



DATE OF RELEASE:

July 28, 2016

Issue No. 6, Series of 2016

**ECONOMY OF REGION I GROWS BY 5.0 PERCENT**

The economy of Region I grew by 5.0 percent in 2015, though at a slower rate as compared to 6.4 percent in 2014. The slower performance of the region's economy in 2015 was due to the decline in the Agriculture, Hunting, Forestry and Fishing (AHFF) and deceleration in the Services.

Services contributed the largest share in the region's output at 51.4 percent. The Industry on the other hand contributed 26.4 percent. Meanwhile AHFF accounted 22.2 percent in the region's performance in 2015.


Services decelerated from 7.2 percent in 2014 to 6.8 percent in 2015 with the slower growths of all its sub-industries except Transportation, Storage and Communication (TSC). The biggest deceleration was recorded by Public Administration, Defense and Compulsory Social Security (PAD) with a growth of 5.1 percent in 2014 to 1.7 percent in 2015. Financial Intermediation (FI) also slowed down from 7.5 percent growth in the previous year to 5.8 percent this year. Likewise, Other Services (OS), Trade and Real Estate, Renting and Business Activities (RERBA) posted lower growths at 9.4, 7.1, and 5.5 percent, respectively. On the other hand, TSC recorded a faster growth from 5.0 percent in 2014 to 6.9 percent in 2015.

The performance of the Industry accelerated from 6.6 percent in 2014 to 7.5 percent in 2015. The faster growth of the Industry was attributed to the accelerated growth in Construction from 10.6 percent in 2014 to 17.8 percent in 2015. Meanwhile, Manufacturing experienced the biggest deceleration from 8.9 percent in 2014 to 3.2 percent in 2015. Mining and Quarrying (MAQ) and Electricity, Gas, and Water Supply (EGWS) also slowed down at 5.9 and 2.7 percent, respectively.

On the other hand, AHFF suffered reversal from 4.6 percent in 2014 to negative 1.3 percent in 2015. The decline of AHFF was due to the contraction of Fishing by negative 7.6 percent in 2015. Meanwhile, Agriculture and Forestry grew slower from 2.2 percent in 2014 to 0.4 percent in 2015.

Services contributed the biggest share to the region's growth in 2015 at 3.4 percentage points. Likewise, the Industry contributed 1.9 percentage points. On the other hand, AHFF pulled down the region's economic performance by 0.3 percentage point.

Approved for Release:

  
**SOCRATES L. RAMORES**  
Regional Director**P  
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