

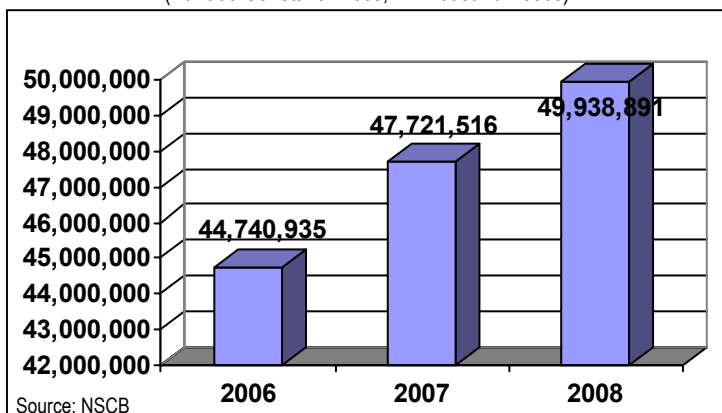


## SOCCSKSARGEN's growth slips to 4.6 percent in 2008 due to slowdown in all major sectors

SOCCSKSARGEN's economy grew at a slower pace of 4.6 percent growth in 2008 from a robust performance of 6.7 percent in 2007. The region's lower growth rate was attributed to the slowdown in all three major sectors due to peace and order problems in Mindanao, severe flooding in the region brought by Typhoon Frank, and global financial meltdown. Despite the slowdown, SOCCSKSARGEN's growth in 2008 was the third highest in the country, behind Northern Mindanao (5.3%) and NCR (4.9%). Except for Eastern Visayas, all regions in the country experienced lower growths during the year.

At 1985 constant prices, the region's economy amounted to ₱49.9 billion in 2008 from ₱47.7 billion in 2007. The region contributed 3.5 percent to the total Philippine domestic output and 19.6 percent of Mindanao's total economic output.

Gross Regional Domestic Product, Region XII: 2006-2008  
(At 1985 Constant Prices, In Thousand Pesos)



### AFF top contributor to the economy

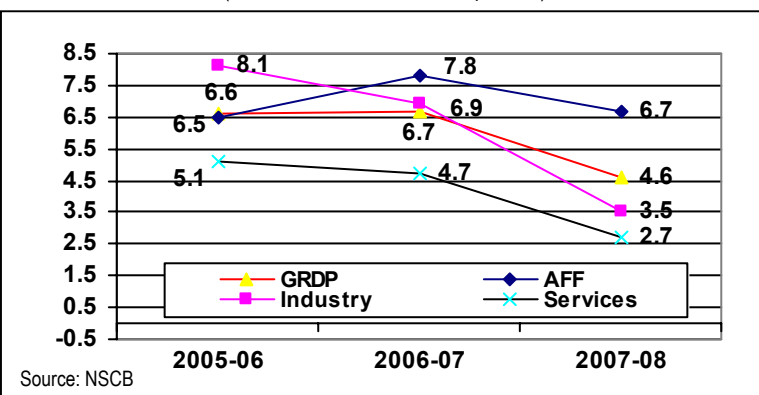
AFF, the biggest contributor to the region's total output at 42.9 percent, posted the highest growth among the three major sectors although it grew at a slower rate of 6.7 percent in 2008 compared to the 7.8 percent posted in 2007. The favorable performances turned in by fishery and livestock were not able to offset the lower growths posted by corn, coconut, banana, pineapple, rubber and other crops and poultry. Sugarcane production, on the other hand, posted a remarkable growth attributed to the higher demand for muscovado sugar in the local and international markets. Also, sugarcane is being eyed as an alternative source of biofuels. SOCCSKSARGEN posted the second highest growth in the AFF next to Northern Mindanao (10.7%). The region accounted for 8.3 percent of the country's AFF output and 23.6 percent of Mindanao.

### Industry slows down as all subsectors weakened

The industry sector, which accounted for about 31.0 percent of the region's total economic output, dived from a 6.9 percent growth in 2007 to a modest 3.5 percent growth in 2008 as all of its subsectors experienced a slowdown. Manufacturing which accounted for the biggest share of the total industry output dropped from 5.4 percent to 3.4 percent; mining and quarrying, 9.1 percent to 3.9 percent; and construction, from 18.1 percent to 5.8 percent. Electricity and water contracted to

a negative 1.5 percent in 2008 from a 4.1 percent growth in 2007 due to reduced power generation of the Mt. Apo geothermal plants located in Cotabato Province. SOCCSKSARGEN comprised 3.5 percent of the Philippines' total industry sector output and 21.7 percent of Mindanao.

Growth Rate of the Gross Regional Domestic Product, Region XII: 2006-2008  
(At 1985 Constant Prices, In percent)

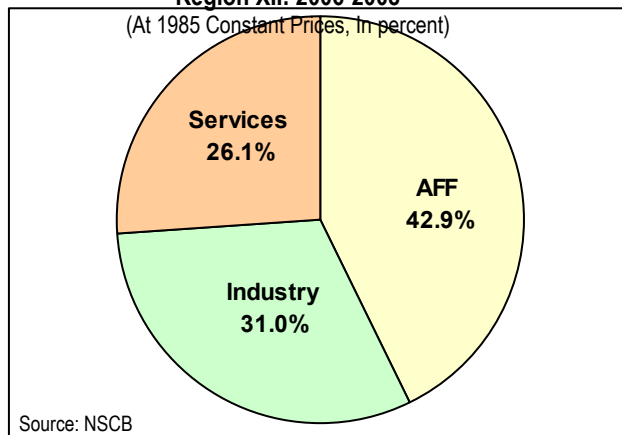


Source: NSCB

### Services lowest contributor to regional growth

The services sector, which comprised 26.1 percent of the region's economy, decelerated to 2.7 percent in 2008 from 4.7 percent in 2007 as all subsector outputs recorded weak performances except for ODRE and government services. TCS grew by only 0.6 percent in 2008 from 5.7 percent in 2007; finance, 3.5 percent from 5.8 percent; private services, 4.1 percent from 5.3 percent. ODRE, on the other hand, more than doubled its growth as it went up from 1.2 percent in 2007 to 2.8 percent in 2008 and government services substantially grew from 3.6 percent in 2007 to 6.9 percent in 2008. The region comprised 1.9 percent of the nation's total services output and 14.6 percent of Mindanao.

Distribution of the Gross Regional Domestic Product, Region XII: 2006-2008  
(At 1985 Constant Prices, In percent)



Source: NSCB

AFF posted the biggest contribution to the GRDP growth at 2.8 percentage points followed by the industry sector at 1.1 percentage points and service sector at 0.7 percentage point.

Per capita GRDP rose by 2.3 percent in 2008 to ₱12,792 from ₱12,499 in 2007.