Quarterly Regional Economic Situationer

Cagayan Valley — First Quarter CY 2015

The region's economy was on the upbeat during the first quarter of CY 2015 as manifested by the general improvement in the Agriculture sector coupled with the vibrant performance of the Industry and Services sectors.

The crops subsector of the Agriculture sector posted better production performance during the quarter. The region's prime commodities, palay and corn, had outputs surpassing their CY 2014 levels by 6.08 percent and 10.41 percent, respectively. Furthermore, aggregate production of other crops was 5.89 percent higher from last year. These increments were ascribed to the gains in yield brought about by the utilization of high-yielding variety seeds, favorable weather condition and sustained government interventions. In contrast, fishery production continued its downtrend during the quarter attributed to the lesser fishing activities for the period.

Along the Industry and Services sectors, key indicators recorded continuous expansion and growth during the quarter. Investment inflow through the Cagayan Special Economic Zone and Freeport and the Department of Trade and Industry's Business Name Registration were on the uptrend. Sustained improvements were also observed in the tourism sector as volume of arrivals increased by 16.31 percent. Growth in construction growth continued as manifested by the increase in new private construction projects. Other indicators such as loan availments, motor vehicle registration and mineral production likewise showed improvement during the period.

Prices of basic goods and services measured by the inflation rate eased during the quarter at 2.1% attributed to the slowdown in the price increase of food commodities especially rice. Majority of the non-food commodity groups also posted slower inflation rates.

The region's employment situation was positive during the first quarter. Employment rate surged to 97.4% in January 2015, which was 1.2 percentage points higher than the 96.2% employment in January 2014. Nevertheless, underemployment remained a challenge as more employed persons have signified of wanting more work hours during the period. In terms of underemployment rate, it increased to 12.9% from last year's rate of 10.1%.

The following sections include a more in-depth discussion of these performance levels.

A GLANCE AT CAGAYAN VALLEY'S ECONOMY DURING THE FIRST QUARTER OF CY 2015

Macroeconomy

◊ Inflation rate at 2.1%
◊ Unemployment rate down to 2.6%
◊ Underemployment rate up to 12.9%

Agriculture and Fishery Sector

◊ Palay production up by 6.08%
◊ Corn production up by 10.41%
◊ Fruit production up by 19.61%
◊ Vegetable and root crop production up by 8.32%
◊ Non-food and industrial commercial crops production up by 2.91%
◊ Fishery production down by 9.04%

Industry and Services Sector

◊ CSEZFP investments at PhP 14.6 Billion
◊ BNR investments up by 44.54%
◊ Tourist arrivals up by 16.31%
◊ Construction projects up by 30.44%
◊ Metallic and non-metallic mineral production up by 24.24%

MACROECONOMY

Inflation

The region's average inflation rate eased to 2.1 percent in the first quarter of CY 2015 (Table 1). This was 2.6 percentage points lower compared to the 4.7 percent inflation recorded in the same period of last year and also 0.3 percentage points lower than the national inflation rate of 2.4 percent.

The slowdown for the quarter was mainly attributed to the deceleration of food inflation from 6.7% last year to 3.6% this year. Price index of rice, which makes up about 24.2 percent of the average total food expenditure of households, significantly slowed down to 6.1% (from 14.5%) following the increased production and the adequate rice stock inventory. Food inflation could have further slowed down if not for the relatively higher price index of Fruits (from 4.3% to 11.8%) attributed to increased demand; Milk, Cheese and Eggs (from 1.8% to 4.2%) due to the increase in the cost of imported milk; and Oils and Fats (from 3.8% to 7.0%) due to the price hikes in cooking oil.

Non-food commodity groups inflation continued to decelerate to a mere 0.3% this year from last year's 2.8%. Among the non-food commodity groups, only the inflation of Restaurant and Miscellaneous Goods and Services registered a higher rate at 1.4% (from 1.0%). The slow down in the price index of Housing, Water, Electricity, Gas and Other Fuels from 4.0% to –0.7% was mainly ascribed to the lower rates of fuel prices in the world market affecting the domestic price. Health index also decelerated to 1.3% from 4.7% attributed to the stabilized cost of hospital services. Education eased to 1.1% from 5.0% due to the normalization of tuition level.

Table 1. Inflation Rate by Commodity Group (2006 Base Year), Region 2
First Quarter, CY 2014 and CY 2015

Commodity Group	1st Quarter 2014	1st Quarter 2015
All Items	**4.7**	**2.1**
I. Food and Non-Alcoholic Beverages	**6.3**	**3.5**
Food	6.7	3.6
Non-Alcoholic Beverages	-1.1	2.0
II. Alcoholic Beverages and Tobacco	**7.8**	**7.1**
III. Non-Food	**2.8**	**0.3**
Clothing and Footwear	3.4	1.2
Housing, Water, Electricity, Gas, and Other Fuels	4.0	-0.7
Furnishings, Household Equipment and Routine Maintenance of the House	2.5	1.3
Health	4.7	1.3
Transport	0.6	0.0
Communication	0.0	-0.8
Recreation and Culture	1.3	0.6
Education	5.0	1.1
Restaurants and Miscellaneous Goods and Services	1.0	1.4

Source: PSA RO2

Employment

Results from the January 2015 Labor Force Survey of the Philippine Statistics Authority revealed a significant improvement in the unemployment rate of the region relative to the same period a year ago.

Table 2. Selected Employment Indicators, Region 2
First Quarter, CY 2014 and CY 2015

	January 2014	January 2015
Working age population ('000)	2,305	2,332
Labor Force Participation Rate (%)	66.4	66.5
Employment Rate (%)	96.2	97.4
Unemployment Rate (%)	3.8	2.6
Underemployment Rate (%)	10.1	12.9

Source: PSA RO2

In January 2015, the region's "15 years old and over" population went up by 1.17 percent from 2.305 million in the previous year. Out of the total working age population, about 1.55 million belonged to the active workforce which increased by 19 thousand from last year. This figure corresponded to a higher labor force participation rate of 66.5% than last year's 66.4%.

With the increase in labor force, employment level likewise grew to 1.509 million or 2.44% more compared to last year's level of 1.473 million. This translated to the rise in employment rate from 96.2% to 97.4%. Main contributors to the improved employment were the increased activities in the agriculture sector and construction sector, and the sustained expansion of businesses in the region.

Amid the improvement in employment, underemployment remained a key challenge. The population of those wanting more work hours considerably rose to 195 thousand from previous year's 149 thousand. In terms of underemployment rate, it increased to 12.9% from 10.1%. Particularly for the agriculture sector, more employed expressed the need for steady jobs as work in the sector is seasonal.

AGRICULTURE AND FISHERY

Palay

Palay production for the first quarter of CY 2015 posted a positive growth of 6.08 percent, a turnaround from its negative performance in the previous year. The increase in regional output estimated at 647,864.90 metric tons (MT) was attributed to the substantial improvement in yield to 4.37 MT/ha (from 3.87 MT/ha) offsetting the 6.01 percent contraction in area harvested.

Figure 1. Palay Production (in MT), Region 2, First Quarter, CY 2014 and 2015

	Batanes	Cagayan	Isabela	Nueva Vizcaya	Quirino	Cagayan Valley
1st Quarter 2014	2.95	196,040.00	325,964.00	55,676.00	33,072.00	610,754.95
1st Quarter 2015	2.90	204,460.00	365,176.00	61,261.00	16,965.00	647,864.90

Source: PSA RO2

For the quarter in review, the region remains the second top producer of palay sharing 14.83 percent to the national palay production of 4.37 million metric tons.

Production from irrigated areas notably increased to 564,004.90 MT (up by 8.61%) accounted by the stable supply of irrigation water particularly in prime areas of Isabela. On the other hand, production from rainfed agricultural lands decreased to 83,232 MT (from 91,175 MT) due to the 26.23 percent contraction in area harvested caused by the insufficient amount of rainfall during the period.

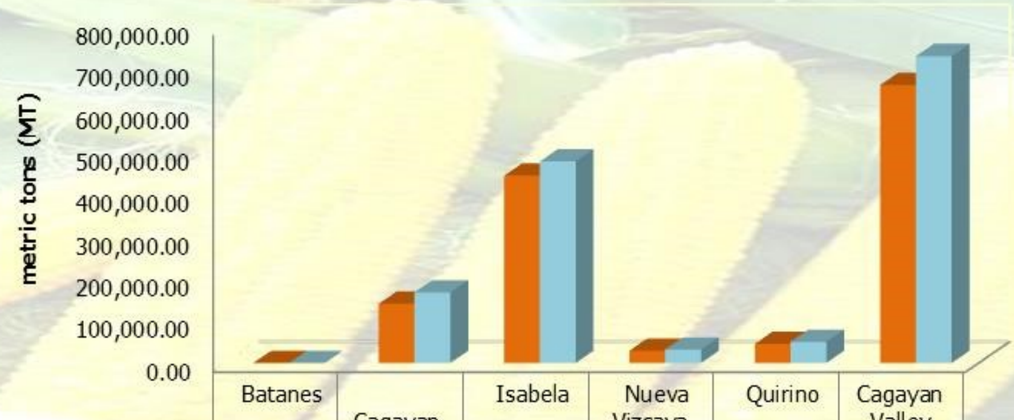
Meanwhile, average yield for the quarter improved to 4.37 MT/ha from year ago's yield of 3.87 MT/ha or an increase of about 10 sacks per hectare. Palay productivity in irrigated areas was higher at 4.70 MT/ha. (up from 4.33 MT/ha) compared to the yield in rainfed areas at 2.98 MT/ha (up from 2.41 MT/ha). The sustained usage of hybrid and certified seeds in the region has enhanced the yield during the period.

Corn

For the first quarter of CY 2015, the region maintained its rank as the top producer of corn contributing 30.77 percent to the countrywide production of 2.37 million MT. The region's gross output expanded to 728,894.73 MT or by 10.41 percent from the production level of 660,188.46 MT the previous year. The increment posted this year was an improvement from the 11.65 percent loss recorded in the first quarter of last year.

Figure 2 shows that among the provinces, only Batanes posted a decline in production. The four main corn-producing provinces registered positive gains with Cagayan posting the biggest increment of 19.38 percent, followed by Quirino (+10.71%), Nueva Vizcaya (+9.95%) and Isabela (+7.58%).

Figure 2. Corn Production (in MT), Region 2 , First Quarter, CY 2014 and 2015



	Batanes	Cagayan	Isabela	Nueva Vizcaya	Quirino	Cagayan Valley
1st Quarter 2014	85.46	140,584.00	444,927.00	29,178.00	45,414.00	660,188.46
1st Quarter 2015	45.73	167,836.00	478,653.00	32,081.00	50,279.00	728,894.73

Source: PSA RO2

The increment in production was a result of the expansion in area harvested coupled with the significant improvement in yield. Aggregate harvest area expanded to 161,430 hectares or by 2.48 percent from the preceding year's level of 157,521 hectares while average productivity improved from 4.19 MT/ha to 4.52 MT/ha. The good weather condition, sufficient soil moisture and sustained use of high quality seeds were the reasons cited that have influenced this positive performance.

Other Crops

During the first quarter of CY 2015, the region saw a general improvement in the production of other crops besides palay and corn (Table 3).

Total fruit production grew by 19.61 percent to 68,079 MT, mainly attributed to the double-digit percentage increment in the harvest of major and priority fruit crops. Banana and calamansi, which accounted for a combined 90.1 percent share of the total output, registered positive growth rates of 23.12 percent and 4.23 percent, respectively. There were more bearing trees during the reference period due to the favorable weather condition. On the other hand, mango produced at 24.78 MT was less than half of the output the previous year. The decline was attributed to the movement of harvest to the second quarter.

Aggregate production of vegetables and root crops reached 109,217.37 MT during the first quarter, representing an increase of 8.32 percent from last year. Substantial increments in output were registered by peanut (128.67%), cabbage (62.41%), and cassava (26.70%). The gain in peanut was a result of the increase in production areas in Cagayan due to the introduction new varieties and technical assistance of the Cagayan Valley Research Center. Likewise, the increase in production areas due to sufficient soil moisture led to the surge in cabbage produced during the quarter. For cassava, the availability of market such as the San Miguel Corporation, which tapped cassava farmers as direct suppliers for the production of its B-MEG products, encouraged more planting during the period.

Non-food and industrial commercial crops posted a minimal growth of 2.91 percent from last year's output level of 344,210.35 MT. Sugarcane, which makes up the bulk of the NFICC production, went up by 3.41 percent to 309,833.01 MT as a result of the early harvest due to the early milling operations of the Cagayan Robina Sugar Milling Company. Coconut also expanded by 2.55 percent ascribed to the increased productivity brought about by the lesser weather disturbances.

Table 3. Production Estimates for Other Crops Region 2, First Quarter, CY 2014 and CY 2015

Commodity	1st Quarter 2014	1st Quarter 2015
Fruits	**56,917.18**	**68,079.00**
Major	***50,791.92***	***62,108.59***
Banana	49,299.87	60,696.84
Calamansi	639.72	666.81
Mango	55.90	24.78
Pineapple	796.43	720.16
Priority*	***1,917.75***	***2,148.25***
Others	***4,207.51***	***3,822.16***
Vegetables and Root Crops	**100,825.25**	**109,217.37**
Major	***47,632.05***	***55,640.51***
Mongo	76.74	86.29
Peanut	391.33	894.84
Cabbage	487.94	792.47
Eggplant	5,924.33	6,024.82
Tomato	2,486.80	2,581.82
Garlic	462.98	475.21
Onion	6,511.94	6,235.99
Camote	2,932.30	2,620.90
Cassava	28,357.69	35,928.17
Priority*	***48,322.50***	***48,840.65***
Others	***4,870.70***	***4,736.21***
Non-Food and Industrial Commercial Crops (NFICC)	**344,210.35**	**354,242.32**
Major	***319,102.34***	***329,812.21***
Coconut with husk	18,798.56	19,278.11
Coffee (dried beans with pulp)	697.34	698.99
Sugarcane (cane)	299,606.44	309,833.01
Tobacco (dried leaves)	-	2.10
Priority*	***23,361.04***	***22,571.63***
Others	***1,746.97***	***1,858.48***

*Note: * Please see Annex: Table 9 for the production estimates of crops included in the Priority subgroups*

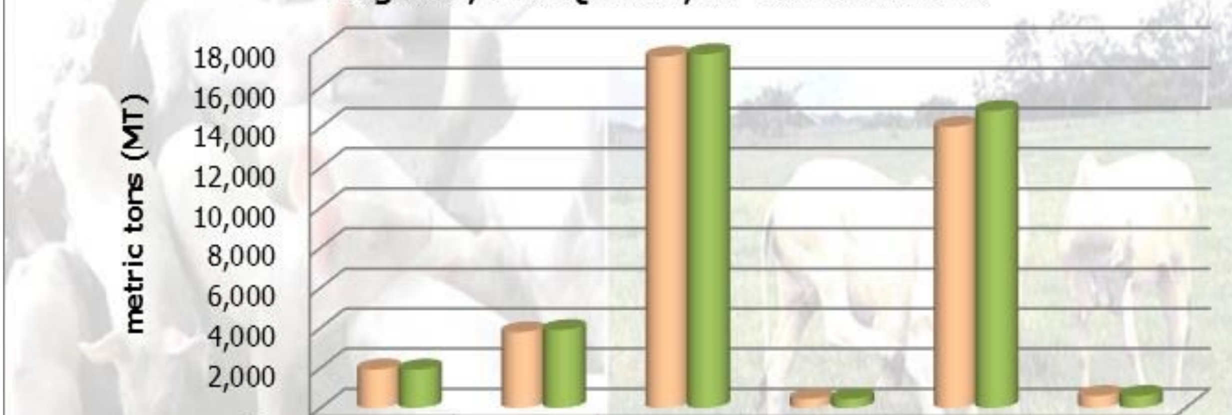
Source: PSA RO2

Livestock and Poultry

Livestock commodities exhibited varied performances in terms of liveweight production during the first quarter of the current year. Swine or hog, which comprised the lion's share of the total livestock production, inched up by 0.70 percent to 17,663 MT, liveweight. Factors that contributed to the positive growth were the increased numbers of animals for disposal and bigger sizes of hogs slaughtered. Cattle production likewise improved to 3,893 MT from last year's 3,781 MT attributed to more slaughtering in abattoirs due to sustained demand and more stocks made available for disposal. Meanwhile, carabao and goat posted production losses for the period. The reduction in the inventory during the previous semesters which resulted to the limited stocks available for disposal led to the minimal contraction in the output of carabao (-0.62%) and goat (-0.45%).

On poultry, both chicken and duck came up with output gains for the quarter. Chicken production estimated at 14,830 MT liveweight was higher by 5.68 percent relative to previous year's figure of 14,033 MT. Output from all farm types increased especially broiler due to opening of new farms and rehabilitation of existing farms in Isabela. Native chicken also improved as bigger sizes were disposed as a result of improved feeding and favorable weather. Increment in layer production was traced to more culling of layers. Duck meat production increased by 0.67 percent ascribed to increasing demand from eateries leading to more disposal during the reference period.

Figure 3. Liveweight Production Estimates for Livestock and Poultry Region 2, First Quarter, CY 2014 and 2015



	Carabao	Cattle	Swine	Goat	Chicken	Duck
	Livestock				Poultry	
1st Quarter 2014	1,928	3,781	17,540	447	14,033	599
1st Quarter 2015	1,916	3,893	17,663	445	14,830	603

Source: PSA RO2

Fisheries

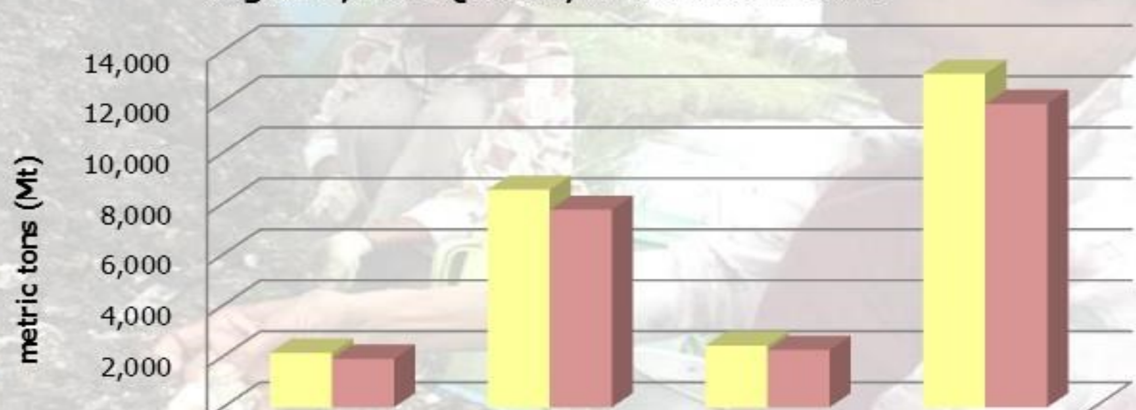
Fishery production continued its downward trend in the first quarter of CY 2015. Aggregate output declined by 9.04 percent to 11,906.12 MT from last year's 13,089.50 MT output ascribed to the production losses recorded in all sectors.

Commercial fishing went down by 10.74 percent to 2,133.68 MT brought about by the dry docking some commercial fishing boats. Moreover, there were lesser fishing activities during the period attributed to the rough seas and cold weather condition.

Municipal fisheries production likewise slid by 9.18 percent to 7,753.57 MT this year, a reversal from the 2.56 percent gain posted last year. Harvest from both marine and inland fishing dropped by 3.68 percent and 17.29 percent, respectively. Main reason cited for the decline in marine municipal fishing was lesser fishing efforts due to cold weather and rough seas. Further, some fishermen in Batanes opted to do construction work in place of fishing due to the ongoing rehabilitation and repair of roads, construction buildings and other infrastructure projects in the provinces. For inland municipal fishing, factors that hindered output gain were lesser fishing days for fishermen who chose to do farming activities, drying up of some communal bodies of water, and smaller sizes of catch.

Aquaculture production posted further decline in the first quarter of CY 2015. Production stood at 2,247.93 MT, which was 7.06 percent lower compared to last year's output of 2,418.57 MT. Factors that influenced the negative performance for the period were the suspension of operation in some brackishwater fish cages, delaying of harvest to the second quarter in time for the Lenten season, unavailability of fingerlings during stocking period and smaller sizes of produce due to the cold weather condition.

Figure 4. Production Estimates for Fisheries (in metric tons)
Region 2, First Quarter, CY 2014 and 2015



	COMMERCIAL	MUNICIPAL	AQUACULTURE	TOTAL
1st Quarter 2014	2,133.68	8,537.25	2,418.57	13,089.50
1st Quarter 2015	1,904.62	7,753.57	2,247.93	11,906.12

Source: PSA RO2

Farm gate prices of selected agricultural commodities

Dry palay registered a drop in farmgate price of 17.34 percent to PhP17.26 per kilogram in the first quarter of CY 2015, a turnaround from the sharp rise in price in the same period last year. The decline in price was attributed to higher production particularly in Isabela and Cagayan, and lesser demand from traders in the provinces of Nueva Vizcaya and Quirino. In contrast, price of yellow and white corn increased during the quarter. The sustained demand from local feed millers and outside buyers resulted in the 8.49 percent hike in price at PhP12.90 per kilogram. Price of white corn slightly inched up by 0.18 percent to PhP11.22 per kilogram on the account of the continued demand from traders and good quality of produce traded.

More commodities under the vegetables, root crops and condiments group recorded lower prices during the quarter amid the general improvement in production. Significant price reduction was noted for eggplant (-36.14%), red creole onion (-30.02%), chayote (-23.91%), cassava (-18.09%), pepper finger (-15.73%) and pechay native (-15.06%). On the other hand, ampalaya, sweet potato, tomato, peanut, and squash all commanded higher prices attributed to the increase in production, sustained demand within and outside the region and good quality of produce.

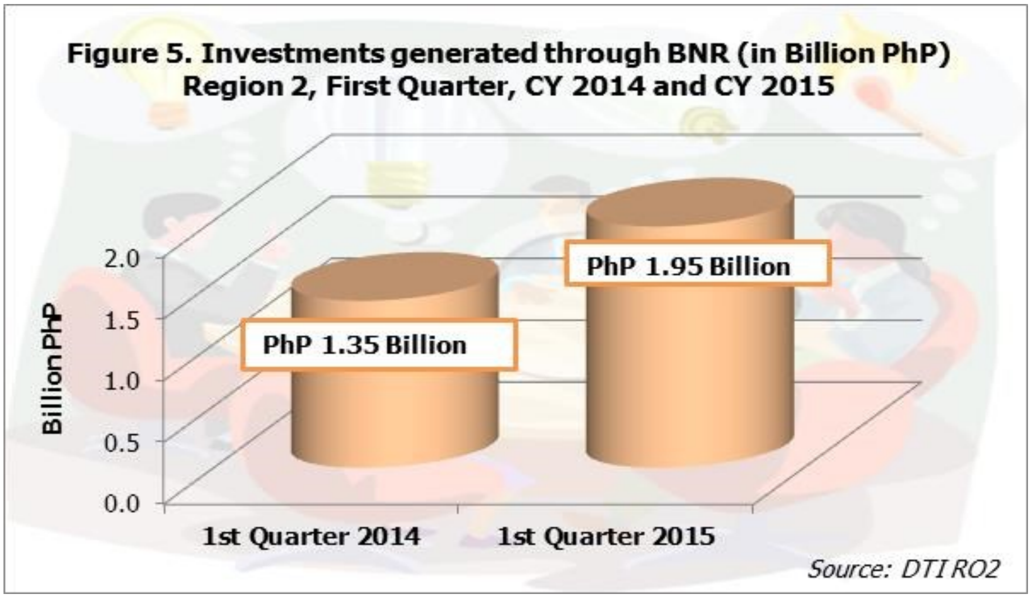
In the case of fruit commodities, calamansi registered a considerable decrease in farmgate price from PhP39.18 to PhP22.67 per kilogram or by 42.14 percent. Price of banana green saba and papaya hawaiian were also lower by 9.48 percent and 3.22 percent, respectively. Main contributor to the price drop was the growth in the produced commodities. Conversely, banana (lakatan, latundan and bungulan) posted price hikes due to the sustained demand from buyers within and outside the region. Pineapple also saw a substantial price increase from PhP9.29 to PhP11.79 per kilogram attributed to the limited supply resulting from the decline in production. Coconut prices were also higher during the quarter on the account of the increased demand from local and outside buyers amid the minimal increase in production.

Farm price of carabao and goat increased during the reference period due to the continued demand from consumers/assemblers and viajeros. In contrast, cattle and hog prices were slightly down by 1.58 percent and 2.72 percent, respectively brought about by the rise in liveweight production. On poultry, price of native/improved chicken slightly increased by 0.79 percent to PhP138.78 per kilogram ascribed to high demand from consumers and traders.

INVESTMENTS

Investments through DTI's Business Name Registration (BNR)

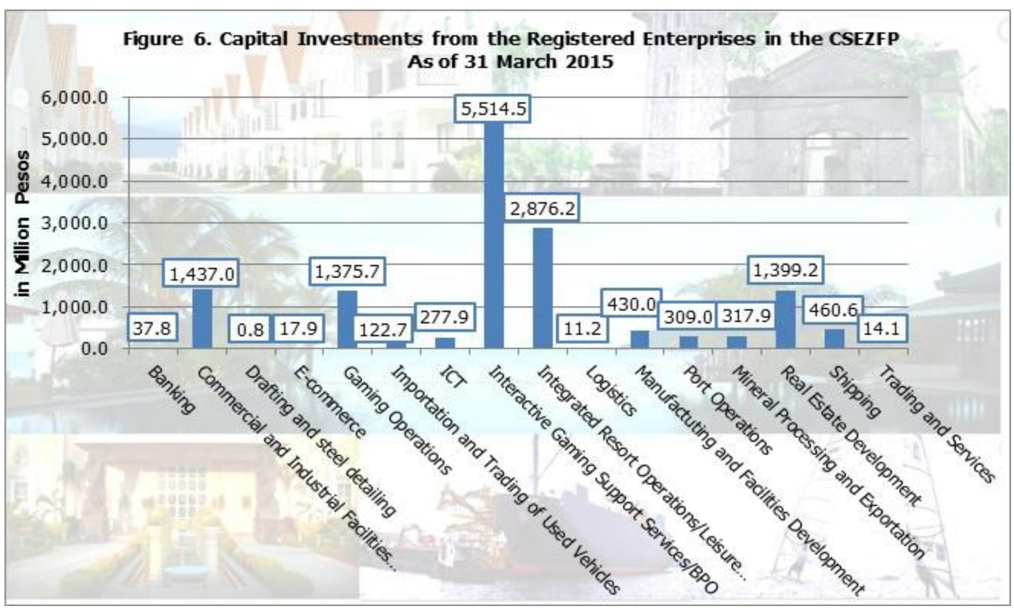
For the first quarter of CY 2015, firms registered in DTI's BNR stood at 6,576, representing a 13.44 percent gain from previous year's 5,797 firm registration. Bulk of the firms registered are engaged in the trading (3,697 firms) and services (2,331 firms) sectors. Moreover, these sectors also posted increase in registration compared to the previous year. More firms involved in manufacturing and construction were also registered for the period with double-digit growth rates of 62.69 percent and 91.43 percent, respectively.



Consequently, total investments generated from the BNR increased to PhP 1.95 Billion in the first quarter of CY 2015. The 44.54 percent increment from the PhP1.35 Billion investments generated in the same quarter last year was attributed to the strong growth recorded in the investments across all industry sectors, except for agri-based production. The lower investments from the agri-based production sector was due to the fewer registered firms for the period.

The number of expected employment generation from the firm registrations increased for the quarter. Projected employment rose by 8.76 percent to 12,872 jobs from last year's 11,835 jobs. This was ascribed to increase in employment generation of the manufacturing (up by 48.94%) and trading (up by 17.87%).

Investments in the Cagayan Special Economic Zone and Freeport



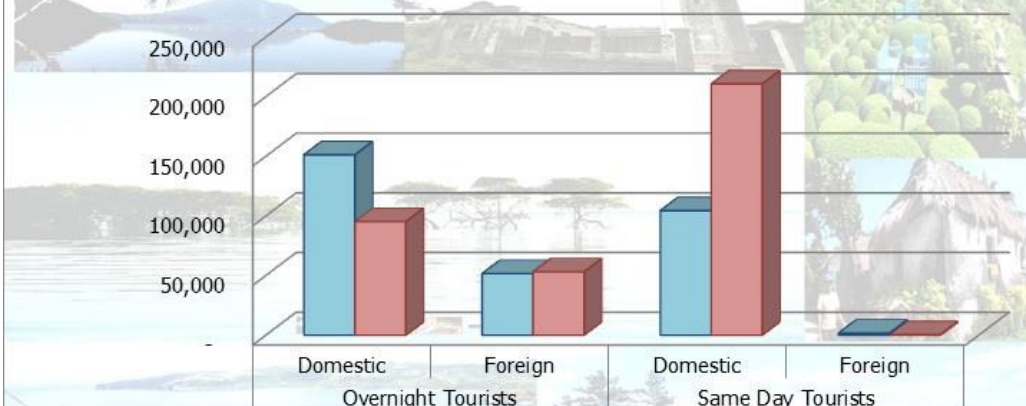
Registered enterprises/locators in the Cagayan Freeport stood at 177, as of the end of the first quarter. This was equivalent to an investment amounting to PhP14.603 Billion. Enterprises engaged in interactive gaming support services/BPO accounted for the biggest investment with PhP5.51 Billion, followed by integrated resorts operations/leisure facilities operation with PhP2.88 Billion.

In terms of the number of locators, majority are engaged in interactive gaming support services or BPO services at 124 locators. Consequently, the said locators generated the bulk of the employment at 9,541, making up about 89 percent of the entire 10,766 employment generated as of the end of the reference period.

The intensive marketing and promotional activities of the Cagayan Economic Zone Authority, both in local and international settings, have contributed to the continuous improvement in the investment inflow in the Cagayan Freeport and subsequently to the region.

Tourism

Figure 7. Tourist Arrivals, Region 2, First Quarter, CY 2014 and 2015



	Overnight Tourists		Same Day Tourists	
	Domestic	Foreign	Domestic	Foreign
1st Quarter 2014	151,312	51,640	104,416	1,694
1st Quarter 2015	95,250	53,139	210,712	381

Note: Data for 2015 are partial *Source: DOT RO2*

Based on the partial data from the Department of Tourism Region 2, volume of tourist arrivals in the region for the first quarter of CY 2015 stood at 359,482. This represented a 16.31 percent increase compared to last year's 309,062 tourist arrivals.

Overall domestic visitors was up by 19.64 percent to 305,962 arrivals. Same day visitors more than doubled to 210,712 arrivals, from 104,416. On the contrary, reduced volume of overnight domestic tourists was registered at 95,250 from last year's 151,312 tourists.

Foreign arrivals for the period was slightly higher by 0.35 percent from last year's 53,334 arrivals. While overnight foreign tourists increased to 53,139 from 51,640 tourists, same day foreigner visitors declined to 381 from 1,694 tourists. Among the overnight foreign tourists in the region, 48,771 tourists or about 92 percent of the total arrivals were Chinese nationals, distantly followed by Taiwanese (1.6%) and Americans (1%).

The relatively positive performance of the tourism industry was brought about by the improved access and connectivity to tourism destinations and attraction in the region and the aggressive promotional campaign activities conducted by the Department of Tourism bannered by the slogan —It's More Fun in the Philippines. Moreover, the continuous development, enhancement and marketing of wide range of diversified tourism products and activities have encouraged longer stays in the region.

Development Financing[1]

The region's banking system showed a steady improvement as more offices were opened during the quarter compared to last year. Total bank and bank branches available to serve the financing needs of the region stood at 337, up by 8.4 percent from the 311 operating banking units last year. Rural and cooperative banks (R/CBs) comprised the largest share of banks operating in the region with 158 offices (46.9% of total), followed by universal and commercial banks (UKBs/KBs) with 109 offices (32.3%), and thrift banks (TBs) with 70 offices (20.8%).

All major banking groups rose during the quarter led by TBs with an additional 13 units from last year's 57 offices (up by 22.8%). This was followed by UKBs/KBs which gained 6 more offices from 103 banking units last year (up by 5.8%). The least increase was posted by R/CBs with 4.6 percent reaching a total of 158 operating banking offices.

In terms of credit activity, data available were loans availed through Land Bank of the Philippines Cagayan Lending Center and Nueva Vizcaya Lending Center. As of 31 March 2015, gross outstanding loans stood at

1 No data from Development Bank of the Philippines and Land Bank of the Philippines-Isabela Lending Center.
2 Data from Land Bank of the Philippines-Cagayan Lending Center consist of the Batanes and Cagayan provinces

PhP2.54 Billion, reflecting an increase of 22.3 percent relative to the previous year. Agri-agra loans, which made up the lion's share of the total loan portfolio, posted a 22.35 percent growth mainly attributed to the expansion of loans to SMEs, large enterprises and livelihood loans. The outstanding balance of the non agri -agra sector also increased by 20 percent to PhP13.26 Million from last year's figure of PhP11.05 Million.

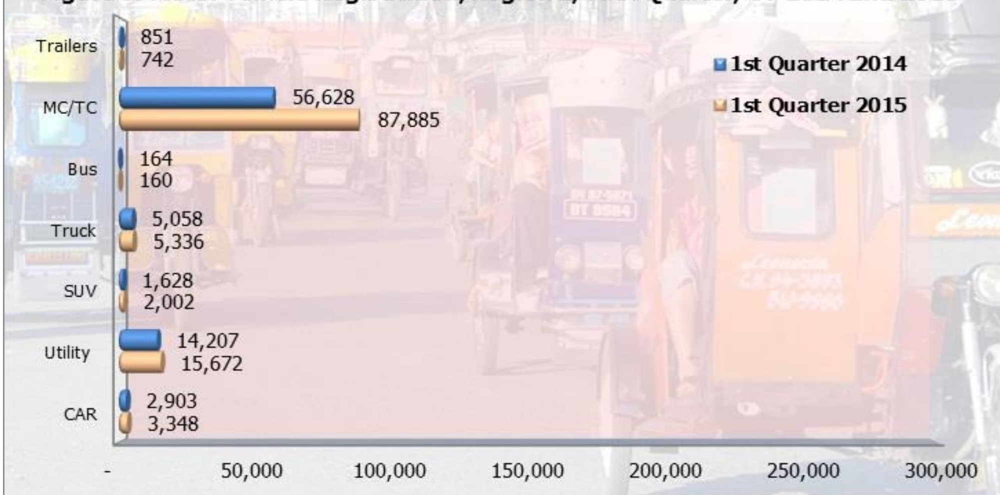
Across provinces, loan portfolio of Batanes and Cagayan exhibited double-digit percent increments of 25 percent and 50.1 percent, respectively, attributed to the increase in new loan releases for the quarter. On the other hand, Nueva Vizcaya's outstanding loans was down by 1.3 percent signifying increased loan repayments of borrowers.

During the quarter, new loan releases reached a total of PhP1.61 Billion, representing a 9.32 percent increase from last year. Wholesale and retail trade still accounted for the biggest proportion with PhP1.082 Billion loans released. However, it was lesser by 7.2 percent from last year's figure of PhP1.166 Billion. Hefty increments were noted in the loans extended to agriculture (36.8%), electricity, gas and water (104%), construction (123.4%), real estate, renting and business activities (8070.2%), and other community, social and personal service activities (3070.9%).

TRANSPORT AND COMMUNICATION

Land Transport

Figure 8. Motor Vehicle Registration, Region 2, First Quarter, CY 2014 and 2015



Source: LTO RO2

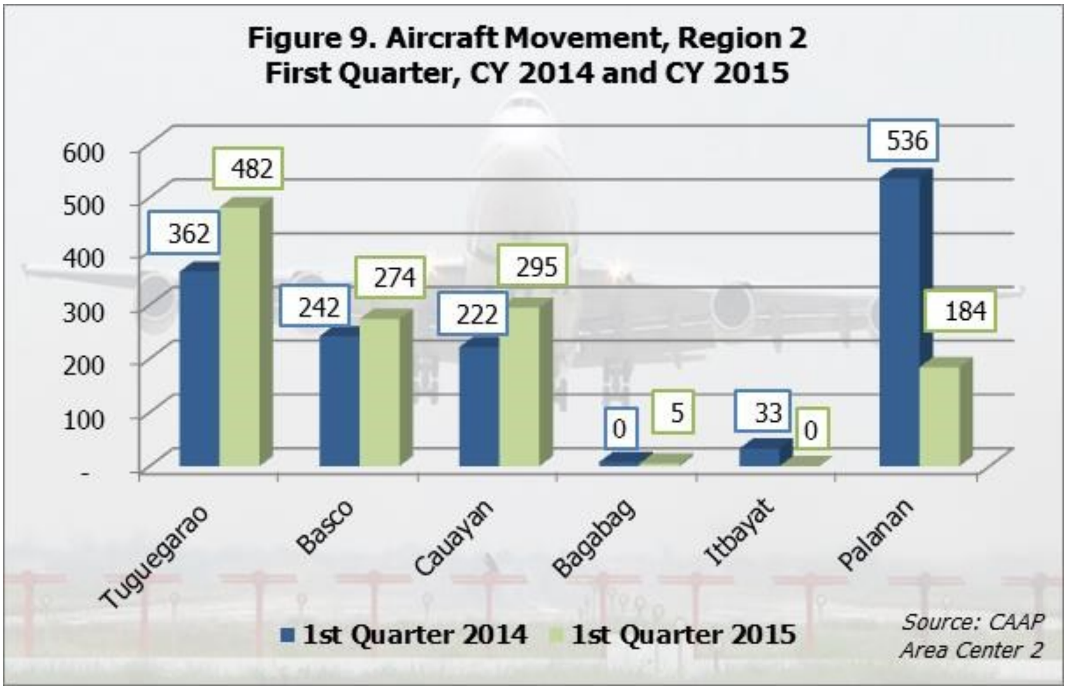
Data from the Land Transportation Office Region 2 revealed an increase in the motor vehicles registered during the first quarter of CY 2015. There were a total of 115,145 vehicles registered, reflecting a 41.39 percent increment from previous year's figure of 81,439.

Motorcycles and tricycles continued to be the dominant mode of transport in the region making up 76.3% of the total vehicle registrations. The 87,885 units of motorcycles and tricycles registered was 41.39 percent higher from last year's figure. The low fuel consumption and affordable payment schemes of dealers triggered the increase in purchase of motorcycle and tricycle units.

Licenses and permits issued for the quarter likewise improved by 14.64 percent to 48,324 with professional licenses consisting of more than half (52.3%) of the total licenses issued. This was followed by 15,933 student permits issued (33%), 7,042 non-professional licenses (14.6%) and 64 conductors license (0.1%). All types of licenses and permits posted increased issuance.

The increase in motor vehicle registration and permit/license issuance, and dynamic performance of the district and extension offices of LTO Region 2 boosted the revenue collection for the quarter. Revenue generated reached PhP207.84 Million, exhibiting a 36.2 percent increment from last year's figure of PhP152.61 Million.

Air Transport



Data from the Civil Aviation Authority of the Philippines revealed that the total aircraft movement in the airports they supervise declined from 1,403 to 1,240 flights or down by 11.62 percent. The decrease in the number of flights recorded in the airports of Itbayat (from 33 to zero) and Palanan (from 536 to 184) negated the increase posted by the airports of Tuguegarao, Basco and Cauayan. The substantial decline in the volume of aircraft operation in the Palanan airport was due to the halting of some aircraft movement as the airport underwent concreting of its runway.

Despite the decline in aircraft movement, passenger movement managed to surged to 80,649, which was more than twice the 36,780 volume of passengers in the first quarter last year. Noteworthy increments were registered by the airports of Tuguegarao (115.99%), Basco (175.65%), and Cauayan (80.29%). The rise in passenger movement was due to the increased number of flights and larger aircraft plying the said airports.

The region also saw an upward trend in cargo movement. Gross volume of cargoes loaded and unloaded reached 893,078 kilograms, exhibiting a significant increase of 157.78 percent from the 346,444 kilograms cargo in the preceding year. Four out of the six airports reported strong gains as heavier cargoes were shipped to and from these airports.

Telecommunication

The major mobile communication service providers in the region include Smart Communications, Inc. (Smart), Globe Telecom (Globe) and Digitel Mobile Communications (Sun Cellular). For the quarter, the number of cell sites operated by these service providers in the region increased to 146, accounted by the six (6) additional cell towers established by Smart for the period. Globe and Sun Cellular were steady with 52 and 27 cell towers, respectively.

On the other hand, total channels available for the quarter declined to 1,174 from last year's 1,327 channels. The decrease was mainly accounted by the 47.28 percent drop in Globe Telecom's existing channels at 194 due to Globe's migration to a new network infrastructure which includes the consolidation of channels for retired mobile prepaid and postpaid.

Mining and Quarrying

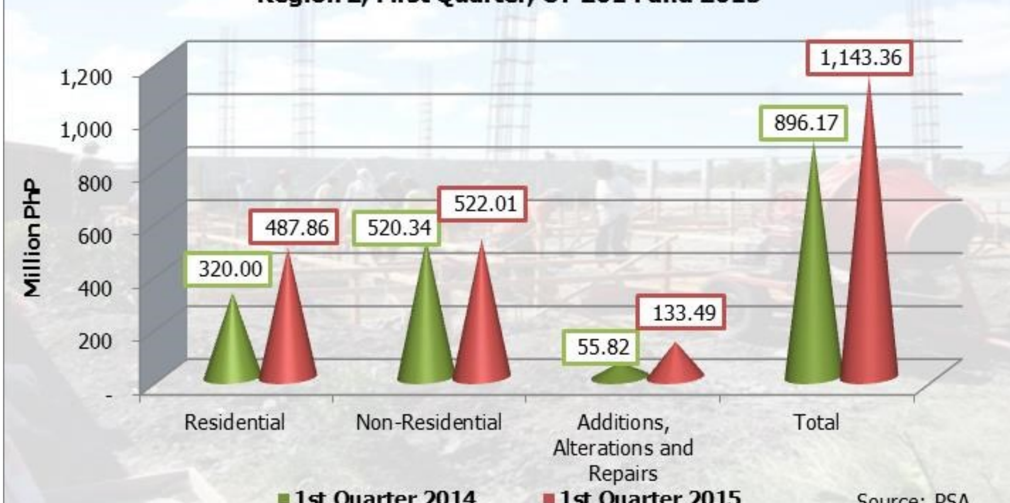
The continued public and private construction activities in the region has translated to the increase of non-metallic mineral production for the reference period. Sand and gravel output went up by 39.83 percent to 557,958.94 cubic meters from last year's 399,027.50 cubic meters production. Pure sand production reached 73,199.81 cubic meters from a zero production in the same quarter in 2014. Boulders likewise registered a 128.21 percent increment from 6,630.50 cubic meters.

For metallic mineral production, zero production for magnetite sand was noted from 110,500 cubic meters during the first quarter a year ago due to the cancellation order issued to Mineral Processing Permit (MPP) holders in the third quarter of CY 2014. This was nonetheless a positive result from actions of the government to curb the environmental effects from the "black sand" mining issues of the region. Copper concentrates output also posted a minimal decline of 3.94 percent to 24,456 cubic meters,

The growth in the non-metallic mineral production was able to offset the decline in metallic mineral production as aggregate production rose by 24.24 percent to a total of 672,892.48 cubic meters.

Construction

Figure 10. Value of Construction Projects By Type (in million PhP) Region 2, First Quarter, CY 2014 and 2015



Note: Data for CY 2014 and 2015 are preliminary estimates

Construction activities in the region sustained its growth as total number of new construction projects generated from the approved building permits further increased to 887 projects from last year's 680 projects. The rise was mainly attributed to the robust growth registered in each type of building constructions. Residential type, which accounts for the lion's share of the total projects, went up by 37.58 percent to 648 from 471 projects. Non-residential constructions likewise increased 143 from 122 projects. Additions, alterations and repairs to existing structures was also higher by 10.34 percent from last year's 87 projects. The generally favorable weather encouraged more construction activities during the quarter in review.

Accordingly, the value of the entire construction projects increased to PhP1.14 Billion, higher by 27.58 percent from previous year's value of PhP896.17 Million. Such improvement resulted from the surge in the value of residential constructions at PhP487.86 Million, which was up by 52.45% from last year, and the value of additions, alterations and repairs to existing structure, which more than doubled to PhP133.49 Million from PhP55.82 Million.

The data on construction projects refer to those proposed to be constructed during the quarter in review and not the construction work completed. Also, same data reflect only those in urban areas where building permits are required for new construction and alterations. The data also excludes value of construction for public infrastructure projects especially for roads, bridges, flood control projects, ports, irrigational canals, among others.

Development Prospects

Below are the following factors and interventions which are expected to affect the growth and development of the region in the succeeding quarters and years:

- The region, particularly its agriculture sector, is expected to be affected by the occurrence of a mild El Niño which was projected to start in March of CY 2015 and expected to last until the end of the year. Intensified implementation of mitigation and adaptation measures of the Department of Agriculture (DA) must be put in place to cushion the negative impacts of this weather condition.

- The roll-out of the High Yielding Technology Adoption (HYTA) program of the Department of Agriculture is anticipated to yield a record harvest of rice for the subsequent quarters as the program targets to plant high-yielding varieties such as hybrid rice, certified inbred seeds, and Green Super Rice (GSR).

- The implementation of various projects of the region under DA's Philippine Rural Development Program (PRDP) is expected to improve the agriculture sector's competitiveness. Some of the projects include production of dairy products, peanuts, seaweeds and mangoes in Cagayan; livestock and animal production, mangoes and mung beans in Isabela; and coffee, banana and corn starch in Quirino. The PRDP aims to establish a platform of inclusive value-oriented and climate resilient agricultural and fishery sector which is expected to address low income, low productivity and low resiliency to climate change and related disasters in the region.

- The industry and services sectors are seen to be more bullish in the second quarter of CY 2015 driven by the robust consumer demand during graduation and enrolment periods, and secondary harvest and fishing seasons, expected increase of construction activities during summer, and expected influx of local and foreign tourists.

- The anticipated acceleration of government spending in the succeeding quarters of the year will be instrumental in boosting the economic growth of the region.

- The newly constructed Lullutan Bridge in Ilagan, Isabela is expected to open up opportunities particularly in the agriculture sector as the bridge will ease the travel and exchange of goods and services in the region.

- The completion of major infrastructure projects such as the Dalton Pass Section Eastern Alternate Route in Nueva Vizcaya is expected to ease mobility and accessibility of people goods and services and will significantly reduce travel time to and from Region 02. These projects will also play major role in enhancing the interplay of agricultural, industrial and tourism growth among the neighboring regions.

Annex: Tables for the First Quarter CY 2015 Regional Economic Situationer

Table 1. Consumer Price Index (CPI) and Inflation Rate by Commodity Group (2006 Base Year) Region 2, First Quarter, CY 2013 to CY 2015

COMMODITY GROUP	Consumer Price Index			Inflation Rate	
	1Q 2013	1Q 2014	1Q 2015	1Q 2014	1Q 2015
ALL ITEMS	**133.3**	**139.5**	**142.4**	**4.7%**	**2.1%**
I. FOOD AND NON-ALCOHOLIC BEVERAGES	**141.9**	**150.9**	**156.1**	**6.3%**	**3.5%**
* Food	143.3	152.8	158.3	6.7%	3.6%
Bread and Cereals	146.7	164.2	172.6	11.9%	5.1%
Rice	147.7	169.2	179.6	14.5%	6.1%
Corn	132.6	127.5	134.4	-3.8%	5.4%
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	no data	148.9	150.1	no data	0.8%
Meat	131.1	136.9	139.6	4.4%	2.0%
Fish	144.9	149.5	154.4	3.2%	3.3%
Milk, Cheese and Eggs	131.4	133.7	139.4	1.8%	4.2%
Oils and Fats	136.6	141.8	151.7	3.8%	7.0%
Fruit	161.9	168.8	188.7	4.3%	11.8%
Vegetables	162.6	175.0	170.7	7.6%	-2.5%
Sugar, Jam, Honey, Chocolate and Confectionery	123.9	123.1	133.4	-0.6%	8.3%
Food Products N.E.C.	141.1	145.5	155.0	3.1%	6.5%
* Non-alcoholic Beverages	121.9	120.6	123.0	-1.1%	2.0%
II. ALCOHOLIC BEVERAGES AND TOBACCO	**167.0**	**180.0**	**192.8**	**7.8%**	**7.1%**
Alcoholic Beverages	129.1	138.4	142.1	7.2%	2.7%
Tobacco	209.3	226.3	249.3	8.1%	10.1%
NON-FOOD	123.5	126.9	127.3	2.8%	0.3%
III. CLOTHING AND FOOTWEAR	**119.0**	**123.0**	**124.5**	**3.4%**	**1.2%**
Clothing	118.2	122.8	124.5	3.9%	1.4%
Footwear	121.0	123.4	124.5	2.0%	0.9%
IV. HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	**125.5**	**130.5**	**129.6**	**4.0%**	**-0.7%**
Actual Rentals for Housing	115.5	117.3	125.7	1.6%	7.1%
Maintenance and Repair of the Dwelling	129.9	131.4	135.3	1.2%	3.0%
Water Supply and Miscellaneous Services Relating to the Dwelling	115.4	115.4	120.4	0.0%	4.3%
Electricity, Gas and Other Fuels	139.4	149.4	134.8	7.2%	-9.8%
V. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	**121.5**	**124.6**	**126.3**	**2.5%**	**1.3%**
Furniture and Furnishings, Carpets and Other Floor Coverings	105.4	105.9	105.4	0.4%	-0.5%
Household Textiles	109.1	109.4	111.2	0.2%	1.7%
Household Appliances	104.8	105.8	106.8	1.0%	1.0%
Glassware, Tableware and Household Utensils	118.6	119.7	121.0	1.0%	1.1%
Tools and Equipment for House and Garden	121.1	122.5	123.8	1.2%	1.0%
Goods and Services for Routine Household Maintenance	127.8	131.9	134.1	3.2%	1.7%

COMMODITY GROUP	Consumer Price Index			Inflation Rate	
	1Q 2013	1Q 2014	1Q 2015	1Q 2014	1Q 2015
VI. HEALTH	**124.6**	**130.4**	**132.1**	**4.7%**	**1.3%**
Medical Products, Appliances and Equipment	119.7	121.1	122.6	1.1%	1.2%
Out-patient Services	120.2	123.8	125.0	3.0%	1.0%
Hospital Services	142.3	161.2	163.9	13.3%	1.7%
VII. TRANSPORT	**136.4**	**137.2**	**137.2**	**0.6%**	**0.0%**
Operation of Personal Transport Equipment	125.9	129.6	116.4	2.9%	-10.2%
Transport Services	139.4	139.4	143.3	0.0%	2.8%
VIII. COMMUNICATION	**89.2**	**89.2**	**88.5**	**0.0%**	**-0.8%**
Postal Services	135.0	140.3	140.5	4.0%	0.1%
Telephone and Telefax Equipment	49.6	49.6	46.2	0.0%	-6.9%
Telephone and Telefax Services	102.4	102.4	102.6	0.0%	0.2%
IX. RECREATION AND CULTURE	**99.5**	**100.8**	**101.3**	**1.3%**	**0.6%**
Audio-visual, Photographic and Information Processing Equipment	88.1	88.4	88.3	0.3%	-0.1%
Other Recreational Items and Equipment, Gardens and Pets	104.1	105.2	105.7	1.1%	0.4%
Recreational and Cultural Services	110.7	116.1	117.1	4.9%	0.9%
Newspapers, Books and Stationery	114.2	115.6	117.1	1.2%	1.4%
X. EDUCATION	**125.8**	**132.1**	**133.6**	**5.0%**	**1.1%**
Pre-primary and Primary Education	136.9	153.3	156.0	12.0%	1.8%
Secondary Education	131.8	132.9	136.5	0.8%	2.7%
Tertiary Education	116.6	118.0	118.0	1.2%	0.0%
XI. RESTAURANTS AND MISCELLANEOUS GOODS AND SERVICES	**121.2**	**122.5**	**124.2**	**1.0%**	**1.4%**
Catering Services	124.6	125.3	127.2	0.6%	1.5%
Personal Care	116.4	117.9	119.3	1.3%	1.2%
Personal Effects N.E.C.	126.1	132.0	132.4	4.7%	0.3%

Source: PSA Region 2

Table 2. Selected Employment Indicators, Region 2
First Quarter, CY 2014 and CY 2015

Indicator		January 2014	January 2015
Household Population 15 Years Old and Over	Number ('000)	2,305	2,332
Labor Force Participation	Number ('000)	1,531	1,550
	Rate (%)	66.4	66.5
Employment	Number ('000)	1,473	1,509
	Rate (%)	96.2	97.4
Unemployment	Number ('000)	58	41
	Rate (%)	3.8	2.6
Underemployment	Number ('000)	149	195
	Rate (%)	10.1	12.9

Source: PSA Region 2, January 2014 and 2015 Labor Force Survey

Table 3. Palay Production, in metric tons (MT), Region 2
First Quarter, CY 2014 and CY 2015

Province	Irrigated		Rainfed		Upland		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	2.95	2.90	-	-	-	-	2.95	2.90
Cagayan	136,846.00	146,542.00	58,886.00	57,918.00	308.00	-	196,040.00	204,460.00
Isabela	299,820.00	346,538.00	26,144.00	18,010.00	-	628.00	325,964.00	365,176.00
Nueva Vizcaya	50,932.00	55,515.00	4,744.00	5,746.00	-	-	55,676.00	61,261.00
Quirino	31,671.00	15,407.00	1,401.00	1,558.00	-	-	33,072.00	16,965.00
REGION 02	**519,271.95**	**564,004.90**	**91,175.00**	**83,232.00**	**308.00**	**628.00**	**610,754.95**	**647,864.90**

Source: PSA Region 2

Table 4. Area Harvested for Palay, in hectares (ha), Region 2
First Quarter, CY 2014 and CY 2015

Province	Irrigated		Rainfed		Upland		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	1.00	1.00	-	-	-	-	1.00	1.00
Cagayan	35,179.00	31,745.00	25,492.00	19,144.00	268.00	-	60,939.00	50,889.00
Isabela	64,896.00	71,747.00	10,269.00	6,382.00	-	587.00	75,165.00	78,716.00
Nueva Vizcaya	12,140.00	12,762.00	1,616.00	1,850.00	-	-	13,756.00	14,612.00
Quirino	7,580.00	3,651.00	464.00	541.00	-	-	8,044.00	4,192.00
REGION 02	**119,796.00**	**119,906.00**	**37,841.00**	**27,917.00**	**268.00**	**587.00**	**157,905.00**	**148,410.00**

Source: PSA Region 2

Table 5. Palay Productivity, in MT/ha, Region 2
First Quarter, CY 2014 and CY 2015

Province	Irrigated		Rainfed		Upland		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	2.95	2.90	-	-	-	-	2.90	2.90
Cagayan	3.89	4.62	2.31	3.03	1.15	-	3.22	4.02
Isabela	4.62	4.83	2.55	2.82	-	1.07	4.34	4.64
Nueva Vizcaya	4.20	4.35	2.94	3.11	-	-	4.05	4.19
Quirino	4.18	4.22	3.02	2.88	-	-	4.11	4.05
REGION 02	**4.33**	**4.70**	**2.41**	**2.98**	**1.15**	**1.07**	**3.87**	**4.37**

Source: PSA Region 2

Table 6. Corn Production, in metric tons (MT), Region 2
First Quarter, CY 2014 and CY 2015

Province	White		Yellow		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	7.34	3.73	78.12	42.00	85.46	45.73
Cagayan	13,333.00	13,203.00	127,251.00	154,633.00	140,584.00	167,836.00
Isabela	5,781.00	5,757.00	439,146.00	472,896.00	444,927.00	478,653.00
Nueva Vizcaya	1,473.00	1,500.00	27,705.00	30,581.00	29,178.00	32,081.00
Quirino	218.00	432.00	45,196.00	49,847.00	45,414.00	50,279.00
REGION 02	**20,812.34**	**20,895.73**	**639,376.12**	**707,999.00**	**660,188.46**	**728,894.73**

Source: PSA Region 2

Table 7. Area Harvested for Corn, in hectares (ha), Region 2
First Quarter, CY 2014 and CY 2015

Province	White		Yellow		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	6.90	3.50	25.20	13.50	32.10	17.00
Cagayan	5,985.00	4,649.00	31,586.00	33,082.00	37,571.00	37,731.00
Isabela	2,550.00	2,415.00	99,806.00	102,439.00	102,356.00	104,854.00
Nueva Vizcaya	489.00	495.00	6,443.00	6,737.00	6,932.00	7,232.00
Quirino	70.00	137.00	10,560.00	11,459.00	10,630.00	11,596.00
REGION 02	**9,100.90**	**7,699.50**	**148,420.20**	**153,730.50**	**157,521.10**	**161,430.00**

Source: PSA Region 2

Table 8. Corn Productivity, in MT/ha, Region 2
First Quarter, CY 2014 and CY 2015

Province	White		Yellow		Total	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	1.06	1.07	3.10	3.11	2.66	2.69
Cagayan	2.23	2.84	4.03	4.67	3.74	4.45
Isabela	2.27	2.38	4.40	4.62	4.35	4.56
Nueva Vizcaya	3.01	3.03	4.30	4.54	4.21	4.44
Quirino	3.11	3.15	4.28	4.35	4.27	4.34
REGION 02	**2.29**	**2.71**	**4.31**	**4.61**	**4.19**	**4.52**

Source: PSA Region 2

Table 9. Production estimates for Other Crops, in metric tons (MT), Region 2
First Quarter, CY 2014 and CY 2015

COMMODITY	VOLUME OF PRODUCTION	
	1Q 2014	1Q 2015
FRUITS	**56,917.18**	**68,079.00**
Major	*50,791.92*	*62,108.59*
Banana	49,299.87	60,696.84
Calamansi	639.72	666.81
Mango	55.90	24.78
Pineapple	796.43	720.16
Priority	*1,917.75*	*2,148.25*
Balimbing	10.76	10.78
Durian	1.02	0.99
Papaya	231.39	260.65
Tamarind	423.48	456.58
Watermelon	483.99	629.40
Mandarin	688.70	701.09
Orange	78.41	88.76
Other Fruits	*4,207.51*	*3,822.16*
VEGETABLES AND ROOT CROPS	**100,825.25**	**109,217.37**
Major	*47,632.05*	*55,640.51*
Mongo	76.74	86.29
Peanut	391.33	894.84
Cabbage	487.94	792.47
Eggplant	5,924.33	6,024.82
Tomato	2,486.80	2,581.82
Garlic	462.98	475.21
Onion	6,511.94	6,235.99
Camote	2,932.30	2,620.90
Cassava	28,357.69	35,928.17

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Table 9. Production estimates for Other Crops, in metric tons (MT), Region 2
First Quarter, CY 2014 and CY 2015

continuation

COMMODITY	VOLUME OF PRODUCTION	
	1Q 2014	**1Q 2015**
Priority	*48,322.50*	*48,840.65*
Habitchuelas	640.22	662.09
B. Blossom	2,025.24	2,171.66
Broccoli	1.43	6.55
Cauliflower	36.32	34.75
Kangkong	626.89	654.32
Lettuce	1.08	1.41
Pechay	3,178.35	3,395.27
Ampalaya	1,673.03	1,634.53
Stringbeans	5,169.89	5,335.26
Gourd	5,946.11	6,229.73
Okra	1,962.96	1,858.45
Squash Fruit	18,747.24	18,420.49
Ginger	1,473.59	1,402.94
Pepper	143.12	144.72
Carrots	381.15	403.01
Gabi	6,160.11	6,331.03
Radish	85.12	85.67
Irish Potato	70.65	68.77
Other Vegetables	*4,870.70*	*4,736.21*
NON-FOOD AND INDUSTRIAL COMMERCIAL CROPS (NFICC)	**344,210.35**	**354,242.32**
Major	*319,102.34*	*329,812.21*
Coconut with husk	18,798.56	19,278.11
Coffee (dried beans with pulp)	697.34	698.99
Sugarcane (cane)	299,606.44	309,833.01
Tobacco (dried leaves)	-	2.10
Priority	*23,361.04*	*22,571.63*
Cacao (dried beans with pulp)	10.03	11.16
Bromeliad (live plant with pot)	88.25	30.01
Green cornstalk	1,951.03	2,311.58
Rice hay (dried hays)	21,311.73	20,218.88
Other NFICC	*1,746.97*	*1,858.48*

Source: PSA Region 2

Table 10. Production estimates for Livestock and Poultry (in MT, liveweight)
First Quarter, CY 2014 and CY 2015

COMMODITY	1Q 2014	1Q 2015
Livestock	**23,696**	**23,917**
Swine	17,540	17,663
Cattle	3,781	3,893
Carabao	1,928	1,916
Goat	447	445
Poultry	**14,632**	**15,433**
Chicken	14,033	14,830
Duck	599	603

Source: PSA Region 2

Table 11. Production estimates (in MT) and Area Harvested (in ha) for Fisheries, Region 2
First Quarter, CY 2014 and CY 2015

COMMODITY	Production (MT)		Area Harvested (Ha)	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015
COMMERCIAL	**2,133.68**	**1,904.62**	n/a	n/a
Cagayan	2,133.68	1,904.62	n/a	n/a
MUNICIPAL	**8,537.25**	**7,753.57**	n/a	n/a
Marine	***5,087.55***	***4,900.25***	n/a	n/a
Cagayan	4,532.52	4,394.27	n/a	n/a
Isabela	149.25	143.10	n/a	n/a
Batanes	405.78	362.88	n/a	n/a
Inland	***3,449.70***	***2,853.32***	n/a	n/a
Cagayan	2,164.03	1,677.34	n/a	n/a
Isabela	899.83	828.09	n/a	n/a
Nueva Vizcaya	289.77	268.61	n/a	n/a
Quirino	96.07	79.28	n/a	n/a
AQUACULTURE	**2,418.57**	**2,247.93**	**669.56**	**626.90**
Cagayan	767.08	664.08	172.05	154.24
Isabela	1,299.51	1,312.54	343.38	348.83
Nueva Vizcaya	247.37	176.00	119.05	87.17
Quirino	104.61	95.31	35.08	36.67
REGIONAL TOTAL	**13,089.50**	**11,906.12**	n/a	n/a

Source: PSA Region 2

Table 12. Farmgate Price of Selected Commodities, Region 2
First Quarter, CY 2014 and CY 2015

Commodity	Average Price (PhP/kg)	
	1Q 2014	1Q 2015
Cereals		
Palay, Dry	20.88	17.26
Corn matured, white	11.20	11.22
Corn matured, yellow	11.89	12.90
Vegetables, Rootcrops and Condiments		
Tomato	6.77	8.87
Eggplant long, purple	25.40	16.22
Cabbage	8.93	7.68
Cassava fresh tubers	5.03	4.12
Sweet potato (camote)	9.02	11.56
Garlic	NT	84.97
Onion, red creole, bermuda red	18.82	13.17
Onion, red shallot, native	NT	47.87
Peanut w/ shell, fresh	NT	NT
Peanut w/ shell, dry	34.56	38.73
Mongo, green labo	NT	NT
Mongo, green shiny	NT	NT
Mongo, yellow shiny	NT	NT
Ampalaya	26.43	31.23
Chayote	6.86	5.22
Gabi tagalog (for sinigang)	14.29	12.68
Pechay native	12.75	10.83
Pepper finger (panigang)	26.45	22.29
Pepper bell (red and green)	NT	NT
Squash	8.27	9.63
Fruits		
Banana green, bungulan	7.42	7.99
Banana green, lakatan	20.62	20.99
Banana green, latundan	13.22	13.42
Banana green, saba	8.33	7.54
Pineapple, hawaiian	9.29	11.79
Mango green, carabao	22.67	NT
Mango green, indian	NT	NT
Calamansi	39.18	22.67
Papaya hawaiian	10.55	10.21
Papaya native	NT	NT
Non-Food, Industrial and Commercial Crops		
Coconut young	4.18	4.86
Coconut matured	7.21	7.97
Tobacco native, dry	NT	NT
Tobacco burley, dry	NT	NT
Livestock and Poultry		
Carabao for slaughter	86.13	88.17
Cattle for slaughter	89.66	88.24
Hog for slaughter	112.46	109.40
Goat for slaughter	132.97	137.55
Chicken native/improved, backyard	137.70	138.78
Duck for meat, backyard	129.47	124.58
Duck egg, commercial	5.48	5.68

** NT - No Trading; no harvest*

Source: PSA Region 2

Table 13. Number of Banking Offices, By Bank Category, Region 2
As of March 31, CY 2014 and CY 2015

Bank Category	As of March 31, 2014	As of March 31, 2015
Universal/Commercial Banks	103	109
Thrift Banks	57	70
Rural and Cooperative Banks	151	158
TOTAL	**311**	**337**

Source: BSP

Table 14. LBP Outstanding Loans, by Industry* (in million PhP), Region 2
As of March 31, CY 2014 and CY 2015

Industries	As of March 31, 2014					As of March 31, 2015				
	Outstanding Balance				% Share	Outstanding Balance				% Share
	Ba-tanes	Caga-yan	Nueva Vizcaya	Total		Ba-tanes	Caga-yan	Nueva Vizcaya	Total	
AGRI-AGRA LOANS										
SMEs	16.29	394.06	176.37	586.72	28.3%	30.37	537.04	257.98	825.39	32.5%
LGU Loans	22.28	142.64	55.76	220.69	10.6%	17.83	118.40	30.15	166.38	6.5%
Small farmers & fisherfolks	0.00	220.71	473.24	693.94	33.4%	0.00	292.80	162.47	455.28	17.9%
Livelihood Loans	0.00	0.00	315.08	315.08	15.2%	0.00	0.00	489.51	489.51	19.3%
Large Enter-prise	0.00	176.50	69.73	246.23	11.9%	0.00	443.71	125.17	568.87	22.4%
Easy Home Loans	0.00	1.96	0.72	2.68	0.1%	0.00	13.04	8.56	21.60	0.9%
Subtotal	*38.57*	*935.86*	*1,090.90*	*2,065.34*	*99.5%*	*48.20*	*1,405.00*	*1,073.84*	*2,527.03*	*99.5%*
NON AGRI-AGRA LOANS										
LGU Loans	-	-	11.05	11.05	0.5%	-	-	13.26	13.26	0.5%
GOCCs	-	-	0.00	0.00	0.0%	-	-	0.00	0.00	0.0%
Others	-	-	0.00	0.00	0.0%	-	-	0.00	0.00	0.0%
Subtotal	-	-	11.05	11.05	0.5%	-		13.26	13.26	0.5%
TOTAL	**39.53**	**1,079.73**	**1,204.24**	**2,323.50**	**100%**	**49.30**	**1,572.58**	**1,087.09**	**2,540.28**	**100%**

Table 15. LBP Outstanding Loans*, by Province (in million PhP), Region 2
As of March 31, CY 2014 and CY 2015

Provinces	As of March 31, 2014		As of March 31, 2015	
	Outstanding Balance	% Share	Outstanding Balance	% Share
Batanes	38.570	1.9%	48.198	1.9%
Cagayan	935.863	45.1%	1,404.995	55.3%
Nueva Vizcaya	1,101.948	53.1%	1,087.091	42.8%
TOTAL	**2,076.381**	**100.0%**	**2,540.284**	**100.0%**

Source: Land Bank of the Philippines - Cagayan Lending Center, Nueva Vizcaya Lending Center
** No data for the provinces of Isabela and Quirino*

Table 16. LBP Loan Releases, by Economic Activity* (in million PhP), Region 2
As of March 31, CY 2014 and CY 2015

Economic Activities	As of March 31, 2014		As of March 31, 2015	
	Loan Releases	% Share	Loan Releases	% Share
Agriculture	141.05	9.6%	192.96	12.01%
Fishing	2.00	0.1%	3.13	0.2%
Manufacturing	5.05	0.3%	5.79	0.4%
Electricity, Gas and Water	35.20	2.4%	71.80	4.5%
Construction	56.46	3.8%	126.14	7.9%
Wholesale and Retail Trade	1,165.82	79.4%	1,082.36	67.39%
Real Estate, Renting & Business Activities	0.50	0.0%	40.85	2.5%
Public Administration and Defense	0.00	0.0%	0.00	0.0%
Education	0.00	0.0%	5.00	0.3%
Health & Social Work	28.70	2.0%	18.80	1.2%
Other Community, Social and Personal Service Activities	0.48	0.0%	15.10	0.94%
Hotels and Restaurants	33.91	2.3%	44.23	2.8%
TOTAL	**1,469.17**	**100.0%**	**1,606.16**	**100.0%**

Source: Land Bank of the Philippines - Cagayan Lending Center, Nueva Vizcaya Lending Center
** No data for the provinces of Isabela and Quirino*

Table 17. Comparative Visitor Arrivals, Region 2
First Quarter, CY 2014 and CY 2015

	Arrivals	
	1Q 2014	1Q 2015*
Overnight Tourists		
Domestic	151,312	95,250
Foreign	51,640	53,139
Subtotal	*202,952*	*148,389*
Same Day Tourists		
Domestic	104,416	210,712
Foreign	1,694	381
Subtotal	*106,110*	*211,093*
Grand Total	**309,062**	**359,482**

Source: DOT Region 2 *Note: * Partial data*

Table 18. Regional Distribution of Overnight Travelers/Tourists, Region 2
First Quarter, CY 2014 and CY 2015

Country of Residence	1Q 2014	1Q 2015*
Philippine Residents (Domestic)	**151,312**	**95,250**
Filipino Nationality	144,324	93,044
Foreign Nationality	6,988	2,206
Non-Philippine Residents (Foreign)		
ASIA	**48,787**	**50,391**
ASEAN	*267*	*295*
Brunei	2	102
Cambodia	-	-
Indonesia	9	6
Laos	30	-
Malaysia	74	24
Myanmar	17	10
Singapore	109	128
Thailand	15	21
Vietnam	11	4

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Country of Residence	1Q 2014	1Q 2015*
EAST ASIA	48,354	49,957
China	46,980	48,771
Hong Kong	66	51
Japan	144	154
South Korea	250	131
Taiwan	914	850
SOUTH ASIA	*88*	*68*
Bangladesh	2	4
India	74	57
Iran	-	-
Nepal	4	3
Pakistan	8	4
Sri Lanka	-	-
MIDDLE EAST	*78*	*71*
Bahrain	-	4
Egypt	10	5
Israel	1	6
Jordan	8	7
Kuwait	6	13
Saudi Arabia	29	28
United Arab Emirates	24	8
AMERICA	**1,028**	**755**
NORTH AMERICA	*989*	*747*
Canada	165	230
Mexico	-	6
USA	824	511
SOUTH AMERICA	*39*	*8*
Argentina	32	7
Brazil	2	1
Colombia	5	-
Peru	-	-
Venezuela	-	-
EUROPE	**569**	**448**
WESTERN EUROPE	*213*	*252*
Austria	35	14
Belgium	21	4
France	59	52
Germany	61	135
Luxembourg	-	6
Netherlands	11	7
Switzerland	26	34

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Country of Residence	1Q 2014	1Q 2015*
NORTHERN EUROPE	*299*	*141*
Denmark	6	15
Finland	33	-
Ireland	2	5
Norway	108	21
Sweden	32	26
United Kingdom	118	74
SOUTHERN EUROPE	*57*	*55*
Greece	13	8
Italy	25	23
Portugal	1	5
Spain	18	19
Union of Serbia and Montenegro	-	-
EASTERN EUROPE	*302*	*17*
Commonwealth of Independent States	-	-
Poland	5	4
Russia	297	13
AUSTRALASIA/PACIFIC	**173**	**99**
Australia	166	70
Guam	4	14
Nauru	-	-
New Zealand	3	15
Papua New Guinea	-	-
AFRICA	**25**	**5**
Nigeria	2	3
South Africa	23	2
OTHERS AND UNSPECIFIED RESIDENCES	616	589
GRAND TOTAL TOURIST ARRIVALS	202,952	148,389
Total Philippine Residents	151,312	95,250
Total Non-Philippine Residents	51,500	52,304
Total Overseas Filipinos**	140	835

*Note: * Partial data*
*** Philippine passport holders permanently residing abroad; excludes overseas Filipino workers*

Source: DOT Region 2

Table 19. Number of Firms Registered, Investments and Employment Generated, By Province, Region 2 First Quarter, CY 2014 and CY 2015

PROVINCE	Number of Firms		Investments (in Million PhP)		Employment	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	198	162	31.48	6.49	322	167
Cagayan	2,024	2,195	628.10	928.07	4,354	4,801
Isabela	2,339	2,293	311.74	413.37	4,581	4,022
Quirino	331	254	77.00	68.85	807	435
Nueva Vizcaya	905	1,672	301.23	533.86	1,771	3,447
Regional Total	**5,797**	**6,576**	**1,349.55**	**1,950.64**	**11,835**	**12,872**

Source: DTI Region 2

Table 20. Number of Firms Registered, Investments and Employment Generated, By Sector, Region 2
First Quarter, CY 2014 and CY 2015

PROVINCE	Number of Firms		Investments (in million PhP)		Employment	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Manufacturing	268	436	36.71	76.28	662	986
Agri-based Production	58	45	33.83	68.75	147	156
Construction	35	67	145.88	96.70	385	277
Trading	3,399	3,697	465.49	721.32	5,569	6,564
Services	2,037	2,331	667.65	987.60	5,072	4,889
Total	**5,797**	**6,576**	**1.349.55**	**1.950.64**	**11,835**	**12,872**

Source: DTI Region 2

Table 21. Number of Flights, Passenger and Cargo Movement, Region 2
First Quarter, CY 2014 and CY 2015

Airport	Number of Flights		Passenger Movement		Cargo Movement (in kilogram)	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Tuguegarao	1,743	1,541	70,213	75,827	658,244	756,073
Basco	712	938	16,182	34,062	247,611	293,249
Cauayan	2,845	2,003	21,946	31,031	241,994	282,619
Bagabag	-	22	-	81	-	13
Itbayat	125	72	666	474	3,200	2,351
Palanan	769	917	4,585	4,562	20,605	102,059
Total	**6,194**	**5,493**	**113,592**	**146,037**	**1,171,654**	**1,436,363**

Source: CAAP Area Center II

Table 22. Registered Locators/Enterprises in the Cagayan Special Economic Zone and Freeport
As of March 31 CY 2015

	Number of Locators	Employment Generated	Capital Investment (in million PhP)
Banking	1	6	37.8
Commercial and Industrial Facilities Operations	1	15	1,437.0
Drafting and steel detailing	1	8	0.8
E-commerce	4	19	17.9
Gaming Operations	3	104	1,375.7
Importation and Trading of Used Vehicles	10	146	122.7
ICT	2	10	277.9
Interactive Gaming Support Services/BPO	124	9,541	5,514.5
Integrated Resort Operations/Leisure Facilities Operation	10	595	2,876.2
Logistics	2	30	11.2
Manufacturing and Facilities Development	1	15	430.0
Port Operations	2	60	309.0
Mineral Processing and Exportation	5	117	317.9
Real Estate Development	7	48	1,399.2
Shipping	1	29	460.6
Trading and Services	3	23	14.1
TOTAL	**177**	**10,766**	**14,602,.77**

Source: CEZA

Table 23. Number of Cell Sites and Total Channels, Region 2
First Quarter, CY 2014 and CY 2015

Province	Digitel Mobile Philippines, Inc. (Sun Cellular)				Smart Communications, Inc.				Globe Telecom, Inc.			
	Cell Sites		Channels		Cell Sites		Channels		Cell Sites		Channels	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Batanes	0	0	0	0	6	6	45	45	0	0	0	0
Cagayan	5	5	66	66	25	26	265	268	24	24	165	90
Isabela	16	16	222	222	25	28	279	288	20	20	162	76
Quirino	6	6	58	58	5	7	24	33	6	6	32	19
Nueva Vizcaya	0	0	0	0	0	0	0	0	2	2	9	9
Total	**27**	**27**	**346**	**346**	**61**	**67**	**613**	**634**	**52**	**52**	**368**	**194**

Source: NTC Region 2

Table 24. Motor Vehicles Registration, Region 2
First Quarter, CY 2014 and CY 2015

Classification/ Year	Type of Motor Vehicle							
	Cars	Utility Vehicles	Sport Utility Vehicles	Trucks	Buses	Motorcycles/ Tricycles	Trailers	Total
1Q 2014	2,903	14,207	1,628	5,058	164	56,628	851	**81,439**
1Q 2015	3,348	15,672	2,002	5,336	160	87,885	742	**115,145**

Source: DOTC-LTO Region 2

Table 25. Number of Licenses and Permits Issued, Region 2
First Quarter, CY 2014 and CY 2015

	Professional	Non-Professional	Student Permit	Conductors License	Total
1Q 2014					
Batanes	110	148	389	-	**647**
Cagayan	6,504	2,157	4,088	30	**12,779**
Isabela	10,952	2,800	6,827	26	**20,605**
Quirino	881	165	555	1	**1,602**
Nueva Vizcaya	3,785	572	2,159	4	**6,520**
REGION 02 TOTAL	**22,232**	**5,842**	**14,018**	**61**	**42,153**
1Q 2015					
Batanes	155	254	123	-	**532**
Cagayan	7,955	2,715	5,009	36	**15,715**
Isabela	11,923	3,091	7,697	22	**22,733**
Quirino	891	176	620	1	**1,688**
Nueva Vizcaya	4,361	806	2,484	5	**7,656**
REGION 02 TOTAL	**25,285**	**7,042**	**15,933**	**64**	**48,324**

Source: DOTC-LTO Region 2

Table 26. Revenue Generated by District/Extension Office, Region 2
First Quarter, CY 2014 and CY 2015

District/Extension Office	1Q 2014	1Q 2015
APARRI D.O.	10,240,679.62	8,548,573.21
ARITAO E.O.	5,074,253.70	6,017,355.75
BASCO D.O.	1,040,242.50	1,133,831.00
BAYOMBONG D.O.	14,305,093.42	17,307,153.08
CABAGAN E.O.	5,933,851.84	6,360,582.67
CABARROGUIS D.O.	6,725,724.04	7,146,289.63
CAUAYAN E.O.	19,797,089.26	20,442,666.22
GATTARAN E.O.	4,519,864.60	5,044,244.43
ILAGAN D.O.	9,322,312.48	12,395,975.80
TUAO E.O.	2,869,167.25	2,854,085.00
ROXAS D.O.	10,906,656.92	13,102,657.63
SANCHEZ MIRA E.O.	3,753,451.85	3,900,707.64
SAN ISIDRO D.O.	16,042,897.96	14,879,347.02
SANTIAGO E.O.	11,464,412.62	14,825,246.22
TUGUEGARAO LIC.	4,297,229.96	5,458,994.87
TUGUEGARAO D.O.	22,439,171.45	23,814,161.11
OPERATION DIV.	3,872,076.85	5,221,926.86
NEW REGISTRATION UNIT	-	39,390,104.16
REGIONAL OFFICE	1,830.00	-
Total	**152,606,006.32**	**207,843,902.30**

Source: DOTC-LTO Region 2

Table 27. Number and Value of Construction Projects from Approved Building Permits
Region 2, First Quarter, CY 2014 and CY 2015

Type of Construction	*Number*		*Value (in million PhP)*	
	1Q 2014	1Q 2015	1Q 2014	1Q 2015
Residential	471	648	320.003	487.857
Non-Residential	122	143	520.344	522.014
Additions	7	26	16.141	33.898
Alterations and Repairs	80	70	39.677	99.589
TOTAL	***680***	***887***	***896.165***	***1,143.358***

Source: PSA Region 2

Table 28. Production of Metallic and Non-Metallic Mineral Commodities
Region 2, First Quarter, CY 2014 and CY 2015

Commodity/Province	Production (cubic meter)	
	1Q 2014	1Q 2015
Sand and Gravel		
Cagayan	-	20,725.54
Isabela	298,530.00	481,108.40
Nueva Vizcaya	95,108.50	45,491.00
Quirino	5,389.00	10,634.00
Subtotal	*399,027.50*	*557,958.94*
Pure Sand		
Cagayan	-	5,079.31
Nueva Vizcaya	-	68,120.50
Subtotal	-	*73,199.81*
Boulders		
Cagayan	-	3,463.45
Nueva Vizcaya	6,630.50	11,668.00
Subtotal	*6,630.50*	*15,131.45*
Earth Material		
Cagayan	-	2,146.28
Magnetite Sand		
Cagayan	110,500.00	-
Copper Concentrate		
Nueva Vizcaya	25,458.00	24,456.00
TOTAL	**541,616.00**	**672,892.48**

Source: MGB Region 2