



CAR economy grows by 1.1% in 2005

The Gross Regional Domestic Product (GRDP) of the Cordillera Administrative Region (CAR) grew by 1.1 percent in 2005 in contrast with its 3.7 percent growth in 2004. This was due to the marked slowdown in the industry sector and the contraction in agriculture, fishery and forestry (AFF) sectors. Overall deceleration was cushioned by a modest gain in services which expanded by 4.2 percent in 2005 (see Table 1).

The GRDP measures the goods and services produced in each of the geo-political regions of the country. It is derived from three major sectors, namely; (1) AFF, (2) industry and (3) services. The GRDP is compiled annually by the National Statistical Coordination Board (NSCB).

The AFF, which accounted for 12.5 percent of the regional economy, declined by 1.3 percent in 2005, down from a robust 4.7 percent increase the previous year. The decline was due to the decreased palay production in the province of Kalinga, attributed to the repair of a major irrigation system.

The industry sector, which contributed the lion's share to CAR's economy at 64.0 percent, registered a mere 0.4 percent growth in 2005 down from a 2.8 escalation in 2004. Two sub-sectors contracted while the rest posted minimal expansion. Construction and electricity and water shrank by 2.5 percent and 1.4 percent, respectively. Manufacturing, the major contributor to this sector, managed to grow by only 1.2 percent in the same period, owing to the slowdown in electrical machinery production. The minimal growth of 0.5 percent in mining & quarrying was due to a major strike that crippled one of the major mining companies in the region.

Table 1
GROSS REGIONAL DOMESTIC PRODUCT, CAR
BY INDUSTRIAL ORIGIN
GROWTH RATES, AT CONSTANT 1985 PRICES
2003 TO 2005
(In Percent)

INDUSTRY/YEAR	03-04	04-05
I. AGRI., FISHERY, FORESTRY	4.7	(1.3)
a. Agriculture and Fishery	4.6	(0.3)
b. Forestry	18.0	(94.0)
II INDUSTRY SECTOR	2.8	0.4
a. Mining and Quarrying	(2.7)	0.5
b. Manufacturing	4.0	1.2
c. Construction	3.8	(2.5)
d. Electricity and Water	4.6	(1.4)
III SERVICES SECTOR	5.5	4.2
a. Transport, Comm., Storage	8.6	5.3
b. Trade	12.4	4.9
c. Finance	6.6	4.3
d. O. Dwellings & Real Estate	4.3	4.8
e. Private Services	3.4	4.9
f. Government Services	(0.5)	0.9
GROSS DOMESTIC PRODUCT	3.7	1.1

Source : National Statistical Coordination Board

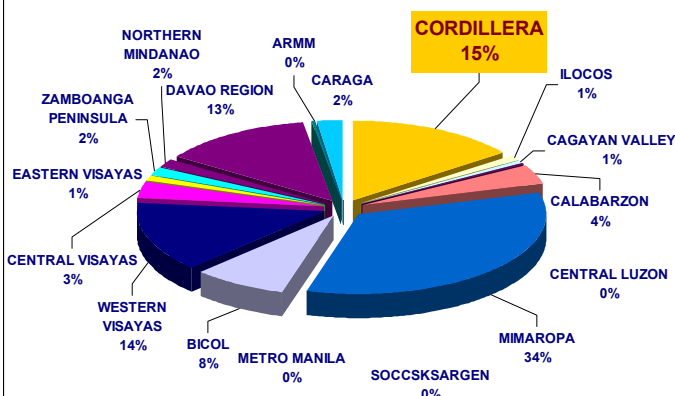
Services sector is strongest performer

The services sector, which comprised 23.5 percent of the GRDP of CAR, cushioned the sluggish performance of the AFF and industry sectors with its 4.2 percent growth in 2005. TCS grew the fastest among the sub-sectors at 5.3 percent in 2005, a deceleration from its 8.6 percent growth the previous year. Trade slid from 12.4 percent in 2004 to 4.9 percent in 2005. Private services and government services managed to grow by 4.9 percent and 0.9 percent, respectively.

CAR is second largest contributor to national GVA for mining and quarrying

On one hand, although mining and quarrying accounted for only 10.7 percent of the regional economy, it shared 14.6 percent to the country's Gross Value Added (GVA) for this sub-sector, making CAR the second largest

Figure 1. Gross Value Added in Mining & Quarrying by Region, 2005



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contributor nationwide (see Figure 1 and Table 2). On the other hand, although the manufacturing sub-sector contributed two-fifths and remained the prime mover of the Cordillera economy, it only ranked seventh highest among the regions with a 3.8 percent share to the national GVA.

CAR tops per capita GRDP

Overall, CAR contributed only 2.26 percent to the national economy in 2005, placing it in the neighborhood of Eastern Visayas (2.22 percent). However, outside of the National Capital Region, CAR's per capita GRDP was the highest at P17,919 in contrast to the Eastern Visayas level which was third to the lowest at P6,678 pesos (See Table 2). The Cordillera figure was 26.3 percent higher than the national per capita GRDP of P14,186.

Table 2
GROSS REGIONAL DOMESTIC PRODUCT BY REGION
BY INDUSTRIAL ORIGIN
GROWTH RATES, PERCENT DISTRIBUTION AND PER CAPITA
AT CONSTANT 1985 PRICES

REGION	Growth Rates (In Percent)		Percent Distribution (In Percent)			2005 Per Capita GRDP (In Pesos)
	03-04	04-05	2005 GRDP	2005 GVA* in Mining & Quarrying	2005 GVA in Manufacturing	
PHILIPPINES	6.2	5.0	100.00	100.00	100.00	14,186
NCR METRO MANILA	8.4	7.1	31.88	-	40.41	35,742
CAR CORDILLERA	3.7	1.1	2.26	14.64	3.77	17,919
I ILOCOS	5.4	6.0	2.99	1.23	0.63	7,727
II CAGAYAN VALLEY	10.4	(5.4)	1.95	0.51	0.27	7,649
III CENTRAL LUZON	1.8	2.9	8.47	0.41	9.66	11,142
IVA CALABARZON	4.0	3.0	12.47	3.82	17.15	14,159
IVB MIMAROPA	4.1	6.5	2.79	33.81	1.44	12,735
V BICOL	5.7	5.0	2.85	8.22	0.15	6,632
VI WESTERN VISAYAS	7.6	5.9	7.29	13.93	4.99	12,825
VII CENTRAL VISAYAS	6.9	6.0	7.11	3.40	6.13	13,518
VIII EASTERN VISAYAS	5.2	4.0	2.22	1.10	1.88	6,678
IX ZAMBOANGA PENINSULA	4.1	7.2	2.65	1.68	1.03	10,159
X NORTHERN MINDANAO	7.2	3.8	4.81	1.72	4.56	14,829
XI DAVAO REGION	6.5	5.0	4.62	13.11	3.60	13,892
XII SOCCSKSARGEN	5.8	2.3	3.46	0.30	3.64	11,477
ARMM MUSLIM MINDANAO	5.2	3.9	0.90	-	0.17	3,433
XIII CARAGA	3.1	3.5	1.28	2.13	0.52	6,690

Source : National Statistical Coordination Board

*Gross Value Added

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