



National Economic and
Development Authority
Cagayan Valley

2024

ANNUAL REGIONAL ECONOMIC SITUATIONER

☎ (078) 304-9300

✉ nro2@neda.gov.ph

🌐 neda.rdc2.gov.ph

2024 ANNUAL REGIONAL ECONOMIC SITUATIONER

HIGHLIGHTS

- Inflation settled at 3.4 percent during the year, slowing down from 4.6 percent experienced in 2023. This was driven by the heavily weighted food and non-alcoholic beverage group as rice and corn prices surged due to El Niño.
- Employment in the region continued to surpass the national average, averaging at 96.7 percent this year. However, underemployment remained high, increasing to 19.6 percent, with adverse weather contributing to this increase.
- Palay production declined by three percent due to the adverse effects of El Niño and La Niña, and the series of typhoons during the last quarter of the year.
- Corn production marginally decreased during the year despite the setbacks faced by the agriculture sector. The region remains the top corn-producing region.
- Poultry production in the region increased across all categories except for turkey.
- Poultry eggs showed varied trends across categories as chicken, goose and quail eggs production increased while duck and turkey decreased.
- Fisheries production in the region contracted by seven percent due to the reduced production across all categories.
- The number of vehicles registered with the Land Transportation Office (LTO) increased by 5.2 percent, driven by the 7.2 and 4.8 percent increase in new registrations and renewals, respectively.
- The BIR reported a PHP14.88 billion revenue collection, representing a growth of 14.3 percent from last year.
- Approved foreign investments jumped from PHP200 million in 2023 to PHP3.3 billion in 2024. However, this increase failed to offset the 51.0 percent decline in investment pledges from Filipino nationals.

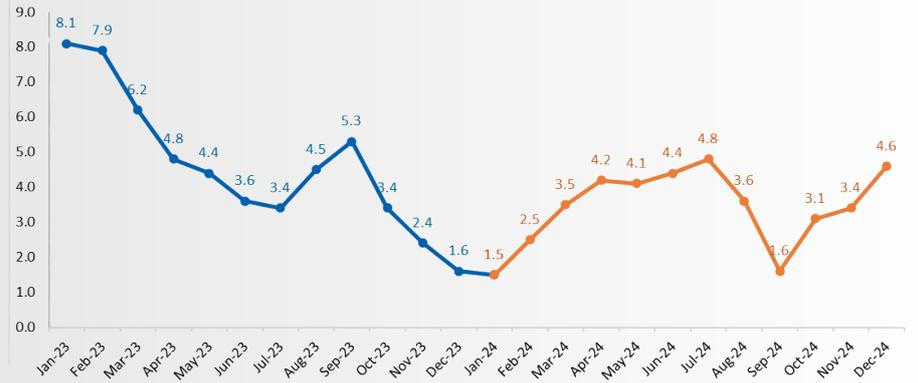
MACROECONOMY

Inflation Rate, Region 2, 2023–2024

INFLATION

Inflation settled at 3.4 percent during the year, slowing down from 4.6 percent experienced in 2023. This was higher than the national average logged at 3.2 percent, but still within the government's target range.

Inflation was driven by the heavily weighted food and non-alcoholic beverage group as rice and corn prices surged anew due to lower supply caused by El Niño. Price hikes of vegetables, such as tomatoes, also contributed to food inflation, as typhoons and heavy rains in the fourth quarter affected their production.



Source: PSA

As a result of higher input costs as well as higher demand, price hikes in restaurants and accommodation services accelerated, exhibiting the second biggest contribution to inflation.

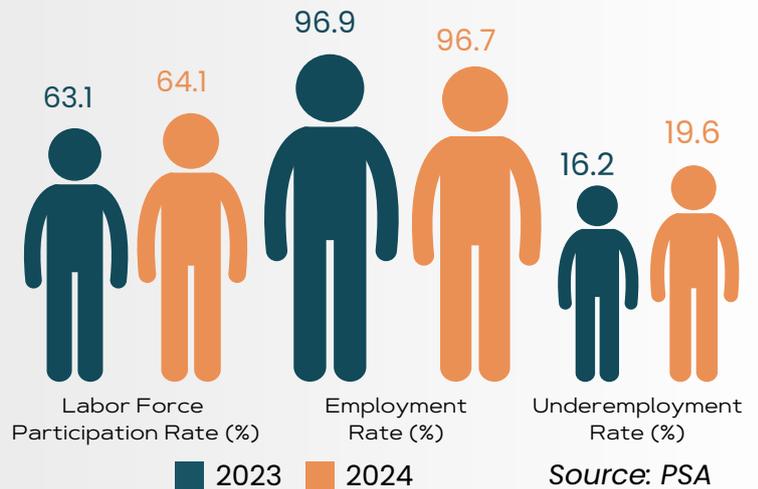
Inflation eased in all commodity groups, except in restaurants and accommodation services, recreation, sport, and culture group, education services, and transport. Rollbacks in housing, water, electricity, gas, and other fuels helped slow down inflation.

EMPLOYMENT

The average number of employed workers increased by more than 53 thousand for a total of 1.5 million employed workers, as the region's labor force expanded. However, this expansion outpaced the creation of new jobs, resulting in a lower average employment rate for the year, recorded at 96.7 percent. Despite the decline, the region maintained an employment rate above the national average logged at 95.7 percent.

Meanwhile, underemployment for the year hit 19.6 percent, higher than the national average at 13.3 percent. The uptick in underemployment was due in part to inclement weather affecting jobs in the agricultural sector and forcing business suspensions. This reveals a need to improve the quality of jobs in the region, as 323 thousand workers expressed their desire for additional work hours in their present jobs or a new job with longer working hours.

Employment Statistics, Region 2, 2023–2024



Source: PSA

The recent passage of the Corporate Recovery and Tax Incentives for Enterprises to Maximize Opportunities for Reinvigorating the Economy (CREATE MORE) Act and the Enterprise-based Education and Training Framework Act aims to address gaps in the labor sector in both the demand and supply sides.

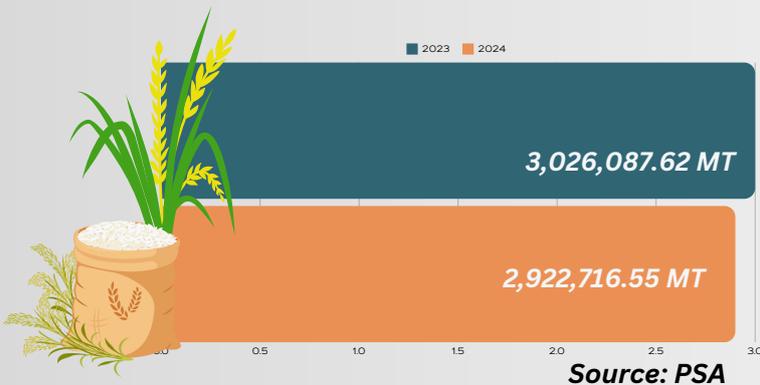
AGRICULTURE

PALAY

The palay production in the region yielded 2.9 million metric tons (mt) during the year. This is three percent lower than the palay produced in 2023. Cagayan province recorded the largest decline of 64 thousand mt followed by Quirino and Nueva Vizcaya with 18 thousand mt and 11 thousand mt, respectively. The region faced the impact of the El Niño during the second quarter, crop damage caused by flooding during La Niña, and the onslaught of a series of typhoons during the last quarter.

Despite production decline, the region remained the second palay-producing region in the country next to Central Luzon. The region contributed 15 percent to the total national palay output.

Palay Production, Region 2, 2023–2024



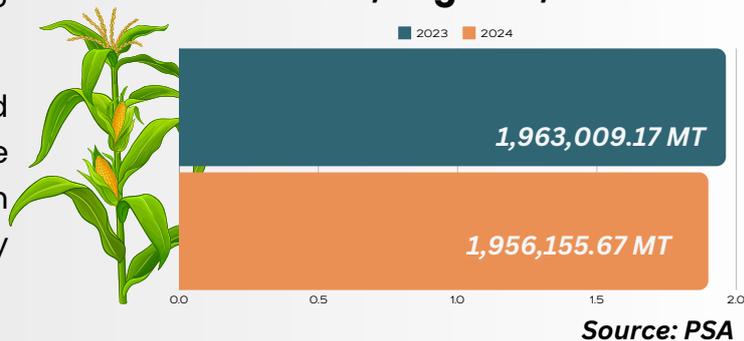
LIVESTOCK AND DAIRY

The total volume of livestock production in the region was estimated at 59,286 mt. This showed a three percent increase from the previous year. Hog and goat production contributed to the four percent growth, while cattle production remained constant. Dairy production contracted by 22 percent during the year. To address the industry challenges, the National Dairy Authority of the Department of Agriculture plans to expand the national dairy herd, boost milk yields, create demand, raise public awareness, and increase farmers' incomes.

CORN

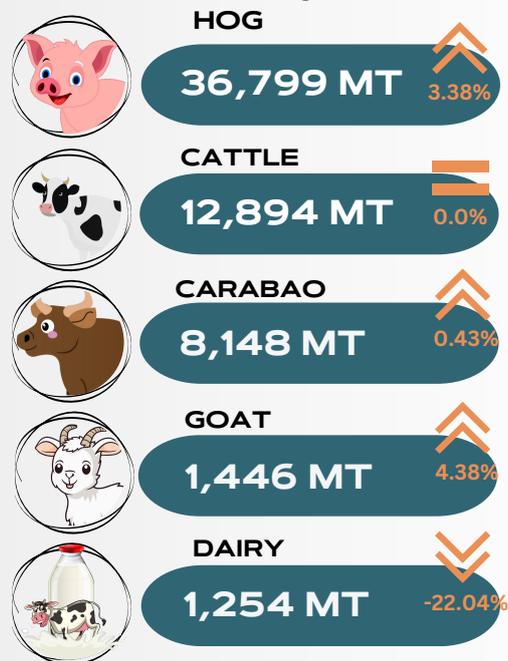
Corn production in the region recorded a marginal decrease during the year despite the setbacks faced by the agriculture sector. The region produced two million mt, less than one percent lower than the previous year's production. Among provinces, Isabela contributed the biggest output, yielding one million mt or 59 percent of the total regional production, followed by Cagayan and Quirino.

Corn Production, Region 2, 2023–2024



The region maintained its position as the top corn-producing region in the country despite the combined effects of El Niño and La Niña. The region's corn production contributed 24 percent to the total national corn output. This was followed by Northern Mindanao, contributing 19 percent, and the Bangsamoro Autonomous Region in Muslim Mindanao at 15 percent.

Livestock Production, Region 2, 2023–2024



POULTRY

Poultry production showed varied trends across categories during the year. Chicken and duck production increased by three and four percent, respectively. Goose production increased significantly by 55 percent, and quail production by 165 percent. Turkey production contracted by 25 percent, yielding to 45 mt production.

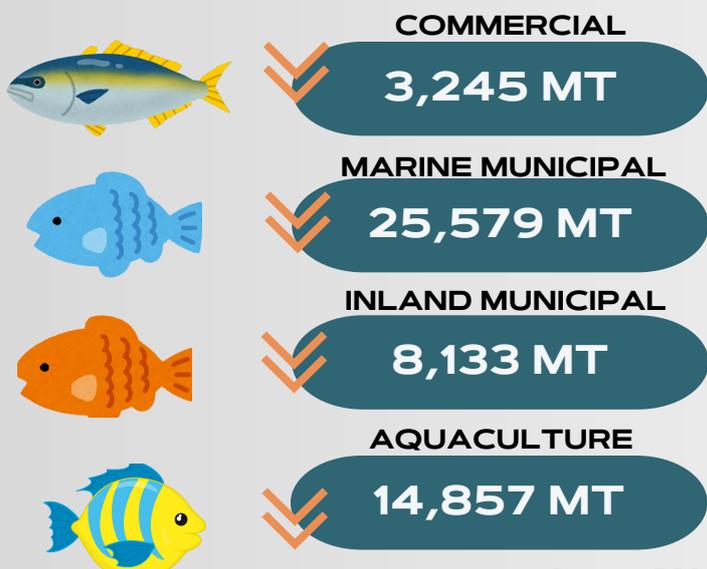
POULTRY EGGS

Poultry egg production saw the various trends across categories. Chicken egg production increased by 13 percent, adding two thousand metric tons during the year. Similarly, quail egg production significantly increased, adding 169 metric tons, and goose egg production added two metric tons. However, duck and turkey egg production contracted during the year. Duck egg production declined by seven percent, and turkey egg production by 25 percent.

FISHERIES

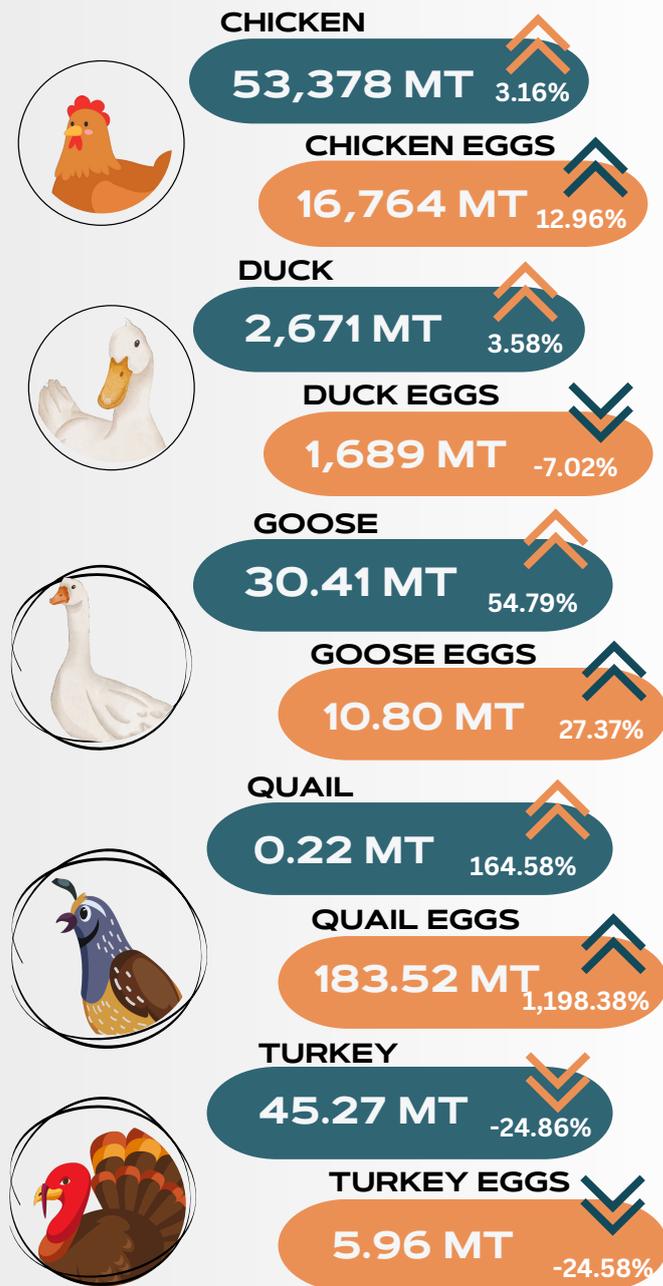
The fisheries production during the year contracted by seven percent. Commercial fisheries which accounted to about seven percent of the total regional fisheries production, declined by 12 percent from 3,690 mt in 2023 to 3,244 mt in 2024.

Fisheries Production, Region 2, 2023-2024



Source: PSA

Poultry Production, Region 2, 2023-2024



Source: PSA

Likewise, municipal fisheries, registered a decline of seven percent, and contributed the biggest share to the total regional fishery output of 59 percent. Among its subsectors, marine municipal fisheries contributed 68 percent to the total municipal fisheries, while inland municipal fisheries contributed 32 percent.

The annual aquaculture volume of production was estimated at 15 thousand mt in 2024 or about seven percent decline from the previous year's output.

INDUSTRY AND SERVICES

MINING AND QUARRYING

METALLIC

In 2024, the region's metallic commodity sector presented a varied performance. Copper concentrates and nickel production increased by 62.8 percent and 37 percent, respectively. Operating days of nickel mining and the improved mill recovery for copper concentrate contributed to the increase. As a result, these commodities also reflected revenue generated with copper concentrate revenue increasing by 12.6 percent and nickel surging by 77.5 percent.

Conversely, gold and silver production slid by 3.2 percent and 5.9 percent attributed to the decline in demand. Despite the drop in production, gold sales still posted a marginal increase due to rising global market prices. However, revenue from silver dropped by 10.1 percent compared to the previous year, settling at PHP206.9 million.

NON-METALLIC

The production of non-metallic commodities, excluding coarse and pure sand, experienced a substantial drop in 2024 compared to the preceding year. Specifically, boulder production suffered the most significant decline of 47.2 percent, followed by mountain soil which decreased by 15.4 percent. Sand and gravel, which constitutes more than half of the total non-metallic commodity output, registered a slight reduction of 0.9 percent.

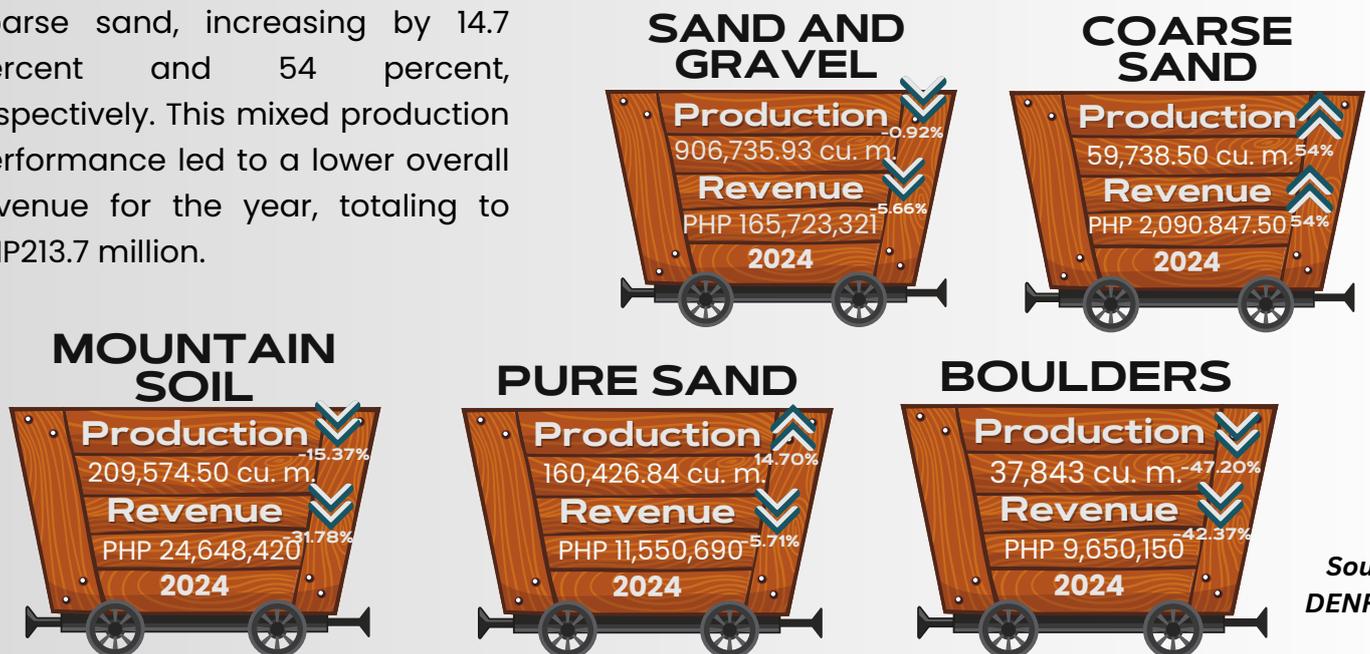
These declines offset the increase in production of pure sand and coarse sand, increasing by 14.7 percent and 54 percent, respectively. This mixed production performance led to a lower overall revenue for the year, totaling to PHP213.7 million.

Volume of Production and Revenue Generated of Metallic Commodities, Region 2, 2023-2024



Source: DENR-MGB

Volume of Production and Revenue Generated of Non-Metallic Commodities, Region 2, 2023-2024



Source: DENR-MGB

TOURISM

Tourist Arrivals, Region 2, 2023-2024



The tourism industry expanded anew as recorded same-day excursions and overnight visits improved by 76.3 percent and 15.6 percent, respectively, relative to the previous year.

Same-day visits reached almost 5.8 million, as parks, churches, ecotourism sites, and other local attractions gained traction in the post-pandemic. The 2024 record represents a 200 percent increase from the recorded same-day visits in 2019. These activities contributed to an estimated PHP10.1 billion to the economy.

On the other hand, tourism establishments overnight visits still struggled for overnight visits in the post-pandemic. This year's record fell behind the 2019 record by 10.0 percent. Notably, recorded overnight visits by foreign guests remained at 88.1 percent lower in 2024 than in 2019. Nonetheless, tourist revenues generated by these visits remain significant, at more than PHP4.5 billion.

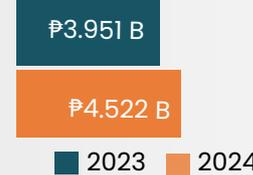
International tourism should be strengthened as foreign guests only accounted for 1.7 percent of the overnight visits and 0.5 percent of same-day excursions in the region.

Tourist Receipts, Region 2, 2023-2024

Same-day receipts (PHP)



Overnight receipts (PHP)



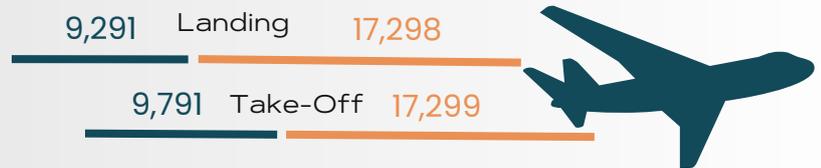
Source: DOT

TRANSPORTATION

AIR

The region's aviation sector showed strong recovery in 2024, reversing the downturn observed in 2023. Aircraft operations saw a substantial increase, with landings rising by 86.2 percent and takeoffs by 76.7 percent. Consequently, passenger arrivals and departures also rose by 25 percent. The volume of cargo movement also posted gains, with a significant 28.2 percent growth in the volume of cargo unloaded, and a 19.1 percent growth in loaded cargo.

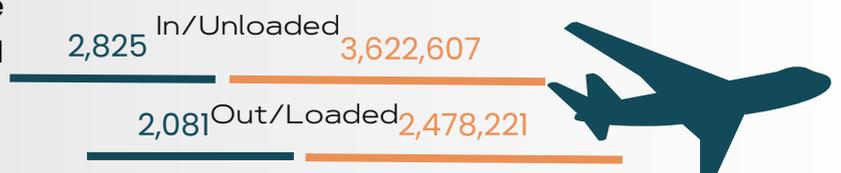
Volume of Aircraft Operations Region 2, 2023-2024



Volume of Passenger Movement Region 2, 2023-2024



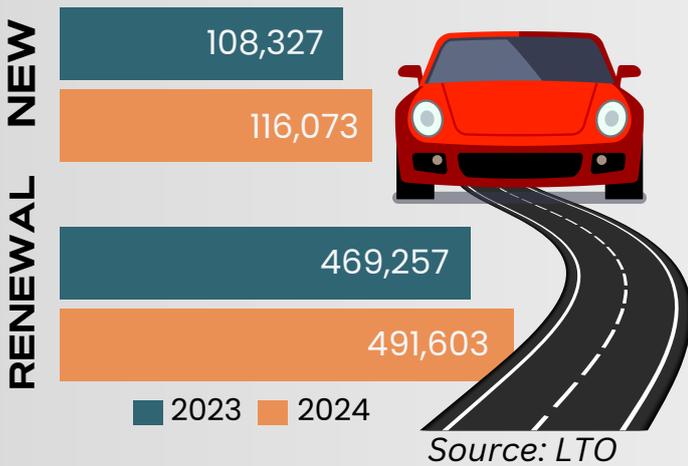
Volume of Cargo Movement, Region 2, 2023-2024



5 Source: CAAP

LAND

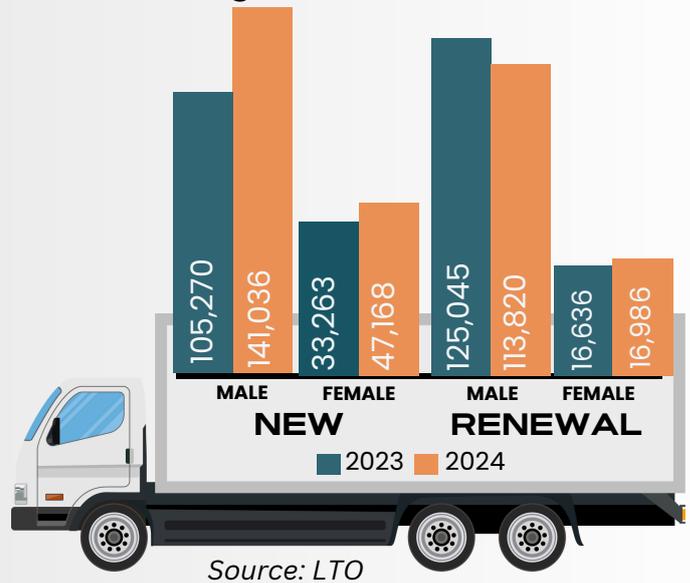
Motor Vehicle Registered, Region 2, 2023-2024



The Land Transportation Office reported a strong performance in 2024, with a 5.2 percent increase in vehicle registrations reaching 607,676 for the year. This growth was driven by the 7.2 percent and 4.8 percent increase in new registrations and renewals, respectively.

Concurrently, licenses and permits issued for the year, increased to 319,010. While professional licenses and conductor’s permits saw a decline, the double-digit percentage increase in non-professional license and student permits offset the poor performance. Male applicants accounted for a significant majority, comprising 80 percent of all license and permit recipients.

Licenses and Permits Issued, Region 2, 2023-2024

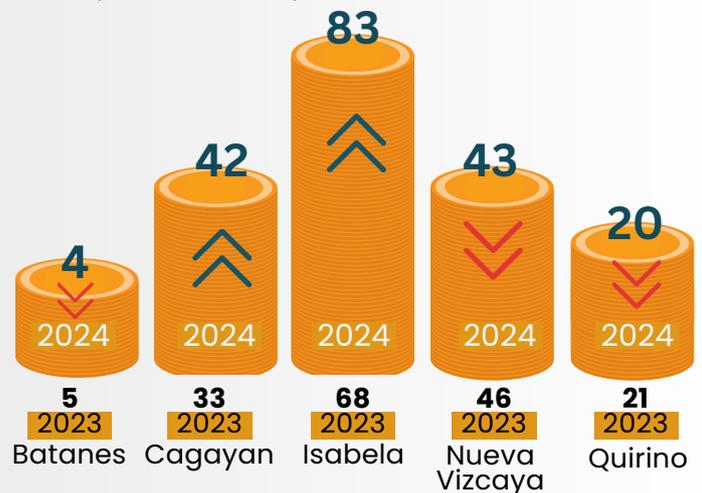


SMALL BUSINESS CORPORATION AVAILMENT

Total SBCorp Loan Amount, Region 2, 2023-2024

(million PHP)

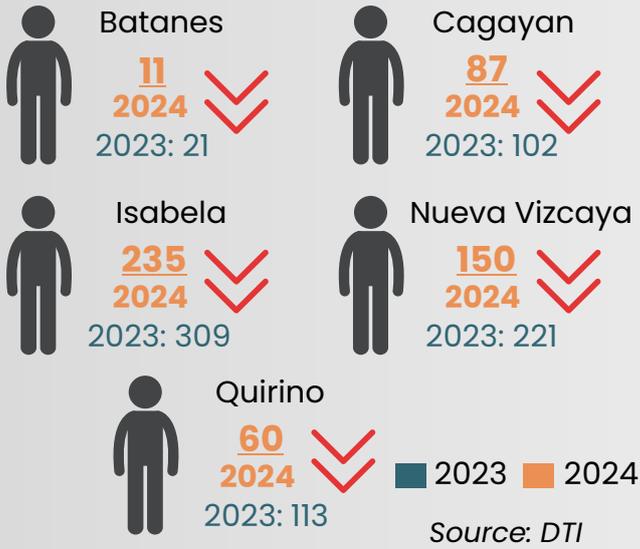
The number of micro, small, and medium enterprises (MSMEs) who availed of loans from the Small Business Corporation (SBCorp) dropped from 766 in 2023 to 543 in 2024, with all provinces reporting fewer borrowers for the year.



However, total loan amount increased by 11.1 percent, amounting to PHP191 billion. The average borrower received PHP352 thousand in 2024, 56.8 percent higher than the average loan amount of PHP225 thousand in 2023.

Source: DTI

Number of SBCorp Borrowers, Region 2, 2023–2024



During the year, 89 MSMEs also collectively received the amount of PHP18.2 billion in loans from the SBCorp under the Enterprise Rehabilitation Financing Program.

The program targets MSMEs in calamity-stricken areas, offering emergency fund to help beneficiaries mitigate the impact of damage to fixed assets and inventories, operational disruption and revenue losses.

APPROVED INVESTMENTS

Approved investments reported by the investment promotion agencies reached PHP16.9 billion, with 80.3 percent thereof pledged by Filipino investors and the rest by foreign investors.

Foreign investment pledges increased from PHP200 million in 2023 to PHP3.3 billion in 2024. However, this increase failed to offset the 51.0 percent decline in investment pledges from Filipino nationals, which fell to PHP13.6 billion.

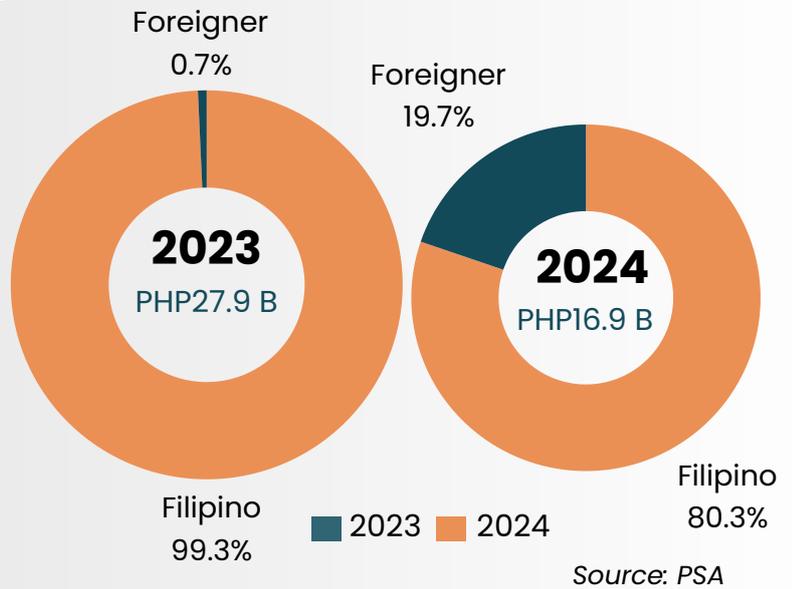
Approved investments in the region made up 0.9 percent of the country's total investment pledges with CALABARZON, Central Luzon and NCR accounting for the biggest shares.

INVESTMENT AT CEZA

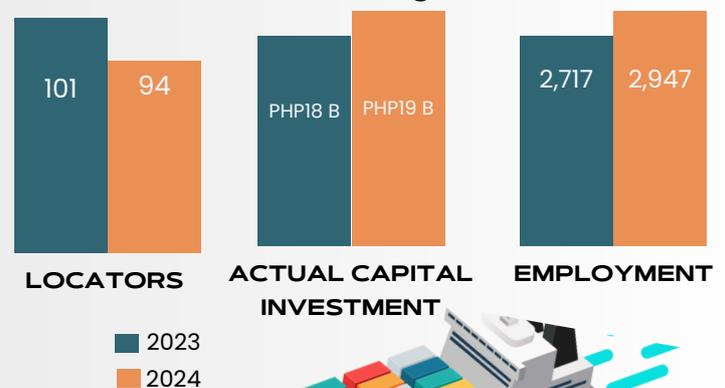
Actual capital investments at the CSEZFFP grew by 5.9 percent as of end of 2024 relative to the same period in 2023. The influx of investments in trading and services offset the investment decline in real estate, ICT, and tourism services.

Of the PHP19.2 billion total actual capital investments, 22.5 percent represent investment in real estate, 21.3 percent in mineral processing and exportation, 14.5 percent in gaming operations, and the rest distributed to other industries.

Approved Investments of Foreign and Filipino Nationals, Region 2, 2023–2024



Locators, Employment and Actual Capital Investments at CSEZFP, Region 2, 2023–2024



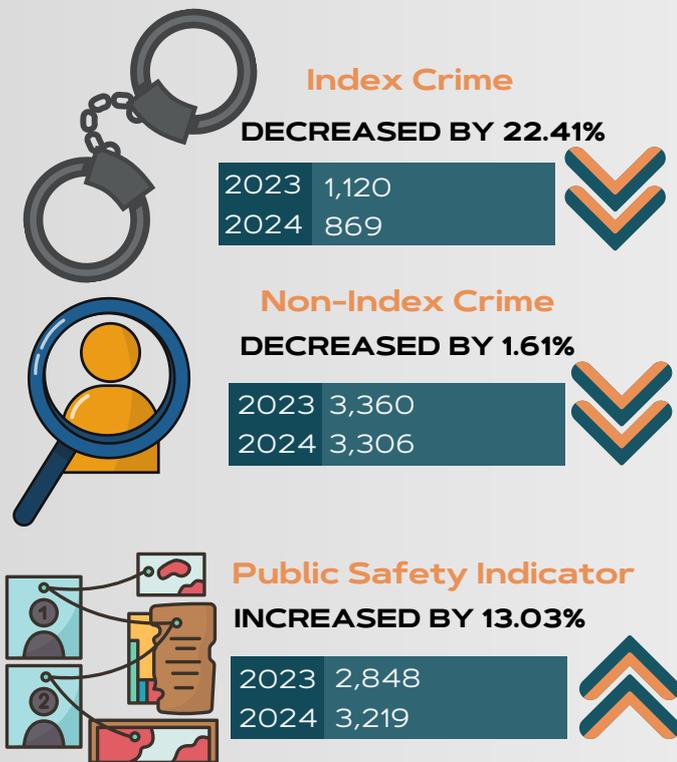
Source: CEZA

Employment generated in the Freeport also increased by 8.5 percent, though the number of registered locators declined. Of the 94 locators, 43 were operational.

Interactive Gaming Support Service/ BPO was the biggest employer, accounting for 86.2 percent of jobs. Tourism services accounted for 10.7 percent and the rest were distributed across the other activities.

PUBLIC SAFETY AND PUBLIC ORDER

Crime Incidence, Region 2, 2023-2024



Source: PNP

The total crime incidents recorded in 2024 increased slightly by 0.9 percent compared to the 7,328 incidents in 2023. While peace and order indicator dropped, the public safety indicator increased by 13 percent, offsetting the former.

Index crimes, comprising 15.3 percent of the total crimes, fell by 22.4 percent. Index crimes include both crimes against people (murder, homicide, physical injury, and rape) and crimes against property (robbery, theft).

Non-index crimes, which include violations of special regulations such as unlawful logging, likewise, went down by 1.6 percent.

Of the total crime volume, 13.4 percent represents gender-based crimes. Rape cases, violations of RA 9262 otherwise known as the Anti-Violence against Women and their Children Act, and violations of RA 7610, otherwise known as the Special Protection of Children against Abuse, Exploitation and Discrimination Act, accounted for 80 percent of these crimes. Acts of lasciviousness, concubinage, and violations of RA 9995 or Anti-Photo and Video Voyeurism Act, RA 11313 or Safe Spaces Act, RA 9208 or Anti-Trafficking in Persons Act, and RA 11930 or Anti-Online Sexual Abuse or Exploitation of Children Act accounted for the rest. Of the 990 recorded incidents, 87 percent had female complainants.

Both crime clearance efficiency and crime solution efficiency declined during the year, down by 1.8 percentage points and 0.7 percentage points, respectively. A crime is considered cleared when a case has been filed in court with at least one suspect identified. It is considered solved once a suspect is arrested.

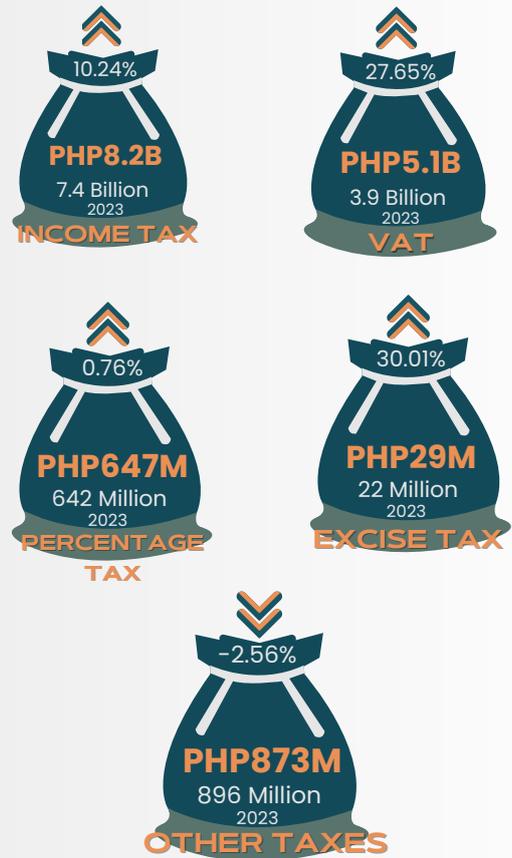
REVENUE COLLECTION

In 2024, the Bureau of Internal Revenue Region 3 Office (Cagayan Valley) reported a 14.3 percent increase in its revenue collection compared to the preceding year, totaling to PHP 14.88 billion. This growth fueled the substantial increases in income taxes and value-added taxes (VAT), which constituted nearly 90 percent of the total collection. Income taxes went up by 10.2 percent while VAT surged by 27.6 percent. Only the collection of other taxes experienced a minor decline for the year.

Every province within the region reported growth in revenue collection in 2024. Isabela reported largest gain at 17.9 percent, followed by Quirino at 22.7 percent, Nueva Vizcaya at 8.8 percent, and Cagayan and Batanes both at 6.6 percent.

The growth in revenue can be attributed to BIR's strategic implementation of various administrative measures and intensified enforcement operations, which enhanced collection performance. Furthermore, BIR implemented priority programs and projects to improve tax administration and revenue collection. Among these are the implementation of the Ease of Payment Taxes Act, Run After Tax Evaders (RATE) Program, Run After Fake Transactions, and intensified tax campaigns to improve tax education and public awareness, while enhancing taxpayer services through reforms and innovations such as the digitalization of processes.

Tax Collection per Source of Income, Region 2, 2023–2024



Source: BIR

DEVELOPMENT PROSPECTS

BUSINESS OUTLOOK AND CONSUMER EXPECTATION

According to the Business Expectations Survey conducted by the BSP, business firms in the region expressed a less optimistic for Q1 2025 due to their expectations of weaker demand for goods and services, lower consumer spending, and fewer clients and order, after the holiday season. For the next 12 months, the region will expect more optimistic expecting an increase in demand for goods and services, brisker business activities due to election-related spending, improvement and expansion of business operations, conducive business climate and easing inflation.

The results of the Consumer Expectations Survey revealed an improved consumer confidence for the next first quarter of 2025 and the next 12 months due to expectations of a higher income, additional sources of income and more available jobs.

OTHER DEVELOPMENTS

- Cagayan Valley's daily minimum wage increased by PHP30.0 reaching PHP480.0 for non-agriculture and PHP460.0 for agriculture. Monthly wages for house helpers rose to PHP6,000 in 2024.
- DOST Region 2, in partnership with ISU, successfully implemented Embryo Transfer Technology for goats, boosting the Philippine goat-raising industry.
- The DA-BFAR Region 2 installed a PHP1.0 million circular HDPE fish cages designed for typhoon-prone areas to improve rural aquaculture.

MAJOR INFRASTRUCTURE PROJECTS



San Vicente-Savidug-Chavayan-Sumnanga-Nakanmuan Road, Sabtang, Batanes



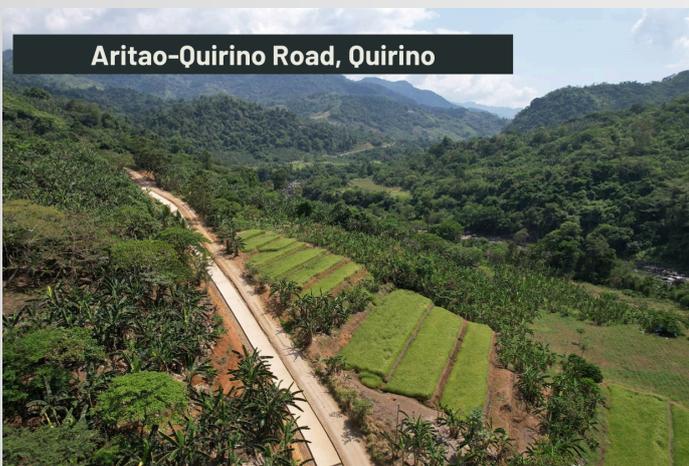
Camalaniugan Bridge (Jct. Bangag-Paruddun Section), Cagayan



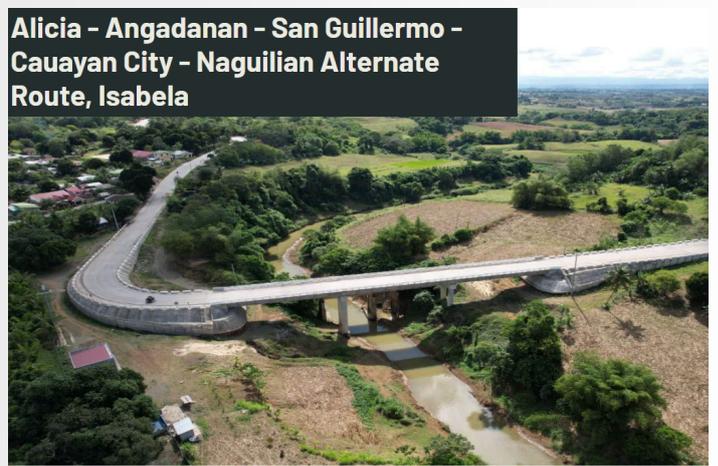
Tuguegarao-West Diversion Road, Tuguegarao City, Cagayan



Pingkian Bridge, Kayapa, Nueva Vizcaya



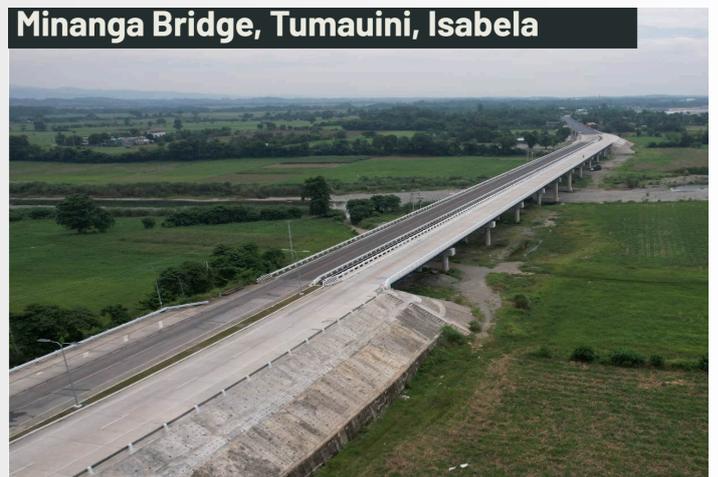
Aritao-Quirino Road, Quirino



Alicia - Angadanan - San Guillermo - Cauayan City - Naguilian Alternate Route, Isabela



Cansan-Bagutari Bridge, Cabagan, Isabela



Minanga Bridge, Tumauini, Isabela

Photo source: DPWH RO2