



Report on Regional Economic Developments in the Philippines **2022**

The first Report on Regional Economic Developments in the Philippines (RREDP) was approved by the Monetary Board and released in June 2005. The RREDP is prepared by the Department of Economic Research, in coordination with the Regional Operations, the Department of Economic Statistics, and the Department of Supervisory Analytics.

A copy of the report is available online at <http://www.bsp.gov.ph>.

Contents

Foreword **iii**

Introduction **iv**

Technical Notes **vii**

List of Acronyms **ix**

BSP Regional Offices and Branches **x**

Philippines: Regional Composition **xi**

Key Regional Developments **1**

Real Sector: Gross Regional Domestic Product	1
Agriculture, Livestock, Poultry and Fishery	4
Construction	12
Labor and Employment	15
Fiscal Sector: Receipts and Expenditures of Local Government Units (LGUs)	16
Monetary Sector: Inflation	17
External Sector: Approved Foreign Investments	19
Financial Sector: Banking, Microfinance, MSMEs, Agri-Agra	21
BSP Regional Offices and Branches' Operations	25

Opportunities and Challenges **28**

Conclusion **44**

Statistical Annexes

Foreword

The BSP's Report on Regional Economic Developments in the Philippines (RREDP) tracks key developments in the regions, focusing on demand and supply conditions, price developments, as well as emerging risks and outlook. The Report widens the scope of the BSP's market surveillance, adding a geographic dimension to the economic indicators that it monitors regularly. In line with the BSP's commitment to a data-driven analysis in policy decision-making, the assessment of regional trends and developments provides a snapshot of economic conditions at a more grassroots level and serves as valuable inputs into monetary policy formulation and financial supervision.

The Report benefits from quantitative and qualitative information collected from sub-national agencies and private sector partners, reflecting the extensive stakeholder engagement of the BSP's Department of Economic Research (DER) and the Regional Economic Affairs Staff (REAS) of the BSP Regional Offices and Branches (ROBs). The maiden issue of this annual publication was approved for release by the Monetary Board in June 2005.

The Report summarizes the developments in real, fiscal, monetary, external, and financial sectors of the regions, as well as the key activities and operations of the BSP ROBs. Regional performance is primarily gauged using developments in output, prices, and employment, while selected key indicators in each of the major sectors of the economy provide details. The section on Agriculture covers rice and corn, livestock, fishery, and poultry production, while the Industry section discusses construction activity based on the number of building permits and housing starts. Developments in the banking system are used in the analysis of the Services sector. Also included in the Report are trends in labor and employment, local governments' receipts and expenditures, inflation, approved investments, banking, and microfinance activities. These developments provide more granular information and help confirm the results of the business and consumer expectations surveys conducted by the BSP. The section on the Opportunities and Challenges highlights updates on projects and policies specific to the regions and other critical near-term issues which serve as inputs to risk assessment and their probable impact on the inflation outlook. It helps enhance further the BSP's forward-looking and proactive approach to monetary policy.

Finally, the publication of the RREDP is in line with the BSP's strategy for 2020-2023 of "Bringing the BSP Closer to the People" by fostering understanding of the regional economic situation and how BSP policies potentially impact the economic environment in the regions. This will enable the BSP to formulate strategies on how it can further provide support to help ensure that economic development benefits every Filipino. ■

Introduction

The Philippine economy posted a record-high growth in 2022 as it grew by 7.6 percent, higher than the National Government's (NG) growth target of 6.5–7.5 percent for the year. This sustained recovery was brought about by strong growth of major economic sectors mainly due to pent-up demand and revenge spending, resumption of face-to-face classes, and increased tourism activities. All seventeen (17) regions in the country showed continued positive economic performance, surpassing their pre-pandemic (2019) GDP levels. These were led by Western Visayas (9.3 percent) and Cordillera Administrative Region (8.7 percent). Meanwhile, the top three regions which contributed the most to the growth in GDP per major industry were the following: NCR, CALABARZON, and Central Luzon for Services; CALABARZON, Central Luzon, and NCR for Industry; and Central Luzon, Davao Region, and BARMM for Agriculture, Forestry, and Fishing.

The country's robust economic growth was accompanied by a vibrant labor market. Employment increased to 94.6 percent in 2022 from 92.2 percent in the previous year, with the number of people with jobs increasing in all regions but one. Increased employment was due mainly to the close to full reopening of business activities and operations complemented by the government's active conduct of job fairs. As pandemic restrictions were eased, unemployment further declined to 5.4 percent in 2022 from 7.8 percent in 2021, with 12 out of 17 regions having unemployment rates below the national average. Having said that, NCR and CALABARZON continued to have high unemployment rates, at 7.2 percent and 6.4 percent, respectively. The underemployment rate likewise declined to 14.2 percent from 15.9 percent. Nevertheless, some regions still have high underemployment rates, including SOCCSKSARGEN (23.8 percent), Caraga (23.5 percent), Bicol (22.8 percent), and MIMAROPA (22.2 percent), indicating a high number of employed persons who desire to have additional work hours.

The impact of faster price increases in food and energy-related items, which was mainly caused by the Ukraine-Russia conflict as well as supply chain issues, was felt across the regions. The country's headline inflation rose to 5.8 percent in 2022 from 3.9 percent in the previous year, with 15 out of 17 regions posting accelerated inflation rates. All regions, except for BARMM, breached the upper bound of the 2.0–4.0 percent inflation target of the NG.

The financial sector remained sound. All regions except one registered expansions in deposit liabilities even amid heightened uncertainties and elevated inflation. The NCR, as the business capital, continued to hold the bulk of bank deposits at 65.7 percent of total. Bank lending continued to be healthy as shown by the nationwide loans-to-deposits ratio (LDR) which increased slightly to 64.3 percent from 63.1 percent. NCR continued to have the highest LDR at 82.0 percent, followed by SOCCSKSARGEN (73.1 percent), Central Visayas (46.1 percent), Davao Region (44.6 percent), and Cagayan Valley (39.1 percent), indicating strong

credit activity in these economic powerhouses. Majority of the regions showed increased bank densities, which meant more presence of financial intermediaries in the regions and continued coverage and access to financial products despite the lingering impact of the pandemic. High-density regions included business and investment hubs such as NCR (with the ratio of bank offices to the total number of cities and municipalities at 223.7 percent), CALABARZON (13.4 percent), Central Luzon and Davao Region (10.6 percent), and Central Visayas (7.0 percent).

Investment in the regions prospered although some economic activities stagnated. Total approved investments continued to post positive performance despite global uncertainties and spillovers from the Ukraine-Russia conflict and the aggressive actions by central banks to rein in inflation. The regions with the highest approved foreign investments were CALABARZON (19.0 percent), Central Luzon (17.9 percent), and Ilocos Region (13.9 percent). Meanwhile, construction-related activities eased for the year, with approved building permits and new residential construction registering contractions. This was attributed mainly to high fuel prices which bumped up the wholesale and retail prices of building materials. Nevertheless, some regions managed to surpass their performance in the previous year as well as their pre-pandemic growth rates.

Positive developments across the country's regions over the course of the year revealed various opportunities for further growth and development of the countryside. These included programs to enhance productivity and modernize the agriculture sector; vigorous promotion of investment activities; launch of sustainable tourism plans; construction/rehabilitation of various infrastructure such as highways, bridges, seaports, airports, small-scale irrigation projects, post-harvest facilities, and power plants; and development of industrial estates. However, there remained some challenges such as vulnerability to natural calamities and climate change; issue on food sufficiency; impact of animal diseases as well as high cost of inputs (e.g., fuel and fertilizer) on agricultural production; continued low productivity in some regions/industries; lack of access to markets; persistent power outages and water interruption; poor/intermittent internet connection; limited health care facilities and services; limited flights/connectivity; and high power rates.

To support economic activity in the regions, the BSP continued to ensure uninterrupted cash operations. Cash shipments to Regional Offices and Branches (ROBs) increased by 4.3 percent to P443.5 billion, mainly due to strong demand for cash to support revenue spending activities as well as election-related spending.

The BSP has also heightened its various initiatives to promote financial inclusion, including the PalengQR-Ph project which is aimed to promote cashless payments in wet markets and transportation hubs. This is in line with the National Strategy for Financial Inclusion 2022-2028, which intends to reduce disparities based on sector and geographical location. Policies of the BSP also enabled the wide reach and usage of PESONet and InstaPay. The diverse

participation of banks, including thrift banks, rural banks, and digital banks, indicated the widening reach of interoperable digital payment services across the regions of the country.

Robust economic activity across the regions shows promise and indicates that the NC's aspiration towards a high-growth trajectory – by 6.0-7.0 percent in 2023 and 6.5-8.0 percent in 2024 to 2028, is achievable. The NG anchors its programs in the Philippine Development Plan 2023-2028, which serves as the country's blueprint for socioeconomic development. In the next six years, the government aims to further bolster job creation and accelerate poverty reduction towards an economic transformation that is resilient and trickles down to all regions and sectors of the country.

For its part, the BSP remains focused and committed on its mandates of price and financial stability as well as a secure and efficient payments and settlement system. It will continue to support the NC's timely non-monetary measures to address the persistent supply-side pressures on inflation. The BSP commits to future policy actions which would be data-dependent and guided by evolving domestic developments, towards a balanced and sustainable growth of the economy. ■

Technical Notes

The Report primarily uses data from the Philippine Statistics Authority (PSA) gathered by the Bangko Sentral ng Pilipinas (BSP)-Department of Economic Statistics (DES) as well as banking statistics generated by the BSP-Department of Supervisory Analytics (DSA). Discussions and analysis of the data were provided by the Department of Economic Research based on inputs provided by the BSP Economic and Financial Learning Offices of the BSP Regional Offices and Branches (ROBs). These inputs are based on discussions with the Regional Development Council offices as well as representatives from regional offices of relevant departments (e.g., Department of Agriculture, Department of the Interior and Local Government, and Department of Environment and Natural Resources, among others).

All data used in this Report are on an annual basis, covering 2018-2020, except for certain banking indicators which are as of September 2020.

Concepts and Definitions

Agriculture, Livestock, Poultry and Fishery presents the industry situation in terms of volume of production. *Source: PSA*

Approved Foreign Investments provides an analysis on investments of foreign and Filipino nationals approved by the seven investment promotion agencies (IPAs), namely: Board of Investments (BOI), Clark Development Corporation (CDC), Philippine Economic Zone Authority (PEZA), Subic Bay Metropolitan Authority (SBMA), Authority of the Freeport Area of Bataan (AFAB), BOI-Bangsamoro Autonomous Region in Muslim Mindanao (BOI-BARMM), and Cagayan Economic Zone Authority (CEZA). *Source: PSA*

Banking, Microfinance, Micro-, Small- and Medium-sized Enterprise (MSME) and Agri-Agra loans analyzes various regional banking data, namely: deposit liabilities, loans-to-deposits ratio, bank density, number of microfinance-oriented banks, outstanding microfinance loans, number of banks with MSME loans, outstanding MSME loans, number of banks with agri-agra loans, and outstanding agri-agra loans. *Source: BSP-DSA*

BSP Regional Offices and Branches Operations (ROBs) presents the cash distribution, currency withdrawals, currency deposits, and currency retirement to/from BSP ROBs. *Source: BSP RO*

Construction presents the total number of approved building permits and new residential building constructions in the regions. *Source: PSA*

Gross Regional Domestic Product (GRDP) is the aggregate of gross value added (GVA) of all resident producer units in the region. *Source: PSA*

Inflation presents the average annual inflation rates in the regions (2012=100). *Source: PSA*

Labor and Employment discusses the employment indicators (employment, unemployment, and underemployment) in the regions. *Source: PSA*

Receipts and Expenditures of Local Government Units (LGUs) presents the beginning balance, receipts, expenditures, and beginning balance for the fiscal year per region. *Source: DBM*

Opportunities and Challenges presents region-specific developments that are expected to have a positive effect on the economic growth of the region (opportunities) and factors that could have an adverse effect on the region or impediments that need to be hurdled to achieve growth (challenges). *Source: BSP RO, with inputs from various regional agencies*

List of Acronyms and Abbreviations

ABPM	Automated Banknote Processing Machine
ACPC	Agricultural Credit Policy Council
ASEAN	Association of Southeast Asian Nations
AFF	Agriculture, Fishery and Forestry
ASF	African Swine Fever
BLU	Branch-lite Unit
BPO	Business Process Outsourcing
BSP	Bangko Sentral ng Pilipinas
CEZA	Cagayan Economic Zone Authority
COVID-19	Coronavirus disease
CFV	Commercial Fishing Vessel
DA	Department of Agriculture
DBCC	Development Budget Coordination Committee
DBM	Department of Budget and Management
DOLE	Department of Labor and Employment
DOT	Department of Tourism
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
ECQ	Enhanced Community Quarantine
FI	Foreign Investments
FMR	Farm-to-Market road
FY	Fiscal Year
GDP	Gross Domestic Product
GRDP	Gross Regional Domestic Product
IATF-EID	Inter-Agency Task Force for Emerging Infectious Diseases
ICT	Information and Communications Technology
IPAs	Investment Promotion Agencies
IRA	Internal Revenue Allotment
JICA	Japan International Cooperation Agency
LBP	Land Bank of the Philippines
LDR	Loans-to-deposits ratio
LGU	Local Government Unit
LPA	Low-pressure area
KPO	Knowledge Process Outsourcing
MOB	Microfinance-oriented bank
MSME	Micro, small and medium enterprise
NEDA	National Economic Development Authority
NG	National Government
OFW	Overseas Filipino Worker
PSA	Philippine Statistics Authority
RCEF	Rice Competitiveness Enhancement Fund
RDC	Regional Development Council
RFO	Regional Field Office
RT-PCR	Reverse Transmission Polymerase Chain Reaction
RTL	Rice Tariffication Law
ROBs	Regional Offices and Branches
SAP	Social Amelioration Program
TESDA	Technical Education and Skills Development Authority

BSP Regional Offices and Branches

North Luzon

- BSP La Union Branch (4)
- BSP Batac Branch (1)
- BSP Cabanatuan Branch (6)
- BSP Dagupan Branch (5)
- BSP San Fernando Branch (7)
- BSP Tuguegarao Branch (2)

South Luzon

- BSP Naga Branch (11)
- BSP Legazpi Branch (12)
- BSP Lucena Branch (10)

Visayas

- BSP Bacolod Branch (15)
- BSP Dumaguete Branch (16)
- BSP Iloilo Branch (14)
- BSP Roxas Branch (13)
- BSP Tacloban Branch (18)

Mindanao

- BSP Butuan Branch (22)
- BSP Cagayan de Oro Branch (21)
- BSP Cotabato Branch (23)
- BSP General Santos Branch (24)
- BSP Ozamis Branch (20)
- BSP Zamboanga Branch (19)

Regional Offices:

- BSP NORTH LUZON REGIONAL OFFICE (Baguio)* (3)
- BSP SOUTH LUZON REGIONAL OFFICE (9)
- SECURITY PLANT COMPLEX & BSP GREATER MANILA REGIONAL OFFICE (formerly Cash Department) (8)
- VISAYAS REGIONAL OFFICE (formerly Cebu Regional Office) (17)
- MINDANAO REGIONAL OFFICE (formerly Davao Regional Office) (25)

BANGKO SENTRAL NG PILIPINAS
Regional Offices and Branches

**Regional Office still in La Union as of 7 July 2021*

Philippines: Regional Composition

As of 31 March 2021

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, Apayao, Benguet, Ifugao, Kalinga, 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, Bataan, Bulacan, Nueva Ecija, Pampanga, Tarlac, and Zambales,
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	Provinces
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 XI – Davao Region	Davao del Norte, Davao del Sur, Davao Oriental, Davao de Oro (Compostela Valley), and Davao Occidental
Region XII – SOCCSKSARGEN (South Cotabato, Cotabato, Sultan Kudarat, Sarangani and General Santos City)	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
BARMM (Bangsamoro 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). While there has been no change in the name of ARMM to BARMM in the Philippine Standard Geographic Code (PSGC) of the Philippine Statistics Authority (PSA) as of 31 March 2021, some data series used in this report already use the BARMM classification.

Key Regional Developments

Real Sector

Gross Regional Domestic Product

The Philippine economy grew faster by 7.6 percent in 2022 from 5.7 percent in 2021. This further expansion in the national economy reflected the release of pent-up demand despite heightened inflation and foreboding uncertainties brought about by COVID-related legacy issues and geopolitical tensions, among others.

All 17 regions posted positive performances in 2022, Region VI (Western Visayas) posted the highest GRDP growth rate of 9.3 percent, followed by Cordillera Administrative Region (CAR) at 8.7 percent. Other regions with growth rates above the national level were: Region XI (Davao Region), Region III (Central Luzon), and Region V (Bicol Region) at 8.1 percent, Region II (Cagayan Valley) at 8.0 percent, Region IV-A (CALABARZON) at 7.8 percent, and Region VII (Central Visayas) and Region I (Ilocos Region) both at 7.6 percent. Meanwhile, Region XIII (CARAGA) registered the slowest growth at 5.9 percent, followed by Region IV-B (MIMAROPA) at 6.3 percent. Strong domestic demand, the relaxation of Covid-related restrictions which allowed businesses to increase their operational capacities, improvements in labor market conditions, resumption of face-to-face classes, increased tourism activities which coincided with “revenge”

TABLE 1. GROSS REGIONAL DOMESTIC PRODUCT (GRDP)
At constant 2018 prices

REGION	Levels (In Thousand Pesos)			Growth rate		
	2020	2021 [†]	2022	2020	2021 [†]	2022
PHILIPPINES	17,537,843,279	18,540,084,220	19,943,630,239	-9.5	5.7	7.6
1 NCR	5,599,931,197	5,845,619,151	6,265,608,932	-10.0	4.4	7.2
2 CAR	288,876,582	310,765,858	337,664,054	-10.2	7.6	8.7
3 Ilocos Region (I)	581,877,977	608,618,834	654,866,006	-7.7	4.6	7.6
4 Cagayan Valley (II)	371,102,979	389,954,561	421,171,436	-9.8	5.1	8.0
5 Central Luzon (III)	1,881,277,315	2,021,186,175	2,185,061,752	-13.9	7.4	8.1
6 CALABARZON (IV -A)	2,534,444,265	2,728,935,837	2,942,981,189	-10.5	7.7	7.8
7 MIMAROPA (IV-B)	357,780,630	369,725,008	392,960,370	-7.5	3.3	6.3
8 Bicol Region (V)	517,770,299	540,189,747	583,716,744	-8.3	4.3	8.1
9 Western Visayas (VI)	825,369,599	874,086,695	955,016,701	-9.7	5.9	9.3
10 Central Visayas (VII)	1,134,912,345	1,195,978,557	1,287,323,136	-9.5	5.4	7.6
11 Eastern Visayas (VIII)	434,767,718	461,066,832	492,339,714	-7.4	6.0	6.8
12 Zamboanga Peninsula (IX)	376,299,326	397,862,811	427,776,518	-5.2	5.7	7.5
13 Northern Mindanao (X)	821,433,093	872,805,112	935,299,921	-5.3	6.3	7.2
14 Davao Region (XI)	833,225,496	882,189,256	954,074,121	-7.5	5.9	8.1
15 SOCCSKSARGEN (XII)	449,247,792	472,510,818	503,643,512	-4.4	5.2	6.6
16 Caraga	285,001,928	305,704,709	323,858,830	-6.9	7.3	5.9
17 BARMM	244,524,738	262,884,259	280,267,304	-1.9	7.5	6.6

[†] Revised

Source: Philippine Statistics Authority (PSA)

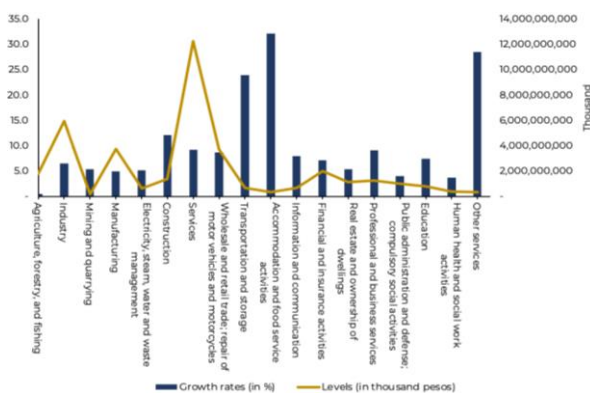
Key Regional Developments

spending, and the full reopening of the economy in the last three months of 2022 drove the strong economic recovery across the regions.

All seventeen regions posted positive performances with Western Visayas having the highest growth rate

The positive economic performance of Western Visayas was mainly accounted for by expansions in its industry and services sectors at 9.2 and 13.0 percent, respectively. These reflected the double-digit growth rates in mining and quarrying (11.3 percent), construction (20.2 percent), wholesale and retail trade (11.1 percent), transportation and storage (41.5 percent), and accommodation and food service activities (47.3 percent). Conversely, CARAGA's relatively slow growth was due mainly to the negative performance of its agriculture, forestry, and fishing (AFF) sector (-2.8 percent).

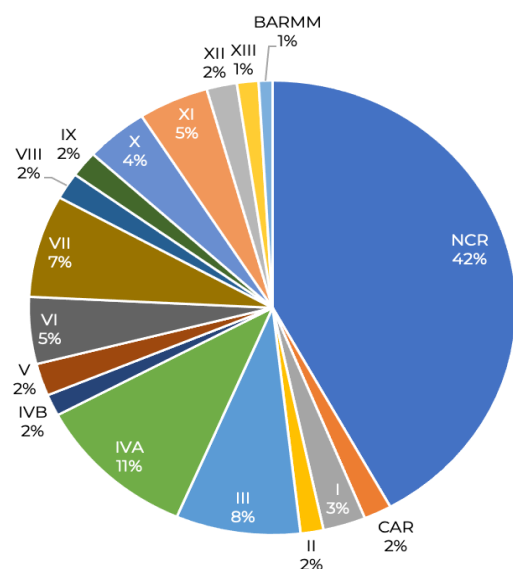
CHART 1. GRDP BY INDUSTRY
Growth rates, at constant 2018 prices



All major industries recorded expansions at the national level with accommodation and food service activities recording the highest growth rate of 32.1 percent, followed by other services and transportation and storage

at 28.4 and 23.9 percent, respectively. The reduction in COVID-19 cases and the removal of stringent health measures, which led to the reopening of the economy, along with election- and campaign-related activities spurred domestic demand and bolstered travel and accommodations.

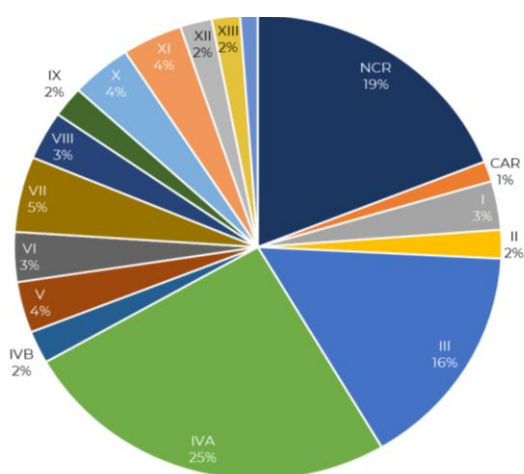
CHART 2. GROSS VALUE ADDED IN SERVICES BY REGION
Percent share



In terms of the regional performance in the services sector, the National Capital Region (NCR) remained the biggest provider of service-related activities with a share of 42.0 percent, followed by CALABARZON and Central Luzon with shares of 10.7 and 8.3 percent, respectively. During the reference year, 82 percent of the NCR's total output came from the services sector. Among the services-dominated industries that contributed to this growth were wholesale and retail trade; repair of motor vehicles and motorcycles with 28.0 percent share, financial and insurance activities, and professional and business services with 23.5 percent and

15.7 percent shares, respectively. The economic reopening benefitted the contact-intensive services sector. The improvement in labor market conditions, particularly in the services sector generally accelerated job creation in the last six months of 2022. Nearly 2.0 million jobs were created between April and September 2022, which mostly came from the services sector, with wholesale and retail trade, and transportation and storage adding about 1.2 million jobs.¹

CHART 3. GROSS VALUE ADDED IN INDUSTRY BY REGION
Percent share



For the industry sector, CALABARZON remained the biggest hub of industrial activities constituting a share of 25.3 percent of the total. Next was NCR with a 19.0 percent share, followed by Central Luzon with 15.7 percent share. CALABARZON is the only predominantly industrial region, of which the industry sector accounted for 50.8 percent of the region’s total growth. Of the industries that contributed to this growth, it was the manufacturing sub-sector that garnered the largest share of 84.7 percent, followed by electricity, steam,

water, and waste management, and construction at 8.3 percent and 6.5 percent, respectively. In 2022, the Philippine Economic Zone Authority (PEZA) approved a total of 29 ecozone development projects which amounted to ₱96.21 billion. Out of these approved ecozone projects, 13 were information technology (IT) parks and centers, 12 were manufacturing ecozones, two (2) in tourism, one (1) each in agro-industrial and mixed-use for manufacturing and tourism ecozone. Most of these projects were located in CALABARZON which currently has 8 ecozone development projects.²

Central Luzon maintained its position of having the largest share in terms of AFF sector at 13.7 percent of the total. This is followed by Northern Mindanao and Western Visayas with shares of 10.5 and 9.4 percent, respectively. In 2022, the Department of Agriculture (DA) allotted ₱112 billion budget for the agriculture sector as the national government seeks to assist farmers and fisherfolk in Central Luzon through several interventions that will improve and develop farming infrastructures and methods. According to the DA, it is expanding agricultural infrastructure including the construction of farm-to-market roads that will give farmers and fishermen in far-flung areas access to the market. The DA also continues to provide financial assistance to agriculture workers to increase their productivity, such as through the Fertilizer Discount Voucher, for which a total of 235,843 farmers have claimed ₱88.89 million for 309,744 hectares of land; the Rice Competitiveness Enhancement Fund- Rice Farmers Financial Assistance program which was

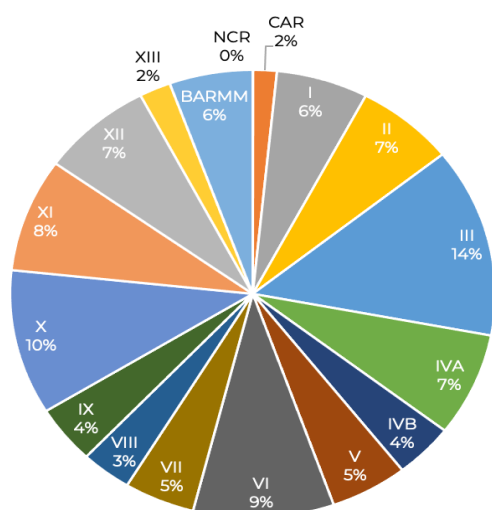
¹ The World Bank, Philippines Economic Update December 2022

² PEZA, “PEZA lauds inclusion of ecozone development in PDP 2023-2028”, 04 January 2023

worth ₱410.60 million from which 82,119 farmers have already benefited.

Fostering the growth and development of the regions and its major industries, the national government addresses key challenges by developing and

CHART 4. GROSS VALUE ADDED IN AGRICULTURE, FORESTRY, AND FISHING BY REGION
Percent share



implementing whole-of-nation strategies and regulatory frameworks for the next 6 years. Recognizing the crucial role of the AFF sector as part of a wider agri-food system, the national government addresses the systemic failures of the AFF through a whole-of-value-chain approach considering AFF's link to processing, marketing, consumption, and waste management; restores local food culture through the improvement of agri-food system resiliency, empowerment of local farmers, and strengthened link between AFF production and consumer nutrition, and health of the environment; and, provides more opportunities in the blue economy to leverage and optimize the country's aquatic resources and maritime domain. In the medium-term, an

expanded domestic market and supplier base, improved value chain, and strong linkages across sectors will foster regional industrialization. Micro, small, and medium enterprises (MSMEs) will have access to a dynamic science, technology, and innovation ecosystem. Likewise, the services sector is envisioned to become a modern, productive, and resilient global leader providing higher value-adding and differentiated services. Market expansion and digital transformation will aid in strengthening firms' presence in markets, reaching market segments and buyer geographies, and diversifying. Public-private partnership will be strengthened to drive regional investments and enhance strategic inter-sectoral linkages.³

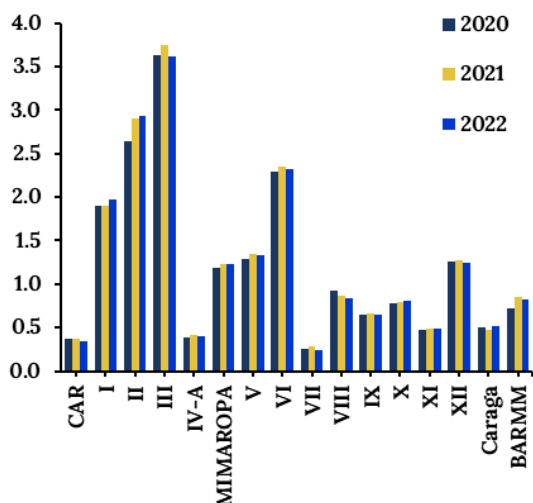
Agriculture, Livestock, Poultry and Fishery

Palay. *Palay* production nationwide contracted by 1.0 percent in 2022, a reversal from the 3.4 percent expansion in 2021. The fall in production was particularly significant in Central Visayas and CAR at 16.3 percent and 10.4 percent, respectively, due to the onslaught of typhoons which caused reduction in harvest areas and yields.

³ Philippine Development Plan (PDP) 2023-2028

Palay production nationwide declines

CHART 5. PALAY PRODUCTION
In million metric tons



Source: PSA

Other regions that likewise registered year-on-year (y-o-y) declines in their *palay* output were the following: CALABARZON (-3.4 percent), Central Luzon (-3.3 percent), Eastern Visayas (-2.8 percent), SOCCSKSARGEN (-2.7 percent), Zamboanga Peninsula and BARMM (both at -2.3 percent), Western Visayas (-1.5 percent), and Bicol (-1.3 percent). The negative performance in these regions was due to the following factors:

- Damage and losses brought about by bad weather conditions, particularly the onslaught of Super Typhoon *Karding*, Typhoon *Paeng*, and Tropical Storm *Agaton* in CALABARZON, Central Luzon, Eastern Visayas, Zamboanga Peninsula and Western Visayas.
- Significant increase in the prices of fuel and fertilizers which discouraged farmers to apply the recommended number of bags to areas planted with *palay*.

- Super Typhoon *Odetta* which hit Eastern Visayas and Zamboanga Peninsula in December 2021, significantly affected the harvest period in the first quarter of 2022.

TABLE 2. PALAY PRODUCTION
Growth rate and share to total production, in percent

REGION	Growth Rate			Share to total production		
	2020	2021 ^f	2022 ^p	2020	2021 ^f	2022 ^p
PHILIPPINES	2.6	3.4	-1.0	100.0	100.0	100.0
1 CAR	-10.0	0.2	-10.4	2.0	1.9	1.7
2 Ilocos Region (I)	2.8	0.0	3.3	9.9	9.5	9.9
3 Cagayan Valley (II)	0.0	10.0	0.6	13.7	14.6	14.8
4 Central Luzon (III)	-2.5	2.9	-3.3	18.8	18.7	18.3
5 CALABARZON (IV-A)	1.6	5.9	-3.4	2.0	2.1	2.0
6 MIMAROPA	-1.0	3.6	0.5	6.1	6.1	6.2
7 Bicol Region (V)	8.6	4.0	-1.3	6.7	6.7	6.7
8 Western Visayas (VI)	10.5	2.7	-1.5	11.9	11.8	11.8
9 Central Visayas (VII)	16.8	11.1	-16.3	1.4	1.5	1.2
10 Eastern Visayas (VIII)	3.0	-6.8	-2.8	4.8	4.3	4.3
11 Zamboanga Peninsula (IX)	-4.7	3.4	-2.3	3.3	3.3	3.3
12 Northern Mindanao (X)	2.7	1.5	2.7	4.1	4.0	4.1
13 Davao Region (XI)	3.6	3.8	1.1	2.4	2.4	2.5
14 SOCCSKSARGEN (XII)	6.5	1.1	-2.7	6.6	6.4	6.3
15 Caraga	12.0	-7.1	11.2	2.6	2.3	2.6
16 BARMM	7.5	16.5	-2.3	3.8	4.2	4.2

^f Revised
^p Preliminary
Source: PSA

Meanwhile, six (6) regions posted *palay* output improvement in 2022 led by Caraga (with a double-digit growth rate of 11.2 percent), followed by Ilocos (3.3 percent), Northern Mindanao (2.7 percent), Davao (1.1 percent), Cagayan Valley (0.6 percent), and MIMAROPA (0.5 percent). The gains in these regions were attributed mainly to the following:

- Favorable weather conditions and sustained interventions such as the use of high-quality seeds, fertilizers, and other production inputs.
- Expansion in production areas in Northern Mindanao and Davao, and increase *palay* output in the provinces of MIMAROPA, namely, Palawan, Romblon, and Marinduque.
- Provision of hybrid seeds and inorganic fertilizers to farmers.

Corn. Aggregate corn production slightly decreased by 0.4 percent in 2022 from its 2.1 percent increase in 2021. Double-digit negative rates were recorded in Caraga at 22.7 percent and CAR at 11.7 percent. The spillover effects caused by Super Typhoon *Odette* in December 2021 and Typhoon *Paeng* in 2022, as well as the onslaught brought about by Tropical Storm *Agaton* negatively impacted corn yield in Caraga particularly in the provinces of Agusan del Sur, Dinagat Islands, and Surigao del Norte. Furthermore, Ifugao, which used to be the top corn producer in CAR from 2019-2021, accounted for the largest decline as the province was devastated by flashfloods caused by the southwest monsoon during the third quarter of 2022.

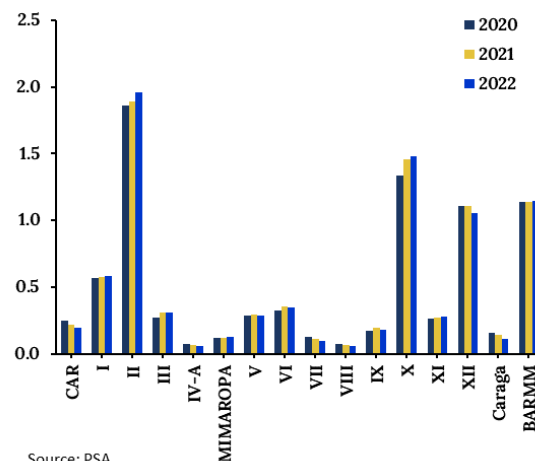
Corn production slightly weakens

Corn production likewise declined in Central Visayas (-9.5 percent), CALABARZON (-9.4 percent), Zamboanga Peninsula (-7.6 percent), Eastern Visayas (-6.9 percent), SOCCSKSARGEN (-4.8 percent), Western Visayas (-2.0 percent), Bicol (-1.5 percent), and Central Luzon (-1.2 percent) due to the following:

- Damage brought about by unfavorable weather conditions such as occurrence of Super Typhoon *Odette*, Typhoon *Paeng*, and Tropical Storm *Agaton* in CALABARZON, Zamboanga Peninsula, and Bicol, and Super Typhoon *Karding* in Central Luzon.
- Decrease in area harvested in Zamboanga Peninsula, Eastern Visayas, and SOCCSKSARGEN due to rising costs of production inputs such as fuel and fertilizer.
- Crop stress due to insufficient water supply and rainfall in

Western Visayas, specifically in some farm areas over Negros Occidental and Iloilo.

CHART 6. CORN PRODUCTION
In million metric tons



Source: PSA

On the other hand, the regions that exhibited increases in their corn production were MIMAROPA (10.1 percent), Cagayan Valley (3.6 percent), Davao (2.8 percent), Ilocos (2.5 percent), Northern Mindanao (1.5 percent), and BARMM (0.4 percent). The expansion in these regions could be traced to the following factors:

- Larger area harvested due to favorable weather conditions in Cagayan Valley, Davao and Ilocos.
- Increased demand for corn as input for livestock feed production in Davao and Northern Mindanao.
- Expansion in area planted with high-yielding variety (HYV) corn in Northern Mindanao.

TABLE 3. CORN PRODUCTION
Growth rate and share to total production, in percent

REGION	Growth Rate			Share to total production		
	2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
PHILIPPINES	1.8	2.1	-0.4	100.0	100.0	100.0
1 CAR	5.3	-11.6	-11.7	3.0	2.6	2.3
2 Ilocos Region (I)	-2.0	1.4	2.5	6.9	6.9	7.1
3 Cagayan Valley (II)	-0.3	1.6	3.6	22.9	22.8	23.7
4 Central Luzon (III)	-3.7	13.0	-1.2	3.4	3.7	3.7
5 CALABARZON (IV-A)	8.6	-11.4	-9.4	0.9	0.8	0.7
6 MIMAROPA	13.3	-4.9	10.1	1.5	1.4	1.5
7 Bicol Region (V)	13.6	3.8	-1.5	3.5	3.5	3.5
8 Western Visayas (VI)	2.0	9.7	-2.0	3.9	4.2	4.2
9 Central Visayas (VII)	20.8	-15.9	-9.5	1.6	1.3	1.2
10 Eastern Visayas (VIII)	-1.5	-13.6	-6.9	0.9	0.8	0.7
11 Zamboanga Peninsula (IX)	-8.5	15.8	-7.6	2.1	2.4	2.2
12 Northern Mindanao (X)	1.9	8.7	1.5	16.5	17.6	17.9
13 Davao Region (XI)	7.0	1.9	2.8	3.2	3.2	3.3
14 SOCCSKSARGEN (XII)	0.1	-0.3	-4.8	13.7	13.3	12.7
15 Caraga	16.1	-10.1	-22.7	1.9	1.7	1.3
16 BARMM	2.1	-0.1	0.4	14.0	13.7	13.8

^r Revised
^p Preliminary
Source: PSA

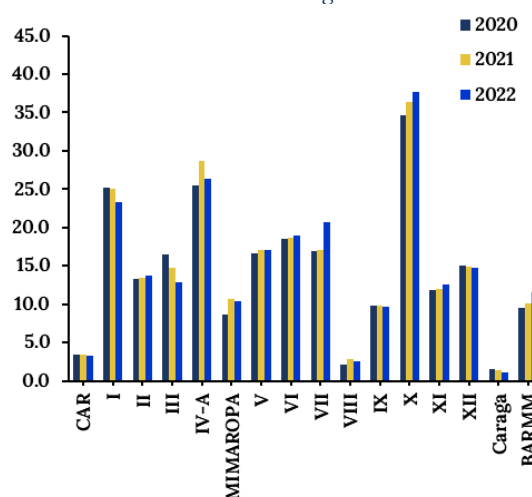
Cattle production. The country's total cattle production slightly increased by 0.2 percent in 2022, slower than the 3.0 percent growth rate in 2021. Large y-o-y growth of 21.5 percent was registered in Central Visayas, followed by BARMM at 13.6 percent, and Davao at 4.5 percent. The improved performance in these regions was due to the government's various intervention measures provided to cattle farmers, as well as high demand for beef brought about by easing of mobility restrictions and increased conduct of social gatherings.

Cattle production registers slower growth

Expansions were likewise recorded in Northern Mindanao (3.3 percent), Cagayan Valley (2.9 percent), Western Visayas (1.7 percent), and Bicol (0.1 percent). Factors behind the accelerated growth include:

- Increased demand for beef as the average price of fish and other meat products rose.
- Low production level for hogs in Cagayan Valley, prompting consumers to shift to beef consumption.
- Repopulation of cattle and carabao through the Unified Artificial Insemination Program (UNAIP), Livestock Program of DA in Bicol.

CHART 7. CATTLE PRODUCTION
In thousand metric tons in liveweight



Source: PSA

The growth in these regions was offset by the weak performance in cattle production in Central Luzon (-12.6 percent), Caraga (-11.6 percent), Eastern Visayas (-10.7 percent), CALABARZON (-7.8 percent), Ilocos (-6.9 percent), CAR (-3.8 percent), MIMAROPA (-3.0 percent), Zamboanga Peninsula (-1.0 percent), and SOCCSKSARGEN (-0.9 percent). The contractions in these regions could be attributed to the following:

- Lesser demand in Eastern Visayas, CALABARZON, MIMAROPA and SOCCSKSARGEN.
- Shift of cattle farm owners in Zamboanga Peninsula to other livestock due expensive and

extensive maintenance of cattle farms.

- Fluctuating prices of cattle feeds and other production inputs in Eastern Visayas, which led farmers to reduce herd size and postpone production expansions.
- Switch to dairy farming of cattle-raisers in Eastern Visayas.

TABLE 4. CATTLE PRODUCTION
Growth rate and share to total production, in percent

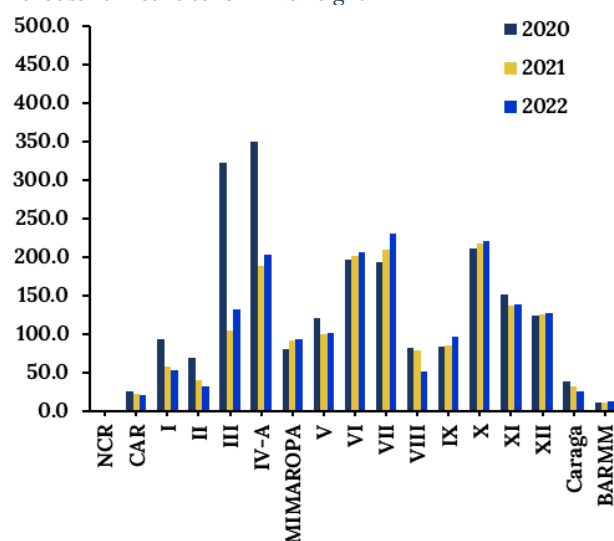
REGION	Growth rate			Share to total production		
	2020	2021	2022 ^p	2020	2021	2022 ^p
PHILIPPINES	-12.1	3.0	0.2	100	100	100
1 CAR	-13.4	1.8	-3.8	1.5	1.4	1.4
2 Ilocos Region (I)	-11.0	-0.1	-6.9	11.0	10.6	9.9
3 Cagayan Valley (II)	-4.9	0.8	2.9	5.8	5.7	5.8
4 Central Luzon (III)	-4.0	-10.0	-12.6	7.2	6.3	5.5
5 CALABARZON (IV-A)	-6.5	12.1	-7.8	11.1	12.1	11.2
6 MIMAROPA	-24.4	23.5	-3.0	3.8	4.5	4.4
7 Bicol Region (V)	-5.6	2.1	0.1	7.3	7.2	7.2
8 Western Visayas (VI)	-20.6	0.7	1.7	8.1	7.9	8.0
9 Central Visayas (VII)	-27.9	0.6	21.5	7.4	7.2	8.7
10 Eastern Visayas (VIII)	-8.4	32.3	-10.7	0.9	1.2	1.1
11 Zamboanga Peninsula (IX)	-10.7	-1.1	-1.0	4.3	4.1	4.1
12 Northern Mindanao (X)	-8.8	5.0	3.3	15.1	15.4	15.9
13 Davao Region (XI)	-11.6	0.8	4.5	5.2	5.1	5.3
14 SOCCSKSARGEN (XII)	-8.7	-0.9	-0.9	6.6	6.3	6.3
15 Caraga	-8.6	-11.2	-11.6	0.6	0.6	0.5
16 BARMM	-15.4	7.2	13.6	4.1	4.3	4.9

^p Preliminary
Source: PSA

Swine production. Overall swine production registered a reversal in performance as it grew by 2.4 percent in 2022 after a decline of 20.8 percent in 2021. The regions that showed improvement in swine production were Central Luzon (25.9 percent), Zamboanga Peninsula (13.2 percent), Central Visayas (9.8 percent), CALABARZON (8.2 percent), BARMM (4.5 percent), Western Visayas (2.4 percent), SOCCSKSARGEN (2.0 percent), Davao (1.7 percent), Bicol (1.3 percent), Northern Mindanao (1.1 percent), and MIMAROPA (0.5 percent), for the following reasons:

- Increased demand for pork in Zamboanga Peninsula, Davao, and MIMAROPA, especially during holiday season, brought about by the resumption of economic activities.
- Increased hog production in Western Visayas as the region remained unaffected by the African Swine Flu (ASF) outbreak due to stringent protocols.
- Strict implementation of ASF-mitigating measures such as heightened quarantine, monitoring of hog movements, inspection, testing, and education in SOCCSKSARGEN,
- Various government interventions such as the DA's Integrated National Swine Production Initiatives for Recovery and Expansion (INSPIRE) in Davao and Bicol, and Bantay African Swine Fever sa Barangay Program in Central Luzon.

CHART 8. SWINE PRODUCTION
In thousand metric tons in liveweight



Source: PSA

Swine production improves

The growth in swine production was partially offset by the negative performance in certain regions during the period. These were Eastern Visayas (-34.6 percent), NCR (-28.6 percent), Caraga (-21.1 percent), Cagayan Valley (-19.2 percent), Ilocos (-8.0 percent), and CAR (-6.6 percent), due mainly to the lingering impact and prevailing threat of ASF. The increased cost of animal feeds and fertilizer also contributed to the decline in these regions' output.

TABLE 5. SWINE PRODUCTION
Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2020	2021	2022 ^p	2020	2021	2022 ^p
PHILIPPINES	-6.7	-20.8	2.4	100	100	100
1 NCR	-	-	-28.6	-	0.0	0.0
2 CAR	-3.2	-15.1	-6.6	1.2	1.3	1.2
3 Ilocos Region (I)	-2.5	-37.5	-8.0	4.3	3.4	3.1
4 Cagayan Valley (II)	-4.9	-42.4	-19.2	3.2	2.3	1.8
5 Central Luzon (III)	-22.8	-67.5	25.9	15.0	6.2	7.6
6 CALABARZON (IV-A)	-11.9	-46.1	8.2	16.3	11.1	11.7
7 MIMAROPA	0.5	14.9	0.5	3.7	5.4	5.3
8 Bicol Region (V)	-10.0	-17.2	1.3	5.6	5.8	5.8
9 Western Visayas (VI)	1.8	2.6	2.4	9.1	11.8	11.8
10 Central Visayas (VII)	0.1	8.2	9.8	9.0	12.3	13.2
11 Eastern Visayas (VIII)	5.7	-4.7	-34.6	3.8	4.6	2.9
12 Zamboanga Peninsula (IX)	1.0	2.6	13.2	3.9	5.0	5.5
13 Northern Mindanao (X)	4.5	3.5	1.1	9.8	12.8	12.7
14 Davao Region (XI)	-3.7	-9.2	1.7	7.0	8.0	8.0
15 SOCCSKSARGEN (XII)	-1.4	1.5	2.0	5.7	7.4	7.3
16 Caraga	-4.9	-18.7	-21.1	1.8	1.8	1.4
17 BARMM	-2.2	4.6	4.5	0.5	0.6	0.7

^p Preliminary
- Data not available
Source: PSA

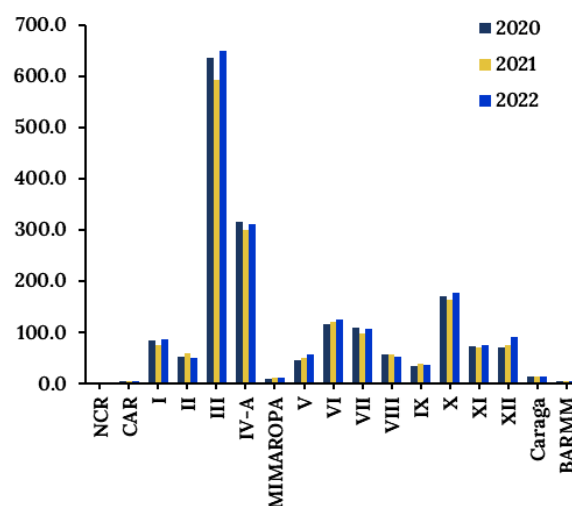
Chicken production. Chicken production nationwide recovered strongly as it rose by 7.0 percent in 2022 after a negative performance of 3.6 percent in 2021. The regions that showed significant increases in their chicken production were NCR, registering more than half of its previous production or 82.6 percent, followed by double-digit growth rates from SOCCSKSARGEN (21.8 percent), MIMAROPA (16.3 percent), Ilocos (13.6

percent), and Bicol (13.1 percent). The expansion in these regions could be due to the following:

- Recovery of the poultry industry from the adverse effects of the Avian Influenza.
- Shift of consumers to chicken consumption as value of pork and beef continued to rise.
- Increased demand for chicken resulting in more backyard raisers (both broiler and native).
- Increased production in Bicol as the province of Camarines Sur was declared Highly Pathogenic Avian Influenza A(H5N1) HPAI-free.
- Distribution of 4,000 native chickens to farmers under the Philippine Native Animal Development (PNAD) in the provinces of Albay and Camarines Sur.

Chicken production strongly recovers

CHART 9. CHICKEN PRODUCTION
In thousand metric tons



Source: PSA

Key Regional Developments

Eight (8) more regions likewise posted improvements in their chicken production, namely, Central Luzon (9.4 percent), Davao (9.2 percent), BARMM (9.0 percent), CAR (8.9 percent), Northern Mindanao (8.6 percent), Central Visayas (7.2 percent), Western Visayas (4.7 percent), and CALABARZON (3.7 percent). The positive performance in these regions were due to the high demand as prices of alternative meat (pork and beef) continued to increase, resumption of economic activities as business establishments, particularly restaurants, shifted to operate at full capacity, and various government interventions that help mitigate the spread of Avian Influenza.

TABLE 6. CHICKEN PRODUCTION
Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2020	2021	2022 ^p	2020	2021	2022 ^p
PHILIPPINES	-6.1	-3.6	7.0	100	100	100
1 NCR	-	-	82.6	-	-	-
2 CAR	-7.3	-3.6	8.9	0.3	0.3	0.3
3 Ilocos Region (I)	0.4	-9.8	13.6	4.7	4.4	4.6
4 Cagayan Valley (II)	-3.0	10.7	-13.5	3.0	3.4	2.8
5 Central Luzon (III)	-9.2	-6.5	9.4	35.1	34.0	34.8
6 CALABARZON (IV-A)	-7.6	-5.4	3.7	17.5	17.2	16.7
7 MIMAROPA	-2.4	5.2	16.3	0.6	0.7	0.7
8 Bicol Region (V)	-15.7	9.5	13.1	2.6	2.9	3.1
9 Western Visayas (VI)	-0.4	2.8	4.7	6.5	6.9	6.7
10 Central Visayas (VII)	-8.4	-8.6	7.2	6.0	5.7	5.7
11 Eastern Visayas (VIII)	-9.2	2.0	-6.3	3.1	3.3	2.9
12 Zamboanga Peninsula (IX)	-1.7	10.7	-8.5	2.0	2.3	1.9
13 Northern Mindanao (X)	0.5	-4.6	8.6	9.4	9.4	9.5
14 Davao Region (XI)	-8.3	-5.6	9.2	4.1	4.0	4.1
15 SOCCSKSARGEN (XII)	8.6	6.8	21.8	3.9	4.4	5.0
16 Caraga	-0.7	-5.5	-2.7	0.9	0.8	0.8
17 BARMM	9.2	-3.5	9.0	0.3	0.3	0.3

^p Preliminary
- Data not available
Source: PSA

On the contrary, regions that showed lower poultry output in 2022 were

⁴ Virulent Newcastle disease, formerly known as exotic Newcastle disease, is a contagious and fatal viral disease affecting the respiratory, nervous and digestive systems of birds and poultry. The disease is so virulent that many birds and poultry die without showing any clinical signs.

Cagayan Valley, with a contraction of 13.5 percent, followed by Zamboanga Peninsula (-8.5 percent), Eastern Visayas (-6.3 percent), and Caraga (-2.7 percent). The factors behind these declines could be due to the following:

- High cost of poultry feed inputs in Zamboanga Peninsula, Eastern Visayas, and Caraga.
- Outbreak of the Newcastle Disease⁴ in Cagayan Valley, particularly in the provinces of Isabela and Cagayan.
- Restricted and limited movement of orders such as egg, day-old-chicks and ready-to-market products as Avian Influenza continued to spread in some areas in Eastern Visayas and Caraga.

Fish Production. National fish production expanded by 2.2 percent in 2022 from a contraction of 3.5 percent a year ago. The improvement could be attributed to the huge acceleration in fish production in Davao (65.3 percent) following increased fishing operations and efforts in anticipation of the closure of the fishing season in Davao Gulf from June to August 2022, as well as BARMM (30.6 percent) due to favorable weather and water conditions, and continued government support to fisherfolks through its Sustainable Development in Aquaculture/Fish Culture (ISD) program.

Fish production increases

Other regions that likewise contributed to the expansion were SOCCSKSARGEN (7.4 percent), Ilocos (2.6 percent),

<https://www.aphis.usda.gov/aphis/ourfocus/animalhealth/animal-disease-information/avian/virulent-newcastle/vnd#:~:text=Virulent%20Newcastle%20disease%2C%20formerly%20known,without%20showing%20any%20clinical%20signs..>

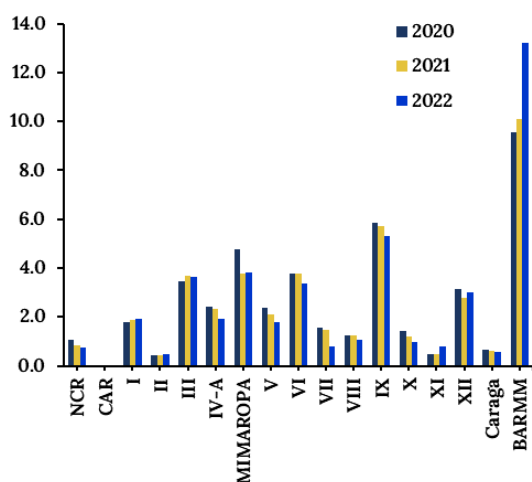
Cagayan Valley (2.4 percent), and MIMAROPA (0.7 percent), due to the following:

- Lifting of tuna fishing ban in the high seas in SOCCSKSARGEN.
- Availability and distribution of fingerlings (tilapia, carp, catfish, high-value marine finfishes, sea cucumber, and abalone) by the Bureau of Fisheries and Aquatic Resources (BFAR) for aquaculture and resource development in Ilocos and Cagayan Valley.
- Continued recovery of seaweed farms in MIMAROPA, particularly in Palawan, from the damage brought by Super Typhoon *Odette*.
- Increased commercial and aquaculture fishery production in Ilocos, as well as aquaculture production in Cagayan Valley.

(-11.1 percent), NCR (-9.0 percent), Zamboanga Peninsula (-7.5 percent), Caraga (-7.1 percent), CAR (-3.3 percent), and Central Luzon (-1.3 percent). The negative performance in these regions was due to the following factors:

- Fewer fishing trips due to increased costs of feeds, fuel, and other petroleum products in Central Visayas, Northern Mindanao and Eastern Visayas.
- Occurrence of Tropical Depression *Neneng* in Northern Mindanao, spillover and adverse effects of Super Typhoon *Odette*, tornado that struck the coastal areas of Zamboanga del Sur, and other weather disturbances in Central Visayas, CALABARZON, Eastern Visayas, Western Visayas, Zamboanga Peninsula, Caraga, and Central Luzon.
- Damaged seaweeds caused by unfavorable weather conditions.
- Unrehabilitated and unrestored fish cages/pen in Central Visayas.
- Poor quality and low temperature of lake water in CALABARZON.
- Insufficient supply of fingerlings and longer culture period for smaller fingerlings in Eastern Visayas.
- Annual fishing ban on sardines in Zamboanga Peninsula.

CHART 10. FISH PRODUCTION
In hundred thousand metric tons



Source: PSA

Partly offsetting these gains, however, were the declines registered in 11 regions led by Central Visayas (-46.0 percent), followed by Northern Mindanao (-18.7 percent), CALABARZON (-15.9 percent), Eastern Visayas (-15.7 percent), Bicol (-14.7 percent), Western Visayas

Key Regional Developments

TABLE 7. FISH PRODUCTION
Growth rate and share to total production, in percent

REGION	Growth rate			Share to total production		
	2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
PHILIPPINES	-0.3	-3.5	2.2	100	100	100
1 NCR	6.3	-20.6	-9.0	2.4	2.0	1.7
2 CAR	-11.4	9.5	-3.3	0.1	0.1	0.1
3 Ilocos Region (I)	5.9	5.3	2.6	4.1	4.5	4.5
4 Cagayan Valley (II)	-3.2	1.9	2.4	1.0	1.1	1.1
5 Central Luzon (III)	7.6	6.4	-1.3	7.9	8.7	8.4
6 CALABARZON (IV-A)	-19.1	-4.9	-15.9	5.5	5.4	4.5
7 MIMAROPA	-4.9	-20.7	0.7	10.8	8.9	8.8
8 Bicol Region (V)	0.6	-11.7	-14.7	5.4	5.0	4.1
9 Western Visayas (VI)	-1.2	0.0	-11.1	8.6	8.9	7.7
10 Central Visayas (VII)	1.0	-6.8	-46.0	3.6	3.5	1.8
11 Eastern Visayas (VIII)	-3.5	0.6	-15.7	2.8	2.9	2.4
12 Zamboanga Peninsula (IX)	6.6	-2.2	-7.5	13.3	13.5	12.2
13 Northern Mindanao (X)	-7.9	-16.3	-18.7	3.2	2.8	2.2
14 Davao Region (XI)	-5.6	6.7	65.3	1.0	1.1	1.9
15 SOCCSKSARGEN (XII)	-0.9	-10.8	7.4	7.1	6.6	6.9
16 Caraga	-3.5	-7.6	-7.1	1.5	1.4	1.3
17 BARMM	2.0	5.9	30.6	21.7	23.8	30.4

^r Revised
^p Preliminary
Source: PSA

Construction

Construction. Construction-related activities in the regions generally weakened in 2022, a reversal from the strong double-digit growth performance achieved in the previous year. Both indicators on approved building permits and new residential construction registered year-on-year contractions. The subdued construction activity in 2022 may be attributed to the elevated inflation following the rise in fuel prices and the subsequent monetary policy tightening. After a rebound to double-digit expansion in 2021, given partial reopening of the economy from the COVID-19 pandemic, the number of building permits issued in the country decreased by 1.6 percent to 160,045 in 2022 from a growth rate of 31.4 percent seen in 2021. Similarly, the number of new residential building construction nationwide declined by 0.7 percent to

112,982 after posting significant growth of 32.4 percent in the preceding year.

Construction-related activities fall in 2022

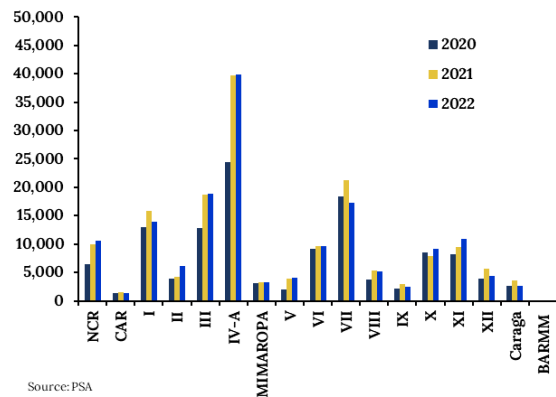
TABLE 8. APPROVED BUILDING PERMITS
Levels and growth rates

REGION	Levels			Growth Rates		
	2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
PHILIPPINES	123,783	162,619	160,045	-28.5	31.4	-1.6
1 NCR	6,462	9,894	10,631	-52.0	53.1	7.4
2 CAR	1,283	1,522	1,312	-15.9	18.6	-13.8
3 Ilocos Region (I)	12,932	15,819	13,993	-1.5	22.3	-11.5
4 Cagayan Valley (II)	3,977	4,226	6,136	-16.2	6.3	45.2
5 Central Luzon (III)	12,822	18,638	18,899	-32.4	45.4	1.4
6 CALABARZON (IV-A)	24,411	39,741	39,842	-42.9	62.8	0.3
7 MIMAROPA (IV-B)	3,109	3,314	3,337	-1.6	6.6	0.7
8 Bicol Region (V)	1,979	3,919	4,094	-50.7	98.0	4.5
9 Western Visayas (VI)	9,105	9,627	9,589	-23.5	5.7	-0.4
10 Central Visayas (VII)	18,328	21,216	17,345	-7.6	15.8	-18.2
11 Eastern Visayas (VIII)	3,818	5,302	5,229	-20.0	38.9	-1.4
12 Zamboanga Peninsula (IX)	2,174	2,932	2,511	-22.2	34.9	-14.4
13 Northern Mindanao (X)	8,489	7,812	9,157	-25.9	-8.0	17.2
14 Davao Region (XI)	8,258	9,442	10,858	-29.9	14.3	15.0
15 SOCCSKSARGEN (XII)	3,892	5,655	4,386	-22.2	45.3	-22.4
16 Caraga	2,687	3,512	2,666	-27.4	30.7	-24.1
17 BARMM	57	48	60	-62.7	-15.8	25.0

^p Preliminary
^r Revised
Source: PSA

On a regional basis, the decline in approved building permits were led by Caraga (-24.1 percent), SOCCSKSARGEN (-22.4 percent), Central Visayas (-18.2 percent), Zamboanga Peninsula (-14.4 percent), CAR (-13.8 percent) and Ilocos Region (-11.5 percent). These were partly offset by the double-digit growth rates recorded by Cagayan Valley (45.2 percent), BARMM (25.0 percent), Northern Mindanao (17.2 percent) and Davao Region (15.0 percent). Other regions that registered modest expansions were the NCR (7.4 percent), Bicol Region (4.5 percent), Central Luzon (1.4 percent) and MIMAROPA (0.7 percent).

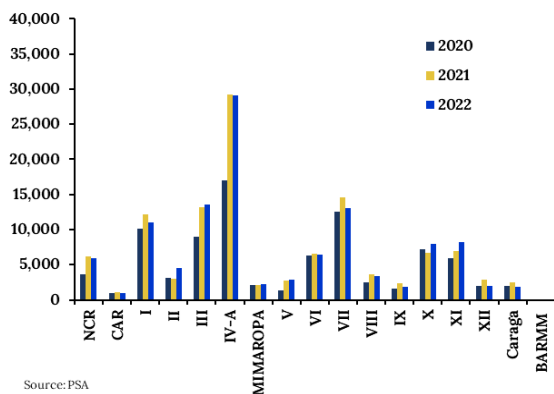
CHART 11. APPROVED BUILDING PERMITS Levels



Source: PSA

In terms of new residential building construction, most regions registered negative performance in 2022 with 11 out of 17 regions posting contractions. These regions were: SOCCSKSARGEN (-28.9 percent), Caraga (-24.4 percent), Zamboanga Peninsula (-18.9 percent), Ilocos Region (-15.2 percent), Central Visayas (-10.7 percent), Ilocos Region (-9.6 percent), BARM (-8.6 percent), Eastern Visayas (-6.5 percent), NCR (-3.5 percent), Western Visayas (-2.0 percent) and CALABARZON (-0.2 percent). Nonetheless, some regions managed to exhibit positive performances for the period such as Cagayan Valley (50.5 percent), Northern Mindanao (18.9 percent), Davao Region (18.4 percent),

CHART 12. NEW RESIDENTIAL BUILDING CONSTRUCTION Levels



Source: PSA

Central Luzon (3.1 percent) and MIMAROPA (2.6 percent).

TABLE 9. NEW RESIDENTIAL BUILDING CONSTRUCTION Levels and growth rates

REGION	Levels			Growth Rates		
	2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
PHILIPPINES	87,419	115,772	114,982	-29.7	32.4	-0.7
1 NCR	3,598	6,129	5,917	-45.0	70.3	-3.5
2 CAR	959	1,069	907	-13.6	11.5	-15.2
3 Ilocos Region (I)	10,111	12,200	11,032	9.9	20.7	-9.6
4 Cagayan Valley (II)	3,063	3,010	4,529	-14.5	-1.7	50.5
5 Central Luzon (III)	9,033	13,190	13,604	-33.7	46.0	3.1
6 CALABARZON (IV-A)	17,046	29,191	29,120	-47.0	71.2	-0.2
7 MIMAROPA (IV-B)	2,113	2,129	2,185	-1.0	0.8	2.6
8 Bicol Region (V)	1,356	2,796	2,883	-49.6	106.2	3.1
9 Western Visayas (VI)	6,303	6,532	6,401	-29.4	3.6	-2.0
10 Central Visayas (VII)	12,592	14,613	13,047	-18.0	16.0	-10.7
11 Eastern Visayas (VIII)	2,527	3,635	3,398	-15.5	43.8	-6.5
12 Zamboanga Peninsula (IX)	1,535	2,346	1,903	-32.7	52.8	-18.9
13 Northern Mindanao (X)	7,214	6,675	7,939	-24.5	-7.5	18.9
14 Davao Region (XI)	5,890	6,944	8,221	-32.5	17.9	18.4
15 SOCCSKSARGEN (XII)	1,998	2,828	2,011	-26.5	41.5	-28.9
16 Caraga	2,035	2,450	1,853	-20.5	20.4	-24.4
17 BARM	46	35	32	-59.3	-23.9	-8.6

^r Revised
^p Preliminary
Source: PSA

The decline in the level of construction activities in most regions in terms of approved building permits and total number of new residential building construction in 2022 was attributed to various factors. High inflation amid rising fuel prices accelerated the wholesale and retail prices of building materials to their highest levels in 14 years. The construction materials wholesale price index (CMWPI) in NCR went up by an average of 8.3 percent in 2022, faster than the 3.2 percent year-on-year increase in 2021. This was the highest rate of increase in prices registered since the 10.7 percent growth in 2008.

Relative to their annual average rates in 2021, the price indices of most construction commodities registered higher rates in 2022. The top 5 commodity groups with the highest growth in average prices were: fuels and lubricants (from 18.1 percent in 2021 to 30.3 percent in 2022), g.i. sheet (from 5.5 percent to 13.4 percent), reinforcing and structural steel (from 5.0 percent to 12.1

Key Regional Developments

percent), electrical works (from 4.1 percent to 8.5 percent and painting works (from 1.7 percent to 7.5 percent). Plumbing fixtures and accessories/waterworks likewise exhibited a notable increase from an annual average of -0.8 percent in 2021 to 7.2 percent in 2022.⁵ In addition, higher cost of borrowing due to rising interest rates may have discouraged renovation or construction of new houses and buildings.

While most construction activities in the regions exhibited a slowdown, there were some regions that managed to perform well in 2022 in both construction-activity indicators (i.e., number of approved building permits and new residential construction). These are Cagayan Valley, Northern Mindanao and Davao. The growth in construction in these regions surpassed their previous year's performances as well as their 3-year pre-pandemic average growth rates. The BARMM region managed to register double digit growth in 2022, in terms of approved building permits.

In terms of cost, it was noted that in 2022, the average cost per square meter (sq.m.) of residential construction nationwide decreased by 2.6 percent to ₱10,928/sq.m. from the average cost of ₱11,213/sq.m. in 2021. Similarly, the average cost of non-residential construction recorded a decline of 5.8 percent to ₱10,748/sq.m. in 2022 from the average cost of ₱11,409/sq.m. in 2021.

CHART 13. CONSTRUCTION MATERIALS WHOLESAL PRICE INDEX IN THE NATIONAL CAPITAL REGION (NCR) FOR ALL ITEMS
Year-on-year change
2000-2022 (2012 = 100)

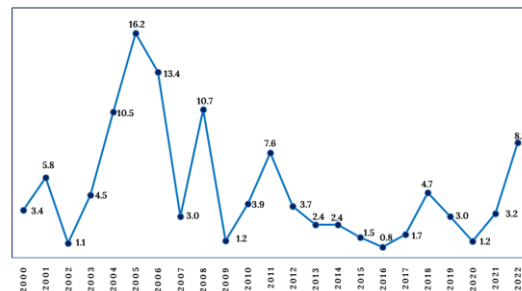
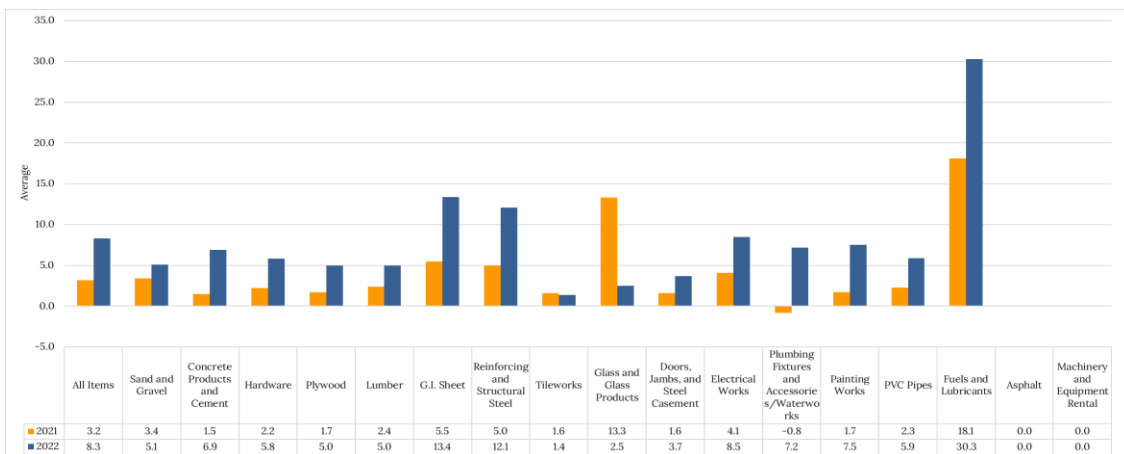


CHART 14. CONSTRUCTION MATERIALS WHOLESAL PRICE INDEX IN THE NATIONAL CAPITAL REGION (NCR) BY COMMODITY GROUP
Year-on-year percent change
2021-2022 (2012 = 100)



⁵ Source: Survey of Wholesale Prices of Selected Construction Materials for the Generation of

Construction Materials Wholesale Price Index, Philippine Statistics Authority (PSA).

Labor and Employment

Philippine employment in 2022 grew by 2.4 percentage points (ppts) to 94.6 percent from the 92.2 percent registered in 2021. Among the 17 regions, those with the highest employment rates recorded were CAR and SOCCSKSARGEN both at 96.3 percent, Cagayan Valley and Davao Region both at 96.0 percent, and Zamboanga Peninsula at 95.9 percent.

Labor conditions improved in most regions

Labor conditions improved in almost all regions with faster year-on-year growth registered in CALABARZON where employment increased by 4.2 ppts to 93.7 percent, followed by NCR, MIMAROPA and BARMM which all increased by 3.4 ppts to 92.8 percent, 95.5 percent and

94.2 percent, respectively, as well as Bicol region by 2.5 ppts to 94.3 percent. The expansion in employment in these regions was due mainly to the strong economic recovery efforts as more establishments re-opened and regained their pre-pandemic level of operations. This was complemented by various job fairs conducted by the Department of Labor and Employment (DOLE). In addition, employment opportunities were provided to the Bicolanos from the recent inauguration of SM City Mall in Sorsogon and the now-operational Bicol International Airport (BIA).

As the country shifted to Alert Level 1, unemployment in 2022 eased in 16 out of 17 regions resulting in the national unemployment rate of 5.4 percent from the previous year's rate of 7.8 percent. The lowest unemployment rates were posted in CAR and SOCCSKSARGEN both at 3.7 percent, followed by Cagayan Valley and

TABLE 10. EMPLOYMENT INDICATORS

Averages in percent

REGION	2020 ^r			2021 ^r			2022 ^p		
	Employment	Unemployment	Underemployment	Employment	Unemployment	Underemployment	Employment	Unemployment	Underemployment
PHILIPPINES	89.7	10.3	16.2	92.2	7.8	15.9	94.6	5.4	14.2
1 NCR	88.3	11.7	9.2	89.4	10.6	10.2	92.8	7.2	9.1
2 CAR	89.6	10.4	14.5	94.2	5.8	17.8	96.3	3.7	13.5
3 Ilocos Region (I)	86.6	13.4	17.2	91.8	8.2	15.9	93.9	6.1	12.4
4 Cagayan Valley (II)	91.3	8.7	16.8	94.0	6.0	21.8	96.0	4.0	16.4
5 Central Luzon (III)	86.9	13.1	12.1	92.5	7.5	7.4	94.8	5.2	11.1
6 Calabarzon (IV-A)	88.4	11.6	17.2	89.4	10.6	17.2	93.7	6.4	15.4
7 MIMAROPA	92.7	7.3	23.9	92.1	7.9	27.7	95.5	4.5	22.2
8 Bicol Region (V)	90.5	9.5	27.5	91.8	8.2	26.7	94.3	5.8	22.8
9 Western Visayas (VI)	92.2	7.8	11.7	93.4	6.6	20.4	94.8	5.2	16.3
10 Central Visayas (VII)	89.7	10.3	15.8	92.8	7.2	14.5	95.0	5.0	13.6
11 Eastern Visayas (VIII)	92.0	8.0	20.1	93.4	6.7	20.9	95.1	4.9	16.0
12 Zamboanga Peninsula (IX)	90.1	9.9	17.0	96.0	4.0	14.8	95.9	4.1	13.9
13 Northern Mindanao (X)	93.6	6.4	23.6	95.1	4.9	14.3	95.7	4.3	8.9
14 Davao Region (XI)	90.8	9.2	13.0	95.2	4.8	9.7	96.0	4.0	9.1
15 Soccsksargen (XII)	90.9	9.1	22.2	94.7	5.3	19.6	96.3	3.7	23.8
16 Caraga (XIII)	92.4	7.6	23.0	94.3	5.7	25.9	95.6	4.4	23.5
17 BARMM	91.0	9.0	10.1	90.8	9.3	12.0	94.2	5.8	10.2

^r The Labor Force Survey (LFS) was originally conducted on a quarterly basis (i.e., January, April, July and October), with a sample size of approximately 44,000 households. From April 2016 to October 2019, the LFS adopted the population projections based on the 2010 Census of Population and Housing (CPH) and 2013 Master Sample (MS) Design. Beginning January 2020, the LFS results, including

^r Revised

^p Preliminary

Source: PSA

Davao Region both at 4.0 percent, and Zamboanga Peninsula at 4.1 percent. Meanwhile, NCR had the highest unemployment rate at 7.2 percent, followed by CALABARZON at 6.4 percent, Ilocos at 6.1 percent, as well as Bicol and BARMM both at 5.8 percent.

The underemployment rate in 2022 decreased by 1.7 pts to 14.2 percent compared to the 2021 rate of 15.9 percent. Low underemployment rates were recorded in Northern Mindanao at 8.9 percent, as well as NCR and Davao Region both at 9.1 percent. However, some regions exceeded the 15.5 percent to 17.5 percent 2022 underemployment target range under the Philippine Development Plan 2017-2022, namely: SOCCSKSARGEN (23.8 percent); Caraga (23.5 percent); Bicol (22.8 percent); and MIMAROPA (22.2 percent). This suggests that Filipinos desire for additional hours of work as they might be in low-paying jobs, experiencing job mismatch, or do not have regular full-time jobs.

Fiscal Sector

Receipts and Expenditures of LGUs

The total ending cash balance of LGUs for the fiscal year (FY) 2022 reached ₱710.6 billion, higher by 18.6 percent from the previous year's level of ₱599.1 billion.⁶

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

Total LGU receipts amounted to ₱1,215.4 billion in FY 2022, of which 69.6 percent or ₱845.4 billion were from external sources, 23.6 percent or ₱286.9 billion were from local sources, and 6.8 percent or ₱83.0 billion came from non-income receipts. In particular, the biggest sources of these receipts were shares from the Internal Revenue Allotment (IRA) amounting to ₱766.4 billion, and comprising 90.7 percent of total external sources, as well as tax revenues which amounted to ₱215.5 billion or 75.1 percent of total local sources. Meanwhile, non-income receipts were comprised mainly of receipts from loans and borrowings with a share of 48.1 percent to total non-income receipts.

Out of the total LGU receipts, 14.4 percent came from the NCR amounting to ₱175.3 billion; 12.1 percent or ₱147.2 billion came from CALABARZON; and 9.0 percent or ₱109.7 billion came from Central Luzon. The said regions also topped the list of regions with the largest receipts from tax revenues. Of the ₱766.4 billion total IRA, CALABARZON, Central Luzon and Western Visayas received the highest shares of 11.6 percent, 9.7 percent, and 7.8 percent, respectively. Those with the lowest IRA shares, on the other hand, were Caraga, Zamboanga Peninsula and CAR at 4.2 percent, 4.1 percent, and 3.2 percent, respectively. Meanwhile, NCR registered the highest non-income

⁶ Budget of Expenditures and Sources of Financing FY 2022, Summary and Receipts and Expenditures of Regional Level of LGUs, FY 2022.

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	BARM	GRAND TOTAL
BEGINNING CASH BALANCE	75.0	18.3	51.0	26.1	40.4	93.2	25.0	27.5	43.7	62.6	28.9	18.8	24.8	23.7	15.8	19.2	3.3	597.3
RECEIPTS	175.3	35.9	90.0	55.8	109.7	147.2	46.1	55.3	78.4	77.3	53.3	39.3	63.1	59.5	44.6	40.8	43.8	1,215.4
Local Sources	116.8	3.3	9.2	5.0	26.8	45.1	4.0	6.2	12.3	17.1	4.6	3.6	11.3	11.7	4.8	4.5	0.6	286.9
Tax Revenues	103.8	1.3	4.9	2.7	19.0	34.9	2.2	3.4	7.8	11.7	2.1	1.8	6.6	7.6	2.7	2.7	0.3	215.5
Non-Tax Revenues	13.0	2.0	4.4	2.2	7.8	10.3	1.8	2.8	4.5	5.4	2.6	1.7	4.6	4.0	2.1	1.8	0.3	71.3
External Sources	46.1	31.7	78.2	45.6	77.3	94.8	36.8	45.6	61.9	56.2	45.3	31.3	45.5	39.5	35.0	32.8	41.8	845.4
Share from IRA	40.3	24.7	39.3	40.5	74.4	88.8	35.6	44.9	59.7	53.8	44.5	31.2	42.3	38.8	34.4	31.9	41.3	766.4
Share from GOCCs (PAGCOR and PCSO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Share from National Tax Collection	0.0	0.1	0.1	0.0	0.1	0.3	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.5	0.0	1.5
Inter-Local Transfer	0.4	0.6	1.5	0.0	0.5	0.3	0.3	0.3	1.2	1.2	0.2	0.0	0.1	0.1	0.0	0.0	0.0	6.7
Extraordinary Receipts/Grants/Donations/Aids	2.1	0.2	0.1	0.3	0.5	1.5	0.6	0.1	0.7	0.5	0.5	0.1	0.2	0.4	0.5	0.1	0.0	8.4
Non-Income Receipts	12.4	0.9	2.6	5.3	5.6	7.3	5.3	3.6	4.3	3.9	3.3	4.4	6.3	8.3	4.7	3.5	1.3	83.0
Capital Investment Receipts	4.5	0.0	0.2	0.0	0.2	0.0	0.1	0.0	0.1	0.1	0.0	1.2	0.0	0.0	0.0	0.1	0.0	6.5
Receipts from Loans and Borrowings	5.3	0.8	2.0	3.8	3.8	4.4	2.3	2.0	1.7	1.1	1.5	1.9	1.8	3.1	1.6	1.5	1.3	39.9
EXPENDITURES	167.9	23.0	48.0	37.6	88.1	108.3	32.3	39.8	58.4	58.8	39.4	27.1	49.6	45.2	36.2	27.6	35.8	923.1
General Services	58.0	9.5	16.0	18.6	37.0	47.8	12.3	17.7	25.7	26.7	16.3	12.0	18.4	20.0	13.3	12.6	17.9	379.8
Economic Services	12.7	3.5	6.5	3.2	8.8	10.5	2.9	4.1	7.7	6.4	3.6	2.6	6.7	5.0	3.8	2.9	5.8	97.1
Social Services	63.1	5.1	11.7	6.5	20.2	27.0	5.9	7.9	12.9	12.4	8.0	4.8	8.0	7.3	6.8	6.3	4.6	218.5
Debt Services	1.7	0.1	0.9	0.3	1.9	2.0	1.0	1.2	1.0	1.0	0.5	0.8	0.9	1.1	1.1	0.5	0.6	16.6
ENDING CASH BALANCE	49.3	26.1	81.0	37.6	51.6	110.1	30.5	35.7	48.0	67.0	35.7	23.0	31.9	28.5	18.6	25.1	10.9	710.6

Source: Department of Budget and Management, Budget of Expenditures and Sources of Financing FY 2023

Table F.6 Statement of Receipts and Expenditures, By Regional Level of LGUs, 2022

Note: Totals may not add up due to rounding.

receipts at ₱12.4 billion, due to its receipts from loans and borrowings as well as large capital investment.

Total LGU expenditures amounted to ₱923.1 billion, of which 23.7 percent or ₱218.5 billion were spent for social services, 41.1 percent or ₱379.8 billion for general services, 10.5 percent or ₱97.1 billion for economic services, and 1.8 percent or ₱16.6 billion for debt services.

In FY 2022, the regions with the largest number of disbursements were NCR at ₱167.9 billion, CALABARZON at ₱108.3 billion, and Central Luzon at ₱88.1 billion. The said amounts accounted for 18.2 percent, 11.7 percent, and 9.5 percent of the total nationwide LGU expenditures, respectively. Most of the expenditures from these regions were devoted to general and social services. In contrast, Caraga, Zamboanga Peninsula and CAR had the lowest expenditures for the review period with shares to total

expenditures of 3.0 percent, 2.9 percent, and 2.5 percent, respectively.

Monetary Sector

Inflation

Average annual inflation rates in fifteen (15) of the seventeen (17) regions accelerated in 2022 compared to their year ago levels. This was with the exception of Cagayan Valley and Bicol regions which posted lower inflation rates compared to 2021. Meanwhile, sixteen (16) regions breached the upper bound of the 2.0 percent to 4.0 percent inflation target range of the national government for the year, led by the regions of Davao (7.4 percent), Zamboanga Peninsula (7.0 percent), as well as Western, Central, and Eastern Visayas (all registering 6.6 percent increase).

Inflation rates in most regions accelerated year-on-year in 2022

The average inflation nationwide in 2022, using the 2018-based consumer price index (CPI) series, rose to 5.8 percent from 3.9 percent the previous year, owing to faster price increases in food and energy-related items. The surge in global crude oil prices led to upward price adjustments in domestic power rates and petroleum products. Transport fares were also raised in response to the oil price spike, further contributing to inflation pressures. Most food commodities likewise posted higher inflation readings in 2022 compared to 2021. Food inflation went up as the prices of vegetables, fruits, and fish rose, reflecting the supply disruptions caused by weather disturbances. Low productivity also pushed sugar inflation upward. Meanwhile, heavily weighted rice inflation turned positive after successive years of negative inflation.

In the National Capital Region (NCR), headline inflation accelerated to 5.1 percent in 2022 (from 2.7 percent in 2021), driven mainly by faster price increases of key food items, such as vegetables, dairy products, and eggs. The uptrend was likewise accounted for by higher inflation for transport as well as housing, water, electricity, gas, and other fuels. Inflation in areas outside the NCR also posted an uptick of 6.0 percent (from 4.2 percent) due to rising food and energy prices.

The average 2022 inflation rates recorded in the regions ranged from a low of 3.8 percent (BARMM region) to a high of 7.4 percent (Davao region). The 2022 inflation rate in the BARMM region represented an increase of 1.2 percentage

points (ppts) from its 2021 rate of 2.6 percent, which was driven largely by price increases in commodities and services under Financial Services, Transport as well as Restaurants and Accommodation Services.

TABLE 12. INFLATION RATE
In percent
2012=100

	REGION	2020	2021	2022
	ALL ITEMS			
	PHILIPPINES	2.4	3.9	5.8
1	Metro Manila	1.6	2.7	5.1
	Areas Outside Metro Manila	2.6	4.2	6.0
2	CAR	2.0	3.9	6.4
3	Ilocos Region (I)	2.5	4.0	5.9
4	Cagayan Valley (II)	2.5	6.2	5.2
5	Central Luzon (III)	2.7	4.5	6.5
6	CALABARZON (IV-A)	2.6	4.7	5.2
7	MIMAROPA	3.9	4.5	6.1
8	Bicol Region (V)	4.2	6.1	5.3
9	Western Visayas (VI)	2.8	3.8	6.6
10	Central Visayas (VII)	1.5	1.9	6.6
11	Eastern Visayas (VIII)	2.1	4.3	6.6
12	Zamboanga Peninsula (IX)	2.0	2.9	7.0
13	Northern Mindanao (X)	2.2	3.9	5.8
14	Davao Region (XI)	1.8	3.5	7.4
15	SOCCKSARGEN (XII)	3.2	5.3	5.6
16	Caraga	3.7	4.1	6.1
17	BARMM	2.9	2.6	3.8

Source: PSA

Meanwhile, the average inflation rate recorded in Davao region during the review period was more than double the rate it posted in 2021 at 3.5 percent. This acceleration was mainly driven by higher inflation rates in Transport, Financial Services, and Alcoholic Beverages and Tobacco (ABT). The higher average price movements in the said commodity groups were due to the following: 1) the series of increase in crude oil prices in the world market brought about by the production cuts of major oil-producing

countries and geopolitical conflicts, particularly the Russian-Ukraine war; 2) depreciation of the Philippine Peso that resulted in the increased prices of major commodities such as food and energy in the domestic market; 3) increased financial activities particularly that of digital finance; and 4) increased economic activities brought about by the national elections and lifting of COVID-19 restrictions.

Moving forward, the BSP will continue to monitor developments affecting the outlook for inflation and growth. The BSP stands ready to resume monetary tightening as necessitated by emerging data, consistent with its primary mandate to promote price and financial stability.

External Sector

Approved Foreign Investments

As reported by investment promotion agencies (IPAs), approved foreign investments (FIs) in the country continued to post positive performance with a 25.6 percent growth in 2022, despite uncertainties in the global environment affecting investment sentiment, particularly the spillovers from the Ukraine-Russian war, rise in global inflation and aggressive monetary policies in advanced economies. This comes after a stronger rebound of 71.7 percent in 2021. Nine (9) regions (out of 17) managed to register increases in approved FIs in 2022.⁷

⁷ 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 investments generated, with the

Approved foreign investments exhibited resilience

The regions which posted notable growth in FIs in 2022 were BARMM and Cagayan Valley (each >1,000 percent), Ilocos Region (889.0 percent), Central Luzon (434.2 percent), Western Visayas (166.9 percent), Northern Mindanao (153.1 percent) and CALABARZON (129.3 percent). Other regions with positive growths were Davao Region (19.1 percent) and Central Visayas (9.6 percent).

The significant increases in these regions managed to offset the declines in approved FIs in the regions of SOCCSKSARGEN (-92.1 percent), MIMAROPA (-91.9 percent), and NCR (-16.3 percent). "Several locations" (i.e., those with unspecified location in the report submitted to PSA) also contracted by 29.8 percent in 2022. The rest of the regions took a pause in investment pledges during the review period (i.e., zero approved FIs) in 2022.

In terms of share to total approved FIs, top location regions in 2022 (sans "several locations") were CALABARZON (19.0 percent), Central Luzon (17.9 percent), and Ilocos Region (13.9 percent).

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.]

Key Regional Developments

TABLE 13. TOTAL APPROVED FOREIGN INVESTMENTS

In million Pesos

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	112,122.9	192,547.8	241,891.5	-71.3	71.7	25.6	100.0	100.0	100.0
1 NCR	40,380.3	6,051.1	5,064.7	69.4	-85.0	-16.3	36.0	3.1	2.1
2 CAR	0.0	77.9	0.0	-100.0	--	-100.0	0.0	0.0	0.0
3 Ilocos Region (I)	455.6	3,398.6	33,613.3	--	645.9	889.0	0.4	1.8	13.9
4 Cagayan Valley (II)	1,323.6	74.1	1,825.0	95.3	-94.4	2,363.7	1.2	0.0	0.8
5 Central Luzon (III)	14,471.7	8,106.3	43,306.6	-49.7	-44.0	434.2	12.9	4.2	17.9
6 CALABARZON (IV-A)	35,001.5	20,006.5	45,882.3	-67.8	-42.8	129.3	31.2	10.4	19.0
7 MIMAROPA (IV-B)	53.0	351.8	28.4	-54.6	563.9	-91.9	0.0	0.2	0.0
8 Bicol Region (V)	0.0	0.0	0.0	-100.0	--	--	0.0	0.0	0.0
9 Western Visayas (VI)	2,530.1	719.1	1,919.7	57.9	-71.6	166.9	2.3	0.4	0.8
10 Central Visayas (VII)	3,813.1	5,382.9	5,897.4	33.7	41.2	9.6	3.4	2.8	2.4
11 Eastern Visayas (VIII)	0.0	302.7	0.0	-100.0	--	-100.0	0.0	0.2	0.0
12 Zamboanga Peninsula (IX)	0.0	0.0	0.0	--	--	--	0.0	0.0	0.0
13 Northern Mindanao (X)	0.0	392.9	994.3	-100.0	--	153.1	0.0	0.2	0.4
14 Davao Region (XI)	946.6	1,356.6	1,615.4	-48.1	43.3	19.1	0.8	0.7	0.7
15 SOCCSKSARGEN (XII)	13,144.2	818.0	64.9	4,593.5	-93.8	-92.1	11.7	0.4	0.0
16 Caraga	0.0	1,133.9	0.0	--	--	-100.0	0.0	0.6	0.0
17 BARMM	3.0	20.0	321.7	-99.0	564.8	1,511.1	0.0	0.0	0.1
Several Locations ¹	0.0	144,355.3	101,357.8	-100.0	--	-29.8	0.0	75.0	41.9
No Site Yet ²	0.0	0.0	0.0	--	--	--	0.0	0.0	0.0

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Bangsamoro 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.

-- infinite growth rate

Source: PSA

Approved Investments of Foreign and Filipino Nationals

The combined approved foreign and Filipino nationals' investments in the country recovered by 22.2 percent in 2022, from the slump in 2021 of 33.4 percent, nine (9) regions (out of 17) managed to post increases in aggregated approved investments despite the lingering effects of the COVID-19 pandemic on the domestic economy and the fallout from the global investment climate due to the geopolitical conflicts and heightened financial market stress. Year-on-year positive performances were

led by Eastern Visayas and Ilocos Region (both with growths of >1,000 percent); SOCCSKSARGEN (903.7 percent); Bicol Region (398.5 percent); Northern Mindanao (49.8 percent); CALABARZON (41.2 percent); Cagayan Valley (17.3 percent); Central Luzon (10.8 percent) and Western Visayas (10.3 percent).

Meanwhile, notable double-digit declines were observed in CAR (-94.1 percent), NCR (-82.7 percent), MIMAROPA (-70.1 percent), BARMM (-58.3 percent), Davao Region (-45.0 percent), Caraga (-42.2 percent) and Central Visayas (-27.5 percent).

TABLE 14. TOTAL APPROVED INVESTMENTS OF FOREIGN AND FILIPINO NATIONALS
In million Pesos

REGION	2020	2021	2022	Growth rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	1,139,369.8	758,975.4	927,742.2	-13.0	-33.4	22.2	100.0	100.0	100.0
1 NCR	164,999.8	94,845.1	16,365.3	149.6	-42.5	-82.7	14.5	12.5	1.8
2 CAR	3,998.4	37,460.4	2,205.7	-88.1	836.9	-94.1	0.4	4.9	0.2
3 Ilocos Region (I)	14,414.8	6,316.8	101,975.6	-1.8	-56.2	1,514.4	1.3	0.8	11.0
4 Cagayan Valley (II)	11,243.6	6,108.4	7,164.1	-29.6	-45.7	17.3	1.0	0.8	0.8
5 Central Luzon (III)	615,487.7	152,805.4	169,326.3	410.1	-75.2	10.8	54.0	20.1	18.3
6 CALABARZON (IV-A)	211,235.2	131,481.8	185,649.0	-51.7	-37.8	41.2	18.5	17.3	20.0
7 MIMAROPA (IV-B)	4,206.3	4,012.3	1,198.1	-23.9	-4.6	-70.1	0.4	0.5	0.1
8 Bicol Region (V)	11,854.7	12,526.0	62,437.3	50.5	5.7	398.5	1.0	1.7	6.7
9 Western Visayas (VI)	10,794.8	7,613.3	8,393.7	23.1	-29.5	10.3	0.9	1.0	0.9
10 Central Visayas (VII)	19,964.1	14,532.8	10,535.8	-27.3	-27.2	-27.5	1.8	1.9	1.1
11 Eastern Visayas (VIII)	3,615.4	1,508.8	53,783.6	-74.2	-58.3	3,464.8	0.3	0.2	5.8
12 Zamboanga Peninsula (IX)	6,627.8	919.4	-	4,296.7	-86.1	-100.0	0.6	0.1	0.0
13 Northern Mindanao (X)	33,377.1	5,556.7	8,324.1	110.5	-83.4	49.8	2.9	0.7	0.9
14 Davao Region (XI)	11,628.4	14,254.3	7,843.9	52.3	22.6	-45.0	1.0	1.9	0.8
15 SOCCSKSARGEN (XII)	15,854.5	5,528.4	55,486.3	132.5	-65.1	903.7	1.4	0.7	6.0
16 Caraga	52.9	1,688.2	975.4	-98.3	3,089.5	-42.2	0.0	0.2	0.1
17 BARMM	14.3	3,080.6	1,283.8	-99.7	21,439.8	-58.3	0.0	0.4	0.1
Several Locations ¹	-	258,736.9	234,794.3	-100.0	--	-9.3	0.0	34.1	25.3
No Site Yet ²	-	-	-	--	--	--	0.0	0.0	0.0

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Bangsamoro 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.

-- infinite growth rate

Source: PSA

In terms of share to total foreign and Filipino approved investments, top location regions in 2022 were CALABARZON (20.0 percent), Central Luzon (18.3 percent) and Ilocos Region (11.0 percent).

Financial Sector

Banking and Microfinance

Banking. Deposit liabilities, which are the primary funding source of the Philippine banking system, stayed ample as it totalled ₱17.7 trillion in 2022. This was an increase of 9.5 percent from the ₱16.2 trillion level registered in 2021, amid the

heightened global market uncertainties and elevated inflation. All regions, except SOCCSKSARGEN (-41.0 percent) registered expansions, led by BARMM (704.7 percent), MIMAROPA (12.9 percent) and Ilocos Region (11.6 percent). The NCR had the largest share of deposit liabilities at ₱11.7 trillion (65.7 percent of the total), followed by CALABARZON (7.3 percent), Central Luzon (5.4 percent), and Central Visayas (4.7 percent).

Deposit liabilities continue to grow

Key Regional Developments

TABLE 15. DEPOSIT LIABILITIES

Levels in million pesos, shares and growth rates in percent

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	14,861,328	16,188,648	17,721,361	9.1	8.9	9.5	100.0	100.0	100.0
1 NCR	9,752,000	10,642,567	11,641,012	9.6	9.1	9.4	65.6	65.7	65.7
2 CAR	142,344	156,699	174,181	5.9	10.1	11.2	1.0	1.0	1.0
3 Ilocos Region (I)	276,040	313,553	350,065	6.6	13.6	11.6	1.9	1.9	2.0
4 Cagayan Valley (II)	173,111	183,708	202,243	10.6	6.1	10.1	1.2	1.1	1.1
5 Central Luzon (III)	807,126	867,301	950,353	5.9	7.5	9.6	5.4	5.4	5.4
6 CALABARZON (IV-A)	1,063,771	1,162,823	1,286,098	7.6	9.3	10.6	7.2	7.2	7.3
7 MIMAROPA (IV-B)	107,858	110,516	124,787	10.2	2.5	12.9	0.7	0.7	0.7
8 Bicol Region (V)	196,660	209,224	232,377	8.2	6.4	11.1	1.3	1.3	1.3
9 Western Visayas (VI)	410,430	442,164	489,796	6.7	7.7	10.8	2.8	2.7	2.8
10 Central Visayas (VII)	749,407	769,297	840,534	2.4	2.7	9.3	5.0	4.8	4.7
11 Eastern Visayas (VIII)	149,760	159,317	171,409	12.5	6.4	7.6	1.0	1.0	1.0
12 Zamboanga Peninsula (IX)	140,845	155,309	160,416	8.0	10.3	3.3	0.9	1.0	0.9
13 Northern Mindanao (X)	231,308	259,681	274,799	11.5	12.3	5.8	1.6	1.6	1.6
14 Davao Region (XI)	330,664	360,780	379,909	10.3	9.1	5.3	2.2	2.2	2.1
15 SOCCSKSARGEN (XII)	202,070	252,439	148,909	42.9	24.9	(41.0)	1.4	1.6	0.8
16 Caraga	108,558	122,914	130,665	10.9	13.2	6.3	0.7	0.8	0.7
17 BARMM	19,377	20,357	163,808	25.5	5.1	704.7	0.1	0.1	0.9

Source: DSA-FSS-BSP

Meanwhile, credit allocation slightly increased but remained prudent as loans-to-deposits ratio (LDR) reached 64.3 percent in 2022 from 63.1 percent in 2021. Most regions (11 out of 17) registered increases in LDR, led by SOCCSKSARGEN (33.7 percentage points or ppts), Eastern Visayas (5.1 ppts) and Caraga (4.9 ppts). On the other hand, the regions which recorded contractions in LDR in 2022 were BARMM (-5.9 ppts), Bicol Region (-1.6 ppts) and CALABARZON (-1.2 ppts). NCR posted a higher LDR than the nationwide value at 82.1 ppts, followed by SOCCSKSARGEN (73.1 ppts), which continued to reflect strong concentration of credit activity in these economic centers. Other regions with high LDRs were Central Visayas (46.1 ppts), Davao Region (44.6 percent) and Cagayan Valley (39.1 ppts).

LDR ratios slightly picked up

Lending activity showed signs of recovery as total loans from the banking system reached ₱11.4 trillion in 2022, an expansion of 11.6 percent from the ₱10.2 trillion in 2021. All of the regions showed increased loan activity, led by BARMM (with a growth of 189.0 percent), Caraga (29.5 percent) and Eastern Visayas (25.7 percent). Total loans remained concentrated in the NCR with an 83.8 percent share to total in 2022.

TABLE 16. LOANS-TO-DEPOSITS RATIO

In percent

REGION	2020	2021	2022	change		
				2020	2021	2022
PHILIPPINES	66.18	63.14	64.35	-4.70	-3.03	1.20
1 NCR	84.36	80.42	82.05	-6.27	-3.95	1.63
2 CAR	16.01	15.58	16.17	0.29	-0.43	0.59
3 Ilocos Region (I)	22.96	20.45	19.79	-0.73	-2.51	-0.66
4 Cagayan Valley (II)	38.90	38.69	39.10	-5.14	-0.21	0.41
5 Central Luzon (III)	29.60	28.93	28.10	-1.85	-0.67	-0.84
6 CALABARZON (IV-A)	23.31	22.09	20.92	-1.62	-1.22	-1.17
7 MIMAROPA (IV-B)	34.80	33.72	34.75	1.38	-1.08	1.03
8 Bicol Region (V)	29.04	29.30	27.69	-2.96	0.26	-1.61
9 Western Visayas (VI)	27.96	27.84	27.38	-2.53	-0.12	-0.46
10 Central Visayas (VII)	44.94	43.36	46.13	1.49	-1.59	2.77
11 Eastern Visayas (VIII)	29.93	30.27	35.37	-0.20	0.34	5.10
12 Zamboanga Peninsula (IX)	22.05	20.63	24.60	-5.21	-1.41	3.96
13 Northern Mindanao (X)	32.84	29.06	32.83	-3.40	-3.78	3.77
14 Davao Region (XI)	44.42	43.20	44.61	-5.52	-1.22	1.40
15 SOCCSKSARGEN (XII)	46.47	39.48	73.13	-15.73	-7.00	33.65
16 Caraga	24.37	22.59	27.52	-11.11	-1.78	4.93
17 BARMM	10.44	9.23	3.32	-1.78	-1.20	-5.92

Source: DSA-FSS-BSP

TABLE 16.1 LOANS PORTFOLIO

Levels in million pesos, shares and growth rates in percent

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	9,834,813	10,222,022	11,403,216	1.9	3.9	11.6	100.0	100.0	100.0
1 NCR	8,227,148	8,558,461	9,550,928	2.0	4.0	11.6	83.7	83.7	83.8
2 CAR	22,793	24,418	28,164	7.8	7.1	15.3	0.2	0.2	0.2
3 Ilocos Region (I)	63,367	64,123	69,289	3.4	1.2	8.1	0.6	0.6	0.6
4 Cagayan Valley (II)	67,341	71,078	79,080	(2.3)	5.5	11.3	0.7	0.7	0.7
5 Central Luzon (III)	238,914	250,950	267,044	(0.3)	5.0	6.4	2.4	2.5	2.3
6 CALABARZON (IV-A)	247,918	256,857	269,095	0.6	3.6	4.8	2.5	2.5	2.4
7 MIMAROPA (IV-B)	37,536	37,269	43,365	14.8	(0.7)	16.4	0.4	0.4	0.4
8 Bicol Region (V)	57,115	61,306	64,340	(1.8)	7.3	4.9	0.6	0.6	0.6
9 Western Visayas (VI)	114,756	123,092	134,097	(2.2)	7.3	8.9	1.2	1.2	1.2
10 Central Visayas (VII)	336,816	333,557	387,761	5.9	(1.0)	16.3	3.4	3.3	3.4
11 Eastern Visayas (VIII)	44,822	48,227	60,622	11.7	7.6	25.7	0.5	0.5	0.5
12 Zamboanga Peninsula (IX)	31,050	32,041	39,454	(12.7)	3.2	23.1	0.3	0.3	0.3
13 Northern Mindanao (X)	75,972	75,475	90,221	1.0	(0.7)	19.5	0.8	0.7	0.8
14 Davao Region (XI)	146,885	155,868	169,465	(1.9)	6.1	8.7	1.5	1.5	1.5
15 SOCCSKSARGEN (XII)	93,905	99,652	108,895	6.8	6.1	9.3	1.0	1.0	1.0
16 Caraga	26,453	27,769	35,961	(23.8)	5.0	29.5	0.3	0.3	0.3
17 BARMM	2,022	1,880	5,432	7.2	(7.1)	189.0	0.0	0.0	0.0

Source: DSA-FSS-BSP

Loans expanded

On bank density, or the ratio of the number of bank offices to the total number of cities and municipalities, there has been a further improvement at the nationwide level at 8.09 percent in 2022 from 8.02 percent in 2021. The NCR, which had the heaviest concentration of banks (223.7 percent), registered a lower density ratio from the previous year (-1.8 ppts). Other regions with high bank densities were business and investment hubs such as CALABARZON (13.4 percent), Central Luzon and Davao Region (10.6 percent each), and Central Visayas (7.0 percent). Meanwhile, BARMM, which had the lowest bank density ratio among other regions (0.3 percent) marginally improved (0.2 ppts). Majority of the regions (14 out of 17) registered increases in bank densities which indicated that more banks were able to provide coverage and access to financial consumers despite the continuing pandemic effects and

financial market volatilities that transpired in 2022.

Bank density improves further

TABLE 17. BANK DENSITY RATIO

In percent

REGION	2020	2021	2022	change		
				2020	2021	2022
PHILIPPINES	7.95	8.02	8.09	0.11	0.06	0.07
1 NCR	226.24	225.53	223.71	1.18	-0.71	-1.82
2 CAR	2.60	2.62	2.68	0.04	0.03	0.05
3 Ilocos Region (I)	5.32	5.39	5.47	0.12	0.07	0.08
4 Cagayan Valley (II)	5.06	5.12	5.25	0.06	0.05	0.13
5 Central Luzon (III)	10.43	10.45	10.55	0.12	0.02	0.09
6 CALABARZON (IV-A)	13.33	13.46	13.42	0.15	0.13	-0.04
7 MIMAROPA (IV-B)	4.23	4.25	4.33	0.10	0.01	0.08
8 Bicol Region (V)	4.82	4.95	5.16	0.15	0.13	0.21
9 Western Visayas (VI)	5.66	5.72	5.84	0.14	0.06	0.12
10 Central Visayas (VII)	6.82	6.86	6.98	0.02	0.05	0.11
11 Eastern Visayas (VIII)	2.02	2.06	2.13	0.02	0.04	0.07
12 Zamboanga Peninsula (IX)	3.69	3.83	3.88	0.07	0.14	0.04
13 Northern Mindanao (X)	4.67	4.76	4.92	0.04	0.10	0.16
14 Davao Region (XI)	10.20	10.29	10.55	0.14	0.08	0.27
15 SOCCSKSARGEN (XII)	6.08	6.28	6.02	0.22	0.20	-0.26
16 Caraga	3.29	3.45	3.51	0.25	0.16	0.05
17 BARMM	0.16	0.15	0.33	0.01	-0.01	0.18

^{1/} Ratio of the Number of Banking Offices to the Number of Municipalities

and Cities Per Region

Source: DSA-FSS-BSP

Key Regional Developments

Microfinance. On a nationwide basis, the number of banks with microfinance loans slid slightly by 0.7 percent in 2022. The regions with the biggest declines registered during the period were Central Luzon (-23.5 percent), Caraga (-20.0 percent) and CALABARZON (-3.3 percent).

TABLE 18. BANKS WITH MICROFINANCE LOANS
No. of banks

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	149	138	137	-3.2	-7.4	-0.7	100.0	100.0	100.0
1 NCR	14	10	11	-12.5	-28.6	10.0	9.4	7.2	8.0
2 CAR	2	2	2	0.0	0.0	0.0	1.3	1.4	1.5
3 Ilocos Region (I)	3	3	4	-25.0	0.0	33.3	2.0	2.2	2.8
4 Cagayan Valley (II)	11	10	10	0.0	-9.1	0.0	7.4	7.2	7.3
5 Central Luzon (III)	18	17	13	5.9	-5.6	-23.5	12.1	12.3	9.5
6 CALABARZON (IV-A)	29	30	29	-3.3	3.4	-3.3	19.5	21.7	21.2
7 MIMAROPA (IV-B)	5	5	5	0.0	0.0	0.0	3.4	3.6	3.6
8 Bicol Region (V)	14	14	14	7.7	0.0	0.0	9.4	10.1	10.2
9 Western Visayas (VI)	10	9	9	0.0	-10.0	0.0	6.7	6.5	6.6
10 Central Visayas (VII)	12	9	10	-7.7	-25.0	11.1	8.1	6.5	7.3
11 Eastern Visayas (VIII)	2	2	2	0.0	0.0	0.0	1.3	1.4	1.5
12 Zamboanga Peninsula (IX)	8	7	7	-11.1	-12.5	0.0	5.4	5.1	5.1
13 Northern Mindanao (X)	6	6	6	-14.3	0.0	0.0	4.0	4.3	4.4
14 Davao Region (XI)	6	6	8	0.0	0.0	33.3	4.0	4.3	5.8
15 SOCCSKSARGEN (XII)	3	3	3	0.0	0.0	0.0	2.0	2.2	2.2
16 Caraga	6	5	4	0.0	-16.7	-20.0	4.0	3.6	2.9
17 BARMM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of Microfinance loans is based on the banks' Head Office locations. These amounts do not reflect the actual Microfinance loans transactions made in a specific region.

Microfinance network slows slightly but lending inched up

Nonetheless, the total loans extended by banks to microfinancing activities inched up by 1.8 percent in 2022. The regions which registered positive performances during the period were the Ilocos Region (71.0 percent), NCR (18.6 percent) and Central Luzon (16.2 percent). Meanwhile, those that recorded significant declines in microfinance loans in 2022 were Davao

TABLE 19. MICROFINANCE LOANS

In million pesos

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	26,605.38	27,704.27	28,199.61	-2.5	4.1	1.8	100.0	100.0	100.0
1 NCR	4,007.99	4,817.85	5,714.94	-7.5	20.2	18.6	15.1	17.4	20.3
2 CAR	0.84	0.69	0.80	8.2	8.4	15.8	0.0	0.0	0.0
3 Ilocos Region (I)	4.04	6.46	11.04	-10.6	59.9	71.0	0.0	0.0	0.0
4 Cagayan Valley (II)	121.71	113.74	106.38	14.7	-6.5	-6.5	0.5	0.4	0.4
5 Central Luzon (III)	277.80	256.96	298.66	-13.7	-7.5	16.2	1.0	0.9	1.1
6 CALABARZON (IV-A)	19,671.28	19,729.72	19,259.90	4.3	0.3	-2.4	73.9	71.2	68.3
7 MIMAROPA (IV-B)	15.96	15.55	16.25	-2.9	-2.6	4.4	0.1	0.1	0.1
8 Bicol Region (V)	416.06	422.18	380.56	-13.9	1.5	-9.9	1.6	1.5	1.3
9 Western Visayas (VI)	847.86	688.74	782.30	-13.4	-18.8	13.6	3.2	2.5	2.8
10 Central Visayas (VII)	222.17	164.74	166.25	-26.6	-25.9	0.9	0.8	0.6	0.6
11 Eastern Visayas (VIII)	19.24	20.03	19.12	-12.9	4.1	-4.5	0.1	0.1	0.1
12 Zamboanga Peninsula (IX)	124.65	616.11	693.85	-85.5	394.3	12.6	0.5	2.2	2.5
13 Northern Mindanao (X)	200.74	137.50	114.68	-36.2	-31.5	-16.6	0.8	0.5	0.4
14 Davao Region (XI)	128.01	134.09	64.36	-15.7	4.7	-51.9	0.5	0.5	0.2
15 SOCCSKSARGEN (XII)	255.11	350.93	376.58	13.2	37.6	7.3	1.0	1.3	1.3
16 Caraga	292.11	228.99	193.73	-5.2	-21.6	-15.4	1.1	0.8	0.7
17 BARMM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of Microfinance loans is based on the banks' Head Office locations. These amounts do not reflect the actual Microfinance loans transactions made in a specific region.

Region (-51.9 percent), Northern Mindanao (-16.6 percent) and Caraga (-15.4 percent). CALABARZON continued to lead in terms of having the biggest share to total of microfinance loans with 68.3 percent, followed by NCR (20.3 percent) and Western Visayas (2.8 percent).

MSMEs. On a nationwide basis, the number of banks with MSME loans slid slightly by 2.1 percent in 2022. The regions with the biggest declines registered during the period were Caraga (-16.7 percent), CAR (-13.3 percent) and SOCCSKSARGEN (-10.0 percent). The total amount of loans extended to MSMEs recovered with a growth of 6.6 percent in 2022, coming from the 9.8 percent decline in 2021. The regions with the largest growth rates registered during the period were Davao Region (28.5 percent), Northern Mindanao (21.9 percent) and MIMAROPA (19.4 percent). NCR continued to lead in terms of having the biggest share to total loans extended to the MSMEs, with 86.8 percent, followed by CALABARZON (3.9 percent) and Central Luzon (2.3 percent).

TABLE 20. BANKS WITH MICRO, SMALL, AND MEDIUM ENTERPRISES LOANS
No. of banks

REGION	2020	2021	2022	Growth Rate			Share to total		
				2020	2021	2022	2020	2021	2022
PHILIPPINES	492	467	457	0.4	-5.1	-2.1	100.0	100.0	100.0
1 NCR	60	59	57	0.0	-1.7	-3.4	12.2	12.6	12.5
2 CAR	14	15	13	0.0	7.1	-13.3	2.8	3.2	2.8
3 Ilocos Region (I)	33	32	30	0.0	-3.0	-6.3	6.7	6.9	6.6
4 Cagayan Valley (II)	26	25	25	4.0	-3.8	0.0	5.3	5.4	5.5
5 Central Luzon (III)	70	70	68	-1.4	0.0	-2.9	14.2	15.0	14.9
6 CALABARZON (IV-A)	85	84	83	-3.4	-1.2	-1.2	17.3	18.0	18.2
7 MIMAROPA (IV-B)	22	20	20	15.8	-9.1	0.0	4.5	4.3	4.4
8 Bicol Region (V)	20	19	19	5.3	-5.0	0.0	4.1	4.1	4.2
9 Western Visayas (VI)	43	40	39	0.0	-7.0	-2.5	8.7	8.6	8.5
10 Central Visayas (VII)	36	30	29	-7.7	-16.7	-3.3	7.3	6.4	6.3
11 Eastern Visayas (VIII)	14	12	13	7.7	-14.3	8.3	2.8	2.6	2.8
12 Zamboanga Peninsula (IX)	13	13	13	-7.1	0.0	0.0	2.6	2.8	2.8
13 Northern Mindanao (X)	24	20	21	9.1	-16.7	5.0	4.9	4.3	4.6
14 Davao Region (XI)	13	12	13	8.3	-7.7	8.3	2.6	2.6	2.8
15 SOCCSKSARGEN (XII)	10	10	9	0.0	0.0	-10.0	2.0	2.1	2.0
16 Caraga	8	6	5	0.0	-25.0	-16.7	1.6	1.3	1.1
17 BARMM	1	N/A	N/A	N/A	N/A	N/A	0.2	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of MSME loans is based on the banks' Head Office locations. These amounts do not reflect the actual MSME transactions made in a specific region.

Loans to MSMEs recovered

TABLE 21. MICRO, SMALL, AND MEDIUM ENTERPRISES LOANS

In million Pesos

REGION	2020			2021			2022			Growth Rate			Share to total		
	2020	2021	2022	2020	2021	2022	2020	2021	2022	2020	2021	2022			
PHILIPPINES	513,278.38	463,119.76	493,502.41	-11.4	-9.8	6.6	100.0	100.0	100.0						
1 NCR	452,994.63	403,203.37	428,509.93	-13.4	-11.0	6.3	88.3	87.1	86.8						
2 CAR	1,356.32	1,594.40	1,660.74	23.6	17.6	4.2	0.3	0.3	0.3						
3 Ilocos Region (I)	2,405.80	2,621.68	2,586.24	0.4	9.0	-1.4	0.5	0.6	0.5						
4 Cagayan Valley (II)	3,157.54	3,119.20	3,263.94	3.5	-1.2	4.6	0.6	0.7	0.7						
5 Central Luzon (III)	9,599.80	10,134.63	11,116.28	-0.3	5.6	9.7	1.9	2.2	2.3						
6 CALABARZON (IV-A)	16,366.48	17,881.01	19,300.07	-3.3	9.3	7.9	3.2	3.9	3.9						
7 MIMAROPA (IV-B)	874.45	922.44	1,101.37	123.8	5.5	19.4	0.2	0.2	0.2						
8 Bicol Region (V)	1,680.51	1,507.63	1,400.42	16.9	-10.3	-7.1	0.3	0.3	0.3						
9 Western Visayas (VI)	2,888.00	2,674.68	2,767.50	-2.3	-7.4	3.5	0.6	0.6	0.6						
10 Central Visayas (VII)	5,888.40	5,578.10	5,182.92	-12.0	-5.3	-7.1	1.1	1.2	1.1						
11 Eastern Visayas (VIII)	317.27	291.24	311.36	13.8	-8.0	6.7	0.1	0.1	0.1						
12 Zamboanga Peninsula (IX)	587.31	1,254.93	1,429.79	-57.7	113.7	13.9	0.4	0.3	0.3						
13 Northern Mindanao (X)	3,141.72	3,168.98	3,363.07	33.9	0.9	21.9	0.6	0.7	0.8						
14 Davao Region (XI)	9,039.55	6,372.55	8,188.08	82.5	-29.5	28.5	1.8	1.4	1.7						
15 SOCCSKSARGEN (XII)	1,633.28	1,914.11	2,268.97	3.7	17.2	18.5	0.3	0.4	0.5						
16 Caraga	1,344.35	880.30	551.73	4.8	-34.5	-37.3	0.3	0.2	0.1						
17 BARMM	2.97	N/A	N/A	N/A	N/A	N/A	0.0	N/A	N/A						

Source: DSA-FSS-BSP

Note: Regional aggregation of MSME loans is based on the banks' Head Office locations. These amounts do not reflect the actual MSME transactions made in a specific region.

Agri-Agra. The total amount of loans mandated by law to be extended into the agriculture and agrarian reform sectors increased by 7.4 percent y-o-y based on latest available data as of 30 June 2022. The regions with the highest growth rates registered as of end-June 2022 were Central Visayas (34.0 percent), Davao Region (20.1 percent) and Zamboanga Peninsula (16.7 percent). NCR remains as the region having the highest share to total loans extended to the Agri-Agra sector, with 95.6 percent, followed by CALABARZON (1.0 percent) and Central Visayas (0.8 percent).

TABLE 22. BANKS WITH AGRI-AGRA LOANS
No. of banks for periods indicated

REGION	2020				2021				2022				Growth Rate				Share to total			
	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22				
PHILIPPINES	479	453	487	466	-4.2	-5.4	-4.3	100.0	100.0	100.0										
1 NCR	62	59	62	63	5.1	-4.8	1.6	12.9	13.0	13.5										
2 CAR	14	14	14	15	7.7	0.0	7.1	2.9	3.1	3.2										
3 Ilocos Region (I)	32	32	33	31	-11.1	0.0	-6.1	6.7	7.1	6.7										
4 Cagayan Valley (II)	26	26	27	27	0.0	0.0	0.0	5.4	5.7	5.8										
5 Central Luzon (III)	69	69	71	67	-4.2	0.0	-5.6	14.4	15.2	14.4										
6 CALABARZON (IV-A)	83	81	85	82	-8.8	-2.4	-3.5	17.3	17.9	17.6										
7 MIMAROPA (IV-B)	21	20	21	20	5.0	-4.8	-4.8	4.4	4.4	4.3										
8 Bicol Region (V)	18	18	19	19	-5.3	0.0	0.0	3.8	4.0	4.1										
9 Western Visayas (VI)	43	38	42	40	-4.4	-11.6	-4.8	9.0	8.4	8.6										
10 Central Visayas (VII)	34	27	35	30	-5.6	-20.6	-14.3	7.1	6.0	6.4										
11 Eastern Visayas (VIII)	15	13	15	12	0.0	-13.3	-20.0	3.1	2.9	2.6										
12 Zamboanga Peninsula (IX)	12	12	13	13	-20.0	0.0	0.0	2.5	2.6	2.8										
13 Northern Mindanao (X)	22	19	23	22	-8.3	-13.6	-4.3	4.6	4.2	4.7										
14 Davao Region (XI)	10	10	11	11	0.0	0.0	0.0	2.1	2.2	2.4										
15 SOCCSKSARGEN (XII)	9	10	9	9	-10.0	11.1	0.0	1.9	2.2	1.9										
16 Caraga	8	5	6	5	0.0	-37.5	-46.7	1.7	1.1	1.1										
17 BARMM	1	0	1	0	0.0	-100.0	-100.0	0.2	0.0	0.0										

Source: DSA-FSS-BSP

Note: Regional aggregation of Agri-Agra Loans is based on the banks' Head Office locations. These amounts do not reflect the actual Agri-Agra transactions made in the specific region.

⁸ Republic Act No. 11901 (R.A. no. 11901) otherwise known as the Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022, lapsed into law on 28 July 2022, repealed R.A. No. 10000 or the Agri-Agra Reform Credit Act of 2009,

Meanwhile, the total number of banks extending loans to the Agri-Agra sectors dipped by 4.3 percent and numbered 466 as of 30 June 2022, compared to 487 banks as of 30 June 2021. Top regions with banks extending these loans as of 30 June 2022 were CALABARZON (17.1 percent), Central Luzon (14.0 percent) and NCR (13.2 percent).

Mandated loans to Agri-Agra activities increased while the number of banks engaged with these sectors dipped⁸

TABLE 23. AGRI-AGRA LOANS

In million Pesos

REGION	2020				2021				2022				Growth Rate				Share to total			
	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22	2020	2021	30-Jun-21	30-Jun-22				
PHILIPPINES	713,599.45	851,755.03	789,658.38	847,957.70	-2.8	19.4	7.4	100.0	100.0	100.0										
1 NCR	681,929.47	815,000.85	753,738.82	810,748.62	-2.0	19.5	7.6	95.6	95.7	95.6										
2 CAR	783.92	871.95	818.19	938.79	-3.3	11.2	14.7	0.1	0.1	0.1										
3 Ilocos Region (I)	1,837.79	1,966.94	1,906.22	2,086.44	1.3	7.0	9.5	0.3	0.2	0.2										
4 Cagayan Valley (II)	4,452.87	4,680.30	4,568.71	4,627.55	-6.8	5.1	1.3	0.6	0.5	0.5										
5 Central Luzon (III)	4,487.59	4,924.96	4,709.49	4,886.48	-23.7	9.7	3.8	0.6	0.6	0.6										
6 CALABARZON (IV-A)	5,511.05	10,215.36	9,479.12	8,451.74	-42.7	85.4	-10.8	0.8	1.2	1.0										
7 MIMAROPA (IV-B)	726.61	735.08	721.76	689.95	11.9	12	-4.4	0.1	0.1	0.1										
8 Bicol Region (V)	1,016.29	1,022.97	1,053.53	953.67	23.8	0.7	-9.7	0.1	0.1	0.1										
9 Western Visayas (VI)	2,088.40	2,096.00	2,155.06	2,281.77	-4.3	0.4	5.9	0.3	0.2	0.3										
10 Central Visayas (VII)	5,033.75	4,940.72	4,767.19	4,388.12	-6.6	-1.8	-34.0	0.7	0.6	0.8										
11 Eastern Visayas (VIII)	246.58	236.74	255.98	248.64	1.2	-4.0	-2.9	0.0	0.0	0.0										
12 Zamboanga Peninsula (IX)	365.09	610.97	595.37	694.87	-38.9	67.3	16.7	0.1	0.1	0.1										
13 Northern Mindanao (X)	2,271.50	2,189.24	2,304.58	2,432.73	4.7	-3.6	5.6	0.3	0.3	0.3										
14 Davao Region (XI)	1,005.54	944.63	973.64	1,169.82	1.6	-6.1	20.1	0.1	0.1	0.1										
15 SOCCSKSARGEN (XII)	1,085.56	991.58	1,034.40	1,031.45	0.1	-8.7	-0.3	0.2	0.1	0.1										
16 Caraga	752.77	317.24	569.78	327.07	-31.0	-57.9	-42.6	0.1	0.0	0.0										
17 BARMM	4.67	-	4.52	-	-	-7.4	N/A	N/A	0.0	N/A	N/A									

Source: DSA-FSS-BSP

Note: Regional aggregation of Agri-Agra Loans is based on the banks' Head Office locations. These amounts do not reflect the actual Agri-Agra transactions made in the specific region.

BSP Regional Offices and Branches' Operations

Currency Shipments to BSP Regional Offices and Branches (ROBs). Total currency shipments to BSP ROBs increased in 2022 by 0.7% percent, reaching ₱430.6 billion from ₱427.6 billion recorded in 2021. The slight rise in currency shipments in 2022 was mainly due to the strong demand for cash to support “revenge” spending activities by the public, as social and economic

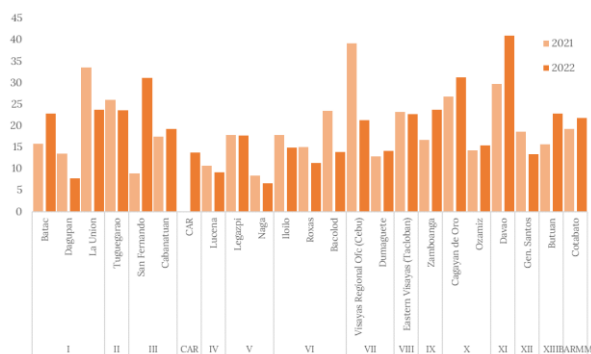
and has institutionalized a framework that is more responsive to the financing needs of farmers, fisherfolk, and agri-based micro, small, and medium enterprises (MSMEs).

Key Regional Developments

restrictions eased during the year. The stronger demand for cash can also be attributed to election-related spending following the conduct of the national elections in May 2022. Main contributors to the growth in cash shipments were San Fernando (250.9 percent), Butuan (45.1 percent), Batac (43.6 percent), Zamboanga (41.9 percent), and Davao (38.0 percent).

Declines in currency shipments were

CHART 15. CURRENCY SHIPMENTS
In billion Pesos, by region and BSP ROBs



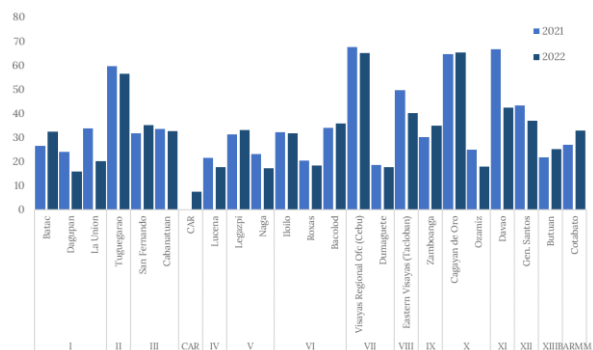
recorded in 12 jurisdictions, largely from the Visayas Regional Office (-45.8 percent), Dagupan (-42.2 percent), Bacolod (-40.6 percent), La Union (-29.4 percent), and General Santos (-27.8 percent). The downward trend in the currency requirements in these ROBs was due to the implementation of the Cash Service Alliance (CSA) program, which enable banks to service and source fit currency requirements to/from other banks, and the accelerated use of digital modes of payment. Some areas covered by La Union Branch, in particular, were transferred to the North Luzon Regional Office starting 2022.

In 2022, around 34 percent of the BSP's currency shipments were traced from Davao (9.2 percent of the total), Cagayan de Oro (7.1 percent), San Fernando (7.0

percent), La Union (5.4 percent), and Zamboanga (5.3 percent).

Currency Withdrawals by banks from BSP ROBs. Total currency withdrawals by banks from BSP ROBs dropped by 6.9 percent to ₱734.5 billion in 2022 from ₱788.8 billion in 2021, mainly caused by the expanded participation of banks in the use of the CSA facility and the increased use of digital modes of payment by the public. In particular, the

CHART 16. CURRENCY WITHDRAWALS
In billion Pesos, by region and BSP ROBs



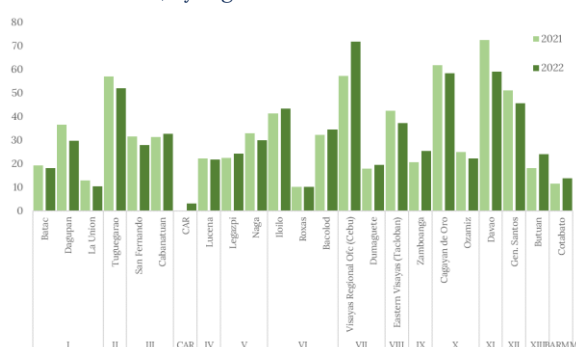
declines in the currency withdrawals in Davao (-36.3 percent), La Union (-40.3 percent), Eastern Visayas (Tacloban) (-19.2 percent), Dagupan (-33.9 percent), and Ozamiz (-27.8 percent) ROBs contributed mostly to the decline in total currency withdrawals in 2022. Withdrawals in La Union branch specifically declined due to the opening of the BSP North Luzon Regional Office, which serviced the cash requirement of commercial banks located in the Cordillera Autonomous Region.

Some ROBs recorded growth in currency withdrawals in 2022, although not that significant to offset the total decline in withdrawals. The recorded increments in currency withdrawals in Cotabato (21.9 percent), Batac (21.6 percent), Butuan (16.01), Zamboanga (15.9 percent), and San Fernando (10.8 percent) were mainly

due to the increased economic and business activities in their respective jurisdictions as well as the cash demand for the national and local elections during the year.

Currency Deposits by banks to BSP ROBs. Currency deposits by banks to BSP ROBs likewise declined in 2022 by 1.7 percent, amounting to ₱718.2 billion, from the recorded ₱730.5 billion in 2021. While the drop was experienced in several ROBs, the overall decline in currency deposits were mostly contributed by Davao (-18.5 percent), Dagupan (-18.5 percent), General Santos (-10.5 percent), Eastern Visayas (-12.6 percent), and Tuguegarao (-8.5 percent). The participation of banks in the CSA and the higher usage of digital transactions and interbank currency exchange/cash assistance outside the CSA platform, were some factors that led to the decline in currency deposits.

CHART 17. CURRENCY DEPOSITS
In billion Pesos, by region and BSP ROBs



Meanwhile, the resumption of domestic activities, the easing of COVID-19 restrictions, as well as the conduct of local and national elections in 2022 led to the increase in currency deposits in some BSP ROBs. Butuan (32.9 percent), Visayas Regional Office (25.5 percent), Zamboanga (22.9 percent), and Cotabato (20.9 percent) posted double-digit

increases in currency deposits in 2022. Around half (51.3 percent) of the total currency deposits by banks in 2022 were in the Visayas Regional Office, Davao, Cagayan de Oro, Tuguegarao, General Santos, Iloilo, and Eastern Visayas.

Currency Retirement by BSP ROBs. Currency retirement increased by 8.6 percent amounting to ₱402.5 billion in 2022. The increase was brought about by the significant growth in currency retirement by the following BSP ROBs: Davao (62.5 percent), Zamboanga (55.5 percent), Cabanatuan (38.6 percent), Iloilo (27.9 percent), and Butuan (26.2 percent). Although there was a moderate increase in the value of retired currencies, in terms of volume, currency retirement increased by merely 0.12% which suggests that there were more high-denominated unfit currencies deposited in 2022 than in 2021.

CHART 18. CURRENCY RETIREMENT
In billion Pesos, by region and BSP ROBs



Opportunities and Challenges

CAR

CORDILLERA ADMINISTRATIVE REGION

Opportunities

- Intensification of the agriculture and agri-business modernization to enhance the productivity of the agriculture sector.
- Installation of adequate cold storage facilities, development of new products, and purchase of agricultural insurance to increase farm productivity, add value to agricultural products, and protect the agricultural sector against shocks and losses.
- Prioritization of the DA's swine repopulation program since the region is one of the most heavily impacted by ASF.
- Expected improvement in the transparency of the region's small-scale mining industry with the increasing number of *Minahang Bayans* registered and the BSP's gold-buying operations.
- Operation of direct flights to and from Cebu at the Baguio City airport and opening of additional exits in the Tarlac - Pangasinan - La Union Expressway (TPLEX) made the region more accessible.
- Establishment of the BSP North Luzon office in Baguio City, which will ease the delivery of services to the region's banking sector and gathering of regional economic and financial data. This will also facilitate the implementation of programs aimed at improving financial inclusivity, such as the PalengQR-Ph Program.

Challenges

- Need to update the Small-Scale Mining Act and scale up the approval of *Minahang Bayans* in CAR.
- Alignment of skills provided by education and training institutes with those needed by the production sector and build on emerging industries such as the innovation and knowledge industry.

Region 1

ILOCOS REGION

Opportunities

- Implementation of the Rice Competitiveness Enhancement Fund (RCEF), which will help rice farmers in the region increase income through yield improvement, cost reduction, lowering of postharvest losses, and rice-value addition.
- Modernization of agriculture and agri-business through farm mechanization, research and development, and enhancement of inter-industry linkages which will create and diversify higher value products.
- Implementation of the DA's Community-Based Swine Production and Calibrated Repopulation in areas previously affected by ASF.
- Improved road infrastructure network with the TPLEX and other road improvements as well as the overall good performance of the four provinces of the region in the Cities and Municipalities Competitiveness Index (CMCI) boost tourism activities and could attract more businesses.

Challenges

- Significant losses in the agricultural sector due to typhoons.
- Persisting threat of ASF until a vaccine becomes available.
- Impact of climate change on the region's tobacco, palay, and other crop production.

Region 2

CAGAYAN VALLEY

Opportunities

- Implementation of the Chico River Pump Irrigation Project which will help farmers in affected areas extend their planting cycle.
- Construction and maintenance of flood control structures, rechanneling and removal of sandbars, and conduct of feasibility study of cut-off channel to reduce the destructive effects of flooding in the affected areas.
- Completion of the Cagayan Valley Regional Development Plan 2023-2028, which lays down strategies in pursuing the priorities of the present administration, such as the modernization of agriculture and Agri-business, revitalization of the industry sector and reinvigoration of the services sector.
- More optimistic business outlook in the region in 2023 based on the BSP's Business Expectations Survey.
- Implementation of the following infrastructure projects will help improve transportation, tourism, businesses, and the provision of services:
 - Construction and improvement of access roads leading to:
 - a) trade, industries and economic zones under the Roads Leveraging of Linkages of Industry and Trade (ROLL-IT) Program;
 - b) declared tourism destinations under the Tourism Road Infrastructure Program (TRIP); and
 - c) airports and seaports.
 - Construction of bridges in Camalaniuan, Amulung, Pinacanauan, Itawes Bridge, Siffu, and Naguilian.
 - Construction of the Cordon Bypass Road, Cauayan City Alternate Route, Tuguegarao City West Diversion Road, Tumauni Bypass Road, Tuguegarao-Enrile and the Tuguegarao-Solana Diversion Roads, Santiago City Circumferential Road, Bambang Bypass Road, Diadi-Cordon-Ramon Road, and Bayombong - Quezon - Bagabag Road.

Challenges

- Impact of El Niño on the agriculture and fishery sector.
- Presence of the Avian Flu in the region, affecting chicken production.
- Threat of the Anthrax disease affecting carabao production as the DA confirmed cases in the Province of Cagayan in December 2022.

Region 3

CENTRAL LUZON

Opportunities

- Construction of farm-to-market roads (FMRs), expansion of irrigation systems, and establishment of post-harvest facilities to modernize the agriculture sector.
- Increase of agriculture sector budget for the region 39.2 percent (from ₱112 billion to ₱163.75 billion in 2023).
- Provision of financial assistance to agriculture workers to increase productivity, such as Fertilizer Discount Voucher and the Rice Competitiveness Enhancement Fund - Rice Farmers Financial Assistance program.
- Distribution of hybrid corn seeds, fuel discount vouchers, heads of piglets, as well as provision of financing aid to farmers.
- Turn over of an automated drip system to the Sustainable Mechanized Agriculture for Research and Technology (SMART) Agriculture Center of Tarlac Agricultural University (TAU) from MASHAV, Israel's official international development cooperation program.
- Opening of the Bayang-bayang irrigation pipeline system in Carranglan, Nueva Ecija to ensure survival of forest plantations and provide sustainable livelihood to locals.
- Possible availability of vaccine for ASF.
- Completion of a post-harvest facility for Cupang West Multipurpose Cooperative (CWMP) in Bataan, to help prevent rice quality degradation, reducing losses between harvest and consumption.
- Completion of a cold storage facility for onion farmers in Palayan City, Nueva Ecija
- Development of a design plan to curb flooding in Pampanga and Bulacan.
- Various investments in Bulacan worth ₱7.2 billion pesos:
 - Facility expansion project of Eagle Cement Corporation
 - Facility for Team Philippines Renewable Energy Corporation, a manufacturing firm.
 - Real estate projects of Raemulan Lands Inc.
 - Business Processing Outsourcing investment by Concentrix Daksh Services Philippines Corporation.
- Establishment of Northwin Global City, the first Central Business District in Bulacan, which is expected to create 25,000 jobs initially.
- Implementation of smart mobility solutions in New Clark City's public transportation system.
- Launch of the *Pambansang Pabahay Para sa Pilipino* program of Department of Human Settlements and Urban Development (DHSUD)'s pilot site in Palayan City, Nueva Ecija.
- Participation of the local governments of Apalit, Masantol, and Minalin in the Foreign Seasonal Workers Program of Yeongam City in Jeollanam-Do province, South Korea which will provide high-quality jobs to workers in Pampanga.
- Continuous modernization of the Clark International Airport.
- Increase of the *Bayanihan Bulakenyo* Financing Program fund, which intends to support Micro, Small and Medium Enterprises (MSMEs).
- Construction of three interchanges that will allow motorists from the secondary and provincial roads to access the Central Luzon Link Expressway (CLLEX), an east-west link of the expressway network in the region.

Challenges

- Recorded cases of ASF in the region.
- Agriculture sector issues such as impact of climate change, natural calamities, aging farmers, re-occurrence of animal diseases, and the unavailability of sentinel animals.
- Ban on mining, quarrying, and other extractive operations in Bulacan.

Region 4-A

CALABARZON

Opportunities

- Proposed enactment of the Urban Agriculture Law that will encourage non-traditional farming systems such as vertical farming which will help improve productivity in AFF and contribute to food security.
- Expediting the distribution of ASF vaccines.
- Provision of biosecurity measures to control the possible ASF outbreak.
- Extension of EO No. 10, s. of 2022, or the Customs Modernization and Tariff Act, until the end of 2023 that will reduce import rates on pork, rice, corn, and coal.
- Strengthening the buffer stocking of rice and other basic food items that will address supply shortages particularly during extreme weather condition.
- Continued support for innovation for MSMEs and accelerating their digitalization through the provision of fiscal incentives and financing guarantee facilities.
- Development of tourism circuits and enhancement of tourism development plans.

Challenges

- Need to provide new technologies, assistance in market linkages such as the expansion of the DA's KADIWA, and the development of agriculture value chains.
- Insufficient government programs/projects for other sectors with the potential for expansion such as information and communication, real estate and ownership of dwellings, and transportation and storage.
- Prioritization of the creation and adoption of more climate and disaster-resilient technologies and early warning systems to temper losses in the climate-vulnerable sectors
- Need to accelerate growth in manufacturing sector, as it remains to be export-oriented, by strongly supporting beneficial trade policies such as the Regional Comprehensive Economic Partnership Agreement, which will allow for higher investments and wider market access.
- Need to strengthen investment facilitation and promotion activities, particularly developing industries .

Region 4-B

MIMAROPA

Opportunities

- Availability of a livestock program in the region which caters to requests for livestock livelihood assistance projects.
- Continuous animal disease surveillance and monitoring and support on semen straws (frozen semen) for distribution for genetic improvement of cattle.
- Provision of technical assistance to farmers on animal health and other services offered.
- Implementation of the Regional Seaweed Development Program (RSDP) to investigate the priority concerns, issues, and problems of the seaweed industry.
- Higher budget for public housing sector to address housing needs.
- Well-managed population growth, as MIMAROPA's population has seen a steady decrease of young dependents age group 0-14.
- Return of the region's economy to its pre-pandemic trajectory.
- Recovery of the tourism industry to mitigate poverty.
- Implementation of the Philippine Innovation Act that will shape the future of innovation in the region.

Challenges

- Impact of natural disasters on unemployment in the agriculture sector.
- Effects of the oil spill incident in Oriental Mindoro.
- Onset of El Niño.
- Access to health care services remains a persisting concern in the region.
- Digital/Smart technology and demand for ICT services will continue to increase.
- Worsening poverty incidence in the region due to the pandemic.
- Accumulated public housing needs. In MIMAROPA, housing needs reach an estimated 280,094 units as of 2022.
- High power rates and frequent outages in the region
- Limited and intermittent internet connectivity in the region.

Region 5

BICOL REGION

Opportunities

- Increase of local farm produce will be through the Masagana Rice Program.
 - Establishment of more production gardens, seed and planting materials distribution.
 - Implementation of small-scale irrigation projects, and the launching of Gulayan Sa Barangay.
 - Local feed development and implementation of the hog repopulation program of the DA will be done to improve livestock and poultry production.
 - Developments in the fisheries/aquaculture sector:
 - Distribution of fiberglass-reinforced plastic (FRP) boats/fishing gears/paraphernalia.
 - Maintenance of BFAR5 Technology Outreach Stations (TOS) and hatcheries.
 - Repair of BFAR technology outreach stations to improve productivity.
 - Distribution of Fingerlings
 - Post-harvest initiatives in the fisheries sector:
 - Conduct of market monitoring, trade fairs and enterprise development.
 - Provision of infrastructure and extension support services.
 - Monitoring and inspection of processing establishments.
 - Product development/ improvement and marketing services.
- Operation of Regional Fisheries Training Centers, provision of trainings and technical assistance, IEC campaigns
- The wide exposure of Bicol destinations, product offerings, and service packages is anticipated to bring more income and job opportunities for Bicolanos.
 - Implementation and/or completion of big-ticket infrastructure projects in the region:
 - Philippine National Railways South Long Haul Project
 - Camarines Sur Expressway Project
 - Pasacao-Balatan Tourism Coastal Highway Project)
 - Operationalization of Bicol International Airport's inbound and outbound international flights
 - Adoption of the National Strategy for Financial Inclusion 2022-2028 and programs supportive of the commercialization of innovative technologies and expansion of digital payment acceptance in the region, and construction of more educational facilities.
 - Empowerment of registered fisherfolk multi-purpose cooperatives and associations to enhance access to financial services and livelihood opportunities.
 - Restoration of fishery habitats (mangroves, sea grasses, coral reefs, wetland & inland bodies of water) through science-based management, protection and rehabilitation in collaboration with LGUs, NGAs, fisherfolk groups, NGOs and other stakeholders.
 - Institutionalization of the Fisheries Management Areas (FMAs)

Challenges

- Weather and other natural disturbances
- High cost of agricultural inputs
- Recurrence of ASF and the presence of pest and disease on crops
- Power outages and water interruption
- Poor Internet and cellular connection/ services
- Limited health care services and facilities
- Implementation problems in 44 out of the 346 projects under the monitoring of the Regional Development Council due to reasons such as: i) non-issuance of permit to cut trees; ii) obstruction caused by existing electric posts, water pipelines, and communication poles; iii) right-of-way problems; iv) revision of plans
- Below average wages and limited employment opportunities in Masbate
- Insurgency problems/ NPA encounter
- Limited domestic flights in Masbate

Region 6

WESTERN VISAYAS

Opportunities

- Ongoing construction of Jalaur River Multipurpose Project Stage II (JRMP II) in Calinog, Iloilo, the biggest irrigation project in Iloilo and the first large-scale water reservoir constructed outside Luzon.
- Proposed establishment of agri-processing facilities in the countryside.
- Ample space available to produce high value commercial crops in the region.
- Diversification and improving production and productivity for crops like banana, coffee, cacao, and lowland vegetables.
- Development of information and education materials on the adoption of newer and better agriculture and fishery technologies by the DA and BFAR to enhance farmers' access to market information.
- Continuous facilitation by the DA on the use of farm and fishery machinery and equipment and distribution of hybrid seedlings.
- Construction of FMRs, bridges and needed infrastructure and port facilities in the region
- Presence of 28 IT Centers (17 in Bacolod City, 10 in Iloilo City and 1 in Kalibo, Aklan) and 12 IT Parks (4 in Iloilo City, 1 in Roxas City, and 7 in Bacolod City) in the region per PEZA list.
- High demand for housing in Western Visayas.
- Proposed infrastructure projects:
 - Panay-Guimaras-Negros Bridge, which is expected to be completed in 2030
 - Panay River Basin, which aims to address the perennial flooding in Capiz through the construction of a dam or reservoir
 - Iloilo-Capiz-Aklan Expressway (ICAEx) with a long-span bridge traversing 20 municipalities along Iloilo, Capiz, and Aklan
- Ongoing construction of Bacolod-Negros Occidental Economy Highway and Boracay Circumferential Road.
- Major rehabilitation and improvement of Iloilo Fish Port Complex.
- Completion and commercial operation of Timbaban Hydropower Plant.
- Proposed establishment of international port and industrial zone in Iloilo.
- Development of industrial estates in Culasi, Hamtic, Sibalom and Pandan in Antique.
- Construction of Northern Iloilo Corridor along San Dionisio and Concepcion, Iloilo for manufacturing activities.
- Proposed manufacturing ecozone in Bacolod City, Negros Occidental.
- Development of the coastal road of Iloilo City to Leganes, Iloilo as aqua-processing zones.

Challenges

- Overfishing and destruction of habitat in some key fishing grounds.
- Low productivity and difficulty of access to markets in rural areas.
- Impact of climate change evident in the perennial flooding of Capiz and Iloilo, and occurrence of rain-induced landslides in Aklan and Negros Occidental.
- Presence of fault lines which makes the region prone to earthquakes and volcanic events.
- Non-adoption by farmers of better and modern technology, lackluster performance of some LGU agriculture offices, and inadequate budget.

Region 7

CENTRAL VISAYAS

Opportunities

- Showcase of six inbred rice varieties and farm mechanization in Bohol by the DA.
- Upcoming construction of a Sugar Workers Training and Livelihood Center (SWLC) in Negros Oriental.
- Aggressive rollout of Globe Telecom in Visayas to provide fast and reliable connectivity.
- Entry of Century Peak Cement Manufacturing Corp. (CPCMC), a new player in the cement industry targeting underserved localities.
- Expansion of Business Process Outsourcing (BPO) companies, with Cebu accounting for 60 percent of the expansions made outside of Metro Manila.
- Full operation of the Cebu-Cordova Link Expressway (CCLEX).
- Conduct of a free intensive business mentorship program under the Kapatid Mentor ME (KMME) – Money Market Encounter (MME) for 48 MSMEs.
- Recovery of tourism as domestic flights at the Mactan-Cebu International Airport (MCIA) have returned to 86 percent, while international traffic is expected to achieve its pre-pandemic levels by the first half of 2023.
- Launch of new domestic and international flight routes at the MCIA.
- Bright prospects for the Cebu property sector, as it remains a preferred destination for business process management firms.

Challenges

- ASF cases in Cebu Province.
- Return of traffic congestion in Cebu City and neighboring cities to pre-pandemic levels.

Region 8

EASTERN VISAYAS

Opportunities

- Near-completion of 2 packages of Pinipisakan Irrigation Project (PIP), which will irrigate 2,000 hectares of farmlands and benefit 430 farmers.
 - Turn over of a purse seine fishing vessel to members of Northern Samar Pacific Towns Fishermen's Cooperative (NSPTFC) for tuna fishing.
 - Turn over of World Bank-funded Philippine Rural Development Project (PRDP) livelihood projects in Northern Samar.
 - Planned rehabilitation of the 60-year-old Tingib Dam of the Binahaan River Irrigation System in Pastrana, Leyte.
 - Provision of 30 units of locally-developed technology multi-purpose grains solar speed drying trays to some rice farmers in Northern Samar.
 - Construction of a World Bank-funded FMR in Maasin City, Southern Leyte Province, which will benefit at least 4,630 residents.
 - Provision of a livelihood package to 2 Farmers' Associations in Albuera, Leyte, which will train members on the production of chicken and bananas (*lakatan*).
 - Planned renovation the 6.1-hectare Leyte Park Hotel complex by the City Government of Tacloban City, which is expected to create at least 2,000 jobs.
- Conduct of workshop for the implementation of the Strengthening Disaster Resilience and Risk Mitigation through Ecosystem-based Planning and Adaptation (E4DR) Project.
- Creation of a task force for the proposed ₱10-billion Eastern Visayas Metro Railway System (EVMRS) in the islands of Samar and Leyte in 2026.
 - On-going feasibility study on the construction of the second bridge linking Leyte and Samar, an alternative to the San Juanico Bridge.
 - Ongoing rehabilitation of the DZR Airport in Tacloban City which will elevate its status from a major domestic airport to an international airport by 2025.
 - Proposed conversion of a 150-hectare eco-park in Ormoc City into a megacity under the City's 20-year development plan.
 - Receipt of grant for the construction of solar power plants funded by the European Union (EU) to 2 electric cooperatives in Samar.
 - Ongoing completion of 14 Super Health Centers in Eastern Visayas in 2023.
 - Endorsement of at least 5 FMRs roads in the region worth ₱725 million under the PRDP of the World Bank.
 - Possible relocation of Catarman Airport to Pambujan in Northern Samar to pave the way for the proposed expansion program.
 - Ongoing concreting of the ₱350-million road project connecting the towns of Dolores and Maslog in Eastern Samar.
- Approval of a resolution addressed to the national government for the immediate repair of the almost 400 km Maharlika Highway in Samar province.

Challenges

- Effect of adverse weather on agricultural production.
- Lingering effects of ASF.
- Presence of Avian Influenza in nearby regions.
- Recurrence of red tide in some coastal waters of Leyte and Samar Provinces.
- Decline in copra price, which affects nearly half of the region's population dependent on coconut.
- Heavy rains of Typhoon Agaton which resulted in deadly landslides killing over 200 people.
- Surge in Hand, Foot and Mouth Disease (HFMD) cases in Eastern Samar and other parts of the region.
- Issues on peace and security due to the upcoming barangay elections.
- Shortage of planting materials to expand plantation of abaca in the region.

Region 9

ZAMBOANGA PENINSULA

Opportunities

- Continuing the Big Brother – Small Brother Partnership, which connected large private corporations to marginalized fisherfolk organizations in Zamboanga Sibugay to increase fisheries production and income. The commercial fishing industry, municipal fishers, BFAR IX, and the local government unit (LGU) collaborate on the effort.
- Implementation of the Climate Resilient Farm Productivity Support (CRFPS) project which concentrates on the recovery, rehabilitation, and reconstruction of farm production activities and livelihoods that have been impacted by or are vulnerable to natural disasters and destruction. This also includes agricultural extension services, the implementation of eco-friendly interventions to rehabilitate farms and restore agricultural extension services, and the provision of farm machinery, equipment, and pre- and post-harvest facilities.
- Improving farmers' and fishers' capacity and promote innovative technologies for sustainable output through technical demonstration stations and other learning locations to solve agri-fisheries skill gaps and introduce new, productive technology.
- Construction of the second SM in Zamboanga Peninsula (Zamboanga City), Robinsons Mall (first in Region IX) in Pagadian City and Gaisano Mall (first in Region IX) in Ipil, Zamboanga Sibugay.
- Drafting of the Zamboanga Peninsula Tourism Development Plan, which envisions that the region will be “a world-renowned destination endowed with natural, historical and cultural treasures, where experiences are enjoyable and holistic, and sustainable tourism is embraced.”
- Launch of the Zamboanga BIMP-EAGA⁹ Business Council- a new chapter of the BIMP-EAGA Business Council (BEBC) Philippines in September 2022. It aims to increase trading activities and investments within the region
- Exceeding the investments target of the region, reaching ₱2.83 billion or 142 percent of the target, which generated jobs and sales within the region.

Challenges

- Issues in the region's salt Industry:
 - Conversion of salt farms to resettlement areas
 - Presence of informal settlers
 - Unpredictable weather conditions
 - Younger generation not interested in salt production.
 - Need to develop other areas in the region for salt production such as abandoned, underdeveloped and underutilized fishpond areas.
- Effect on the fisheries sector of inclement weather and typhoons, as well as the higher cost of inputs, which reduced the sector's productivity.
- Challenges in the implementation of Land Acquisition and Distribution (LAD).
- Frequent floods in Zamboanga City, causing damages to properties, destruction of crops, loss of livestock and disruption in the operations of businesses.
- More initiatives needed to alleviate poverty in Zamboanga del Norte, which has some of the poorest communities in the country.
- Lower exports of cochon oil, one of the region's major products.
- Impact of the pandemic and climate change on the agriculture sector, as well as lack of information campaign for farmers regarding accessing financial and technical support from the government.
- Presence of ASF, coconut scale insect (cocolisap), and avian influenza affecting livestock and poultry production.

⁹ Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN growth area

Region 10

NORTHERN MINDANAO

Opportunities

- Sustained high demand for yellow corn as a component in animal feed production.
- High domestic demand for locally-produced palay.

Challenges

- High input costs for corn and palay production.
- Foreign competition, especially for palay
- Threat of ASF in the region.
- Effect of the coming El Niño
- Impact of high fuel prices on the fishing sector.

Region 11

DAVAO REGION

Opportunities

- Signing of the phytosanitary protocol for fresh durian exports by China and the Philippines, which may bring in \$150 million from durian exports to China.
- Provision of social assistance subsidies, such as the possible extension of the targeted cash transfer (TCT) program, fuel discounts to farmers and fisherfolk, and subsidies for tricycle and PUJ drivers and operators.
- Designation of Davao region as a Tourism and Investment-Ready Destination by RDC 11 is expected to boost tourism and investment and possibly make the region a worldwide logistics hub.
- Completion of the Davao City Coastal Road Project, part of the Davao City Bypass Construction Project and Davao City Expressway Project, which will greatly improve traffic capacity, mobility, and service and accelerate Mindanao's economic and social development.
- Maintaining the region's peace and security situation to attract more visitors and investors.

Challenges

- Impact of adverse climate and ASF on agricultural production.

Region 12

SOCCSKSARGEN

Opportunities

- Pick up of domestic economic activity as the economy reopened.

Challenges

- Unpredictability of the weather due to climate change.

Region 13

CARAGA

Opportunities

- Provision of fuel subsidy for farmers and fisherfolks, unconditional cash transfers to the poorest, and financial subsidy for public utility drivers.
- Receipt of ₱2.3 million worth of farm inputs by IP communities covered by Certificate of Ancestral Domain Title No. 093 to support the IPs' abaca and banana production.
- Release of ₱2.52 million indemnification fund to ASF-affected hog raisers in the municipalities of Cortes and San Miguel in Surigao del Sur and San Francisco and Loreto in Agusan del Sur, hoping to revive the performance of the hog production in the region.
- Approval of the minimum wage increase.
- Construction of approved road projects of the in the region worth ₱2.86 billion:
 - Surigao-Davao Coastal Road
 - Agusan del Norte/Agusan del Sur North-South Lateral Road, La Paz-Loreto Section
 - Butuan City - Agusan del Norte Logistical Highway
- Commencement of the operation of the Port of Masao in Butuan City.
- Endorsement of the proposed budget of ₱153.36 billion for programs, projects and activities by the Caraga RDC. These are programmed for regional priority thrusts supporting the geographically-isolated, disadvantaged, and conflict affected areas, Regional Recovery Program (RRP) from COVID-19, *Balik Probinsya*, *Bagong Pag-Asa* Program, capacity building for LGUs on devolved functions, and Post-Typhoon Odette Regional RRP, among others.

Challenges

- Vulnerability of the region to natural calamities such as typhoons and earthquakes.
- Persisting challenge of food sufficiency as the region sources almost half of its food supply from neighboring regions.
- Continued presence of Communist Terrorist Groups (CTGs) and rebel groups in the region affects economic development and infrastructure projects in the rural communities and continue to pose challenge to the peace and safety of the region.

BARMM

BANGSAMORO AUTONOMOUS REGION IN MUSLIM MINDANAO

Opportunities

- Development of a special economic zone.
- Development of intra - flights within BARMM.
- Continued cooperation between JICA and BARMM.
- Promotion of investment activities by conducting BARMM-wide Investment Priorities Plan (IPP) consultations and other investment promotion activities which served as the Strategic Investment Priorities Plan.

Challenges

- Concerns on peace and security in the region.
- Intermittent internet connectivity which affects regional capacity towards digital transformation.

Conclusion

The country's economic recovery sustained its momentum in 2022 as real GDP growth accelerated to 7.6 percent, from the previous year's expansion of 5.7 percent. This performance surpassed the National Government's growth target of 6.5-7.5 percent for 2022. All regions recorded expansion in output, of which the top five regions with the highest real GRDP growth rates were Region 6 (Western Visayas) at 9.3 percent, CAR at 8.7 percent, Regions 5 (Bicol) and 11 (Davao) tied at 8.1 percent, and Region 2 (Cagayan Valley) at 8.0 percent. The positive growth outturns all over the country reflect the full reopening of the economy, resumption of face-to-face classes, improved employment rates, lifting of travel restrictions which boosted tourism, and release of pent-up domestic demand.

Partly due to the strong pick up in domestic economic activity and supply-side shocks to food and energy prices, the country likewise saw high inflation prints in 2022, which averaged nationwide at 5.8 percent. Almost all regions registered inflation rates above the National Government's target of 2.0-4.0 percent, with the exception only of BARMM for which inflation was also near the upper-bound at 3.8 percent. In February 2022, the war between Russia and Ukraine broke out and exacerbated conditions in the global food markets, which at the time have already been struggling with soaring prices due to supply-chain disruptions. Moreover, these two countries are major exporters of key commodities such as oil, wheat, aluminum, and fertilizer, which led to broader-based increase in international commodity prices. As the conflict progressed in 2022, higher world energy and food prices have affected domestic inflation through surge in domestic fuel prices and increased price pressures on food.

The country's agriculture and fishery sectors had to contend with high prices of fertilizers, fuel, feeds, and other farm inputs, leaving farmers and fisherfolk with huge income losses and low yields. In addition, adverse weather conditions brought about heavy rains, flooding, landslides, and damages to infrastructure and agricultural lands, affecting thousands of families and individuals. Moreover, the continued spread and resurgence of animal diseases, such as the African Swine Fever (ASF) and the Avian Influenza (AI), in some regions have affected livestock and poultry production and kept meat prices elevated throughout 2022. High retail prices were also seen in sugar and onions owing to supply shortfall. In response to these challenges, the government extended the reduced tariff rates on imported rice, corn, and pork to ease price pressures, while it implements measures/initiatives to boost domestic production. Fuel subsidy and fertilizer discount voucher programs were also rolled-out to provide financial assistance to agri-fishery producers, who are most vulnerable to surging input costs. Specific to the hog industry, indemnification funds were also released to ASF-affected hog raisers in the regions to encourage hog production. With successful trials reported of late, industry players also expressed optimism that safe and effective vaccines against ASF and AI will soon be available.

In addition, the government has put in place medium- to long-term measures to enhance farm productivity and modernize agriculture in the country such as: 1) creating and adopting climate- and disaster-resilient technologies; 2) improving digital and physical infrastructure to encourage investment in agriculture and agribusiness; and 3) consolidating or clustering farms to improve farm and labor productivity. Some specific strategies adopted in the regions include the expansion of irrigation systems; construction of farm-to-market roads; and establishment of post-harvest facilities including cold storage facilities.

Meanwhile, in order to sustain the socio-economic development in the regions, there continues to be a need for reliable and affordable power supply; better internet connectivity; adequate infrastructure and efficient transport systems; and lasting peace and order situation. Construction/improvement of road access networks along tourism and trade corridors, establishment of industrial and economic zones, and construction/modernization of airports and seaports will help boost tourism activities and attract more businesses and investments to the regions. Some regions also highlighted the importance of supporting MSMEs through accelerating digitalization, promoting innovation, and provision of financing facilities. The expansion of digital payment acceptance in the region and leveraging on digital marketplace and resource platform for MSMEs will enhance the delivery of goods and services and broaden financial inclusion in the regions. Market players are actively engaging two digital payment rails, PesoNet and InstaPay, as digital payments momentum gains ground. This is being complemented by the BSP through PalengQR-Ph, an initiative to promote cashless payments in wet markets and transportation hubs.

Notwithstanding these opportunities to advance growth in the regions, the slowdown in the global economy, sharper-than-expected tightening in financial conditions, and possible escalation of geopolitical tensions are just some of the external risks that could hamper the country's overall economic development. Our vulnerability to natural calamities and extreme weather disturbances, including the occurrence of El Niño in the second half of the year until early next year, poses major threat to food security and inflation. In order to mitigate risks to food security, the Inter-Agency Committee on Inflation and Market Outlook (IAC-IMO) was established by President Marcos Jr. to spearhead the whole-of-government approach in urgently implementing measures to ensure food and energy security while balancing the interests of local food producers, consumers, and the overall economy.

With these ongoing challenges and potential risks ahead, the government initiatives on agriculture support, infrastructure development, assistance to MSMEs, among others, combined with private sector investments in critical areas and industries across the regions should contribute greatly to the creation of resilient, healthy, secure, technology-savvy, inclusive, and prosperous communities throughout the country.

1. Gross Regional Domestic Product (GRDP)

at constant 2018 prices

REGION		Levels (In Thousand Pesos)			Growth rate		
		2020	2021 ^r	2022	2020	2021 ^r	2022
	PHILIPPINES	17,537,843,279	18,540,084,220	19,943,630,239	-9.5	5.7	7.6
1	NCR	5,599,931,197	5,845,619,151	6,265,608,932	-10.0	4.4	7.2
2	CAR	288,876,582	310,765,858	337,664,054	-10.2	7.6	8.7
3	Ilocos Region (I)	581,877,977	608,618,834	654,866,006	-7.7	4.6	7.6
4	Cagayan Valley (II)	371,102,979	389,954,561	421,171,436	-9.8	5.1	8.0
5	Central Luzon (III)	1,881,277,315	2,021,186,175	2,185,061,752	-13.9	7.4	8.1
6	CALABARZON (IV-A)	2,534,444,265	2,728,935,837	2,942,981,189	-10.5	7.7	7.8
7	MIMAROPA (IV-B)	357,780,630	369,725,008	392,960,370	-7.5	3.3	6.3
8	Bicol Region (V)	517,770,299	540,189,747	583,716,744	-8.3	4.3	8.1
9	Western Visayas (VI)	825,369,599	874,086,695	955,016,701	-9.7	5.9	9.3
10	Central Visayas (VII)	1,134,912,345	1,195,978,557	1,287,323,136	-9.5	5.4	7.6
11	Eastern Visayas (VIII)	434,767,718	461,066,832	492,339,714	-7.4	6.0	6.8
12	Zamboanga Peninsula (IX)	376,299,326	397,862,811	427,776,518	-5.2	5.7	7.5
13	Northern Mindanao (X)	821,433,093	872,805,112	935,299,921	-5.3	6.3	7.2
14	Davao Region (XI)	833,225,496	882,189,256	954,074,121	-7.5	5.9	8.1
15	SOCCSKSARGEN (XII)	449,247,792	472,510,818	503,643,512	-4.4	5.2	6.6
16	Caraga	285,001,928	305,704,709	323,858,830	-6.9	7.3	5.9
17	BARMM	244,524,738	262,884,259	280,267,304	-1.9	7.5	6.6

^r Revised

Source: Philippine Statistics Authority (PSA)

2. Palay Production

for periods indicated
in million metric tons

	REGION	2020	2021 ^r	2022 ^p
	PHILIPPINES	19.3	20.0	19.8
1	CAR	0.4	0.4	0.3
2	Ilocos Region (I)	1.9	1.9	2.0
3	Cagayan Valley (II)	2.6	2.9	2.9
4	Central Luzon (III)	3.6	3.7	3.6
5	CALABARZON (IV-A)	0.4	0.4	0.4
6	MIMAROPA	1.2	1.2	1.2
7	Bicol Region (V)	1.3	1.3	1.3
8	Western Visayas (VI)	2.3	2.4	2.3
9	Central Visayas (VII)	0.3	0.3	0.2
10	Eastern Visayas (VIII)	0.9	0.9	0.8
11	Zamboanga Peninsula (IX)	0.6	0.7	0.7
12	Northern Mindanao (X)	0.8	0.8	0.8
13	Davao Region (XI)	0.5	0.5	0.5
14	SOCCSKSARGEN (XII)	1.3	1.3	1.2
15	Caraga	0.5	0.5	0.5
16	BARMM	0.7	0.8	0.8

^r Revised

^p Preliminary

Source: PSA

3. Corn Production

for periods indicated
in million metric tons

	REGION	2020	2021 ^r	2022 ^p
	PHILIPPINES	8.1	8.3	8.3
1	CAR	0.2	0.2	0.2
2	Ilocos Region (I)	0.6	0.6	0.6
3	Cagayan Valley (II)	1.9	1.9	2.0
4	Central Luzon (III)	0.3	0.3	0.3
5	CALABARZON (IV-A)	0.1	0.1	0.1
6	MIMAROPA	0.1	0.1	0.1
7	Bicol Region (V)	0.3	0.3	0.3
8	Western Visayas (VI)	0.3	0.4	0.3
9	Central Visayas (VII)	0.1	0.1	0.1
10	Eastern Visayas (VIII)	0.1	0.1	0.1
11	Zamboanga Peninsula (IX)	0.2	0.2	0.2
12	Northern Mindanao (X)	1.3	1.5	1.5
13	Davao Region (XI)	0.3	0.3	0.3
14	SOCCSKSARGEN (XII)	1.1	1.1	1.1
15	Caraga	0.2	0.1	0.1
16	BARMM	1.1	1.1	1.1

^r Revised

^p Preliminary

Source: PSA

4. Cattle Production

*for periods indicated
in thousand metric tons in liveweight*

	REGION	2020	2021	2022 ^P
	PHILIPPINES	229.1	236.1	236.6
1	CAR	3.4	3.4	3.3
2	Ilocos Region (I)	25.1	25.1	23.4
3	Cagayan Valley (II)	13.3	13.4	13.8
4	Central Luzon (III)	16.4	14.8	12.9
5	CALABARZON (IV-A)	25.5	28.6	26.4
6	MIMAROPA	8.7	10.7	10.4
7	Bicol Region (V)	16.7	17.0	17.1
8	Western Visayas (VI)	18.6	18.7	19.0
9	Central Visayas (VII)	16.9	17.0	20.7
10	Eastern Visayas (VIII)	2.1	2.8	2.5
11	Zamboanga Peninsula (IX)	9.9	9.8	9.7
12	Northern Mindanao (X)	34.7	36.4	37.6
13	Davao Region (XI)	11.9	12.0	12.5
14	SOCCKSARGEN (XII)	15.1	14.9	14.8
15	Caraga	1.5	1.3	1.2
16	BARMM	9.5	10.1	11.5

p Preliminary

Source: PSA

5. Swine Production

for periods indicated

in thousand metric tons in liveweight

	REGION	2020	2021	2022 ^P
	PHILIPPINES	2,142.6	1,696.1	1,737.1
1	NCR	-	0.2	0.2
2	CAR	25.8	21.9	20.4
3	Ilocos Region (I)	92.2	57.7	53.1
4	Cagayan Valley (II)	68.9	39.7	32.1
5	Central Luzon (III)	322.4	104.8	131.9
6	CALABARZON (IV-A)	348.5	187.9	203.2
7	MIMAROPA	79.8	91.7	92.2
8	Bicol Region (V)	119.9	99.2	100.5
9	Western Visayas (VI)	195.3	200.3	205.0
10	Central Visayas (VII)	192.9	208.8	229.1
11	Eastern Visayas (VIII)	82.0	78.1	51.1
12	Zamboanga Peninsula (IX)	83.0	85.1	96.4
13	Northern Mindanao (X)	210.0	217.5	219.9
14	Davao Region (XI)	150.2	136.3	138.6
15	SOCCSKSARGEN (XII)	122.8	124.7	127.2
16	Caraga	38.5	31.3	24.7
17	BARMM	10.5	11.0	11.5

p Preliminary

- Data not available

Source: PSA

6. Chicken Production

for periods indicated
in thousand metric tons in liveweight

	REGION	2020	2021	2022 ^P
	PHILIPPINES	1,809.9	1,744.8	1,866.7
1	NCR	-	0.5	0.9
2	CAR	6.1	5.9	6.4
3	Ilocos Region (I)	84.5	76.3	86.7
4	Cagayan Valley (II)	53.7	59.4	51.4
5	Central Luzon (III)	635.4	593.9	649.9
6	CALABARZON (IV-A)	317.2	300.2	311.4
7	MIMAROPA	10.9	11.5	13.3
8	Bicol Region (V)	46.3	50.7	57.3
9	Western Visayas (VI)	117.0	120.2	125.9
10	Central Visayas (VII)	108.7	99.4	106.5
11	Eastern Visayas (VIII)	56.6	57.7	54.1
12	Zamboanga Peninsula (IX)	35.8	39.7	36.3
13	Northern Mindanao (X)	170.9	163.1	177.1
14	Davao Region (XI)	74.4	70.2	76.7
15	SOCCSKSARGEN (XII)	71.2	76.0	92.6
16	Caraga	15.4	14.6	14.2
17	BARMM	5.6	5.4	5.9

p Preliminary

- Data not available

Source: PSA

7. Fish Production

*for periods indicated
in hundred thousand metric tons*

	REGION	2020	2021 ^r	2022 ^p
	PHILIPPINES	44.0	42.5	43.4
1	NCR	1.0	0.8	0.8
2	CAR	0.0	0.0	0.0
3	Ilocos Region (I)	1.8	1.9	1.9
4	Cagayan Valley (II)	0.4	0.4	0.5
5	Central Luzon (III)	3.5	3.7	3.6
6	CALABARZON (IV-A)	2.4	2.3	1.9
7	MIMAROPA	4.8	3.8	3.8
8	Bicol Region (V)	2.4	2.1	1.8
9	Western Visayas (VI)	3.8	3.8	3.3
10	Central Visayas (VII)	1.6	1.5	0.8
11	Eastern Visayas (VIII)	1.2	1.2	1.0
12	Zamboanga Peninsula (IX)	5.9	5.7	5.3
13	Northern Mindanao (X)	1.4	1.2	1.0
14	Davao Region (XI)	0.5	0.5	0.8
15	SOCCSKSARGEN (XII)	3.1	2.8	3.0
16	Caraga	0.7	0.6	0.6
17	BARMM	9.5	10.1	13.2

r Revised

p Preliminary

Source: PSA

8. Total Number of Approved Building Permits

levels and growth rates

REGION		Levels			Growth Rates		
		2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
	PHILIPPINES	123,783	162,619	160,045	-28.5	31.4	-1.6
1	NCR	6,462	9,894	10,631	-52.0	53.1	7.4
2	CAR	1,283	1,522	1,312	-15.9	18.6	-13.8
3	Ilocos Region (I)	12,932	15,819	13,993	-1.5	22.3	-11.5
4	Cagayan Valley (II)	3,977	4,226	6,136	-16.2	6.3	45.2
5	Central Luzon (III)	12,822	18,638	18,899	-32.4	45.4	1.4
6	CALABARZON (IV-A)	24,411	39,741	39,842	-42.9	62.8	0.3
7	MIMAROPA (IV-B)	3,109	3,314	3,337	-1.6	6.6	0.7
8	Bicol Region (V)	1,979	3,919	4,094	-50.7	98.0	4.5
9	Western Visayas (VI)	9,105	9,627	9,589	-23.5	5.7	-0.4
10	Central Visayas (VII)	18,328	21,216	17,345	-7.6	15.8	-18.2
11	Eastern Visayas (VIII)	3,818	5,302	5,229	-20.0	38.9	-1.4
12	Zamboanga Peninsula (IX)	2,174	2,932	2,511	-22.2	34.9	-14.4
13	Northern Mindanao (X)	8,489	7,812	9,157	-25.9	-8.0	17.2
14	Davao Region (XI)	8,258	9,442	10,858	-29.9	14.3	15.0
15	SOCCSKSARGEN (XII)	3,892	5,655	4,386	-22.2	45.3	-22.4
16	Caraga	2,687	3,512	2,666	-27.4	30.7	-24.1
17	BARMM	57	48	60	-62.7	-15.8	25.0

p Preliminary

r Revised

Source: PSA

9. Total Number of New Residential Building Construction

for periods indicated

REGION		Levels			Growth Rates		
		2020	2021 ^r	2022 ^p	2020	2021 ^r	2022 ^p
	PHILIPPINES	87,419	115,772	114,982	-29.7	32.4	-0.7
1	NCR	3,598	6,129	5,917	-45.0	70.3	-3.5
2	CAR	959	1,069	907	-13.6	11.5	-15.2
3	Ilocos Region (I)	10,111	12,200	11,032	9.9	20.7	-9.6
4	Cagayan Valley (II)	3,063	3,010	4,529	-14.5	-1.7	50.5
5	Central Luzon (III)	9,033	13,190	13,604	-33.7	46.0	3.1
6	CALABARZON (IV-A)	17,046	29,191	29,120	-47.0	71.2	-0.2
7	MIMAROPA (IV-B)	2,113	2,129	2,185	-1.0	0.8	2.6
8	Bicol Region (V)	1,356	2,796	2,883	-49.6	106.2	3.1
9	Western Visayas (VI)	6,303	6,532	6,401	-29.4	3.6	-2.0
10	Central Visayas (VII)	12,592	14,613	13,047	-18.0	16.0	-10.7
11	Eastern Visayas (VIII)	2,527	3,635	3,398	-15.5	43.8	-6.5
12	Zamboanga Peninsula (IX)	1,535	2,346	1,903	-32.7	52.8	-18.9
13	Northern Mindanao (X)	7,214	6,675	7,939	-24.5	-7.5	18.9
14	Davao Region (XI)	5,890	6,944	8,221	-32.5	17.9	18.4
15	SOCCSKSARGEN (XII)	1,998	2,828	2,011	-26.5	41.5	-28.9
16	Caraga	2,035	2,450	1,853	-20.5	20.4	-24.4
17	BARMM	46	35	32	-59.3	-23.9	-8.6

r Revised

p Preliminary

Source: PSA

10. Employment Indicators ¹

for periods indicated
averages in percent

REGION	2020 ^r			2021 ^r			2022 ^p		
	Employment	Unemploy- ment	Underem- ployment	Employment	Unemploy- ment	Underem- ployment	Employment	Unemploy- ment	Underem- ployment
PHILIPPINES	89.7	10.3	16.2	92.2	7.8	15.9	94.6	5.4	14.2
1 NCR	88.3	11.7	9.2	89.4	10.6	10.2	92.8	7.2	9.1
2 CAR	89.6	10.4	14.5	94.2	5.8	17.8	96.3	3.7	13.5
3 Ilocos Region (I)	86.6	13.4	17.2	91.8	8.2	15.9	93.9	6.1	12.4
4 Cagayan Valley (II)	91.3	8.7	16.8	94.0	6.0	21.8	96.0	4.0	16.4
5 Central Luzon (III)	86.9	13.1	12.1	92.5	7.5	7.4	94.8	5.2	11.1
6 Calabarzon (IV-A)	88.4	11.6	17.2	89.4	10.6	17.2	93.7	6.4	15.4
7 MIMAROPA	92.7	7.3	23.9	92.1	7.9	27.7	95.5	4.5	22.2
8 Bicol Region (V)	90.5	9.5	27.5	91.8	8.2	26.7	94.3	5.8	22.8
9 Western Visayas (VI)	92.2	7.8	11.7	93.4	6.6	20.4	94.8	5.2	16.3
10 Central Visayas (VII)	89.7	10.3	15.8	92.8	7.2	14.5	95.0	5.0	13.6
11 Eastern Visayas (VIII)	92.0	8.0	20.1	93.4	6.7	20.9	95.1	4.9	16.0
12 Zamboanga Peninsula (IX)	90.1	9.9	17.0	96.0	4.0	14.8	95.9	4.1	13.9
13 Northern Mindanao (X)	93.6	6.4	23.6	95.1	4.9	14.3	95.7	4.3	8.9
14 Davao Region (XI)	90.8	9.2	13.0	95.2	4.8	9.7	96.0	4.0	9.1
15 Soccsksargen (XII)	90.9	9.1	22.2	94.7	5.3	19.6	96.3	3.7	23.8
16 Caraga (XIII)	92.4	7.6	23.0	94.3	5.7	25.9	95.6	4.4	23.5
17 BARMM	91.0	9.0	10.1	90.8	9.3	12.0	94.2	5.8	10.2

¹ The Labor Force Survey (LFS) was originally conducted on a quarterly basis (i.e., January, April, July and October), with a sample size of approximately 44,000 households. From April 2016 to October 2019, the LFS adopted the population projections based on the 2010 Census of Population and Housing (CPH) and 2013 Master Sample (MS) Design. Beginning January 2020, the LFS results, including the final 2019 LFS, have been estimated using the 2015 Population Census (POPCEN) and 2013 MS. Starting February 2021, the monthly LFS has been conducted in between the regular quarterly LFS. The monthly LFS, with a sample size of approximately 11,000 households only, generates national level of labor and employment statistics without regional breakdown. However, the July 2021 LFS had regions as domain and covered 123,244 households.

r Revised

p Preliminary

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	BARMM	GRAND TOTAL
BEGINNING CASH BALANCE	75.0	18.3	51.0	26.1	40.4	93.2	25.0	27.5	43.7	62.6	28.9	18.8	24.8	23.7	15.8	19.2	3.3	597.3
RECEIPTS	175.3	35.9	90.0	55.8	109.7	147.2	46.1	55.3	78.4	77.3	53.3	39.3	63.1	59.5	44.6	40.8	43.8	1,215.4
Local Sources	116.8	3.3	9.2	5.0	26.8	45.1	4.0	6.2	12.3	17.1	4.6	3.6	11.3	11.7	4.8	4.5	0.6	286.9
Tax Revenues	103.8	1.3	4.9	2.7	19.0	34.9	2.2	3.4	7.8	11.7	2.1	1.8	6.6	7.6	2.7	2.7	0.3	215.5
Non-Tax Revenues	13.0	2.0	4.4	2.2	7.8	10.3	1.8	2.8	4.5	5.4	2.6	1.7	4.6	4.0	2.1	1.8	0.3	71.3
External Sources	46.1	31.7	78.2	45.6	77.3	94.8	36.8	45.6	61.9	56.2	45.3	31.3	45.5	39.5	35.0	32.8	41.8	845.4
Share from IRA	40.3	24.7	39.3	40.5	74.4	88.8	35.6	44.9	59.7	53.8	44.5	31.2	42.3	38.8	34.4	31.9	41.3	766.4
Share from GOCCs (PAGCOR and PCSO)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Share from National Tax Collection	0.0	0.1	0.1	0.0	0.1	0.3	0.0	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0	0.5	0.0	1.5
Inter-Local Transfer	0.4	0.6	1.5	0.0	0.5	0.3	0.3	0.3	1.2	1.2	0.2	0.0	0.1	0.1	0.0	0.0	0.0	6.7
Extraordinary Receipts/Grants/Donations/Aids	2.1	0.2	0.1	0.3	0.5	1.5	0.6	0.1	0.7	0.5	0.5	0.1	0.2	0.4	0.5	0.1	0.0	8.4
Non-Income Receipts	12.4	0.9	2.6	5.3	5.6	7.3	5.3	3.6	4.3	3.9	3.3	4.4	6.3	8.3	4.7	3.5	1.3	83.0
Capital Investment Receipts	4.5	0.0	0.2	0.0	0.2	0.0	0.1	0.0	0.1	0.1	0.0	1.2	0.0	0.0	0.0	0.1	0.0	6.5
Receipts from Loans and Borrowings	5.3	0.8	2.0	3.8	3.8	4.4	2.3	2.0	1.7	1.1	1.5	1.9	1.8	3.1	1.6	1.5	1.3	39.9
EXPENDITURES	167.9	23.0	48.0	37.6	88.1	108.3	32.3	39.8	58.4	58.8	39.4	27.1	49.6	45.2	36.2	27.6	35.8	923.1
General Services	58.0	9.5	16.0	18.6	37.0	47.8	12.3	17.7	25.7	26.7	16.3	12.0	18.4	20.0	13.3	12.6	17.9	379.8
Economic Services	12.7	3.5	6.5	3.2	8.8	10.5	2.9	4.1	7.7	6.4	3.6	2.6	6.7	5.0	3.8	2.9	5.8	97.1
Social Services	63.1	5.1	11.7	6.5	20.2	27.0	5.9	7.9	12.9	12.4	8.0	4.8	8.0	7.3	6.8	6.3	4.6	218.5
Debt Services	1.7	0.1	0.9	0.3	1.9	2.0	1.0	1.2	1.0	1.0	0.5	0.8	0.9	1.1	1.1	0.5	0.6	16.6
ENDING CASH BALANCE	49.3	26.1	81.0	37.6	51.6	110.1	30.5	35.7	48.0	67.0	35.7	23.0	31.9	28.5	18.6	25.1	10.9	710.6

Source: Department of Budget and Management, Budget of Expenditures and Sources of Financing FY 2023

Table F.6 Statement of Receipts and Expenditures, By Regional Level of LGUs, 2022

Note: Totals may not add up due to rounding.

12. Inflation Rate

2018 = 100

in percent

	REGION	2020	2021	2022
	ALL ITEMS			
	PHILIPPINES	2.4	3.9	5.8
1	Metro Manila	1.6	2.7	5.1
	Areas Outside Metro Manila	2.6	4.2	6.0
2	CAR	2.0	3.9	6.4
3	Ilocos Region (I)	2.5	4.0	5.9
4	Cagayan Valley (II)	2.5	6.2	5.2
5	Central Luzon (III)	2.7	4.5	6.5
6	CALABARZON (IV-A)	2.6	4.7	5.2
7	MIMAROPA	3.9	4.5	6.1
8	Bicol Region (V)	4.2	6.1	5.3
9	Western Visayas (VI)	2.8	3.8	6.6
10	Central Visayas (VII)	1.5	1.9	6.6
11	Eastern Visayas (VIII)	2.1	4.3	6.6
12	Zamboanga Peninsula (IX)	2.0	2.9	7.0
13	Northern Mindanao (X)	2.2	3.9	5.8
14	Davao Region (XI)	1.8	3.5	7.4
15	SOCCKSARGEN (XII)	3.2	5.3	5.6
16	Caraga	3.7	4.1	6.1
17	BARMM	2.9	2.6	3.8

Source: PSA

13. Approved Foreign Investments

for periods indicated
in million pesos

	REGION	2020	2021	2022
	PHILIPPINES	112,122.9	192,547.8	241,891.5
1	NCR	40,380.3	6,051.1	5,064.7
2	CAR	0.0	77.9	0.0
3	Ilocos Region (I)	455.6	3,398.6	33,613.3
4	Cagayan Valley (II)	1,323.6	74.1	1,825.0
5	Central Luzon (III)	14,471.7	8,106.3	43,306.6
6	CALABARZON (IV-A)	35,001.5	20,006.5	45,882.3
7	MIMAROPA (IV-B)	53.0	351.8	28.4
8	Bicol Region (V)	0.0	0.0	0.0
9	Western Visayas (VI)	2,530.1	719.1	1,919.7
10	Central Visayas (VII)	3,813.1	5,382.9	5,897.4
11	Eastern Visayas (VIII)	0.0	302.7	0.0
12	Zamboanga Peninsula (IX)	0.0	0.0	0.0
13	Northern Mindanao (X)	0.0	392.9	994.3
14	Davao Region (XI)	946.6	1,356.6	1,615.4
15	SOCCSKSARGEN (XII)	13,144.2	818.0	64.9
16	Caraga	0.0	1,133.9	0.0
17	BARMM	3.0	20.0	321.7
	Several Locations ¹	0.0	144,355.3	101,357.8
	No Site Yet ²	0.0	0.0	0.0

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Bangsamoro 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.

-- infinite growth rate

Source: PSA

14. Approved Foreign and Filipino Investments

for periods indicated
in million pesos

	REGION	2020	2021	2022
	PHILIPPINES	1,139,369.8	758,975.4	927,742.2
1	NCR	164,999.8	94,845.1	16,365.3
2	CAR	3,998.4	37,460.4	2,205.7
3	Ilocos Region (I)	14,414.8	6,316.8	101,975.6
4	Cagayan Valley (II)	11,243.6	6,108.4	7,164.1
5	Central Luzon (III)	615,487.7	152,805.4	169,326.3
6	CALABARZON (IV-A)	211,235.2	131,481.8	185,649.0
7	MIMAROPA (IV-B)	4,206.3	4,012.3	1,198.1
8	Bicol Region (V)	11,854.7	12,526.0	62,437.3
9	Western Visayas (VI)	10,794.8	7,613.3	8,393.7
10	Central Visayas (VII)	19,964.1	14,532.8	10,535.8
11	Eastern Visayas (VIII)	3,615.4	1,508.8	53,783.6
12	Zamboanga Peninsula (IX)	6,627.8	919.4	-
13	Northern Mindanao (X)	33,377.1	5,556.7	8,324.1
14	Davao Region (XI)	11,628.4	14,254.3	7,843.9
15	SOCCSKSARGEN (XII)	15,854.5	5,528.4	55,486.3
16	Caraga	52.9	1,688.2	975.4
17	BARMM	14.3	3,080.6	1,283.8
	Several Locations ¹	-	258,736.9	234,794.3
	No Site Yet ²	-	-	-

Coverage of reports: Authority of the Freeport Area of Bataan (AFAB), Board of Investments (BOI), BOI-Bangsamoro 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.

-- infinite growth rate

Source: PSA

15. Deposit Liabilities

for periods indicated
in million pesos

	REGION	2020	2021	2022
	PHILIPPINES	14,861,328	16,188,648	17,721,361
1	NCR	9,752,000	10,642,567	11,641,012
2	CAR	142,344	156,699	174,181
3	Ilocos Region (I)	276,040	313,553	350,065
4	Cagayan Valley (II)	173,111	183,708	202,243
5	Central Luzon (III)	807,126	867,301	950,353
6	CALABARZON (IV-A)	1,063,771	1,162,823	1,286,098
7	MIMAROPA (IV-B)	107,858	110,516	124,787
8	Bicol Region (V)	196,660	209,224	232,377
9	Western Visayas (VI)	410,430	442,164	489,796
10	Central Visayas (VII)	749,407	769,297	840,534
11	Eastern Visayas (VIII)	149,760	159,317	171,409
12	Zamboanga Peninsula (IX)	140,845	155,309	160,416
13	Northern Mindanao (X)	231,308	259,681	274,799
14	Davao Region (XI)	330,664	360,780	379,909
15	SOCCSKSARGEN (XII)	202,070	252,439	148,909
16	Caraga	108,558	122,914	130,665
17	BARMM	19,377	20,357	163,808

Source: DSA-FSS-BSP

16. Loans Portfolio

for periods indicated

Levels in million pesos, shares and growth rates in percent

REGION		2020	2021	2022
	PHILIPPINES	9,834,813	10,222,022	11,403,216
1	NCR	8,227,148	8,558,461	9,550,928
2	CAR	22,793	24,418	28,164
3	Ilocos Region (I)	63,367	64,123	69,289
4	Cagayan Valley (II)	67,341	71,078	79,080
5	Central Luzon (III)	238,914	250,950	267,044
6	CALABARZON (IV-A)	247,918	256,857	269,095
7	MIMAROPA (IV-B)	37,536	37,269	43,365
8	Bicol Region (V)	57,115	61,306	64,340
9	Western Visayas (VI)	114,756	123,092	134,097
10	Central Visayas (VII)	336,816	333,557	387,761
11	Eastern Visayas (VIII)	44,822	48,227	60,622
12	Zamboanga Peninsula (IX)	31,050	32,041	39,454
13	Northern Mindanao (X)	75,972	75,475	90,221
14	Davao Region (XI)	146,885	155,868	169,465
15	SOCCSKSARGEN (XII)	93,905	99,652	108,895
16	Caraga	26,453	27,769	35,961
17	BARMM	2,022	1,880	5,432

Source: DSA-FSS-BSP

17. Loans-to-Deposits Ratio

for periods indicated
in percent

	REGION	2020	2021	2022
	PHILIPPINES	66.18	63.14	64.35
1	NCR	84.36	80.42	82.05
2	CAR	16.01	15.58	16.17
3	Ilocos Region (I)	22.96	20.45	19.79
4	Cagayan Valley (II)	38.90	38.69	39.10
5	Central Luzon (III)	29.60	28.93	28.10
6	CALABARZON (IV-A)	23.31	22.09	20.92
7	MIMAROPA (IV-B)	34.80	33.72	34.75
8	Bicol Region (V)	29.04	29.30	27.69
9	Western Visayas (VI)	27.96	27.84	27.38
10	Central Visayas (VII)	44.94	43.36	46.13
11	Eastern Visayas (VIII)	29.93	30.27	35.37
12	Zamboanga Peninsula (IX)	22.05	20.63	24.60
13	Northern Mindanao (X)	32.84	29.06	32.83
14	Davao Region (XI)	44.42	43.20	44.61
15	SOCCSKSARGEN (XII)	46.47	39.48	73.13
16	Caraga	24.37	22.59	27.52
17	BARMM	10.44	9.23	3.32

Source: DSA-FSS-BSP

18. Bank Density Ratio ^{1/}

for periods indicated
in percent

	REGION	2020	2021	2022
	PHILIPPINES	7.95	8.02	8.09
1	NCR	226.24	225.53	223.71
2	CAR	2.60	2.62	2.68
3	Ilocos Region (I)	5.32	5.39	5.47
4	Cagayan Valley (II)	5.06	5.12	5.25
5	Central Luzon (III)	10.43	10.45	10.55
6	CALABARZON (IV-A)	13.33	13.46	13.42
7	MIMAROPA (IV-B)	4.23	4.25	4.33
8	Bicol Region (V)	4.82	4.95	5.16
9	Western Visayas (VI)	5.66	5.72	5.84
10	Central Visayas (VII)	6.82	6.86	6.98
11	Eastern Visayas (VIII)	2.02	2.06	2.13
12	Zamboanga Peninsula (IX)	3.69	3.83	3.88
13	Northern Mindanao (X)	4.67	4.76	4.92
14	Davao Region (XI)	10.20	10.29	10.55
15	SOCCSKSARGEN (XII)	6.08	6.28	6.02
16	Caraga	3.29	3.45	3.51
17	BARMM	0.16	0.15	0.33

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

Source: DSA-FSS-BSP

19. Number of Banks with Microfinance Loans

for periods indicated

	REGION	2020	2021	2022
	PHILIPPINES	149	138	137
1	NCR	14	10	11
2	CAR	2	2	2
3	Ilocos Region (I)	3	3	4
4	Cagayan Valley (II)	11	10	10
5	Central Luzon (III)	18	17	13
6	CALABARZON (IV-A)	29	30	29
7	MIMAROPA (IV-B)	5	5	5
8	Bicol Region (V)	14	14	14
9	Western Visayas (VI)	10	9	9
10	Central Visayas (VII)	12	9	10
11	Eastern Visayas (VIII)	2	2	2
12	Zamboanga Peninsula (IX)	8	7	7
13	Northern Mindanao (X)	6	6	6
14	Davao Region (XI)	6	6	8
15	SOCCSKSARGEN (XII)	3	3	3
16	Caraga	6	5	4
17	BARMM	N/A	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of Microfinance loans is based on the banks' Head Office locations. These amounts do not reflect the actual Microfinance loans transactions made in a specific region.

20. Microfinance Loans

for periods indicated
in million pesos

	REGION	2020	2021	2022
	PHILIPPINES	26,605.38	27,704.27	28,199.61
1	NCR	4,007.99	4,817.85	5,714.94
2	CAR	0.64	0.69	0.80
3	Ilocos Region (I)	4.04	6.46	11.04
4	Cagayan Valley (II)	121.71	113.74	106.38
5	Central Luzon (III)	277.80	256.96	298.66
6	CALABARZON (IV-A)	19,671.28	19,729.72	19,259.90
7	MIMAROPA (IV-B)	15.96	15.55	16.23
8	Bicol Region (V)	416.06	422.18	380.58
9	Western Visayas (VI)	847.86	688.74	782.30
10	Central Visayas (VII)	222.17	164.74	166.25
11	Eastern Visayas (VIII)	19.24	20.03	19.12
12	Zamboanga Peninsula (IX)	124.65	616.11	693.85
13	Northern Mindanao (X)	200.74	137.50	114.68
14	Davao Region (XI)	128.01	134.09	64.56
15	SOCOSKARGEN (XII)	255.11	350.93	376.58
16	Caraga	292.11	228.99	193.73
17	BARMM	N/A	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of Microfinance loans is based on the banks' Head Office locations.
These amounts do not reflect the actual Microfinance loans transactions made in a specific region.

21. Number of Banks with Micro, Small, and Medium Enterprises Loans
for periods indicated

	REGION	2020	2021	2022
	PHILIPPINES	492	467	457
1	NCR	60	59	57
2	CAR	14	15	13
3	Ilocos Region (I)	33	32	30
4	Cagayan Valley (II)	26	25	25
5	Central Luzon (III)	70	70	68
6	CALABARZON (IV-A)	85	84	83
7	MIMAROPA (IV-B)	22	20	20
8	Bicol Region (V)	20	19	19
9	Western Visayas (VI)	43	40	39
10	Central Visayas (VII)	36	30	29
11	Eastern Visayas (VIII)	14	12	13
12	Zamboanga Peninsula (IX)	13	13	13
13	Northern Mindanao (X)	24	20	21
14	Davao Region (XI)	13	12	13
15	SOCCSKSARGEN (XII)	10	10	9
16	Caraga	8	6	5
17	BARMM	1	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of MSME loans is based on the banks' Head Office locations. These amounts do not reflect the actual MSME transactions made in a specific region.

22. Micro, Small, and Medium Enterprises Loans

for periods indicated
in million pesos

	REGION	2020	2021	2022
	PHILIPPINES	513,278.38	463,119.76	493,502.41
1	NCR	452,994.63	403,203.37	428,509.93
2	CAR	1,356.32	1,594.40	1,660.74
3	Ilocos Region (I)	2,405.80	2,621.68	2,586.24
4	Cagayan Valley (II)	3,157.54	3,119.20	3,263.94
5	Central Luzon (III)	9,599.80	10,134.63	11,116.28
6	CALABARZON (IV-A)	16,366.48	17,881.01	19,300.07
7	MIMAROPA (IV-B)	874.45	922.44	1,101.37
8	Bicol Region (V)	1,680.51	1,507.63	1,400.42
9	Western Visayas (VI)	2,888.00	2,674.68	2,767.50
10	Central Visayas (VII)	5,888.40	5,578.10	5,182.92
11	Eastern Visayas (VIII)	317.27	291.74	311.36
12	Zamboanga Peninsula (IX)	587.31	1,254.93	1,429.79
13	Northern Mindanao (X)	3,141.72	3,168.98	3,863.07
14	Davao Region (XI)	9,039.55	6,372.55	8,188.08
15	SOCCSKSARGEN (XII)	1,633.28	1,914.11	2,268.97
16	Caraga	1,344.35	880.30	551.73
17	BARMM	2.97	N/A	N/A

Source: DSA-FSS-BSP

Note: Regional aggregation of MSME loans is based on the banks' Head Office locations. These amounts do not reflect the actual MSME transactions made in a specific region.

23. Number of Banks with Agri-Agra Loans

for periods indicated

	REGION	2020	2021	30-Jun-21	30-Jun-22
	PHILIPPINES	479	453	487	466
1	NCR	62	59	62	63
2	CAR	14	14	14	15
3	Ilocos Region (I)	32	32	33	31
4	Cagayan Valley (II)	26	26	27	27
5	Central Luzon (III)	69	69	71	67
6	CALABARZON (IV-A)	83	81	85	82
7	MIMAROPA (IV-B)	21	20	21	20
8	Bicol Region (V)	18	18	19	19
9	Western Visayas (VI)	43	38	42	40
10	Central Visayas (VII)	34	27	35	30
11	Eastern Visayas (VIII)	15	13	15	12
12	Zamboanga Peninsula (IX)	12	12	13	13
13	Northern Mindanao (X)	22	19	23	22
14	Davao Region (XI)	10	10	11	11
15	SOCCSKSARGEN (XII)	9	10	9	9
16	Caraga	8	5	6	5
17	BARMM	1	0	1	0

Source: DSA-FSS-BSP

Note: Regional aggregation of Agri-Agra Loans is based on the banks' Head Office locations. These amounts do not reflect the actual Agri-Agra transactions made in the specific region.

24. Agri-Agra Loans

for periods indicated
in million pesos

	REGION	2020	2021	30-Jun-21	30-Jun-22
	PHILIPPINES	713,599.45	851,755.03	789,658.38	847,957.70
1	NCR	681,929.47	815,010.15	753,738.82	810,748.62
2	CAR	783.92	871.95	818.19	938.79
3	Ilocos Region (I)	1,837.79	1,966.94	1,906.22	2,086.44
4	Cagayan Valley (II)	4,452.87	4,680.30	4,568.71	4,627.55
5	Central Luzon (III)	4,487.59	4,924.96	4,709.49	4,886.48
6	CALABARZON (IV-A)	5,511.05	10,215.36	9,479.12	8,451.74
7	MIMAROPA (IV-B)	726.61	735.08	721.76	689.95
8	Bicol Region (V)	1,016.29	1,022.97	1,055.53	953.67
9	Western Visayas (VI)	2,088.40	2,096.00	2,155.06	2,281.77
10	Central Visayas (VII)	5,033.75	4,940.92	4,767.19	6,388.12
11	Eastern Visayas (VIII)	246.58	236.74	255.98	248.64
12	Zamboanga Peninsula (IX)	365.09	610.97	595.37	694.87
13	Northern Mindanao (X)	2,271.50	2,189.24	2,304.58	2,432.73
14	Davao Region (XI)	1,005.54	944.63	973.64	1,169.82
15	SOCCSKSARGEN (XII)	1,085.56	991.58	1,034.40	1,031.45
16	Caraga	752.77	317.24	569.78	327.07
17	BARMM	4.67	-	4.52	-

Source: DSA-FSS-BSP

Note: Regional aggregation of Agri-Agra Loans is based on the banks' Head Office locations. These amounts do not reflect the actual Agri-Agra transactions made in the specific region.