CY 2016 Third Quarter Regional Economic Situationer (RES)

a quarterly update on the economic performance of the Cagayan Valley Region

A quick glance at Cagayan Valley's economy during the third quarter of CY 2016:

- **Macroeconomy**
  - ⇒ Inflation Rate at 2.5%
  - ⇒ Unemployment Rate at 3.5%
  - ⇒ Underemployment rate at 8.9%
- **Agriculture and Fishery**
  - ⇒ Palay production up by 25.64%
  - ⇒ Corn production down by 3.56%
  - ⇒ Fruit production up by 1.79%
  - ⇒ Vegetable and root crop production up by 14.34%
  - ⇒ Non-food and Industrial Commercial Crop up by 9.82%
  - ⇒ Livestock production up by 1.48%
  - ⇒ Poultry production up by 4.97%
  - ⇒ Fisheries production down by 1.53%
- **Others Sectors**
  - ⇒ Number of BNR up by 26.53%
  - ⇒ BNR investments up by 1.49%
  - ⇒ LBP loans up by 7.21%
  - ⇒ Value of construction up by 22.49%
  - ⇒ Revenue collections up by 17.40%
  - ⇒ Crime volume up by 31.29%

Brief Summary

The region maintained a positive performance during the third quarter of CY 2016 given the recorded gains in all sectors.

The Cagayan Valley Region maintained its top rank in corn and third spot in palay contributing 21.88 percent and 8.65 percent, respectively, of the total national output. Specifically, the agriculture sector displayed higher production levels in palay, fruits, vegetables and root crops, livestock and poultry. The increment in production was primarily attributed to increase in area harvested and productivity levels as a result of the assistances provided by the concerned agencies and private companies particularly the San Miguel Corporation for cassava and sugarcane.

On Industry and Services sector, key indicators recorded continuous expansion during the period. DTI's Business Name Registration (BNR) posted higher number of firms reflecting more investments and jobs generated. Indicators on LBP loans, air transport, revenue collections and value of construction also improved as compared to the previous year.

Prices of basic goods and services measured by the inflation rate remained stable at 2.5 percent.

In terms of employment situation, the region maintained a higher employment rate (96.5%) and lower underemployment rate (8.9%) compared to the national level of 94.6 percent and 17.3 percent, respectively.

Given the gains during the quarter, the challenge for the region in the next quarters and beyond remains on sustaining its economic growth through further improvement of productivity levels increased inflows of investments, availability of more quality jobs, and presence of a secure and business-friendly environment region-wide. Moreover, in recognition of the contributions of the agriculture sector to the economy, the adaptability of its sub-sectors in terms of climate variability and weather disturbances should also be prioritized especially this wet season.#

Inside this issue:

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Acknowledgement of Data Providers

We would like to thank the following agencies and institutions for continuously providing the necessary data and information for this report:

Agency/ Institution	Data Provided
Bureau of Internal Revenue (BIR) Regional Office 02	Tax Revenue Collections
Civil Aviation Authority of the Philippines (CAAP) Tuguegarao Branch	Air Transport Statistics
Department of Energy Website	Oil Monitoring Reports
Department of Tourism Regional Office 02	Tourism Statistics
Department of Trade and Industry Regional Office 02	Business Name Registration (BNR) Statistics
Landbank of the Philippines (LBP) - Cagayan Lending Center, Isabela Lending Center, Nueva Vizcaya Lending Center	Outstanding Loans and Loans Releases
Philippine National Police (PNP) Regional Office 02	Crime Statistics
Philippine Statistics Authority (PSA) Regional Office 02 Bureau of Agricultural Statistics (BAS)	Agriculture and Fisheries Production; Construction Statistics CPI and Inflation Rate; Labor Force Survey

PSA Data Schedule of Release (4th Quarter, 2016)

	Expected Date of Release
Agriculture and Fisheries Production	EO March 2017
Construction Statistics	EO March 2017
CPI and Inflation	
October	November 4
November	December 6
December	TBA CY 2017
Labor Force Survey (October Reference Period)	December 13

MACROECONOMY

Inflation

The region's average inflation rate remains stable this quarter at 2.5 percent, although a minimal 0.2 percentage point increment is recorded compared to last quarter's 2.3 percent. On a year-on-year comparison, an increase in the prices of commodities is evident as it increased by 1.0 percentage point from the 1.5 percent inflation in the same quarter last year.

Food inflation rose to 3.1 percent from last year's 1.6 percent. This was primarily attributed to the continuous double-digit price index of vegetables at 12.7 percent, an increment of 16.5 percentage points from previous year's negative 3.8 percent. However, this price index is noted a slow down from previous quarter of 17.5 percent. Other price indices which contributed to the year-on-year increase in food inflation are: oils and fats (from -0.1% to 5.7%); corn (from 2.0% to 3.7%); and meat (from -0.6% to 0.2%). The rest of the food commodities eased from 0 to 3.0 percent inflation.

Meanwhile, most of the commodity groups under the non-food subgroup registered a higher rate for this quarter. A notable increase came from the price index of restaurants and miscellaneous goods and services from 1.6 percent to 5.0 percent. Main contributor are the price uptick on catering services (+5.3%) and personal NECs (+7.2%) due to the upward adjustment in the prices of meals outside the home and selected items for personal care.

Price index on furnishings, household equipment and routine maintenance of the house also experienced an uptick by 2.3 percentage points from 1.2 percent in the previous year. This was attributed to the increased price indices of furniture and furnishings, carpets and other floor coverings by 4.3 percentage points from 0.5 percent inflation, and goods and services for routine household maintenance by 2.9 percentage points from 1.5 percent inflation. It can also be observed that construction activities particularly on residential and additions and repairs were high during the quarter. The price index of other

Table 1. Inflation Rate, Region 02, Third Quarter, CY 2015 and CY 2016

Commodity Group	3Q 2015	3Q 2016
All Items	1.5	2.5
I. Food and Non-Alcoholic Beverages	1.6	3.0
Food	1.6	3.1
Non-Alcoholic Beverages	3.0	1.2
II. Alcoholic Beverages and Tobacco	7.8	6.3
III. Non– Food	0.9	1.7
Clothing and Footwear	2.5	1.8
Housing, Water, Electricity, Gas, and Other Fuels	0.3	-0.3
Furnishings, Household Equipment and Routine Maintenance of the House	1.2	3.6
Health	2.0	3.9
Transport	1.0	1.2
Communication	-1.3	-0.1
Recreation and Culture	0.4	1.5
Education	1.4	1.4
Restaurants and Miscellaneous Goods and Services	1.6	5.0

Source: PSA RO2

commodity sub-groups experienced a slight annual increment from 0 to 2 percent.

On Housing, Water, Electricity, Gas and Other Fuels, prices slowed down from 0.3 percent to negative 0.3 percent this quarter. This is attributed to the continuous negative trend of Electricity, Gas and Other Fuels registering negative 7.0 percent this year from last year's negative 3.3 percent.

Based from the oil monitoring reports of the Department of Energy (DOE), world oil prices seesawed over the quarter due to various factors including persistent signs of oversupply, and market speculations from the preliminary deal to limit production from OPEC member-countries.

MACROECONOMY

Employment

This quarter, the region's working population increased to 2.336 million from last quarter's 2.254 million based from the July Labor Force Survey . Out of the total household population 15 years and over, the active workforce is also higher by 8.05 percent or a total of 1.544 million persons. This corresponds to a labor force participation rate of 66.1 percent, higher by 2.7 percentage points from last quarter's 63.4 percent.

The employment level, on the other hand, reached to 1.490 million, thus, reflecting an employment rate of 96.5 percent. Consequently, the number of unemployed persons rose to 54 thousand persons. For this quarter, unemployment rate stood at 3.5 percent, higher than last quarter's 3.1 percent. Despite said increase, improvement on the quality of jobs is observed as the total number of persons who expressed desire for more hours of work decreased to 137 thousand, hence, translating to a lower underemployment rate from 10.5 to 8.9 percent.

Meanwhile. the Cagayan Valley Region continues to show a more favorable employment situation in the country as its employment level is registered as one among the highest (third in rank); and unemployment and underemployment as one among the lowest. Data show that the region also continue to surpass the national level of employment rate at 94.6 percent, underemployment rate at 17.3 percent and unemployment rate at 5.4 percent.

Table 2. Selected Employment Indicators, Region 02, April and July, CY 2016

	Apr 2016	July 2016
Working Age Population ('000)	2254	2336
Labor Force Participation Rate (%)	63.4	66.1
Employment Rate (%)	96.9	96.5
Underemployment Rate (%)	10.5	8.9
Unemployment Rate (%)	3.1	3.5

Source: PSA RO2
Note: April and July 2016 data are preliminary estimates

All indicators on employment were compared to the second quarter this year and are not comparable to the previous year's same quarter due to the changes in the implementation of the survey. According to PSA, starting April 2016 round, the LFS adopted the 2013 Master Sample Design as well as the population projections based on the 2010 Census of population and Housing.

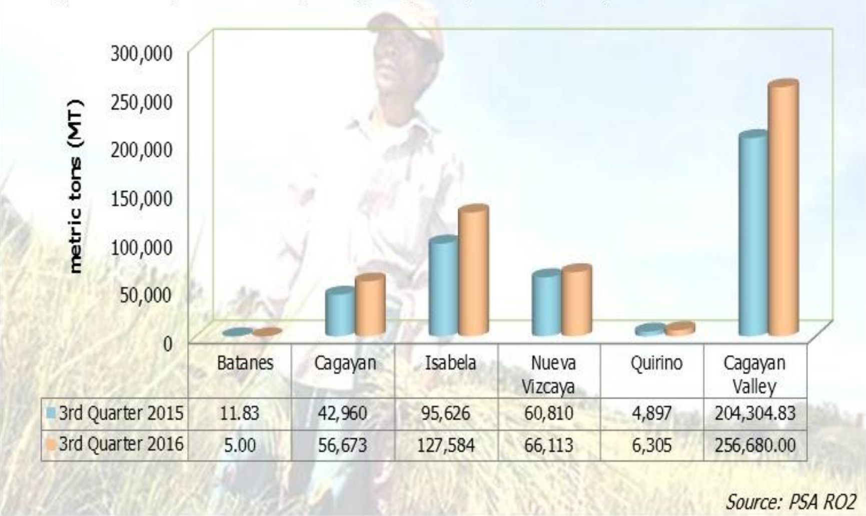
AGRICULTURE and FISHERY

Palay

Palay production for the third quarter of the year rose to 25.64 percent from last year's production of 738,605 metric tons. This was mainly attributed to the increments in area harvested by 29.01 percent from 44,268.23 hectares to 57,110 hectares. All provinces except Batanes experienced positive growth in productions backed by increment in area harvested. Plantings on the rehabilitated irrigation canals and the reported early planting of farmers due to the early occurrence of rainy season also contributed to the increment in irrigated and rain fed productions.

Palay production could have been higher if not for

Figure 1. Palay Production (in MT), Region 2, Third Quarter, CY 2015 and CY 2016



Source: PSA RO2

AGRICULTURE and FISHERY

Palay

the decline recorded in upland production by almost 74 percent. The downward trend is mainly ascribed to the decrease of area harvested by 71.31 percent and palay productivity by 0.09 percentage points.

In terms of palay productivity, average yield for the quarter decreased by 0.12 percentage point as palay productivity in irrigated and upland areas declined from 4.68MT/ha to 4.52 MT/ha and 1.09MT/ha to 1.00 MT/ha due to the experienced dry spell during the period.

Across the country, Cagayan Valley is the third largest producer at 8.65 percent share of the national output estimated at 2.97 million metric tons. For this quarter, SOCCKSARGEN registered the highest production with a share of 14.32 percent, followed by Western Visayas at 13.32 percent.

Corn

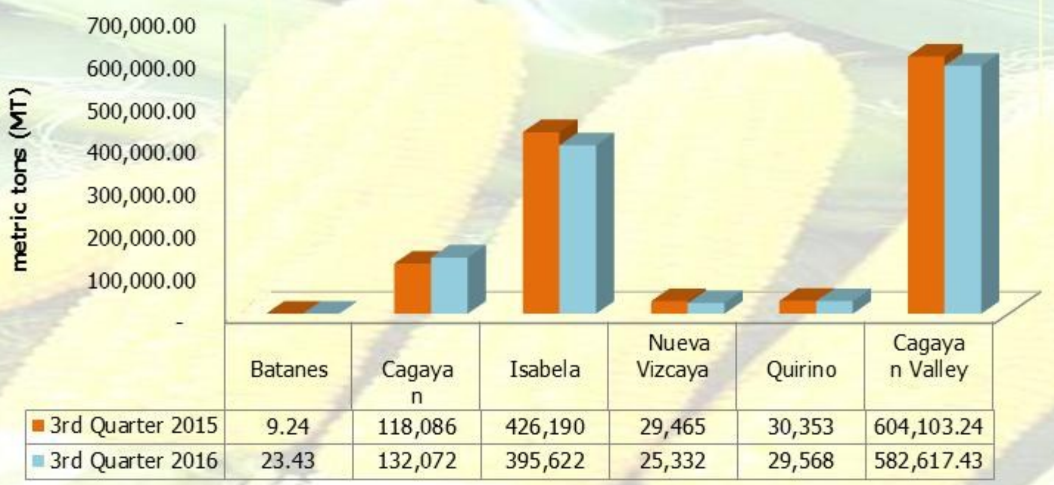
For the third quarter of CY 2016, corn production decreased by 3.56 percent or 21,486 MT lower from last year's 604,103.24 MT last year. The decrement can be traced from the reductions posted in area harvested by 0.90 percent from the previous year's 151,977.55 hectares, and yield by 0.11 percent from 3.97 MT/ ha. According to PSA report, some areas were left in-fallow due to insufficient rainfall during planting time while some farmers in the provinces of Isabela and Quirino shifted to cassava and sugarcane production.

Despite the decline in output, the Cagayan Valley Region remained as the top corn producer in the country with an estimated share of 21.88 percent out of the total national output estimated at 2.66 million metric tons.

In terms of provincial production, Isabela maintained the top contributing province to corn production with a share of 67.90 percent to total, followed by Cagayan with a share of 22.67 percent, Quirino with 5.08 percent and Nueva Vizcaya and Batanes with 4.35 percentage share combined. On the other hand, only the province of Batanes and Cagayan displayed positive growth during the period at 153. 57 and 11.87 percent gains in production, respectively.

Meanwhile, average corn productivity exhibited lower figures as compared to the third quarter of 2015 at 3.97 MT/ ha to 3.87 MT/ha., reflecting lower productivity in the provinces of Cagayan and Isabela. The prolonged dry spell experienced in the region during the vegetative and reproductive stages resulted to the drop in yield.

Figure 2. Corn Production (in MT), Region 2 , Third Quarter, CY 2015 and CY 2016



	Batanes	Cagayan	Isabela	Nueva Vizcaya	Quirino	Cagayan Valley
3rd Quarter 2015	9.24	118,086	426,190	29,465	30,353	604,103.24
3rd Quarter 2016	23.43	132,072	395,622	25,332	29,568	582,617.43

Source: PSA RO2

AGRICULTURE and FISHERY

Other Crops

Aggregate estimates for other crops production showed positive performance this quarter as productions went up by 8.25 percent as against the previous year. This was attributed to the gains registered in all of its sub-sectors.

Total fruit production in the region slightly improved by 1.79 percent due to the recorded rise in production under the commodities in the major sub-sector, this having almost 90 percent of the total fruits production, and offsetting the decline in productions on the priority and other fruits subsector. Specifically, major fruit crops posted 2.43 percent increase attributed mainly on the growth of production in banana and calamansi. Banana, which accounts the highest share to the total output of fruits at 77.24 percent, increased by 2.70 percent. This is attributed to the recovery from previous damages and production of bigger and fully developed fruits. Likewise, the increment in calamansi is due to the increase in BTs and good quality of produce given the experienced good weather. On the other hand, declining output was posted in mango (-0.23%) and pineapple (-0.29%) because of the effects of drizzles and continuous rainfall during the flowering stage on the former and the dry spell during the growth stage which resulted to smaller sizes of fruits particularly in Isabela, Nueva Vizcaya and Quirino.

On priority and other fruits production, the weaker performance was attributed to the cutting down of old unproductive trees for balimbing and tamarind; decreasing number of bearing trees and affected fruit disease for papaya; lesser area planted due to lack of rainfall during the planting time for watermelon (Cagayan, Batanes and Isabela), and lesser fruits developed as a result of the dry spell during fruit setting stage.

Productions on vegetables and rootcrops registered more output this quarter by 14.34 percent from 100,935.58 MT. This was attributed to the growth in the volume of production of major and priority vegetables and crops at 18.43 percent and 0.27 percent increment, respectively. In particular, this is attributed to the significant improvement in the production of the following vegetables and crops: cassava (+20.67%) due to the increase in area harvested and marketing assistances offered by the

Table 3. Production Estimates for Other Crops (in Metric Tons), Region 02, Third Quarter, CY 2015 and CY 2016

Commodity	3Q 2015	3Q 2016
Fruits	126,296.42	128,557.80
Major	112,471.49	115,200.19
Banana	96,680.31	99,295.38
Calamansi	185,2.33	2,005.69
Mango	264.38	263.77
Pineapple	13,674.47	13,635.36
Priority*	3,061.1592	2,781.73
Others Fruits	10,763.77	10,575.88
Vegetables and Root Crops	100,935.58	115,414.01
Major	78,978.26	93,523.60
Mongo	478.41	637.31
Peanut	579.77	532.20
Cabbage	218.65	232.34
Eggplant	4,634.38	4,300.05
Tomato	962.91	909.31
Garlic	-	
Onion	17.75	18.98
Camote	615.7	649.27
Cassava	71,470.69	86,244.14
Priority*	18,803.00	18,853.04
Others Vegetables	3,154.32	3,037.37
Non-Food and Industrial Commercial Crops (NFICC)	127,706.34	140,241.05
Major	117,517.39	128,790.30
Coconut with husk	19,911.93	20,207.00
Coffee (dried beans with pulp)	-	-
Sugarcane (cane)	97,605.46	108,583.3
Tobacco (dried leaves)	-	-
Priority*	8,695.75	9,868.62
Others	1,493.196	1,582.125
OTHER CROPS TOTAL	**354,938.34**	**384,212.86**

Source: PSA RO2
*Note: *Complete list of commodity groups under the priority sub-sector are listed in Appendix 2*

AGRICULTURE and FISHERY

Other Crops

San Miguel Corporation to the provinces of Isabela, Nueva Vizcaya and Quirino; mongo (+33.21%) due to increase in production; cabbage (+6.26%) due to the good market demand especially in Nueva Vizcaya; onion (+6.92%) due to the availability of seeds and intervention assistances from DA; and camote (+5.45%) due to the increase in area planted as a result of the panting of in-fallow areas in Nueva Vizcaya. For the priority sub-sector, the sustained growth is brought about by the sufficient rainfall during planting time in Nueva Vizcaya, increased backyard plantings for squash fruit and gabi, and increased area plantation. Based from the reports, the relatively good market prices of commodities also encouraged the local producers to increase productions on several major and priority vegetables and crops.

On non-food and industrial commercial crops (NFICC), productions went up to 140,241.05 MT or 9.82 percent higher compared to the third quarter of the previous year. Its sub-sectors also registered positive performances at 9.59 percent increase in major NFICC, 13.49 percent in priority and 5.96 percent in other NFICC. Sugarcane, the top commodity in its major sub-sector at 77.43 percent share to total NFICC production, increased by 11.25 percent. This is brought by the movement of harvest during the second quarter and the increase in area harvested from leasehold contracts and individual farmers particularly in the province of Isabela. Meanwhile, the sustained demand for forage, organic farming contributed to the overall productions under the priority group.

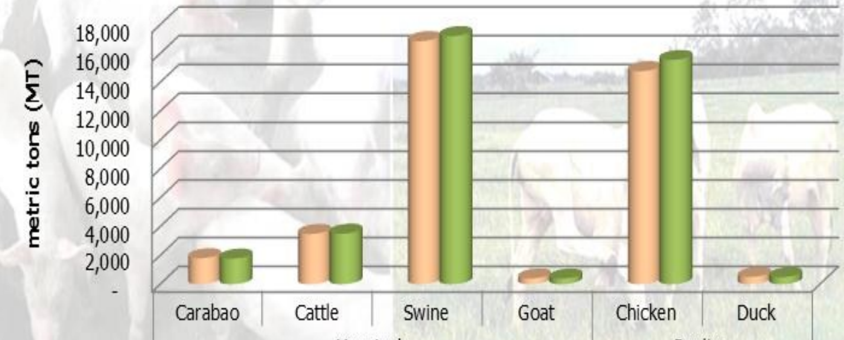
Livestock and Poultry

Liveweight Production estimates for livestock and poultry displayed slight increase for the period at 1.48 percent and 4.97 percent growth, respectively.

The increase in the livestock sector is attributed to the increments in swine by 2.04 percent and cattle by 0.57 percent. For swine production, the improvement was due to more disposable stocks and complemented bigger sizes of heads slaughtered brought by high demand within and outside the region. On cattle production, this was also attributed to the high demand from within and outside buyers. On the other hand, the decline in carabao and goat production by 1.61 and 0.50 percent respectively was due to lesser available stocks for slaughter given the high disposition of stocks during the previous quarters

Meanwhile, poultry production in the region also accelerated by 4.97 percent, this is primarily attributed to the increase in the overall production of chicken by 5.25 percent. The said increment came from the production of broiler and layer farms, as well as the increased culling on the latter.

Figure 3. Liveweight Production Estimates for Livestock and Poultry Region 2, Third Quarter, CY 2015 and CY 2016



	Livestock				Poultry	
	Carabao	Cattle	Swine	Goat	Chicken	Duck
3rd Quarter 2015	1,804	3,490	16,861	398	14,777	508
3rd Quarter 2016	1,775	3,510	17,205	396	15,553	492

Source: PSA RO2

AGRICULTURE and FISHERY

Fisheries

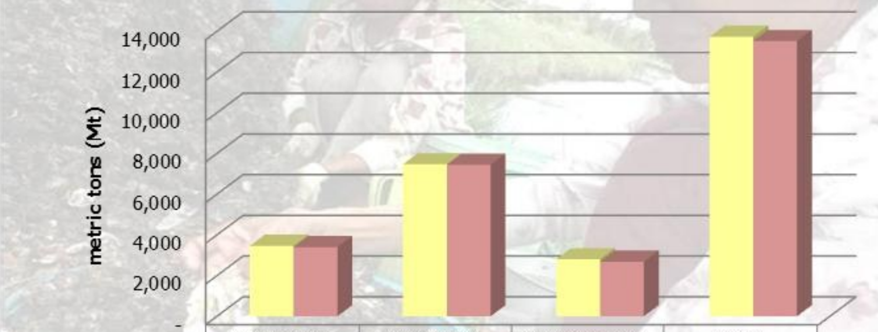
Total fishery production for the period slightly declined by 1.53 percent compared to the same quarter of the previous year's 13,733.33 MT due to the continuous negative growth of its sub-sectors.

Under the commercial sector, production in Cagayan decreased by 1.85 percent from 3,461.95 MT last CY 2015 of the same quarter. Among the main reasons cited was the dry docking of some commercial fishing boats for repair and maintenance and lesser appearance of some in-season species. Likewise, the rough seas brought about by monsoons and typhoons lessened fishing activities during the quarter.

On the other hand, a decrement of 0.33 percent is demonstrated under the municipal fisheries sector. This was largely attributed to the decreased productions in inland municipal fishings by 2.56 percent. All provinces showed reductions in output for this sub-sector except for the Isabela province. Low catch was recorded in the province of Cagayan and Nueva Vizcaya as a result of the drying up of some fishing grounds (Canals, creeks, dams, rice fields and other water tributaries), and ponds and other CBWs.

For the aquaculture sector, decline in output is recorded by 4.31 percent from 2,803.17 MT in the previous year to 2,682.26. Output decrement came from the shortages of productions of the following: Brackishwater Fishpond due to lesser area harvested as a result of the scheduled sanitation during the seeding time of P. Vannamei in Cagayan; Brackishwater Fishcage due to lesser cages harvested because of non-stocking in some cages due to limited fingerlings and low water level; Seaweeds due to the damaged areas still recovering from damages last year; and drying up of some Small Farm Reservoirs (SFRs) in the region.

Figure 4. Production Estimates for Fisheries (in metric tons) Region 2, Third Quarter, CY 2015 and CY 2016



	COMMERCIAL	MUNICIPAL	AQUACULTURE	TOTAL
3rd Quarter 2015	3,461.95	7,468.21	2,803.17	13,733.33
3rd Quarter 2016	3,397.87	7,443.57	2,682.26	13,523.70

Source: PSA RO2

Farmgate Prices of selected agricultural commodities

For this period, price trend for dry palay posted an increase by 7.39 percent to PhP 18.60 per kilo. This was attributed to sustained demand from traders and transient buyers as well as the good quality of produce.

For the price trend of yellow corn, an increment of 0.76 centavos was registered from previous year's PhP 11.77 per kilo. The uptick was due to the uptrend from three provinces: sustained demand in Cagayan and decreased production in Isabela and Quirino.

On vegetables, rootcrops and tubers, most of the commodities effected lower prices except for tomato at 29.15 percent increase and native pechay at 24.61 percent. Beans, legumes and condiments also exhibited lower prices because of the increase in production and low demand from local buyers. On the other hand, higher prices were registered on most roots and tubers except for cassava, gabi and sweet potato. Reasons cited include the sustained high demand and decreased production.

Fruit commodities also commanded better

AGRICULTURE and FISHERY

Farm gate Prices of selected agricultural commodities

prices for most commodities. The increment in prices was due to high demand, and good quality of traded produce.

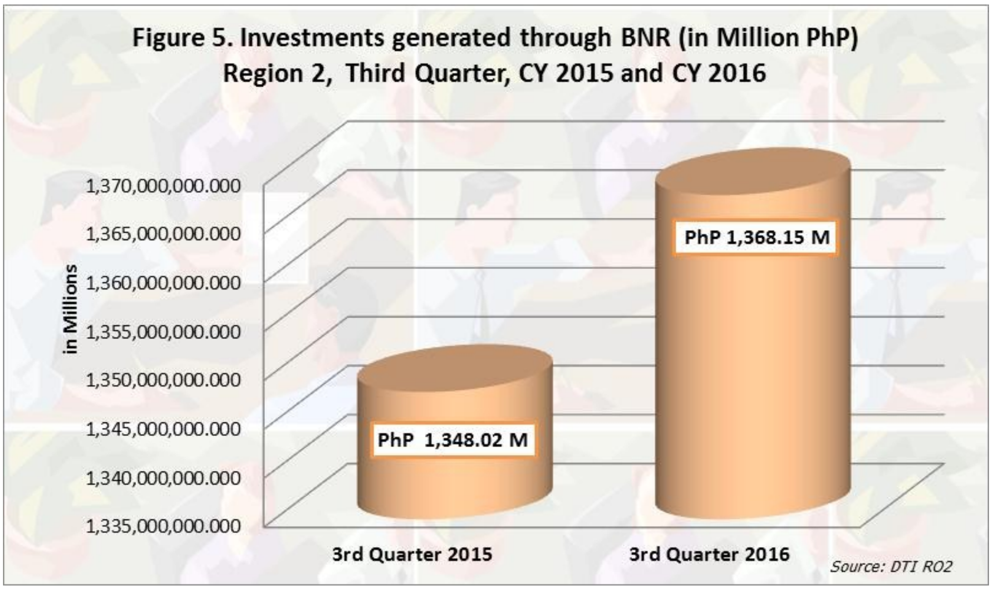
In the case of commercial crops, the price of coconut for young and matured also decreased by PhP 0.86 and PhP 2.04 pesos, respectively due to increase in production but low demand.

On the farm prices of livestock, cattle and goat increased by 7.63 percent and 15.29 percent, respectively. The price increases were attributed to the increased and sustained demand from consumers/ assemblers/ viajeros. On the farm prices of carabao, it went down by 1.50 percent due to the consumers' preference to other meat products, while the increase in the production of swine manifested lower prices on hogs. On poultry prices, price of duck improved due to sustained/high demand from traders and consumers.

INVESTMENTS

Investments through DTI's Business Name Registration (BNR)

Based from the data on Business Name Registration (BNR) of the Department of Trade and Industry (DTI) 02, the number of firms in the region accelerated by almost 30 percent in the third quarter of the year as compared to the last year's figures at 2,931. All provinces showed positive gains with the highest growth registered in the province of Batanes at 78.43 percent, followed by Quirino at 69.33 percent, Cagayan by 29.19 percent, Isabela by 25.63 percent and Nueva Vizcaya by 16.78 percent. By type of industry, the highest increase on the number of firms was recorded in Manufacturing (+161.70%) and Agri-based Production (+131.58%). For this period, most of the firms belong to the Trading and Services Industry with a share of more than 87 percentt of the total. The aggressive campaigns and strategies conducted by the DTI such as the mobile registration and the Business-One-Stop-Shop or referred to as BOSS led to the said growth of firms.



On the other hand, the registered rise in the number of firms translated to higher investments by 1.49 percent from PhP 1.35B last year to PhP 1.37B this year. This is attributed to the net increases in Construction by 95.17 percent, Agri-based Production by 30.93 percent and Services by 20.22 percent. Significant contributions in construction came from the province of Isabela by 1,543 percent or an estimated amount of PhP 74.77M from last year's PhP 4.55M. For the Agri-

INVESTMENTS

Investments through DTI's Business Name Registration (BNR)

based production, the province of Nueva Vizcaya showed an outstanding performance with an increase of 231.47 percent from the previous year's registered investments of PhP 1.60M. By sector distribution, the highest chunk of investment remained in the Services sector (62.51%), followed by the Trading sector (21.62%), construction (9.80%), agri-based production (3.75%) and manufacturing (2.33%) .

On employment generated, more jobs were created as a result of the increase in the number of establishments registered during the reference period, allowing for a total of 1,349 increase in jobs or almost 20 percent increment from 6,969 jobs in the same quarter of CY 2015. By sector, agri-based production and manufacturing industry yielded the largest share of jobs generated; while by provinces, Batanes and Quirino have the most number of employment generated.

The positive performance in terms of the achievements in the BNR, investment and employment generation is an indicator that the Region has been very effective in accelerating Micro, Small and Medium Enterprises (MSMEs), this as one of the identified significant drivers of growth in the Regional Development Plan (RDP).

Development Financing

On credit activities in the region, Land Bank of the Philippines (LBP) outstanding loans grew from PhP 13.82B last year to PhP 14.81B this quarter, registering a 7.21 percent increase. The increase in loan portfolio was due to the continuous release of loans to LGUs across provinces, the extensive marketing efforts of the LBP Lending Units in all provinces and the continuous support of line agencies, the sustained expansion of loans to existing borrowers with good standing, and forging of good relationship with the SMEs.

Across industries, both Agri-Agra and Non Agri-Agra Loans grew by 6.19 percent and 31.06 percent, respectively. On Agri-Agra Loans, all of its sub-sectors showed positive increases except for loans to Large Enterprises, COOP and Associations. Easy Home Loans went up by 52.84 percent, Countryside Financial Institutions (CFI) Loans by 43.21 percent, LGU Loans by 19.30 percent, loans to small farmers and fisherfolks by 15.36 percent and loans to SMEs by 11.26 percent.

On Non-Agri-Agra Loans, outstanding loans were higher by 31.06 percent as against last year. This is attributed to the increased loans to LGUs by 68.36 percent with most of the loans coming from the provinces of Isabela and Quirino at 94.73 percent share. On the other hand, loans to GOCCs and other institutions decreased by 7.81 percent and 49.32 percent, respectively.

Among provinces, lending activities in the region remained largely concentrated in the Provinces of Isabela and Quirino at 77.4 percent, followed by Cagayan at 16.1 percent. Significant increments were revealed in the provinces of Cagayan (+28.3%), Batanes (+27.5%) and Isabela/ Quirino (+6.8%). On one hand, Nueva Vizcaya displayed reductions in outstanding loans which is attributed to the payment of amortization dues.

TOURISM

Based from the preliminary estimates of DOT Region 02, the volume of tourist arrivals in the region for the quarter is registered at 212,247 tourist arrivals. This includes overnight tourist visitors recorded at 145,671 tourists and same day visitors at 66,576 tourists.

From among the tourist arrivals, more than sixty percent are domestic tourists or a total of 134,843 tourists while 36.47 percent came from other countries or 77,404 foreign tourist arrivals.

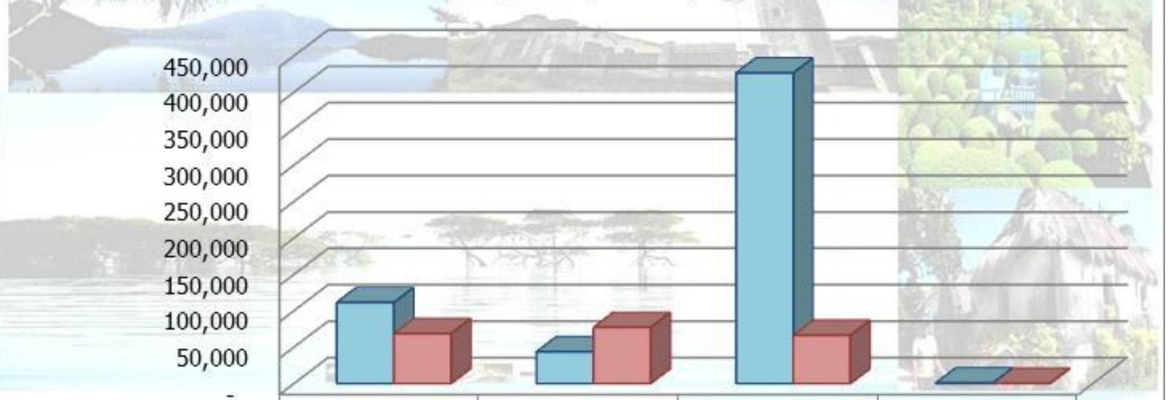
On the other hand, the region experienced a higher influx of foreign visitors during the period. Arrivals of foreign tourists gained 13.30 percent increment, with both overnight and same day sub-sectors exhibiting positive growth compared to last year. In particular, overnight foreign tourists increased to 62,270 from 57,129 tourists while same day foreign tourists tripled in number: from 810 to 3,373 tourists. Same day visitors are those who visited an attraction/destination only but did not stay overnight in any accommodation establishment.

On the distribution of travelers, most of the foreign visitors in the region came from Asia at 99.08 percent of total tourists. This is followed by visitors from America (0.29%), and Europe (0.12%), among others. China remains as the top visitor of the region at a percentage share of 96.80 percent among the total foreign arrivals, or 97.70 percent of the total Asian visitors.

For the said period, the average daily expenditure of overnight tourists is PhP 2,000 for domestic while $70 for foreigners in the provinces of Cagayan, Isabela, Nueva Vizcaya and Quirino. For Batanes, a renowned tourist destination, the average daily expenditure for domestic tourist is PhP 4,000 while foreigners spend at least $140. The average length of stay among tourists is 3 days for Batanes and 2 days for mainland Cagayan Valley.

The data captured in this sector are initial and are not yet completed, hence no comparative assessment was done with the previous year. As of this writing, DOT notes that some of the LGUs did not yet submit their reports and only 20 percent of the accommodation establishments in Tuguegarao City submitted their report during the period.

Figure 7. Tourist Arrivals, Region 2, Third Quarter, CY 2015 and 2016



	Overnight Tourists		Same Day Tourists	
	Domestic	Foreign	Domestic	Foreign
3rd Quarter 2015	111,268	43,544	426,523	604
3rd Quarter 2016	68,558	77,113	66,285	291

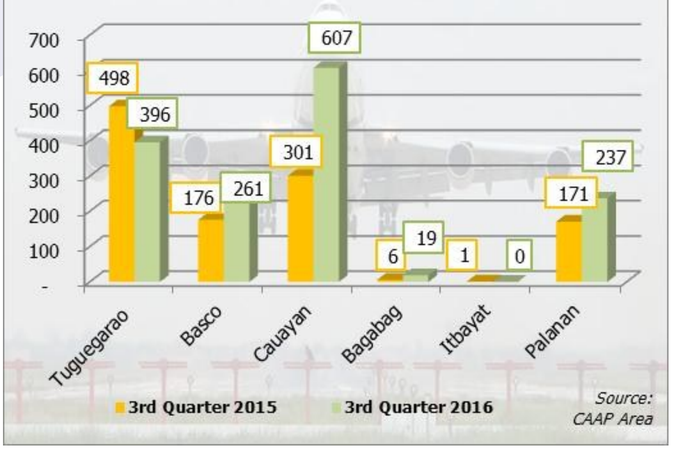
Source: DOT RO2

TRANSPORT and COMMUNICATION

Air Transport

The aircraft movement in the region in the third quarter of the year continues to increase as the total number of flights increased by 31.83 percent from a total of 1,153 flights in the same quarter last year despite the registered reduction in flights at the Tuguegarao Airport to only 396 flights from the 498 flights registered in the previous year. In terms of increased flights, there were 85 more flights in Batanes Airport, 306 additional flights in Cauayan Airport, 13 added in Bagabag Airport and 66 flights in Palanan Airport. The increased frequency of flights is attributed to the good weather experienced and the strong demand for air transport during holidays.

Figure 9. Aircraft Movement, Region 2, Third Quarter, CY 2015 and CY 2016



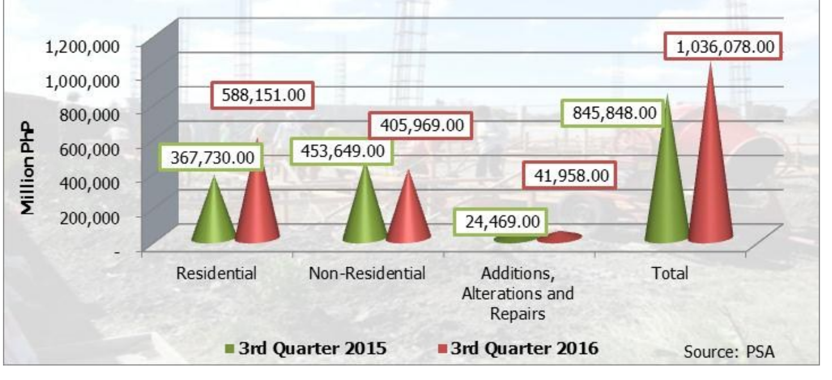
CONSTRUCTION

Construction activities in the region increased in the third quarter as manifested by the 21.49 percent increment on the number of projects conducted from last year's 754 projects. This is attributed to the increase of activities in all types. There were 627 projects for residential type as against 529 projects from last year's, or 18.53 percent increase. For non-residential type, more projects were recorded by 11.68 percent from 137 construction activities to 153 construction activities. Likewise, additions, alterations and repairs to existing structures more than doubled from the 88 construction activities conducted in the same quarter of CY 2015.

Given the gains in the number of construction projects for the year, the value of the entire construction projects rose by 22.49 percent from previous year's value of PhP 845 Million to PhP 1,036 M. The positive performance is manifested by the value of construction of residential types estimated at only PhP 588.15 M, this exhibiting 59.94 percent higher from last year, along with increased value of projects for additions, alterations and repairs to existing structures by 71.47 percent from PhP 24 M. Only the value of construction of non-residential type decreased by 10.51 percent. In terms of shares to total value, constructions on residential is the main contributor at 56.77 percent share.

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 those in urban areas where building permits are required for new construction and alterations. The data excludes value of construction for public infrastructure projects especially for roads, bridges, flood control projects, ports, irrigational canals, among others.

Figure 10. Value of Construction Projects By Type (in million PhP) Region 2, Third Quarter, CY 2015 and CY 2016



REVENUE COLLECTIONS

Regional tax revenue collections gained a positive performance for the third quarter reaching an actual collection of P 2.25B, translating to a high collection efficiency of 17.40 percent compared to last year's figure of PhP 1.19B. This is attributed to the positive growth generated from all revenue sources except for Excise Taxes: Income Tax (+17.69%), VAT (+20.10%), Percentage Tax (+11.66%) and Other Taxes (+8.17%).

Figure 11. Revenue Collections, By Source, Region 02, Third Quarter, CY 2015 and CY 2016

Source: BIR RO2

In particular, the increase in income tax was due to the heightened collection of withholding taxes as a result of the implementation of Executive Order 201 or Modifying the Salary Schedule of Civilian Government Personnel. Improved tax compliance among the taxpayers also contributed to said tax increments. Likewise, the remarkable increment in VAT is due to the increase in the remittance of government money payments given increased government transactions.

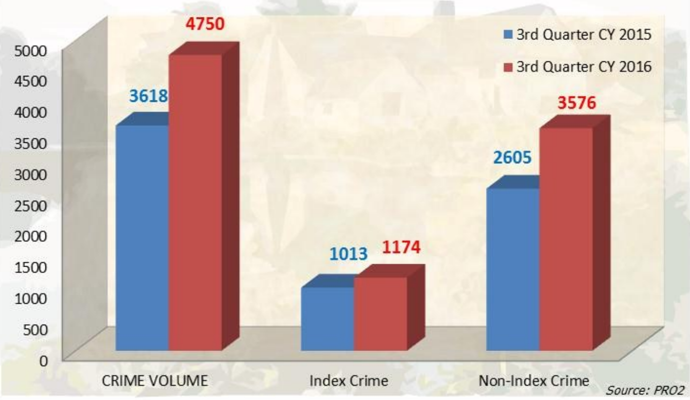
Among revenue offices, almost half of the total tax revenues come from Cagayan and Batanes, followed by Isabela at 36.73 percent, Nueva Vizcaya at 10.34 percent and Quirino at 3.06 percent. For this quarter, the province of Isabela recorded the highest collection efficiency at 19.79 percent followed by Nueva Vizcaya at 18.57 percent, and Cagayan/Batanes and Quirino at 15 percent.

PEACE and ORDER

For the third quarter, the total crime volume increased to 4,750 crimes from the 3,618 crimes recorded in the same quarter of CY 2015. Both index and non-index crimes were higher by 15.89 percent and 37.27 percent, respectively. This was brought about by the deployment of more PNP personnel in the field and strong coordination efforts with other law enforcement agencies and the community, thus, a more heightened operation of the police force given the tall order of the President especially on the cases against special laws. By province, most of the crimes were recorded in the Province of Nueva Vizcaya with 34.49 percent of the total volume, followed by Isabela at 34.46 percent, Cagayan at 26.80 percent, Quirino at 3.60 percent and Batanes at 0.65 percent. On the average monthly crime rate, the region recorded an increase to 43.01 percent from previous year's 38.36 percent. Almost all provinces registered a higher AMCR this quarter except for Batanes from 60.93 percent to 39.43 percent. In the case of cities, Santiago City posted the highest average monthly crime rate at 106.48 percent.

On the resolution of crimes and arrest of suspects, Crime Solution Efficiency (CSE) slightly declined by 0.02 percentage points as against the third quarter of CY 2015: CSE registered 18.53 percent from 18.55 percent. In terms of crime clearance efficiency, it improved by 2.24 percentage or 24.36 percent CCE. The CSE and CCE this quarter is by far the lowest during this year, from 63. 46 percent and 76.57 percent, respectively, in the first quarter of the year. Given the zero crime target of the President, the realization of a crime-free region remains a challenge for the police force and needs strong cooperation of the community as partners for the peace process.

Figure 12. Crime Statistics, Region 02, Third Quarter, CY 2015 and CY 2016



Source: PRO2

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 likely to be affected by a wetter climate with the onset of La NiÑa in the fourth quarter of the year. Partnership between and among the concerned line agencies and local government units should be intensified towards the production of climate-resilient crop varieties and use of adaptive technologies. Partnerships with private firms should also be sustained and strengthened particularly in providing capital and technology to farmers and fishers.
- The upgrading of Tuguegarao and Cauayan airports to all weather airports would benefit the movement of people, goods and services in the region particularly in support to the tourism industry.
- The industry and services sector are expected to be more upbeat in the next quarter considering the positive outlook among local firms attributed to the expected consumer demand during the harvest and milling seasons, improved farm gate prices, rolling-out of infrastructure and other development projects.
- The development of the Nueva Vizcaya Agricultural Terminal (NVAT) facilities to serve more warehouses, storages and other facilities will address the growing demand for agricultural products.
- The anticipated construction of big service centers in the region such as the SM and Robinsons Malls in Tuguegarao City would enable inflows of investments, revenues and employment opportunities.

PRESIDENT DUTERTE'S 0+10 POINT AGENDA

President Rodrigo R. Duterte was elected as the President of the Philippines last May 9, 2016 elections. After his assumption of office on June 30, 2016, his administration released his economic platform for the country for the next six years. The following are the thrusts and priorities of the country which shall serve as the basis for the national and local development agenda for the next Plan period 2017-2022:

0. Law and Order: stamp out criminality, drugs, smuggling, kidnapping, address traffic crisis, honor sanctity of contracts, etc.

1. Continue and improve on current macroeconomic policies: strengthen tax collection and Administration—reduce tax evasion, corruption and smuggling in revenue collection agencies.

2. Reform the tax system to make it more progressive, equitable, and globally competitive – including indexation to inflation of tax brackets for personal and corporate income taxes.

3. Accelerate infrastructure spending, with at least 5% of GDP spending target; address bottlenecks in the PPP program.

4. Strongly attract foreign, besides local, direct investments by: (a) easing constitutional economic restrictions and other PH laws; (b) enhance ease of doing business (cut red tape); (c) enforce law and order.

5. Pursue agricultural development, focusing on farm-level productivity , via support services to small farmers, improving market access, and fostering agricultural value chain through partnerships with agribusiness firms. This is part of broader rural and regional development strategy that includes promoting tourism.

6. Address bottlenecks in land reform and management systems, including security of land tenure to make projects bankable, thereby attracting investments in rural areas.

7. Strengthen basic education, focusing on skills in communication, math and logical thinking; provide scholarships for tertiary education, and address skills-jobs mismatches.

8. Promote S&T and CA (creative arts) to enhance innovative and creative capacities – needed for self-sustaining inclusive development and participation in global knowledge economy.

9. Expand and improve the CCT, indexing grants to inflation while tightening its administration.

10. Step up implementation of RPRH Law to enable couples, especially the poor, to have informed choice on the number and spacing of children they can properly care & provide for.

APPENDICES.

Appendix 1. MACROEOCNOMY

Table 1. Consumer Price Index and Inflation, Region 02, Third Quarter, CY 2015 and CY 2016

COMMODITY GROUP	Consumer Price Index			Inflation Rate (%)	
	3Q 2014	3Q 2015	3Q 2016	3Q 2015	3Q 2016
ALL ITEMS	142.3	144.5	148.1	1.5	2.5
I. FOOD AND NON-ALCOHOLIC BEVERAGES	**155.8**	**158.3**	**163.0**	**1.6**	**3.0**
* Food	158.1	160.5	165.5	1.6	3.1
Bread and Cereals	169.6	173.2	173.8	2.1	0.3
Rice	175.9	179.6	179.6	2.1	0.0
Corn	130.9	133.5	138.5	2.0	3.7
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	149.5	152.9	155.5	2.3	1.7
Meat	140.3	139.4	139.8	-0.6	0.2
Fish	151.6	158.4	167.8	4.5	5.9
Milk, Cheese and Eggs	135.8	140.4	140.9	3.4	0.3
Oils and Fats	151.7	151.6	160.1	-0.1	5.7
Fruit	170.9	183.2	194.4	7.2	6.2
Vegetables	186.4	179.4	202.2	-3.8	12.7
Sugar, Jam, Honey, Chocolate and Confectionery	134.9	142.4	145.0	5.5	1.8
Food Products N.E.C.	153.6	163.8	156.5	6.6	-4.5
* Non-alcoholic Beverages	121.3	124.9	126.4	3.0	1.2
II. ALCOHOLIC BEVERAGES AND TOBACCO	**183.4**	**197.7**	**210.0**	**7.8**	**6.3**
Alcoholic Beverages	140.2	145.4	147.6	3.7	1.5
Tobacco	231.6	255.9	279.9	10.5	9.4
NON-FOOD	**127.8**	**129.0**	**131.**	**0.9**	**1.7**
III. CLOTHING AND FOOTWEAR	**123.5**	**126.6**	**128.9**	**2.5**	**1.8**
Clothing	123.5	126.9	128.9	2.8	1.6
Footwear	123.7	125.5	129.0	1.5	2.8
IV. HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	**131.5**	**131.8**	**131.4**	**0.3**	**-0.3**
Actual Rentals for Housing	121.8	125.7	131.7	3.2	4.7
Maintenance and Repair of the Dwelling	134.4	136.3	138.8	1.4	1.9
Water Supply and Miscellaneous Services Relating to the Dwelling	117.3	120.4	123.0	2.7	2.2
Electricity, Gas and Other Fuels	145.2	140.3	130.5	-3.3	-7.0
V. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	**125.7**	**127.2**	**131.8**	**1.2**	**3.6**
Furniture and Furnishings, Carpets and Other Floor Coverings	105.2	105.7	110.8	0.5	4.8
Household Textiles	110.7	112.4	113.7	1.6	1.2
Household Appliances	107.0	107.0	107.1	0.0	0.2
Glassware, Tableware and Household Utensils	120.1	121.6	122.9	1.2	1.1
Tools and Equipment for House and Garden	123.0	125.8	129.2	2.3	2.7
Goods and Services for Routine Household Maintenance	133.3	135.2	141.1	1.5	4.4

APPENDICES.

Appendix 1. MACROEOCNOMY

Table 1. Consumer Price Index and Inflation, Region 02, Third Quarter, CY 2015 and CY 2016

COMMODITY GROUP	Consumer Price Index			Inflation Rate (%)	
	3Q 2014	3Q 2015	3Q 2016	3Q 2015	3Q 2016
VI. HEALTH	**131.5**	**134.1**	**139.3**	**2.0**	**3.9**
Medical Products, Appliances and Equipment	122.3	124.0	125.6	1.4	1.3
Out-patient Services	124.2	127.3	135.4	2.5	6.3
Hospital Services	162.9	166.7	175.3	2.3	5.2
VII. TRANSPORT	**137.9**	**139.2**	**140.9**	**1.0**	**1.2**
Operation of Personal Transport Equipment	129.3	118.3	119.2	-8.5	0.8
Transport Services	140.3	145.4	147.3	3.6	1.3
VIII. COMMUNICATION	**89.2**	**88.0**	**87.9**	**-1.3**	**-0.1**
Postal Services	140.5	140.5	140.5	0.0	0.0
Telephone and Telefax Equipment	49.0	44.4	43.7	-9.3	-1.7
Telephone and Telefax Services	102.6	102.6	102.7	0.0	0.1
IX. RECREATION AND CULTURE	**101.3**	**101.7**	**103.2**	**0.4**	**1.5**
Audio-visual, Photographic and Information Processing Equipment	88.4	88.5	89.6	0.1	1.2
Other Recreational Items and Equipment, Gardens and Pets	105.4	105.9	108.1	0.5	2.1
Recreational and Cultural Services	116.2	119.0	122.6	2.4	3.0
Newspapers, Books and Stationery	117.3	117.2	118.5	-0.1	1.1
X. EDUCATION	**133.6**	**135.5**	**137.4**	**1.4**	**1.4**
Pre-primary and Primary Education	156.0	158.9	162.2	1.9	2.1
Secondary Education	136.5	136.5	140.8	0.0	3.2
Tertiary Education	118.0	119.9	120.2	1.6	0.3
XI. RESTAURANTS AND MISCELLANEOUS GOODS AND SERVICES	**123.5**	**125.5**	**131.8**	**1.6**	**5.0**
Catering Services	126.4	128.5	137.5	1.7	7.0
Personal Care	118.9	120.6	123.2	1.5	2.1
Personal Effects N.E.C.	132.4	133.8	144.9	1.1	8.3

Source: PSA 02

Table 2. Employment Indicators, Region 02, April and July, CY 2016

Indicator		April, 2016	July, 2016
Household Population 15 Years Old and Over	Number ('000)	2254	2336
Labor Force Participation	Number ('000)	1429	1544
	Rate (%)	63.4	66.1
Employment	Number ('000)	1385	1490
	Rate (%)	96.9	96.5
Unemployment	Number ('000)	44	54
	Rate (%)	3.1	3.5
Underemployment	Number ('000)	146	137
	Rate (%)	10.5	8.9

Source: PSA 02 Preliminary Estimates

APPENDICES.

Appendix 2. AGRICULTURE AND FISHERY

Table 3. Palay Production, in metric tons (MT), Region 02, Third Quarter, CY 2015 and CY 2016

Province	Irrigated		Rainfed		Upland		TOTAL	
	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016
Batanes					11.83	5.00	11.83	5.00
Cagayan	42696	55958	264	715			42960	56673
Isabela	94405	126766	1027	769	194	49	95626	127584
Nueva Vizcaya	60786	65610	24	503			60810	66113
Quirino	4897	6305					4897	6305
Cagayan Valley	**202784.00**	**254639.00**	**1315.00**	**1987.00**	**205.83**	**54.00**	**204304.83**	**256680.00**

Source: PSA 02 Preliminary Estimates

Table 4. Area Harvested for Palay, in hectares (ha), Region 2, Third Quarter, CY 2015 and CY 2016

Province	Irrigated		Rainfed		Upland		TOTAL	
	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016
Batanes					12.23	10.00	12.23	10.00
Cagayan	10148	12551	110	286			10258	12837
Isabela	19627	28551	404	309	176	44	20207	28904
Nueva Vizcaya	12603	13799	8	133			12611	13932
Quirino	1180	1427					1180	1427
Cagayan Valley	**43558.00**	**56328.00**	**522.00**	**728.00**	**188.23**	**54.00**	**44268.23**	**57110.00**

Source: PSA 02 Preliminary Estimates

Table 5. Palay Productivity, in MT/ha, Region 2, Third Quarter, CY 2015 and CY 2016

Province	Irrigated		Rainfed		Upland			
	2nd Quarter 2015	2nd Quarter 2016	2nd Quarter 2015	2nd Quarter 2016	2nd Quarter 2015	2nd Quarter 2016	2nd Quarter 2015	2nd Quarter 2016
Batanes					0.97	0.50	0.97	0.50
Cagayan	4.21	4.46	2.40	2.50			4.19	4.41
Isabela	4.81	4.44	2.54	2.49	1.10	1.11	4.73	4.41
Nueva Vizcaya	4.82	4.75	3.00	3.78			4.82	4.75
Quirino	4.15	4.42					4.15	4.42
Cagayan Valley	**4.66**	**4.52**	**2.52**	**2.73**	**1.09**	**1.00**	**4.62**	**4.49**

Source: PSA 02 Preliminary Estimates

APPENDICES.

Appendix 2. AGRICULTURE AND FISHERY

Table 6. Corn Production, in metric tons (MT), Region 02, Third Quarter, CY 2015 and CY 2016

Province	White		Yellow		Total	
	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016
Batanes	2.45	4.63	6.79	18.80	9.24	23.43
Cagayan	9114	9961	108972	122111	118086	132072
Isabela	3594	2277	422596	393345	426190	395622
Nueva Vizcaya	1409	1419	28056	23913	29465	25332
Quirino	140	257	30213	29311	30353	29568
Cagayan Valley	**14259.45**	**13918.63**	**589843.79**	**568698.80**	**604103.24**	**582617.43**

Source: PSA 02 Preliminary Estimates

Table 7. Area Harvested for Corn, in hectares (ha), Region 2, Third Quarter, CY 2015 and CY 2016

Province	White		Yellow		Total	
	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016
Batanes	2.70	4.50	2.85	6.50	5.55	11.00
Cagayan	4665	4331	28231	35033	32896.00	39364.00
Isabela	1755	1205	101386	97847	103141.00	99052.00
Nueva Vizcaya	464	412	6076	5072	6540.00	5484.00
Quirino	70	92	9325	6609	9395.00	6701.00
Cagayan Valley	**6956.70**	**6044.50**	**145020.85**	**144567.50**	**151977.55**	**150612.00**

Source: PSA 02 Preliminary Estimates

Table 8. Corn Productivity, in MT/ha, Region 2, Third Quarter, CY 2015 and CY 2016

Province	White		Yellow		Total	
	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016	3rd Quarter 2015	3rd Quarter 2016
Batanes	0.91	1.03	2.38	2.89	1.66	2.13
Cagayan	1.95	2.30	3.86	3.49	3.59	3.36
Isabela	2.05	1.89	4.17	4.02	4.13	3.99
Nueva Vizcaya	3.04	3.44	4.62	4.71	4.51	4.62
Quirino	2.00	2.79	3.24	4.44	3.23	4.41
Cagayan Valley	**2.05**	**2.30**	**4.07**	**3.93**	**3.97**	**3.87**

Source: PSA 02 Preliminary Estimates

APPENDICES.

Appendix 2. AGRICULTURE AND FISHERY

Table 9. Other Crops Production, in metric tons (MT), Region 02, Third Quarter, CY 2015 and CY 2016

COMMODITY	PRODUCTION (MT)	
	3Q 2015	3Q 2016
FRUITS	**126296.42**	**128557.80**
Major	**112471.49**	**115200.19**
Banana	96680.31	99295.38
Calamansi	1852.33	2005.69
Mango	264.38	263.77
Pineapple	13674.47	13635.36
Priority	**3061.16**	**2781.73**
Balimbing	7.71	1.57
Durian	28.10	32.15
Lanzones	3.75	3.62
Papaya	495.81	471.47
Rambutan	401.34	451.55
Tamarind	270.48	236.70
Watermelon	167.54	128.24
Mandarin	1608.13	1386.62
Orange	78.30	69.82
Other Fruits	**10763.77**	**10575.88**
VEGETABLES AND ROOTCROPS	**100935.58**	**115414.01**
Major	**78978.26**	**93523.60**
Mongo	478.41	637.31
Peanut	579.77	532.20
Cabbage	218.65	232.34
Eggplant	4634.38	4300.05
Tomato	962.91	909.31
Garlic	-	-
Onion	17.75	18.98
Camote	615.70	649.27
Cassava	71470.69	86244.14
Priority	**18803.00**	**18853.04**
Habitchuelas	685.88	724.70
Asparagus*	-	-
B. Blossom	1957.86	1877.76
Broccoli	13.30	14.12
Cauliflower	110.62	114.25
Kangkong	831.53	827.23
Lettuce	0.56	0.56
Pechay	683.74	651.76
Ampalaya	1053.48	1041.98
Stringbeans	6498.84	6474.00
Gourd	640.55	593.13
Okra	1949.90	1966.38
Squash Fruit	2092.81	2160.89
Ginger	147.35	155.13
Pepper	318.38	321.59
Carrots	38.55	44.20
Gabi	1748.22	1857.03
Radish	21.93	18.13
Irish Potato	9.50	10.20
Other Vegetables	**3154.32**	**3037.37**

APPENDICES.

Appendix 2. AGRICULTURE AND FISHERY

Table 9. Other Crops Production, in metric tons (MT), Region 02, Second Quarter, CY 2015 and CY 2016

COMMODITY	3Q 2015	3Q 2016
NON FOOD AND INDUSTRIAL COMMERCIAL CROPS	**127706.34**	**140241.05**
Major	**117517.39**	**128790.30**
Coconut with husk	19911.93	20207.00
Coffee (dried beans with pulp)	-	-
Sugarcane (cane)	97605.46	108583.30
Tobacco (dried leaves)	-	-
Priority	**8695.75**	**9868.62**
Cacao (dried beans with pulp)	0.92	1.02
Bromeliad (live plant with pot)	18.01	15.50
Euphorbia (live plant with pot)	35.36	32.74
Green cornstalk	611.65	865.28
Rice hay (dried hays)	8029.81	8954.08
Other NFICC	**1493.20**	**1582.13**
OTHER CROPS AGGREGATE OUTPUT	**354938.34**	**384212.86**

Source: PSA 02 Preliminary Estimates

Table 10. Production Estimates for Livestock and Poultry (in MT, live weight), Region 02, Third Quarter, CY 2015 and CY 2016

	COMMODITY	3rd Quarter 2015	3rd Quarter 2016
Livestock	Carabao	1804	1775
	Cattle	3490	3510
	Swine	16861	17205
	Goat	398	396
Poultry	Chicken	14777	15553
	Duck	508	492

Source: PSA 02 Preliminary Estimates

Table 11. Production Estimates for Fisheries (in MT), Region 02, Third Quarter, CY 2015 and CY 2016

COMMODITY	Production (MT)	
	3rd Quarter 2015	3rd Quarter 2016
COMMERCIAL	**3461.95**	**3397.87**
Cagayan	9461.95	3397.87
MUNICIPAL	**7468.21**	**7443.57**
Marine	**4882.95**	**4924.57**
Cagayan	109.76	84.83
Isabela	4592.37	4662.48
Batanes	180.82	177.26
Inland	**2585.26**	**2519.00**
Cagayan	1605.67	1536.27
Isabela	681.68	694.69
Nueva Vizcaya	234.48	212.73
Quirino	63.43	75.31
AQUACULTURE	**2803.17**	**2682.26**
Cagayan	1285.95	1068.38
Isabela	1257.55	1281.57
Nueva Vizcaya	222.23	285.77
Quirino	37.44	46.55
TOTAL	**13733.33**	**13523.70**

Source: PSA 02 Preliminary Estimates

APPENDICES.

Appendix 2. AGRICULTURE AND FISHERY

Table 12. Farmgate Prices of selected commodities, Region 02, Third Quarter, CY 2015 and CY 2016

Commodity	AVERAGE PRICE (Peso per kilogram)	
	3rd Quarter 2015	3rd Quarter 2016
CEREALS		
Palay, Dry	17.32	18.60
Corn matured, white	NT	12.32
Corn matured, yellow	11.77	12.53
VEGETABLES, ROOTCROPS AND CONDIMENTS		
Tomato	15.78	20.38
Eggplant long, purple	17.09	14.45
Cabbage	11.37	11.09
Cassava fresh tubers	4.60	3.95
Sweet potato (camote)	13.33	12.83
Garlic	NT	NT
Onion, red creole, bermuda red	NT	NT
Onion, red shallot, native	NT	NT
Peanut w/ shell, fresh	NT	NT
Peanut w/ shell, dry	40.37	37.50
Mongo, green labo	58.56	56.71
Mongo, green shiny	NT	NT
Mongo, yellow shiny	NT	NT
Ampalaya	29.72	27.81
Chayote	9.80	6.07
Gabi tagalog (for sinigang)	NT	NT
Pechay native	20.93	26.08
Pepper finger (panigang)	39.04	26.99
Pepper bell (red and green)	NT	NT
Squash	13.72	12.56
Stringbeans (long)	22.40	19.52
FRUITS		
Banana green, bungulan	10.43	9.18
Banana green, lakatan	20.48	23.19
Banana green, latundan	13.33	14.35
Banana green, saba	9.20	12.44
Pineapple, hawaiian	15.38	8.12
Mango green, carabao	NT	NT
Mango green, indian	NT	NT
Calamansi	13.80	9.27
Papaya hawaiian	11.58	12.77
NON FOOD, INDUSTRIAL AND COMMERCIAL CROPS		
Coconut young	5.30	4.44
Coconut matured	7.89	5.85
Tobacco native, dry	NT	NT
Tobacco burley, dry	NT	NT
LIVESTOCK AND POULTRY		
Carabao for slaughter	89.71	88.36
Cattle for slaughter	89.14	95.94
Hog for slaughter	109.89	92.31
Goat for slaughter	139.81	161.18
Chicken native/improved, backyard	-	-
Duck for meat, backyard	130.48	140.42
Duck egg, commercial	5.78	6.00

Source: PSA 02

APPENDICES.

Appendix 3. INVESTMENTS

Table 13. LBP Outstanding Loans, by Industry (in million PhP), Region 2, As of September30, CY 2015 and CY 2016

Industries	As of September 30, 2015						As of September 30, 2016					
	Outstanding Balance					% Share	Outstanding Balance					% Share
	Batanes	Cagayan	Isabela/ Quirino	Nueva Vizcaya	Total		Batanes	Cagayan	Isabela/ Quirino	Nueva Vizcaya	Total	
AGRI-AGRA LOANS	**61.99**	**1863.45**	**10171.20**	**1155.02**	**13251.66**	**95.91**	**79.06**	**2390.29**	**10767.17**	**835.66**	**14702.18**	**95.00**
SMEs	47.18	673.76	2186.21	271.48	3178.63	23.0	54.94	979.08	2152.94	349.51	3536.47	23.9
LGU Loans	14.81	107.31	1348.64	34.70	1505.46	10.9	11.94	155.14	1537.20	91.70	1795.98	12.1
Small farmers & fisherfolks		302.15	3137.64	653.23	4093.02	29.6	9.68	381.16	4172.76	158.14	4721.73	31.9
Livelihood Loans		0.00	-	4.78	4.78	0.0	0.00	0.00		9.65	9.65	0.1
Large Enterprise/ COOP and ASSOC.		759.03	2301.37	183.33	3243.73	23.5	2.50	838.41	1189.54	219.28	2249.73	15.2
Easy Home Loan		21.21	0.00	7.50	28.71	0.2	0.00	36.51	0.00	7.38	43.89	0.3
Countryside Financial Institutions		-	1197.34	-	1197.34	8.7	-	-	1714.73	-	1714.73	11.6
NON AGRI-AGRA		**0.00**	**563.185**	**1.710**	**564.895**	**4.09**	**0.00**	**0.00**	**699.403**	**40.930**	**740.33**	**5.0**
LGU Loans		-	374.04	1.61	375.65	2.7	-	-	599.11	33.35	632.46	4.3
GOCCs		-	28.85	0.00	28.85	0.2	-	-	19.22	7.38	26.60	0.2
Others		-	160.29	0.10	160.39	1.2	-	-	81.08	0.20	81.28	0.5
REGION TOTAL	**61.99**	**1863.45**	**10734.39**	**1156.73**	**13816.56**	**100.00**	**79.06**	**2309.29**	**11466.57**	**876.59**	**14812.51**	**100.00**

Source: LBP– Cagayan Lending Center, Nueva Vizcaya Lending Center, Isabela Lending Center
Details may not add up due to rounding

Table 14. LBP Outstanding Loans, by Provinces (in million PhP), Region 2, As of September 30, CY 2015 and CY 2016

Provinces	As of September 30, 2015		As of September 30, 2016	
	Outstanding Balance	% Share	Outstanding Balance	% Share
Batanes	61.99	0.4	79.06	0.5
Cagayan	1863.45	13.5	2390.29	16.1
Isabela/ Quirino	10734.39	77.7	11466.57	77.4
Nueva Vizcaya	1156.73	8.4	876.59	5.9
TOTAL	**13816.56**	**100.00**	**14812.51**	**100.00**

Source: LBP– Cagayan Lending Center, Nueva Vizcaya Lending Center, Isabela Lending Center
Details may not add up due to rounding

Table 15. Number of Firms Registered, Investments and Employment Generated, By Province, Region 2, Third Quarter, CY 2015 and CY 2016

PROVINCE	Number of Firms		Investments (in Million PhP)		Employment	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Batanes	51	91	8.99	21.96	91	197
Cagayan	1045	1350	677.99	617.32	2538	3012
Isabela	1225	1539	458.53	496.02	2978	3507
Quirino	163	276	33.75	50.97	375	557
Nueva Vizcaya	447	522	168.76	181.89	987	1045
TOTAL	**2931**	**3778**	**1,348.02**	**1,368.15**	**6969**	**8318**

Source: DTI Region 02

APPENDICES.

Appendix 3. INVESTMENTS

Table 16. Number of Firms Registered, Investments and Employment Generated, By Sector, Region 2, Third Quarter, CY 2015 and CY 2016

Sector	Number of Firms		Investments (in million PhP)		Employment	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Manufacturing	141	369	161.60	31.88	404	765
Agri-based Production	19	44	39.17	51.28	71	212
Construction	38	49	68.70	134.08	215	291
Trading	1588	1696	367.24	295.74	3352	3392
Services	1145	1620	711.31	855.17	2927	3658
TOTAL	**2931**	**3778**	**1,348.02**	**1,368.15**	**6969**	**8318**

Source: DTI 02
Details may not add up due to rounding

Appendix 4. TOURISM

Table 17. Tourist Arrivals, Region 2, Third Quarter, CY 2015 and CY 2016

Particulars	Tourist Arrivals	
	3Q 2015	3Q 2016
Overnight Visitors	*154812*	*145671*
Domestic	111268	68558
Foreign	43544	77113
Same Day Visitors	*427127*	*66576*
Domestic	426523	66285
Foreign	604	291
TOTAL	**581939**	**212247**
Domestic	**537791**	**134843**
Foreign	**44148**	**77404**

APPENDICES.

Appendix 4. TOURISM

Table 18. Regional Distribution of Travelers, Region 2, Third Quarter, CY 2015 and CY 2016

County of Residence	3Q 2015	3Q 2016
Philippine Residents (Domestic)	**132434**	**68558**
Filipino	**130505**	**68137**
Foreign	**1929**	**421**
Non-Philippine Residents (Foreign)		
ASIA	***42482***	***76404***
ASEAN	***219***	***551***
Brunei	-	2
Cambodia	18	0
Indonesia	33	518
Laos	2	-
Malaysia	45	3
Myanmar	6	-
Singapore	72	26
Thailand	31	1
Vietnam	12	1
EAST ASIA	***42100***	***75773***
China	41039	74644
Hongkong	20	10
Japan	196	39
Korea	193	50
Taiwan	652	1030
SOUTH ASIA	***91***	***34***
Bangladesh	3	-
India	69	32
Iran	-	1
Nepal	7	-
Pakistan	12	1
Sri Lanka	-	-
MIDDLE EAST	***72***	***46***
Bahrain	-	5
Egypt	18	0
Israel	9	1
Jordan	8	1
Kuwait	10	-
Saudi Arabia	21	3
United Arab Emirates	72	36
AMERICA	***459***	***227***
NORTH AMERICA	***453***	***225***
Canada	94	30
Mexico	10	11
USA	349	184
SOUTH AMERICA	***6***	***2***
Argentina	2	-
Brazil	-	-
Colombia	4	1
Peru	0	-
Venezuela	0	1

Source: DOT 02
Data is partial

APPENDICES.

Appendix 4. TOURISM

Table 18. Regional Distribution of Travelers, Region 2, Third Quarter, CY 2015 and CY 2016

County of Residence	3Q 2015	3Q 2016
EUROPE	***211***	***94***
WESTERN EUROPE	**100**	**54**
Austria	1	5
Belgium	2	-
France	18	5
Germany	52	36
Luxembourg	-	-
Netherlands	7	5
Switzerland	9	3
NORTHERN EUROPE	**73**	**29**
Denmark	3	-
Finland	-	-
Ireland	4	-
Norway	4	7
Sweden	10	2
United Kingdom	52	20
SOUTHERN EUROPE	**38**	**11**
Greece	8	-
Italy	22	5
Portugal	1	5
Spain	7	1
Union of Serbia and Montenegro	0	0
EASTERN EUROPE	**5**	**1**
Commonwealth of Independent States	0	0
Poland	2	1
Russia	3	-
AUSTRALASIA/PACIFIC	**100**	**18**
Australia	89	15
Guam	1	-
Nauru	0	1
New Zealand	10	2
Papua New Guinea	0	0
AFRICA	**16**	**5**
Nigeria	2	3
South Africa	14	2
OTHERS AND UNSPECIFIED RESIDENTS	648	364
GRAND TOTAL GUEST ARRIVALS	**176572**	**145709**
Philippine Residents	**132434**	**68558**
Non-Philippine Residents	**43921**	**77113**
Overseas Filipinos	**217**	**38**

Source: DOT
Data is partial

APPENDICES.

Appendix 5. TRANSPORTATION and COMMUNICATION

Table 19. Air Transport Statistics, Region 2, Third Quarter, CY 2015 and CY 2016

Airport	Aircraft Movement		Passenger Movement		Cargo Movement	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Tuguegarao	498	396	45814	41979	493966	498524
Basco	176	261	11283	14731	150363	198221
Cauayan	301	607	18635	22646	134664	209470
Bagabag	6	19	75	86	-	-
Itbayat	1	-	16	-	63	-
Palanan	171	237	2013	2625	47416	54609
TOTAL	**1153**	**1520**	**78036**	**82067**	**826472**	**960824**

Source: CAAP Tuguegarao City
Details may not add up due to rounding

Appendix 6. CONSTRUCTION

Table 20. Number and Value of Construction Projects from Approved Building Permits, Region 2, Third Quarter, CY 2015 and CY 2016

Type of Construction	*Number*		*Value (in million PhP)*	
	3Q 2015	3Q 2016	3Q 2015	3Q 2016
Residential	529	627	367.73	588.15
Non-Residential	137	153	453.65	405.97
Additions, Alterations and Repairs	88	136	24.47	41.96
TOTAL	**754**	**916**	**845.85**	**1,036.08**

Source: PSA 02 Preliminary Estimates
Details may not add up due to rounding

Appendix 7. REVENUE COLLECTION

Table 21. Tax Revenue Collection('000), By Source, Region 2, Third Quarter, CY 2015 and CY 2016

Source	3Q 2015	% Share	3Q 2016	% Share
Income	1,285.76	67.04	1,513.16	67.20
VAT	431.75	22.51	518.54	23.03
Percentage	102.91	5.37	114.91	5.10
Excise	1.49	0.08	1.15	0.05
Other Taxes	96.12	5.01	103.98	4.62
TOTAL	**1,918.02**	**100.00**	**2,251.74**	**100.00**

Source: BIR 02
Details may not add up due to rounding

Appendix 9. PEACE and ORDER

Table 34. Crime Statistics, Region 2, Third Quarter, CY 2015 and CY 2016

Crime Indicators	3Q 2015	3Q 2016
Crime Volume	**3618**	**4750**
Index Crime	1013	1174
Non-Index Crime	2605	3576
Average Monthly Crime Rate	38.36	43.01
Crime Solution Efficiency (%)	18.55	18.53
Crime Clearance Efficiency (%)	22.12	24.36

Source: PNP 02
Details may not add up due to rounding