



# SPECIAL RELEASE

## 2020 CORDILLERA ECONOMIC PERFORMANCE: SERVICES 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

WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES AND MOTOR-CYCLE IS STILL THE TOP PERFORMING SUB-SECTOR OF THE

SERVICES SECTOR WHICH YIELDED A CONTRIBUTION OF **27.8%**

INDUSTRY SECTOR'S CONTRIBUTION TO THE -9.9 PERCENT GRDP GROWTH RATE IS **-6.7** PERCENT

CAR RANKED **13TH** AMONG 17 REGIONS IN OVERALL GRDP WHILE THE REGION RANKED **14TH** IN THE SERVICES SECTOR GROWTH RATE PERCENT



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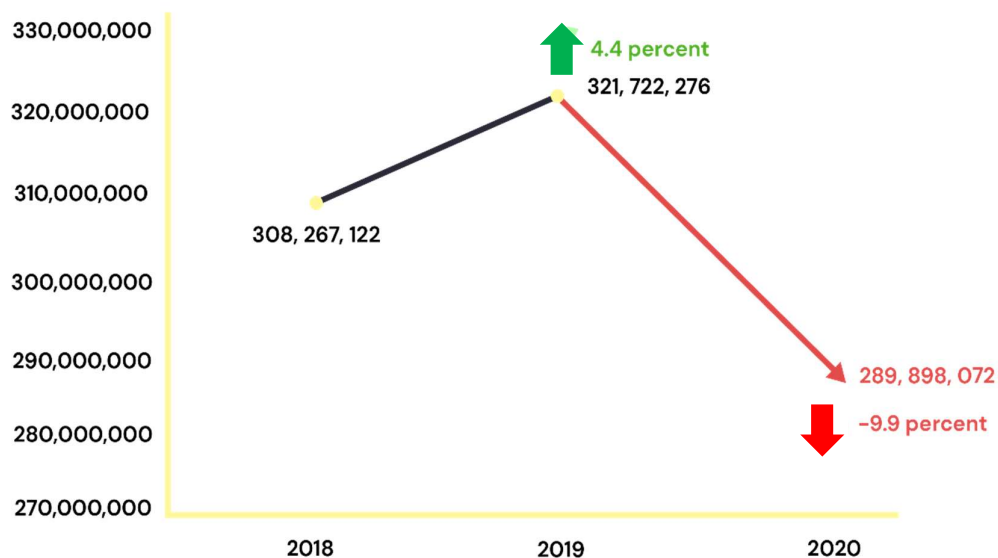


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## CAR's economy declines by -9.9% in 2020

- 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

## Services industry declines deeper with -10.1% contraction

- The Services industry decreased from a positive growth of 6.8 percent in 2019 to a drastic -10.1 percent in 2020. Most of the Services sub-industries declined in 2020, except for Financial and Insurance Activities that grew by 8.2%. Its share to total GRDP was 11.8%, the third biggest share of the total economic output of CAR.
- The second highest increase was Human Health and Social Work Activities with 6.7% growth rate, followed by Information and Communication with 4.1% growth, and Public Administration and Defense; Compulsory Social Activities with 1.1% growth.

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

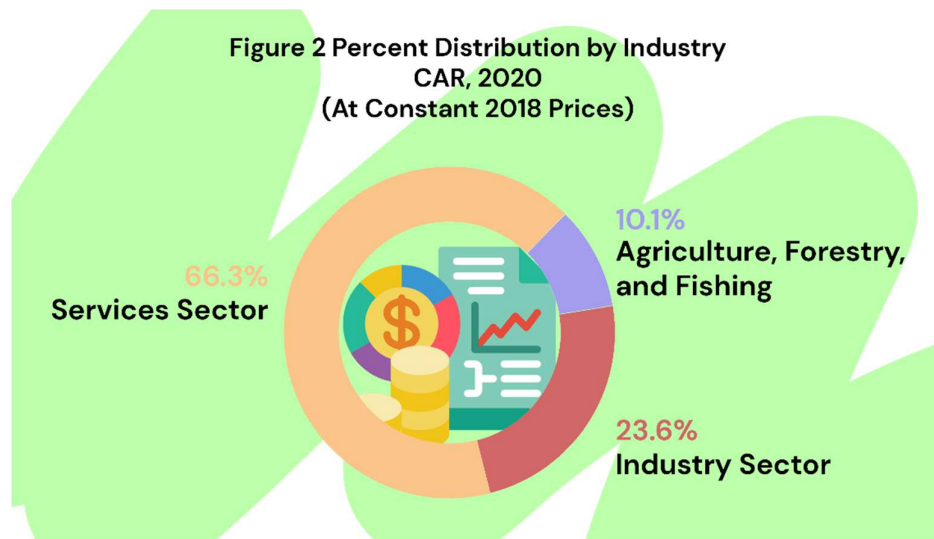
<b>Industry</b>	<b>2018–2019</b>	<b>2019–2020</b>
<b>Services Sector</b>	<b>6.8</b>	<b>-10.1</b>
Wholesale and Retail trade; repair of motor vehicles and motorcycles	6.5	-5.7
Transportation and Storage	-0.7	-26.6
Accommodation and Food Service Activities	0.6	-49.0
Information and Communication	4.9	4.1
Financial and Insurance Activities	22.8	8.2
Real Estate and Ownership of Dwellings	2.6	-16.1
Professional and Business Services	2.0	-4.2
Public Administration and Defense; Compulsory Social Activities	11.9	1.1
Education	3.1	-11.4
Human Health and Social Work Activities	2.5	6.7
Other Services	15.2	-51.4

Source: Philippine Statistics Authority

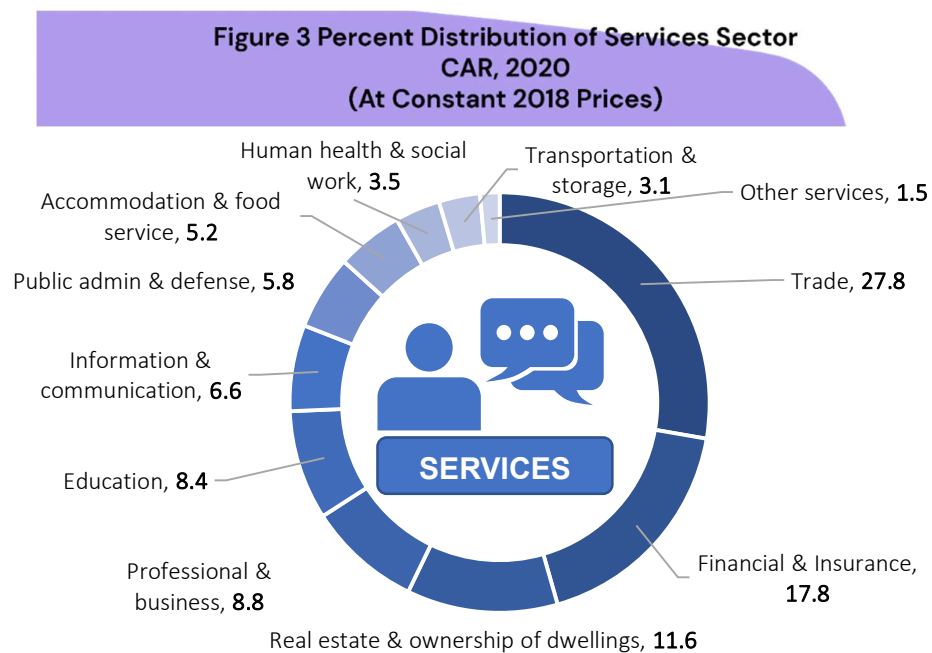
- Other Services, which include but are not limited to arts, entertainment and recreation, barbershops, salons, and funeral parlors, recorded the biggest decline among all sub-industries with 51.4% contraction. But take note this sub-industry contributed only 1.0% to the total GRDP of CAR with an output of 2.9 billion pesos in 2020.
- Accommodation and Food Service Activities contracted 49.0%. The share of the subindustry was 6.1% in 2019, down to 3.4% in 2020. Its output declined from 19.6 billion pesos in 2019 to 10.0 billion pesos in 2020. This subindustry pulled down the region’s economy by 3.0 percentage points, hence, the biggest contributor to the decline of the region’s economy.
- Transportation and Storage also declined by 26.6%. Its share to total GRDP was 2.1%. This was the result of the pandemic impeding the movement of tourists or people to CAR, affecting these sub-industries.
- Real Estate and Ownership of Dwellings declined by 16.1% and Education by 11.4%. Other industries that declined were Trade (-5.7%) and Professional and Business Services (-4.2%).

### **Services comprise 66.3% of CAR’s economy**

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



Source: Philippine Statistics Authority



Source: Philippine Statistics Authority

- The distribution of sub-industries in the Services sector showed that Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (Trade) had the biggest share with at 27.8% which was higher than the previous year's 17.6% share. Financial and Insurance Activities followed with 11.8% which was an increase from the previous year of 9.8% share.
- Real Estate and Ownership of Dwellings contributed 11.6% to the total Services output, while Professional and Business Services shared 8.8%.

### Contribution to growth

- Services contributed most to the region's economic contraction with 6.7 percentage points. Industry further slowed down the regional economy by 3.0 percentage points and Agriculture, Forestry, and Fishing contributed less than a percent to the overall decline of the Cordillera economy in 2020.

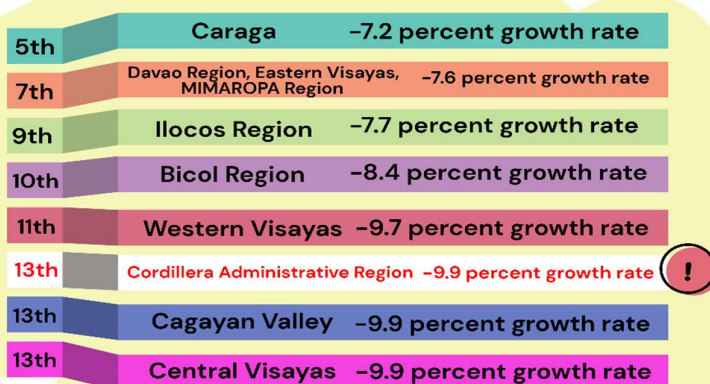
Table 2 GRDP Contribution to Growth  
CAR:2020  
(At Constant 2018 Prices)

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

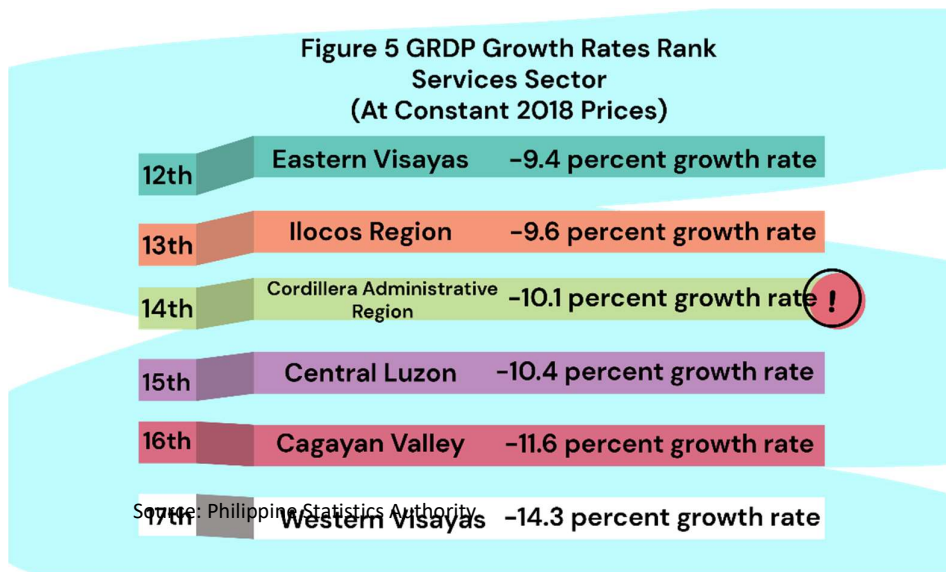
### CAR performance versus other regions

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



Source: Philippine Statistics Authority

- CAR ranked 13<sup>th</sup>, among 17 regions, with a GRDP growth rate of -9.9 percent. This was a slightly higher rank than in 2019 in which the region ranked 15<sup>th</sup> with a GRDP growth rate of 4.4%.



- Among the regions, CAR's services sector ranked 14<sup>th</sup> out of 17 with a growth rate of -10.1% in 2020.

**VILLAFE P. ALIBUYOG**  
Regional Director

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## TECHNICAL NOTES

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### **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