



SPECIAL RELEASE

2020 CORDILLERA ECONOMIC PERFORMANCE: INDUSTRY

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Gross Regional Domestic Product (GRDP) is a unit to measure the economic performance of a region. It covers the value of goods and services produced in a region.

The GRDP includes the regional estimates on the three major industries of the economy including their sub-industries. The three major industries are Agriculture, Forestry and Fishing (AFF), Industry, and Services.

The GRDP is presented in nominal and real terms. Nominal GRDP measures the value of the outputs of the economy at current prices while real GRDP or at constant prices measure the value of economic outputs using the prices of a fixed base year. The GRDP is usually reported in real terms or constant prices since the effects of inflation are removed.

CAR GRDP GROWTH RATE DECLINES AT **-9.9** PERCENT IN 2020

INDUSTRY SECTOR GROWTH RATE FURTHER REDUCED AT **-12.3**
PERCENT IN 2020

SERVICE SECTOR CONTINUED TO BE THE TOP CONTRIBUTING SECTOR WITH
66.3 PERCENT SHARE AMONG THE SECTORS

MANUFACTURING OS STILL THE TOP PERFORMING SUB-SECTOR OF THE
INDUSTRY SECTOR WHICH YILEDDED A CONTRIBUTION OF **51.9%**

INDUSTRY SECTOR'S CONTRIBUTION TO THE **-9.9** PERCENT GRDP GROWTH
RATE IS **-3.0** PERCENT.

CAR RANKED **13TH** AMONG 17 REGIONS IN OVERALL
GRDP WHILE THE REGION RANKED **9TH** IN THE INDUSTRY
SECTOR GROWTH RATE PERCENT.



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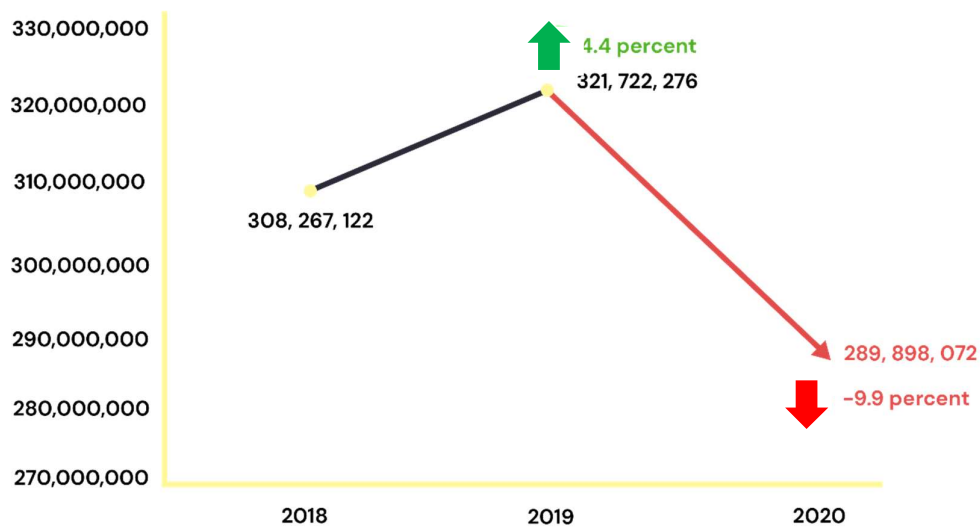


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CAR's economy declines by -9.9% in 2020

- The economy of the Cordillera Administrative Region (CAR) had a drastic decrease from the 4.4 percent growth in 2019 to -9.9 percent growth in 2020. All three major industries contributed to this decrease in CAR's economy. Agriculture, Forestry and Fishing (AFF) declined by -2.2 percent, Industry posted a -12.3 percent decrease, and Services sector plunged -10.1 percent.

Figure 1 CAR GRDP: 2018–2020
(At Constant 2018 Prices, In Thousand Pesos)



Source: Philippine Statistics Authority

Growth rate of industry sector

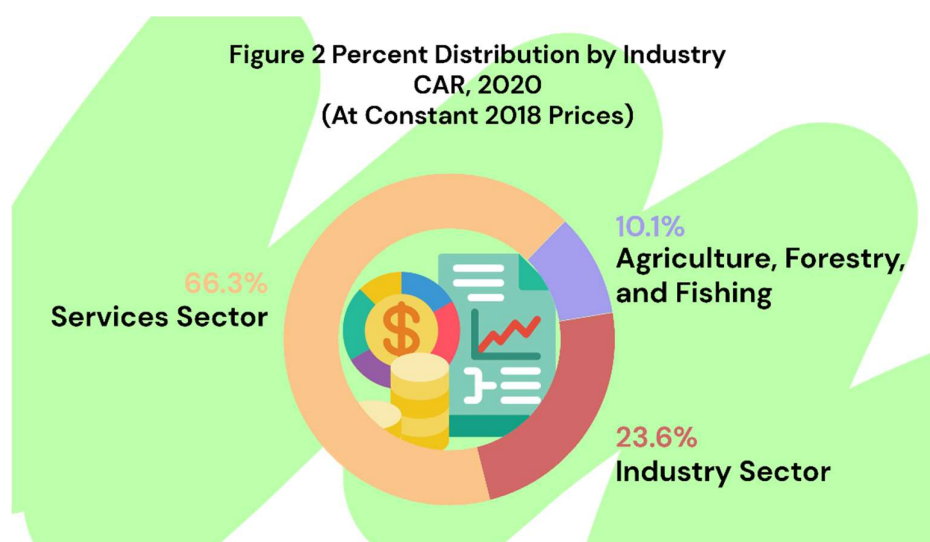
- Industry shown further decrease in growth of -1.8 in 2019 to a stunning -12.3 percent in 2020. This major downfall is a result of all sub-industries yielding a decreased growth rate with the largest negative growth rate being Manufacturing with a -16.3 percent growth and Mining and Quarrying with a -14.2 percent growth from their previous growth rates of -4.1 and 2.7 percent respectively.

**Table 1 GRDP Growth Rates, CAR 2018–2019 and 2019–2020
Industry Sector
(At Constant 2018 Prices)**

Industry	2018–2019	2019–2020
Industry Sector	<u>-1.8</u>	<u>-12.3</u>
Mining and Quarrying	-2.7	-14.2
Manufacturing	-4.1	-16.3
Electricity, Steam, Water and Waste Management	4.1	-1.5
Construction	-0.2	-6.1

Shares of Industries

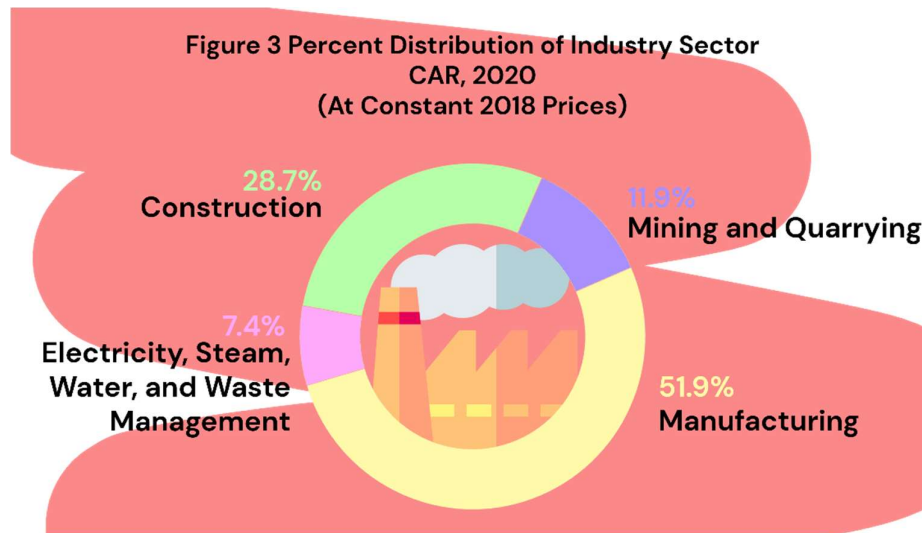
- CAR shifted from being industry-driven to being service driven back in 2018. This shift in economic distribution was evident still in 2020 as the region’s total output was mainly from the service sector with 66.3 percent share. The industry sector only managed to contribute less than half of that with 23.6 percent. This was a decrease in contribution to 2019’s industry share of 24.3 percent. Meanwhile, the AFF sector contributed 10.1 percent.



Source: Philippine Statistics Authority

- The distribution of sub-industries in the industry sector shows that manufacturing was still the highest contributor at 12.3 percent which is lower than the previous year’s 13.2 percent.

Construction followed with more than half of manufacturing's contribution with 6.8 percent which is a slight increase from 2019's 6.5 percent.



Source: Philippine Statistics Authority

Contribution to Growth

- The region's GRDP growth rate was at -9.9 percent in 2020. The industry sector has contributed to -3.0 percentage points to the region's growth. This was lower than the sector's contribution in 2019 with the already -0.5 percentage point.

**Table 2 GRDP Contribution to Growth
CAR:2020
(At Constant 2018 Prices)**

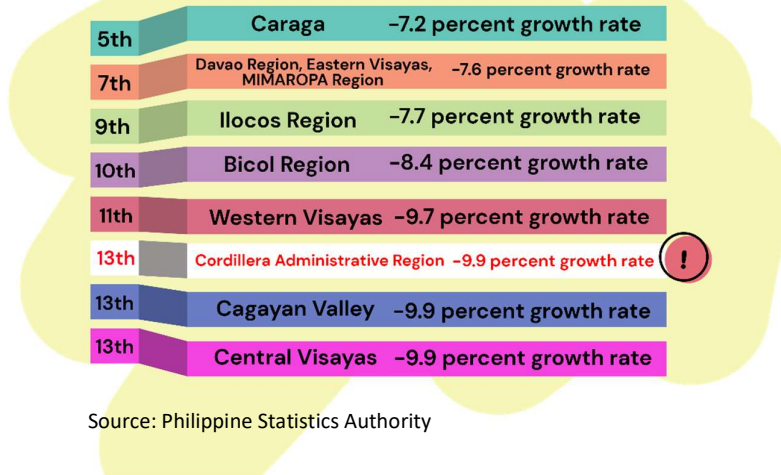
Industry	2018-2019	2019-2020
Agriculture, Forestry, and Fishing	0.4	-0.2
Industry Sector	-0.5	-3.0
Services	4.4	-6.7
Gross Regional Domestic Product	4.4	-9.9

Source: Philippine Statistics Authority

CAR Performance Versus Other Regions

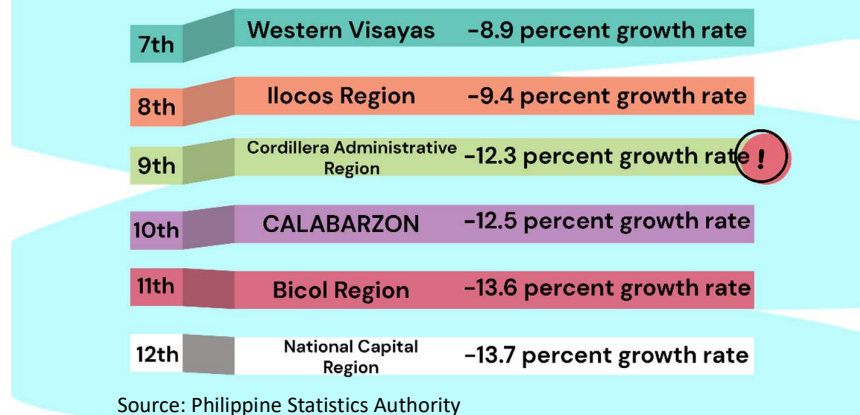
- CAR ranked 13th among the 17 regions, tied with Cagayan Valley and Central Visayas. CAR ranked 15th in 2019 with a GRDP growth rate of 4.4 percent.

Figure 4 GRDP Growth Rates Rank
(At Constant 2018 Prices)



- CAR's Industry sector ranked 9th out of the 17 regional economies with a growth rate of -12.3 percent in 2019-2020. This is significantly higher than 2018-2019 rank of 17th out of 17 regions with a growth rate of -1.8 percent.

Figure 5 GRDP Growth Rates Rank
Industry Sector
(At Constant 2018 Prices)



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Regional Director

Gross Regional Domestic Product (GRDP)

- Measures the economic performance of a region from the perspective of the producers of goods and services. It covers the value of goods and services produced in the region during the reference period.
- GRDP measures the relative contribution of the 16 industries, namely:
 - Agriculture, forestry and fishing;
 - Mining and quarrying;
 - Manufacturing;
 - Electricity, steam, water, and waste management;
 - Construction;
 - Wholesale and retail trade; repair of motor vehicles and motorcycles;
 - Transportation and storage;
 - Accommodation and food service activities;
 - Information and communication;
 - Financial and insurance activities;
 - Real estate activities;
 - Professional, and business services;
 - Public administration and defense; compulsory social activities;
 - Education;
 - Human health and social work activities;
 - Other services.
- Descriptions and details of these industries can be found in the Philippine Standard Industrial Classification (PSIC)

Revised and Rebased National/Regional Accounts

- The revision and rebasing of regional accounts addressed the need for a more liable economic accounts statistics at the regional level to capture the rapidly changing economic phenomenon as results of:
 - information and communication technologies;
 - globalization;
 - digitalization; and
 - the existence of new types of transactions in the economy.

Improvements in the regional accounts

- Shifting the base year to 2018 from the old base year of 2000;
- Expansion of coverage and highlighting of emerging industries and products e.g. Information Communication and Technology;
- Use of comprehensive data as benchmark information;
- Enhanced estimation methodologies;
- Adoption of the latest classification systems of industries and commodities; and
- Use of the Supply and Use Table (SUT) Framework for benchmark levels and for balanced GDP for production, expenditure