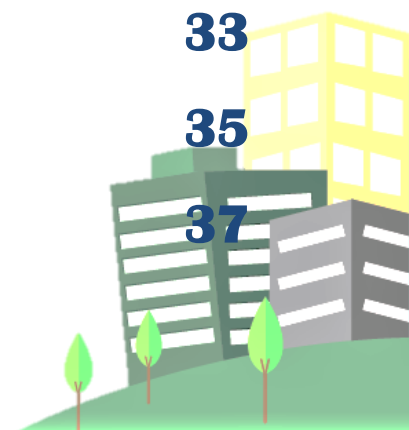


FIRST QUARTERLY REGIONAL ECONOMIC SITUATIONER 2018



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SNAPSHOT OF THE ECONOMY

The region's economy recorded an upbeat performance in the first quarter of 2018 as year-on-year improvements were observed in the different sectors of the economy. However, inflation rate moved at a much faster pace at 3.80 percent in the first quarter of 2018 when compared to the same quarter in 2017 and fourth quarter of 2017. This was mainly due to the upsurge in prices of food and beverages, tobacco, and housing, water electricity, gas and other fuels.

- ❖ The labor force participation rate and employment rate improved this first quarter of 2018 as compared to the same quarter in 2017 and fourth quarter of 2017. Along with the year-on-year and quarter-on-quarter increment in labor force participation rate, a higher underemployment rate was registered at 27.90 percent.
- ❖ Compared to the same quarter in 2017 and previous quarter, investments generated in the region significantly increased during the quarter in review. The year-on-year and quarter-on-quarter increment was brought about by the enormous influx of incremental investments from leading industries in during the period.
- ❖ Export receipts improved in Q1 2018 compared to the same quarter last year but declined from its level in the previous quarter. Tobacco, which is the main export commodity of the region, had primarily driven these fluctuations.



**Table 1. Performance of the Ilocos Region's Economy
Q1 2018 vs Q1 2017 and Q4 2017**

Indicators	Q1 2017	Q4 2017	Q1 2018	% Change	
				Y-on-Y	Q-on-Q
Inflation Rate	1.70	1.90	3.80	2.10	1.90
Labor Force Participation Rate	60.70/ ¹	59.70/ ²	63.30/ ³	2.60	3.60
Employment Rate	91.30/ ¹	91.80/ ²	93.30/ ³	2.00	1.50
Unemployment Rate	8.70/ ¹	8.20/ ²	6.70/ ³	(2.00)	(1.50)
Underemployment Rate	20.40/ ¹	20.00/ ²	27.90/ ³	7.50	7.90
Investments (PhP million)	2,243.86	1,311.02	3,417.98	52.33	160.71
Business Name Registration	1,995.63	732.91	2,002.33	0.34	173.20
Incremental Investments in Leading Industries	248.23	578.11	1,415.65	470.29	144.87
Export (US\$ million)	6.76	17.12	10.66	57.73	(37.74)
Agri-Production (MT)⁴	1,144,316.89	1,508,795.16	1,142,459.33	(0.16)	(24.28)
Crops	1,056,886.27	1,384,350.52	1,050,945.68	(0.56)	(24.08)
Livestock & Poultry	58,800.00	61,017.00	61,493.00	4.58	0.78
Fishery	28,630.62	63,427.64	30,020.65	4.86	(52.67)
Motor Vehicle Registration	172,933.00	93,795.00	175,400.00	1.43	87.00
Power Consumption (million kWh)	588.32	651.40	646.10	9.82	(0.81)
Crime Solution Efficiency Rate	69.00	73.00	76.00	10.14	4.11

Sources: PSA, DTI, DA, LTO, NGCP, PNP,

Note: For inflation, higher inflation indicates a rise in general price levels; For unemployment and underemployment, a decline in rate means positive performance

¹As of January 2017

²As of December 2017

³As of January 2018

⁴Preliminary Data

- ❖ The performance of other indicators which include motor vehicle registration, air flights, crime solution efficiency rate, power consumption and combined customs collection (of La Union and Pangasinan) was higher when compared to their year ago levels.
- ❖ The number of fire incidents in the region increased, while ship calls (at the San Fernando City Port), and mineral production dropped in Q1 2018, in comparison to their levels in Q1 2017.

INFLATION

- ❖ The region's inflation rate in Q1 2018 at 3.8 continued to accelerate at its fastest rate in more than three years. This quarter's inflation was higher than the 1.9 inflation rate recorded in Q4 2017 and the 1.7 inflation rate posted in the same quarter last year.
- ❖ Alcoholic beverages and tobacco registered the highest inflation rate increase on year-on-year and quarter-on-quarter comparison. Likewise, housing, water, electricity, gas and other fuels, and, and food and non-alcoholic beverages also consistently increased in reference to these two periods. The rising costs of these commodities spurred the inflation rate during the quarter.
- ❖ Higher price indices of electricity, gas and other fuels could be due to the influence of rising oil prices in the global market and the depreciation of the Philippine peso against the U.S. dollar in the foreign exchange market. In addition, the imposition of higher excise tax on fuel commodities, tobacco products, and alcoholic beverages under the implementation of package 1 of the Tax Reform Acceleration and Inclusion (TRAIN) Law could be an auxiliary factor to the increased prices of these commodities.



**Table 2. Inflation Rate, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**

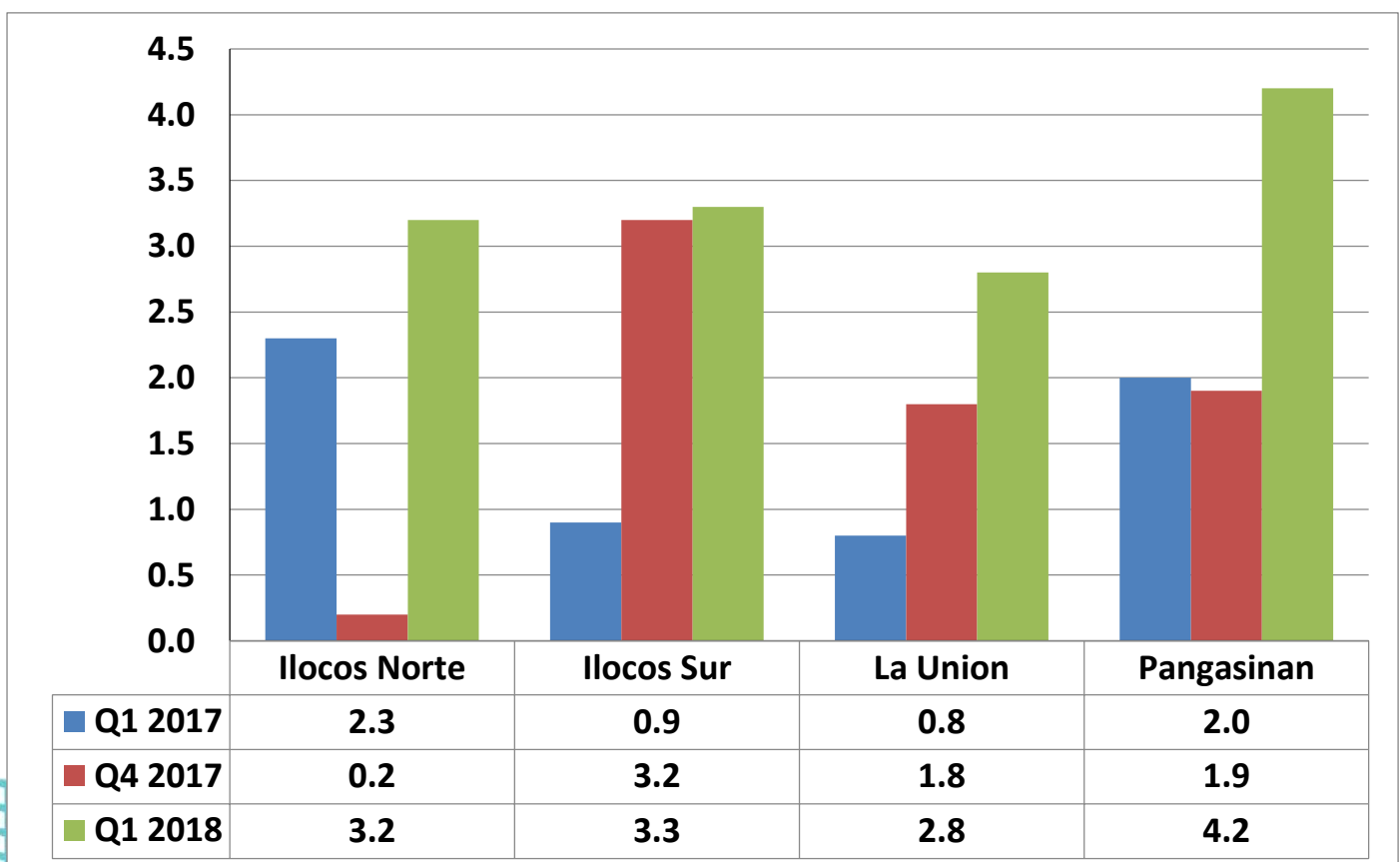
Commodity	Q1 2017	Q4 2017	Q1 2018	% Point Change	
				Y-on-Y	Q-on-Q
All Items	1.7	1.9	3.8	2.1	1.9
Food and Non-alcoholic Beverages	2.1	1.4	3.1	1.0	1.7
Alcoholic Beverages and Tobacco	2.1	2.4	19.6	17.5	17.2
Clothing and Footwear	0.9	0.8	1.5	0.5	0.7
Housing, Water, Electricity, Gas and Other Fuels	0.4	2.5	5.7	5.3	3.2
Furnishings, Household Equipment and Routine Maintenance of the House	5.2	4.5	1.8	(3.4)	(2.7)
Health	2.5	0.5	2.7	0.2	2.2
Transport	4.1	4.1	4.7	0.5	0.6
Communication	0.3	0.2	0.1	(0.2)	(0.1)
Recreation and Culture	0.6	0.5	0.9	0.3	0.4
Education	2.9	2.3	2.3	(0.6)	0.0
Restaurants and Miscellaneous Goods & Services	0.5	1.8	2.6	2.1	0.8

Source: PSA

- ❖ Low prices of communication, and recreation and culture commodities were recorded during the quarter in review, as they registered inflation rates of 0.1 and 0.9 percent, respectively.
- ❖ On a year-on-year comparison, furnishings, household equipment and routine maintenance of the house, education, and communication indices registered lower inflation rates.

- ❖ On a quarter-on-quarter basis, only furnishings, household equipment and routine maintenance of the house, and communication indices registered lower inflation while prices of restaurants and miscellaneous goods and services, clothing and footwear, transport, and recreation and culture were relatively stable. Education indices sustained their respective inflation rates.

**Fig. 1. Inflation Rate by Province, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**



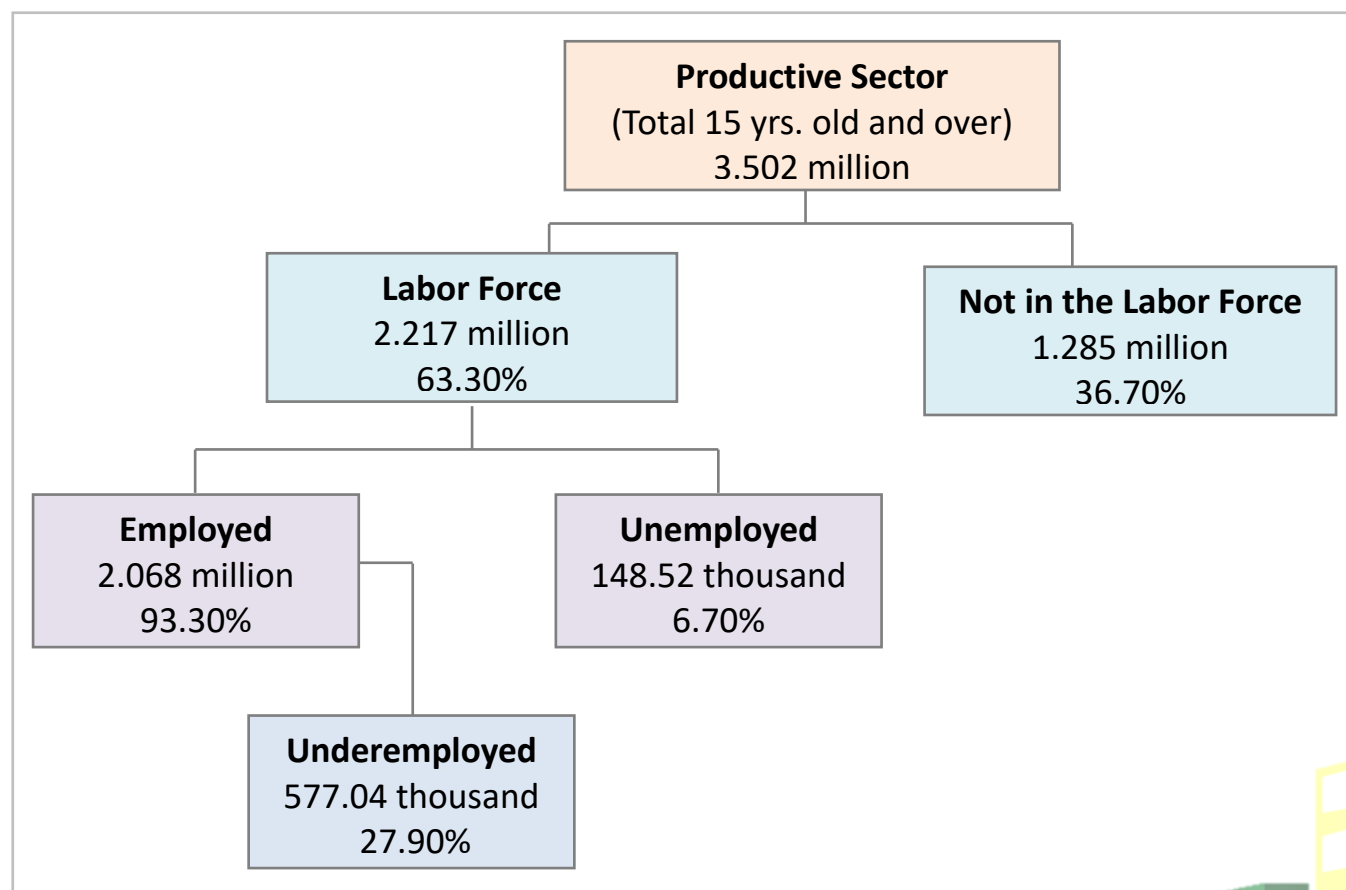
Source: PSA

- ❖ All provinces registered higher inflation rates from their levels in the previous year and preceding quarter. Among the provinces, La Union recorded the lowest inflation rate at 2.8 percent while Pangasinan registered the highest inflation rate at 4.2 percent in Q1 2018.

EMPLOYMENT

- ❖ The region's productive sector rose to 3.502 million in the first quarter of 2018 from 3.453 million in the same quarter of 2017. Moreover, this figure was also higher by 0.72 percent compared to its level in the preceding quarter at 3.477 million.

Fig. 2. Distribution of Labor Force by Employment Status in Region 1, January 2018



Source: PSA

- ❖ Labor force participation rate was posted at 63.30 percent in Q1 2018, which is equivalent to 2.217 million people. The remaining people from the productive sector or 36.70 percent comprised those who are

not in the labor force or those who are of working age but not employed or not actively looking for a job.

- ❖ Unemployment rate improved from 8.70 percent in the first quarter of 2017 and 8.20 percent in the preceding quarter to 6.70 percent in the first quarter of 2018.
- ❖ The underemployment rate, which was recorded at 27.90 percent in Q1 2018, increased by 7.50 and 7.90 percentage points on a year-on-year and quarter-on-quarter comparison, respectively. This implies the increase in employed persons desiring to have additional working hours in their present job or additional job, or a new job with longer working hours.

**Table 3. Employment Situation, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**

Employment Indicators	Q1 2017	Q4 2017	Q1 2018	% Change	
				Y-on-Y	Q-on-Q
Productive Sector (in millions)	3,453.00	3,477.00	3,502.00	1.42	0.72
Labor Force Participation Rate	60.70	59.70	63.30	2.60	3.60
Employment rate	91.30	91.80	93.30	2.00	1.50
Unemployment rate	8.70	8.20	6.70	(2.00)	(1.50)
Underemployment rate	20.40	20.00	27.90	7.50	7.90

Source: PSA

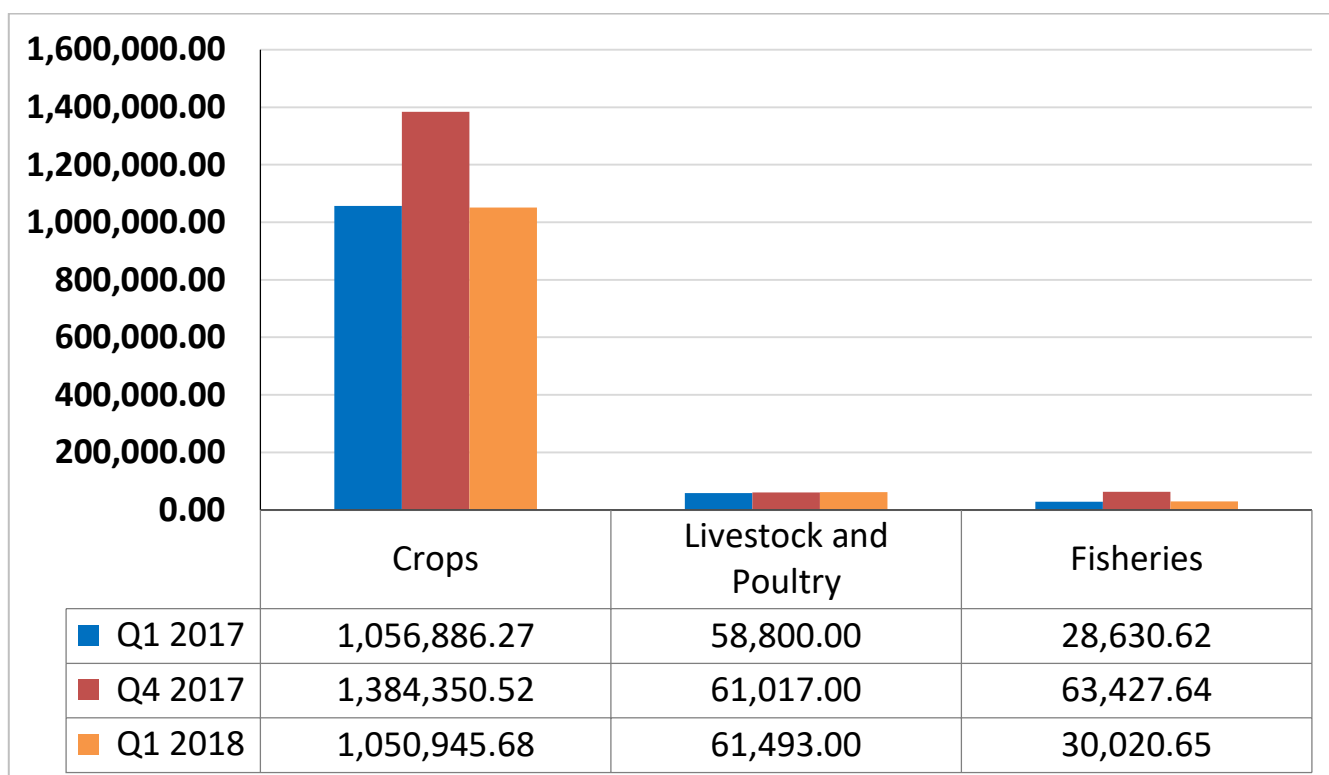
AGRICULTURAL PRODUCTION

- ❖ Total agri-fishery production in Q1 2018 was registered at 1,142,459.33 metric tons (MT). This figure decreased by 0.16 percent compared to its

year ago level at 1,144,316.89 MT. Likewise, it also declined by 24.28 percent in comparison to its level in the preceding quarter at 1,508,795.16 MT.

- By subsector, total crop production was posted at 1,050,945.68 MT in Q1 2018. This figure declined by 0.56 percent and 24.08 percent than its year ago and preceding quarter's level, respectively. It accounted the biggest chunk of the region's total agri-production with 91.99 percent share.

**Fig. 3. Agricultural Production, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in Metric Tons)**



NOTE: Preliminary Data

Source: PSA

- All crops except cereals recorded lower annual production. The year-on-year decrease in crop production was mainly due to insufficient water supply and infestation of pests. Nevertheless, all crops excluding cereals posted quarter-on-quarter increment in

production. This was brought about by the seasonally higher production of mango, cassava, camote, eggplant, and coffee and peak harvest of corn, peanut, onion, tomato, cabbage and sugarcane. Meanwhile, fourth quarter is a lean harvest season for *palay*.

**Table 4. Changes in Agricultural Production, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**

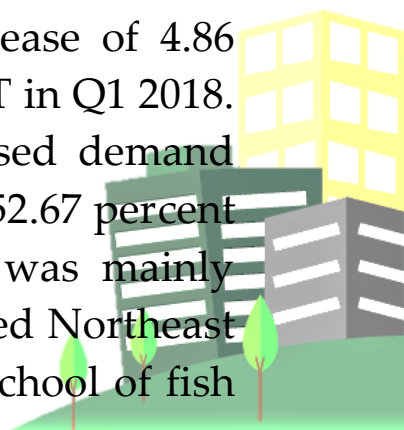
Commodities	Y-on-Y	Q-on-Q
All Commodities	↓	↓
Crops	↓	↓
Cereals	↑	↓
<i>Palay</i>	↓	↓
<i>Corn</i>	↑	↑
Fruits	↓	↑
Legumes, Vegetables & Root crops	↓	↑
Commercial Crops	↓	↑
Livestock & Poultry	↑	↑
Livestock	↑	↓
Poultry	↑	↑
Fishery	↑	↓
Commercial	↓	↓
Municipal	↓	↓
Aquaculture	↑	↓

Source: PSA

- ❖ Livestock and poultry production subsector, which accounted 5.38 percent of the region's aggregate production, totaled to

61,493 MT in Q1 2018. It increased by 4.58 percent from 58,800 MT in Q1 2017 and by 0.78 percent 61,017 MT in Q4 2017.

- Total livestock production increased by 0.18 percent, from 33,986 MT in Q1 2017 to 34,047 MT in Q1 2018 as more swine and goat were sold due to encouraging price and demand. However, when compared to its previous quarter's level at 35,448 MT, it decreased by 3.95 percent due to less marketable stocks since more hogs and goats were sold during the Yuletide celebrations last quarter.
 - Stocks of hog comprised 35.88 percent of the total livestock and poultry production while chicken stocks had 35.16 percent share.
 - Poultry production increased to 27,446 MT in Q1 2018 from 24,814 MT in Q1 2017 and 25,569 MT in Q4 2017. The year-on-year and quarter-on-quarter increment was due to the expansion of layer farms in Ilocos Norte, La Union and Pangasinan, increased housing capacity of some commercial farms, and early replenishment of stocks.
- ❖ Fishery production, which comprised 2.63 percent of the total agricultural production, posted a year-on-year increase of 4.86 percent from 28,630.62 MT in Q1 2017 to 30,020.65 MT in Q1 2018. The year-on-year increment was due to the increased demand during the Lenten season. However, it decreased by 52.67 percent from its level in Q4 2017 at 63,427.64 MT which was mainly attributed to lesser fishing operations due to prolonged Northeast Monsoon or *Amihan* season and presence of lesser school of fish during the quarter in review.



- Commercial fishery production decreased to 696.37 MT in Q1 2018 from 1,201.81 MT in Q1 2017 and 1,245.24 MT in Q4 2017. The year-on-year and quarter-on-quarter decrease was brought about by the prolonged *Amihan* season and presence of lesser school of fish.
- Municipal fishery production likewise decreased by 5.05 percent from 6,222.96 MT in Q1 2017 to 5,908.88 MT in Q1 2018, and by 32.50 percent, from 8,754.15 MT in Q4 2017. The annual decrease was due to the presence of lesser school of fish and less fishing operations due to impact of Northeast Monsoon and ongoing repair of some fishing vessels. Meanwhile, the quarter-on-quarter decline was due to seasonally lower harvest during the quarter in review.
- For aquaculture fisheries, production increased from 21,205.85 MT in Q1 2017 to 23,415.40 MT in Q1 2018. The annual increment was brought about by the increase in stocking density in marine cage, and bigger sizes of fish harvested during the Lenten season. Meanwhile, production of aquaculture fisheries decreased by 56.17 percent from 53,428.25 MT in Q4 2017. The quarter-on-quarter decrease was due to seasonally lower production during the first quarter.



MINERAL PRODUCTION

- ❖ On a year-on-year comparison, there was a decline in the production of all minerals. Compared to Q4 2017 levels, production of all

minerals dropped except for silica, zeolite, bentonite and calcareous sandstone.

**Table 5. Mineral Production by Commodity, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**

Mineral Products	Q1 2017	Q4 2017	Q1 2018	% Change	
				Y-on-Y	Q-on-Q
Limestone ^{/1}	779,119.00	534,954.00	447,049.60	↓	↓
Silica ^{/1}	16,220.40	571.50	10,130.00	↓	↑
Shale ^{/1}	136,234.50	97,225.00	94,464.00	↓	↓
Zeolite ^{/1}	1,741.38	860.16	1,340.26	↓	↑
Bentonite ^{/1}	597.93	199.55	219.54	↓	↑
Cement ^{/2}	16,938,377.00	13,259,810.18	8,238,225.00	↓	↓
Sand and Gravel ^{/3}	683,706.36	796,539.03	443,740.64	↓	↓
Pebbles ^{/3}	4,550.00	4,678.00	4,529.00	↓	↓
Calcareous Sandstone ^{/3}	141.00	66.00	87.00	↓	↑

Source: DENR-MGB

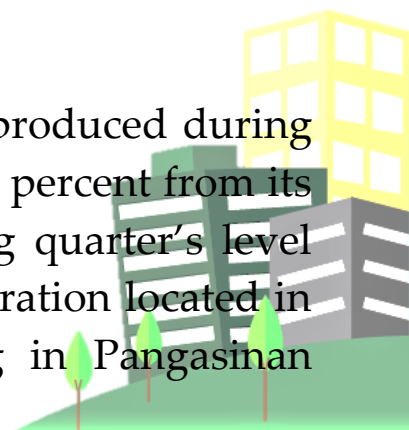
^{/1} in metric tons

^{/2} in 40-kg bags

^{/3} in cubic meters

Limestone

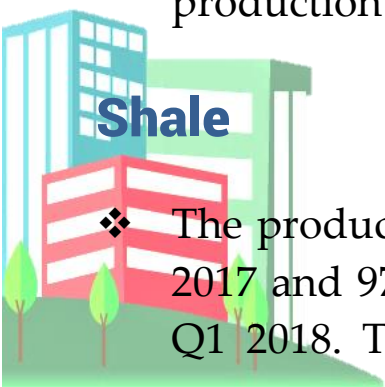
- ❖ A total of 447,049.60 metric tons of limestone were produced during the quarter in review. This figure was lower by 42.62 percent from its year ago level and 16.43 percent from its preceding quarter's level because of lesser operating time of the mining corporation located in La Union and only one permittee was operating in Pangasinan during the quarter in review.



- ❖ La Union contributed more than half (52.27 percent) of the region's total limestone production in Q1 2018, while Pangasinan produced the remaining 47.73 percent.
- ❖ Region 1 has a rich resource of limestone deposits. Limestone is a major ingredient in cement production. Increased demand for limestone could be attributed to the presence of two major cement manufacturers in the region. Hence, limestone is one of the major mineral products in the region.

Silica

- ❖ Silica production in the first quarter of 2018 was registered at 10,130.00 metric tons. Production volume declined from its year ago level at 16,220.40 metric tons but enormously increased from its preceding quarter's level at 571.50 metric tons.
- ❖ Although only two permittees were operating during the quarter in review, the increased demand for silica in cement production stimulated the production to catch-up thus, resulting to an increase of production. Silica is being used as a filler in cement manufacturing.
- ❖ Among the provinces, only Pangasinan contributed to the total silica production in the region during the quarter in review.



- ❖ The production of shale decreased from 136,234.50 metric tons in Q1 2017 and 97,225.00 metric tons in Q4 2017 to 94,464.00 metric tons in Q1 2018. The decline of the production could be attributed to the

lesser operating time of the cement manufacturing plant located at Pangasinan.

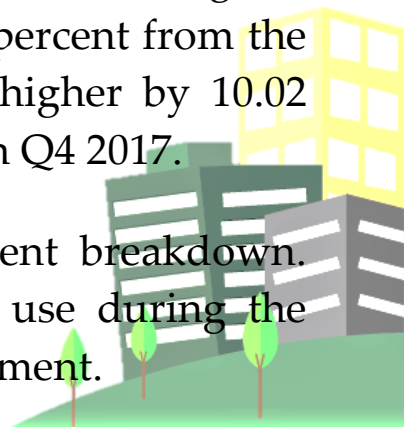
- ❖ Among the provinces, Pangasinan was the sole producer of shale during the quarter in review. Shale is being used in making clay and cement products.

Zeolite

- ❖ The region's total production of zeolite was posted at 1,340.26 metric tons. This figure was lower by 23.03 percent in comparison to its year ago level at 1,741.38 metric tons, but higher by 55.82 percent compared to its preceding quarter's level at 860.16 metric tons. The year-on-year decline was due to equipment breakdown while the quarter-on-quarter increment was due to stockpiling of zeolite for future use.
- ❖ Region 1 owed all of its zeolite production volume to Pangasinan. Zeolites are used in water purification systems, and in odor control and pet litter.

Bentonite

- ❖ A total of 219.54 metric tons of bentonite were produced during the first quarter of 2018. This figure was lower by 63.28 percent from the 597.93-metric-ton production level in Q1 2017 but higher by 10.02 percent from the 199.55-metric-ton production level in Q4 2017.
- ❖ The annual decline could be attributed to equipment breakdown. Meanwhile, the stockpiling of bentonite for future use during the quarter in review caused the quarter-on-quarter increment.



- ❖ Pangasinan's production volume comprised the total region's production volume of bentonite during the quarter in review.
- ❖ Bentonite is used in manufacturing of soap and molds for casting, as a binder in pellet production, an important ingredient in drilling mud, an absorbent, an excipient in pharmaceuticals, clarifier of wines and juices, and sealing material for toxic and dangerous waste deposits.

Cement

- ❖ The total cement produced in the first quarter of 2018 was posted at 8,238,225 bags. This figure was significantly lower in comparison to its year ago and preceding quarter's level at 16,938,377 bags and 13,259,810 bags, respectively.
- ❖ Cement supply seemed not to cope up with the increased demand from the various on-going infrastructure projects in the region.

Sand and Gravel

- ❖ A total of 443,740.64 cubic meters of sand and gravel were produced during the first quarter of 2018. This figure was lower by 35.10 percent and 44.29 percent on a year-on-year and quarter-on-quarter comparison, respectively. Lesser production volume of sand and gravel could be attributed to equipment breakdown.
- ❖ Among the provinces, Pangasinan contributed 39.32 percent to the aggregate production volume of the region. Meanwhile, La Union, Ilocos Norte and Ilocos Sur had 24.54, 23.83 and 12.32 percent share, respectively.

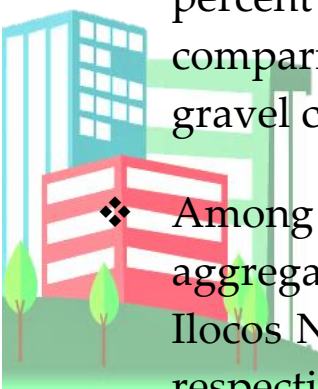
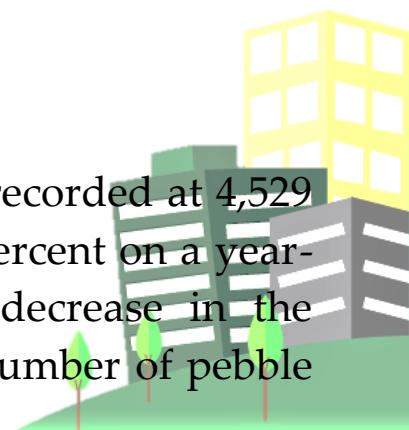


Table 6. Sample Pictures of Mineral Products in Region 1

Commodities		
		
LIMESTONE	SILICA	SHALE
		
ZEOLITE	BENTONITE	CEMENT
		
SAND AND GRAVEL	PEBBLES	CALCAREOUS SANDSTONE

Pebbles

- ❖ The volume of pebbles produced in the region was recorded at 4,529 cubic meters. This figure is lower by 0.46 and 3.19 percent on a year-on-year and quarter-on-quarter comparison. The decrease in the production volume could be attributed to reduced number of pebble



pickers in La Union and low production in Ilocos Norte during the quarter in review.

- ❖ La Union contributed the majority (99.34 percent) of the total production level of pebbles in the region while Ilocos Norte had a 0.66 percent share. Pebbles are in demand in the local and international market for landscape design.

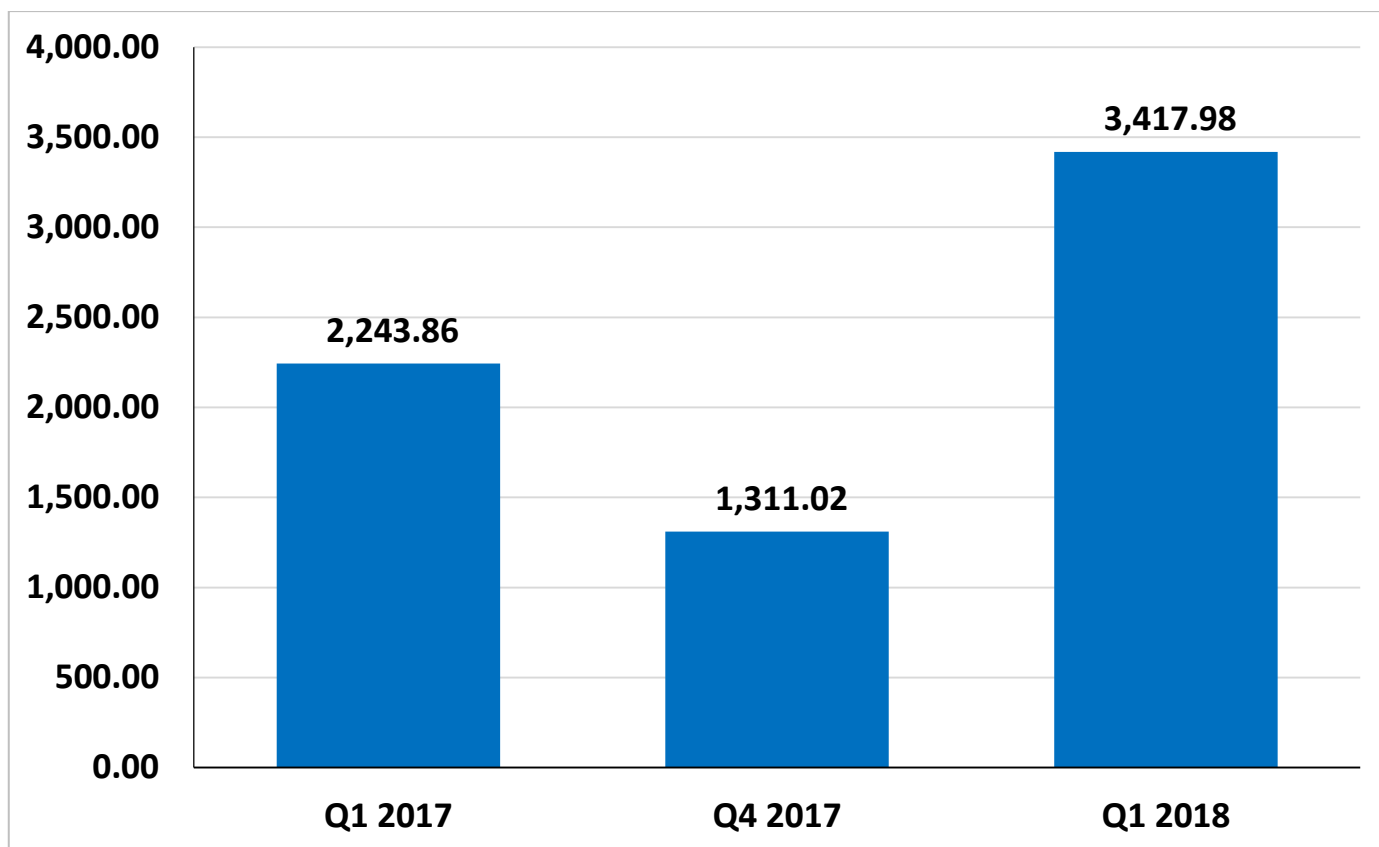
Calcareous Sandstone

- ❖ Calcareous sandstone registered a production volume of 87.00 cubic meters in the first quarter of 2018. The production level declined by 38.30 percent from the year ago level at 141.00 cubic meters since they were only two operating permittees during this period.
- ❖ The production volume improved by 31.82 percent from the preceding quarter's level at 66.00 cubic meters due to the tourism-driven demand of its finished products in Ilocos Sur.
- ❖ Ilocos Sur's production volume comprised the total region's production of calcareous sandstone during the quarter in review. Aside from being ornaments, calcareous sandstone can also be used in various construction needs.

INVESTMENT

- ❖ Region 1 generated P3,417.98 million worth of investments in Q1 2018. It increased by 52.33 percent from the previous year's level at P2,243.86 million and by 160.71 percent from the preceding quarter's level at P1,311.02 million.

**Fig. 4. Investments Generated, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in PhP million)**

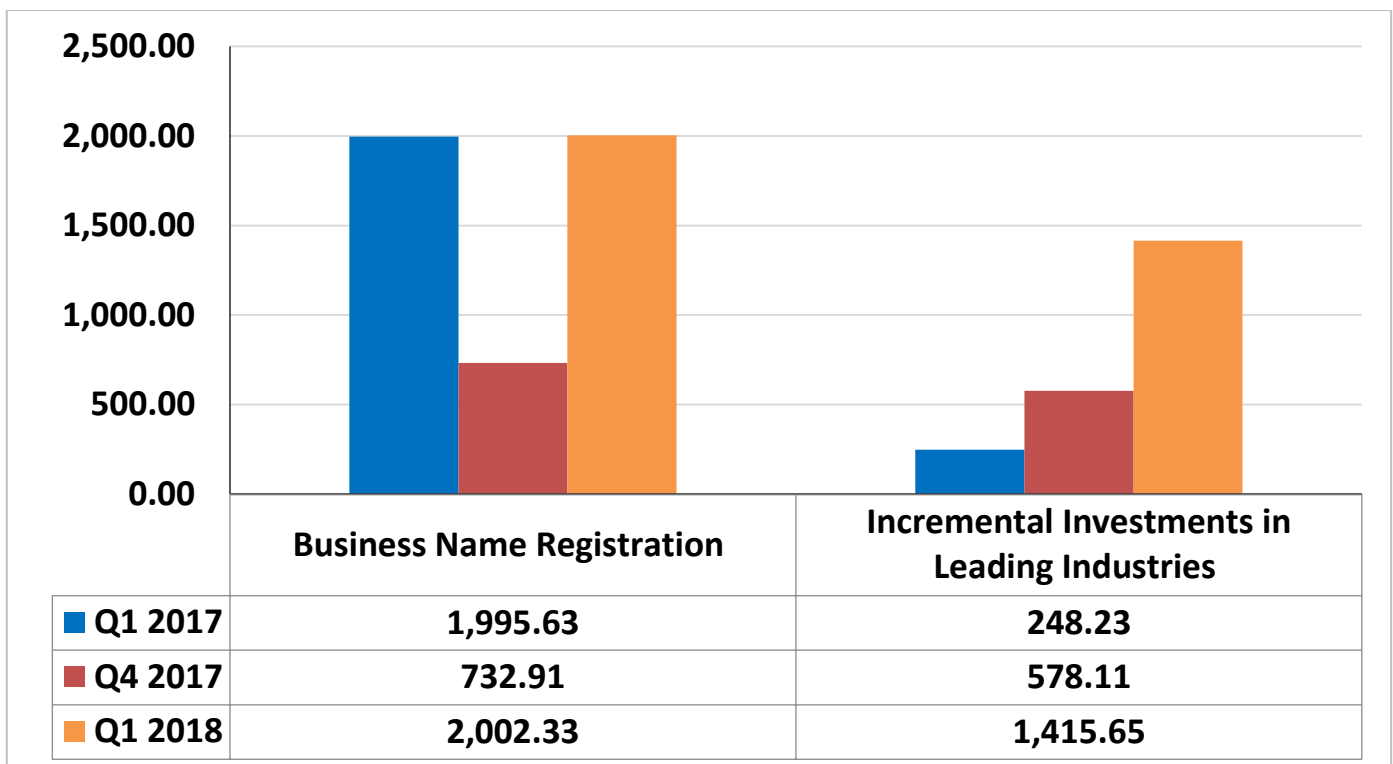


Source: DTI

- ❖ The year-on-year increment was due to the significant increase in investments in leading industries while the quarter-on-quarter increase could be attributed to the increase in both Business Name Registration (BNR) and investments in the leading industries.
- ❖ In Q1 2018, Business Name Registration (BNR) comprised 58.58 percent of the total investments generated in the region while incremental investments in leading industries had a 41.42 percent share.
 - The aggregate investments generated from BNR improved from P1,995.36 million in Q1 2017 and P723.91 million in Q4 2017 to P2,002.31 million in Q1 2018.

- Incremental investments in leading industries significantly increased from P248.23 million in Q1 2017 to P1,415.65 million in Q1 2018. On a quarter-on-quarter comparison, it improved by 144.87 percent from its level of P578.11 million in Q4 2017.

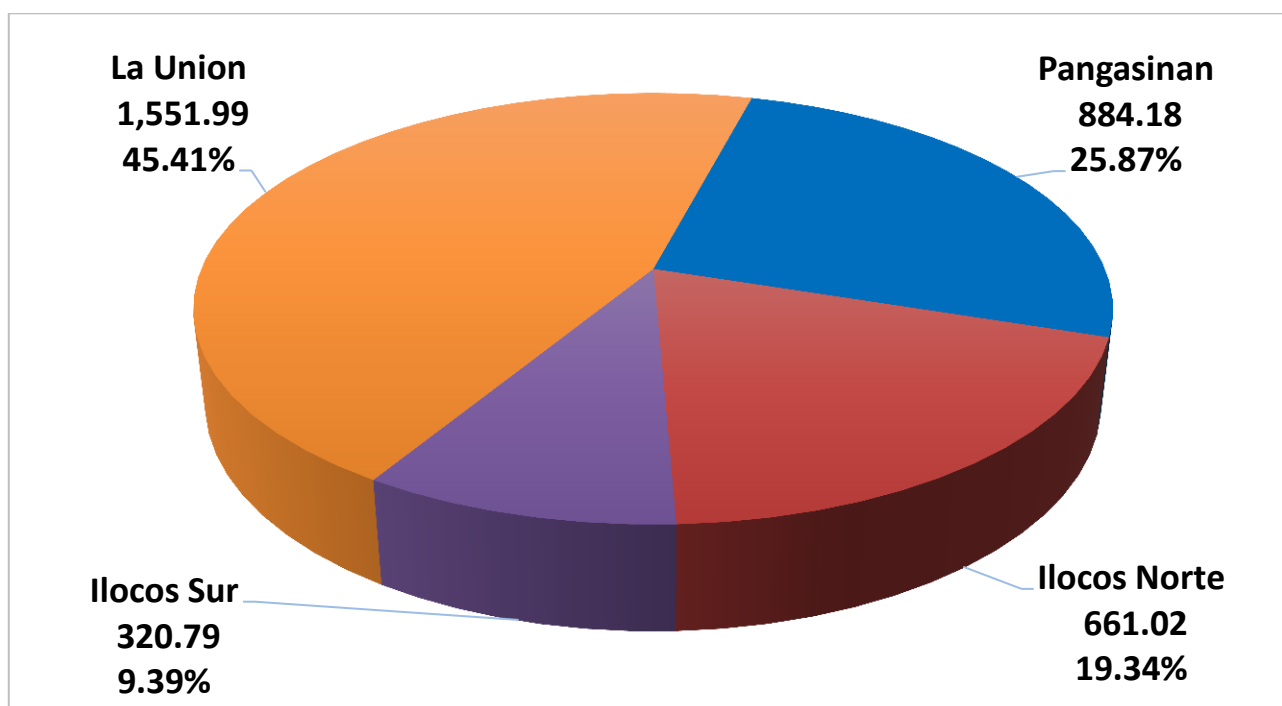
**Fig. 5. Investments Generated by Source, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in PhP million)**



Source: DTI

- ❖ Food processing industries contributed almost half (47.85%) of the region's total investments generated during the quarter. Agri-based industries and gifts, toys and housewares manufacturing came next with 26.15 and 12.53 percent share, respectively. Meanwhile furniture and wood products, garments/textiles, construction, metalcrafts, ceramics and other industries contributed the remaining 13.46 percent to the region's total.

**Fig. 6. Investments Generated by Province, Region 1
Q1 2018 (in Php million and Percent Share)**



Source: DTI

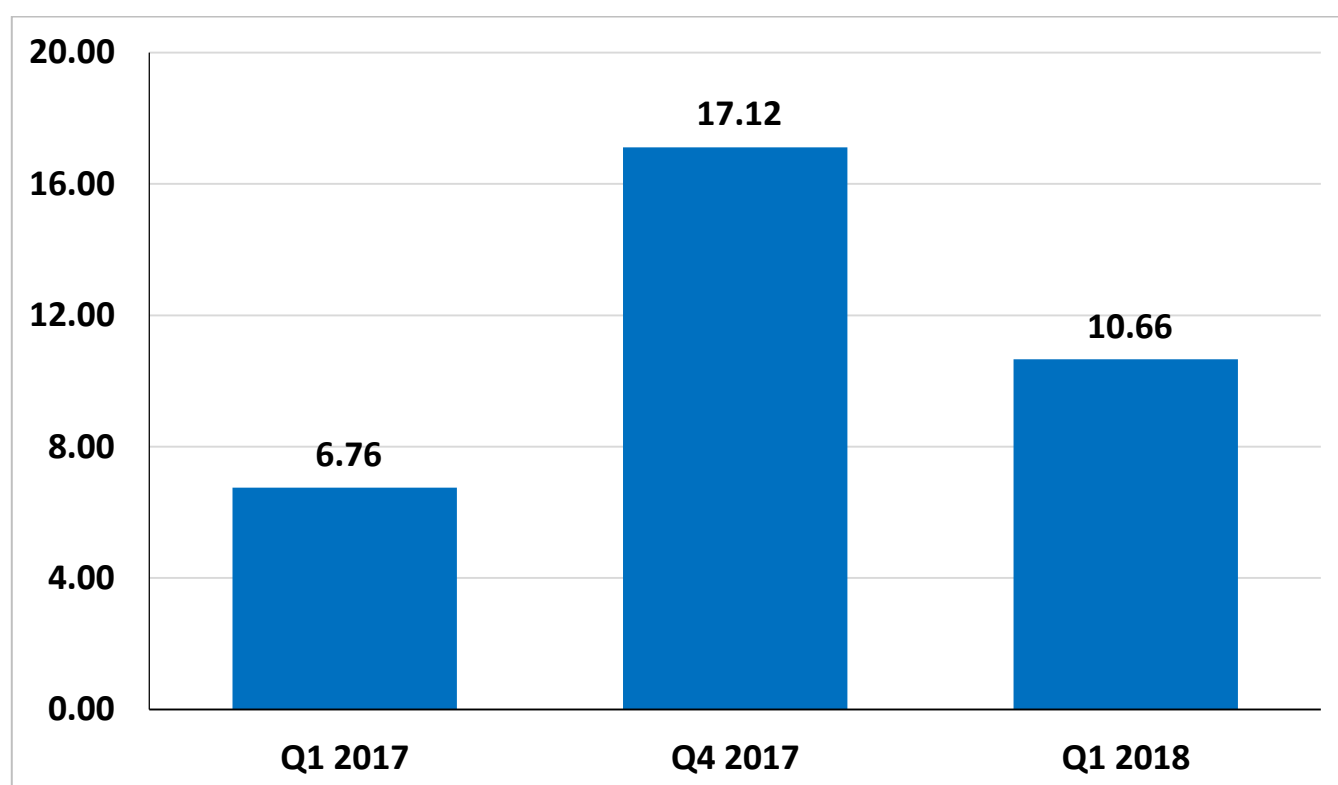
- ❖ Bulk of the total investments generated in the region during the quarter in review was generated in La Union at P1,551.99 million or 45.41 percent share. More than half (57.86%) of investments generated in La Union came from agri-based industries. Meanwhile, Ilocos Sur registered the lowest amount of investments at P320.79 million or 9.39 percent share. Pangasinan and Ilocos Norte contributed 25.87 and 19.34 percent share, respectively.

EXPORT

- ❖ A total of US\$10.66 million worth of export receipts was registered in Q1 2018, higher by 57.73 percent than its last year's level at US\$6.76 million but lower by 37.74 percent than its preceding quarter's level at US\$17.12 million.

- ❖ Tobacco registered a total of US\$10.01 million export receipts in Q1 2018. On a year-on-year comparison, it increased by 53.49 percent from its level in Q1 2017 at US\$6.52 million. However, it decreased by 38.00 percent from its previous quarter's level of US\$16.15 million.

**Fig. 7. Value of Exports, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in US\$ million)**



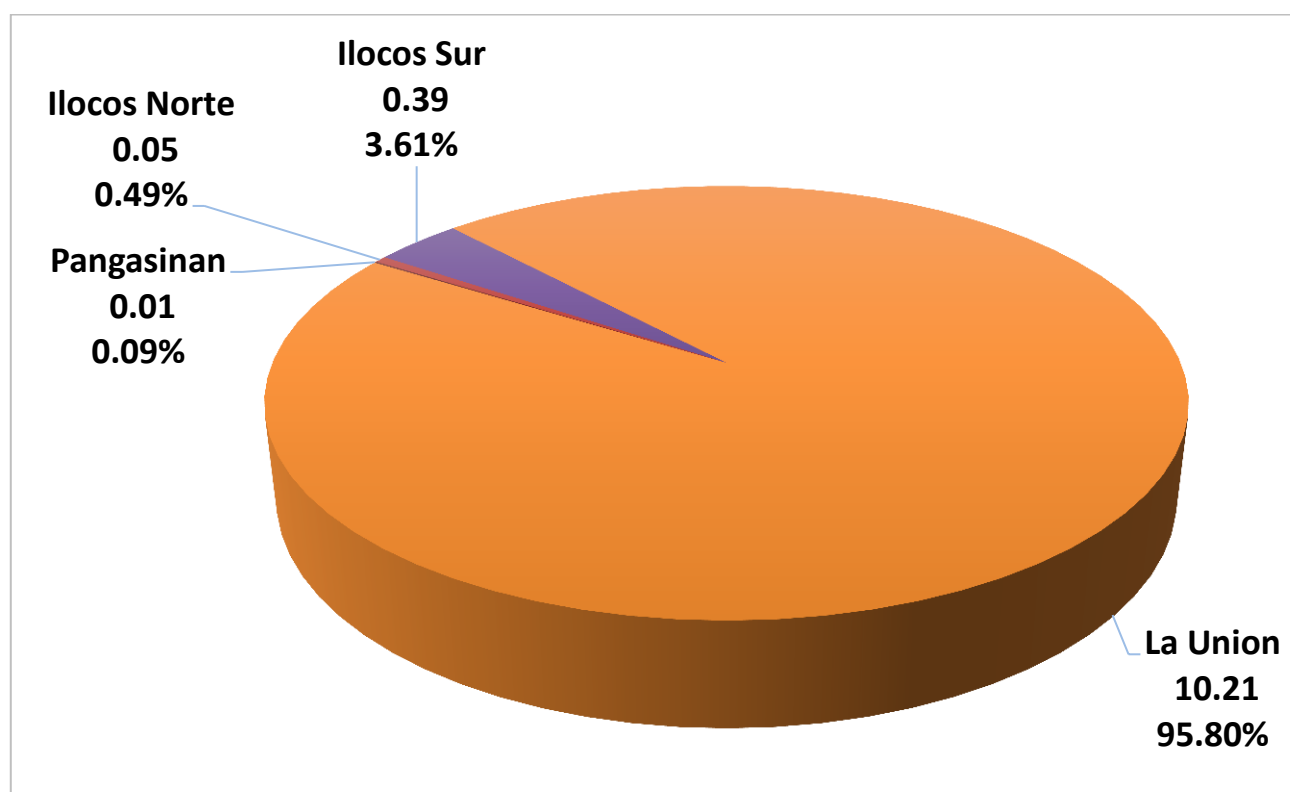
Source: DTI

- ❖ Tobacco remained the biggest contributor to the region's total export receipts with 93.96 percent share. Agri-products, fine jewelry, processed foods, furniture and wood products, gifts, toys and housewares, metalcrafts, and feldspar/pebbles/other minerals comprised the remaining of the region's aggregate export revenues.

- ❖ By province, La Union continued to register the highest export revenues in Q4 2017 at US\$10.21 million accounting 95.80 percent of

the region's total. This could be attributed to the presence of a subsidiary of a multinational tobacco manufacturing company in Agoo, La Union. Meanwhile, Ilocos Norte, Ilocos Sur and Pangasinan shared an aggregate of 4.20 percent of the region's total export receipts.

**Fig. 8. Value of Exports by Province, Region 1
Q1 2018 (in US\$ million and Percent Share)**



Source: DTI

CUSTOMS COLLECTION

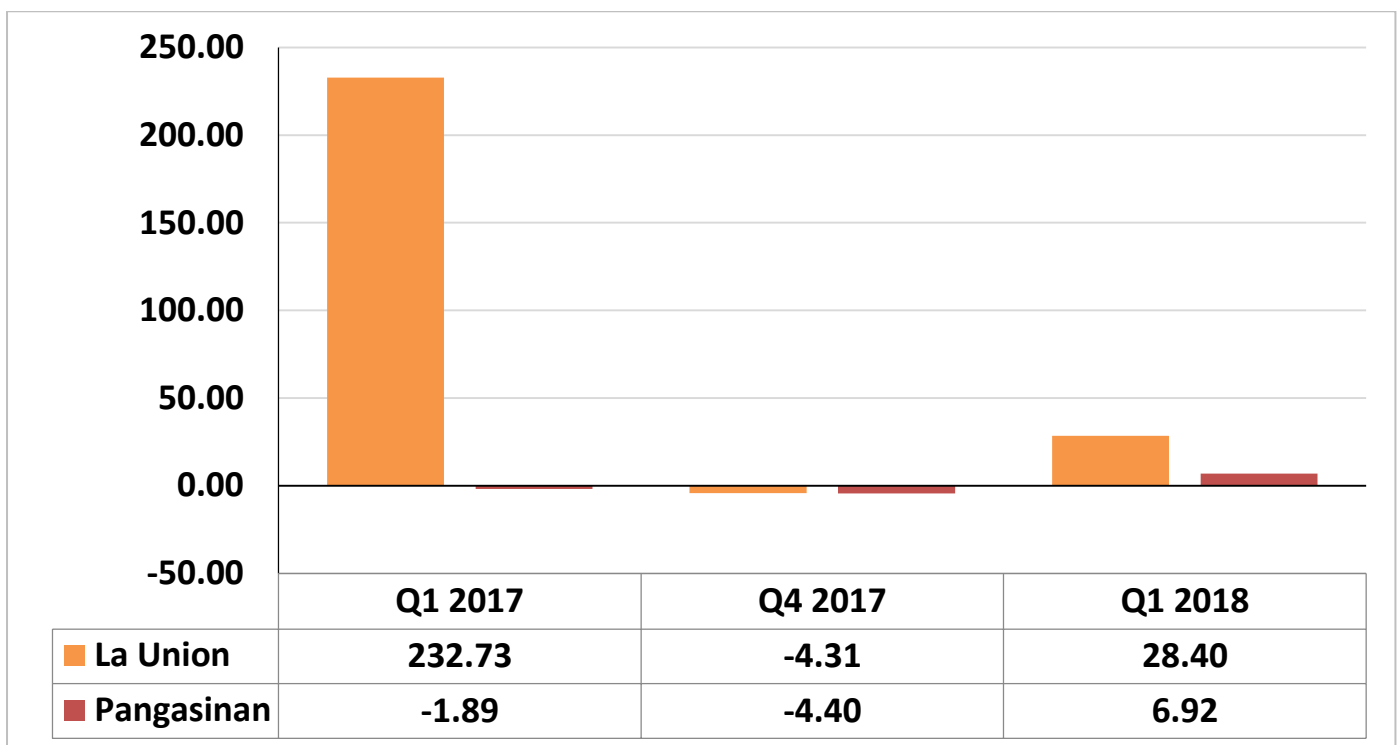
- ❖ The combined total customs collection¹ of La Union and Pangasinan increased by 9.70 percent from 752.60 million in Q1 2017 to 825.57

¹ Ilocos Norte is under the Port of Aparri since 2008 and Sub-port of Salomague, Ilocos Sur is inactive and non-operational and is being used for sheltering purposes only.

million in Q1 2018 and by 35.78 percent from 608.02 million in Q4 2017.

- ❖ The increase of importation volume during the quarter in review resulted to a better customs collections efficiency rate of 28.40 percent for La Union and 6.92 percent for Pangasinan from the preceding quarter's levels at -4.31 and -4.40 percent, respectively.

**Fig. 9. Customs Efficiency Rate by Province, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in Percent)**



Source: BOC

AIR and SEA TRANSPORT

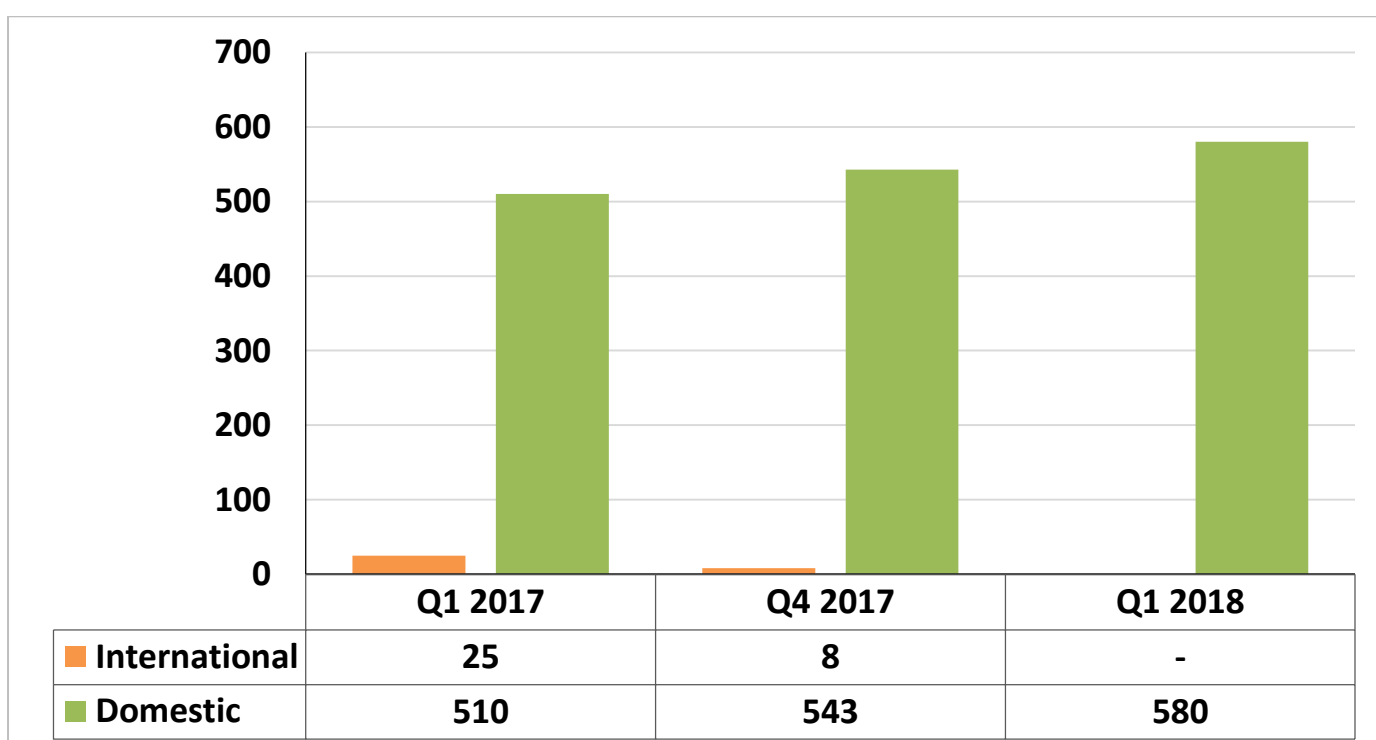
Air Traffic

- ❖ During the quarter in review, there were no recorded international flights in Laoag International Airport due to the temporary suspension

of operation of Guangshou-Laoag-Guangzhou flight. Nevertheless, domestic flights increased by 13.73 percent on a year-on-year comparison and by 6.81 percent on a quarter-on-quarter basis. This increment can be attributed to increase in general aviation flights due to several touch-and-go of flight trainings.

- ❖ Meanwhile, the number of domestic passengers decreased from its year ago level but improved compared to its preceding quarter's level. The quarter-on-quarter increment could be due to the increased number of tourists and visitors during the *Pamulinawen* Festival and pilgrims during the observance of the Lenten season.

**Fig. 10. Number of Air Flights by Type, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**



Source: CAAP

- A total of 21,372 domestic passengers arrived through commercial flights in Q1 2018. This figure is higher by 12.34 percent from its level in Q4 2017. Likewise,

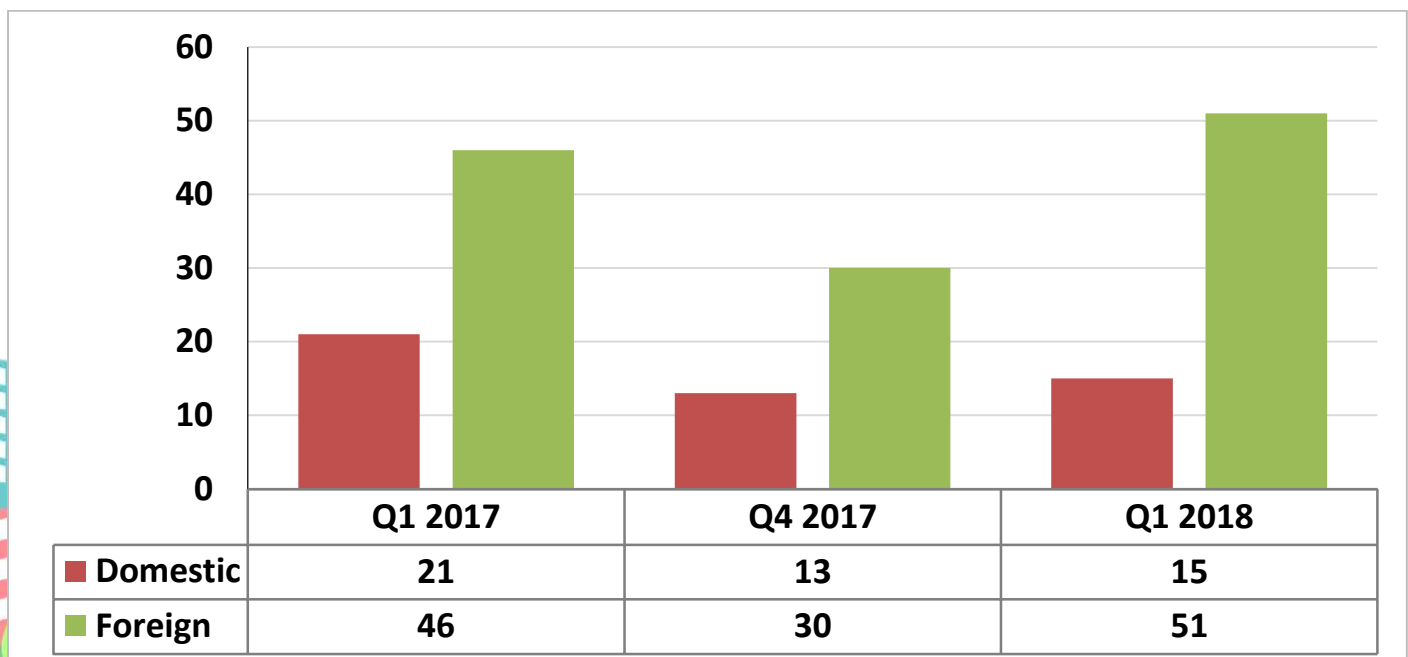
departure statistics of commercial flights improved by 20.22 percent from its previous quarter's level.

- The volume of cargo loaded and unloaded from commercial flights also increased when compared to the period a year ago and preceding quarter's levels. A total of 436,265 loaded cargoes and 451,579 unloaded cargoes were recorded during the quarter in review. This increase could be attributed to the favorable changes in the flight schedule during the period.

Ship Calls

- ❖ The total number of ship calls at the Poro Point, San Fernando City, La Union slightly decreased from 67 ship calls in Q1 2017 to 66 ship calls in Q1 2018.

**Fig. 11. Number of Ship Calls by Type²
Q1 2018 vs Q1 2017 and Q4 2017**



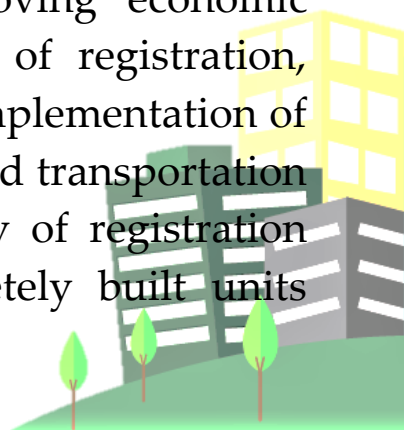
Source: PPMC

² Data covers only the International Seaport in Poro, City of San Fernando, La Union

- ❖ However, compared to its preceding quarter's level at 43 ship calls, there was a significant increase of 53.48 percent in ship calls during the quarter in review.
- ❖ Foreign ship calls accounted 77.27 percent of the total ship calls, while domestic contributed the remaining 23.73 percent during the quarter in review.
- ❖ Domestic ship calls decreased by 28.57 percent from its level at 21 ship calls in Q1 2017 to 15 ship calls in Q1 2018. However, foreign ship calls grew by 10.87 and 70.00 percent on a year-on-year and quarter-on-quarter comparison.

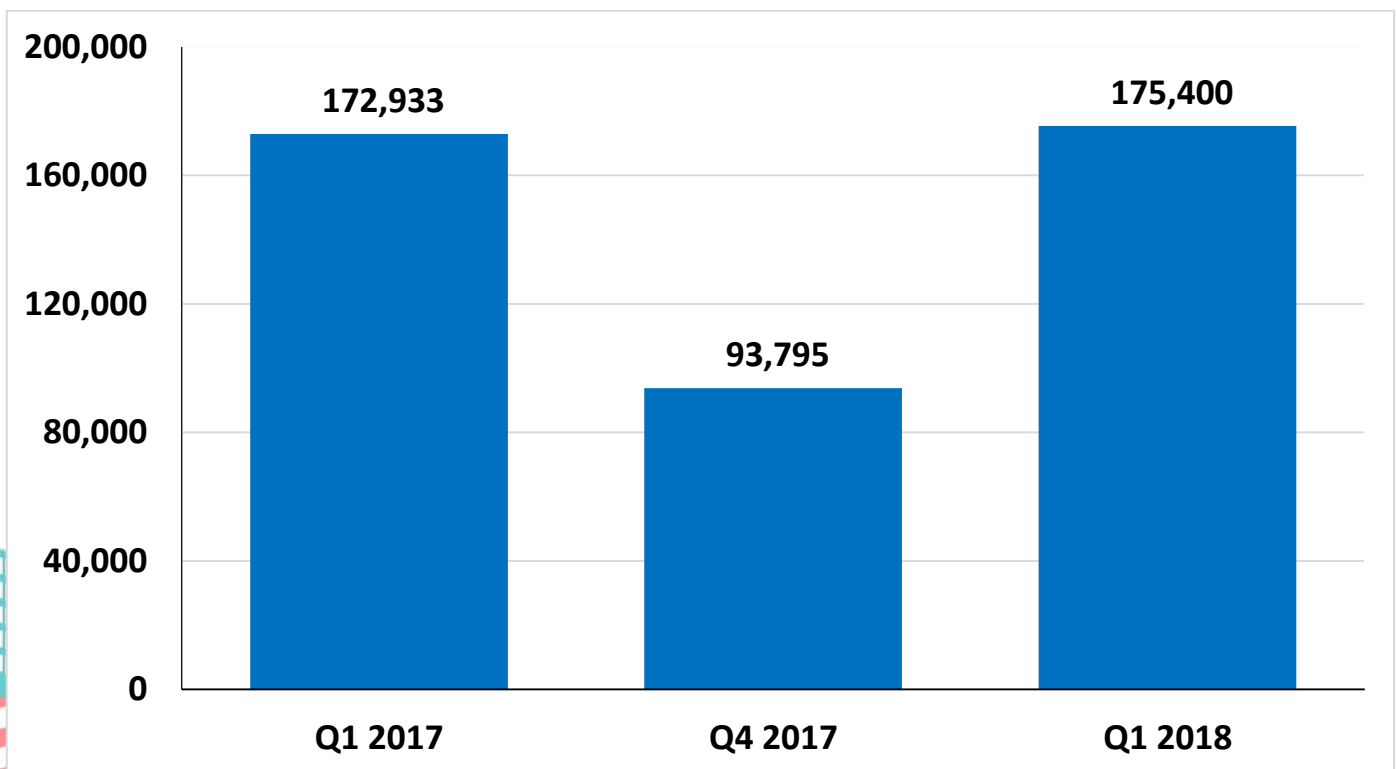
VEHICLE REGISTRATION

- ❖ A total of 175,400 motor vehicles (MV) were registered in the region in Q1 2018. This figure was higher by 1.43 percent when compared to its level a year ago at 172,933 and by 87.00 percent in comparison to its preceding quarter level at 93,795.
- ❖ The year-on-year increment was due to the 9.70 percent increase in the total number of motor vehicles with renewed registration in the region. Other contributory factors include: improving economic condition in the region, policy on change venue of registration, continued increased public awareness on the strict implementation of LTO policies related to MV registration and other land transportation laws, rules and regulations, and three-year validity of registration under 3-year registration scheme for new completely built units (CBU) and motorcycles 200 cc, and above.



- ❖ The quarter-on-quarter enormous increment and unusual increase of 87.00 was brought about by MV registration of new vehicles and vehicles with delinquent registration.
- ❖ The number of private MVs increased to 148,516 MVs in Q1 2018. This figure went up by 1.92 percent from its year ago level at 145,725 MVs and by 80.07 percent from its preceding quarter's level at 82,476 MVs.
- ❖ Registration of government and for hire vehicles declined by 0.98 and 6.79 percent, respectively, from Q1 2017 to Q1 2018, but increased by 140.00 and 84.39 percent, correspondingly, from their Q4 2017 levels.

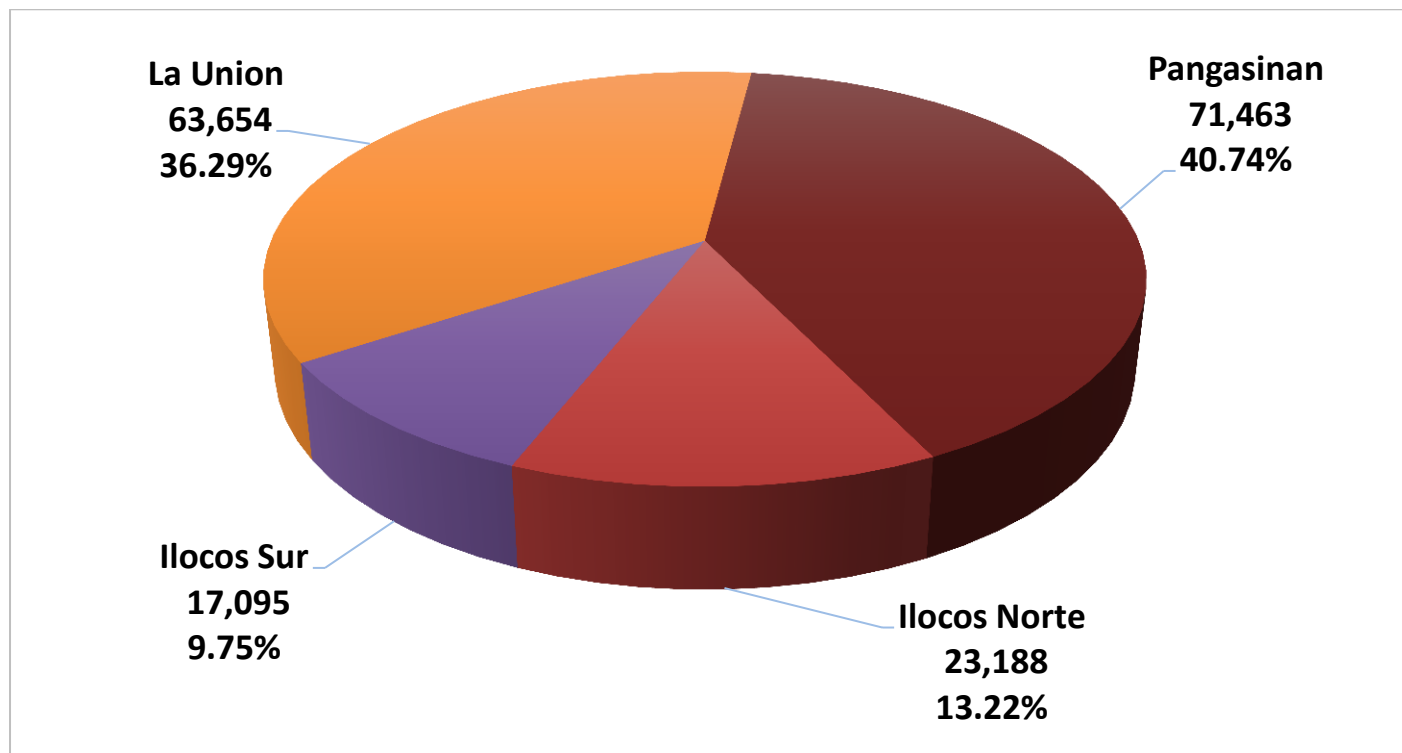
**Fig. 12. Vehicle Registration, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**



Source: LTO

- ❖ By type of vehicle, motorcycles/tricycles continued to account the biggest share at 58.92 percent of the total MV registered in Q1 2018.

**Fig. 13. Vehicle Registration by Province, Region 1
Q1 2018 (in MV Registered and Percent Share)**



Source: LTO

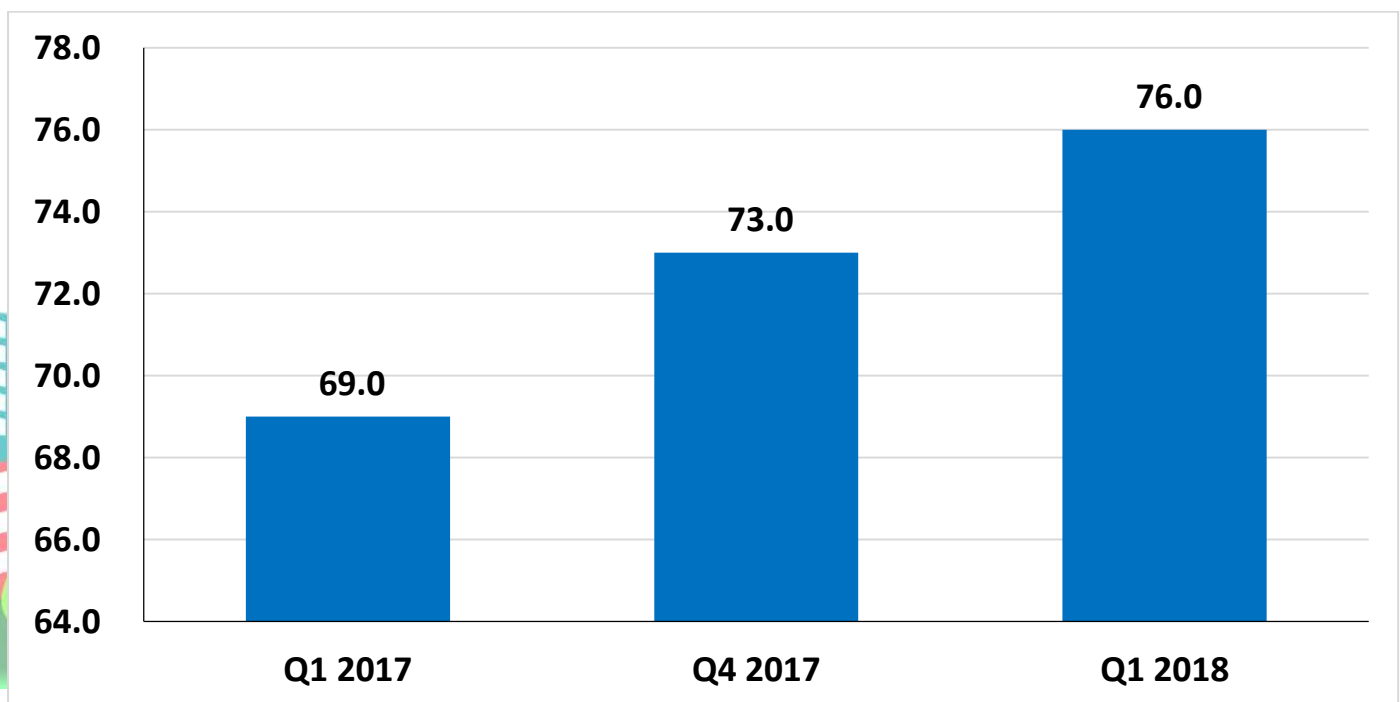
- ❖ On a year-on-year comparison, all provinces except La Union posted MV registration increments. La Union's MV registration declined by 11.29 percent from its year ago level at 71,756 MVs primarily due to the initial implementation of the Do-It-Yourself (DIY) sales reporting³. Meanwhile, all provinces registered quarter-on-quarter increments on their total MV registration.
- ❖ With a 40.74 percent share, Pangasinan registered the highest total MV registered among the provinces in the region. La Union came next with 36.29 percent share while Ilocos Norte and Ilocos Sur posted 13.22 and 9.75 percent share, respectively.

³ The accredited dealers input their sales reports in the LTO IT System.

CRIME SOLUTION EFFICIENCY

- ❖ Region 1 sustained its peaceful, secure and safe environment during the quarter in review. Total crime volume was significantly reduced by 20.45 percent from Q1 2017 to Q1 2018 due to the implementation of the enhanced managing police operations (EMPO) and intensified anti-criminality drive of the Philippine National Police (PNP).
- ❖ Meanwhile, total crime volume slightly increased in a quarter-on-quarter comparison from 5,846 crimes in Q4 2017. This could be attributed to the increasing number of vehicular traffic incidents (VTIs) which are unintentional and classified as criminal negligence. Moreover, other crimes recorded were crimes against property and special laws.

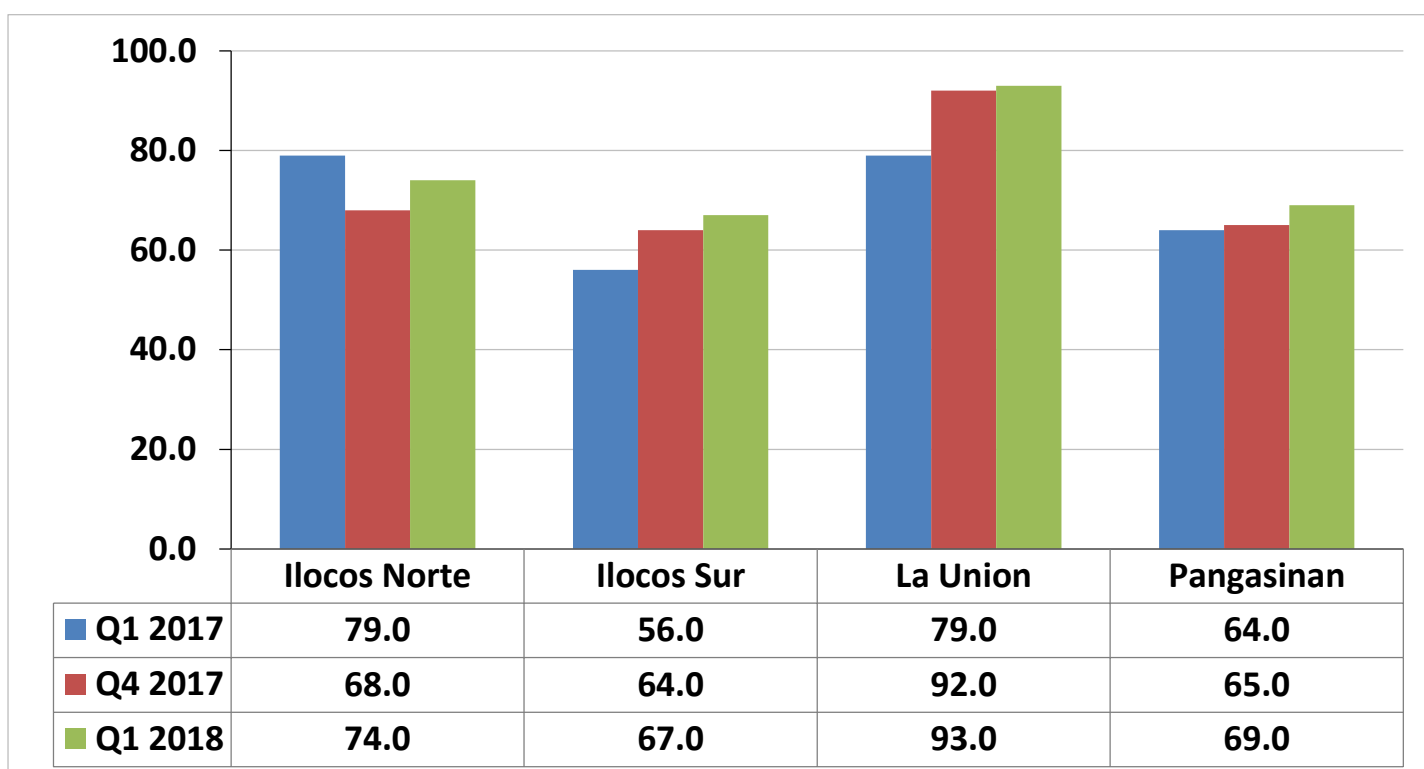
**Fig. 14. Crime Solution Efficiency Rate, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in Percent)**



Source: PNP

- ❖ Total crimes solved increased by 16.25 percent from 4,258 crimes solved in the fourth quarter of 2017 due to intensified efforts of the PNP to improve the crime solution efficiency (CSE) in Region 1.
- ❖ As a result, the crime solution efficiency rate (CSER)⁴ improved to 76.0 percent in Q1 2018 from its year ago level at 69.0 percent and preceding quarter level at 73.0 percent. The year-on-year and quarter-on-quarter improvement was due to the enhanced capability of the scene-of-the-crime operatives (SOCO) in the region. Also, the CSE is expected to continually increase since the PNP Regional Office 1 is committed to increase the region's CSE by 6.0 percent annually.

**Fig. 15. Crime Solution Efficiency Rate, by Province, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in Percent)**

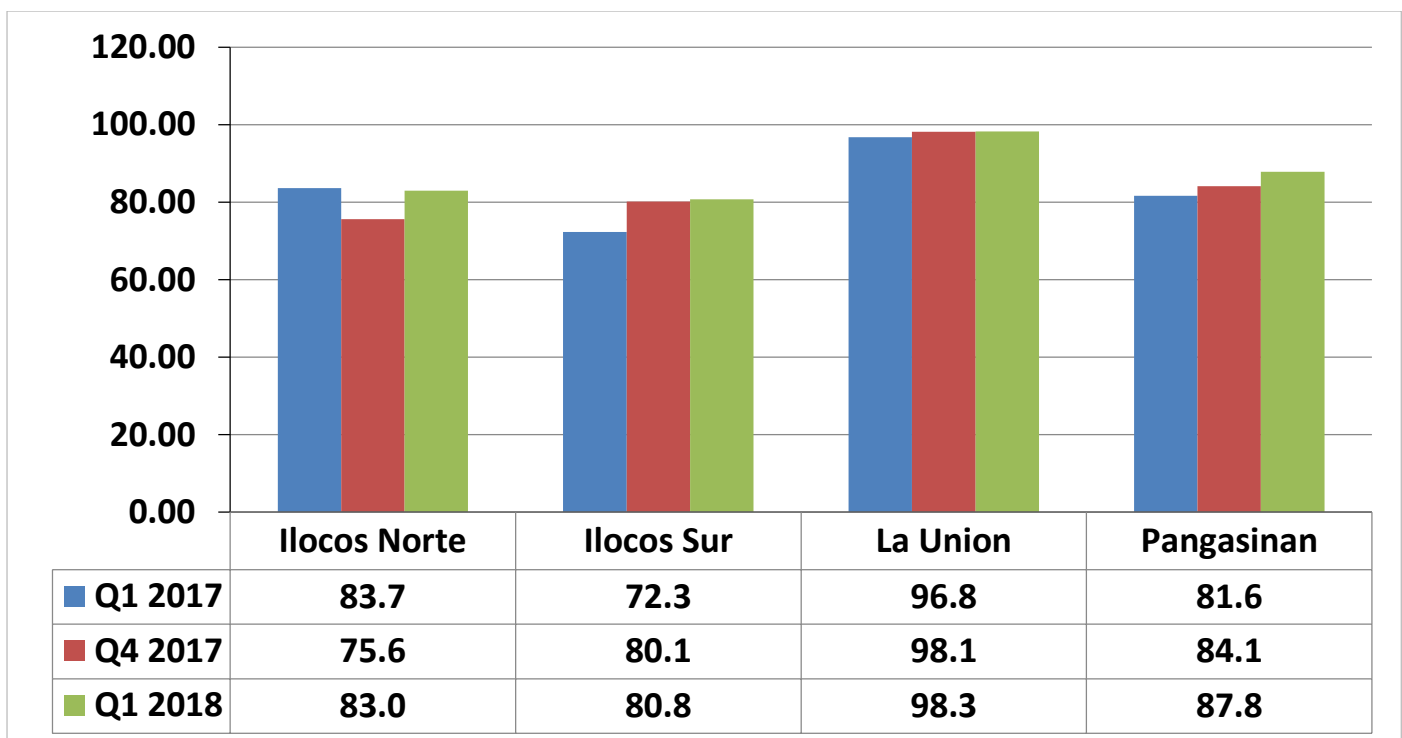


Source: PNP

⁴ CSER pertains to the percentage of solved cases out of the total number of crime incidents handled by law enforcement agencies for a given period of time (PNP, 2009).

- ❖ Among the provinces, La Union registered the highest CSER at 93.0 percent in Q1 2018, from 79.0 percent in Q1 2017 and 92.0 percent in Q4 2017. All of the provinces posted an improved CSER in Q1 2018 compared to its level in Q4 2017. Ilocos Sur registered the lowest CSER at 67.0 percent during the quarter in review; nevertheless, it posted improvements in CSER from 56.0 percent in Q1 2017 and 64.0 percent in Q4 2017.

**Fig. 16. Crime Clearance Efficiency Rate, by Province, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in Percent)**



Source: PNP

- ❖ In terms of total crimes cleared⁵, the region posted 5,844 crimes cleared in Q1 2018, lower than its year ago but higher than the preceding quarter's level. On a year-on-year comparison, it declined by 15.28

⁵ A case shall be considered cleared when at least one of the offenders has been identified; there is sufficient evidence to charge him; and, he has been charged before the prosecutor's office or any other court of appropriate jurisdiction. Included in this category are solved cases (PNP, 2009).

percent which could be attributed to Homicide Cases Under Investigation (HCUIs). However, the total crimes cleared improved by 14.75 percent from 5,093 crimes cleared in Q4 2017 which could be attributed to the intensified efforts of the PNP Region 1 in improving the CSE in the region.

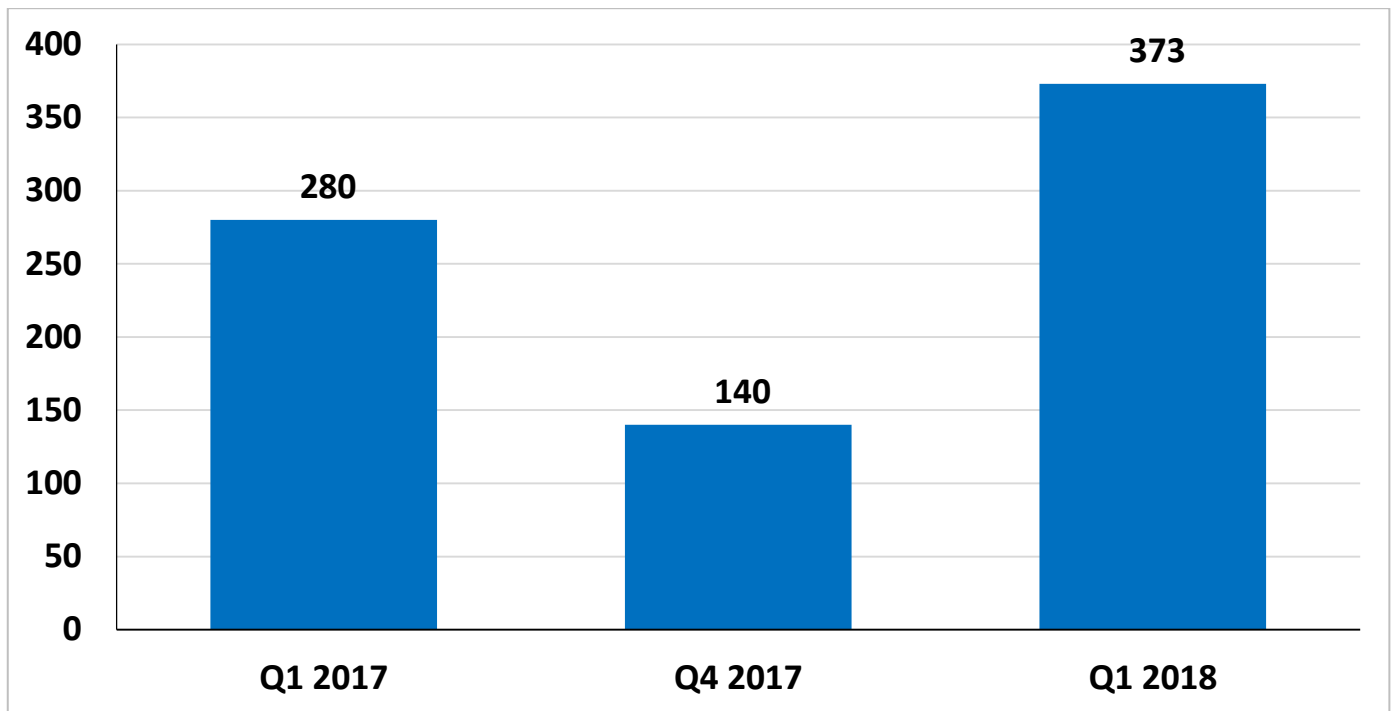
- ❖ On a year-on-year comparison, Region 1 registered higher crime clearance efficiency (CCE)⁶ from 84.6 percent in Q1 2017 to 90.0 percent in Q1 2018. In addition, all provinces recorded higher CCE in comparison to the preceding quarter levels of CCE.
- ❖ Among the provinces, La Union registered the highest CCE of 98.3 percent in Q1 2018. Meanwhile, Ilocos Sur posted the highest annual increment of 8.5 percentage points from its CCE of 72.3 in Q1 2017 and Ilocos Norte registered the highest quarter-on-quarter increment of 7.3 percentage points from the previous quarter's CCE of 75.6.

FIRE INCIDENCE

- ❖ A total of 373 fire incidents were recorded in the region during the quarter in review. This figure was higher by 33.21 percent when compared to its year ago level at 280 incidents. This year-on-year increase was due to the high temperature during the summer season.
- ❖ Likewise, fire incidents increased by 166.43 percent in comparison to its preceding quarter's level at 140 incidents. The weather transition causing grass or rubbish fire could have contributed to this quarter-on-quarter increase of fire incidents in the region.

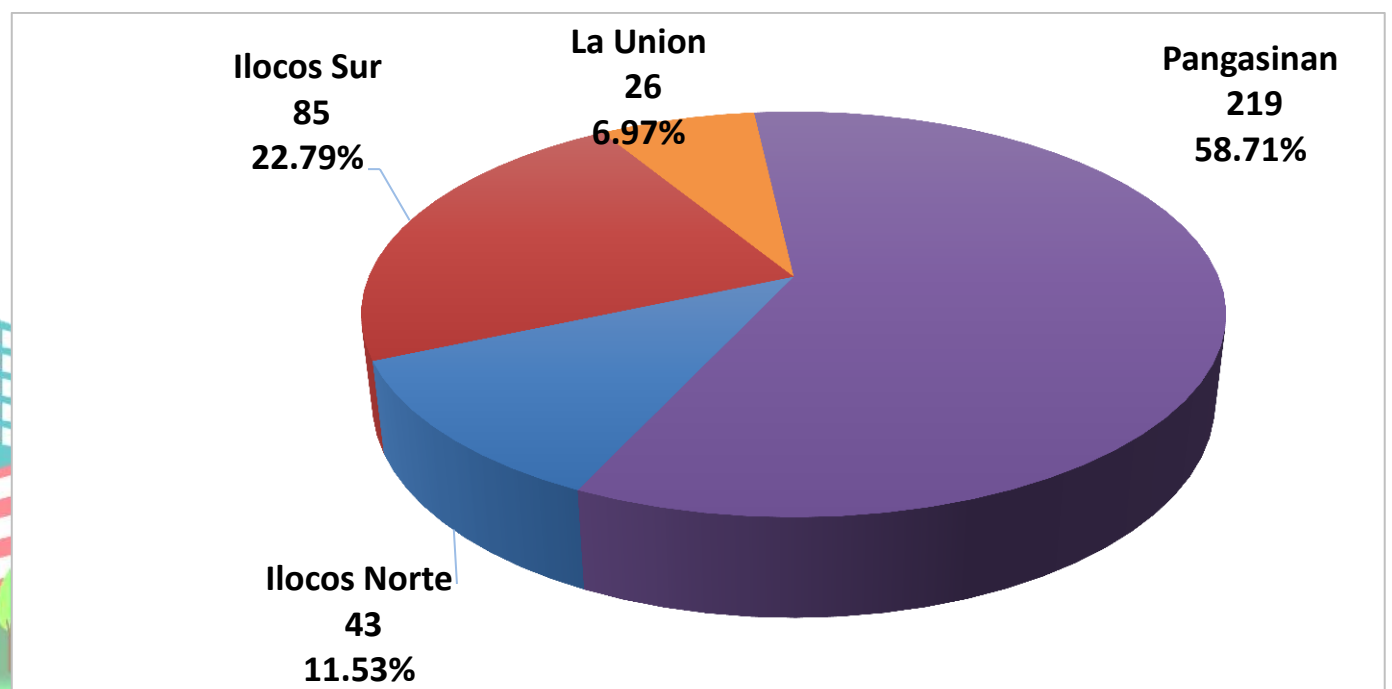
⁶ CCE refers to the percentage of cleared cases out of the total number of crime incidents handled by law enforcement agencies for a given period of time (PNP, 2009)

**Fig. 17. Number of Fire Incidences, Region 1
Q1 2018 vs Q1 2017 and Q4 2017**



Source: BFP

**Fig. 18. Number of Fire Incidences by Province, Region 1
Q1 2018 (in Percent)**

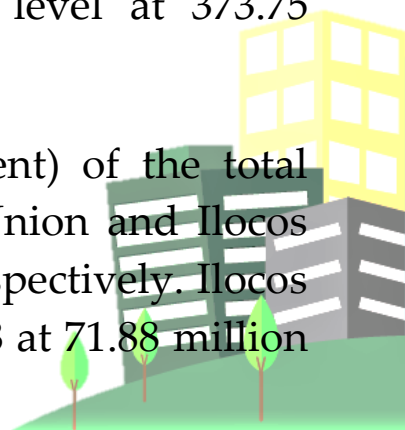


Source: BFP

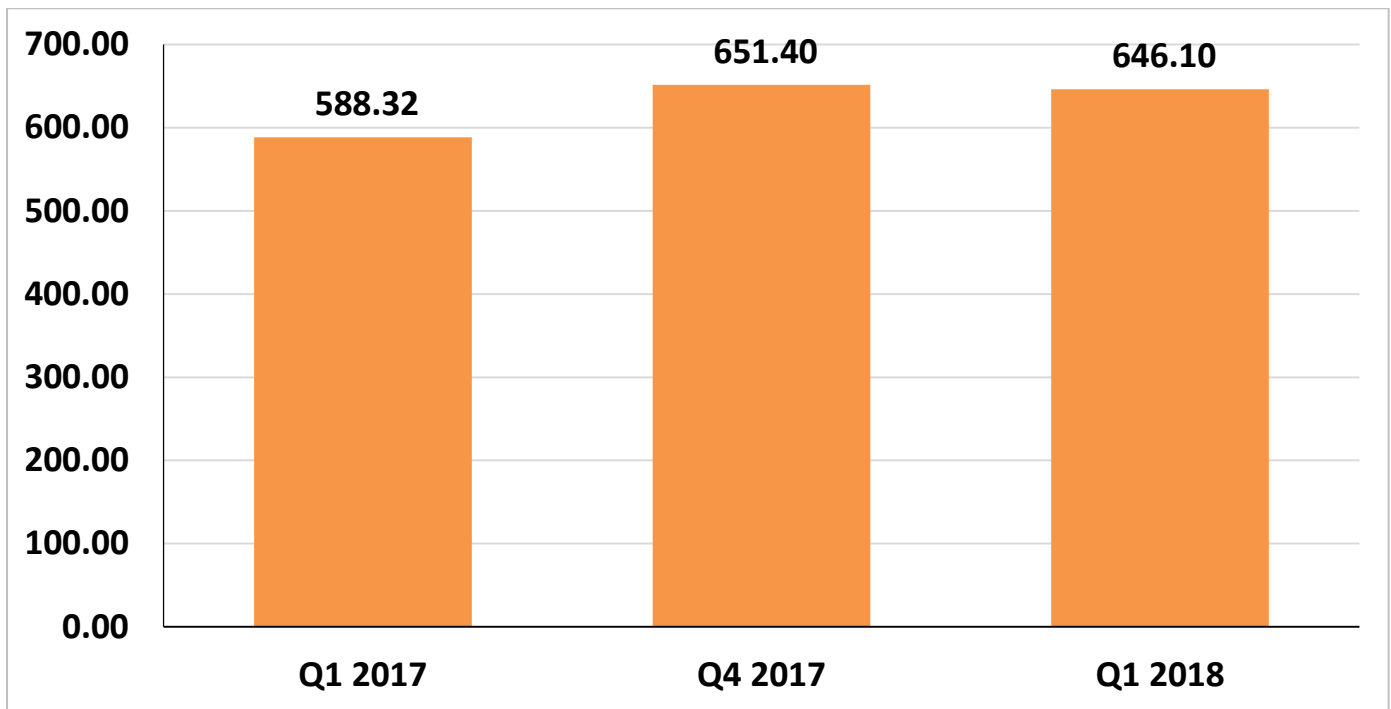
- ❖ Among provinces, majority (58.71 percent) of the fire incidents occurred in Pangasinan while La Union had the lowest percent share of 6.97 to the total fire incidents in the region during Q1 2018. Ilocos Sur and Ilocos Norte had 22.79 and 11.53 percent share, accordingly.

POWER CONSUMPTION

- ❖ Total power consumption in the region was recorded at 646.10 million kWh in Q1 2018. This figure was higher by 9.82 percent from its year ago level at 588.32 million kWh but slightly lower than its preceding quarter's level at 651.40 million kWh.
- ❖ All provinces registered annual increment in their power consumption. Among them, Pangasinan posted the highest increment of 11.00 percent, from 339.41 million kWh in Q1 2017 to 376.75 million kWh in Q1 2018.
- ❖ Meanwhile, all provinces except Pangasinan recorded lower power consumption in a quarter-on-quarter comparison. Ilocos Norte posted the highest quarter-on-quarter decline in power consumption from 75.19 million kWh in Q4 2017 to 71.88 million kWh in Q1 2018. Pangasinan posted a quarter-on-quarter increment of 0.80 percent from its preceding quarter's power consumption level at 373.75 million kWh.
- ❖ Among the provinces, more than half (58.31 percent) of the total power consumption were sold in Pangasinan. La Union and Ilocos Sur came next with 19.22 and 11.34 percent share, respectively. Ilocos Norte had the lowest power consumption in Q1 2018 at 71.88 million kWh, equivalent to 11.13 percent share.

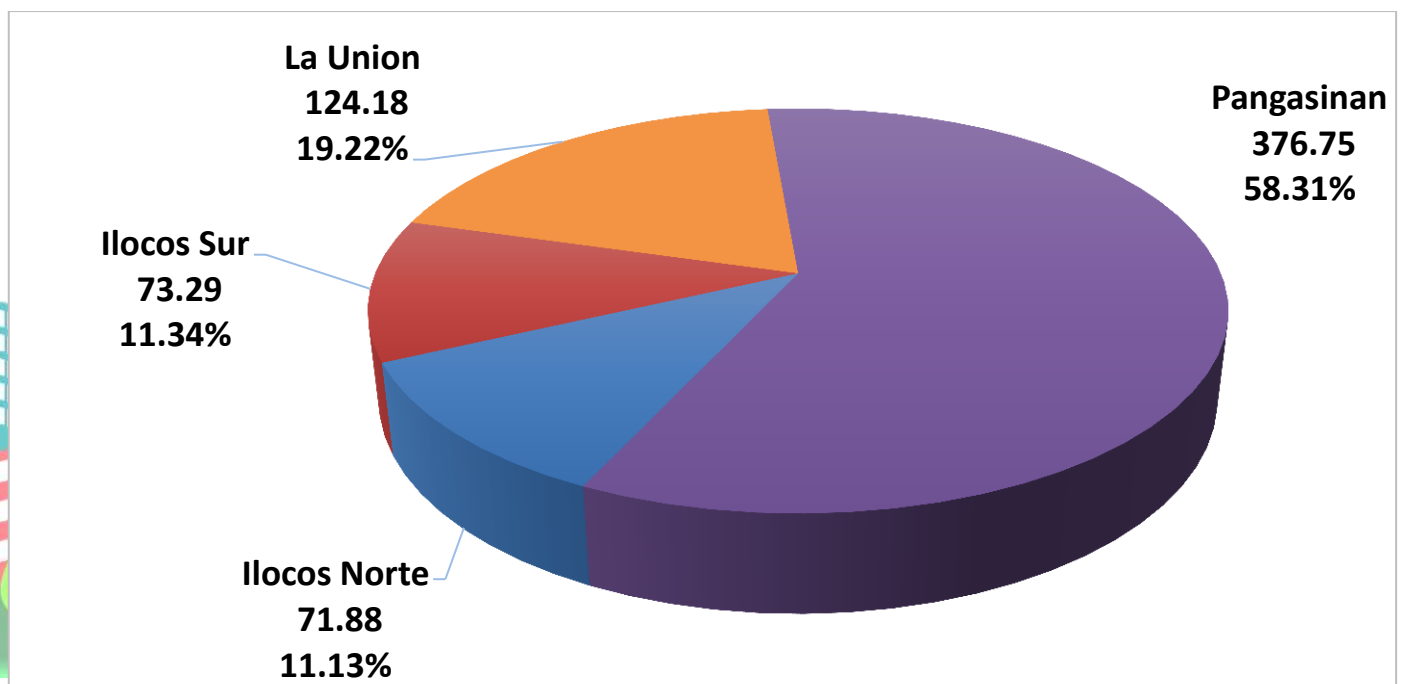


**Fig. 19. Power Consumption, Region 1
Q1 2018 vs Q1 2017 and Q4 2017 (in million kWh)**



Source: NGCP

**Fig. 20. Power Consumption, by Province, Region 1
Q1 2018 (in million kWh and Percent Share)**



Source: NGCP

DEVELOPMENT OUTLOOK

- ❖ As projected in the 4th Quarter 2017 QRES, the region's economy continued to exhibit an upbeat performance this first quarter of 2018. Investments registered higher growth with the increase of investments generated from Business Name Registration (BNR) and incremental investments in leading industries. Unfortunately, contrary to the forecast in the previous report, the agriculture sector was not able to register a positive performance during the quarter in review due to the early onset of summer season resulting to shortage of irrigation water supply, and other inadvertent circumstances such as infestation of pests.
- ❖ For the second quarter of 2018, the region's economy is expected to continue to register positive performance:
 - The agriculture sector will be challenged by sporadic weather conditions in the next quarter such as hot weather during the month of April and onset of rainy season in May that could hamper the farming activities in the region. Based on the Seasonal Climate Outlook of DOST-PAG-ASA, the weather conditions during the next quarter will likely consist of near to above normal rainfalls and two (2) to four (4) tropical cyclones. Nevertheless, the previous year's turn-over of facilities, and the distribution of farm machineries to farmer-association member beneficiaries of the first district of La Union, and Bacarra and Batac, Ilocos Norte during the last quarter through DA's Farm Mechanization Program will help farmers improve their productivity and farm outputs amidst the challenges such as climate change.

- Positivity in the trade and industry sector is hoped to persist during the second quarter of 2018 with positive growth from the investments generated from Business Name Registration (BNR) and incremental investments in leading industries.
- Investments will likely continue to expand with the improved road networks in the region (e.g. Binalonan to Pozzorubio section of TPLEX, Urdaneta by-pass road in Pangasinan) as this will entail faster movement of people, products and services, and ease of access to potential markets.
- The services sector is expected to contribute to a strong regional economy in Q2 2018 as more tourists are expected to visit the region with the onset of the summer season. Tourism-related activities will generally generate more economic activities and trigger consumer spending in the region.
- With the increased public infrastructure spending through the Build, Build, Build Program, the construction industry is expected to stimulate more economic activities in the region such as generation of more jobs and investments.



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Regional Office 1**

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