percent), Central Visayas (5.3 percent), Zamboanga Peninsula (1.8 percent), Northern Mindanao (3.3 percent) and Davao Region (4.4 percent) have decelerated growth rates compared to the 2017 levels. This indicates that less banks were able to provide services to a greater number of cities/municipalities in their areas.

Table 16. Deposit Liabilities
Levels and Growth rate

Regions	2016	2017	2018	Growth Rate			Share to total		
				2016	2017	2018	2016	2017	2018
PHILIPPINES	10,491,828	11,704,683	12,739,315	14.5	11.6	8.8	100.0	100.0	100.0
NCR - National Capital Region	7,069,117	7,879,151	8,542,714	8.4	11.5	8.4	67.4	67.3	67.1
CAR - Cordillera Administrative Region	96,425	110,175	118,525	7.6	14.3	7.6	1.4	0.9	0.9
I - Ilocos Region	185,367	204,110	235,642	15.4	10.1	15.4	1.8	1.7	1.8
II - Cagayan Valley	113,997	128,293	143,841	12.1	12.5	12.1	1.1	1.1	1.1
III - Central Luzon	527,290	601,811	668,286	11.0	14.1	11.0	5.0	5.1	5.2
IV-A - CALABARZON	731,257	812,384	887,764	9.3	11.1	9.3	7.0	6.9	7.0
IV-B - MIMAROPA Region ^{1/}	65,056	80,335	91,848	14.3	23.5	14.3	0.6	0.7	0.7
V - Bicol Region	124,626	140,314	154,653	10.2	12.6	10.2	1.2	1.2	1.2
VI - Western Visayas	167,858	319,543	345,152	8.0	90.4	8.0	1.6	2.7	2.7
VII - Central Visayas	505,395	582,732	631,506	8.4	15.3	8.4	4.8	5.0	5.0
VIII - Eastern Visayas	94,334	109,184	119,221	9.2	15.7	9.2	0.9	0.9	0.9
NIR - Negros Island Region ^{2/}	160,275	-	-	12.9	-100.0	-100.0	1.5	-	-
IX - Zamboanga Peninsula	95,866	107,690	117,438	9.1	12.3	9.1	0.9	0.9	0.9
X - Northern Mindanao	152,816	172,437	185,970	7.8	12.8	7.8	1.5	1.5	1.5
XI - Davao Region	214,789	240,357	265,607	10.5	11.9	10.5	2.0	2.1	2.1
XII - SOCCSKSARGEN	108,077	124,496	132,415	6.4	15.2	6.4	1.0	1.1	1.0
XIII - Caraga	69,266	78,591	84,046	6.9	13.5	6.9	0.7	0.7	0.7
ARMM - Autonomous Region in Muslim Mindanao	10,017	13,079	14,687	12.3	30.6	12.3	0.1	0.1	0.1

^{1/} Under Administrative Order No. 129 Palawan was reclassified from Region VI to Mimaropa effective August 31, 2007.
^{2/} Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2015, composed of the provinces of Negros Occidental (formerly from Region VI Western Visayas) and Negros Oriental (formerly from Region VII Central Visayas)
Details may not add up to totals due to rounding-off
Source: Supervisory Data Center, Supervision and Examination Sector, Bangko Sentral ng Pilipinas

Table 17. Bank Density Ratio
In percent

Regions	Density Ratio		
	2016	2017	2018
PHILIPPINES	6.8	7.2	7.5
NCR - National Capital Region	206.1	214.6	219.9
CAR - Cordillera Administrative Region	2.1	2.3	3.0
I - Ilocos Region	4.2	4.7	2.4
II - Cagayan Valley	3.8	4.2	5.0
III - Central Luzon ^{2/}	8.8	9.3	4.6
IV-A - CALABARZON ^{3/}	11.7	12.2	9.9
IV-B - MIMAROPA ^{3/}	3.7	3.8	12.9
V - Bicol Region	3.8	4.1	4.0
VI - Western Visayas ^{3/}	4.5	5.2	4.4
VII - Central Visayas	5.9	6.0	5.3
VIII - Eastern Visayas	1.5	1.6	6.5
NIR - Negros Island Region ^{4/}	5.2	-	-
IX - Zamboanga Peninsula	3.1	3.1	1.8
X - Northern Mindanao	4.1	4.3	3.3
XI - Davao Region	8.7	9.1	4.4
XII - Soccsksargen	4.6	5.0	9.6
XIII - Caraga	2.8	2.9	5.5
ARMM - Autonomous Region in Muslim Mindanao	0.2	0.2	0.2

^{1/} Ratio of the Number of Banking Offices to the Number of Municipalities and Cities Per Region
^{2/} Inclusive of the province of Aurora effective May 17, 2002 as provided under Executive Order No. 103
^{3/} Executive Order No. 103 dated May 17, 2002 divide Region IV (Southern Tagalog) into Region IV-A (CALABARZON) and Region IV-B (MIMAROPA). Under Administrative Order No. 129 Palawan was reclassified from Region VI to MIMAROPA effective August 31, 2007.
^{4/} Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2015, composed of the provinces of Negros Occidental (formerly from Region VI Western Visayas) and Negros Oriental (formerly from Region VII Central Visayas)
Data Source: Supervisory Data Center, Supervision and Examination Sector, Bangko Sentral ng Pilipinas

Number of microfinance-oriented banks surges

Microfinance. The number of microfinance service providers in the country steadily increased for most regions, reaching 2,106 in 2018, a growth of 99.2 percent year-on-year.

Cagayan Valley led the regions with the highest growth in the number of microfinance-oriented banks or MOBs (730.0 percent) in 2018, followed by Zamboanga Peninsula (558.3 percent) and SOCCSKSARGEN (550.0 percent). The number of MOBs in Ilocos, CALABARZON and Bicol regions declined by 46.2 percent, 33.8 percent and 17.2 percent, respectively. In terms of share to total MOBs, the regions with

the most number of microfinance banks were MIMAROPA (20.2 percent), Western Visayas (9.4 percent) and CALABARZON (8.9 percent).

In terms of the share to total microfinance loans outstanding, the bulk were in CALABARZON (72.3 percent).

Table 18. Number of Microfinance-Oriented Banks

Regions	2016	2017	2018	Growth Rate			Share to total		
				2016	2017	2018	2016	2017	2018
PHILIPPINES	816	1,057	2,106	25.2	29.5	99.2	100.0	100.0	100.0
NCR - National Capital Region	52	49	138	33.3	-5.8	181.6	6.4	4.6	6.6
CAR - Cordillera Administrative Region	12	20	54	50.0	66.7	170.0	23.1	1.9	2.6
I - Ilocos Region	34	78	42	183.3	129.4	-46.2	4.2	7.4	2.0
II - Cagayan Valley	7	20	166	-65.0	185.7	730.0	0.9	1.9	7.9
III - Central Luzon	49	85	87	96.0	73.5	2.4	6.0	8.0	4.1
IV-A - CALABARZON	245	284	188	13.4	15.9	-33.8	30.0	26.9	8.9
IV-B - MIMAROPA Region ^{1/}	78	79	426	23.8	1.3	439.2	9.6	7.5	20.2
V - Bicol Region	111	134	111	14.4	20.7	-17.2	13.6	12.7	5.3
VI - Western Visayas	90	105	197	21.6	16.7	87.6	11.0	9.9	9.4
VII - Central Visayas	21	69	172	16.7	228.6	149.3	2.6	6.5	8.2
VIII - Eastern Visayas	18	29	171	5.9	61.1	489.7	2.2	2.7	8.1
NIR - Negros Island Region ^{2/}	12	0	0	500.0	-100.0	-100.0	1.5	-	-
IX - Zamboanga Peninsula	12	12	79	-7.7	0.0	558.3	1.5	1.1	3.8
X - Northern Mindanao	17	16	48	-5.6	-5.9	200.0	2.1	1.5	2.3
XI - Davao Region	38	48	84	58.3	26.3	75.0	4.7	4.5	4.0
XII - SOCCSKSARGEN	5	14	91	150.0	180.0	550.0	0.6	1.3	4.3
XIII - Caraga	12	15	51	-20.0	25.0	240.0	1.5	1.4	2.4
ARMM - Autonomous Region in Muslim Mindanao	0	0	1	-	-	-	0.0	0.0	0.0

* Revocation of EO No. 183 which created the Negros Island Region and transferring Negros Occidental and Negros Oriental to Region VI (Western Visayas) and Region VII (Central Visayas) respectively, per Executive Order No. 38, s. 2017 effective 07 August 2017

^{1/} Per Section X151 of the Manual of Regulation for Banks (MORB); Circular Letter No. CL-2017-987

^{2/} no data

Source: SDC-SES

Updated as of 23 February 2018

Meanwhile, outstanding microfinance loans extended by the banking system nationwide by 32.2 percent in 2018. The regions that posted the strongest loan growth were NCR (164.7 percent), CALABARZON (31.3 percent), and SOCCSKSARGEN (28.1 percent). However, microfinance loans in CAR, Central Visayas, and MIMAROPA fell by 42.5 percent, 41.4 percent and 28.7 percent, respectively.

The number of microfinance borrowers increased in 2018 by 1.6 percent nationwide a deceleration from the previous year's 16.0 percent growth. Apart from the NCR which registered the highest growth in the number of microfinance borrowers (120.3 percent), there were only five other regions which exhibited growth in the number of microfinance borrowers, namely: SOCCSKSARGEN (15.3 percent), Zamboanga Peninsula

(7.4 percent), Western Visayas (7.3 percent), Eastern Visayas (2.8 percent), and CALABARZON (0.8 percent). For the rest of the regions, the number of borrowers fell, particularly in CAR (41.5 percent), Northern Mindanao (40.0 percent), and MIMAROPA (19.1 percent).

Similar to total microfinance loans outstanding, majority of microfinance borrowers were located in CALABARZON (78.9 percent).

CORDILLERA ADMINISTRATIVE REGION

Opportunities

- Opening of the Sta. Maria-Mallig-Upper Atok Farm-to-Market Road (FMR) in Flora, Apayao, an 11.8-kilometer FMR Philippine Rural Development Project (PRDP).
- Boosting the region's coffee industry through new machineries and hauling trucks for Benguet farmers under the Department of Agriculture's Philippine Rural Development Project (DA-PRDP).
- Inauguration by the DA – Regional Field Office – Cordillera Administrative Region (DA-RFO-CAR) of a new research and development (R&D) multi-purpose center and corn gene bank to support the knowledge-based farm tourism in Baguio Animal Breeding Center, Dontogan, Baguio City.
- Upgrade in the processing and marketing of organic-produced heirloom rice by the Mt. Province Heirloom Rice Consolidation Processing and Marketing Enterprise.
- Introduction of drone by the Japanese UAV (unmanned aerial vehicle) Corporation, as fertilizer and pesticide sprayer at the Strawberry Farm, La Trinidad, Benguet. This entails a healthy advantage cost and labor efficiency for farmers.
- Ground breaking of the ₱4.3- billion Chico River Pump Irrigation Project in the Province of Kalinga, the flagship infrastructure project to be financed by China, which aims to provide a stable supply of water to 8,700 hectares of agricultural land and benefit 4,350 farmers.
- Implementation of road rehabilitation projects along Kennon Road and inauguration of the 64.24 kilometer Kabugao–Solsona Road Project, which links the Province of Apayao to some areas of Ilocos Norte.
- Development of the Baguio - La Trinidad-Itogon – Sablan – Tuba-Tublay (BLISTT) Infrastructure Master Plan, which is funded by the National Economic and Development Authority (NEDA).
- Establishment of additional cell sites through common and shared telecommunications facilities by the Department of Information and Technology (DICT), which aims to address the region's long-standing concern on the lack of cellular coverage and internet connectivity in most of the Cordillera Region.
- Proposal to upgrade and institutionalize income classification of the local government units (LGUs) in the region, which will pave the way for increased Internal Revenue Allotment (IRA), increased salaries of the personnel; and sustained Magna Carta of Personnel for 4th and 5th class municipalities and provinces.
- Opening of the Cordillera Crafts and Productivity Center (CCPC) which showcases crafts and folk arts.
- Grant of additional agricultural land area to organic farming in the region from 2018 to 2023 by the DA.

CORDILLERA ADMINISTRATIVE REGION

Challenges

- Agricultural damage estimated at ₱2.7 billion with 170,940 farmers affected in the region due to typhoon “Ompong”.
- Expiration of DA’s seed subsidy project in 2019 will pose a challenge to farmers who have been dependent on the project.

Opportunities

- Intensification of the region's program "Capitol Express" or CapEx, which aims to deliver social welfare and agricultural services.
- Implementation of the Agno River Irrigation System Extension Project (ARISEP) benefitting 10,000 farmers by end 2018.
- Establishment of the "Accelerating the Development and Adoption of Next-Generation (Next-Gen) Rice Varieties for the Major Ecosystems in the Philippines" by the DA Regional Field Office I (DA-RFO I). The project will allow rice farmers to choose the best rice variety that could yield higher returns.
- Development of the "Carrageenan Plant Growth Promoter" (PGP) by the Philippine Nuclear Research Institute (DOST-PNRI), which aims to improve rice productivity and reduce the cost of production. Carrageenan plant food supplement was found to be high in potassium, magnesium, and calcium, which helps improve the growth, development, and immunity of rice.
- The DA-RFO I, thru the four banner programs of the Field Operations Division – i.e. Rice, Corn, High Value Crops Development Program (HVCDP) and Organic Agriculture, granted additional machineries/equipment to farmer associations.
- Launch of the "2018 ASPIRE – an Agri-Aqua Trade Fair", which improved
- The Tarlac-Pangasinan-La Union Expressway (TPLEX) Extension project involves a 59.4 km four (4)-lane toll road which will start from the last exit of the TPLEX in Rosario, La Union and will terminate at San Juan, La Union.
- Inauguration of the Aringay-Tubao Alternate Road and Anduyan Bridge in November 2018 has significantly reduced travel time from Tubao, La Union to Asin Hot Spring in Barangay Nangalisan, Tuba, Benguet and also from Tubao, La Union to Baguio City. This project also provides faster mobility of manpower and government services.
- Construction of the San Manuel Solar Power Project 1, which produces 70 megawatts of power for the Luzon Grid.
- Completion of bypasses/diversion roads such as Candon City By-Pass Road, Bauang-San Fernando-San Juan By-Pass Road and Agoon Diversion Road.
- Completion of the first phase of the convention center project for Ilocos Region by the Department of Public Works and Highways (DPWH). With this project, the region will be able to host big local and international events, exhibits and other programs.
- Possible revival of the Tri-City Ferry System to promote interconnectivity between and among the Cities of Dagupan and Alaminos in Pangasinan, and the City of San Fernando in La Union.
- Opening of a new by-pass road in Urdaneta City to relieve traffic congestion in the City,

Opportunities

market access for both the consumers and producers as well as to integrate and consolidate all efforts of the LGU and private sectors for better promotion and marketing of agri-fishery products.

- Creation of a Technical Working Group (TWG) on economic zone development during the Regional Development Council Region 1 (RDC-1) meeting. The TWG is tasked to facilitate the issuance of various government clearances and permits.
- Strengthening tourism thru the promotion of “luxury ship *Superstar Virgo*”, which will benefit local small-medium enterprises (SMEs). Also, the Department of Tourism (DOT) has intensified training programs to enable locals to become more tourist-friendly and create excellent guest experiences.
- Launch of "Tienda ni Gob" summer trade fair, which showcases high quality and exportable products from all over the Province of Ilocos Norte supporting the local micro, small, and medium enterprises (MSMEs).

where most government and business centers are located.

- The Provincial Government of Ilocos Norte (PGIN) in partnership with the Department of Labor and Employment (DOLE) sustained the Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced Workers (TUPAD) Program for victims of Typhoon "Ompong," which that was meant to cushion some of their livelihood losses.
- Upcoming projects of the Department of Transportation (DOTr) and the Department of National Defense (DND), with an allotted budget of ₱688 million to support the asphalt overlay of runway and strip grade correction of the Laoag International Airport and the runway extension of the Vigan Airport.
- Launch of the Culinary Arts Program (CAP) by the Northwestern University (NWU) in Laoag City, to equip more Ilocanos with skills that are in demand globally.

Challenges

- Vulnerability to natural disasters such as southwest monsoon or habagat and typhoons Ompong and Rosita in 2018, which left billions-worth of damages in the agriculture and infrastructure sectors.
- Need for compliance in environmental laws, such as Philippine Clean Water Act (PCWA) and Solid Waste Management Act (SWMA), to be able to preserve the region's beaches in Pagudpud. The residents and business owners are also encouraged to observe proper waste disposal.

Opportunities

- Implementation of the following infrastructure projects and agricultural facilities from DPWH, DOT, Department of Trade and Industry (DTI) and DA would improve road network connectivity, productivity and marketability of local goods and services: (i) completion of the solar-powered irrigation project worth ₱5.78 million located in Barangay San Juan, Ilagan City, Isabela; (ii) RDC 2 endorsement of the following infrastructure projects: a. road projects under the DTI-DPWH convergence program known as Roads Leveraging Linkages for Industry and Trade (ROLL IT); b. road projects leading to tourism destinations under the DOT-DPWH convergence program known as Tourism Road Infrastructure Program (TRIP); c. bridge projects of Region 2 under the Bridge Acceleration Project for socioeconomic development of the DPWH; and (iii) completion of the Pasa Small Reservoir Irrigation Project (PSRIP) in Isabela.

Challenges

- Possible threat of dry spell in the second quarter of 2019. This would require preventive and mitigating measures in the agriculture sector given below normal levels of rainfall condition to way below normal to prevent or lessen possible damage to crop production and cause food supply disruptions.

CENTRAL LUZON

Opportunities

- Development of the following flagship infrastructure projects in Northern and Central Luzon: (1) Chico River Pump Irrigation; (2) Philippine National Railways North 2; (3) Clark International Airport New Terminal.
- Implementation of the Caridad Norte and Sur Solar-Powered Irrigation System (SPIS), a pilot project of the DA Regional Field Office 3 (DA-RFO 3) to enhance and sustain rice production in the highland rain-fed areas.
- Conduct of trainings for agriculture teachers and farmers in the Province of Nueva Ecija for sustainable rice production with the use of modern technology.
- Implementation of the “SaGOAT Kita! Swak na Pamamaraan sa Paghahayupan!” in the Province of Tarlac, a program which aims to capacitate farmers on the latest technologies on goat farming and proper management practices to guarantee safe livestock meat.
- Development of flood mitigation projects which seek to control flooding in the Provinces of Pampanga and Bulacan.
- Construction of the Philippine National Railway Clark (PNR Clark), where Phase I includes a 38-kilometer segment spanning Tutuban in Metro Manila to Malolos City in Bulacan. The railway is seen to increase connectivity within Metro Manila and Central Luzon, offering convenience to commuters and boosting economic activities in the area.
- Development of the Subic-Clark Railway Project, providing initial freight service between the Subic Bay Freeport Zone, Clark Freeport and Special Economic Zone, linking Subic Port with Clark International Airport and other major economic hubs in Central Luzon.
- Grant to the Province of Nueva Ecija of ₱1.3-billion omnibus loan by the Development Bank of the Philippines (DBP), aimed at boosting trade and facilitate the efficient movement of goods and manpower.
- Proposal of the Bulacan Airport project as an alternative to Manila’s Ninoy Aquino International Airport by 2019. Located in Bulakan, Bulacan, on a 2,500-hectare property, it is projected to take around six years to complete. San Miguel Corporation (SMC), the developer, would require at least 100,000 workers sourced from Bulacan and nearby provinces such as Bataan and Pampanga.

Challenges

- Agricultural damage estimated at ₱2.84 billion in the Province of Nueva Ecija with 32,100 families in Central Luzon affected by Typhoon “Ompong”.
- Possible dampening of investment opportunities in the region from the “Tax Reform Attracting Better and High-Quality Opportunities” (TRABAHO) bill.

Opportunities

- Innovations in urban agriculture, edible landscaping, off-season production, and commercial and backyard farm expansion. Programs of the local government aim to further boost agriculture production.
- Potential for the Province of Quezon as sub-resource area for mega aquaculture development projects.
- Establishment of Community Fish Landing Centers (CFLCs) and emergence of fishery schools which provide venue for better post-harvest handling and processing systems.
- Advantage accorded to CALABARZON having the largest population in the country based on the 2015 Census on Population. The region also has the highest workforce at 10.2 million which comprises 14 percent of the country's total labor force.

Challenges

- Decline in agriculture production in the region attributed to continued reduction in the number of farms, farm sizes, and agricultural land area due to incessant land conversion and urban sprawl.
- Need to strengthen regulations on aquaculture activities and implementation of fishery laws by various stakeholders and LGUs.
- Threat of pests and diseases like Avian Influenza and African Swine Fever justifies the need to strengthen border protection.
- Possible dampening of investment opportunities in the region from the “Tax Reform Attracting Better and High-Quality Opportunities” (TRABAHO) bill.

Opportunities

- Availability of vast area for agriculture and fishery industries.
- Regular updating of the local revenue code and schedule of market values.

Challenges

- Need to increase productivity and promote sustainable farming and fishing practices to avoid resource degradation, water shortage, and marine resource depletion.
- High cost of production inputs and inefficiencies along the agricultural supply chain.
- Limited investments in rural infrastructure
- Lack of modern technology
- Limited access to formal credit and financing
- The need to increase investments on major commodities, and infrastructure.

Opportunities

- High global demand for good quality fermented cacao beans and roasted Pili nut confectionaries from the Province of Bicol.
- Growing potential of the abaca fiber exports shared by several grading/baling establishments, pulp mills, cordage manufacturers and fiber craft processors from all over the country.
- Implementation of agricultural programs by the Province of Albay, as follows: (1) Albay Farmer's Bounty Village (AFB Village); (2) Development of Albay Family-Based Food Production Program (AFBFPP); (3) Rural-Based Organization (RBO); (4) Organic Agricultural Program; (5) High Value Crops Development Program (HVCDP); and (6) Fishery Production and Regulation.
- Inclusion of additional flights and opening of new air and sea routes are expected to generate influx of visitors to various destinations in the region.
- Development of new and enhancement of existing tourism sites funded from the Bottom-Up Budgeting (BuB) program will create opportunities for the host communities.
- Construction and opening of recreational centers, business processing offices (BPO), hospitals, museums, drainage and waste water systems and roads leading to the Bicol International Airport.
- Implementation of the following agricultural programs in the Province of Sorsogon: (1) Special Area for Agricultural Development (SAAD) Program; (2) extension program for Agricultural and Fishery in National Development; (3) continued implementation of the Payapa at Masaganang Pamayanan (PAMANA) Program; (4) continued assistance to the implementation of the Philippine Rural Development Project-Global Environment Facility (PRDP-GEF) project for marine protected areas (MPAs) and small livelihood projects (SLPs) to 4 municipalities (Pilar, Magallanes, Matnog and Bulan); and (5) implementation of 10 micro enterprises in the Province under the Philippine Rural Development Project.

Challenges

- Insurgency and bad weather conditions caused delays in the construction of some Small Water Impounding Projects (SWIPTs) and Diversion Dams (DD) as well as post-harvest facilities, tramlines and other infrastructures.
- Failure of bidding, late release of Authority to Procure from DBM, and the new guidelines on the procurement of equipment and machineries that require AMTEC (Agricultural Machinery Testing and Evaluation Center) test caused delay in the implementation of some projects.
- Continued rehabilitation of the abaca industry in the Province of Catanduanes since it has not fully recovered from the losses caused by Typhoon Nina in December 2016.
- Restiveness of the Mayon volcano poses a challenge to the influx of visitors in the first half of 2018.
- Weather disturbances in the last quarter of 2018 such as typhoons Urduja and Vinta affecting the agricultural production in the early part of 2019.
- Right-of-way issues on critical government projects such as Naga Airport Development Project and Bicol International Airport, road-widening, and Legazpi City Urban Drainage Improvement Projects.

WESTERN VISAYAS

Opportunities

- Influx of investments in commercial farming of broiler chickens with expansion of a large-scale farm that could house up to 100,000 live chickens.
- Potential expansion of the palay industry through provision of additional variety of rice (black and red rice).
- Growth of the bamboo industry as one of the Province of Negros Occidental's flagship programs for economic diversification.
- Construction of the ₱1-billion Malogo River Irrigation Program that will give farmers option to further cultivate sugarcane or other crops, especially rice.
- Finalization of the Agri-Fishery Modernization Plan for 2018-2023 for the commodities identified by the DA (rice, corn, native chicken, high value crops, swine, goat, dairy animals, bangus, tilapia, oyster, blue swimming crabs and sericulture).
- Pilot implementation of documentation of farming activities, through a mobile application developed by a Germany-based organization that will help farmers in the Province of Negros Occidental in managing their schedule of cropping, production and marketing of goods.
- Generation of 1,002 farmer graduates of hybrid rice production through the collaboration of the DA-Region 6, the Agricultural Training Institute (ATI) 6
- Upgrade of the Kalibo International Airport commencing on 2 July 2018.
- Construction of additional Negosyo Centers (NCs) in the Province of Aklan.
- Development of power generation and water system projects in the Province of Aklan, particularly Boracay Island, and the rest of Western Visayas.
- Development of the Province of Capiz as a hub for eco-cultural tourism.
- Upgrade of the Capiz section of the nautical highway - from Sapian town at the Capiz-Aklan boundary to Dumarao at the Capiz-Iloilo border.
- Construction and opening of recreational centers, BPO offices and hospitals in the Province of Aklan.
- Possible expansion of Bacolod-Silay airport and runway, along with three other airports in the country, via a ₱148 billion project over a 35-year concession period, in partnership with Aboitiz Infracapital, Aboitiz Group.
- Allocation of ₱200 million for the rehabilitation of the Bacolod-Silay and Iloilo airports under the 2019 proposed budget to address the need for efficient and comfortable mass transport system.
- Upgrade of the Province of Negros Occidental Language and Information Technology Center, as a global campus

Opportunities

and Office of the Provincial Agriculture (OPA) of the Province of Antique.

- Construction of the ₱48.458-million Antique Legislative Building which aims to provide safer and more convenient offices for Provincial officials and workers.
- Implementation of road widening projects along intermittent sections of the Iloilo-Antique Road located in the towns of Oton, Tigbauan, Guimbal, Miagao, and San Joaquin, Province of Iloilo.
- Construction of a ₱300-million new governance center (NGC) in the Island Province of Guimaras.
- Proposal of the 16-kilometer Panay-Guimaras-Negros bridge by Chinese engineers.
- Construction of a flood control structure by the DPWH and Guimaras District Engineering Office.
- Development of the Agri-Aqua Research and Technology (ART) Center in Barangay Nanga, Pototan which showcases best agri-aqua practices and technologies that can help farmers and fishermen increase their productivity through organic farming techniques, resilient to the effects of climate change.
- Inauguration of the the Global Business Power (GBP) Institute of Energy which was envisioned to be the country's premier facility that promotes better understanding of clean coal technology

anchored on international standards, through partnership with the Australian and Japanese governments.

- Improvement of the Bredco port and other transshipment ports of the Province of Negros Occidental through the partnership of the Bacolod Real Estate Development Corporation and Taipan Lucio Company.
- Construction of tourism complex, which include hotels, theme parks and commercial centers by the Tourism Infrastructure and Enterprise Zone Authority (TIEZA).
- Possible sisterhood agreement of the City of Bago with Guangzhou, China to boost the City's export industry.
- Possible construction of an international village as Japanese investors are negotiating with local officials of the Province of Negros Occidental to lease its newly purchased property in Talisay City.
- Improvement of the Evelio B. Javier Airport in San Jose de Buenavista, Antique to promote the Province's tourist attractions and activities.
- Strengthening peace and order and public safety in the Province of Antique by the Province of Antique and the Antique Provincial Police Office (APPO) through the Community Service Oriented Policing (CSOP).
- Establishment of the unified radio system for the Municipal Disaster Risk and Reduction Management Officers (MDRRMO's) of the Province of Antique to

Opportunities

as well as energy efficiency through a Circulating Fluidized Bed (CFB) simulator.

- Construction of the ₱11.2-billion Jalaur River Multi-Purpose Project Stage II (JRMP II) in Calinog, Iloilo funded by the Korean government. This project is expected to provide year-round irrigation water to 9,500 hectares of new irrigable areas and the rehabilitation of 22,340 hectares covered by five existing irrigation systems in 23 municipalities in the Province of Iloilo, Passi City and some parts of Iloilo City, benefitting 24,000 farmers and their families.
- Possible rehabilitation and improvement of the Concepcion Fish Port project (Northern Iloilo Fishery Rehabilitation Development Project) by the United Nations Office for Project Services (UNOPS). The project will include capacity building on coastal and marine rehabilitation and enforcement, and employment and livelihood skills and development.
- Organization of intentional training by the Southeast Asian Fisheries Development Center/Aquaculture Department (SEAFDEC/AQD), an international research center based in Tigbauan, Iloilo on resource enhancement activities and improvement of current programs. Fisheries officers of Southeast Asian countries such as Cambodia, Indonesia, Lao PDR, Malaysia, Thailand, Viet Nam, and the Philippines attended the training.
- Construction of hotels, convention centers, business parks and recreational centers by Megaworld in the region.
- Grant of dairy carabaos to livestock

enhance their communication during disasters.

- Opening of a Philippine Charity Sweepstakes Office (PCSO) in the Island Province of Guimaras, a notable initiative in the provision of curative and health services to the residents of the province.
- Declaration by Greenpeace International that the island Province of Guimaras is 100 percent coal-free. The Province was recognized for its efforts to embrace/use renewable energy sources.
- Construction and opening of schools, recreational centers, museums, and hospitals in the Province of Iloilo.
- Proposal by the American Association of Western Visayas to DOTr to open a direct flight from Iloilo to Guam, USA and vice versa. Their proposal will help boost the tourism industry of the region and develop more economic opportunities for the people.
- Development of nine esplanades along the shores of Iloilo River in Iloilo City. These infrastructure projects will help control sedimentation and erosion along the river banks of Iloilo River to prevent flooding during rainy season as well as provide recreational spaces for the public.
- Installation of rainwater collector systems (RWCS) in schools, offices, and public places in an effort to address the water shortage in Iloilo.
- Completion of a new 4-storey maritime facility that will serve as the headquarters for Maritime Industry Authority (MARINA), to house MARINA employees and cater to

Opportunities

farmers by the DA Philippine Carabao Center and the National Dairy Authority (NDA) for a sustainable backyard dairy production.

- Inauguration of the Sinuagan Water System in Brgy. Sinuagan in Pototan, Iloilo which will provide sufficient and potable water supply.
- Construction of slope protection structure along Guimbal-Igbaras-Tubungan-Leon Road, Barangay Iswan, Tubungan, Iloilo. The Swiss-developed TECCO slope stabilization system is now being utilized at the ₱67.66-million project which involves the construction of an 800-square meter slope protection that will secure the 78-meter road section identified to be prone to landslide. TECCO Slope Stabilization System was developed by Geobrugg, a Swiss company and a global leader in the supply of high-tensile steel wire safety nets and meshes.

the needs of seafarers in the region.

- Improvement of 18 farm-to-market roads (FMRs) in the third and fourth legislative districts of the Province of Iloilo that will allow faster, cost-efficient transportation of agricultural products and better access to hospitals, schools, and commercial establishments.

WESTERN VISAYAS

Challenges

- Adverse effects of El Niño, monsoon rains and storm surges in 2018.
- Damage to crop, livestock and fishery due to typhoons affecting the Province of Negros Occidental.
- Forest fire damages in the Northern Negros natural parks and orchards in the City of Cadiz.
- Decreasing fish population, pollution and damaged roads in South Negros.
- Infestation of rice black bugs in La Castellana town, Negros Occidental.
- Declining Guimaras mango production exacerbated by the lower farm gate prices. Majority of the mango growers lack the financial resources, have no access to quality bagging materials, and have difficulty in curbing pests and diseases.
- Below-target rice production in Iloilo. The Province produced 906,000 MT of rice versus the 1-million metric ton (MT) target.
- Struggle by the Indigenous Peoples (IPs) of the Province of Antique to have mandatory representatives in local legislative councils.
- Presence of insurgencies in some parts of the Province of Aklan, creates concern on the safety of civilians.
- Discovery of new fault lines in the Province of Negros Occidental by the Philippine Institute of Volcanology and Seismology.
- Water shortage in the typhoon Yolanda stricken communities in the Province of Negros Occidental.
- Threat posed by the construction of the Panay-Guimaras-Negros Bridge on the endangered Irrawaddy Dolphins, as the construction will cut through their core habitat at the Guimaras Strait near Pulupandan town.
- Emergence of measles cases with poor supplemental immunization activity against the infection. Aside from lack of awareness, the low percentage is attributed to the Dengvaxia scare.

CENTRAL VISAYAS

Opportunities

- Launch of new rice drying technology in the Provinces of Cebu and Bohol, using aerodynamics and infrared which is said to increase productivity by about 40 percent.
 - Implementation of the enhanced national greening program (eNGP) and eco-tourism management by the Department of Environment and Natural Resources (DENR).
 - Conduct of capacity building activity by the Bureau of Fisheries and Aquatic Resources (BFAR) on efficient feed management and establishment of community-based hatcheries to increase the supply of fry/fingerlings.
 - Assistance by the DA's Special Area for Agricultural Development (SAAD) on livestock programs and agricultural development supporting the production needs of local farmers.
 - Forest restoration project in the Province of Negros Oriental.
 - Allocation of ₱23,918,800 for the production of corn, high-value crop and livestock in the Province of Siquijor via the DA's SAAD program.
 - Turn-over of 120 fiber glass pump boats and fishing nets by BFAR to the beneficiaries of the SAAD program and Targeted Actions to Reduce Poverty and Generate Economic Transformation (TARGET) programs of DA in the Province of Siquijor.
 - Completion of the feasibility study on air
- Launch of new projects pipelined in the DPWH-Official Development Assistance (ODA) Infrastructure Development Plan (IDP) for Central Visayas 2017-2022:
 - Cebu-Bohol Interisland Link Bridge. The construction of five inter-island link bridges with a total length of 24.5 kms between the Provinces of Cebu and Bohol. This is to support sustainable economic growth, improve the efficiency in the exchange of goods and services in the countryside and impact in the economic and social development target through essential infrastructure and to improve accessibility to enhance economic productivity in Region VII.
 - Cebu-Negros Interisland Bridge. The construction of 5.5 km inter-island link bridge between the Provinces of Cebu and Negros Oriental (Region VII). The project will help accelerate progress in infrastructure delivery for inclusive and sustainable socioeconomic development.
 - Bohol-Leyte Interisland Link Bridge. The construction of two interisland link bridges with a total length of 19.0 kms between the Provinces of Bohol and Leyte.
 - Implementation by the DPWH of the Metro Cebu Expressway project, a 73 km expressway that connects Danao City in the north to Naga City in

Opportunities

navigational safety for a new international airport in Dumaguete City.

- Road improvements and preservation projects to allow better mobility for both locals and tourists in the Province of Negros Oriental. These also involved the provision of thermoplastic pavement markings and internally-illuminated solar pavement levelled markers to provide accurate road-markings and reduce vehicular accidents.
- Construction of the 358-meter flood mitigation structure and drainage system that will serve as river control structure in Amlan, Negros Oriental.
- Approval of the 3-in-1 project (the Department of Transportation (DOTr) for the airport, the Philippine Ports Authority (PPA) for the international seaport, and the National Economic and Development Authority for the ecozone) in Bacong, Negros Oriental by RDC and is awaiting funding from the concerned government agencies. An initial funding of USD100 million is available from the DOTr through the Korean government.
- Opening of BGComm Contact Solutions, Inc., a BPO company that is expected to hire 2,000 employees from Dumaguete City and the Province of Negros Oriental.
- Appropriation of ₱162 million funding for infrastructure projects in 30 barangays of Dumaguete City government, including concreting of roads, drainage systems, box culverts, flood control dikes, seawalls, footbridge, sports facilities, health centers, day centers, school buildings, water works and electrical systems, evacuation facilities and fence for government buildings.
- Acquisition of the modern ₱17.0-million Rosenbauer Fire Truck and a water tanker

the south, which traverses on the upland barangays of at least five cities and four municipalities, aimed to decongest traffic in the metropolitan area.

- Possible employment opportunities with the opening of the Cam Ranh International Airport, the newest airport in Vietnam, which eyes to open direct flights to Cebu and is open to hiring Filipinos to help in their expansion.
- Proposal in Dausi Bohol of the Dausi Coastal Panoramic Bypass Road Integrated in Wastewater Treatment Facility.
- Proposed construction of a Bohol Integrated Sports Complex.
- Potential market for the furniture makers in Cebu from the home furnishing market in Japan. Philippine-made pieces are favored in Japan due to their eco-friendly components.
- Upgrading and expansion of the Cang-alwang Airport in the Province of Siquijor.
- Proposed purchase of a 22-hectare lot for the Province of Siquijor's sanitary landfill facility, sports center and government center to house the provincial offices of the National Government.
- Ongoing implementation of ₱911.5-million infrastructure projects by DPWH for the Province of Siquijor to ensure safe and reliable national road systems, protection of lives and properties against major floods, as well as convergence and special

Opportunities

with 12,000 gallons capacity for sustainable firefighting operations.

- Restoration of the Old Presidencia and Quezon Park worth ₱49 million as well as the ₱3.5 million extension of drainage box culverts in Rizal Boulevard of the Province of Negros Oriental.
- Allotment of ₱100.0-million funding to the City of Dumaguete for the construction of two full span concrete bridges at the back of Foundation University and near the Bureau of Internal Revenue (BIR) office.
- Construction of ₱11.0-billion worth of road network projects under the Local Road Network Development Plan (LRNDP) to promote economic productivity, trade mobility and accessibility of public services in the Province of Negros Oriental.
- Allocation of ₱8.0 million for the establishment of a “middle mile” which is vital infrastructure for the implementation of free Wifi projects in schools and public places across the Province of Negros Oriental.
- Inauguration of the fish port terminal worth ₱3.0 million at Barangay Calindagan, Dumaguete City.
- Restoration of three old churches in Negros Oriental and Siquijor by the National Historical Commission of the Philippines (NHCP) investing a total of ₱37.8 million.

support programs.

- Approval by the Board of Investments of the Casa Coco Hotel Projects by Altipeak Land Development Corporation, Inc.
- Construction of the Adama Resort in the Province of Siquijor by Housing developer 8990 Holdings, Inc.
- On-going implementation of livelihood projects under Sustainable Livelihood Program (SLP) of the DSWD which includes cash assistance for Skills Training, Integrated Farming and Building Livelihood Assets Communal Vegetable Garden.
- Turnover of 67 individual toilets and a solar-powered water system to the residents of barangay Upper Cabangalan in Lazi, Siquijor by the DSWD, to address sanitation problems.
- Launch of the Negosyo Center (NC) in San Juan, Siquijor by the DTI.
- Allocation of ₱185.0 million funding for classroom construction and rehabilitation or repair in the Province of Siquijor. Moreover, 163 classrooms were constructed, equipped with seats and sanitation facilities and 924 computer units were distributed to 84 Senior High Schools with internet connectivity.
- Completion of a ₱26.0-million 2-storey academic building for Maritime Education and Industrial Technology in Siquijor State College and a ₱10.0 million building for criminology department.

Challenges

- Adverse effects of El Niño, monsoon rains and storm surges in 2018.
- Conversion of agricultural lots into residential or commercial lots.
- Aging population of farmers and fishermen.
- Over population, coastal degradation, destructive fishing practices and overfishing are some of the causes cited in the decline of fish production in the Province of Negros Oriental.
- Insufficient number of hotel/resort rooms/spaces to cater to the surging influx of domestic and local tourists in the Province of Siquijor.
- Traffic congestion is expected in major parts of Cebu for the on-going and upcoming infrastructure projects.
- Scarcity of skilled laborers in the region as they opted to work for real estate constructions in Metro Manila or work abroad.
- Presence of insurgencies in some parts of the Province of Negros Oriental, creating concern on the business climate and safety of civilians.
- Possible threat from the alert status of Kanlaon Volcano as Kanlaon Volcano's seismic monitoring network recorded one volcanic earthquake.

EASTERN VISAYAS

Opportunities

- Potential influx of tourists, such as guests of high-end expedition cruise ships excursions in Limawasa, Capul, Kalanggaman, and Quatro Islas. In 2019, thousands of guests are expected to take part in the commemoration of the 75th Leyte Gulf Landing Anniversary.
- New investments in the region which include construction of hotels, banks, fastfood chains, among others are expected to generate revenues and jobs. In particular, Summit Hotel in Tacloban and Landbank of the Philippines San Juan, Southern Leyte branch became operational in the second quarter of 2018.
- Opening of SM Prime Holdings, Inc.'s franchise mall, 7-Eleven convenience store chains in Ormoc City, Tacloban City, Palo, Leyte, Primemark Town Center and two Gaisano Malls in Tacloban City, are expected to yield considerable job opportunities.
- Ongoing improvements at the DZR Airport.
- Proposed establishment of the Leyte Ecological Industrial Zone (LEIZ), which is in its pre-feasibility study stage, could support the goal of promoting rural industrialization that will adopt and intensify industry clustering, and competitive and resilient industries, with more and stronger micro, small and medium enterprises (MSMEs).

Challenges

- Possible production losses resulting from weather disturbances might lead to a lackluster performance of the agri-fishery sector.
- Need for support to help sustain growth in agriculture and forestry and arrest shrinkage in the fishing sector. Since Region VIII is highly vulnerable to natural hazards, climate and disaster risk-resilient mechanisms must likewise be put in place throughout the sector's production chain.
- Need to intensify investment promotion activities in response to the administration's priority on regional development as a means of spreading out economic growth.
- Heavy reliance on heavy industries in the region's manufacturing economic zone. There is a need to strongly push for the diversification and expansion of the manufacturing subsector to help fuel economic growth of the region.
- Need to market to private investors the competitive advantage of the region in agribusiness, manufacturing, and tourism and entice them to consider investing in Eastern Visayas.

ZAMBOANGA PENINSULA

Opportunities

- Conduct of the 12-Saturday School on the Air (SOA) on goat production by the Agricultural Training Institute-Regional Training Center-9 (ATI-RTC-9) and the Office of the City Veterinarian (OCVet). The course aims to impart knowledge on sustainable goat production and organic farming to participants.
- Construction of the Zamboanga City government-owned ₱6.5-million roasting facility will centralize the roasting of pigs and cattle by licensed “lechoneros” in this city. This facility will ensure that roasted pigs and cattle have passed meat inspection and safety standards.
- Establishment of the National Seaweeds Center in Zamboanga City, which aims to provide technical assistance and other support to the country’s seaweed-producing regions.
- Proposed conduct of an Impact Evaluation Study on Flood Control Projects (FCPs) along Sibuguey River in Zamboanga Sibugay, to mitigate flooding damages to agriculture, infrastructure and settlements along major rivers in the region.
- Proposed establishment of Zamboanga Sibuguey Valley Development Council (ZSVDC), which shall serve as the coordinative body that will formulate a development plan to address flooding concerns in Sibuguey Valley River.
- Full operation of the Bakas Alliance of Municipalities, spearheading the development of the Zamboanga Economic Corridor, which aims to strengthen the grassroots or basic sectors’ capabilities;
- Proposed construction of ₱150.0 million Hall of Justice building for Zamboanga Sibugay, which will help improve customer service, facilitate timely processing of cases, and reduce waiting times by litigants in the courthouse.
- Conduct of the first ZamPen Barangay Negosyo Summit which seeks advocate and promote entrepreneurial mindset among barangay officials and strengthen support of barangays officials in the government’s efforts to promote entrepreneurship among their constituents.
- Implementation of the Local Migration Information System -Registry of Barangay Inhabitants and Migrants (LMIS-RBIM)- an effective mechanism to monitor movements of the population, from rural to urban, urban to urban and urban to rural areas.
- Construction of the first ever SM mall in Zamboanga Peninsula. It will increase economic activities in the region as well as boost local employment.
- Construction of two flyovers and road widening projects by the DPWH-9.
- Construction of the ₱33.5-million evacuation center in Barangay Cabatangan, Zambaonga City.

Opportunities

coordinate an inter-LGU alliance that would put up public investments, coordinate the anti-poverty programs of national government agencies, and include the active participation of the private sector.

- Proposal for a ₱9.87 billion transfer project of the Zamboanga International Airport (ZIA) to the village of Mercedes in the east coast. The proposal is a joint venture undertaking among the investor, city government, Civil Aviation Authority of the Philippines (CAAP), Philippine Air Force (PAF) and other agencies engaged in land acquisition, construction of the airport and disposal of the current site of the airport.
- Proposal to develop the 105-megawatt (MW) coal-fired power plant of San Ramon Power Inc. (SRPI) in Zamboanga City. Once operational, the power plant will play a crucial role in stabilizing power supply in the Zamboanga Peninsula as it will provide baseload power to Zamboanga City and nearby areas.

ZAMBOANGA PENINSULA

Challenges

- Increased concern for insufficient basic food supply and medicines, lack of vegetable seeds and root crops, low production of coconut/palm trees, non-availability of alternative livelihood, due to El Niño.
- Increased production cost of canned sardines. The Canned Sardines Association of the Philippines (CSAP) raised the following measures on the production cost of canned sardines:
 - To consider a discount on fuel price for fishing vessels operating in Zamboanga, in much the same manner as PUVs are granted discounts by fuel stations;
 - To consider a moratorium on energy costs;
 - That coal deliveries not be charged transport charges by LGUs in Zamboanga;
 - To inform upon the supermarkets that during the moratorium on prices, no charges or penalties are imposed on affected canned sardine brands; and,
 - For DTI to appeal to supermarkets to stand down on service level penalties, listing fees, soliciting promotional/mailling charges or counterpart costs for sales.
- Frequent power interruption in Zamboanga City affecting business activities.
- Delayed completion of crime investigations in Zamboanga Peninsula due to the following infrastructure needs:
 - a. Construction of Crime laboratory building that conforms to international standards for a forensic laboratory. Establishment of a satellite crime laboratory in Liloy, Zamboanga del Norte
 - b. Mobility – SOCO van should be all terrain vehicle
 - c. Purchase of laboratory equipment for forensic examinations
 - d. Continuous support for the purchase of reagents and other consumable laboratory supplies.
- Need for compliance by contractors in Region IX to road safety requirements as it was reported that a number of motorists and commuters have been injured in several accidents across the region, particularly at night time, which were attributed to on-going or unfinished road and bridge projects.

NORTHERN MINDANAO

Opportunities

- Establishment of Farm Business School (FBS) by the DA in partnership with LGUs in the region of Northern Mindanao, aims to build farmer capacity in entrepreneurial and management skills and maximum utilization of farmlands to increase production.
- Launch of the “Sikat Saka” program, a direct credit window that will benefit small palay farmers in the region.
- Increased demand for yellow corn, specialized corn varieties, such as sweet corn and popcorn, providing alternative to corn growers and fueling expansion in corn production.
- Presence of private investors in tandem with the government in the provision of seeds of high yielding varieties to corn farmers in the region.
- Cool climate in the Province of Bukidnon is suitable for high-milk producing temperate breeds of cattle, low disease incidence, and rich soil to support feed requirements.
- Support by the DA for production activities of cattle growers in the region through its programs, projects and activities relative to the production of forage seeds and planting materials, maintenance of breeder animals, artificial insemination program for large and small ruminants, and small ruminant semen processing laboratory.
- Sustained government programs and support provided to farmers in the region by the DA, such as animal dispersal, artificial insemination, massive vaccination
- Implementation of government programs and provision of support to farmers in the region such as animal dispersal, artificial insemination, massive vaccination and deworming aimed at encouraging more farmers to engage in swine growing.
- Setting-up of quarantine areas at the borders of major swine-producing provinces such as Misamis Oriental and Bukidnon have helped reduce the threat of diseases affecting swine.
- Sustained support provided by various government agencies and LGUs in the fingerling re-stocking of rivers and lakes will likely increase inland fish production.
- Intensified campaign and coordination with the LGUs by Bureau of Fisheries and Aquatic Resources-DA (BFAR-DA) against illegal fishing activities, and destructive fishing methods along with monitoring, control, and surveillance activities.
- Implementation of disaster risk reduction and mitigating projects all throughout the region will likely increase both public and private construction projects. The project, UN-Habitat’s Building Climate Resiliency through Urban Plans and Designs (BCRUPD) with the City of Cagayan de Oro as one of its partners, is expected to improve the capacity of the LGU to develop resilient urban plans and designs and facilitate urban adaptation projects to access climate financing and other modes of funding.

Opportunities

and deworming aimed at encouraging more farmers to engage in swine growing would potentially increase production in the region.

- Consumer preference for chicken and the proliferation of restaurants and related establishments with chicken as their main product post an advantage in the poultry industry in the region.
- Increased demand for certain fish species fueled by the increasing number of high-end restaurants in the region and encouraged by the high prices.
- Decongestion plan of Cagayan de Oro City will likely increase construction projects in the nearby municipalities and provinces.
- Enhanced capacity of the Mindanao Container Terminal and the allied projects (Laguindingan Seaport, seaports improvement, roads construction, widening and improvement, and Panguil Bay Bridge) will strategically link key growth areas in the region and generate economic investment and employment.
- Opening of the 12.77 km Cagayan de Oro Coastal Road on 10 November 2017, which serves as a bypass road connecting six barangays of Cagayan de Oro City and two barangays in Opol reduces travel time by 20 minutes and travel cost by 30 percent.
- Construction of the Panguil Bay Bridge that will connect the provinces of Lanao del Norte and Misamis Occidental will open employment opportunities for high-skilled workers.

NORTHERN MINDANAO

Challenges

- Low adoption of modern and productive technologies and infestation of pests and diseases in some areas, as well as the high cost of farm inputs.
- Security issues in some parts of the region and in nearby areas brought about by insurgents.
- Increasing frequency and intensity of extreme weather conditions.
- Shifting of farmers to other high-value crops such as banana, pineapple and vegetables in corn growing areas of the region.
- Bio-security concerns and risk to the region's cattle industry with the transport of cattle breeds imported from New Zealand to Mindanao via Bulacan.
- Production-related cost and high farm gate prices threaten swine production in the region.
- Continuing increase of prices of land and construction materials would result in slow return of investment and marginal profitability for the region.
- Threats in the peace and order situation in Mindanao will have negative effects on the labor situation of the region.
- Imposition of Martial Law in Mindanao and the region's proximity to Marawi and other areas plagued by insurgent groups may discourage investors from expanding in the area and may hamper construction growth in the region.
- Need for an effective land use planning and urban management to create sustainable housing communities.

Opportunities

- Improved prospects for the agriculture and fisheries sectors in Davao Region given the following initiatives:
 - Implementation of the Agriculture and Fisheries Modernization Plan (AFMP) 2018-2023;
 - Operationalization of Davao Food Terminal Complex (DFTC); and
 - Improvement and Rehabilitation of the Davao Fish Port Complex.
- Proposed ₱196.3 billion worth of programs, activities and projects (PAPs) for implementation in the region for FY 2019.
- Potential growth in real property sector on the back of strong demand for office, retail and residential spaces in Davao Region, especially in Davao City.
- Potential growth of tourism industry in the region (Meetings, Incentives, Conventions and Events (MICE), priming of Davao Region as a preferred destination for muslim tourists, promotion of farm tourism, more capability building trainings that promote sustainable tourism, more direct international flights and increase of frequencies of domestic trips in Davao City, 2019 Palarong Pambansa, Davao Region Athletic Association (DAVRAA) and Iron Man Philippines.

Challenges

- Threat from the El Niño phenomenon. While it will not directly hit the region, prices of agricultural commodities from neighboring provinces such as Bukindnon and North Cotabato, where the Region sources its agricultural commodity supplies, is expected to increase.
- Threat to peace and order situation in the region amid recent security incidents and terrorist activities in some areas in Mindanao.

Opportunities

- Harmonization of land uses from ridge to reef by integrating forestland use plans, watershed management plans, protected areas management plans, and other related forestry plans into the Comprehensive Land Use Plans (CLUPs) of the local government units.
- Strengthening of the Agri-related research and development such as development of drought and flood resistant rice and high value commercial crops (HVCC) varieties, improvement of animal health care program and establishment of multiplier farms.
- Proliferation of real estate, retail groups, commercial banks, fast-food chains, and other services-oriented industries in the different cities of the region as in the emerging urban areas, such as Midsayap and Kabacan in Cotabato Province, Isulan in Sultan Kudarat, Polomolok and Surallah in South Cotabato, and Alabel and Glan in Sarangani.
- Passage and enactment of public-private partnership ordinances by several local government units in the region.
- Possible spillover from the expected increase in economic activities, influx of development assistance, among others, to the key areas of Region XII, especially those that surrounds the territory of the new autonomus region following the newly-created Bangsamoro Autonomous Region in Muslim Mindanao.

Challenges

- Lack of capability by producers to develop their raw materials through conversion in profitable products by value-adding as well as low diversification and linkages.
- Low productivity and returns to agricultural employment due to limited financial capacity access to government credit facilities; and inadequate support facilities such as farm-to-market roads and unutilized pre-and-post harvest facilities.
- Proliferation of establishments selling cheap imported goods, which are not compliant to government standards.
- Occurrence of traffic congestion along major roads of the key cities of the region (General Santos, Koronadal and Kidapawan Cities).
- Presence of other armed groups identified as spoilers of peace who are determined to jeopardize the existing peace agreement of the Philippine government.

Opportunities

- Ongoing groundworks are conducted for the Gaisano Capital-Butuan road along North Montilla Boulevard as well as the expansion of Gaisano Butuan road at J Rosales Avenue.
- Operation of the SM Butuan located along JC Aquino Avenue that will provide job opportunities and help spur economic activities in the region.
- Launch of the “Roll-On, Roll-Off” transport services and construction of strategic roads by the Province of Dinagat Island that will boost tourism and business opportunities.
- Construction of the Philippine Army Camp in Tago, Surigao del Sur is expected to eliminate presence of insurgences in the Province, thus, allowing more investments particularly in the mining industry.
- Construction of Allied Care Experts Medical Center-Butuan City along South Montilla Boulevard, Brgy. Villa Kananga which will house a first class medical facility.
- Proposed projects of the Region through the Convergence Program under the Roads Leveraging Linkages of Industry and Trade (ROLL-IT) has been endorsed by the RDC. This infrastructure projects will open trade and industry opportunities to all Caraganons.
- Anticipated commencement of construction of the Mindanao Railway Project (MRP) will spur more economic activities in the region and facilitate transportation services across neighboring provinces and regions in Mindanao.

Challenges

- Presence of insurgences remain a challenge to the economic development of LGUs. This hinders the establishment of government infrastructures that would fuel economic activities.
- Need to attract big time investors to put up large-scale companies and plants that will diversify production of raw materials and increase value-adding activities in the Region.

AUTONOMOUS REGION IN MUSLIM MINDANAO

Opportunities

- Ratification of Bangsamoro Organic Law has provided more resources for economic and social projects (huge start-up fund, retainable shares in all national-tax collections plus shares in revenues derived from the exploitation of national resources) in the Region.
- Registration by the Regional Board of Investments (RBOI) of four (4) investment projects in 2018 with total value of ₱2.254 billion.
- Presence of six potential investors with pending applications for the following projects:
 - Cement grinding plant;
 - Estate development;
 - Cargo forwarding, domestic and international;
 - Agricultural activities such as sakurab and marang (Fruit Butter) for export;
 - Renewable energy; and
 - Abaca plantation and processing
- Proposed implementation of the Brunei Darussalam-Indonesia-Malaysia-Philippines-East ASEAN Growth Area (BIMP-EAGA) Submarine Terrestrial (BEST) Cable System project is expected to traverse Mindanao in 2018. The project aims to connect the Bangsamoro region with the BIMP states in Malaysia, Indonesia and Brunei, with a broadband submarine cable.
- Implementation of Bangsamoro's 12 "catalytic projects" by Mindanao Development Authority (MinDA). These projects include the following: (1) 2,135-km Trans-Mindanao High Speed Railway System (TMHSRS) worth ₱753.5 billion; (2) Marawi rehabilitation for livelihood; and (3) business development, land resource management, and social services.
- Launch by the DA and Fisheries-ARMM Integrated Agricultural Research Center (DAF-ARMMIARC) and the Bureau of Agricultural Research (BAR) three research and development projects: (1) Community-Based Participatory Action Research (CPAR) project; (2) Multi-Purpose Research and Development Facility; and (3) a Food Product Development Center (FPDC).
- Conduct of survey by the Japan International Cooperation Agency (JICA), with assistance from the Department of Public Works and Highways (DPWH) of the ARMM to identify priority infrastructure projects for the new Bangsamoro region that could be funded by JICA.

AUTONOMOUS REGION IN MUSLIM MINDANAO

Challenges

- Dispute over the new Bangsamoro government's composition may trigger possible breakaway faction that could pose threats to implementation of programs of the new entity.
- Continuing concerns on the peace and order conditions due to presence of Maute - ISIS sympathizers which dragged down the image of the region and reinforced negative perceptions among investors to do business in the region.

Conclusion

Going forward, the damages and further threats of weak El Niño, which could likely persist until the third quarter of 2019, will require preventive and mitigating measures to lessen the negative impact on crop production and abate possible food supply disruptions. Moreover, the regions' vulnerability to natural disasters and other weather-related disturbances continues to pose risks not only to agricultural production but to overall regional development. This prompts the need for putting in place more climate and disaster risk-resilient programs and investments throughout the agricultural supply chain, ensuring strict compliance to environmental laws including proper waste management, and harnessing the socio-economic resilience and disaster preparedness of local governments and communities. Apart from the adverse effects of climate change on the livelihood and income of farmers and fisherfolk, pest infestation, reduction in size of agricultural lands due to conversion, high cost of farm inputs, and limited access to formal credit and financing, remain as some of the challenges for areas heavily dependent on the agri-fishery sector.

Several programs and projects are being undertaken by the national and local governments, non-government organizations, the private sector, and stakeholders in order to improve agricultural productivity and income of rural workers. These include provision of sufficient water supply including establishment of solar-powered irrigation systems; development of next generation and climate-resilient crop varieties; use of modern and adaptive technologies; promotion of sustainable farming and fishing practices and urban agriculture; distribution of post-harvest equipment, machineries, hybrid seeds, and fertilizers; intensive promotion and marketing of agri-fishery products; provision of accessible and affordable credit window for farmers and fisherfolk; establishment of agricultural research laboratories and farm business schools; and setting up of community fish landing and agricultural trading centers. Rice production will also receive additional boost from the mechanization, seed development and promotion, credit assistance and extension programs to be funded out of the Rice Competitiveness Enhancement Fund under Republic Act No. 11203, which will be sourced from the tariff collections on rice imports. In addition, construction of strategically located farm-to-market roads will not only allow lower transportation cost for farmers but will also ensure the quality of farm produce through faster and better mobility.

Moreover, in order to spur further growth and build strong and competitive regional economies, there continues to be a need to intensify investment promotion activities; improve business climate especially at the local level; provide reliable and affordable power supply; enhance interconnectivity through adequate infrastructure, efficient transport systems, as well as fast and affordable internet access; and promote lasting peace and order situation. In addition, supporting the region's traditional growth drivers, as well as spawning new industries with high growth potential (e.g., coffee, goat farming, fiber craft processing, etc.) will enable the regions to sustain its growth momentum. Also, the opening of retail trade and commercial establishments present viable employment opportunities and create positive externalities in the regions. The establishment of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) is also expected to funnel in more resources and development assistance for economic and social services that will help improve economic dynamism and generate more local employment in the Bangsamoro areas.

Tourism promotion and development remain a key driver for inclusion in many regions. Upgrading and expansion of facilities and enhancing accessibility of tourism destinations by opening new and improving existing air, land and sea routes (including opening more direct international flights to the regional airports) are expected to continue to boost income and job opportunities in the rural areas.

Lastly, enhancing mobility of goods and services through timely implementation of infrastructure and road construction, rehabilitation and preservation projects as well as construction and upgrading of airports and sea ports are also anticipated to further boost competitiveness and productivity. The National Government has embarked on a massive infrastructure development agenda aimed at raising the economy's growth potential. Under the Duterte Administration's Build, Build, Build (BBB) program, 75 big-ticket projects are envisioned to enhance the productive capacity of the economy, create jobs, increase incomes, and strengthen the investment climate leading to sustained inclusive growth. In particular, the government expects to spend more on infrastructure development to decongest Metro Manila, help improve regional connectivity and ease the cost of doing business in the entire country.

All of these programs and efforts, in turn, are expected to lead to sustainable and far-reaching development in the regions. ■

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1. Gross Regional Domestic Product (GRDP)

at constant 2000 prices

REGION	Levels (In Thousand Pesos)				Growth Rates (%)			
	2015	2016	2017	2018	2015	2016	2017	2018
PHILIPPINES	7,600,175,069	8,123,375,304	8,665,818,041	9,206,888,993	6.1	6.9	6.7	6.2
1 NCR	2,770,552,677	2,976,234,624	3,159,842,816	3,312,006,887	6.7	7.4	6.1	4.8
2 CAR	133,848,201	136,873,913	153,611,966	164,891,934	4.0	2.3	12.1	7.3
3 Ilocos Region (I)	237,178,755	257,277,270	272,127,691	289,866,090	5.4	8.5	5.8	6.5
4 Cagayan Valley (II)	134,444,616	139,548,688	149,475,093	154,446,076	4.1	3.8	7.2	3.3
5 Central Luzon (III)	706,343,196	773,108,325	844,038,175	904,021,524	5.6	9.5	9.3	7.1
6 CALABARZON (IV-A)	1,302,297,272	1,364,736,594	1,456,341,332	1,562,497,002	5.8	4.8	6.7	7.3
7 MIMAROPA (IV-B)	122,258,656	125,597,582	132,096,336	143,411,171	2.0	2.6	6.2	8.6
8 Bicol Region (V)	155,449,066	164,065,917	172,249,247	187,599,848	8.9	5.5	5.1	8.9
9 Western Visayas (VI)	305,503,332	323,562,341	351,386,178	372,867,944	8.8	5.9	8.4	6.1
10 Central Visayas (VII)	482,898,676	524,645,371	551,684,028	593,850,122	4.9	8.6	5.1	7.6
11 Eastern Visayas (VIII)	153,224,685	171,610,264	174,651,332	184,941,774	4.6	12.0	1.8	5.9
12 Zamboanga Peninsula (IX)	157,640,786	164,866,496	168,806,467	179,376,571	7.7	4.6	2.3	6.3
13 Northern Mindanao (X)	283,769,262	304,952,799	322,565,118	345,275,060	5.7	7.5	5.9	7.0
14 Davao Region (XI)	304,412,137	333,405,134	369,070,854	400,825,766	8.2	9.5	10.9	8.6
15 SOCCSKSARGEN (XII)	203,183,377	213,182,370	230,775,902	246,690,292	3.3	4.9	8.2	6.9
16 Caraga	96,587,795	98,905,278	102,494,583	105,771,077	4.5	2.0	4.3	3.2
17 ARMM	50,582,581	50,802,338	54,600,922	58,549,855	-0.4	0.4	7.3	7.2

Source: Philippine Statistics Authority (PSA)

2. Palay Production

*for periods indicated
in million metric tons*

	REGION	2015	2016	2017	2018
	PHILIPPINES	18.15	17.63	19.28	19.07
1	CAR	0.40	0.38	0.45	0.39
2	Ilocos Region (I)	1.78	1.81	1.87	1.72
3	Cagayan Valley (II)	2.49	2.33	2.66	2.38
4	Central Luzon (III)	3.30	3.34	3.63	3.62
5	CALABARZON (IV-A)	0.39	0.41	0.41	0.42
6	MIMAROPA (IV-B)	1.08	1.08	1.16	1.23
7	Bicol Region (V)	1.26	1.28	1.34	1.35
8	Western Visayas (VI)	2.06	1.90	2.23	2.23
9	Central Visayas (VII)	0.34	0.23	0.33	0.31
10	Eastern Visayas (VIII)	0.96	0.95	0.95	0.95
11	Zamboanga Peninsula (IX)	0.66	0.58	0.70	0.73
12	Northern Mindanao (X)	0.73	0.71	0.75	0.76
13	Davao Region (XI)	0.44	0.42	0.43	0.49
14	SOCCKSARGEN (XII)	1.29	1.20	1.32	1.34
15	Caraga	0.48	0.46	0.48	0.51
16	ARMM	0.49	0.54	0.58	0.64

Source: PSA

3. Corn Production

*for periods indicated
in million metric tons*

	REGION	2015	2016	2017	2018
	PHILIPPINES	7.52	7.22	7.91	7.77
1	CAR	0.24	0.20	0.24	0.21
2	Ilocos Region (I)	0.49	0.51	0.56	0.56
3	Cagayan Valley (II)	1.80	1.68	1.84	1.63
4	Central Luzon (III)	0.27	0.26	0.26	0.27
5	CALABARZON (IV-A)	0.06	0.10	0.09	0.09
6	MIMAROPA (IV-B)	0.13	0.11	0.12	0.13
7	Bicol Region (V)	0.24	0.26	0.29	0.28
8	Western Visayas (VI)	0.35	0.28	0.30	0.31
9	Central Visayas (VII)	0.15	0.16	0.15	0.13
10	Eastern Visayas (VIII)	0.09	0.08	0.07	0.07
11	Zamboanga Peninsula (IX)	0.22	0.26	0.23	0.26
12	Northern Mindanao (X)	1.22	1.22	1.29	1.29
13	Davao Region (XI)	0.22	0.22	0.26	0.27
14	SOCCSKSARGEN (XII)	1.24	1.14	1.26	1.23
15	Caraga	0.12	0.14	0.12	0.14
16	ARMM	0.67	0.59	0.84	0.90

Source: PSA

4. Cattle Production

*for periods indicated
in thousand metric tons in liveweight*

	REGION	2015	2016	2017	2018
	PHILIPPINES	266.90	270.42	266.30	263.01
1	CAR	4.43	4.33	4.16	4.00
2	Ilocos Region (I)	28.35	27.77	27.38	27.24
3	Cagayan Valley (II)	14.11	15.11	14.33	13.68
4	Central Luzon (III)	18.31	18.79	16.20	17.14
5	CALABARZON (IV-A)	28.05	28.66	28.13	27.53
6	MIMAROPA (IV-B)	12.27	12.47	12.80	12.12
7	Bicol Region (V)	16.46	16.97	17.55	17.27
8	Western Visayas (VI)	24.24	24.71	25.57	25.03
9	Central Visayas (VII)	24.06	24.78	25.23	24.96
10	Eastern Visayas (VIII)	2.25	2.31	2.18	2.14
11	Zamboanga Peninsula (IX)	12.12	11.22	11.24	11.39
12	Northern Mindanao (X)	39.10	39.41	37.54	38.25
13	Davao Region (XI)	12.75	12.83	13.31	13.12
14	SOCCSKSARGEN (XII)	19.24	18.91	18.66	17.27
15	Caraga	1.42	1.68	1.57	1.43
16	ARMM	9.75	10.48	10.47	10.45

Source: PSA

5. Chicken Production

*for periods indicated
in thousand metric tons in liveweight*

	REGION	2015	2016	2017	2018
	PHILIPPINES	1,660.81	1,674.51	1,745.89	1,836.66
1	CAR	7.74	7.60	7.92	7.28
2	Ilocos Region (I)	82.83	78.76	78.08	84.93
3	Cagayan Valley (II)	59.32	60.64	58.78	57.89
4	Central Luzon (III)	609.51	590.99	624.69	658.91
5	CALABARZON (IV-A)	321.67	328.43	328.65	330.94
6	MIMAROPA (IV-B)	10.64	10.30	10.15	10.87
7	Bicol Region (V)	40.04	42.24	43.97	47.18
8	Western Visayas (VI)	89.91	95.83	103.82	110.01
9	Central Visayas (VII)	97.62	99.74	104.84	115.11
10	Eastern Visayas (VIII)	28.35	36.29	49.32	55.00
11	Zamboanga Peninsula (IX)	27.83	30.20	31.99	34.24
12	Northern Mindanao (X)	146.03	152.80	159.09	164.67
13	Davao Region (XI)	73.58	72.01	71.76	76.34
14	SOCCKSARGEN (XII)	47.14	49.84	53.40	61.92
15	Caraga	13.25	13.86	14.59	16.28
16	ARMM	5.36	4.94	4.85	5.10

Source: PSA

6. Swine Production

*for periods indicated
in thousand metric tons in liveweight*

	REGION	2015	2016	2017	2018
	PHILIPPINES	2,120.33	2,231.66	2,265.02	2,319.76
1	CAR	26.75	26.36	25.83	26.66
2	Ilocos Region (I)	82.73	86.55	90.07	94.68
3	Cagayan Valley (II)	68.85	71.36	72.87	71.81
4	Central Luzon (III)	422.53	462.43	447.52	472.55
5	CALABARZON (IV-A)	336.35	365.06	371.71	381.59
6	MIMAROPA (IV-B)	77.67	79.59	83.05	80.84
7	Bicol Region (V)	123.61	121.54	126.60	130.06
8	Western Visayas (VI)	178.33	188.76	186.60	187.11
9	Central Visayas (VII)	163.53	175.11	192.20	194.47
10	Eastern Visayas (VIII)	76.50	76.39	76.45	77.97
11	Zamboanga Peninsula (IX)	81.32	80.05	82.20	82.08
12	Northern Mindanao (X)	170.01	177.67	188.45	196.62
13	Davao Region (XI)	143.31	149.16	151.60	154.78
14	SOCCKSARGEN (XII)	118.37	119.05	117.74	117.29
15	Caraga	39.59	42.39	42.19	40.69
16	ARMM	10.88	10.21	9.95	10.56

Source: PSA

7. Fish Production

*for periods indicated
in hundred thousand metric tons*

	REGION	2015	2016	2017	2018
	PHILIPPINES	46.49	43.56	43.13	43.52
1	NCR	1.07	1.26	0.87	1.02
2	CAR	0.04	0.04	0.04	0.04
3	Ilocos Region (I)	1.62	1.57	1.61	1.55
4	Cagayan Valley (II)	0.56	0.53	0.51	0.48
5	Central Luzon (III)	2.77	2.73	2.87	3.10
6	CALABARZON (IV-A)	3.79	3.31	3.32	2.93
7	MIMAROPA (IV-B)	5.88	4.83	4.89	5.05
8	Bicol Region (V)	2.68	2.34	2.39	2.57
9	Western Visayas (VI)	4.02	3.97	3.90	3.76
10	Central Visayas (VII)	1.86	1.84	1.51	1.52
11	Eastern Visayas (VIII)	1.35	1.40	1.36	1.15
12	Zamboanga Peninsula (IX)	5.83	5.55	5.15	5.31
13	Northern Mindanao (X)	1.63	1.67	1.56	1.52
14	Davao Region (XI)	0.59	0.58	0.57	0.52
15	SOCCSKSARGEN (XII)	3.29	2.92	3.26	3.27
16	Caraga	0.83	0.76	0.75	0.74
17	ARMM	8.67	8.24	8.56	8.99

Source: PSA

8. Total Number of Approved Building Permits

levels and growth rates

REGION	Levels				Growth rate			
	2015	2016	2017 ^r	2018 ^p	2015	2016	2017 ^r	2018 ^p
PHILIPPINES	132,006	147,998	152,012	158,664	4.0	12.1	2.7	4.4
1 NCR	12,863	13,166	12,612	12,378	-3.9	2.4	-4.2	-1.9
2 CAR	1,123	1,202	1,303	1,230	-23.1	7.0	8.4	-5.6
3 Ilocos Region (I)	7,990	8,825	10,610	10,915	6.4	10.5	20.2	2.9
4 Cagayan Valley (II)	3,182	3,246	4,581	3,642	-4.9	2.0	41.1	-20.5
5 Central Luzon (III)	13,991	14,481	16,340	17,777	-12.8	3.5	12.8	8.8
6 CALABARZON (IV-A)	32,951	34,713	37,612	38,802	13.3	5.3	8.4	3.2
7 MIMAROPA (IV-B)	2,874	2,634	2,432	2,924	14.6	-8.4	-7.7	20.2
8 Bicol Region (V)	3,487	3,513	3,179	3,174	23.2	0.7	-9.5	-0.2
9 Western Visayas (VI)	7,059	10,863	11,545	11,211	28.7	-10.5	6.3	-2.9
10 Central Visayas (VII)	12,824	19,941	15,517	20,272	3.1	15.4	-22.2	30.6
11 Eastern Visayas (VIII)	4,937	4,879	4,268	4,585	105.1	-1.2	-12.5	7.4
12 Zamboanga Peninsula (IX)	4,505	4,032	4,025	3,968	19.8	-10.5	-0.2	-1.4
13 Northern Mindanao (X)	8,599	9,378	8,791	9,242	5.9	9.1	-6.3	5.1
14 Davao Region (XI)	8,120	10,091	10,304	10,569	-29.4	24.3	2.1	2.6
15 SOCCSKSARGEN (XII)	2,846	3,013	3,809	4,436	0.9	5.9	26.4	16.5
16 Caraga	4,548	3,861	4,847	3,325	16.0	-15.1	25.5	-31.4
17 ARMM	107	160	237	214	-56.3	49.5	48.1	-9.7

Note: Sum of details may not add up to totals due to rounding.

r Revised to reflect data updates per PSA

p Preliminary

Source: PSA

9. Total Number of New Residential Building Construction

for periods indicated

REGION	Levels				Growth rate			
	2015	2016	2017 ^f	2018 ^p	2015	2016	2017 ^f	2018 ^p
PHILIPPINES	97,174	113,097	110,942	114,905	7.7	16.4	-1.9	3.6
1 NCR	6,435	6,587	6,477	6,005	-5.0	2.4	-1.7	-7.3
2 CAR	826	938	952	885	-20.7	13.6	1.5	-7.0
3 Ilocos (I)	5,801	6,498	7,614	7,871	1.9	12.0	17.2	3.4
4 Cagayan Valley (II)	2,189	2,265	3,550	2,559	-12.4	3.5	56.7	-27.9
5 Central Luzon (III)	10,617	10,685	11,386	12,701	-10.4	0.6	6.6	11.5
6 CALABARZON (IV-A)	25,842	27,829	29,260	29,815	20.3	7.7	5.1	1.9
7 MIMAROPA (IV-B)	1,872	2,007	1,569	2,156	7.7	7.2	-21.8	37.4
8 Bicol (V)	2,691	2,690	2,168	2,161	29.1	0.0	-19.4	-0.3
9 Western Visayas (VI)	5,192	8,744	8,935	8,327	34.8	68.4	2.2	-6.8
10 Central Visayas (VII)	9,627	17,122	12,230	16,713	12.0	77.9	-28.6	36.7
11 Eastern Visayas (VIII)	3,857	3,671	2,692	2,970	145.8	-4.8	-26.7	10.3
12 Zamboanga Peninsula (IX)	3,669	3,456	3,161	2,522	27.9	-5.8	-8.5	-20.2
13 Northern Mindanao (X)	7,313	8,014	7,187	7,597	8.9	9.6	-10.3	5.7
14 Davao Region (XI)	5,964	7,906	7,981	7,671	-34.9	32.6	0.9	-3.9
15 SOCCSKSARGEN (XII)	1,544	1,556	1,817	2,383	2.8	0.8	16.8	31.2
16 Caraga	3,644	3,002	3,759	2,395	41.8	-17.6	25.2	-36.3
17 ARMM	91	127	204	174	-53.3	39.6	60.6	-14.7

Note: Sum of details may not add up to totals due to rounding.

^f Revised to reflect data updates per PSA

^p Preliminary

Source: PSA

10. Employment Indicators

for periods indicated
averages in percent

REGION	2015			2016			2017			2018 ^p		
	Employment	Unemployment ^a	Underemployment	Employment	Unemployment ^b	Underemployment	Employment	Unemployment ^b	Underemployment	Employment	Unemployment ^b	Underemployment
PHILIPPINES	93.70	6.30	18.53	94.55	5.45	18.32	94.29	5.71	16.13	94.70	5.30	16.36
1 NCR	91.50	8.50	10.00	93.33	6.67	8.74	92.59	7.41	9.32	93.41	6.59	7.24
2 CAR	95.20	4.90	20.80	95.61	4.39	23.08	95.71	4.29	14.76	95.89	4.11	15.24
3 Ilocos Region (I)	91.60	8.40	16.90	93.81	6.19	17.42	91.13	8.87	19.85	93.20	6.80	22.13
4 Cagayan Valley (II)	96.80	3.20	11.10	96.92	3.08	12.79	96.85	3.15	13.58	97.00	3.00	19.51
5 Central Luzon (III)	92.20	7.80	13.50	93.40	6.60	16.10	93.37	6.63	11.42	94.23	5.77	11.36
6 Calabarzon (IV-A)	92.00	8.00	18.20	92.85	7.15	15.60	93.03	6.97	13.97	93.44	6.56	13.37
Mimaropa (IV-B)	96.70	3.30	20.80	95.91	4.10	21.80	95.24	4.80	23.70	95.34	4.66	20.58
8 Bicol Region (V)	94.40	5.60	31.60	95.38	4.62	30.23	95.43	4.57	27.65	95.11	4.89	29.65
9 Western Visayas (VI)	94.60	5.40	21.30	95.20	4.80	19.27	94.60	5.40	16.70	94.66	5.34	18.58
10 Central Visayas (VII)	94.10	5.90	18.40	95.09	4.91	14.74	95.50	4.50	17.50	94.68	5.32	17.81
11 Eastern Visayas (VIII)	94.60	5.40	31.80	95.53	4.47	29.87	95.56	4.44	22.64	95.79	4.21	21.41
12 Zamboanga Peninsula (IX)	96.50	3.50	18.50	96.24	3.76	22.46	96.04	3.96	17.32	95.87	4.13	18.89
13 Northern Mindanao (X)	94.40	5.60	24.90	94.76	5.24	27.88	94.71	5.29	18.57	95.94	4.06	20.75
14 Davao Region (XI)	94.20	5.80	19.00	95.51	4.49	16.81	95.14	4.86	17.77	95.70	4.30	15.42
15 Soccsksargen (XII)	96.50	3.50	23.20	95.89	4.11	23.74	96.05	3.95	17.94	96.09	3.91	16.97
16 Caraga (XIII)	94.30	5.70	26.20	95.03	4.97	28.01	94.93	5.07	23.10	95.96	4.04	25.36
17 ARMM	96.50	3.50	11.10	96.06	3.94	13.54	96.55	3.45	7.03	96.27	3.73	8.36

^p Preliminary

^a Without Leyte

^b With Leyte

Source: PSA

11. Receipts and Expenditures

in billion pesos

REGION	NCR	CAR	I	II	III	IVA	IVB	V	VI	VII	VIII	IX	X	XI	XII	CARAGA	ARMM	GRAND TOTAL
BEGINNING CASH BALANCE	97.0	14.4	28.1	21.7	39.7	66.8	18.8	23.9	39.0	51.6	23.5	16.9	22.1	16.3	19.1	16.0	4.1	519.1
RECEIPTS	111.1	16.7	30.5	26.3	62.4	79.2	22.5	33.0	45.6	53.7	28.3	20.8	34.5	29.0	23.0	20.4	20.8	657.9
Local Sources	82.6	2.4	4.3	3.8	20.0	30.5	2.8	4.5	10.7	20.1	3.0	2.6	10.1	7.4	3.3	2.6	0.3	210.8
Tax Revenues	68.3	1.0	2.1	1.5	13.5	23.0	1.3	2.2	5.7	11.9	1.2	1.2	5.4	4.4	1.7	1.3	0.2	145.9
Non-Tax Revenues	14.3	1.3	2.2	2.2	6.4	7.5	1.4	2.3	5.0	8.2	1.8	1.4	4.7	3.0	1.6	1.4	0.1	65.0
External Sources	24.2	14.4	26.2	22.4	41.1	48.5	19.6	25.1	34.4	30.1	25.3	17.3	24.4	21.5	19.7	17.7	20.4	432.3
Share from IRA	22.9	13.7	22.0	22.2	40.2	47.0	19.4	25.1	33.2	29.4	25.0	17.2	23.3	21.3	19.6	17.5	20.1	419.1
Share from GOCCs (PAGCOR and PCSO)	0.1	0.0	0.0	0.0	0.2	0.3	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.9
Other Share from National Tax Collection	1.1	0.6	4.1	0.0	0.5	1.1	0.1	0.0	1.2	0.4	0.1	0.0	0.5	0.0	0.0	0.2	0.2	10.2
Inter-Local Transfer	0.1	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.1	0.0	-	0.1	0.2	0.0	0.0	0.0	0.9
Extraordinary Receipts/Grants/Donations/Aids	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.5	0.0	0.0	0.0	0.1	1.3
Non-Income Receipts	4.3	0.0	0.0	0.1	1.3	0.3	0.1	3.3	0.5	3.6	0.1	0.9	0.0	0.1	0.1	0.1	0.1	14.8
Capital Investment Receipts	1.3	0.0	0.0	0.0	0.0	0.1	0.0	0.6	0.0	0.9	0.1	0.0	0.0	0.0	0.0	0.0	0.0	3.1
Receipts from Loans and Borrowings	2.9	0.0	-	0.1	1.3	0.2	0.1	2.7	0.5	2.7	-	0.9	0.0	0.1	0.1	0.0	0.1	11.7
EXPENDITURES	112.9	16.8	24.9	27.1	60.9	82.7	22.8	32.6	60.2	120.7	24.8	18.1	36.9	29.4	23.5	16.9	15.4	726.6
General Services	51.1	7.1	11.3	15.4	29.9	39.9	10.7	13.9	32.3	64.1	12.5	8.7	15.9	15.1	11.5	8.2	8.3	355.9
Economic Services	15.9	5.0	7.7	6.0	14.3	14.9	5.5	9.4	13.0	28.9	6.3	4.1	11.0	7.6	6.1	3.9	4.5	164.0
Social Services	43.8	4.3	5.0	4.7	14.6	25.0	5.7	8.3	11.3	25.0	5.4	4.2	9.1	5.7	4.9	3.2	2.3	182.4
Debt Services	2.2	0.4	0.9	1.0	2.1	2.9	0.9	1.1	3.6	2.7	0.7	1.1	1.0	1.0	1.0	1.6	0.3	24.3
ENDING CASH BALANCE	95.2	14.4	33.7	20.9	41.2	63.3	18.6	24.2	24.4	(15.4)	27.0	19.6	19.7	15.8	18.6	19.5	9.6	450.4

Source: Department of Budget and Management, Budget of Expenditures and Sources of Financing FY 2019

Table F.5 Statement of Receipts and Expenditures, By Regional Level of LGUs, 2018

12. Inflation Rate

in percent

	REGION	2015	2016	2017	2018
ALL ITEMS					
	PHILIPPINES	0.70	1.30	2.90	5.20
1	Metro Manila	-0.10	0.70	3.70	5.50
	Areas Outside Metro Manila	0.90	1.40	2.70	5.10
2	CAR	1.00	1.70	1.80	3.80
3	Ilocos Region (I)	0.70	0.80	2.00	6.00
4	Cagayan Valley (II)	0.60	1.70	2.50	5.50
5	Central Luzon (III)	0.20	1.70	3.10	3.20
6	CALABARZON (IV-A)	0.20	0.90	2.90	4.80
7	MIMAROPA (IV-B)	1.40	2.00	2.20	5.10
8	Bicol Region (V)	0.40	1.00	1.30	7.00
9	Western Visayas (VI)	1.60	1.00	1.80	5.90
10	Central Visayas (VII)	1.20	1.80	2.50	5.60
11	Eastern Visayas (VIII)	0.70	1.10	3.40	5.60
12	Zamboanga Peninsula (IX)	1.80	2.10	3.00	6.20
13	Northern Mindanao (X)	1.80	2.30	3.00	5.30
14	Davao Region (XI)	2.00	1.50	3.10	5.60
15	SOCCSKSARGEN (XII)	1.00	2.40	2.00	6.20
16	Caraga	2.50	1.30	1.90	4.20
17	ARMM	1.90	1.80	3.40	7.10

Source: PSA

13. Approved Foreign Investments

*for periods indicated
in million pesos*

	REGION	2015	2016	2017	2018
	PHILIPPINES	245,215.70	219,038.60	105,745.46	178,967.35
1	NCR	34,137.33	37,572.42	17,404.60	37,467.17
2	CAR	26,311.12	24,667.79	143.70	396.09
3	Ilocos Region (I)	725.61	6,078.41	10,131.70	175.96
4	Cagayan Valley (II)	595.68	2,164.50	82.54	1,322.74
5	Central Luzon (III)	22,714.93	13,716.72	10,623.75	21,286.56
6	CALABARZON (IV-A)	115,647.82	94,336.66	48,351.98	42,331.83
7	MIMAROPA (IV-B)	3,842.71	1,272.28	955.07	1,000.17
8	Bicol Region (V)	2,020.16	0.0	240.27	878.76
9	Western Visayas (VI)	7,194.81	9,243.05	6,849.84	873.54
10	Central Visayas (VII)	11,697.04	13,613.66	6,102.94	3,728.22
11	Eastern Visayas (VIII)	38.15	2.58	141.25	0.0
12	Zamboanga Peninsula (IX)	0.0	205.99	0.0	308.93
13	Northern Mindanao (X)	3,869.68	1,520.70	2,081.76	64,605.25
14	Davao Region (XI)	1,733.04	1,285.26	687.81	1,274.66
15	SOCCKSARGEN (XII)	6,462.29	10,922.55	657.21	106.30
16	Caraga	3,114.63	1,395.95	409.05	26.40
17	ARMM	0.0	1,040.08	724.69	235.15
	Several Locations ¹	5,096.43	0.0	157.31	2,000.62
	No Site Yet ²	14.27	0.0	0.0	949.00

Source: Philippine Statistics Authority (PSA)

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Autonomous Region of Muslim Mindanao (BOI-ARMM), Clark Development Corporation (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA), and Subic Bay Metropolitan Authority (SBMA).

^p Preliminary

. Rounds off to zero

¹ Locations not indicated in the raw data submitted to PSA.

² As indicated in the raw data submitted to PSA.

Source: PSA

14. Approved Foreign and Filipino Investments

*for periods indicated
in million pesos*

	REGION	2015	2016	2017	2018
	PHILIPPINES	686,866.1	685,952.5	908,744.7	1,084,152.4
1	NCR	118,088.0	159,018.1	128,173.9	188,565.6
2	CAR	26,441.8	57,421.4	2,440.8	990.2
3	Ilocos Region (I)	2,920.8	17,388.6	61,920.9	13,599.0
4	Cagayan Valley (II)	5,481.9	5,421.4	14,288.2	10,183.9
5	Central Luzon (III)	59,987.3	89,888.5	181,282.4	215,876.6
6	CALABARZON (IV-A)	271,262.7	181,680.9	374,748.6	228,452.9
7	MIMAROPA (IV-B)	6,113.2	5,700.0	3,803.1	3,551.9
8	Bicol Region (V)	9,305.6	4,476.9	5,510.9	4,214.0
9	Western Visayas (VI)	83,856.4	41,221.6	26,738.0	14,748.9
10	Central Visayas (VII)	40,934.3	51,031.0	44,874.1	67,054.3
11	Eastern Visayas (VIII)	7,493.1	829.8	753.7	6,381.6
12	Zamboanga Peninsula (IX)	16.5	728.8	-	1,689.4
13	Northern Mindanao (X)	15,935.1	15,413.4	12,633.1	230,695.2
14	Davao Region (XI)	7,438.1	27,998.9	13,416.2	20,344.2
15	SOCCKSARGEN (XII)	13,262.7	23,647.3	30,246.7	4,412.7
16	Caraga	3,893.3	1,974.3	4,286.6	58,248.0
17	ARMM	2,614.1	2,111.4	3,234.5	2,254.6
	Several Locations ¹	11,806.8	0.0	393.3	11,940.5
	No Site Yet ²	14.3	0.0	-	949.0

Source: PSA

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Autonomous Region of Muslim Mindanao (BOI-ARMM), Clark Development Corporation (CDC), Cagayan Economic Zone Authority (CEZA), Philippine Economic Zone Authority (PEZA),

¹ Locations not indicated in the raw data submitted to PSA.

² As indicated in the raw data submitted to PSA.

^p preliminary

15. Deposit Liabilities

in million pesos

	REGION	2015	2016	2017	2018
	PHILIPPINES	9,165,412	10,491,828	11,704,683	12,739,315
1	NCR	6,194,270	7,069,117	7,879,151	8,542,714
2	CAR	83,579	96,425	110,175	118,525
3	Ilocos Region (I)	158,033	185,367	204,110	235,642
4	Cagayan Valley (II)	100,826	113,997	128,293	143,841
5	Central Luzon (III)	455,998	527,290	601,811	668,286
6	CALABARZON (IV-A)	620,919	731,257	812,384	887,764
7	MIMAROPA (IV-B)	54,575	65,056	80,335	91,848
8	Bicol Region (V)	107,426	124,626	140,314	154,653
9	Western Visayas (VI)	149,948	167,858	319,543	345,152
10	Central Visayas (VII) ^{1/}	463,518	505,395	582,732	631,506
11	Eastern Visayas (VIII) ^{1/}	84,925	94,334	109,184	119,221
12	Negros Island Region ^{2/}	142,009	160,275	-	-
13	Zamboanga Peninsula (IX)	83,613	95,866	107,690	117,438
14	Northern Mindanao (X)	132,285	152,816	172,437	185,970
15	Davao Region (XI)	174,259	214,789	240,357	265,607
16	SOCCKSARGEN (XII)	93,771	108,077	124,496	132,415
17	Caraga	55,809	69,266	78,591	84,046
18	ARMM	9,649	10,017	13,079	14,687

1/ Revocation of EO No. 183 which created the Negros Island Region and transferring Negros Occidental and Negros Oriental to Region VI (Western Visayas) and Region VII (Central Visayas) respectively, per Executive Order No. 38, s. 2017 effective 07 August 2017

2/ Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2015, composed of the provinces of Negros Occidental (formerly from Region VI Western Visayas) and Negros Oriental (formerly from Region VII Central Visayas)

Source: SDC-SES-BSP

16. Loans-to-Deposits Ratio

in percent

	REGION	2015	2016	2017	2018
	PHILIPPINES	63.21	65.00	70.57	72.46
1	NCR	79.80	81.75	88.99	90.68
2	CAR	14.65	14.10	13.73	16.88
3	Ilocos Region (I)	23.03	22.46	24.50	24.15
4	Cagayan Valley (II)	40.62	43.01	43.38	45.76
5	Central Luzon (III)	28.22	29.55	33.26	36.19
6	CALABARZON (IV-A)	18.95	19.63	23.45	26.60
7	MIMAROPA (IV-B)	32.69	33.68	33.15	35.11
8	Bicol Region (V)	32.52	34.07	33.18	34.69
9	Western Visayas (VI) ^{1/}	27.56	28.12	30.77	31.90
10	Central Visayas (VII) ^{1/}	40.23	42.42	45.58	46.25
11	Eastern Visayas (VIII)	25.40	24.79	26.69	28.05
12	Negros Island Region ^{2/}	25.75	27.54		
13	Zamboanga Peninsula (IX)	25.98	29.75	25.34	25.88
14	Northern Mindanao (X)	29.31	32.38	33.30	36.18
15	Davao Region (XI)	35.16	42.48	40.80	53.14
16	SOCCKSARGEN (XII)	38.52	46.45	49.35	53.63
17	Caraga	29.05	32.50	32.11	36.44
18	ARMM	17.48	15.85	13.87	11.85

^{2/} Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2015, composed of the provinces of Negros Occidental (formerly from Region VI Western Visayas) and Negros Oriental (formerly from Region VII Central Visayas)

Details may not add up to totals due to rounding-off

Source: SDC-SES-BSP

17. Bank Density Ratio ^{1/}

in percent

	REGION	2015	2016	2017	2018
	PHILIPPINES	6.55	6.81	7.19	7.54
1	NCR	198.76	206.12	214.60	219.94
2	CAR	2.06	2.14	2.30	2.96
3	Ilocos Region (I)	3.89	4.16	4.70	2.42
4	Cagayan Valley (II)	3.73	3.85	4.20	4.97
5	Central Luzon (III) ^{2/}	8.37	8.82	9.30	4.57
6	CALABARZON (IV-A) ^{3/}	11.42	11.73	12.20	9.89
7	MIMAROPA (IV-B) ^{3/}	3.37	3.66	3.80	12.85
8	Bicol Region (V)	3.48	3.75	4.10	4.00
9	Western Visayas (VI) ^{3/}	4.22	4.50	5.20	4.38
10	Central Visayas (VII)	5.79	5.87	6.00	5.29
11	Eastern Visayas (VIII)	1.40	1.47	1.60	6.48
12	Negros Island Region ^{4/}	4.93	5.21	-	-
13	Zamboanga Peninsula (IX)	2.99	3.06	3.10	1.81
14	Northern Mindanao (X)	4.04	4.12	4.30	3.31
15	Davao Region (XI)	8.33	8.65	9.10	4.38
16	SOCCKSARGEN (XII)	4.44	4.64	5.00	9.59
17	Caraga	2.99	2.85	2.90	5.50
18	ARMM	0.18	0.16	0.20	0.16

^{1/} Ratio of the Number of Banking Offices to the Number of Municipalities and Cities Per Region

^{2/} Inclusive of the province of Aurora effective May 17, 2002 as provided under Executive Order No.

^{3/} Executive Order No. 103 dated May 17, 2002 divided Region IV (Southern Tagalog) into Region IV-A (CALABARZON) and Region IV-B (MIMAROPA). Under Administrative Order No. 129 Palawan was reclassified from Region VI to MIMAROPA effective August 31, 2007.

^{4/} Negros Island Region (NIR) created under Executive Order No. 183 dated 29 May 2015, composed

Data Source: SDC-SES-BSP

18. Number of Microfinance Oriented Banks

REGION		Dec-15	Dec-16	Dec-17	Dec-18
PHILIPPINES		652	816	1,057	2,106
1	NCR	39	52	49	138
2	CAR	10	12	20	54
3	Ilocos Region (I)	12	34	78	42
4	Cagayan Valley (II)	7	7	20	166
5	Central Luzon (III)	25	49	85	87
6	CALABARZON (IV-A)	216	245	284	188
7	MIMAROPA (IV-B)	63	78	79	426
8	Bicol Region (V)	97	111	134	111
9	Western Visayas (VI) ^{2/}	74	90	105	197
10	Central Visayas (VII) ^{2/}	18	21	69	172
11	Eastern Visayas (VIII)	17	18	29	171
12	Zamboanga Peninsula (IX)	13	12	12	79
13	Northern Mindanao (X)	18	17	16	48
14	Davao Region (XI)	24	38	48	84
15	SOCCSKSARGEN (XII)	2	5	14	91
16	Caraga	15	15	15	51
17	ARMM	0	0	0	1
18	Region NIR (Negros Island Region) *	2	12	0	0

* Revocation of EO No. 183 which created the Negros Island Region and transferring Negros Occidental and Negros Oriental to Region VI (Western Visayas) and Region VII (Central Visayas) respectively, per

¹ Per Section X151 of the Manual of Regulation for Banks (MORB); Circular Letter No. CL-2017-987

^{n/a} no data

Source: SDC-SES

Updated as of 23 February 2018

19. Microfinance Loans Outstanding in the Banking System

*for periods indicated
in million pesos*

	REGION	2015	2016	2017	2018
	PHILIPPINES	11,255.62	13,740.80	17,110.93	22,615.42
1	NCR	367.12	630.39	909.84	2,408.05
2	CAR	1.05	0.77	1.36	0.78
3	Ilocos Region (I)	5.88	8.04	5.82	5.18
4	Cagayan Valley (II)	94.57	106.59	115.28	144.26
5	Central Luzon (III)	381.02	342.71	497.13	515.07
6	CALABARZON (IV-A)	7,889.08	9,846.56	12,455.30	16,348.61
7	MIMAROPA (IV-B)	35.59	35.13	23.99	17.11
8	Bicol Region (V)	261.68	328.60	337.79	340.15
9	Western Visayas (VI) ^{2/}	572.46	619.35	754.25	857.84
10	Central Visayas (VII) ^{2/}	352.59	404.17	431.93	253.09
11	Eastern Visayas (VIII)	17.98	20.28	21.74	25.24
12	Negros Island Region	90.19	91.02		
13	Zamboanga Peninsula (IX)	290.62	388.17	562.49	711.78
14	Northern Mindanao (X)	285.73	288.85	332.44	306.77
15	Davao Region (XI)	134.52	169.01	179.14	175.55
16	SOCCSKSARGEN (XII)	101.98	104.02	122.15	156.41
17	Caraga	373.55	357.13	360.30	349.54
18	ARMM				

Notes:

Regional grouping based on the location of bank's head office

Executive Order No. 183 (s. 2015) created the Negros Island Region.

Executive Order No. 38 (s. 2017) revoked Executive Order No. 183.

^{2/}Revocation of EO No. 183 which created the Negros Island Region and transferring Negros Occidental and Negros Oriental to Region VI (Western Visayas) and Region VII (Central Visayas) respectively, per Executive Order No. 38, s. 2017 effective 07 August 2017

Data Source: SDC- BSP

20. Microfinance Borrowers in the Banking System

for periods indicated

	REGION	2015	2016	2017	2018
	PHILIPPINES	1,471,896	1,686,152	1,956,276	1,986,683
1	NCR	31,066	30,423	27,595	60,784
2	CAR	85	51	53	31
3	Ilocos Region (I)	1,415	1,320	780	701
4	Cagayan Valley (II)	13,574	13,430	12,014	10,722
5	Central Luzon (III)	51,975	58,077	62,143	58,687
6	CALABARZON (IV-A)	1,070,179	1,288,983	1,553,541	1,566,569
7	MIMAROPA (IV-B)	3,228	3,467	2,881	2,331
8	Bicol Region (V)	29,050	30,901	28,520	28,218
9	Western Visayas (VI) ^{2/}	64,550	66,803	72,467	77,770
10	Central Visayas (VII) ^{2/}	25,983	26,593	34,675	29,031
11	Eastern Visayas (VIII)	1,402	1,325	1,352	1,390
12	Negros Island Region	7,697	8,445		
13	Zamboanga Peninsula (IX)	37,901	35,207	41,471	44,534
14	Northern Mindanao (X)	26,715	21,971	21,635	12,984
15	Davao Region (XI)	8,668	8,598	8,409	7,945
16	SOCCSKSARGEN (XII)	17,750	16,517	16,681	19,231
17	Caraga	80,658	74,041	72,059	65,755
18	ARMM				

Notes:

Regional grouping based on the location of bank's head office

Executive Order No. 183 (s. 2015) created the Negros Island Region.

Executive Order No. 38 (s. 2017) revoked Executive Order No. 183.

^{2/} Revocation of EO No. 183 which created the Negros Island Region and transferring Negros Occidental and Negros Oriental to Region VI (Western Visayas) and Region VII (Central Visayas) respectively, per Executive Order No. 38, s. 2017 effective 07 August 2017