

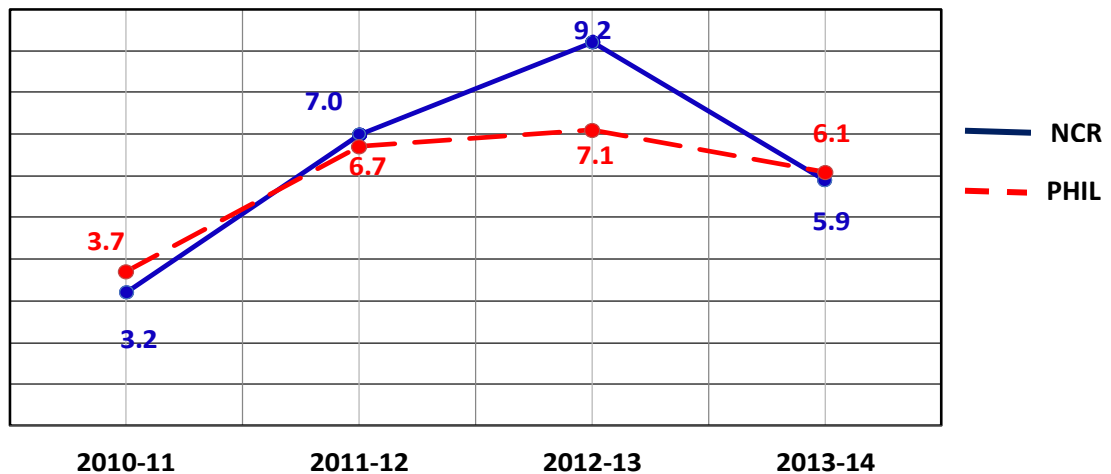
HIGHLIGHTS OF THE GROSS REGIONAL DOMESTIC PRODUCT OF THE NATIONAL CAPITAL REGION, 2014

NCR's economy posts a 5.9 percent growth in 2014

The economy for the National Capital Region (NCR) posted a 5.9 percent year-on-year growth in 2014, a slowdown from its 9.2 percent (*revised*) growth in 2013. This same downward trend was also observed for the growth in the country's economy. It is to be noted that from 2011 to 2013, NCR's economy was increasing faster than that of the country.

Refer to Figure 1.

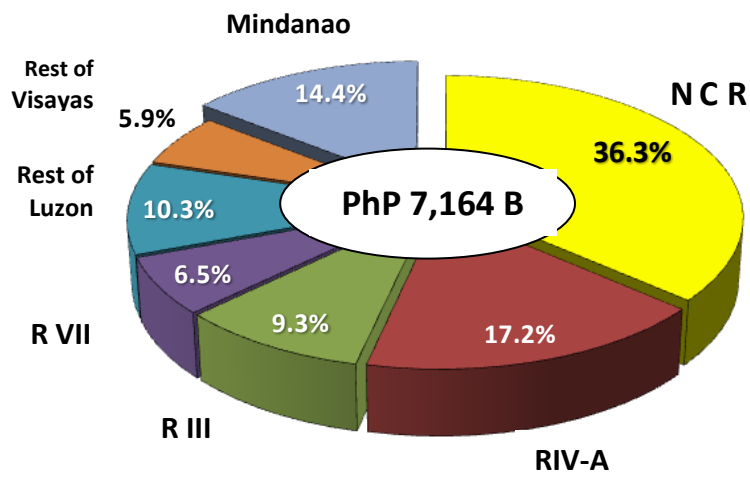
Figure 1. GROWTH RATES of GROSS DOMESTIC PRODUCT, PHILIPPINES and NCR: 2011-2014



Being the center of economic activities in the country, NCR remains the largest among the 17 regional economies. In 2014, NCR contributed more than one-third of the country's Gross Domestic Product (GDP) at 36.3 percent. Calabarzon and Central Luzon followed with the next highest shares of 17.2 percent and 9.3 percent, respectively. Central Visayas contributed a modest share of 6.5 percent while the rest of the regions posted less than 5 percent each.

Refer to Figure 2.

Figure 2. REGIONAL SHARES TO TOTAL GDP, PHILIPPINES: 2014
(At Constant 2000 Prices)



Services sector is still the top economic driver of NCR

The Services sector continued to boost NCR's economy as it accounted for the largest share at more than three-quarters, registering 81.0 percent in 2014. The Industry sector accounted for less than one-fifth or 18.8 percent while Agriculture, Hunting, Forestry and Fishing (AHFF) contributed a mere 0.2 percent to the region's economy in 2014.

Refer to Table 1.

Four leading subsectors contributed more than two-thirds to NCR's economy.

Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household continued to be the top sub-sector in Services as it contributed more than a quarter (28.5%) to the region's economy. Two other leading sub-sectors in Services, namely: Real Estate, Banking and Business Services and Financial Intermediation, also contributed combined shares of 27.4 percent to the economy.

Manufacturing, Industry's top driver, contributed 12.5 percent to the region's economy. Altogether, the combined shares of these four sub-sectors accounted for more than two-thirds or 68.4 percent of NCR's economy.

Refer to Table 1.

Table1. PERCENT CONTRIBUTION TO GRDP BY INDUSTRIAL ORIGIN, NCR:
2012-2014 (at Constant 2000 Prices)

INDUSTRY/YEAR	2012	2013	2014
I. AGRICULTURE, HUNTING, FORESTRY & FISHING	0.2	0.2	0.2
II INDUSTRY SECTOR	17.6	19.3	18.8
a. Mining and Quarrying	0.0	0.0	0.0
b. Manufacturing	10.8	12.5	12.5
c. Construction	3.6	3.7	3.3
d. Electricity, Gas and Water Supply	3.2	3.0	3.0
III SERVICES SECTOR	82.2	80.5	81.0
a. Transport, Storage & Communication	6.3	6.0	6.0
b. Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods	29.1	28.4	28.5
c. Financial Intermediation	10.3	10.6	10.6
d. Real Estate, Renting & Business Activities	15.9	15.9	16.8
e. Public Administration & Defense; Compulsory Social Security	6.4	5.9	5.7
f. Other Services	14.2	13.7	13.4
GROSS REGIONAL DOMESTIC PRODUCT	100.0	100.0	100.0

Growth Rates by Sector/Sub-Sector

The growth rate of the Services sector slightly decelerated from 7.0 percent growth (*revised*) in 2013 to 6.5 percent in 2014. Among the sub-sectors, Real Estate, Renting and Business Activities grew the fastest from 9.4 percent growth (*revised*) in 2013 to 11.9 percent in 2014. Transportation, Storage and Communications likewise expanded from 5.1 percent (*revised*) in 2013 to 5.6 percent in 2014. Public Administration and Defence, Compulsory Social Security accelerated from 1.0 percent growth in 2013 to 1.6 percent in 2014. On the other hand, slowdowns in growth were noted in three subsectors. Financial Intermediation decelerated from 11.7 percent growth in 2013 to 6.4 percent in 2014. Though remaining as Services top driver, Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods slightly decelerated from 6.5 percent growth (*revised*) in 2013 to 6.0 percent in 2014. Other Services, likewise, dropped from 5.1 percent growth (*revised*) to 3.9 percent in 2014.

The Industry sector experienced a sharp decline from 19.6 percent growth (*revised*) in 2013 to 3.2 percent in 2014. The contraction in growth was attributed mainly to unexpected slowdown of two sub-sectors, Manufacturing and Construction. Manufacturing, the Industry's top driver, decelerated from 27.2 percent growth in 2013 to 5.2 percent in 2014. Construction, on the other hand, suffered a reversal from 10.5 percent growth (*revised*) to a negative growth of 3.8 percent in 2014. Electricity, Gas and Water Supply also slightly decelerated from 4.2 percent growth (*revised*) in 2013 to 3.5 percent in 2014.

The Agriculture, Hunting, Forestry and Fishing sector rebounded from negative 5.4 percent (*revised*) in 2013 to positive 4.1 percent in 2014.

Refer to Table 2.

Table 2. GROWTH RATES BY SECTOR/SUB-SECTOR, NCR:
2012-2013 and 2013-2014 (At Constant 2000 Prices)

INDUSTRY/YEAR	2012-13	2013-14
I. AGRICULTURE, HUNTING, FORESTRY and FISHING	(5.4)	4.1
II INDUSTRY SECTOR	19.6	3.2
a. Mining and Quarrying		
b. Manufacturing	27.2	5.2
c. Construction	10.5	(3.8)
d. Electricity, Gas and Water Supply	4.2	3.5
III SERVICES SECTOR	7.0	6.5
a. Transport, Storage & Communication	5.1	6.6
b. Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods	6.5	6.0
c. Financial Intermediation	11.7	6.4
d. Real Estate, Renting & Business Activities	9.4	11.9
e. Public Administration & Defense; Compulsory Social Security	1.0	1.6
f. Other Services	5.1	3.9
GROSS REGIONAL DOMESTIC PRODUCT	9.2	5.9

Services is also the biggest contributor to GRDP Growth

Among the major sectors, Services contributed the highest to NCR's growth rate in 2014 at 5.2 percentage points or 88.1% to NCR's GRDP growth of 5.9 percent. This was followed by Industry with only 0.6 percentage point while AHFF's contribution to the region's economic growth was nil.

Refer to Table 3.

Table 3. PERCENT CONTRIBUTION TO GRDP GROWTH BY SECTOR/SUB-SECTOR, NCR: 2012-2013 and 2013-2014 (at Constant 2000 Prices)

SECTOR/SUB-SECTOR	2012-13	2013-14
I. AGRICULTURE, HUNTING, FORESTRY & FISHING	0.1	0.1
II INDUSTRY SECTOR	3.4	0.6
a. Mining and Quarrying	0.0	0.0
b. Manufacturing	2.9	0.7
c. Construction	0.4	(0.2)
d. Electricity, Gas and Water Supply	0.1	0.1
III SERVICES SECTOR	5.7	5.2
a. Transport, Storage & Communication	0.3	0.3
b. Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods	1.9	1.7
c. Financial Intermediation	1.2	0.7
d. R. Estate, Renting & Business Activities	1.5	1.9
e. Public Administration & Defense; Compulsory Social Security	0.1	0.1
f. Other Services	0.7	0.5
GROSS REGIONAL DOMESTIC PRODUCT	9.2	5.9

Comparative Regional Economic Performance

Structure of Regional Economies

Regional economies are classified according to their industrial structure, namely: Agriculture-based, industry-based, and service-based. Only one region, which is ARMM, was predominantly agricultural in 2014. Four regions were predominantly industry-based and these included CAR, Regions III, IV-A and VIII. This means that the industry sector is the biggest contributor to their respective region's economy. On the other hand, 12 regions were predominantly service-based and these included NCR, Regions I, II, IV-B, V, VI, VII, IX, X, XI, XII and XIII.

Growth Rates by Region

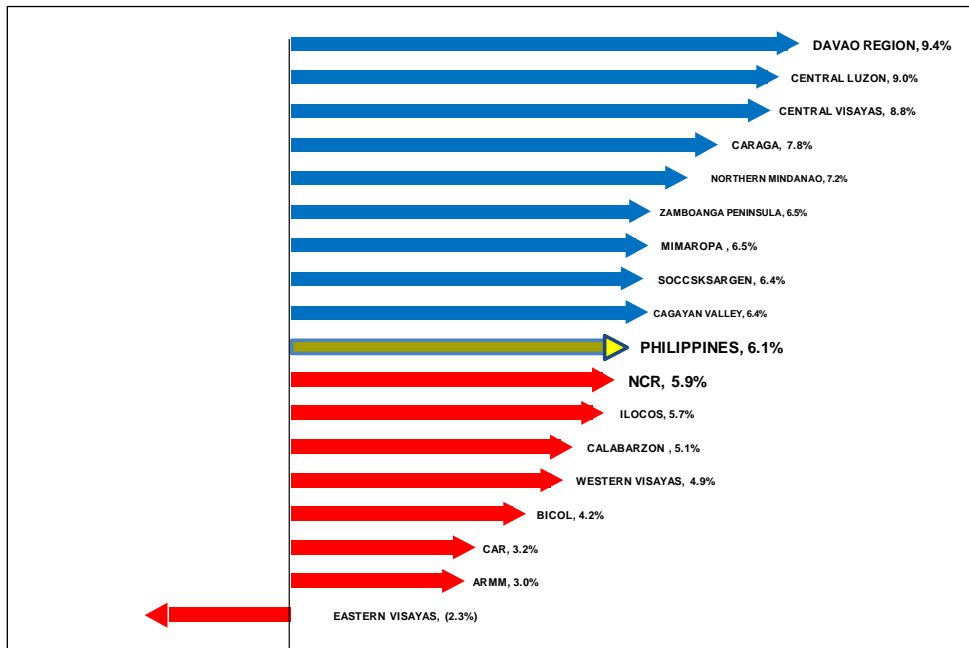
Comparative performance of the regions in terms of growth rates showed that Davao was the fastest growing region (9.4%) in 2014 as it led nine regions whose economies grew higher than that of the country's 6.1 percent growth.

On the other hand, NCR joined the other eight regions whose GRDP growth rates were lower than the country's GDP growth.

Eastern Visayas was the only region that experienced negative growth in 2014.

Refer to Figure 3.

Figure 3. GRDP GROWTH RATES BY REGION: 2013-2014
(At Constant 2000 Prices, in Percent)



Regional Contribution to GDP Growth

NCR registered the highest contribution at 2.1 percentage points (34.4%) to the country's GDP growth rate of 6.1 percent. The rest of the regions contributed less than 1 percentage point each.

Refer to Table 4.

Table 4. REGIONAL CONTRIBUTION TO GDP GROWTH RATE: 2013 - 2014
(At Constant 2000 Prices, in Percent)

AREA	2013	2014
PHILIPPINES	7.1	6.1
NCR	3.3	2.1
CAR	0.1	0.1
ILOCOS	0.2	0.2
CAGAYAN VALLEY	0.1	0.1
CENTRAL LUZON	0.4	0.8
CALABARZON	1.2	0.9
MIMAROPA	0.0	0.1
BICOL	0.2	0.1
WESTERN VISAYAS	0.1	0.2
CENTRAL VISAYAS	0.5	0.6
EASTERN VISAYAS	0.1	(0.1)
ZAMBOANGA PENINSULA	0.1	0.1
NORTHERN MINDANAO	0.2	0.3
DAVAO REGION	0.3	0.4
SOCCSKSARGEN	0.2	0.2
CARAGA	0.1	0.1
ARMM	0.0	0.0

Per Capita GRDP and Per Capita GRDP Growth Rate

NCR registered the highest per capita GRDP estimated at PhP 203,106 in 2014, or nearly three times higher than that of the country's per capita GDP (PhP 71,726). Aside from NCR, Calabarzon and CAR were the only other regions with per capita GRDP higher than that of the country's per capita GDP. For the rest of the regions, per capita GRDP estimates were below the country's per capita GDP.

Refer to Table 5.

Table 5. PER CAPITA GRDP BY REGION: 2012-2014
(At Constant 2000 Prices, in Philippine Pesos)

REGION / YEAR	2012	2013	2014
PHILIPPINES	5,332	68,741	71,726
NCR	181,748	195,070	203,106
CAR	70,156	72,759	73,908
ILOCOS	40,325	42,588	44,530
CAGAYAN VALLEY	33,816	35,462	37,267
CENTRAL LUZON	55,163	56,528	60,520
CALABARZON	81,562	84,687	86,689
MIMAROPA	38,239	38,138	40,016
BICOL	22,502	24,005	24,688
WESTERN VISAYAS	35,139	35,874	37,162
CENTRAL VISAYAS	56,061	59,211	63,362
EASTERN VISAYAS	33,850	34,952	33,743
ZAMBOANGA PENINSULA	37,077	37,991	39,826
NORTHERN MINDANAO	52,842	54,678	57,593
DAVAO REGION	51,657	54,188	58,307
SOCCSKSARGEN	39,417	41,814	43,578
CARAGA	30,985	33,037	35,142
ARMM	14,052	14,380	14,607

Per capita GRDP growth rate of NCR contracted to 4.1 percent in 2014, which is slightly lower than the country's per capita GDP growth rate of 4.3 percent. Among the regional economies, Davao's per capita GRDP growth rate was also the highest at 7.6 percent.

Refer to Table 6.

Table 6. PER CAPITA GRDP GROWTH RATE BY REGION: 2012-2013 and 2013-2014
(At Constant 2000 Prices, in Percent)

REGION / YEAR	2012-13	2013-14
PHILIPPINES	5.2	4.3
N C R	7.3	4.1
CORDILLERA ADMINISTRATIVE REGION	3.7	1.6
ILOCOS	5.6	4.6
CAGAYAN VALLEY	4.9	5.1
CENTRAL LUZON	2.5	7.1
CALABARZON	3.8	2.4
MIMAROPA	(0.3)	4.9
BICOL	6.7	2.8
WESTERN VISAYAS	2.1	3.6
CENTRAL VISAYAS	5.6	7.0
EASTERN VISAYAS	3.3	(3.5)
ZAMBOANGA PENINSULA	2.5	4.8
NORTHERN MINDANAO	3.5	5.3
DAVAO REGION	4.9	7.6
SOCCSKSARGEN	6.1	4.2
CARAGA	6.6	6.4
ARMM	2.3	1.6

Technical Notes

Gross Regional Domestic Product (GRDP) is a tool to monitor the economic performance of a region. It is the sub-national disaggregation of the Philippine Gross Domestic Product (GDP).

The GRDP includes goods and services produced by all households and establishments in the region. It is usually reported in terms of growth rate in real terms (or at constant prices). Growth rates are presented on a year-on-year basis, that is, growth rate for the year 2014 refers to the percentage increase/decrease from 2013 to 2014.

As the GRDP was developed to measure the performance of the regional economies, it is therefore not a measure of social welfare and living standards.

The conceptual framework of the GRDP is hinged on the 2008 System of National Accounts (SNA) that was adopted by the country in May 2011. The Philippines was then the second in the region to adopt the 2008 SNA.

International institutions like the United Nations, International Monetary Fund, World Bank, Overseas Economic Cooperation and Development, and the European Union are promoting the use of the 2008 SNA for international comparability.

The GRDP was developed in 1974 by the National Accounts of the National Economic and Development Authority, which later became the Economic Statistics Office of the former National Statistical Coordination Board.

With the creation of the Philippine Statistics Authority (PSA) under R.A. 10625, the compilation of the GDP and GRDP is now being managed by the Macroeconomic Accounts Service of PSA-CO and assisted by the PSA regional offices.

The PSA is mandated by law to estimate and disseminate the GDP and GRDP on an annual basis. The GRDP is usually reported through a press conference conducted during the last Thursday of July at 10:00 AM.