REGIONAL ECONOMIC SITUATIONER
Third Quarter CY 2014
Cagayan Valley

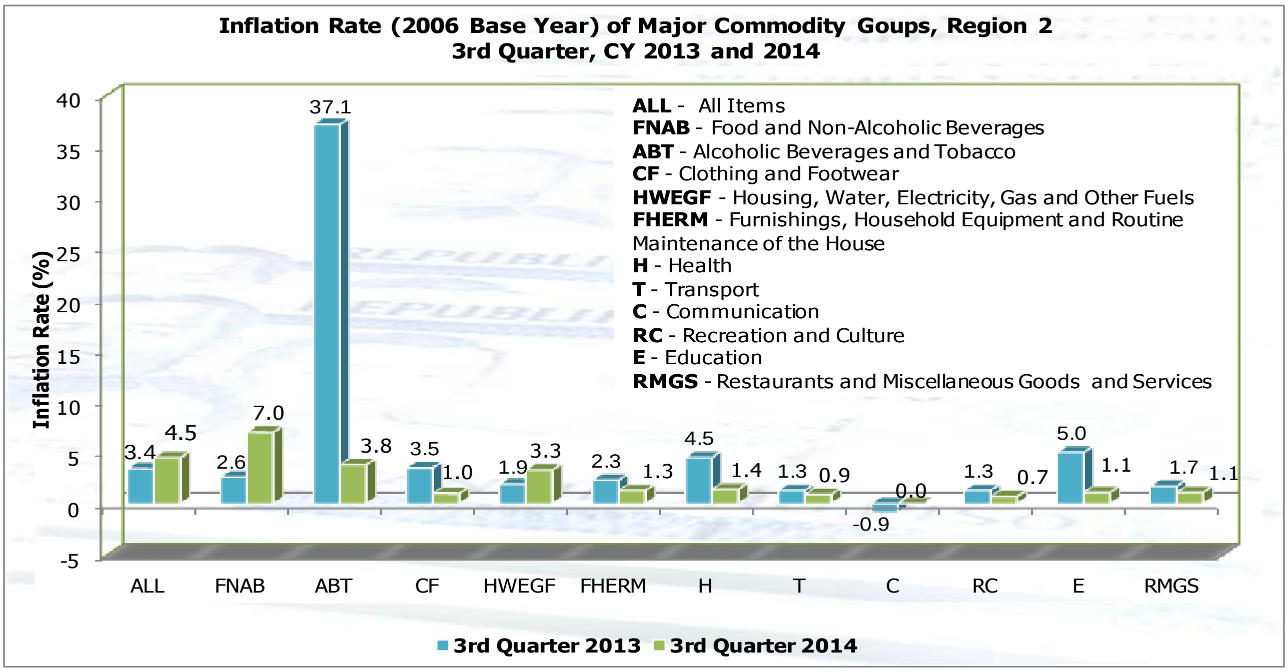
The performance of the region's economy during the third quarter of CY 2014 was characterized by increased activities in the Industry and Services sector. The growth in the Industry and Services sector was driven by the uptrend in investments generated from business registration, loan availments, construction activities and land transport services.

On the other hand, mixed trend was observed in the production of the region's agricultural commodities. Although palay production has increased for the quarter, the production cut of corn cancelled out this gain as insufficient water supply during planting time greatly contributed to the decline in harvest. The livestock and fishery sectors also recorded production declines for the period.

Lower production of agricultural commodities led to the rise in food commodity prices which resulted to the higher inflation rate. Furthermore, the number of new jobs created during the quarter was not enough to accommodate new entrants to the labor force, thus increasing the region's unemployment rate. However, the quality of jobs during the quarter was generally better compared to last year as shown by the lower underemployment rate at 11.8%.

Inflation

Inflation rate, expressed as the percentage change in the price index of the region's basket of basic commodities, increased at an average of 4.5 percent in the third quarter this year. This is near the upper end of the 3.0 percent to 5.0 percent target range in the Updated Cagayan Valley Regional Development Plan 2011-2016 and 1.1 percentage points higher than the 3.4 percent inflation rate recorded during the same period last year.



Source: PSA-NSO RO2

The continued uptrend in inflation was driven mainly by the higher prices of food. Inflation of Food and Non-Alcoholic Beverages registered a rapid rise from 2.6% to 7.0% this year. With the exception of meat, all other food commodities posted higher prices. Rice index soared by 13.0% (from 4.1% last year) owing to the tight domestic supply conditions in the country. Other food commodities that posted significant increase in price index were Oils and Fats (from -6.5% to 12.1%), Sugar, Jam, Honey, Chocolate and Confectionary (-3.6% to 10.0%), Vegetables (from 3.8% to 11.8%), and Food Products N.E.C (from 1.2% to 3.9%). The sustained demand amid the lesser domestic supply and reduced production contributed to increase in prices of the said commodities.

The lower inflation of non-food commodity groups tempered the rapid rise in the Food and Non-Alcoholic Beverages inflation. Marked slowdown in the inflation rate of Alcoholic Beverages and Tobacco (from 37.1% to 3.8%) was due to high base effects, i.e. the inflation rate in the same quarter in 2013 was dramatically high after the implementation of sin tax law which then made the increase in price index during the quarter in 2014 exhibit a lower inflation rate. Education inflation also slowed down to 1.1% this year (from 5.0%) following the tuition fee hike in the pre-primary and primary levels in 2013.
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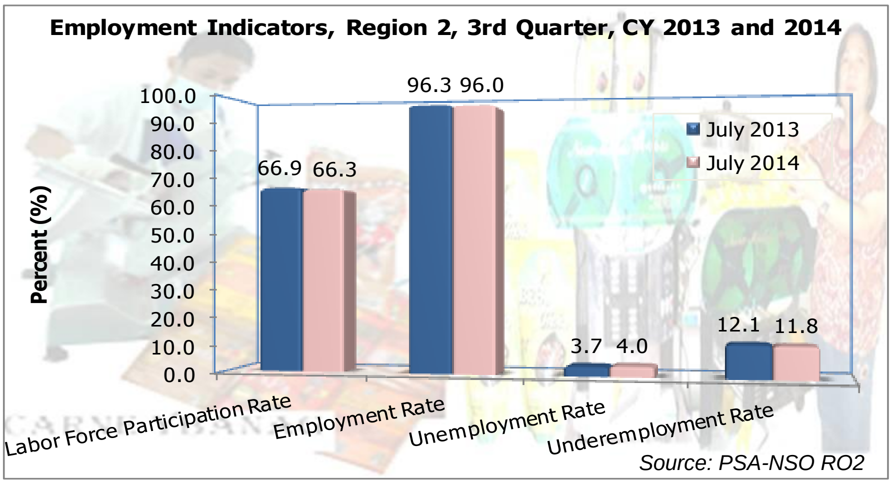
The overall inflation rate in the provinces of Cagayan, Nueva Vizcaya and Quirino accelerated for the third quarter with Quirino posting the biggest disparity from 2.6% to 7.3%. Nueva Vizcaya and Cagayan were 2.8 and 2.1 percentage points higher compared to the previous year. On the other hand, both Batanes and Isabela registered lower inflation rates at 4.0%.

Employment

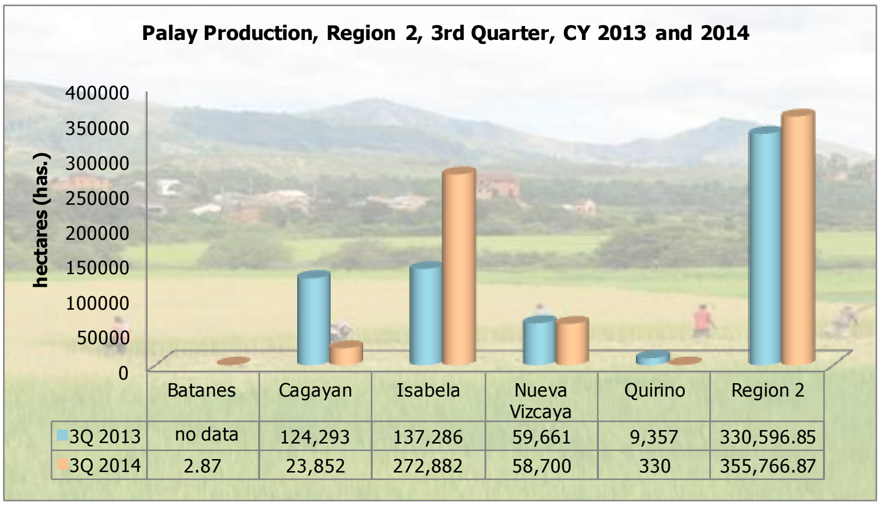


Based on the July round of the Labor Force Survey conducted by the Philippine Statistics Authority (PSA), the region's employment rate decreased by 0.3 percentage points at 96.0 percent this year. In absolute figures, employment level was down by one (1) thousand from its 1.471 million level in 2013. This decline is mirrored by the higher unemployment level at 61 thousand from 57 thousand in July 2013.

Nonetheless, underemployed population, or those working less than the standard 8 hours a day and seeking for more time to work, dropped by 4 thousand for a total of 173 thousand. This translated to the 0.3 percentage points decrease in underemployment rate at 11.8%, showing an improvement in the quality of employment available in the region.

Agriculture and Fishery

Palay

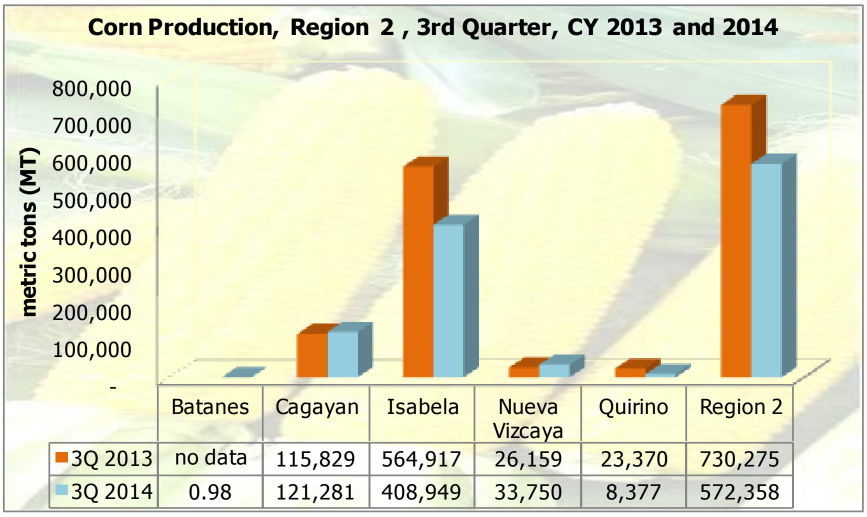


Source: PSA-BAS RO2

Moderate production gain was observed for the region's prime commodity during the quarter. Overall palay output reached 355,766.87 metric tons (Mt) which was higher by 7.61 percent than previous year's output level of 330,596.85 Mt. The positive performance was a result of an improved average yield of 4.71 Mt/ha (from 4.22 Mt/ha) despite the 3.51 percent contraction in area harvested at 75,515 has. For the quarter, the region ranked as the third top producer of palay contributing 11.8 percent to the national production.

Across provinces, Cagayan and Quirino posted hefty contraction in production. Cagayan's palay output of 23,852 Mt went down by 80.81 percent and Quirino's production of 330 Mt was 96.47 percent lower than in 2013. The decline was traced to the reduction of areas harvested due to the delayed plantings caused by the limited supply of water from the irrigation systems and insufficient rainfall. However, the significant rise in the palay production of Isabela made up for the output losses of the other provinces. The relatively better weather condition and the increased usage of inbred and certified seeds boosted palay productivity. Another factor contributing to the growth was the recovery of areas damaged by typhoons last year.

Corn



Source: PSA-BAS RO2

In contrast to palay's performance, regional production of corn significantly declined during the quarter. Total corn output stood at 572,358 metric tons which was 21.62 percent less compared to the 730,275 Mt last year. Nonetheless, the region remained to be the top corn-producing region in the country, accounting for 23.4 percent of the national corn output.

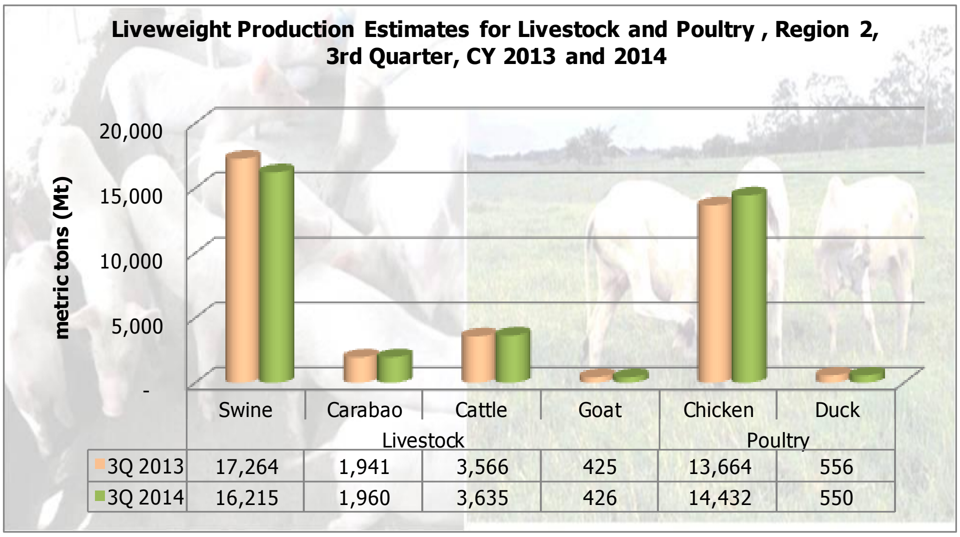
Contributory to the production shortfall was the substantial contraction in area harvested to 132,692 has from 182,713 has. Insufficient water supply during planting time resulted to late plantings and movement of harvests from third quarter to fourth quarter in the provinces of Cagayan, Isabela and Quirino. Yield performance, however, improved to 4.28 Mt/ha from 4.00 Mt/ha. The sustained usage of hybrid and modern open-pollinated varieties (OPV) corn seeds had positive effect on productivity.

Fruits, Vegetables and Root Crops

Aggregate production of fruits improved to 120,489 Mt during the quarter, growing by 3.82 percent. Banana, which constituted the bulk of the total production, expanded by 6.47 percent ascribed to favorable weather conditions that led to bigger sizes of fruits harvested. Mango was another gainer as output went up by 5.14 percent traced to the increased bearing trees. Meanwhile, calamansi and mandarin posted the biggest production cut at 19.28% and 15.79%, respectively.

Similarly, production of vegetables and root crops grew by 43.99 percent from its 49,477 Mt output level in the same period in 2013. Cassava continued its production uptrend with a remarkable 43.99 percent growth this year. Contributing to the positive performance was the availability of market for cassava such as the San Miguel Foods Inc. which tapped cassava farmers as direct suppliers for the production of its B-MEG products. Almost all major vegetable and root crops also posted increases in production brought about by the expansion of area harvested due to the favorable weather.

Livestock and Poultry



	Swine	Carabao	Cattle	Goat	Chicken	Duck
3Q 2013	17,264	1,941	3,566	425	13,664	556
3Q 2014	16,215	1,960	3,635	426	14,432	550

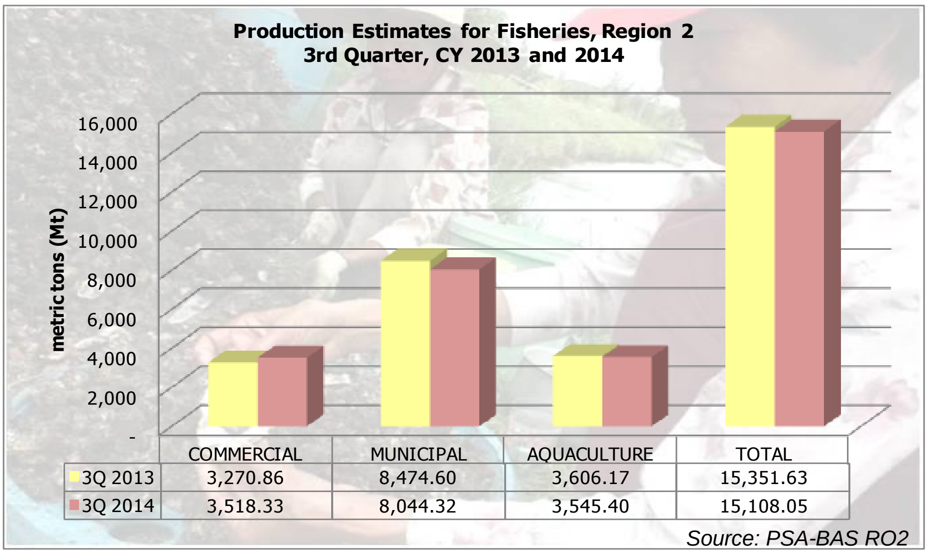
Source: PSA-BAS RO2

Livestock commodities except for swine posted conservative production increases during the quarter. Liveweight production of cattle increased by 1.93 percent due to the sustained demand and improved buying capacity of consumers. Carabao production was up by 0.98 percent attributed to more animals disposed for the quarter. Higher demand for carabeef as shown by the shift of meat preference to carabeef and improved buying capacity of consumers also boosted the production growth. Goat production likewise inched up by 0.24 percent to 426 Mt due to sustained demand from kambingan houses and the favorable price of liveweight during the quarter. Meanwhile, swine's production shortfall of 6.08 percent was attributed to the holding of stocks for slaughter and smaller sizes of animals disposed in Cagayan and the low liveweight price recorded in Isabela.

On poultry, chicken production recorded an increase of 5.62 percent as a result of more stockings and the establishment of additional broiler farms in Isabela and Quirino. Meanwhile, duck production was lower by 1.08% attributed to the decreased disposition due to lesser inventory.

Fisheries

The region's total fish production with its 1.45 percent contribution to the national output posted a 1.59 percent contraction during the quarter. The 7.57% output increment posted by the commercial sector was negated by the 5.08% and 1.69% decline in municipal and aquaculture production.



Source: PSA-BAS RO2

The positive growth registered by the commercial subsector was ascribed to the abundant catch of acetes ("alamang"), hairtail ("*espada"*) and tuna species.

Marine and inland municipal fishing showed mixed trends during the third quarter. Although marine subsector was up by 6.99 percent, this was negated by the 19.53 percent decline in inland production. Higher volume of catch from the marine waters of Cagayan and Isabela was brought about by the increased fishing operations due to the favorable weather. Ample harvest of acetes was reported for the quarter. Inland production's decline was due to the low water level in some communal bodies of water and lesser fishing activities due to harvesting of palay.

Output decrement of the aquaculture sector came from the suspension of operation in brackishwater fishcage and the non-stocking of freshwater fishcages due to unstable water supply coupled with the increasing cost of production. Some damages on fishponds and fishcages were also reported due to typhoon Luis.

Farm gate prices of selected agricultural commodities

Average farmgate prices of palay and corn continued to rise during the third quarter this year. Dry palay considerably increased by 20.2 percent to PhP22.31 per kilogram due to sustained demand from local and outside buyers/traders and good quality traded. Similarly, price of yellow and white corn posted 8.11 percent and 4.29 percent rise, respectively, on the account of the decrease in production and high demand from traders.

Price hikes were observed for majority of the vegetables, root crops and condiments during the quarter. Substantial rise were recorded in the prices of cabbage, eggplant, mongo, pechay native, squash and stringbeans. Reasons cited for the increases were the decrease in local production coupled with the high demand from consumers. On the other hand, the drop in farmgate prices of tomato, cassava, sweet potato and pepper was attributed to their increase in production.

In like manner, fruits generally commanded higher prices during the quarter. The sustained demand and bigger and better banana quality (lakatan, latundan) resulted to higher prices. Matured and young coconut's prices went up due to the higher demand particularly from buyers outside the region. Prices of pineapple, calamansi and papaya increased this quarter because of high demand, decreased production and better quality of produce, respectively.

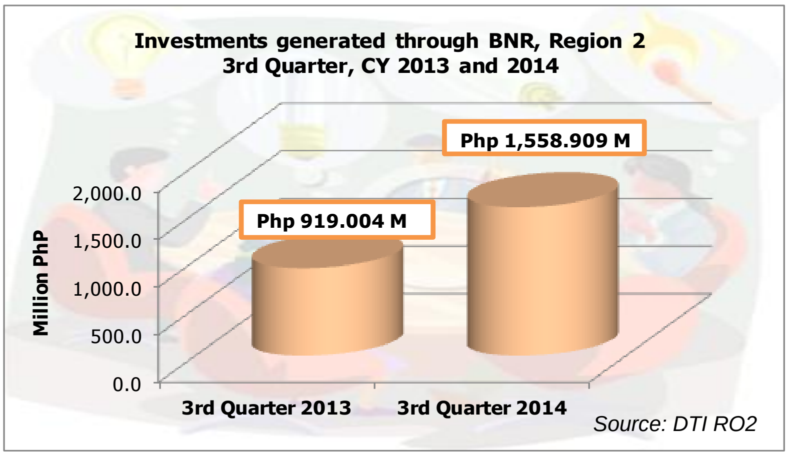
Farmgate prices of all livestock (carabao, cattle, hog and goat for slaughter) and poultry (duck meat) commodities registered an uptrend in the prices because of the decrease in local production amid the steady demand from consumers/assemblers/viajeros. Meanwhile, the smaller sizes of duck eggs traded led to its 3.10 percent price cut.

Investments

The number of firms registered during the quarter through DTI's Business Name Registration was fewer by 4.4 percent compared to the 2,610 firms registered in the same period last year. The decline in the registration of businesses in Cagayan (22.1%), Quirino (55.0%), and Nueva Vizcaya (22.4%) pulled down the gains posted by Isabela (35.8%) and Batanes (16.3%).

The combined number of firms involved in the trading and services sector registered for the quarter accounted for 92.8% (2,317 firms) share of the total registration. Among the industries, only the services sector posted an increase in firm registration.

Despite the decrease in the number of firms, investments still managed to grow remarkably. The 69.63 percent increase to PhP1.559 Billion was largely attributed to the PhP560 million investment of the lone construction business registered in Quirino for the quarter. In addition, investments from firms engaged in trading services considerably increased by 20.86 percent.



The decline in firm registration led to the 9.43 percent drop in employment at 5,554. All industries except for construction registered lower employment generation led by the agri-based production sector which went down to 51 (from 166). Moreover, all other provinces apart from Isabela also had lower employment generation this year attributed to the decrease in the number of firms registered.

Development Financing[1]

As of end-September 2014, the combined outstanding loans of government-owned financial institutions Land Bank of the Philippines (LBP) and Development Bank of the Philippines (DBP) stood at PhP3.804 Billion representing an increase of 14.12 percent from last year's figure. Agri-agra loans, which comprised the bigger share of the overall loan portfolio, posted a 27.7 percent increase while non agri-agra loans posted a 5 percent decline. The increase in the loan portfolio of the agri-agra sector can be attributed to the expansion of credit assistance especially to SMEs and small farmers and fisherfolks. Conversely, the decrease in the outstanding balance of the non agri-agra sector signifies increased loan repayment of borrowers.

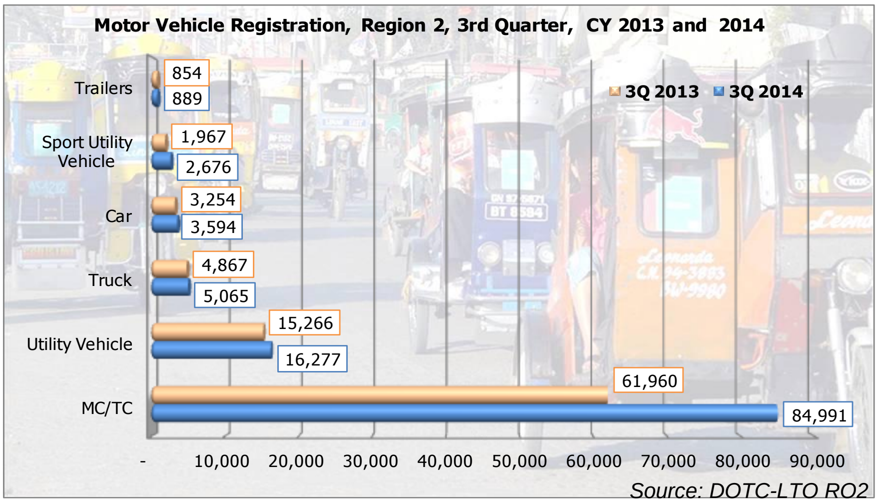
[1] *NOTE: Data of Land Bank of the Philippines cover only the provinces of Batanes, Cagayan, and Nueva Vizcaya*

Across provinces, the loan portfolio of Cagayan (44.6% of total outstanding loans) and Nueva Vizcaya (38.4%) exhibited considerable increases of 28.2% and 12.9%, respectively. Weaker bank lending was observed in Isabela as evidenced by the 11.5% decline in its outstanding loans.

Total loan releases to major economic activities managed a 9 percent increment from PhP1.817 Billion during the 3rd quarter last year to PhP1.98 Billion in 2014. Loans extended to wholesale and retail trade and other community, social and personal service activities accounted for the biggest share at 34.8% and 31.0%, respectively.

Transport and Communication

Land Transport

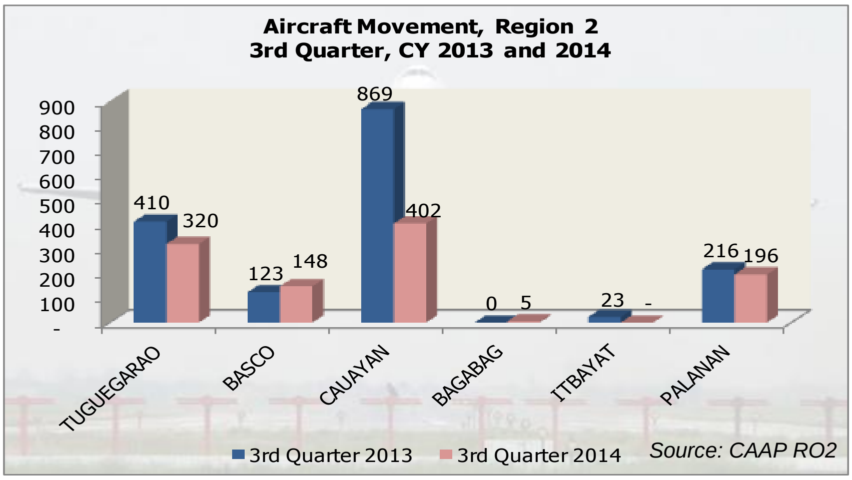


Source: DOTC-LTO RO2

The number of registered motor vehicles increased to 113,716 (28.61%) in the third quarter this year primarily attributed to the rise in motorcycle and tricycle registration (37.17%). Motorcycles and tricycles continued to be prevalent form of transportation in the region as evidenced by its contribution to total registered vehicles at 74.7 percent. Increment in the registration of nearly all kinds of vehicles, save for buses, were noted during the quarter.

Consistent with the increase in registration was the hike in revenues generated this year. The combined revenue from the different district and extension offices of LTO in the region reached PhP191.289 Million, a 20.01 percent rise from PhP159.393 Million generated last year. The hike was mainly pinned on the improved revenue generation in the district office of Basco, extension office of Gattaran and the earnings from the LTO's new registration unit.

Air Transport



Source: CAAP RO2

Overall number of flights to and from the region was lower by 34.73 percent this year compared to the 1,641 flights in the third quarter of 2013. Except for Basco and Bagabag airports, all other airports recorded negative growth in aircraft movement led by Cauayan (53.74% from 869 flights) and Tuguegarao (21.95% from 410 flights). The decline was attributed to the cancellation of flights due to the rainy season.

Despite the reduction in aircraft movement, passengers flying in and out of the region still managed to rise to 59,613, up by 6.3% from the previous year. Passenger movement in Basco went up by 63.8% attributed to increased aircraft movement. Palanan airport, in contrast, was down by 33.2% from the 2,636 passenger volume in the same period last year.

Upward trend in cargo movement was also registered for the quarter. Cargoes loaded and unloaded in the airports aggregated to 675,530 kilograms which was 6.65% heavier compared to last year. Double-digit percent increments were recorded in the airports of Tuguegarao, Basco, and Palanan.

Telecommunication

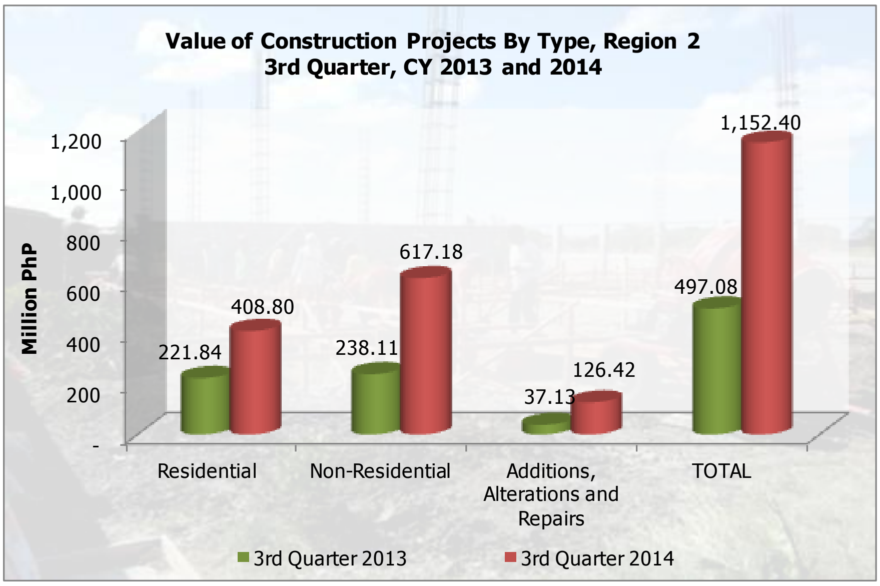
Total established cell sites in the region reached 181 which was three (3) more than the 178 cell sites operating in the same quarter in 2013. Smart Communications had an additional 7 cell sites while Globe Telecom decreased their 78 cell tower operating last year to 74 this year.

On the other hand, total available channels declined by 11.62 percent from 1,377 last year mainly accounted by Globe Telecom's significantly lesser channels existing during the quarter. The number of channels of Globe nearly halved from 483 to 248 attributed to Globe's migration to a new system and the consolidation of channels for retired mobile prepaid and postpaid. Meanwhile, Smart Communication exhibited a 15.2 percent increase due to the additional cell sites built.

Construction

A total of 859 private construction projects from approved building permits were recorded during the third quarter of 2014. This figure represented an increase of 75.7% relative to the 489 construction projects in the same quarter last year. The rise was attributed to the significant increase in the number of residential (+97.9%) and non-residential (+58.9%) projects constructed.

The value of the entire construction projects in the region stood at Php1.152 Billion during the period in review, representing an overwhelming increase of 131.8 percent from last year. The uptrend was ascribed to the significant rise in the value of all types of building construction. Value of residential constructions improved to PhP408.802 Million (84.3%) while value of non-residential building amounting to PhP617.179 Million surged by 159.2% compared to the previous year.



Source: PSA-NSO RO2

The data on construction projects refer to those proposed to be constructed during the third quarter and not the construction work completed. Also, same data reflect only those in urban areas where building permits are required for new construction and alterations. Construction in rural areas is seldom monitored as there are only few municipalities that strictly implement building permit application.

Mining and Quarrying

The aggregate production of metallic and non-metallic mineral commodities recorded a slight gain during the third quarter of the current year at 760,678.83 cu.m.

Major decliner for the quarter was magnetite sand as zero production was recorded during the quarter (from 156,794.94 cu.m. in 2013) due to the cancellation order issued to Mineral Processing Permit (MPP) holders. Sand and gravel also posted a decline of 14.6% reaching 402,070.40 cubic meters (cu. m.) due to the reduced demand for the commodity. Production of boulders, likewise, dropped by 68.6% from 58,117.64 cu. m. in 2013.

These decreases were, however, offset by the production increases of nickel ore in the province of Isabela and pure sand mostly in the province of Nueva Vizcaya. The high price of nickel ore in the world market encouraged the increase in production to 221,000 cu.m. (from 50,000 cu.m.).

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:

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

- A new rice-based farming system dubbed as *"Palayamanan"* promoted by the Department of Agriculture is estimated to improve the farmers' income in the region. *"Palayamanan"* involves intensive and integrated farming and sustainable growth in rice-based communities. This aims to increase the production of rice, commercial crops, livestock and fish culture with high market value.

- The industry and services sectors are seen to be more upbeat in the next quarter. The increase in consumer demand during the holiday season is seen to fuel a brisker business environment especially along manufacturing and wholesale and retail trade.

- The operation of the Cagayan North International Airport in Lallo, Cagayan is seen to attract investors and tourists in the region.

- The newly-inaugurated Ninoy Aquino Bridge is expected to boost the region's economy as it serves as an inter-regional link between the regions of Ilocos, Cagayan Valley and Cordillera Administrative Regions. The bridge will ease economic activities especially transportation of goods and agricultural products to any points in the mentioned regions.

Annex: Tables for the Third Quarter CY 2014 Regional Economic Situationer

Table 1. Consumer Price Index (CPI) and Inflation Rate by Commodity Group (2006 Base Year) Region 2, Third Quarter, CY 2012 to CY 2014

COMMODITY GROUP	Consumer Price Index			Inflation Rate	
	3Q 2012	3Q 2013	3Q 2014	3Q 2013	3Q 2014
ALL ITEMS	**131.8**	**136.2**	**142.3**	**3.4%**	**4.5%**
I. FOOD AND NON-ALCOHOLIC BEVERAGES	141.9	145.6	155.8	2.6%	7.0%
* Food	143.2	147.3	158.1	2.8%	7.3%
Bread and Cereals	147.8	153.1	169.6	3.6%	10.8%
Rice	149.6	155.7	175.9	4.1%	13.0%
Corn	133.8	128.1	130.9	-4.3%	2.2%
Meat	129.6	135.7	140.3	4.7%	3.4%
Fish	143.4	146.5	151.6	2.1%	3.5%
Milk, Cheese and Eggs	130.4	132.4	135.8	1.5%	2.6%
Oils and Fats	144.8	135.4	151.7	-6.5%	12.1%
Fruit	165.8	165.7	170.9	0.0%	3.1%
Vegetables	160.7	166.8	186.4	3.8%	11.8%
Sugar, Jam, Honey, Chocolate and Confectionery	127.2	122.6	134.9	-3.6%	10.0%
Food Products N.E.C.	141.2	142.8	153.6	1.1%	7.6%
* Non-alcoholic Beverages	121.4	120.6	121.3	-0.7%	0.6%
II. ALCOHOLIC BEVERAGES AND TOBACCO	128.8	176.6	183.4	37.1%	3.8%
Alcoholic Beverages	122.9	135.5	140.2	10.3%	3.4%
Tobacco	135.6	222.4	231.6	64.1%	4.1%
NON-FOOD	122.8	125.5	127.8	2.2%	1.9%
III. CLOTHING AND FOOTWEAR	118.3	122.4	123.5	3.5%	1.0%
Clothing	117.6	122.2	123.5	3.9%	1.1%
Footwear	119.9	122.9	123.7	2.5%	0.7%
IV. HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	124.8	127.2	131.5	1.9%	3.3%
Actual Rentals for Housing	113.8	116.6	121.8	2.5%	4.5%
Maintenance and Repair of the Dwelling	128.8	131.0	134.4	1.7%	2.6%
Water Supply and Miscellaneous Services Relating to the Dwelling	113.8	115.4	117.3	1.4%	1.6%
Electricity, Gas and Other Fuels	140.2	142.2	145.1	1.5%	2.1%
V. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE MAINTENANCE OF THE HOUSE	121.3	124.0	125.7	2.3%	1.3%
Furniture and Furnishings, Carpets and Other Floor Coverings	105.2	105.3	105.2	0.1%	-0.1%
Household Textiles	108.9	109.6	110.7	0.6%	0.9%
Household Appliances	104.6	105.3	107.0	0.7%	1.6%
Glassware, Tableware and Household Utensils	118.2	119.6	120.1	1.1%	0.5%
Tools and Equipment for House and Garden	121.1	121.6	123.0	0.4%	1.2%
Goods and Services for Routine Household Maintenance	127.5	131.3	133.3	3.0%	1.5%

COMMODITY GROUP	Consumer Price Index			Inflation Rate	
	3Q 2012	3Q 2013	3Q 2014	3Q 2013	3Q 2014
VI. HEALTH	124.1	129.7	131.5	4.5%	1.4%
Medical Products, Appliances and Equipment	118.7	120.2	122.3	1.2%	1.7%
Out-patient Services	120.1	123.1	124.2	2.5%	0.9%
Hospital Services	142.0	161.2	162.9	13.5%	1.1%
VII. TRANSPORT	134.9	136.7	137.9	1.3%	0.9%
Operation of Personal Transport Equipment	121.9	127.2	129.3	4.3%	1.7%
Transport Services	138.7	139.5	140.3	0.6%	0.6%
VIII. COMMUNICATION	90.0	89.2	89.2	-0.9%	0.0%
Postal Services	135.0	135.0	140.5	0.0%	4.1%
Telephone and Telefax Equipment	52.7	49.6	49.0	-5.9%	-1.2%
Telephone and Telefax Services	102.4	102.4	102.6	0.0%	0.2%
IX. RECREATION AND CULTURE	99.3	100.5	101.3	1.3%	0.7%
Audio-visual, Photographic and Information Processing Equipment	88.2	87.8	88.4	-0.5%	0.7%
Other Recreational Items and Equipment, Gardens and Pets	104.1	104.9	105.4	0.7%	0.5%
Recreational and Cultural Services	109.3	117.0	116.2	7.1%	-0.7%
Newspapers, Books and Stationery	114.1	115.6	117.3	1.3%	1.4%
X. EDUCATION	125.8	132.1	133.6	5.0%	1.1%
Pre-primary and Primary Education	136.9	153.3	156.0	12.0%	1.8%
Thirdary Education	131.8	132.9	136.5	0.8%	2.7%
Tertiary Education	116.6	118.0	118.0	1.2%	0.0%
XI. RESTAURANTS AND MISCELLANEOUS GOODS AND SERVICES	120.1	122.2	123.5	1.7%	1.1%
Catering Services	123.9	125.1	126.4	1.0%	1.0%
Personal Care	114.7	117.5	118.9	2.5%	1.1%
Personal Effects N.E.C.	125.3	129.7	132.4	3.5%	2.0%

Source: PSA-NSO Region 2

Table 2. Selected Employment Indicators, Region 2
Third Quarter, CY 2013 and CY 2014

Indicator		July 2013	July 2014
Household Population 15 Years Old and Over	Number ('000)	2,285	2,310
Labor Force Participation	Number ('000)	1,528	1,531
	Rate (%)	66.9	66.3
Employment	Number ('000)	1,471	1,470
	Rate (%)	96.3	96.0
Unemployment	Number ('000)	57	61
	Rate (%)	3.7	4.0
Underemployment	Number ('000)	178	173
	Rate (%)	12.1	11.8

Source: PSA-NSO Region 2, July 2013 and 2014 Labor Force Survey

Table 3. Palay Production, in metric tons (Mt), Region 2
Third Quarter, CY 2013 and CY 2014

Province	Irrigated		Rainfed		Upland		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	2.65	no data	-	no data	0.22	no data	2.87
Cagayan	122,882	23,348	1,411	504	-	-	124,293	23,852
Isabela	135,505	272,882	1,781	0	-	-	137,286	272,882
Nueva Vizcaya	59,320	58,686	341	14	-	-	59,661	58,700
Quirino	9,245	330	112	-	-	-	9,357	330
Total	**326,952**	**355,248.65**	**3,645**	**518**	**-**	**0.22**	**330,596.85**	**355,766.87**

Source: PSA-BAS Region 2

Table 4. Area Harvested for Palay, in hectares (ha), Region 2
Third Quarter, CY 2013 and CY 2014

Province	Irrigated		Rainfed		Upland		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	1.00	no data	-	no data	0.25	no data	1.25
Cagayan	30,448	5,765	840	213	-	-	31,288	5,978
Isabela	30,154	57,208	600	-	-	-	30,754	57,208
Nueva Vizcaya	13,674	12,248	104	5	-	-	13,778	12,253
Quirino	2,406	75	39	-	-	-	2,445	75
Total	**76,682**	**75,297**	**1,583**	**218**	**-**	**0.25**	**78,265**	**75,515.25**

Source: PSA-BAS Region 2

Table 5. Palay Productivity, in Mt/ha, Region 2
Third Quarter, CY 2013 and CY 2014

Province	Irrigated		Rainfed		Upland		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	2.65	no data	-	no data	0.88	no data	2.30
Cagayan	4.04	4.05	1.68	2.37	-	-	3.97	3.99
Isabela	4.49	4.77	2.97	-	-	-	4.46	4.77
Nueva Vizcaya	4.34	4.79	3.28	2.80	-	-	4.33	4.79
Quirino	3.84	4.40	2.87	-	-	-	3.83	4.40
Total	**4.26**	**4.72**	**2.30**	**2.38**	**-**	**0.88**	**4.22**	**4.71**

Source: PSA-BAS Region 2

Table 6. Corn Production, in metric tons (Mt), Region 2
Third Quarter, CY 2013 and CY 2014

Province	White		Yellow		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	-	no data	0.98	no data	0.98
Cagayan	10,690	8,571	105,139	112,710	115,829	121,281
Isabela	7,734	6,290	557,183	402,659	564,917	408,949
Nueva Vizcaya	1,110	1,607	25,049	32,143	26,159	33,750
Quirino	190	250	23,180	8,127	23,370	8,377
Total	**19,724**	**16,718**	**710,551**	**555,639.98**	**730,275**	**572,357.98**

Source: PSA-BAS Region 2

Table 7. Area Harvested for Corn, in hectares (ha), Region 2
Third Quarter, CY 2013 and CY 2014

Province	White		Yellow		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	-	no data	0.32	no data	0.32
Cagayan	5,933	3,923	34,301	27,886	40,234	31,809
Isabela	2,834	2,644	126,488	90,149	129,322	92,793
Nueva Vizcaya	514	550	6,139	6,810	6,653	7,360
Quirino	65	80	6,439	1,650	6,504	1,730
Total	**9,346**	**7,197**	**173,367**	**126,495.32**	**182,713**	**133,692.32**

Source: PSA-BAS Region 2

Table 8. Corn Productivity, in Mt/ha, Region 2
Third Quarter, CY 2013 and CY 2014

Province	White		Yellow		Total	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	no data	-	no data	3.06	no data	3.06
Cagayan	1.80	2.18	3.07	4.04	2.88	3.81
Isabela	2.73	2.38	4.41	4.47	4.37	4.41
Nueva Vizcaya	2.16	2.92	4.08	4.72	3.93	4.59
Quirino	2.92	3.13	3.60	4.93	3.59	4.84
Total	**2.11**	**2.32**	**4.10**	**4.39**	**4.00**	**4.28**

Source: PSA-BAS Region 2

Table 9. Production estimates for Other Crops, in metric tons (Mt), Region 2
Third Quarter, CY 2013 and CY 2014

COMMODITY	VOLUME OF PRODUCTION	
	3Q 2013	3Q 2014
Fruits	**116,053**	**120,489**
Major	*101,674*	*106,718*
Banana	87,322	92,975
Calamansi	2,170	1,751
Mango	274	288
Pineapple	11,908	11,704
Priority	*3,285*	*3,070*
Balimbing	8	8
Durian	33	23
Lanzones*	1	3
Papaya	511	509
Rambutan*	324	370
Tamarind	273	259
Watermelon	120	212
Mandarin	1,910	1,609
Orange	105	77
Other Fruits	*11,094*	*10,701*
Vegetables and Root crops	**49,477**	**71,243**
Major	*26,861*	*48,913*
Mongo	325	438
Peanut	634	623
Cabbage	223	226
Eggplant	4,313	4,385
Tomato	947	959
Onion	17	18
Camote	643	650
Cassava	19,760	41,613
Priority	*19,231*	*18,952*
Habitchuelas	723	656
B. Blossom	1,615	1,908
Broccoli	11	13
Cauliflower	112	115
Kangkong	811	840
Lettuce	1	1
Pechay	830	699
Ampalaya	1,026	1,097
Stringbeans	6,801	6,553
Gourd	712	647
Okra	1,805	1,832
Squash Fruit	2,485	2,274
Ginger	123	145
Pepper	312	326
Carrots	39	36
Gabi	1,787	1,778
Radish	30	23
Irish Potato	9	10
Other Vegetables	*3,385*	*3,378*

Source: PSA-BAS Region 2

Table 10. Production estimates for Livestock and Poultry (in Mt, liveweight), Region 2 Third Quarter, CY 2013 and CY 2014

COMMODITY	3Q 2013	3Q 2014
Livestock	**23,196**	**22,236**
Swine	17,264	16,215
Carabao	1,941	1,960
Cattle	3,566	3,635
Goat	425	426
Poultry	**14,220**	**14,982**
Chicken	13,664	14,432
Duck	556	550

Source: PSA-BAS Region 2

Table 11. Production Estimates (in MT) and Area Harvested (in Ha) for Fisheries, Region 2 Third Quarter, CY 2013 and CY 2014

COMMODITY	Production (MT)		Area Harvested (Ha)	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014
COMMERCIAL	**3,270.86**	**3,518.33**	n/a	n/a
Cagayan	3,270.86	3,518.33	n/a	n/a
MUNICIPAL	**8,474.60**	**8,044.32**	n/a	n/a
Marine	***4,618.49***	***4,941.13***	n/a	n/a
Cagayan	4,349.71	4,643.10	n/a	n/a
Isabela	160.72	193.40	n/a	n/a
Batanes	108.06	104.63	n/a	n/a
Inland	***3,856.11***	***3,103.19***	n/a	n/a
Cagayan	2,498.39	1,989.59	n/a	n/a
Isabela	939.85	733.76	n/a	n/a
Nueva Vizcaya	329.90	295.59	n/a	n/a
Quirino	87.97	84.25	n/a	n/a
AQUACULTURE	**3,606.17**	**3,545.40**	**874.69**	**883.90**
Cagayan	1,377.63	1,130.37	338.86	317.21
Isabela	1,780.55	1,888.78	396.59	416.58
Nueva Vizcaya	351.94	410.95	96.12	106.39
Quirino	96.05	115.30	43.11	43.72
REGIONAL TOTAL	**15,351.63**	**15,108.05**	n/a	n/a

Source: PSA-BAS Region 2

Table 12. Farmgate Price of Selected Commodities, Region 2
Third Quarter, CY 2013 and CY 2014

Commodity	Average Price (PhP/kg)	
	3Q 2013	3Q 2014
Cereals		
Palay, Dry	18.56	22.31
Corn matured, white	11.47	12.40
Corn matured, yellow	12.12	12.64
Vegetables, Rootcrops and Condiments		
Tomato	24.31	20.24
Eggplant long, purple	13.05	16.48
Cabbage	6.39	20.49
Cassava fresh tubers	6.75	4.32
Sweet potato (camote)	13.46	12.27
Garlic	NT	NT
Onion, red creole, bermuda	NT	NT
Onion, red shallot, native	NT	NT
Peanut w/ shell, dry	37.55	37.65
Mongo, green labo	53.39	63.20
Mongo, green shiny	NT	NT
Ampalaya	20.98	23.02
Chayote	7.16	7.10
Gabi tagalog (for sinigang)	NT	NT
Pechay native	13.36	19.70
Pepper finger (panigang)	37.97	27.59
Pepper bell (red and green)	NT	NT
Squash	6.54	10.99
Stringbeans (long)	16.13	19.06
Fruits		
Banana green, bungulan	7.60	7.20
Banana green, lakatan	17.54	21.69
Banana green, latundan	12.35	14.20
Banana green, saba	10.98	9.64
Pineapple, hawaiian	13.75	15.91
Mango green, carabao	NT	NT
Mango green, indian	NT	NT
Calamansi	6.23	11.35
Papaya hawaiian	9.86	9.91
Papaya native	NT	NT
Non Food, Industrial and Commercial Crops		
Coconut young	3.91	4.94
Coconut matured	6.55	8.07
Tobacco native, dry	57.53	58.17
Tobacco burley, dry	80.33	81.83
Livestock and Poultry		
Carabao for slaughter	80.74	90.25
Cattle for slaughter	87.54	88.61
Hog for slaughter	109.42	117.42
Goat for slaughter	129.46	136.76
Duck for meat, backyard	127.90	130.25
Duck egg, commercial	5.48	5.31

** NT - No Trading; no harvest*
Source: PSA-BAS Region 2

Table 13. LBP Outstanding Loans, by Industry* (in million PhP), Region 2
As of September 30, CY 2013 and CY 2014

Industries	As of September 30, 2013					As of September 30, 2014				
	Outstanding Balance				% Share	Outstanding Balance				% Share
	Batanes	Cagayan	Nueva Vizcaya	Total		Batanes	Cagayan	Nueva Vizcaya	Total	
AGRI-AGRA LOANS										
SMEs	14.342	347.467	189.757	**551.566**	28.2%	27.425	526.106	231.510	**785.041**	31.4%
LGU Loans	23.718	153.712	73.981	**251.411**	12.8%	19.264	130.754	45.365	**195.383**	7.8%
Small farmers & fisherfolks	0.158	252.852	67.679	**320.689**	16.4%	-	245.230	128.027	**373.257**	14.9%
Livelihood Loans	-	-	818.701	**818.701**	41.8%	-	-	752.389	**752.389**	30.1%
Large Enterprise	-	-	-	**-**	-	-	234.500	129.475	**363.975**	14.6%
Easy Home Loans	-	-	0.890	**0.890**	0.05%	-	10.965	6.547	**17.512**	0.7%
Subtotal	*38.218*	*754.031*	*1,151.008*	***1,943.257***	*99.3%*	*46.689*	*1,147.555*	*1,293.315*	***2,487.559***	*99.6%*
NON AGRI-AGRA LOANS										
LGU Loans	-	-	13.324	**13.324**	0.7%	-	-	9.682	**9.682**	0.4%
GOCCs	-	-	-	**-**	-	-	-	-	**-**	-
Others	-	-	-	**-**	-	-	-	-	**-**	-
Subtotal	-	-	*13.324*	***13.324***	*0.7%*	-	-	*9.682*	***9.682***	*0.4%*
TOTAL	**38.218**	**754.031**	**1,164.332**	**1,956.581**	**100.0%**	**46.689**	**1,147.555**	**1,302.996**	**2,497.240**	**100.0%**

Table 14. LBP Outstanding Loans*, by Province (in million PhP), Region 2
As of September 30, CY 2013 and CY 2014

Provinces	As of September 30, 2013		As of September 30, 2014	
	Outstanding Balance	% Share	Outstanding Balance	% Share
Batanes	38.218	2.0%	46.689	1.9%
Cagayan	754.031	38.5%	1,147.555	46.0%
Nueva Vizcaya	1,164.332	59.5%	1,302.996	52.2%
TOTAL	**1,956.581**	**100.0%**	**2,497.240**	**100.0%**

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

Table 15. LBP Loan Releases, by Economic Activity* (in million PhP), Region 2
Third Quarter, CY 2013 and CY 2014

Economic Activities	Jul-Sep 2013		Jul-Sep 2014	
	Loan Releases	% Share	Loan Releases	% Share
Agriculture	398.22	23.7%	425.26	22.5%
Fishing	1.40	0.1%	3.18	0.2%
Manufacturing	6.29	0.4%	31.12	1.6%
Electricity, Gas and Water	42.00	2.5%	73.20	3.9%
Construction	96.47	5.7%	81.17	4.3%
Wholesale and Retail Trade	892.94	53.1%	673.83	35.6%
Real Estate, Renting & Business Activities	6.70	0.4%	14.80	0.8%
Public Administration and Defense	11.30	0.7%	0.00	0.0%
Education	0.00	0.0%	5.00	0.3%
Health & Social Work	2.00	0.1%	2.20	0.1%
Other Community, Social and Personal Service Activities	212.87	12.7%	554.21	29.3%
Hotels and Restaurants	10.55	0.6%	28.81	1.5%
TOTAL	**1,680.74**	**100.0%**	**1,892.77**	**100.0%**

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

Table 16. DBP Outstanding Loans, by Province (in million PhP), Region 2
As of September 30, CY 2013 and CY 2014

Provinces	As of September 30, 2013		As of September 30, 2014	
	O/S Balance	% Share	O/S Balance	% Share
Batanes	-	0.0%	-	0.0%
Cagayan	570.82	41.5%	550.58	42.1%
Quirino	-	0.0%	-	0.0%
Isabela	677.31	49.2%	599.09	45.8%
Nueva Vizcaya	128.70	9.3%	157.16	12.0%
Total	**1,376.84**	**100.0%**	**1,306.83**	**100.0%**

Source: Development Bank of the Philippines – RMC Northeastern Luzon

Table 17. DBP Outstanding Loans, by Industry (in million PhP), Region 2
As of September 30, CY 2013 and CY 2014

Industries	As of September 30, 2013		As of September 30, 2013	
	O/S Balance	% Share	O/S Balance	% Share
Agri-Agra Loans				
SMEs	-	-	-	-
LGU Loans	-	-	-	-
Small Farmers and Fisherfolks	4.68	0.3%	-	-
Livelihood Loans	-	-	-	-
Subtotal	*4.68*	*0.3%*	-	-
Non Agri-Agra Loans				
LGU Loans	451.27	32.8%	386.14	29.5%
GOCCs	36.05	2.6%	35.72	2.7%
Others	884.84	64.3%	884.97	67.7%
Subtotal	*1,372.16*	*99.7%*	*1,306.83*	*100.0%*
Total	**1,376.84**	**100.0%**	**1,306.83**	**100.0%**

Source: Development Bank of the Philippines – RMC Northeastern Luzon

Table 18. DBP Loan Releases, By Economic Activity (in million PhP), Region 2
Third Quarter, CY 2013 and CY 2014

Economic Activities	Jul-Sep 2013		Jul-Sep 2014	
	O/S Balance	% Share	O/S Balance	% Share
Agriculture	6.00	4.4%	-	0.0%
Manufacturing	-	0.0%	0.50	0.6%
Construction	2.10	1.5%	-	0.0%
Wholesale and Retail Trade, Repair & Motor Vehicles	22.13	16.2%	15.30	17.5%
Financial Intermediaries	5.65	4.1%	-	0.0%
Real Estate, Renting & Bus. Activities	2.00	1.5%	-	0.0%
Public Admin & Defense; Compulsary Social Security	38.85	28.5%	8.12	9.3%
Other Community, Social & Personal Service Act.	45.84	33.6%	59.55	68.0%
Hotels and Restaurants	13.80	10.1%	4.10	4.7%
TOTAL	**136.36**	**100.0%**	**87.56**	**100.0%**

Source: Development Bank of the Philippines – RMC Northeastern Luzon

Table 19. Number of Firms Registered, Investments and Employment Generated, By Province, Region 2
Third Quarter, CY 2013 and CY 2014

PROVINCE	Number of Firms		Investments (in Million Php)		Employment	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Batanes	49	57	31.150	20.888	104	129
Cagayan	876	682	370.080	401.230	2,247	1,806
Isabela	906	1,230	189.204	327.089	2,041	2,255
Quirino	238	107	87.160	602.796	564	293
Nueva Vizcaya	541	420	241.410	206.906	1,176	1,071
Regional Total	**2,610**	**2,496**	**919.004**	**1,558.909**	**6,132**	**5,554**

Source: DTI Region 2

Table 20. Number of Firms Registered, Investments and Employment Generated, By Sector, Region 2
Third Quarter, CY 2013 and CY 2014

PROVINCE	Number of Firms		Investments		Employment	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Manufacturing	147	120	28.030	27.877	447	344
Agri-based Production	33	25	24.568	21.738	166	51
Construction	126	34	59.890	630.550	183	353
Trading	1,314	1,308	333.622	403.206	2,841	2,663
Services	990	1,009	472.894	475.538	2,495	2,143
Total	**2,610**	**2,496**	**919.004**	**1,558.909**	**6,132**	**5,554**

Source: DTI Region 2

Table 21. Number of Flights, Passenger and Cargo Movement, Region 2
Third Quarter, CY 2013 and CY 2014

Airport	Number of Flights		Passenger Movement				Cargo Movement (in kilogram)			
			IN		OUT		IN		OUT	
	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014	3Q 2013	3Q 2014
Tuguegarao	410	320	16,732	17,279	17,167	17,103	181,099	225,152	172,204	179,794
Basco	123	148	2,485	4,151	2,653	4,265	65,380	59,010	30,171	51,311
Cauayan	869	402	7,184	7,534	6,930	7,464	75,060	58,222	79,143	57,708
Bagabag	-	5	-	27	-	30	-	-	-	-
Itbayat	23	-	132	-	135	-	769	-	790	-
Palanan	216	196	1,264	843	1,372	917	16,933	25,790	11,886	18,543
Total	**1,641**	**1,071**	**27,797**	**29,834**	**28,257**	**29,779**	**339,241**	**368,174**	**294,194**	**307,356**

Source: CAAP Area Center II

Table 22. Number of Cell Sites and Total Channels, Region 2
Third Quarter, CY 2013 and CY 2014

Province	Digitel Mobile Philippines, Inc. (Sun Cellular)				Smart Communications, Inc.				Globe Telecom, Inc.			
	Cell Sites		Channels		Cell Sites		Channels		Cell Sites		Channels	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Batanes	0	0	0	0	0	0	0	0	2	2	12	12
Cagayan	18	18	210	210	24	26	165	181	29	29	165	100
Isabela	12	12	135	135	31	34	255	299	27	24	172	79
Quirino	0	0	54	54	10	11	75	87	16	15	106	47
Nueva Vizcaya	5	5	0	0	0	1	0	3	4	4	28	10
Total	**35**	**35**	**399**	**399**	**65**	**72**	**495**	**570**	**78**	**74**	**483**	**248**

Source: NTC Region 2

Table 23. Motor Vehicles Registration, Region 2
Third Quarter, CY 2013 and CY 2014

Classification/ Year	Type of Motor Vehicle							
	Cars	Utility Vehicle	Sport Utility Vehicle	Trucks	Buses	Motorcycles /Tricycles	Trailers	Total
Private								
3Q 2013	3,238	13,072	1,932	4,587	25	43,895	806	**67,555**
3Q 2014	3,573	14,093	2,636	4,744	25	68,736	847	**94,654**
Government								
3Q 2013	16	419	34	135	11	245	4	**864**
3Q 2014	21	461	36	153	8	217	3	**899**
For Hire								
3Q 2013	-	1,775	1	145	217	17,820	44	**20,002**
3Q 2014	-	1,723	3	168	191	16,038	39	**18,162**
Exempt								
3Q 2013	-	-	-	-	-	-	-	**-**
3Q 2014	-	-	1	-	-	-	-	**1**
Total								
3Q 2013	**3,254**	**15,266**	**1,967**	**4,867**	**253**	**61,960**	**854**	**88,421**
3Q 2014	**3,594**	**16,277**	**2,676**	**5,065**	**224**	**84,991**	**889**	**113,716**

Source: DOTC-LTO Region 2

Table 24. Revenue Generated by District/Extension Office, Region 2
Third Quarter, CY 2013 and CY 2014

District/Extension Office	3Q 2013	3Q 2014
APARRI D.O.	14,610,737.94	8,105,800.14
ARITAO E.O.	6,061,005.55	6,434,786.65
BASCO D.O.	785,675.00	1,050,826.00
BAYOMBONG D.O.	15,639,734.18	16,824,823.24
CABAGAN E.O.	5,829,445.03	6,193,071.61
CABARROGUIS D.O.	7,236,873.28	6,038,424.31
CAUAYAN E.O.	19,545,813.02	19,311,036.88
GATTARAN E.O.	4,989,535.27	5,783,280.25
ILAGAN	10,131,849.83	10,521,088.72
TUAO E.O.	2,475,617.00	2,322,627.00
ROXAS D.O.	11,501,904.27	11,994,386.97
SANCHEZ MIRA E.O.	4,768,891.06	3,743,458.93
SAN ISIDRO D.O.	15,583,220.47	13,804,022.68
SANTIAGO E.O.	11,820,131.15	12,378,270.29
TUGUEGARAO LIC.	4,371,123.79	4,454,994.50
TUGUEGARAO D.O.	20,358,594.74	20,277,311.80
OPERATION DIV.	3,683,213.41	3,170,652.27
NEW REGISTRATION UNIT	-	38,879,039.45
REGIONAL OFFICE	-	945.00
Total	**159,393,364.99**	**191,288,846.69**

Source: DOTC-LTO Region 2

Table 25. Number and Value of Construction Projects from Approved Building Permits
Region 2, Third Quarter, CY 2013 and CY 2014

Type of Construction	*Number*		*Value (in million Php)*	
	3Q 2013	*3Q 2014*	*3Q 2013*	*3Q 2014*
Residential	331	655	221.835	408.802
Non-Residential	90	143	238.112	617.179
Additions	12	12	10.989	93.293
Alterations and Repairs	56	49	26.144	33.124
TOTAL	***489***	***859***	***497.081***	***1,152.400***

Source: PSA-NSO Region 2

Table 26. Production of Metallic and Non-Metallic Mineral Commodities, Region 2
Third Quarter, CY 2013 and CY 2014

Commodity/ Province	Production (cubic meter)	
	3Q 2013	**3Q 2014**
Sand and Gravel		
Cagayan	67,209.06	54,171.42
Isabela	316,406.00	298,794.48
Nueva Vizcaya	79,229.50	30,112.50
Quirino	8,101.00	18,992.00
Sub-total	***470,945.56***	***402,070.40***
Pure Sand		
Cagayan	2,230.00	9,205.68
Nueva Vizcaya	0.00	74,050.50
Boulders		
Cagayan	50,681.64	5,550.00
Nueva Vizcaya	7,436.00	12,715.00
Earth Material		
Cagayan	1,000.00	7,222.25
Magnetite Sand		
Cagayan	156,794.94	0.00
Nickel Ore		
Isabela	50,000.00	221,000.00
Copper Concentrate		
Nueva Vizcaya	16,437.00	28,865.00
TOTAL	**755,525.14**	**760,678.83**

Source: MGB Region 2