

PRESS RELEASE

July 22, 2009

Contact Person : Irene B. Ubungen
Tel. No. (072)607-89-23; (072)700-30-35
Email: nscbregion1@yahoo.com

Ilocos Region's Economy Decelerates as AFF Contracts

Ilocos Region's economy grew by 2.2 percent in 2008, lower than the 5.7 percent growth in 2007. The decelerated growth was largely due to the negative growth in Agriculture, Fishery and Forestry (AFF).

The service sector, the biggest contributor to the region's economy with a 43.6 percent share to the total Gross Regional Domestic Product (GRDP) in 2008, slowed down to 4.2 percent from 5.4 percent in 2007. The growth in the service sector was largely fuelled by the growth of trade, which was the main contributor to the service sector. Trade grew modestly by 3.8 percent in 2008 from 6.1 percent in 2007. Slower growths were likewise noted in transportation, communication and storage (5.5 percent), finance (1.1 percent), and ownership of dwellings and real estate (1.9 percent). On the other hand, private services expanded by 7.4 percent while government services rose by 5.1 percent in 2008 from 2.2 percent in 2007.

AFF which contributed 42.9 percent to the region's economy in 2007, contracted by 1.0 percent in 2008, thereby decreasing its share to the region's output to 41.5 percent. The negative growth was largely brought about by the decline in the production of other crops which resulted from the effects of typhoon Cosme.

Industry, contributing 14.8 percent to the total GRDP in the region in 2008, registered a lower growth of 5.8 percent growth in 2008, from 10.7 percent in 2007. Construction continued to grow but at a slower rate of 5.1 percent in 2008 from 14.9 percent in 2007. Manufacturing likewise increased by 4.9 percent in 2008 from 5.3 percent in 2007. Meanwhile, mining and quarrying leaped by 19.0 percent due to the increased production in stone quarrying. Electricity and water recorded a faster growth of 8.9 percent in 2008, from 7.9 percent in 2007, due to higher power generation in the region.

The region's 2.2 percent growth was mainly contributed by the service sector with a 1.8 percentage-point share. The industry sector also shared 0.8 percentage points to the regions' growth.



ROMULO A. VIROLA
Secretary General