



Manufacturing Cushioned Slowdown of CAR Economy in 2003

Several sub-sectors of the regional economy slowed down in 2003 but the overall decline was cushioned by a modest gain in Manufacturing which accelerated to 4.2 percent in 2003 from 3.9 percent in 2002 (See Table 1). Manufacturing remained as the prime mover of the Cordillera Administrative Region (CAR)'s economy with its substantial contribution of 40.1 percent in 2003 (See Figure 2).

CAR Economy Decelerated to 3.0% in 2003

The Gross Regional Domestic Product (GRDP) of CAR registered a lower growth of 3.0 percent in 2003 from 4.3 percent in 2002. This was brought about by the marked slowdown in the Industry sector and the contraction in Agriculture, Fishery and Forestry (AFF) sectors.

The AFF, which accounted for 13.1 percent of the region's total output, contracted at the rate of 2.6 percent largely due to vegetable importation and extensive damages to crops brought about by a devastating typhoon.

Several factors contributed to the slowdown in the Industry sector's performance. Mining and Quarrying, which contributed 11.1 percent to the Cordillera economy, decelerated to 14.0 percent in 2003 from 18.2 percent in 2002. The decline in gold production, which accounted for the biggest chunk of the mining industry, pulled down the modest gains in copper production. Construction, which accounted for 7.2 percent of the region's output, dropped by 12.0 percent due to substantial slowdown in government infrastructure activities.

The GRDP is the sum of all services and products generated in a given year by a particular region. It is derived from three major sectors, namely; (1) Agriculture, Fishery and Forestry, (2) Industry and (3) Services.

Services Sector Strongest Performer

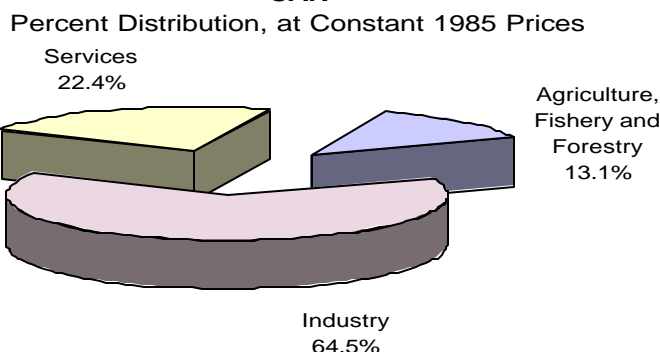
The Services sector, which contributed 22.4 percent to the region's economy, slightly decelerated to 5.0 percent in 2003 from 5.3 percent in 2002 but is the strongest performer. Private Services boosted the growth of the Services sector with its 4.4 percent expansion which is due to the significant increase in private schools enrolment and the surge in the number of hotels in Baguio City.

Table 1
GROSS REGIONAL DOMESTIC PRODUCT
BY INDUSTRIAL ORIGIN
CORDILLERA ADMINISTRATIVE REGION
2001 TO 2003
GROWTH RATES, AT CONSTANT 1985 PRICES
Unit : In Percent

INDUSTRY/YEAR	01-02	02-03
I. AGRI., FISHERY, FORESTRY	1.2	(2.6)
a. Agriculture and Fishery	0.8	(2.9)
b. Forestry	268.4	46.2
II. INDUSTRY SECTOR	4.7	3.6
a. Mining and Quarrying	18.2	14.0
b. Manufacturing	3.9	4.2
c. Construction	(5.2)	(12.0)
d. Electricity and Water	5.8	4.4
III. SERVICE SECTOR	5.3	5.0
a. Transport, Comm., Storage	5.4	7.0
b. Trade	9.5	7.4
c. Finance	2.7	3.9
d. O. Dwellings & Real Estate	2.6	3.0
e. Private Services	3.1	4.4
f. Government Services	6.3	3.8
GROSS DOMESTIC PRODUCT	4.3	3.0

Source : Economic Statistics Office, National Statistical Coordination Board

Figure 1. GROSS REGIONAL DOMESTIC PRODUCT, CAR

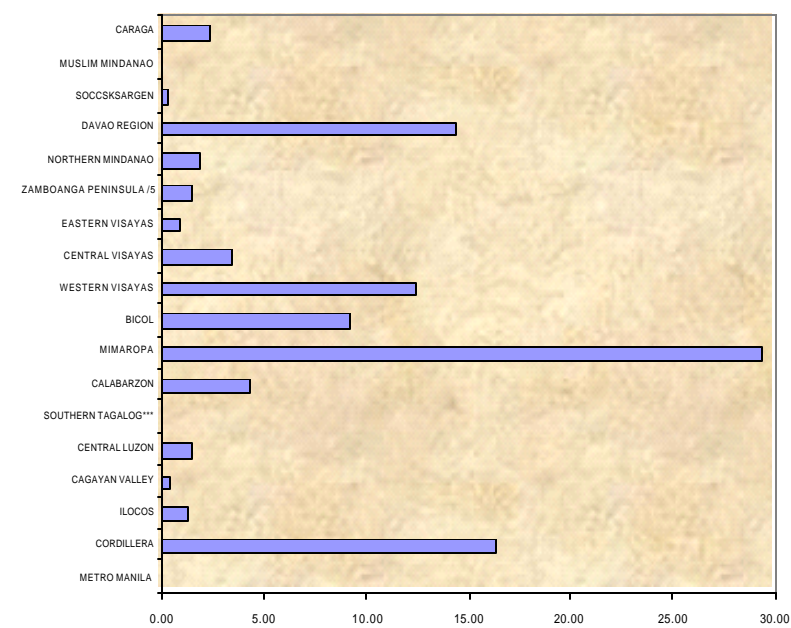


Sectoral Distribution Remained

CAR's 2003 economy assumed the distribution as seen in Figure 1 which is almost the same as last year's 13.9, 64.2 and 22.0 percent for AFF, Industry and Services, respectively. As usual, the industry sector contributed the largest, this time with 64.5 percent, and AFF shares the smallest with 13.1 percent.

CAR Mining and Quarrying is Second Largest Contributor to National GVA

Figure 2. Gross Value Added in Mining and Quarrying By Region, 2003



Though Mining and Quarrying supplied only 11.1 percent to CAR’s Economy, it ranked second largest nationwide with its country share of 16.3 percent of the national Gross Value Added (GVA) in the same sub-sector (See Figure 2 and Table 2). On the other hand, while Manufacturing contributed the largest to CAR’s economy with a 40.1 percent share, it is ranked far behind as the seventh contributor to the national GVA in the same sub-sector with only 4 percent share.

Region Attained Second Highest Proportional Contribution

CAR’s contribution to the national economy is only 2.42 percent, but its projected 2003 population is relatively the smallest among the regions at only 1.75 of the total population of the Philippines (See Table 2). In effect, this implies that 1.75 percent of the Philippine population (that is CAR) contributed 2.42 percent to the national output – second only to NCR on a region-to-region comparison. In contrast, Eastern Visayas contributed 2.27 percent to the Philippine

economy yet its population is 4.62 percent of the country total. The abovementioned CAR figure is further supported by its 2003 Per Capita GRDP of P18,114 which is again second to the National Capital Region’s P30,970.

Table 2
GRDP Growth Rates, Percentage Distribution, Per Capita and Population Percentage Distribution by Region
Philippines

REGION / YEAR		Growth Rates (In Percent)		Percentage Distribution				2003 Per Capita GRDP (In Pesos)
		01-02	02-03	2003 GRDP	2003 GVA* in Mining and Quarrying	2003 GVA in Manufacturing	Projected 2003 Population	
PHILIPPINES		4.3	4.7	100.00	100.00	100.00	100.00	13,139
NCR	METRO MANILA	3.1	5.3	30.51	-	39.14	12.95	30,970
CAR	CORDILLERA	4.3	3.0	2.42	16.30	3.98	1.75	18,114
I	ILOCOS	4.3	3.5	2.98	1.28	0.63	5.38	7,284
II	CAGAYAN VALLEY	(1.2)	1.3	2.10	0.45	0.28	3.62	7,610
III	CENTRAL LUZON	**	3.6	9.01	1.49	10.82	11.01	10,759
IV	SOUTHERN TAGALOG***							
IVA	CALABARZON		3.8	12.96	4.37	17.71	12.53	13,590
IVB	MIMAROPA		11.0	2.89	29.37	1.55	3.08	12,317
V	BICOL	5.7	5.4	2.87	9.22	0.16	6.01	6,273
VI	WESTERN VISAYAS	4.4	5.9	7.15	12.51	4.82	7.88	11,915
VII	CENTRAL VISAYAS	2.9	4.6	7.00	3.40	5.85	7.41	12,409
VIII	EASTERN VISAYAS	2.6	5.2	2.27	0.99	1.86	4.62	6,447
IX	ZAMBOANGA PENINSULA	**	4.5	2.64	1.51	0.99	3.72	9,331
X	NORTHERN MINDANAO	**	5.6	4.83	1.92	4.62	4.60	13,782
XI	DAVAO REGION	**	4.2	4.51	14.43	3.40	4.83	12,286
XII	SOCCKSARGEN	**	3.8	3.58	0.35	3.46	4.23	11,110
ARMM	MUSLIM MINDANAO	**	2.6	0.92	-	0.17	2.69	4,493
XIII	CARAGA	0.9	0.9	1.35	2.39	0.56	3.68	4,823

*Gross Value Added
**Growth rates for 01-02 are not comparable with the growth rates of 02-03 due to the changes in regional configuration
***Refers to the old configuration of Region IV, Southern Tagalog