

REGIONAL ECONOMIC SITUATIONER

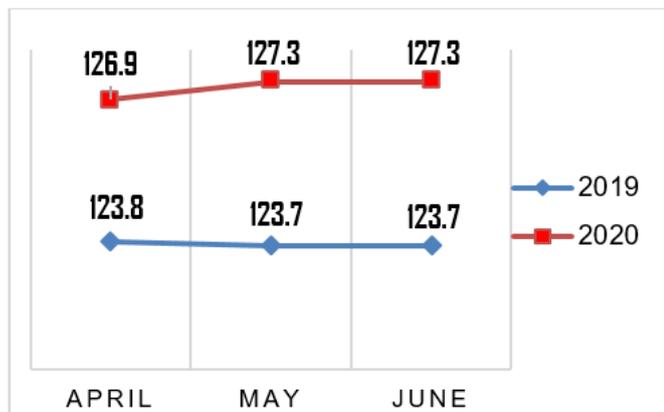
Second Quarter (April – June) 2020

MACROECONOMY

Prices and Inflation

Because of the COVID-19 pandemic, Zamboanga Peninsula's average consumer price index (CPI) for the second quarter of the year accelerated to 127.3 from 123.7 of the same period in 2019. Among the provinces, Zamboanga del Norte posted the highest increase, averaging 130.6. The provinces of Zamboanga Sibugay and Zamboanga del Sur recorded an average CPI of 126.5 and 125.3, respectively. Limited transportation facilities and supply due to the imposition of quarantine measures, among others, were cited as the reasons for the rising prices of goods.

Figure 1: Average Consumer Price Index, Region IX, Second Quarters, 2019 and 2020 (2012 = 100)

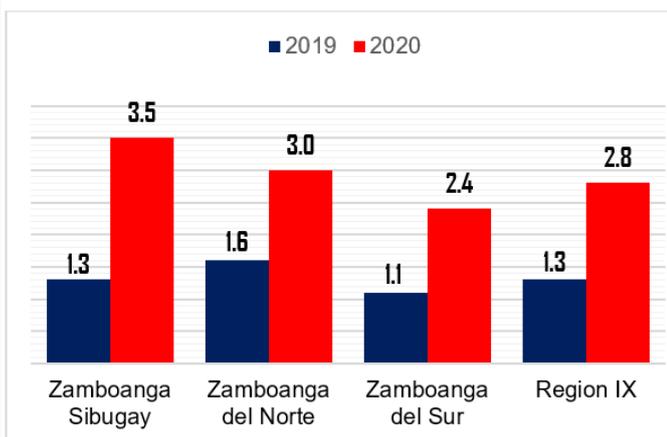


Source: PSA IX

Inflation Rate

For the second quarter of 2020, the region's average inflation rate rose to 2.8 percent from 1.3 percent a year ago. The average inflation rates of the three provinces in Zamboanga Peninsula also increased. Zamboanga Sibugay registered the highest average inflation rate of 3.5 percent compared to 1.3 percent in the second quarter a year ago. Zamboanga del Norte posted an inflation rate of 3 percent compared to

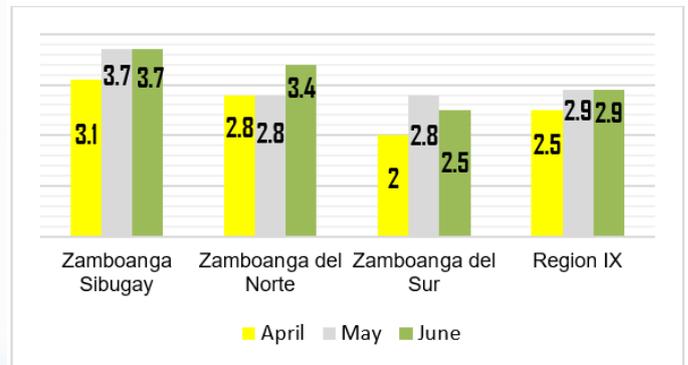
Figure 2: Inflation Rate, Region IX, Second Quarters 2019 and 2020



Source: PSA IX

1.6 percent in the same quarter in 2019. Zamboanga del Sur recorded an average inflation of 2.4 percent this year, as compared to 1.1 percent in the second quarter of 2019.

Figure 3: Inflation Rate, Region IX, April –June 2020



Source: PSA IX

Purchasing Power of Peso

The average purchasing power of peso for the second quarter of 2020 went up to PHP0.79 from PHP0.78 of the preceding quarter. However, it dropped by 0.02 cent from the second quarter of 2019.

LABOR AND EMPLOYMENT

The labor force in the region fell by 5.8 percent in April 2020 from that of last year, based on the preliminary data of the Philippine Statistics Authority IX.

The labor participation rate in the region also slid to 52 percent, down by 4.5 percentage points from 56.5 percent in the same period of last year. The employment rate also decreased to 76.1 percent from 95.7 percent, losing a huge 19.6 percentage points. Hence, the unemployment rate swelled to 23.9 percent from 4.3 percent and the underemployment rate almost doubled to 23.5 percent from 12.2 percent.

The Department of Labor and Employment (DOLE) IX provided about PHP174.79 million through its employment and livelihood programs during the second quarter of 2020.

Figure 4: Labor Force Participation, Employment, Unemployment and Underemployment Rates, Region IX, Second Quarters 2019 and 2020



Source: PSA IX

An amount of PHP65.94 million came from the COVID-19 Adjustment Measures Program wherein 13,188 beneficiaries covering 766 establishments were aided in the said program.

A total of 30,023 jobs were generated during the period, per initial report of Public Employment Service Offices in the region. Based on the preliminary data of DOLE IX, the jobs generated in Zamboanga City dropped to 136 in the second quarter of 2020 as compared to 1,114 in the same period of last year. Isabela City also experienced a huge decline of 426 from 902 in the previous year.

INVESTMENTS AND EXPORTS

Business name registration went up by 37.4 percent from that of the same period last year. However, the second quarter of 2020 figures showed a sharp decrease compared to the previous quarter due to the implementation of Enhanced or General Community Quarantine (E/GCQ).

The region's export earnings in the second quarter of 2020 dropped to US\$42.82 million. This was 60 percent lesser than the US\$107.11 million of the same period last year. The decrease in value of crude coconut oil (-87.4 percent), copra

oil, fish meal, semi-refined carrageenan, frozen mollusk, dried seaweeds, fish oil, rubber, copra extraction pellet and canned sardines.

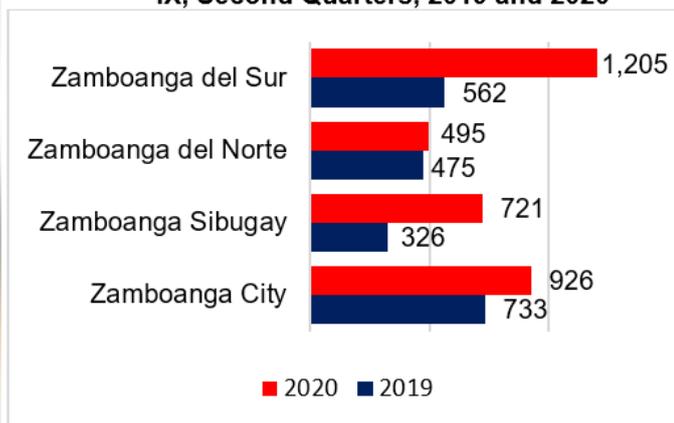
REVENUE COLLECTION

The region's revenue collection went up by 524.07 percent in the second quarter of 2020 compared to the collection the same period a year ago. Despite the implementation of ECQ in April and May, employees of the Bureau of Customs – Port of Zamboanga who were part of the skeleton workforce, continued to report to their office to ensure unhampered operation. The customs collection district was able to attain the target revenue of PHP719.43M in the second quarter of 2020 and posted a total surplus of PHP263.54M compared to the same quarter of last year. In the same period last year, the agency achieved a target revenue of PHP136.67M with a total surplus of PHP20.84M.

ADMINISTRATION OF JUSTICE

With the implementation of plea bargaining framework on drug cases, the total number of investigation cases handled by the Department of Justice-Parole and Probation Administration (DOJ-PPA) IX increased by 72 percent in the second quarter of 2020 as compared to the same period of last year. However, only 65.4 percent of these cases were completed and forwarded to courts or Board of Pardons and Parole. This was due to quarantine implementation where travels of investigating officers were restricted, offices were closed and the schedule of duty was on skeleton arrangement.

Figure 5: Business Name Registration, Region IX, Second Quarters, 2019 and 2020

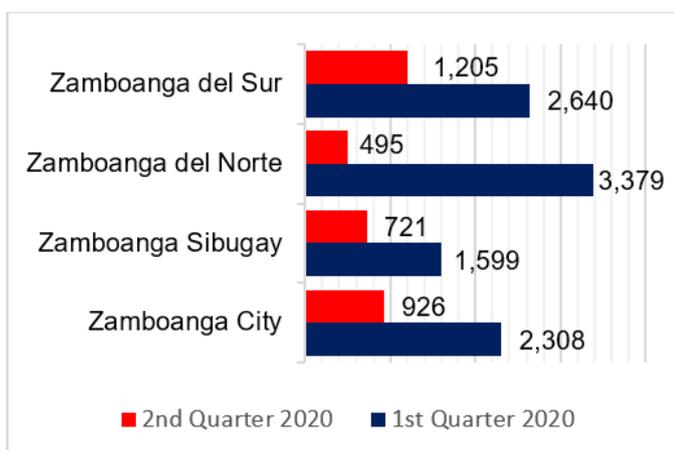


Source: DTI IX

extraction pellet (-64.2 percent) and cochin oil (-35.6 percent) contributed to the decline in earnings.

The top ten exports of Region IX were cochin oil, crude coconut

Figure 6: Business Name Registration, Region IX First and Second Quarters, 2020



Source: DTI IX

Table 1: Number of Cases Handled, Region IX, Second Quarters, 2019 and 2020

Cases Handled	2019	2020
Investigation cases	1,854	3,183
• Completed and forwarded to Courts/BPP within prescribed period	74.94%	65.4%
Supervision cases	2,144	3,099
• Percentage of client's compliance to terms/ conditions of probation or parole pardon	99.4%	99.52%

Sources: DOJ-PPA IX

The total number of criminal cases handled by the Department of Justice-Public Attorney's Office (DOJ-PAO) IX went down by 3.9 percent in the second quarter of 2020 as compared to the same period of last year. Its disposition rate decreased from 15 percent to 11 percent. Other cases handled by the office (e.g. civil, labor cases, and mediation and conciliation disputes) including their disposition rates also decreased in the same period compared to last year.

DOJ-PAO IX depended on the number of walk-in clients in the attainment of the targets. The decrease in the figures was partly due to the community quarantine in all local government units (LGUs) in the region.

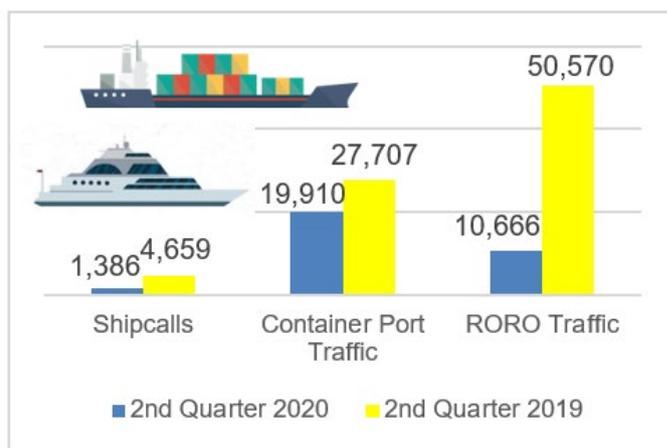
Table 2: Number of Cases Handled, Region IX, Second Quarters, 2019 and 2020

Cases Handled	2019	2020
Criminal cases Disposition Rate	11,061 15%	10,626 11%
Civil cases Disposition Rate	675 12%	629 2%
Administrative cases Disposition Rate	107 6%	112 2%
Labor cases Disposition Rate	186 41%	116 4%
Mediation and Conciliation Disposition Rate	393 96%	106 89%

Sources: DOJ-PAO IX

With the different community quarantine measures instituted starting on March 20, 2020, the Philippine Ports Authority - Port Management Office-Zamboanga City posted a marked decrease on ship calls, container port, passenger and RORO traffic for the second quarter of 2020 compared to the same period a year ago.

Figure 9: Shipcalls, Container Port Traffic and RORO Traffic, Region IX, Second Quarters 2019 and 2020



Source: PPA-PMO Zamboanga City

PEACE AND ORDER

Philippine National Police IX reported that the total crime incidents in the region in the second quarter of 2020 was 2,006. A significant decrease of 1,590 or 44.2 percent in the total crime incidents was observed from the same quarter in 2019. This was attributed to the limited movement of people which deterred the perpetrators to commit crime. Crime Clearance Efficiency and Crime Solution Efficiency Rates in the region also improved compared to the same period of last year.

Figure 7: Crime Clearance Efficiency and Crime Solution Efficiency Rates, Region IX Second Quarters, 2019 and 2020



Source: PNP-PRO IX

TOURISM

The tourism sector of the Zamboanga Peninsula suffered a heavy blow due to the COVID-19 pandemic. For the second quarter of 2020, based on preliminary data, the Department of Tourism (DOT) IX recorded 1,363 tourist arrivals, which was 99.6 percent lower than the 335,446 figure in the same period last year. The huge decrease was due to the implementation of the Community Quarantine throughout the country.

Table 3: Number of Tourist Arrival, Region IX, Second Quarters, 2019 and 2020

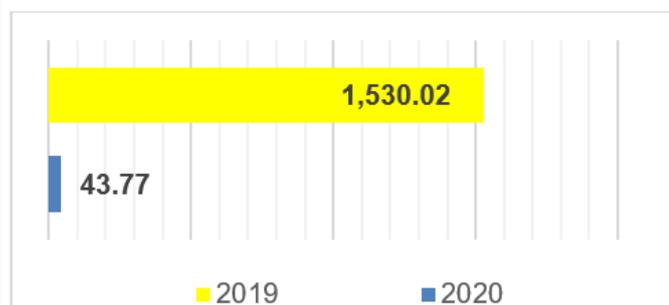
Provinces/City	2019 2 nd Quarter	2020 2 nd Quarter*
Zamboanga City	124, 262	386
Zamboanga Sibugay	26, 891	170
Zamboanga del Norte	105, 790	612
Zamboanga del Sur	78, 503	195
Region IX	335, 446	1, 363

*Data are based on submitted data from 8 Accommodation Establishments (AEs) of ZDS, 9 AEs of ZDN, 6 AEs of ZC and 2 AEs of ZSP; *Partial data only cover 25 AEs out of 399 AEs (6.2%)
Source: DOT IX

TRANSPORTATION

The COVID-19 pandemic greatly affected seaborne commerce, movement of people and vehicles transported via RORO mode of transportation.

Figure 8: Sea Passenger Traffic (in 000), Region IX Second Quarters, 2019 and 2020



Source: PPA-PMO Zamboanga City

DEVELOPMENT PROSPECTS AND CHALLENGES

The COVID-19 pandemic greatly affected the economic activities in the Philippines, including Zamboanga Peninsula. In this regard, efforts are being undertaken by all sectors to balance health and the need to move forward to recover the vibrancy of the economy.

As the region prepares to gradually reopen the economic activities and allow other social activities, Zamboanga Peninsula shall adopt the General Concept of Zoning (Critical Zone, Containment Zone, Buffer Zone and Outside Buffer Zone) to ease the COVID-19 community quarantine measures

and start moving to the “New Normal”. This concept will help in the prevention of the spread and resurgence of the virus, and at the same time balance the movement of the economy with public health safety.

Efforts in contact tracing will be stepped up. The cooperation of the public and private establishments will be requested to gather personal data from clients upon entry.

The LGUs play a vital role in ensuring that possible local transmission of COVID-19 in their respective areas of responsibility is controlled and managed.

Minimum health protocols (e.g. hand washing, wearing of facial mask and face shield) are expected to be observed by both the public and private sectors.

Government offices shall continue facilitating transactions through online or contactless mechanisms. Meetings and other formal activities are expected to be done through the use of online platforms to prevent physical contact.¹

Other government agencies have launched essential programs and projects to address the needs of vulnerable families, displaced workers and Micro, Small, Medium Enterprises (MSMEs). Among these are: (a) Diskwento sa Caravan, (b) Kadiwa on Wheels, (c) Social Amelioration Package, (d) COVID-19 Adjustment Measures Program, and (e) Livelihood Seeding Programs.

To ensure continuous and unhindered food production, the food security frontliners – farmers, fishermen and other workers in the food value chain, shall continue their work. The Philippine government has allowed all farming and fishing activities amidst the state of public health emergency.²

To ensure the continuity of learning, the Department of Education implements the Basic Education Learning Continuity Plan (BE-LCP) to deliver education in time of the COVID-19 pandemic. BE-LCP ensures the health, safety, and welfare of all learners, teachers and personnel. One of the main features of the BE-LCP is the adoption of multiple learning delivery modalities, with blended learning and distance learning as major options.³

Growth in exports is expected to recover to 5 percent while growth in imports is projected to bounce back to 8 percent in FY 2021 to 2022.⁴ The Bayanihan to Recover Act (Bayanihan 2) will provide a breathing spell for the business sector, among others.

To improve the country's trade performance, export manufacturers are encouraged to use digital technology and innovative approaches to continue operation and secure new markets. Firms will have to put in place alternative business processes that will become the new standards for engaging

1 RDRRMC IX, Regional Action Plan on COVID-19, May 4, 2020

2 <https://cnnphilippines.com/news/2020/4/11/da-agriculture-and-fisheries-players-workers-frontliners-coronavirus.html>

3 <https://www.deped.gov.ph/2020/06/24/briones-education-ministers-unite-to-ensure-learning-continuity-amid-covid-19/>

4 <https://www.neda.gov.ph/dbcc-revisits-medium-term-macroeconomic-assumptions-and-fiscal-program-amid-the-covid-19-pandemic/>

with clients, buyers, and suppliers.⁵

The government's infrastructure program and the agriculture sector will be among the main growth drivers of the Philippine economy despite the impact of the COVID-19 pandemic. The government's recovery program shall rely mostly on the implementation of projects under the priority “Build, Build, Build” program and the strengthening of the agriculture sector. The Department of Transportation and the Department of Public Works and Highways will be ready to implement their projects after weeks of delay due to the implementation of the community quarantine in the country. On the other hand, the agriculture sector will be a major contributor to the recovery of areas outside Metro Manila and a plus to the government's “Balik Probinsya” program that encourages people to return to their provinces to decongest the capital.⁶

In the health sector, laboratory testing for COVID-19 is critical to be able to rapidly identify, treat and isolate the positive patients, and be able to see the bigger picture of how many people are infected and ultimately stop the transmission of the virus.

In times of extreme experiences brought by COVID-19, it is likely that people feel fearful and anxious. Providing mental health and psychosocial support during the time of COVID-19 pandemic will be part of government interventions.

Much more are to be done to break the chain of COVID-19 transmission. Some of the challenges are containing transmission of infection, mitigating the impact in high risk communities and confined settings, as well as, ensuring uniform enforcement of public health measures that are already in place.⁷

5 <https://www.neda.gov.ph/ph-trade-drops-in-march-2020-due-to-covid-19-restrictions-neda/>

6 <https://www.pna.gov.ph/articles/1106053>, “BBB, agri to boost PH economy in 2020: DOF chief”, 16 June 2020

7 <https://www.who.int/philippines/news/feature-stories/detail/100-days-of-covid-19-in-the-philippines-how-who-supported-the-philippine-response>

Erratum to the article “R9 OCD, DPWH turnover regional evacuation center to ZdN” of Volume XXXI, No. 2 of the RDC Communicator

DSWD, not DPWH, is the cluster lead in Camp Coordination and Camp Management as stated in the National Disaster Response Plan.