



Cagayan Valley's economy grew by 3.3 percent

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The economy of Cagayan Valley posted a 3.3 percent growth in 2016. This growth, which was slower compared with the 4.1 percent growth in 2015, was due to the slowdown of the region's Services and the decline in AHFF.

Among the three major economic industries, Services continued to account for the largest share of the region's economy in 2016. It contributed 51.3 percent of the total domestic production in 2016, which is higher than its 50.3 percent share in the previous year. Meanwhile, AHFF recorded a share of more than one-third or 34.2 percent while Industry covered 14.5 percent of the regional economy.

In 2016, Services posted a slower growth at 5.3 percent as compared with the 6.9 percent growth in the previous year. The slowdown was due to the deceleration of all of its sub-industries, except PAD which improved to a 5.5 percent growth in 2016 as compared with the 1.3 percent growth in 2015. OS pulled down the growth of the region's Services as it slowed down to 7.0 percent growth in 2016, lower than the 7.2 percent growth in 2015. Trade decelerated to 6.2 percent in 2016 as compared with the 9.1 percent the preceding year. Moreover, FI and TSC grew slower at 5.6 percent and 4.9 percent, respectively, in 2016. These growths are slower compared with the 7.0 percent and 7.4 percent growths, correspondingly, in 2015. Meanwhile, RERBA decelerated to 1.8 percent in 2016 as compared with the 8.0 percent in 2015.

AHFF, which suffered a decline of 0.4 percent in 2015, continued to cause a setback in the region's economy as it decreased further to 3.0 percent in 2016. This was due to the continued loss in Agriculture and Forestry at 2.9 percent in 2016, which incurred a bigger reduction as compared with the 0.1 percent decrease in 2015. On the other hand, Fishing improved in 2016 but still negative at 5.3 percent as compared to the negative 6.1 percent in 2015.

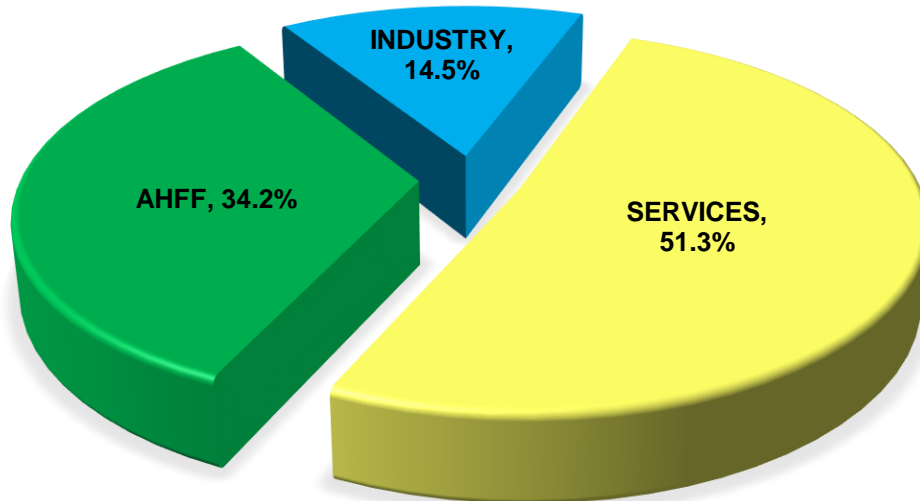
Lastly, Industry sped up the region's economy in 2016 as it accelerated to 12.9 percent growth as compared with the 7.0 percent in the previous year. The growth was driven by the acceleration in EGWS and MFG and the rebounding of MAQ. EGWS significantly contributed to the region's Industry with a 27.4 percent growth in 2016, a double-digit higher over the 7.0 percent in 2015. Likewise, Manufacturing posted significant increase in 2016 at 17.0 percent as compared with the 2.4 percent growth in the previous year. Another contributor to the Industry's growth, MAQ rebounded from a contraction of 18.3 percent in 2015 to a growth of 9.3 percent in 2016. On the other hand, Construction posted a deceleration in 2016 at 9.2 percent as compared with the 20.5 percent growth in the previous year.

Out of the overall 3.3 percent growth of the region, Services continued to be the biggest contributor to growth with 2.7 percentage points followed by Industry with 1.7 percentage points. AHFF, however, pulled down the region's growth rate by negative 1.1 percentage points.



**Table 1. GROSS REGIONAL DOMESTIC PRODUCT, REGION II – CAGAYAN VALLEY
 BY INDUSTRIAL ORIGIN, AT CONSTANT 2000 PRICES**
 In Thousand Pesos

INDUSTRY/YEAR	2015	2016	Growth Rates (%)	
			2014-15	2015-16
I. AGRICULTURE, HUNTING, FORESTRY & FISHING	48,942,372	47,479,381	(0.4)	(3.0)
a. Agriculture and Forestry	46,392,987	45,065,732	(0.1)	(2.9)
b. Fishing	2,549,386	2,413,649	(6.1)	(5.3)
II INDUSTRY SECTOR	17,866,212	20,170,959	7.0	12.9
a. Mining and Quarrying	3,289,833	3,594,814	(18.3)	9.3
b. Manufacturing	1,905,581	2,228,808	2.4	17.0
c. Construction	9,839,997	10,740,597	20.5	9.2
d. Electricity, Gas and Water Supply	2,830,800	3,606,740	7.0	27.4
III SERVICE SECTOR	67,636,032	71,219,848	6.9	5.3
a. Transportation, Storage & Communication	17,443,773	18,290,735	7.4	4.9
b. Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods	7,376,076	7,835,804	9.1	6.2
c. Financial Intermediation	8,248,263	8,709,097	7.0	5.6
d. Real Estate, Renting & Business Activities	9,364,952	9,532,542	8.0	1.8
e. Public Administration & Defense; Compulsory Social Security	7,085,971	7,472,234	1.3	5.5
f. Other Services	18,116,996	19,379,436	7.2	7.0
GROSS DOMESTIC PRODUCT	134,444,616	138,870,188	4.1	3.3



**Figure 1. GROSS REGIONAL DOMESTIC PRODUCT, REGION II – CAGAYAN VALLEY
 PERCENT DISTRIBUTION BY INDUSTRIAL ORIGIN, AT CONSTANT 2000 PRICES**