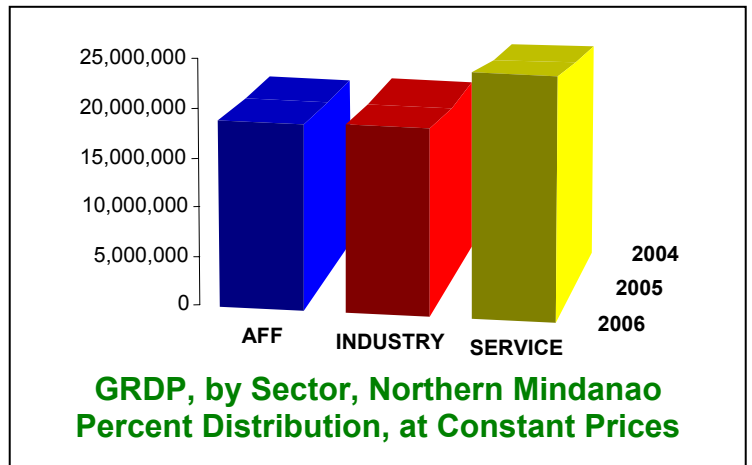


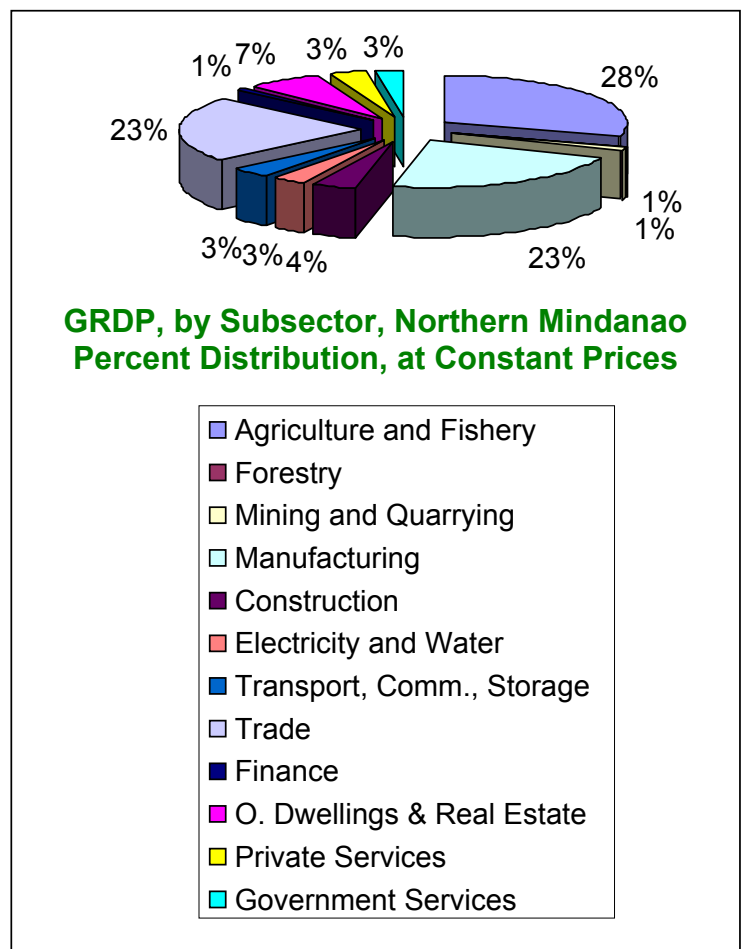


A Robust Northern Mindanao Economy

The regional economy of Northern Mindanao is almost evenly composed of the three major sectors, namely (a) Agriculture, Fishery and Forestry (AFF), (b) Industry, and (c) Service, with their corresponding percentage distribution: 30.02 percent, 30.05 percent and 39.62 percent, respectively. Among the 12 subsectors, the three (3) major contributors for the 2006 Gross Regional Domestic Production (GRDP) are agriculture and fishery of the AFF sector (29.41%), manufacturing of the Industry Sector (22.60%), and trade of the Service sector (22.70%). Although the Service sector contributed most of the region's economy, agriculture and fishery still had the highest contribution among the subsectors for 2006.



The Agriculture, Fishery and Forestry (AFF) Sector is comprised largely of the agriculture and fishery subsector. Based on BAS data on the value of production for 2006, valued at constant 1985 prices, the top five (5) contributors in the said subsector are corn, chicken, coconut, hog and palay, arranged from the highest to the least. Pineapple, which is dubbed to be the region's prominent trademark, ranked 6th. Moreover, forestry contributed an additional 2% to the Gross Value Added (GVA) to the AFF sector, which converts to 0.61 percent to the entire regional economy, for 2006.



The Industry sector is composed of four (4) subsectors, namely (a) mining and quarrying, (b) manufacturing, (c) construction, and (d) electricity and water. Consistently, the industry sector of the region has remained to be the biggest among the Mindanao regions in terms of gross value added, valued at constant 1985 prices. The manufacturing subsector, which is the main contributor to the region's Industry sector, also ranked 1st among the Mindanao regional economies for the last 3 consecutive years (2004 – 2006). Moreover, Northern Mindanao is also dubbed to be Mindanao's power house as it generates majority of the electricity requirements of the Mindanao grid. The electricity generation capacity of the region has further been augmented with the operation of STEAG coal-power plant as of 2nd quarter of 2006.

The Service sector of Northern Mindanao has also become one of the biggest among the Mindanao economies in terms of GVA. Its continued acceleration in the past 3 years made it the biggest among the Mindanao regions in 2005, surpassing the GVA of the Service sector of region 11 by a mere 0.04 percentage points relative to its GVA percentage contribution, per region, to the GVA of the entirely Service sector of the Philippine economy. With the geographic advantage of the region's capital, Cagayan de Oro City, (being almost equidistant to the other major cities in Mindanao) the trade subsector has always been the main

contributor in this sector, and has also continually become the biggest among the Mindanao economies in terms of GVA, valued at constant 1985 prices.

The Northern Mindanao economy had a robust growth for 2006 of 6.8 percent which is fueled by the accelerated growth of all its 3 major sectors, further implying that all sectors have benefited to economic developments of the region. The Service sector attained the highest growth of 7.9 percent and provided the highest contribution to growth, contributing 3.1 percentage points to the 6.8 regional growth.

The almost-even distribution of the region's economy among its major sectors, and considering that three major subsectors (agriculture and fishery, manufacturing and trade) also belong to the different sectors (AFF, Industry and Service), may be considered by most economists to be almost ideal in the sense that a poor performance in one sector could be buffered by the remaining sectors. However, with the interrelation of the three (3) main subsectors (agriculture and fishery, manufacturing and trade) that may be deemed to be the pillars of the region's economy, in the sense that agriculture provides the inputs to a significant part of the region's manufacturing and, further, a significant part of the region's trade depends on manufacturing, policies must therefore be formulated to safeguard the concomitance of these three (3) "pillars" as well as their interdependency to the rest of the subsectors in order to maintain the robust economic performance of the region.

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Source of data: Gross Regional Domestic Production, National Statistical Coordination Board

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