

The Economy at a Glance...

During the first quarter of the year, Region 2 performed notably well as it was given greater access to financing institutions to acquire additional capital for growth. Banks expanded their operations through the establishment of branches, especially the rural banks. The Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) granted higher amount of loans to augment the capital requirements of the region's investments. Most of the loans were granted to small and medium enterprises (SMEs) specialized in trading and manufacturing and to the Local Government Units (LGUs) for agricultural support.

In turn, the region's investment climate flourished. Total number of locators and investment at the Cagayan Special Economic Zone and Freeport increased especially in interactive gaming. Likewise, investments thru business name registration also increased especially in agriculture and manufacturing. Moreover, several BOI- approved investments commenced their operation during the quarter. These investments boosted the performance of the sectors with only the Agriculture and Fishery sub-sector reflecting downtrends in production levels.

Despite the huge amount of loans granted to the LGU's for agricultural support the Agriculture and Fisheries sector was sluggish during the quarter as the inclement climate slowed down the production of major crops such as palay, corn, and other high value crops while the fishing activities in the region slowed down specifically in commercial fishery. Thus, the region's food sufficiency levels recorded decreases, especially in rice and white corn,

On the other hand, the region's major industries and services responded positively to the influx of investments. This was manifested in the Industry sub-sectors of Mining and Quarrying, and Electricity, Gas and Water sub-sectors as they reflected increases, especially in mineral production levels and volume of power generated. The services sub-sectors of tourism, communication and transportation also fared well as evinced in the increases in tourist arrivals, the expansion of cellular services and the increase in motor vehicle registration.

However, in the macroeconomic point of view, the region did not fare well. The increasing prices of fuel in the world market triggered the rapid rise in inflation rates, especially along Fuel, Light and Water and Food, Beverages and Tobacco. The poor performance of agriculture and fisheries sub-sector had likewise contributed to this scenario. Consequently, the region also recorded poor employment levels, as reflected in the decreases in the labor force participation rate and the actual number of employed persons.

The succeeding sections present in detail the performance level of the sectors and their contribution to the regional economy.

Assessing the Economy...

Where did the loans go?

Based on the Outstanding Loans of the Land Bank of the Philippines, loans were higher in the quarter under review than that of the previous year. Outstanding loans as of the 1st quarter of 2008 posted a 7.44% increase, from Php3.66 Billion in the 1st quarter of 2007 to Php3.93 Billion in the quarter under review. Isabela got the biggest share at Php 2.12 Million comprising 54.15% of the region's outstanding loans. The province's outstanding loan figure was 3.74% higher than its previous year's figure of Php2.05 Million. Cagayan followed with Php1.08 Million, comprising 27.56% of the region's outstanding loans but it posted the highest growth rate at 14.98% vis-a-vis Php942.36 Million the previous year. The provinces of Nueva Vizcaya and Quirino registered Php489.02 Million and Php159.72 Million, comprising 12.44% and 4.06% of the region's total loans, respectively, posting increases of 11.86% and 2.71%, from their 1st quarter, 2007 figures of Php437.16 Million and Php155.51 Million. (Table 1)



These positive growths in loan portfolio were attributed to new loans granted to the LGUs, specifically for water system, road rehabilitation and development, and the acquisition of heavy

equipments to support the region's agricultural production. The loans granted to SMEs, Cooperatives and Rural Banks, utilized for trading, production and other livelihood projects, also helped in triggering the growths. On the other hand, Batanes got the least share with 1.79% of the region's total outstanding loans. It is also the only province in the region that showed a decrease of 2.38%, from Php71.99 Million in the 1st quarter of 2007 to Php 70.27 Million in the quarter under review. This downtrend is attributed to the gradual pay-off in term loans for the LGUs and other long term loans. With these figures, it can be gleaned that bigger loans were given to Agriculture and the sub-sectors of Construction and Trade.

During the quarter, the Development Bank of the Philippines granted bigger amounts of loans as compared to the first quarter of the previous year. The different DBP branches granted a total loan amount of Php 84.17 Billion, 29.97% higher than the figure of Php 64.76 Billion in the same quarter last year. This was due to the additional Php74.13 Billion granted in the province of Isabela. The region had an outstanding loan total of Php1.24 Trillion in the quarter under review, 22.42% higher than the figure of Php 1.02 Trillion in the same quarter the previous year. These loans were concentrated in the province of Isabela, comprising Php1.16 trillion or 93.55% of the regions total outstanding loan. With the DBP's mandate of providing the medium and long-term financing needs of Small, Medium Enterprises (SMEs), it can be gleaned that the region's industries were given greater credit accessibility in the quarter under review. (Table 2)

The region made credit more available to the people. In 2007, an additional of 8 banking offices was established from a total of 231 in 2006. Rural and cooperative banks had extended their services with a total of 155 in 2007 as compared to the 147 branches in 2006 to make credit more accessible to farmers and small capitalists. With these improvements in the region's finance, the investors were given reinforcements to increase their capital inputs. Hence, the better investment influx is expected in return (Table 3)

Where are we geared for?



Investments in the region were largely dominated by the expanding number of locators in the CSEZFP which totaled to 72 in the quarter under review as compared to 53 as of the same quarter last year, reflecting a 35.8 % increase. Projected total capital investment, increased from Php7.86 Billion as of the 1st quarter of 2007 to Php12.55 Billion pesos at the end of the quarter under review. Investments on Interactive gaming comprising only 0.89% of the port's total capital as of the 1st quarter of 2007 absorbed a capital input of Php3.76 Billion in the quarter under review as compared to its figure of only Php70 million as of the same quarter last year. Likewise, interactive gaming support services and aviation services posted huge capital increases at Php 3.45 billion and Php361.5 million, respectively, from their figures of Php2.03 Billion and nothing as of the same quarter the previous year. (Table 4)

In effect, total projected employment in the CSEZFP increased enormously at a total of 5,297 as of the quarter under review, from only 1,677 as of the same quarter last year. Interactive Gaming Support Services absorbed the most workers at a total of 4,207 as compared to only 1,088 as of the same quarter last year. Likewise, trading of used vehicles and construction posted increases in worker absorption at 314 and 400, respectively, from 73 and 187 in the same quarter the previous. (Table 4)

The port's Aviation Services, Support and Auxiliary Services, Management Services, Leisure Facilities Operation and Gaming Operations were established in the area as 6 new locators pioneered on these businesses in this quarter contributing a work force of 126.

The Bureau of Investments approved more investments for the region compared to the previous year giving rise to additional inputs for production. The BOI approved Php 420M worth of investments on infrastructure and utilities for power generation compared to Php 5 Million approved in the 1st quarter of 2007. This investment is expected to boost the region's power production and employment opportunities in the following quarters of the year. (Table 5)

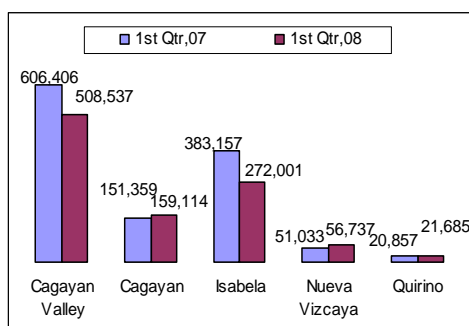
Moreover, several previously approved investments amounting to Php70.138 Million had started their commercial operation in the quarter under review. A tourist accommodation facility amounting to Php65.138 Million is expected to improve the region's service sector as it aimed to deliver quality services to the region's tourists. This in turn created 41 additional jobs. Likewise, a corporation on organic fertilizer production expanded its operation this quarter. The additional Php5 Million paid-up capital was expected to contribute significantly to agricultural crop production. It had also created 30 additional jobs.

Total amount of additional business capital registered at the Department of Trade and Industry thru Business Name Registration grew by 52.24% from Php738.78 Million in the 1st quarter of 2007 to Php1.124.69 Billion this quarter, in consonance with the increases in loan portfolio from the region's major banks namely: LBP and DBP. Almost all of the major industries grew except for Trading and Construction which showed a decline of 7.73% and 80.28%, respectively. The biggest increase in investment came from Agri-Based production industries at 1457.09%, from Php13.12 Million in the 1st quarter of 2007 to Php204.29M in this quarter. Bulk of the investment in this industry came from the province of Isabela as it recorded Php118.18 Million, comprising 57.85% of the region's total investment under this industry type. Likewise, Manufacturing reflected an increase of 737.19%, from Php24.20 Million in the 1st quarter of 2007 to Php202.60 in this quarter. The province of Nueva Vizcaya captured the biggest amount of investment under this type of industry at Php124.17 Million, comprising 61.27 % of the region's total. The Services Industry posted an increase of 26.45% at Php417.56 Million in this quarter, from its level of Php 330.21Million in the same quarter the previous year. Consequently, this industry type grabbed the biggest share in the region's total investment at 37.13%. Among the provinces, the province of Isabela recorded the biggest investment under this type of industry at Php 306.37 Million, accounting for 73.37 % of the region's total services investment. This may be attributed to the rapid urbanization in most areas of the province paving the way for the setting up of more service establishments by SMEs. (Table 6)

Most of the region's investments were situated in Isabela as the province registered a total investment of Php 608.82M, accounting for 54.13% of the region's total during the quarter. This is mainly attributed to the strategic location of the province, linking the provinces of the region. Said investment was 145.06% higher than the previous year's figure of Php 284.44M. This indicates that the province had a very good investment climate during the quarter especially in the Services, Trading and Agri-Based Production, where investors were optimistic of high investment returns. This was followed by Cagayan with Php 316.16M comprising 28% of the region's total investment in the quarter under consideration. This figure was also 1.67% higher than its counterpart the previous year. On the other hand, total investment from Batanes contributed to an almost negligible amount at Php1.42 Million comprising 0.13% of the region's total investment. This figure also reflected a 90.46% decrease from its previous year's counterpart of Php 14.88M. This was due to its geography as an isolated and typhoon prone island province which made it non-conducive to agri-based production, manufacturing and construction as reflected in its zero amount of investment under these industry types during the quarter.

In effect, these investments had employed 21,586 workers, higher by 42.95% from the figure of 15,100 in the same quarter last year.

What was the state of Agriculture and Fisheries?



Despite the influx of investments in Agri-based production, the Agriculture and Fishery sub-sector did not fare well in this quarter as evinced by the low production figures of the region's major crops, livestock, poultry and fisheries.

The region's total palay production posted a downtrend of 16.14% from 606,406 MT in the 1st quarter of 2007 to 508,537MT in this quarter due to the very cold weather experienced in the past few quarters which affected the

crops during booting and flowering stage. It was noted that the provinces of Cagayan, Isabela

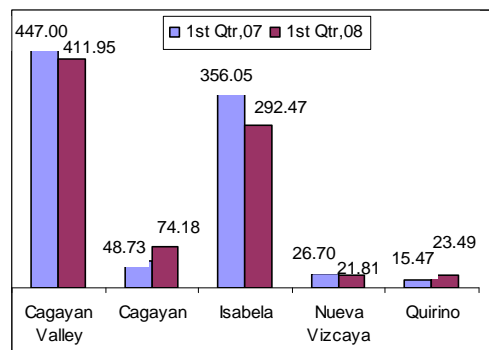
and Quirino experienced below 20 degrees temperature last quarter. However, when compared to the previous quarter figure of 432,630MT, it was 17.55% higher. This was attributable to the fact that most farmers harvest palay in the early quarters of the year. The province of Isabela was still the region's top rice producer at 272,001 MT, accounting for 53.49% of the region's total in the quarter under review, despite showing a decrease of 29% in its production as compared to the previous year.. The province of Cagayan held its post as the second largest rice producer at 159,114MT comprising 31.29% of the region's total rice production. The province also posted an increase of 5.12% as compared to its previous year's level of 151,359 MT. However, this was 17.14% lower compared to the previous quarter's figure of 192,129MT. Production in the provinces of Nueva Vizcaya and Quirino posted increases of 11.18% and 3.97%, respectively, compared to their 1st quarter, 2007 figures of 51,033MT and 20,857MT. Production in both provinces comprised 11.16% and 4.26% of the region's total palay production. (Table 7)

The decrease in the region's total palay production stemmed from the decrease in production in both irrigated and rain fed farm lands. Total production from irrigated farmlands, which comprised 86.30% of the region's total, reflected a decline of 17.28%, from 530,548MT the first quarter of the previous year to 438,873 MT during the quarter. This came mainly from the province of Isabela which posted a decline of 30.17%, from 365, 986MT in the 1st quarter of the previous year to 255,564MT during the quarter. This decrease was not cushioned by the increases reflected by the other provinces' irrigated palay production. In the quarter under review, production n the provinces of Cagayan, Nueva Vizcaya and Quirino posted uptrends of 13.12%, 10.84% and 3.33%, from their figures of 99,909MT, 46,413MT and 18,240MT, respectively, in the 1st quarter of 2007.

Production from rainfed farmlands reflected a drop of 6.85% at 70,664MT in this quarter compared to its last year's level of 75,858MT. The provinces of Cagayan and Isabela posted decreases at 10.41% and 4.27%, respectively from their figures of 51,450MT and 17,171MT in the 1st quarter of 2007. On the other hand, rain fed palay production in the provinces of Nueva Vizcaya and Quirino posted increases at 14.57% and 8.44 %, from their figures of 4,620MT and 2,617 MT in the 1st quarter of 2007.

The decline in production can also be gleaned from the decrease of 12.52% in area harvested, from 152,847 hectares in the 1st quarter of 2007 to 133,712 hectares in this quarter which was attributable to the movement in harvest schedule as the very cold weather experienced during the quarter delayed the maturity of crops expected to be harvested. In effect, crops forecasted to be harvested this quarter will be harvested in the 2nd quarter. Area harvested for irrigated and rain fed farmlands reflected downtrends of 15.08% and 1.16% in this quarter from their figures of 124,747 hectares and 28,100 hectares respectively in the 1st quarter of 2007. (Table 8)

The region's total corn production posted a decline of 7.84% from 446,978MT in the 1st quarter of 2007 to 411,949MT in this quarter also attributable to the very cold weather which affected the crop during flowering stage. Most of the region's production came from yellow corn at 387,873MT, comprising 94.16% of the region's total. Its production level, however, was 7.93% lower than the amount produced in the same quarter last year at 421,263MT. Likewise, the region's white corn production declined from 25,715MT during the first quarter of the previous year to 24,076MT during this quarter reflecting a 6.37% decrease. (Table 10)



The biggest production came from the province of Isabela at 292, 469MT comprising 71% of the region's total corn output during this quarter. Its production level, however, was 17.86% lower than its total of 356,056MT in the same quarter of the previous year. Despite this decline, Isabela still led the provinces in both white and yellow corn production at 14, 237MT and 278,232MT, respectively, comprising 59% and 71.73% of the regions total corn production, thus holding its post as the region's top corn producer.

Total area harvested decreased by 14.17%, at 103, 376 hectares during the quarter vis-à-vis 120,439 hectares in the same quarter the previous year. Corn areas in Cagayan and Quirino rose by 34.73% and 53%, respectively, from their figures of 15,052 hectares and 3,825 hectares, respectively, in the same quarter last year. However, these increases could not cushion the decreases posted by Isabela and Nueva Vizcaya at 24.41% and 17.6%, respectively, as reflected from their figures of 94,832 hectares and 6,730 hectares in the 1st quarter of 2007. (Table 11)

The region’s major fruit products such as banana, mango and pineapple posted production decreases of 6.51%, 91.04% and 19.79%, from their figures of 47,523.48MT, 361.78MT and 1,503.25MT, respectively, in same quarter last year. This downtrends were attributed to the smaller sizes of fruits harvested brought about by inclement weather, affecting the fruit trees during the flowering stage. (Table 13)

The region’s major spices such as garlic and onion also posted a decline in production of 3.61% and 12.40%, respectively, from their figures of 117.85MT and 764.70MT in the same quarter last year. These were attributed to the smaller sizes of bulb as continuous rain affected their growth.

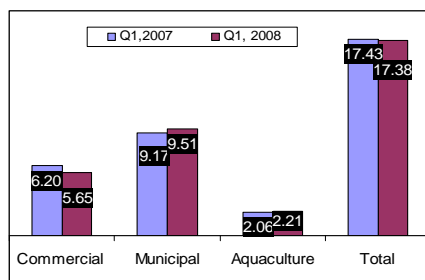
In terms of root crops, cassava production decreased by 4.60%, from its figure of 9,151.05MT in 2007. Cassava farmers shifted to corn production for easy marketing and profit augmentation. On the other hand, camote and peanut production increased by 0.78% and 8.61%, respectively, from their figures of 5,546.48MT and 390.67MT in 2007.

The region’s major citrus product , calamansi, , posted an increase of 22.76% from its figure of 622.23MT in the same quarter last year. This was attributed to sufficient rainfall which led to the increase in the volume and quality of fruits.

For vegetables, eggplant production rose by 5.09% from its figure of 5,514.78MT in the same quarter last year, as fruits were fully developed due to the sufficient rainfall. Likewise, mongo reflected an increase of 8% from its figure of 654.89MT in the same quarter last year due to the increase in area planted. Meanwhile, cabbage production reflected a slight decrease of 0.85% from 507.49MT in the same quarter last year.

The region’s livestock production did not fare well during the quarter with only carabao and goat reflecting increases. Carabao meat production reflected a 0.08% increase from 2,502 MT in 2007 to 2,504MT in the quarter under review. This was due to the lesser cattle supply which reflected a 0.06% decrease from its figure of 3,382MT in the same quarter last year, as consumers tend to substitute carabeef for beef. Goat meat production reflected an increase of 2.27% from 660MT in 2007 to 675MT in this quarter. This was attributed to the increase in the demand for goat meat, as more "kambingan houses" were established in the region during the quarter.

Meanwhile, the production of swine (in terms of pork) reflected a 8.25% decrease from 20,900MT in 2007 to 19,176MT in this quarter. The decline was attributed to the hog cholera which struck the region during the period. Likewise, chicken and duck meat reflected decreases of 37.72% and 0.56%, respectively, from their figures of 14.045MT and 1,420MT in the same quarter last year due to lesser broiler supplies. (Table 14)



Fisheries, being the main substitute for meat, also went down to 17, 382.33 MT during the quarter, from its previous year’s figure of 17, 431.8 MT, reflecting a 0.28% decrease. The decline in the region’s total fish production stemmed from the very huge decrease in the production of commercial sources which posted a decrease of 8.76%, from 1st Quarter, 2007 figure of 6,197.88MT to 5,654.94MT in this quarter. The decrease was attributed to substantial number of commercial fishing boats dry docked and the increasing prices of fuel during the period. The decline in fish production was large enough that could not be cushioned

by the increases recorded in the production of both municipal and aquaculture sources. The region's fish production from municipal sources increased by 3.72% from 9,172MT produced in the 1st quarter of 2007 to 9,513.87MT in this quarter. The increase was attributed to the relatively favorable weather condition that attracted more fishing activities by the region's fisher folks. Production from aquaculture sources increased to 2, 213.52 MT during the quarter, reflecting an increase of 7.39%, from the previous year's 2,061.21MT. This increase was attributed to the adoption of recommended technologies and the increase in the production areas.(Table 15)

Did the industries flourish?

The industry sector during the quarter fared relatively well as evinced from the performance of the region's top industries namely: mining and quarrying, and electricity, gas and water.

The region's mineral output was generally on the upswing during the quarter. In response to the demand for the commodity, 325 MT of Manganese was produced in Nueva Vizcaya from a zero output in the same quarter of last year. Production for boulders increased from 516cu.m in the 1st quarter of 2007 to 2,027cu.m in this quarter, reflecting a 292.83% increase. This emanated primarily from the 1,777 cu.m produced in Nueva Vizcaya as compared to the zero production of the same province in the same quarter last year. Production for sand and gravel, the region's major quarrying output, increased significantly, posting a total of 164,183.67cu.m, reflecting a 32.34% increase from the 1st quarter, 2007 production of 124,065.24cu.m. In the province of Isabela, production rose from 21,363cu.m in the 1st quarter of 2007 to 75,093cu.m in this quarter, accounting for a 251.51% increase. This was due to the issuance of permits by the LGU. Production in Nueva Vizcaya rose from 31,225cu.m in the 1st quarter of 2007 to 37,937.50cu.m, reflecting a 21.5 % increase, due to increases in demand especially within the province. These increases in both provinces cushioned the decreases in production reflected in Cagayan and Quirino. In Cagayan, production dropped by 28.06%, from 63,080.24cu.m in the same quarter last year due to the suspension of granting Industrial Permittees, Production in Quirino declined by 31.21%, from 8,397cu.m produced in the same quarter last year, as the province recorded no production as of January 2008 due to lesser demand. (Table 17)



On the other hand, pebbles and earth material posted a decline in production at 305cu.m and zero production respectively in the quarter under review compared to 1,262.64cu.m and 415cu.m respectively in the 1st quarter of 2007.



Magat Dam Aerial View

In the absence of the 1st quarter, 2008 figures on the regions total power generation and consumption, the annual output in the year 2007 was compared to the previous year's figures to determine how the region fared in its power production and consumption. Total power generation in 2007 rose by 4.44%, from 584.93 million KWh generated in 2006 to 610.88 million KWh generated in 2007. All of the region's electric cooperatives fared well in 2007 but the biggest growth was posted by Quirino Electric Cooperative at 8.44%, from 17.27 million KWh generated in the year 2006 to 18.73 million KWh the following year. In terms of percentage share, Isabela I Electric Cooperative was the region's major power generator in 2007 at 211.95 million KWh, comprising 34.69% of the region's total. It also posted a 4.40% increase from its figure of 203 million KWh in 2006. (Table 18)

The increase in the region's total power generation was attributable to the rising demand for electricity in the region as more households were provided electricity, attributed mainly to the rapid urbanization and modernization in most areas of the region. Total power sold increased by 4.19%, from 489.19 million KWh in the year 2006 to 509.67 million KWh in 2007. Isabela I Electric Cooperative sold the largest amount of power at 177.63 million KWh, comprising

34.85% of the region's total. It also posted a 4.02% increase from its 2006 figure of 170.78 million KWh.

However, it can be gleaned that the region experienced losses in electricity in the year 2007. Total power generated exceeded the quantity sold by 101.23million KWh. This loss may be attributable to inefficiencies in power transmission.

Did our services sector improve?

The service sector likewise reflected substantial gains as it experienced growth in the sub-sectors of transportation, communication, and tourism.

Regional tourists rose by 4.67%, from 137,555 in the 1st quarter of 2007 to a total of 143,985 during the quarter. This increase was attributed to the flourishing tourism industry coupled with developments in the service sector, luring both foreign and domestic tourists to visit the region. In the quarter under review, the DOT started its information campaign promoting the region as the nation's caving capital due to its various unique and attractive caves such as the "famous Callao Caves, the Jackpot Cave, (acclaimed as the second deepest cave in the country), Odessa Cave (third longest cave in RP), San Carlos Cave, Bat Cave(colonized by thousands of bats), Roc Cave and Sierra Cave (known for their beautiful rock formations) and Abenditan Cave, all found in Peñablanca, Cagayan . Other provinces boast of equally attractive and popular caves, frequented by local tourists. (Table 19)

Domestic tourists comprised the bulk of tourists visiting the area during the quarter with a total of 134, 769, accounting for 93.60% of the region's total visitors. This figure was also 2.83% higher than the figure of 131,061 in the same quarter last year. Likewise, total foreign travelers increased by 41.92%, from 6,494 in the 1st quarter of 2007 to 9, 216 in the quarter under review. Foreign visitors came mainly from East Asia as they comprised 43.56% of the region's total foreign travelers. It also reflected an increase of 68.33% from its figure of 2,829 in the 1st quarter of 2007. This increase is attributed to the opening of the Macau-Tuguegarao flights in the last quarter of 2007, making the region more accessible to East Asian tourists and businessmen. However, the volume of "balikbayans" posted a drop of 28.46%, from a total 1,609 in the 1st quarter of 2007 to only 1,151 in the quarter under review.

The regions transportation services were fully utilized as evinced from the number of motor vehicle registrations, number of flights and the passenger and cargo movements.

The number of motor vehicles registered in the region increased during the quarter as compared to its previous year's level. Total number of registered motor vehicles rose from 52, 362 in the 1st quarter of 2007 to 54,764 in the quarter under review, reflecting a 4.58% increase. This is attributed to the affordable payment schemes offered by vehicle dealers in the region, especially motorcycle and tricycle dealers who offered low amortization payments. The presence of slightly used and surplus vehicles offered on sale in the region also triggered the increase. (Table 20)

Among the different LTO offices and extensions in the region, Roxas Office posted the biggest growth rate at 59.55%, from 4,225 motor vehicles registered in the 1st quarter of 2007 to 6,741 in this quarter. This is attributed to the rapid modernization in most of the area coverage of the LTO. This was followed by the Sanchez Mira Office as it posted an increase of 21.35%, from 1,377 motor vehicles registered in the 1st quarter of 2007 to 1,671 in this quarter. Aparri, Basco, Cauayan and Tuguegarao Offices posted increases of 6.25%, 8.47%, 14.71% and 10.86%, respectively, from their 1st quarter, 2007 figures of 3550, 496, 4413 and 9145. The other LTO offices showed downtrends with Gattaran Extension Office posting the biggest decrease at 25.07%, from 1,731 in the 1st quarter of 2007 to only 1,297 in the quarter under review.

In terms of percentage share, Tuguegarao, being the region's capital grabbed the most registration in the quarter under review at 18.51%. Other huge shares in the total registration include Roxas, San Isidro, Bayombong, Cauayan and Santiago Offices with percentage shares of 12.31%, 11.47%, 10.92%, 9.24% and 9.19%, respectively.

The region's air transportation services were not fully utilized in the quarter under review. Based on the result of the Air Craft Movement carried out by the Department of Transportation and Communication through its Air Transportation Office, total number of flights posted a decline of 8.39%, from 799 in the 1st quarter of 2007 to 732 in the quarter under review. The biggest decrease came from Basco Airport at 68.42%, from 209 flights in the 1st quarter of 2007 to only 66 flights in this quarter as Chemtrad and Air Philippines stopped their operation this quarter. Despite recording the most flights, Tuguegarao Airport also posted a decrease of 22.52% from its figure of 222 in the same quarter last year. Cauayan airport also posted a drop of 16% from 180 flights recorded the same quarter last year. These decreases were not cushioned by the increases posted by Palanan, Itbayat and Bagabag Airports at 2.67%, 565.22% and 140%, respectively, from their figures of 150, 23 and 15 in the same quarter last year. (Table 21)

Due to the decrease in the number of flights, passenger and cargo movement in the region did not fare well. The number of passengers and the quantity of cargo moving in and out of the region decreased. On the average, passenger and cargo movement showed a decline of 9.94% percent and 14.89% percent, respectively, from their figures of 9,443 and 90,333kgs in the same quarter the previous year.

Telecommunication services were a bit sluggish during the quarter. Only 13 additional cell sites were established compared to 171 in the same quarter last year. It should be noted, however, that the 13 additional sites were set up by the Sun Cellular mobile provider as it continued its bid for expansion, starting in the latter part of the previous year. Smart and Globe Telecommunications which own a significant portion of cell sites in the same period lasting 2007 did not further expand in the quarter under review. The 2 giant telecommunication companies had already established their network and had built numerous sites in the previous years, sufficient enough to meet the service needs of their clientele within the region. (Table 22)

Our Gains vis-à-vis Our Socio-Economic Welfare...

In order to attain a true regional development, the good performance of the sectors should have brought forth positive impacts to the welfare of the people. The notable performance of the economy are expected to trickle to the region's households as manifested in the employment rate, purchasing power of the peso and food sufficiency levels.

Were the sufficiency levels sustained?

As an effect of the growth in population, the demand for food likewise increases. In view of the decreases in production in most of the region's crops, livestock and poultry during the quarter, the region's food supply slightly suffered as shown in the decreases in the food sufficiency levels as compared to their figures in the 1st quarter, last year. Despite the increasing food requirements of an increasing population, the total available food for consumption had suffered

due to production decreases. Rice and white corn sufficiency levels were marked at 250.46% and 96.76%, respectively, vis-a-vis their figures of 303.35% and 105.95% in the same quarter last year. Total available yellow corn for animal consumption also decreased, from 94,400MT in the 1st quarter of 2007 to 80,474 MT in this quarter. The region's meat sufficiency levels also decreased. Beef, carabeef, pork and chicken reflected sufficiency levels at 225.89%, 294.85%, 240.95, and 148.35%, respectively, as compared to their figures of 229.58%, 299.24%, 266.73% and 241.95 in the 1st quarter, last year. Likewise, sufficiency levels for fruits and root crops were posted at 93.98% and 106.34%, respectively, as against their figures of 103.03% and 108.42% last year.

On the other hand, the sufficiency level of vegetables slightly increased from 24.30% to 25.18% this quarter. (Table 15)

Likewise, due to the decline in fishery production in this quarter, the fish sufficiency level was slightly lower compared to the same period the previous year. The region's fish sufficiency level

NOTE:

- *The sufficiency levels were computed based on FNRI Standards set in the "Compendium of Planning Standards and Indicators By Sector" of RDC II dated August 2003*
- *Total Consumption was computed using the per capita requirement in a quarter and using the projected population : $P_t = P_o * (APGR + 1)^t$ based on 1995 census survey*

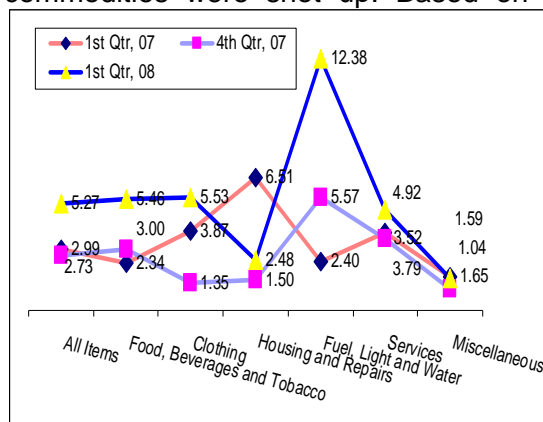
declined from 14.73% in the 1st quarter of 2007 to 14.37% in the quarter under review, reflecting a drop of 0.36 percentage points (Table 16)

Did we generate ample employment?

In the absence of employment data in the quarter in review, the results of the Labor Force Survey of the National Statistics Office conducted in October of 2007 were used. In October last year, the working population, as determined by the number of persons 15 years and older, decreased by 0.39%, from its figure of 2.07 million in the same period the previous year. Of this population group, 67.2% participated in the labor force equivalent to 1.386 million. However, this was 2.05% lower than the 1.415 million people who were in the labor force in the same period. Of those who participated in the labor force, 1,353 thousand were employed constituting 97.7% of the region’s labor force, higher by 0.6 percentage points than the previous year’s figure of 97.1%. Consequently, the region’s unemployed declined by 19.51%, from 41 thousand in the first quarter of the previous year to 33 thousand during the quarter. Among the employed, 190 thousand were recorded to be working less than 8 hours a day corresponding to an underemployment rate of only 14%, lower by 4.2 percentage points as compared to 18.2% of the previous year. (Table 22)

Can we still catch up given the rising inflation?

During the quarter under review, the value of the peso continued to erode as prices of commodities were shot up. Based on the Consumer Price Indices (CPI) provided by the



National Statistics Office, an average consumer had to pay Php 141.80 in order to purchase a basket of commodities as compared to Php 134.70 and Php138.43, respectively, in the 1st and 4th quarters of 2007. This can be attributed to the increasing price of oil in the world market where the prices of commodities are dependent. The highest increase in CPI was recorded along Fuel, Light and Water, from Php 168.87 and Php 178.60 in the 1st and 4th quarters of 2007 to Php 189.77 in the quarter under review. This was followed by Food, Beverages and Tobacco at Php140.53 from Php 133.23 in the same quarter last year. (Table 23)

With CPI rapidly increasing, the real value of the peso was observed to be declining faster in the quarter under review. On the average, the region’s inflation rate on all commodity groups landed at 5.27% in the quarter under review as compared to the figures of 2.99% and 2.73%, respectively, in the 1st and 4th quarters of the previous year. The pace of peso devaluation was faster along Fuel, Light and Water as reflected in the 12.38% inflation rate in this quarter as compared to the 2.40% and 5.57% recorded in the 1st and 4th quarters of 2007. This was followed by Clothing registering 5.53% as compared to 3.87% and 1.35% in the 1st and 4th quarters of 2007. Moreover, the commodity of Food, Beverages and Tobacco registered was bolted at 5.46% as compared to the 2.34% and 3% in the 1st and 4th quarters of 2007. Meanwhile, Miscellaneous commodities, which include entertainment, cosmetics and other luxuries, posted the lowest decrease in inflation rate at 1.59%, lower by 0.06 percentage points than its figure of 1.65% recorded in the same quarter last year. This slowdown may be attributed to the relatively low demand on these commodities as people adopt a more rational mode of spending, placing luxuries last in their budget. (Table 24)

With this scenario, we are faced with greater challenges ahead. However, the region has good prospects which can be capitalized and further pursued in order to bring the desired prosperity.

What can we expect from hereon?

The region’s economy will be stronger in the succeeding quarters as the following economic prospects are anticipated to boost the region’s economic performance:

1. Huge amounts of loans are under evaluation process and are anticipated to finance the industries. To date, the DBP is evaluating a total loan amount of Php183.4 million for Small and Medium Enterprises (SMEs). This is anticipated to create a positive effect on our sectors as this will serve as an additional capital input.
2. The further improvement of the CSEZFP, which include the development of submarine cables connecting it to Hong Kong and the establishment of restaurants and resorts will further improve the region's trade, communication and tourism sub-sectors. Moreover, CEZA's investment promotion initiatives with several companies in Makati (especially call centers) to locate in the region will create more employment opportunities.
3. The boost in eco-tourism especially the promotion of our caves found all over the region will increase opportunities for tourism related industries or enterprises.
4. The launching of the Xiamen-Tuguegarao chartered flights by CEZA, the Manila-Tuguegarao daily flights by Cebu-Pacific and the SEA AIR flights in Cauayan airport will improve trade, investment and tourism in the region with both domestic and foreign visitors and traders expected to make frequent visits to and from the region
5. In the next quarter, being the harvest season for most of our crops, more economic activity is seen in the agriculture sector both in production and job generation.
6. The development of Agro-Forestry and high land farming, such as the Citrus plantations in Nueva Vizcaya, will boost the region's agriculture and forestry sub-sectors.
7. The establishment of "High Value Species Hatchery" in Brgy. Taggat in Claveria, Cagayan will boost the fishery subsector, as fry or fingerlings of high value species such as mudcrab, sea urchin, sea cucumber, lobster and abalone will soon be made available, reviving our wild fish stocks and providing wide and varied fingerlings for our fisher folks to raise.

Table 1
LBP Outstanding Loans, 1st Qtr, 2007 and 1st Quarter, 2008
(In Million Pesos)

Provinces	Outstanding Balance as of March 31, 2007	% Share	Outstanding Balance as of March 31, 2008	% Share	Growth Rate
Batanes	71.989	1.97	70.273	1.79	-2.38
Cagayan	942.363	25.75	1083.501	27.56	14.98
Isabela	2052.051	56.08	2128.747	54.15	3.74
Nueva Vizcaya	437.163	11.95	489.02	12.44	11.86
Quirino	155.507	4.25	159.719	4.06	2.71
Total	3659.073	100	3931.26	100	7.44

Source:LBP-RMC

Table 2
DBP Loan Releases and Outstanding Loans
1st Qtr, 2007 and 1st Qtr, 2008
(In Million Pesos)

Province/Branch	Loan Releases		Outstanding Loans	
	2007	2008	2007	2008
<i>Cagayan</i>	14,449	253	311,657	22,498
Aparri	13,849	253	114,993	10,167
Tuguegarao	600		196,664	12,331
<i>Isabela</i>	35,108	78,023	602,061	1,189,046
Ilagan	35,108	3,893	602,061	25,164
RMC-NEL		74,130		1,163,882
<i>Nueva Vizcaya</i>	15,204	5,891	102,611	32,637
Solano	15,204	5,891	102,611	32,637
CAGAYAN VALLEY	64,761	84,167	1,016,329	1,244,181

Source:DBP-RMC

Table 3
Number of Banking Offices
As of December 2006 and December 2007

Province / type of bank	Number of Banks	
	December 2006	December 2007
Region II-Cagayan Valley	231	239
Universal & Commercial Banks	75	73
Thrift Banks	9	11
Rural & Cooperative Banks	147	155

Source:BSP-Tuguegarao

Table 4
Registered Enterprises at CSEZFP By Nature of Business
As of March 31, 2007 and March 31, 2008
(Investment Amounts in Projection)

Nature of Business	Total Number of Locators		Total Capital Investment (PhP)		Employment Generated	
	1st Qtr, 07	1st Qtr, 08	1st Qtr, 07	1st Qtr, 08	1st Qtr, 07	1st Qtr, 08
Importation and Trading of Used Vehicles	1	1	49,600,000	49,600,000	6	17
Trading of Used Vehicles	8	9	1,265,555,000	220,560,000	73	314
Interactive Gaming	1	1	70,000,000	3,761,654,736	65	65
Interactive Gaming Support Services	34	42	2,033,468,000	3,445,874,469	1,088	4,207
Tourism and Resort Services	1	2	25,000,000	30,250,000	12	21
Aviation Service/Air Charter Services		1		361,500,000		3
Helicopter Charter Services	1	1	126,640,000	126,064,000	15	15
Software Development, Technical and Support Services	1	1	135,000	361,000	9	9
Support and Auxillary Transport Services, Activities of Travel Agency		1		2,500,000		7
Processing and Exportation of sand, gravel, armored rocks, and limestones	1	2	89,070,000	141,690,000	42	38
Mining and Quarrying	1	3	10,000,000	141,502,000	18	20
Construction	1	1	5,000,000	5,000,000	187	400
Telecommunications Provider	1	1	120,000,000	120,000,000	15	15
International Fishing	1	1	320,000,000	320,000,000	117	20
Management Services		1		7,198,388		4
Leisure Facilities Operation		2		6,240,103		10
Gaming Operations		1		59,500,000		102
Port Operations	1	1	3,750,000,000	3,750,000,000	30	30
Total	53	72	7,864,468,000	12,549,494,697	1,677	5,297

Source: CEZA

Table 5
Investments Thru Business Name Registration
1st Quarter 2007 and 1st Quarter, 2008
(In Million Pesos)

PROVINCE	TYPE OF INDUSTRY											
	Manufacturing		Agri-based Production		Trading		Services		Construction		TOTAL	
	Q1,07	Q1,08	Q1,07	Q1,08	Q1,07	Q1,08	Q1,07	Q1,08	Q1,07	Q1,08	Q1,07	Q1,08
Batanes	0.20				7.20	1.08	7.48	0.34			14.88	1.42
Cagayan	6.44	41.05		52.38	106.59	108.88	178.82	110.15	19.13	3.70	310.98	316.16
Isabela	8.80	26.45	12.52	118.18	120.00	150.02	80.97	306.37	26.15	7.80	248.44	608.82
Nueva Vizcaya	6.31	124.17	0.60	31.73	68.00	28.76	62.94	0.70	13.04		150.89	185.36
Quirino	2.45	10.93		2.00	11.14						13.59	12.93
TOTAL/INDUSTRY	24.20	202.60	13.12	204.29	312.93	288.74	330.21	417.56	58.32	11.50	738.78	1,124.69

Source:DTI-RO2

Table 6
BOI Approved Investments

Name of Firm	Project Activity	Ownership	Project Location	Type of Registration	Project Cost (Paid-Up)	Employment Generation (Increments)	Status of Commercial Operation
SN Aboitiz Power Inc	360 Megawatt Hydroelectric Power Plant	60%-Filipino; 40%-Singaporean	Magat,Ramon, Isabela	New Operator	27.931B	50	April,2007
Hotel Amancio	Tourist Accomodation Facility	100%-Filipino	Dubinan East, Santiago City	New Operator	65.138M	41	January, 2008
Aljay Agro-Industrial Corporation	Organic Fertilizer Production	100%-Filipino	City Road, Dubinan East, Santiago City	Expansion	5 M	30	January, 2008
De Vera Hospital	Tertiary Hospital	100%-Filipino	Santiago city	Expansion	29M	38	

Table 7
Palay Production (In Metric Tons)
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr, 07			4th Qtr, 07			1st Qtr,08		
	Irrigated	Rainfed	Total	Irrigated	Rainfed	Total	Irrigated	Rainfed	Total
Cagayan Valley	530,548	75,858	606,406	374,973	57,657	432,630	438,873	70,664	508,537
Cagayan	99,909	51,450	151,359	155,847	36,182	192,029	113,018	46,095	159,114
Isabela	365,986	17,171	383,157	148,088	14,986	163,074	255,564	16,437	272,001
Nueva Vizcaya	46,413	4,620	51,033	56,710	5,610	62,320	51,444	5,293	56,737
Quirino	18,240	2,617	20,857	14,328	879	15,207	18,847	2,838	21,685

Source: BAS-RO2

Table 8
Area Harvested (In Hectares)
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr, 07			4th Qtr, 07			1st Qtr,08		
	Irrigated	Rainfed	Total	Irrigated	Rainfed	Total	Irrigated	Rainfed	Total
Cagayan Valley	124,747	28,100	152,847	93,746	22,523	116,268	105,939	27,773	133,712
Cagayan	24,669	19,415	44,084	14,476	39,501	53,977	28,979	19,439	48,418
Isabela	83,368	6,025	89,393	37,115	5,742	42,857	59,600	5,479	65,079
Nueva Vizcaya	12,150	1,680	13,830	13,250	1,870	15,120	12,500	1,800	14,300
Quirino	4,560	980	5,540	3,880	435	4,315	4,860	1,055	5,915

Source: BAS-RO2

Table 9
Palay Yield per Hectare(MT/Ha)
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr,07	4th Qtr,07	1st Qtr,08
Cagayan Valley	3.97	3.72	3.51
Cagayan	3.43	3.56	3.29
Isabela	4.29	3.81	4.18
Nueva Vizcaya	3.69	4.12	3.97
Quirino	3.76	3.52	3.67

Source: BAS-RO2

Table 10
Corn Production(In Metric Tons)
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr, 07			4th Qtr, 07			1st Qtr,08		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
Cagayan Valley	25,715	421,263	446,978	8,668	173,688	182,356	24,076	387,873	411,949
Cagayan	6,506	42,229	48,735	1,179	36,280	37,459	7,755	66,426	74,181
Isabela	17,510	338,546	356,056	6,382	121,335	127,717	14,237	278,232	292,469
Nueva Vizcaya	1,127	25,584	26,711	1,107	235	1,342	1,694	20,115	21,809
Quirino	572	14,904	15,476	0	15,838	15,838	390	23,100	23,490

Source: BAS-RO2

Table 11
Area Harvested with Corn (In Hectares)
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr, 07			4th Qtr, 07			1st Qtr,08		
	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
Cagayan Valley	9,380	111,059	120,439	3,281	49,441	52,722	8,700	94,676	103,376
Cagayan	2,924	12,128	15,052	638	8,960	9,598	3,693	16,587	20,280
Isabela	5,741	89,091	94,832	2,274	33,826	36,100	4,241	67,444	71,685
Nueva Vizcaya	490	6,240	6,730	369	56	425	616	4,930	5,546
Quirino	225	3,600	3,825	0	6,599	6,599	150	5,715	5,865

Source: BAS-RO2

Table 12
Yield Per Hectare:
1st and 4th Quarter, 2007 and 1st Quarter, 2008

Province	1st Qtr,07	4th Qtr,07	1st Qtr,08
Cagayan Valley	3.71	3.46	3.98
Cagayan	3.24	3.90	3.66
Isabela	3.75	3.54	4.08
Nueva Vizcaya	3.97	3.16	3.93
Quirino	4.05	2.40	4.01

Source: BAS-RO2

Table 13
Production Estimates for Other Crops(MT)
1st Quarter, 2007 and 1st Quarter, 2008

COMMODITY	CAGAYAN VALLEY		% CHANGE
	2008	2007	
BANANA	44,429.64	47,523.48	(6.51)
Cagayan	12,972.89	14,056.22	(7.71)
Isabela	9,781.67	14,626.76	(33.12)
Nueva Vizcaya	11,460.08	11,257.00	1.80
Quirino	10,215.00	7,583.50	34.70
CALAMANSI	763.84	622.23	22.76
Cagayan	255.86	235.68	8.56
Isabela	412.25	298.25	38.22
Nueva Vizcaya	56.23	50.00	12.46
Quirino	39.50	38.30	3.13
MANGO	32.42	361.78	(91.04)
Cagayan	-	256.78	(100.00)
Isabela	24.42	95.00	(74.29)
Nueva Vizcaya	8.00	10.00	(20.00)
Quirino	-	-	
PINEAPPLE	1,205.73	1,503.25	(19.79)
Cagayan	-	-	
Isabela	2.50	3.25	(23.08)
Nueva Vizcaya	1,203.23	1,500.00	(19.78)
Quirino	-	-	
MONGO	707.29	654.89	8.00
Cagayan	0.55	0.76	(27.63)
Isabela	702.54	650.38	8.02
Nueva Vizcaya	-	-	
Quirino	4.20	3.75	12.00
PEANUT	424.32	390.67	8.61
Cagayan	298.53	274.15	8.89
Isabela	65.54	61.02	7.41
Nueva Vizcaya	52.00	48.00	8.33
Quirino	8.25	7.50	10.00
CABBAGE	503.19	507.49	(0.85)
Cagayan	160.34	198.65	(19.29)
Isabela	42.85	43.21	(0.83)
Nueva Vizcaya	300.00	265.63	12.94
Quirino	-	-	
EGGPLANT	5,795.30	5,514.78	5.09
Cagayan	598.65	469.52	27.50
Isabela	4,235.65	4,080.26	3.81

Continuation Table 13

COMMODITY	CAGAYAN VALLEY		% CHANGE
	2008	2007	
Nueva Vizcaya	811.00	825.00	(1.70)
Quirino	150.00	140.00	7.14
TOMATO	2,222.30	2,091.73	6.24
Cagayan	396.44	352.15	12.58
Isabela	1,185.36	1,125.58	5.31
Nueva Vizcaya	625.00	600.00	4.17
Quirino	15.50	14.00	10.71
GARLIC	113.60	117.85	(3.61)
Cagayan	37.95	39.85	(4.77)
Isabela	-	-	
Nueva Vizcaya	75.65	78.00	(3.01)
Quirino	-	-	
ONION	669.91	764.70	(12.40)
Cagayan	38.55	41.25	(6.55)
Isabela	31.36	30.45	2.99
Nueva Vizcaya	600.00	693.00	(13.42)
Quirino	-	-	
CAMOTE	5,590.14	5,546.88	0.78
Cagayan	432.15	485.63	(11.01)
Isabela	2,125.36	2,042.25	4.07
Nueva Vizcaya	3,000.63	2,990.00	0.36
Quirino	32.00	29.00	10.34
CASSAVA	8,730.46	9,151.05	(4.60)
Cagayan	1,689.35	2,548.32	(33.71)
Isabela	6,852.36	6,428.23	6.60
Nueva Vizcaya	120.00	112.00	7.14
Quirino	68.75	62.50	10.00

Source: BAS-RO2

Table 14
Production Estimates for Livestock and Poultry (In Metric Tons)
1st Quarter, 2007 and 1st Quarter, 2008

COMMODITY	CAGAYAN VALLEY		% CHANGE
	2008	2007	
CARABAO	2,504	2,502	0.08
CATTLE	3,380	3,382	(0.06)
SWINE	19,176	20,900	(8.25)
GOAT	675	660	2.27
CHICKEN	8,747	14,045	(37.72)
DUCK	1,412	1,420	(0.56)

Source: BAS-RO2

Table 15
Food Sufficiency Levels
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

ITEM/COMMODITY	TOTAL AVAILABLE FOR CONSUMPTION (MT)		TOTAL CONSUMPTION FOR THE QUARTER (MT)		SUFFICIENCY LEVELS (%)	
	1st Qtr, 2007	1st Qtr, 2008	1st Qtr, 2007	1st Qtr, 2008	1st Qtr, 2007	1st Qtr, 2008
RICE	285544	239459	94130	95608	303.35	250.46
WHITE CORN	7973	7395	7525	7643	105.95	96.76
YELLOW CORN	94400	80474	assumed for animal consumption only			
CHICKEN	14045	8747	5805	5896	241.95	148.35
BEEF	3382	3380	1473.15	1496.28	229.58	225.89
CARABEEF	2502	2504	836.11	849.24	299.24	294.85
PORK	20900	19176	7835.55	7958.57	266.73	240.95
VEGETABLE	7548.02	7942.75	31055.53	31543.12	24.30	25.18
FRUITS	22972.53	21283	22296.28	22646.34	103.03	93.98
ROOT CROPS	6184.65	6183.68	5725.37	5815.26	108.02	106.34
Source of Production Data: BAS-RO2						
Notes: 1.) Total available for consumption was based on FNRI standards dated August, 2003						
2.) Total consumption was computed for the quarter using projected population from 1995 census survey						
3.) Projected Population (2007)=3,185,183; 2008=3,235,191 based on PLPEM Formula: $P_t = P_o * (APGR + 1)^t$; $APGR = (X - 1) * 100$ where $x = \text{antilog}[\log(P_t/P_o)]/t$						

Table 16
Fishery Production (In Metric Tons)
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

Sector	Production (MT)			
	1st QTR, 07	% Sufficiency Level	1st QTR, 08	% Sufficiency Level
Commercial	6197.88		5654.94	
Municipal	9172.71		9513.87	
Aquaculture	2061.21		2213.52	
Total	17431.8	14.73	17382.33	14.37

Source: BFAR-RO2

Table 17:
Metallic and Non-Metallic Production
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

COMMODITY	PRODUCTION		% change
	1 st Qtr, 2007	1 st Qtr, 2008	
MANGANESE(MT)	0.00	325.00	N/A
SAND & GRAVEL(cu.m.)	124,065.24	164,183.67	32.34
PEBBLES(cu.m.)	1,262.64	305.00	-75.84
EARTH MATERIAL(cu.m.)	405.00	0.00	N/A
BOULDERS (cu.m.)	516.00	2,027.00	292.83

Source: MGB-RO2

Table 18
Power Generated and Power Sold
Region 2: CY 2007 and 2008

Cooperative	Purchased/ Generated (Kwh)			Kwh Sold		
	2006	2007	% Change	2006	2007	% Change
Batanes	4,131,819	4,459,059	7.92	3,729,968	4,035,385	8.19
Cagayan I	121,205,967	126,642,062	4.49	104,866,537	109,423,155	4.35
Cagayan II	66,718,775	70,619,982	5.85	54,890,553	58,911,612	7.33
Isabela I	203,006,723	211,946,560	4.40	170,777,614	177,634,722	4.02
Isabela II	100,031,704	103,624,224	3.59	80,485,758	83,542,742	3.80
Nueva Vizcaya	72,568,138	74,876,961	3.18	60,058,091	60,569,662	0.85
Quirino	17,271,096	18,728,351	8.44	14,385,633	15,554,872	8.13
Total	584,934,222	610,897,199	4.44	489,194,154	509,672,150	4.19

Source:NEA

Table 19
Distribution of Regional Travelers
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

Country of Residence	1st Quarter, 07	1st Quarter, 08	% Change
Asean	36	1364	3,688.89
East Asia	2,829	4762	68.33
South Asia	262	223	-14.89
North America	1,180	1029	-12.80
Oceania	231	279	20.78
Europe	345	407	17.97
Middle East	2	1	-50.00
Others/Balikbayans	1,609	1151	-28.46
TOTAL FOREIGN TRAVELERS	6,494	9,216	41.92
DOMESTIC TRAVELERS	131,061	134,769	2.83
GRAND TOTAL	137,555	143,985	4.67

Source: DOT-RO2

Table 20
Number of Motor Vehicles Registered By District/Extension
1st Quarter, 2007 and 1st Quarter, 2008

Agency	MV Registered		Percentage	
	1st Qtr, 07	1st Qtr, 08	Share	Change
Region II		99	0.18	
Aparri	3,550	3,772	6.89	6.25
Aritao Ext.	1,359	1,038	1.90	-23.62
Basco	496	538	0.98	8.47
Bayombong	6,073	5,979	10.92	-1.55
Cabagan Ext.	1,074	1,067	1.95	-0.65
Cabarroguis Ext.	1,215	1,189	2.17	-2.14
Cauayan Ext.	4,413	5,062	9.24	14.71
Gattaran Ext.	1,731	1,297	2.37	-25.07
Ilagan	3,665	3,187	5.82	-13.04
Tuao Ext.	1,996	1,670	3.05	-16.33
Roxas	4,225	6,741	12.31	59.55
Sanchez Mira	1,377	1,671	3.05	21.35
San Isidro	6,785	6,283	11.47	-7.40
Santiago	5,260	5,033	9.19	-4.32
Tuguegarao	9,145	10,138	18.51	10.86
Total	52,364	54,764	100.00	4.58

Source: LTO-RO

Table 21
Aircraft Movement
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

AIRPORT	NO. OF FLIGHTS		Pax In		Pax Out		Cargo In		Gargo Out	
	1Q,07	1Q,08	1Q,07	1Q,08	1Q,07	1Q,08	1Q,07	1Q,08	1Q,07	1Q,08
<i>Palanan</i>	150	154	652	566	663	369	8,989	11,550	8,850	5,762
<i>Itbayat</i>	23	153	113	566	148	369	1,013	11,550	690	5,762
<i>Bagabag</i>	15	36	434	825	982	2,366	33	47	29	38
<i>Basco</i>	209	66	2,550	1,926	2,449	1,888	56,074	27,633	25,542	20,670
<i>Tuguegarao</i>	222	172	4,800	3,524	4,662	3,697	21,521	36,284	25,025	20,254
<i>Cauayan</i>	180	151	724	558	709	369	19,635	11,150	13,265	5,462
TOTAL	799	732	9,273	7,965	9,613	9,058	107,265	98,214	73,401	57,948

Source:ATO-Northern Luzon Area

Table 22
Installed Cellular Base Stations
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

	1st Qtr,07	1st Qtr, 08
Globe	171	0
Smart	0	0
Sun Cellular	0	13

Source: NTC-RO2

Table 23
Labor Force Participation (in thousand)
As of October, 2006 and October, 2007

	October, 2006	October, 2007	Inc/(Dec) %
15 yrs. Old and over ('000)	2070	2062	(0.39)
Not in the Labor Force ('000)	655	676	3.21
In the Labor Force ('000)	1,415	1,386	(2.05)
LFPR (%)	68.36	67.2	(1.70)
Employed ('000)	1,374	1,353	(1.53)
Employment Rate	97.1	97.7	0.62
Unemployed ('000)	41	33	(19.51)
Unemployment Rate	2.9	2.3	(20.69)
Underemployment ('000)	250	190	(24.00)
Underemployment Rate	18.2	14	(23.08)

Source: NSO –RO2

Table 24
Consumer Price Indices By Commodity Group(2000=100)
Region 2: 1st and 4th Quarter, 2007 and 1st Quarter, 2008

Commodity Group	1st Qtr,07	4th Qtr,07	1st Qtr,08
All Items	134.70	138.43	141.80
Food, Beverages and Tobacco	133.23	136.77	140.53
Clothing	119.17	119.73	121.37
Housing and Repairs	123.30	125.20	126.30
Fuel, Light and Water	168.87	178.60	189.77
Services	148.93	154.80	126.67
Miscellaneous	115.20	116.13	117.03

Source:NSO-RO2

Table 25
Inflation Rate By Commodity Group
Region 2: 1st Quarter, 2007 and 1st Quarter, 2008

Commodity Group	1st Qtr, 07	4th Qtr, 07	1st Qtr, 08
All Items	2.99	2.73	5.27
Food, Beverages and Tobacco	2.34	3.00	5.46
Clothing	3.87	1.35	5.53
Housing and Repairs	6.51	1.50	2.48
Fuel, Light and Water	2.40	5.57	12.38
Services	3.79	3.52	4.92
Miscellaneous	1.65	1.04	1.59

Source: NSO-RO2