



PR 200507-RDCAR-1

PRESS RELEASE

14 July 2005

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ECONOMY OF CORDILLERA GROWS BY 4.1 PERCENT IN 2004

The economy of the Cordillera Administrative Region (CAR) continued to grow as it accelerated to a 4.1 percent growth in 2004 from 3.4 percent in 2003 due to the rebound of the agriculture, fishery and forestry (AFF) sector and the improved performance of the services sector.

The AFF sector, which accounted for 14.0 percent of the regional economy, expanded by 5.3 percent in 2004, up from a decline of 0.6 percent the previous year. This growth was due to the sizeable improvement in both palay and corn production as a result of the use of high yielding varieties and favorable weather conditions.

The services sector, which comprised 22.5 percent of the GRDP of CAR, grew from 5.0 percent in 2003 to 5.8 percent in 2004. Trade, the fastest growing sub-sector, accelerated from 7.4 percent in 2003 to reach a remarkable 12.4 percent in 2004 largely due to the opening of a major commercial, recreational and shopping complex. Transport, communication and storage (TCS) grew from 7.0 percent to 8.6 percent due to the increase in land transportation and communication services in 2004. As visitor arrivals dropped, private services slowed down from 4.4 percent in 2003 to 3.4 percent in 2004.

The industry sector, which contributed the lion's share or 63.5 percent of CAR's GRDP, slowed down slightly from 3.8 percent in 2003 to 3.3 percent in 2004. Significant gains were posted in all sub-sectors except for mining and quarrying. The construction industry recovered from its decline of 14.0 percent in 2003 to post a dramatic 8.0 percent growth in 2004 as public construction activities increased. Manufacturing managed to sustain a positive growth of 4.0 percent despite the slight decline in export value in the region's lone industrial zone. The sector's growth, however, was offset by mining and quarrying which slid from a high 17.5 percent growth in 2003 to a 2.7 percent contraction in 2004 mainly due to the reduced volume of both gold and copper production.

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