

CAGAYAN VALLEY BOUNCES BACK IN 2006

2006 was a good year for the Cagayan Valley region after setbacks faced in the previous year. Favorable conditions and some government interventions led to the eventual growths on investments, employment, communications, agriculture, fishery, tourism, and metallic and nonmetallic production.

Such advances not only allowed the region to cope with the negative effects of growing fuel prices but also provided a firmer foundation for the future development of the region's primary industries.

Investments

An improved business environment and stable peace and order situation led to a 45.55 percent growth in investments in the region. In 2006, total investments in the manufacturing industry increased by 850.6 percent or Php1,773.9 million, while total investments in the services sector grew by 49.4 percent or Php2,800.1 million.

But the biggest development came from the 3,525 percent investment growth of the regions' food processing industry, a good portion of which came from the Php3.2 billion venture of the Universal Robina Corporation (URC) and the Cagayan Robina Sugar Milling Corporation (CARSUMCO) as they transferred their food processing and sugar cane milling businesses from Manila to Cagayan.

Also boosting investments were: (a) loans totaling Php4.165 billion from the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP); (b) LBP's loans with lower interest rates (11.45 % compared with 2005's 11.5 %); and (c) Department of Labor (DOLE) – Region 2's Php8 million fund assistance for livelihood projects of cooperatives and associations.

However, investments in agriproduction (-38.77 %), trading (-33.39 %), and construction (-15.53 %) declined due to the increasing cost of farm inputs, crude oil and construction materials.

Labor Force and Employment

The increase in investments trickled down to the household level as employment rate rose from 91.2 percent in 2005 to 96.75 percent in 2006. The number of employed increased by 7.84 percent with the year's addition of 105,000 new jobs.

The agriculture sector continues to be the major job provider followed by the services sector.

Communication

The rise of business operations in the area also led to the increase of demand for wireless communication. This led to more cellular base stations in the region. For 2006, a total of 38 more stations were installed by Globe (22 stations) and Smart (16 stations).

Agriculture

Agribusiness recovered from its 2005 fall as palay and corn production rose by 5.67 percent and 58.46 percent respectively.

Two programs of the Department of Agriculture (DA) helped increase palay yield from 1,848,849 mt in 2005 to 1,953,755 mt in 2006. First was the distribution of hybrid and certified seeds and zinc sulfate to qualified farmers in the region. Second, as a response to destructive drought and typhoons, was the promotion of “*singit* crops” which allows farmers to have three cropping seasons instead of the usual two. In this project, the DA in coordination with the National Irrigation Administration (NIA) provided half-priced seed subsidies and water irrigation for farmers willing to plant “*singit* crops.”

The production growth of yellow corn (61.97 %) and white corn (12.47 %) was attributed to the GMA-Corn Program interventions. The interventions included: (a) the distribution of 5,363 bags of subsidized hybrid corn seeds during the 2nd quarter of the year; (b) the provision of lime in acidic corn areas; (c) the distribution of nitrogen-fixing inoculant Bio-N; (d) the technical assistance on modern and mechanized corn farming; (e) the tapping advance farmers as Farmer Leader Extensionists.

Favorable weather conditions plus these interventions increased the total harvested land area by 40.1 percent or 103,599 hectares. Furthermore, average yield per hectare grew by 13.1 percent or 3.39 mt per hectare.

Fishery

Fish production grew by 16.46 percent as production by municipal and commercial fishing as well as aquaculture production went up by 8.3 percent, 19.29 percent, 31.7 percent respectively. These advances have been attributed to: (a) the interventions of the Bureau of Fisheries and Aquatic Resources’ (BFAR); (b) the booming operation of fishcages in the Magat reservoir; and (c) the capture of foreign poachers.

In collaboration with the local government units (LGUs), BFAR interventions were put into place, namely: (a) the intensified interest-free “Dig Now Pay Later” program; (b) the “Feed Now, Pay Later” program; (c) the regular dispersal of quality brood-stocks and fingerlings; and (d) the technical assistance on the application of improved method of pond preparation and management.

Tourism

In 2006, a total of 635,160 tourists visited the Cagayan Valley region, or a 1.8 percent increase from 2005’s 623,849. Domestic tourists, who accounted for 96.15 percent of the visitors, grew by 1.7 percent. On the other hand, there was 4.57 percent more foreign arrivals

primarily from the USA, Japan, China Korea, Taiwan and Hongkong.

The Department of Tourism (DOT) and the LGUs contributed to this growth by promoting the region through: (a) local festivities; (b) the launching of the “*Paddayaw na Turismo*,” and (c) travel and tourism expos around the country. The *Paddayaw ng Turismo* is an award given to entities who had contributed to the development of tourism in the region.

Metallic and Nonmetallic Production

The completion and rehabilitation of roads and bridges in the area led to 21.16 percent increase in the production of gravel and sand which constitutes 98.53 percent of all metallic and nonmetallic production in the region. In 2006, the region produced 633,497.94 mt of gravel and sand.

Challenges Ahead

The series of fuel price increases has negatively affected the transportation industry by raising mobility costs.

As the region further strengthens its economy, it aims to modernize its agriculture and fishery industries. The establishment of hatcheries and the implementation of techno-demos by the BFAR-Region 2 intend to develop fresh water prawn culture and bangus production. With this, the region would incorporate government programs such as DOLE’s “Self-employment and Entrepreneurship Development” and the “One Town, One Product (OTOP).” These programs are seen to attract more investments in the region and likewise increase employment opportunities.

The region will also continue to develop its transportation network to ease accessibility to and from rural areas and hasten transport of farm inputs and market bound items.

To cope with the growing demand for power due to population growth, increased agroindustrial activity, telecommunications growth, and government and private construction, the Regional Development Plan 2004-2010 intends to tap on natural energy sources such as solar, wind, water, and biogas.

Moreover, basic services shall be strengthened to ease the effects of increasing fuel and commodity prices. Included is the development of three more sources of potable water by the Metro Tuguegarao Water District (MTWD) aimed to restrain the rise of water charges. – *John Anthony Geronimo*

Sources:

Region 2 Annual Regional Economic Situationer (ARES)
http://www.da.gov.ph/gawad_saka/awardee_01b.html