



Household expenses make more than half of CAR's total expenditures in 2004

Expenditures on the Gross Regional Domestic Product (GRDP) of the Cordillera Administrative Region (CAR), which shows the sum of the final uses of good and services in the region's economy, grew by 4.1 percent to reach ₱27.2 billion in 2004 at constant 1985 prices. The increase was propelled mainly by the growth in Personal Consumption Expenditure (PCE) or the spending of households within the region.

Total household expenditures or PCE contributed more than half or 53.1 percent of the expenditures on CAR's GRDP. PCE grew significantly by 4.5 percent or from ₱13.8 billion in 2003 to ₱14.4 billion in 2004.

Net Exports, the second highest contributor to total regional expenditures at 22.8 percent, experienced minimal growth of 0.01 percent. This translates to an additional ₱ 66.5 million pesos to the 2003 level.

Capital Formation or investments in fixed capital, which accounted for 18.0 percent of the total expenditures in CAR, posted the highest growth rate of 7.9 percent in 2004. This was primarily due to the increase in construction spending by 7.1 percent. Breeding Stocks and Orchard Development increased slightly by 0.2 percent while investments in Durable Equipment declined by 2.7 percent.

Government consumption only posted a 1.0 percent increase in 2004. The 5.2 percentage point decline from the previous year's growth rate was attributed to the government's austerity measures.

Figure 1: Expenditure Shares on GRDP, CAR: 2004

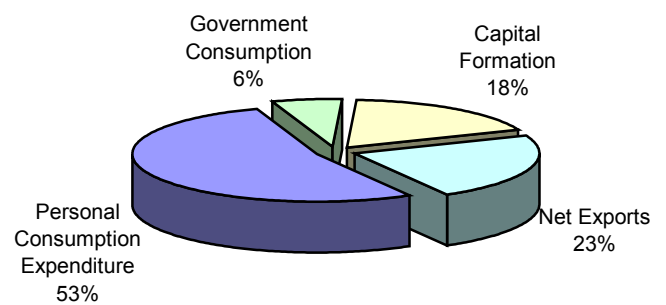


Table 1: EXPENDITURES ON GROSS REGIONAL DOMESTIC PRODUCT BY TYPE OF EXPENDITURE
CORDILLERA ADMINISTRATIVE REGION, 2002 to 2004
At Constant 1985 Prices (In Thousand Pesos)

TYPE OF EXPENDITURE	2002	2003	2004	Percent Distribution			Growth Rates	
				2002	2003	2004	2002 - 2003	2003 - 2004
1. Personal Consumption Expenditure	13,519,465	13,796,764	14,420,031	53.6	52.8	53.1	2.1	4.5
2. Government Consumption	1,541,247	1,636,945	1,653,004	6.1	6.3	6.1	6.2	1.0
3. Capital Formation	5,157,433	4,534,131	4,893,709	20.4	17.4	18.0	(12.1)	7.9
A. Fixed Capital	5,092,879	4,439,174	4,656,415	20.2	17.0	17.1	(12.8)	4.9
1. Construction	4,031,146	3,295,735	3,531,307	16.0	12.6	13.0	(18.2)	7.1
2. Durable Equipment	641,454	711,837	692,716	2.5	2.7	2.55	11.0	(2.7)
3. Breeding Stock and Orchard Development	420,279	431,602	432,392	1.7	1.7	1.6	2.7	0.2
B. Changes in Stocks	64,554	94,957	237,294	0.3	0.4	0.9	47.1	1.5
4. Net Exports	5,014,866	6,142,731	6,209,241	19.9	23.5	22.8	(0.8)	0.01
GROSS REGIONAL DOMESTIC PRODUCT	25,233,010	26,110,571	27,175,984	100	100	100	3.5	4.1