

Regional Development Prospects and Demand for Energy

By

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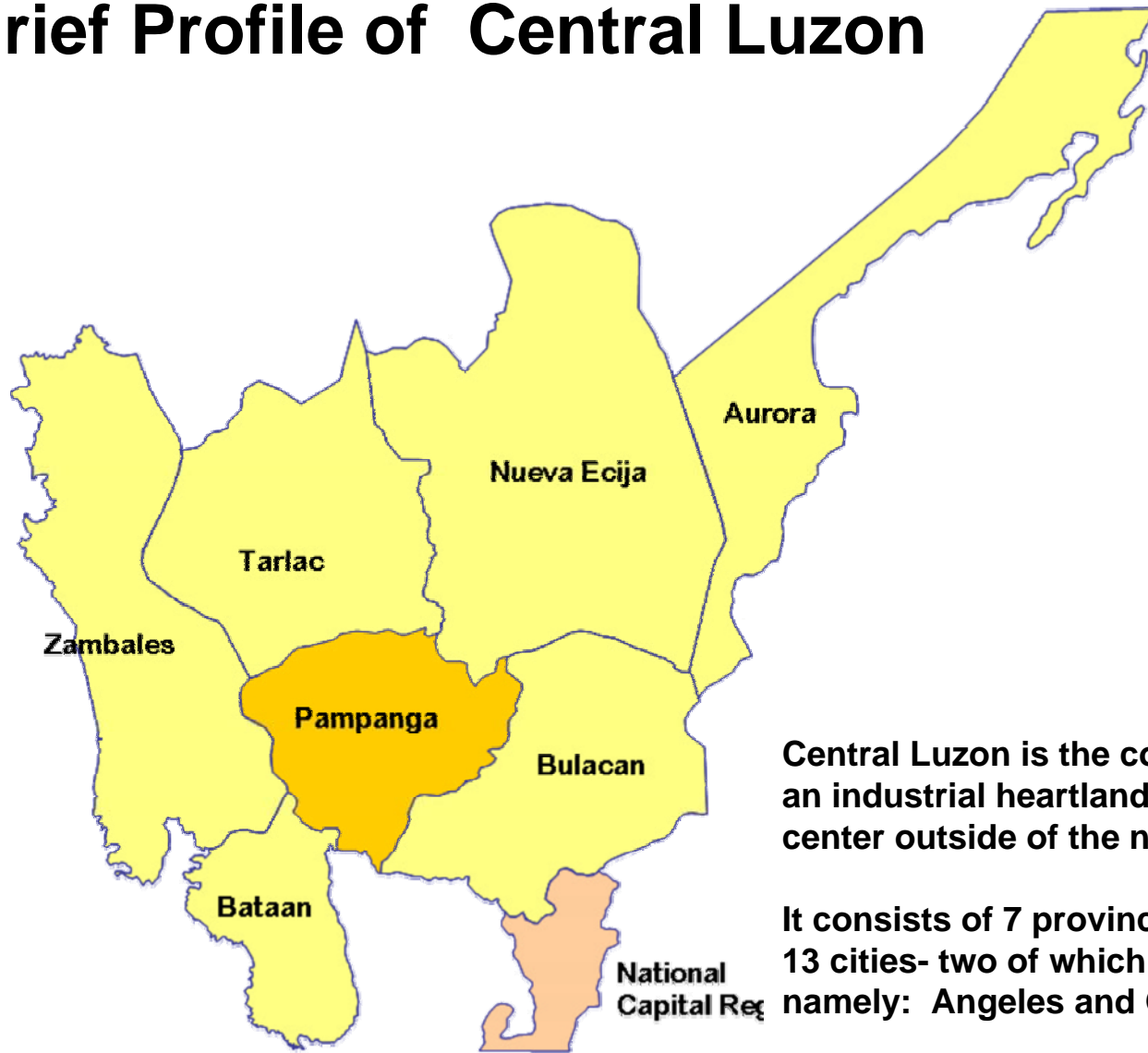
**Regional Director, NEDA III &
Vice-Chairperson, RDC III**

21 August 2008

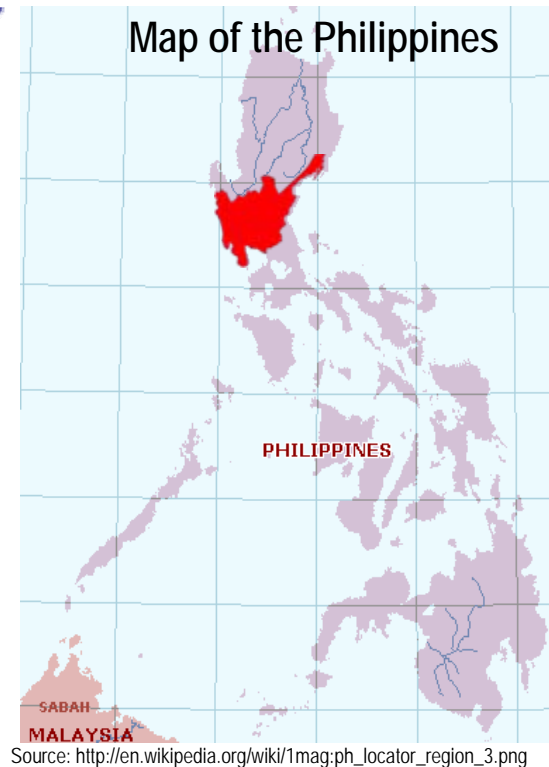
Outline

- I. Brief Profile of Central Luzon
- II. Energy Demand Triggers
- III. Summary and Conclusion

I. Brief Profile of Central Luzon



Map of Central Luzon



Source: http://en.wikipedia.org/wiki/1mag:ph_locator_region_3.png

Central Luzon is the country's leading food basket, an industrial heartland, and a sprawling urban center outside of the national capital region.

It consists of 7 provinces, 117 municipalities, and 13 cities- two of which are highly urbanized, namely: Angeles and Olongapo.

The region has also 20 congressional districts.

It has an estimated total land area of about 21,500 sq. km. or representing 7.2% of the countries total land area.

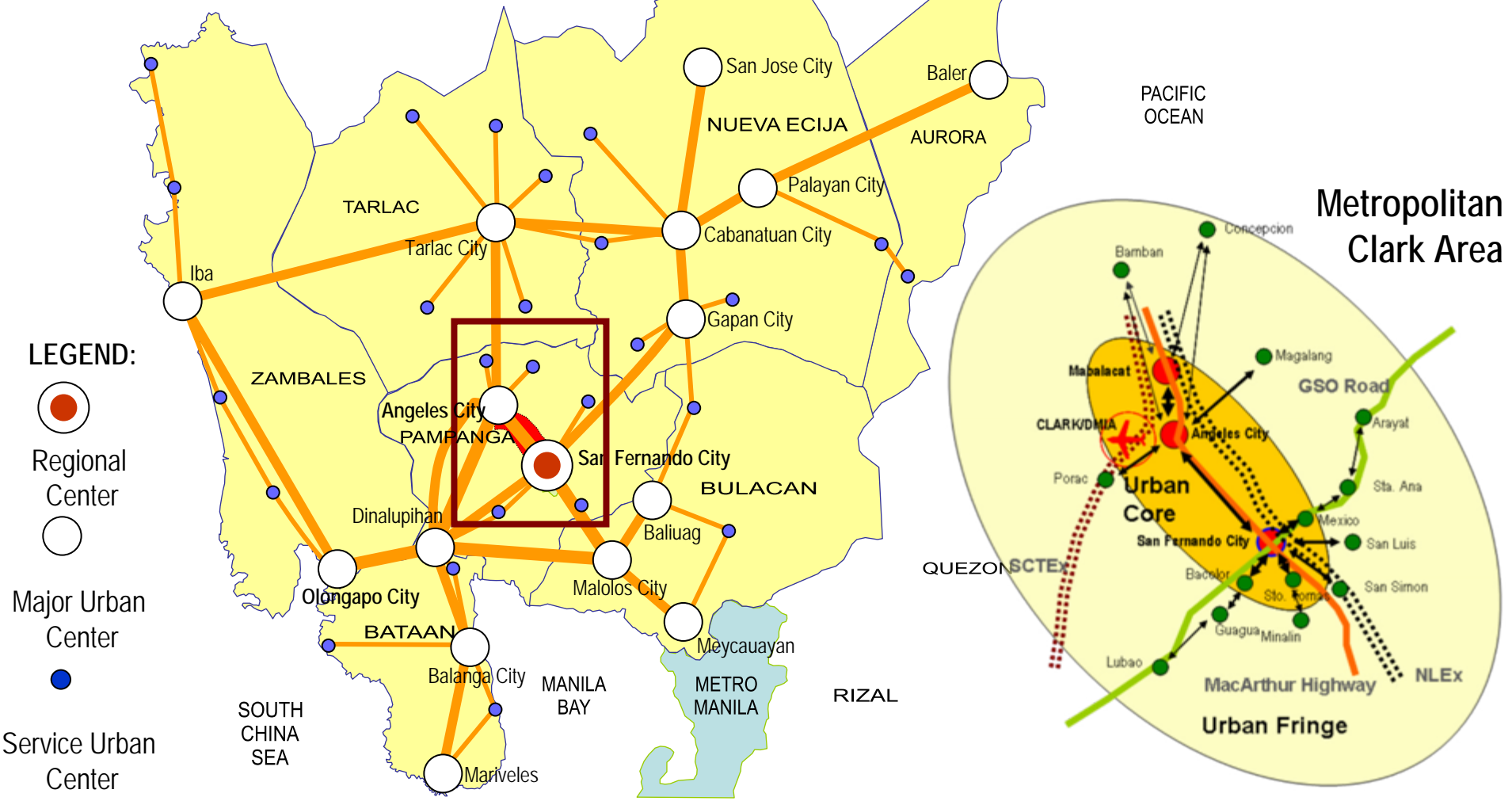


Not to Scale

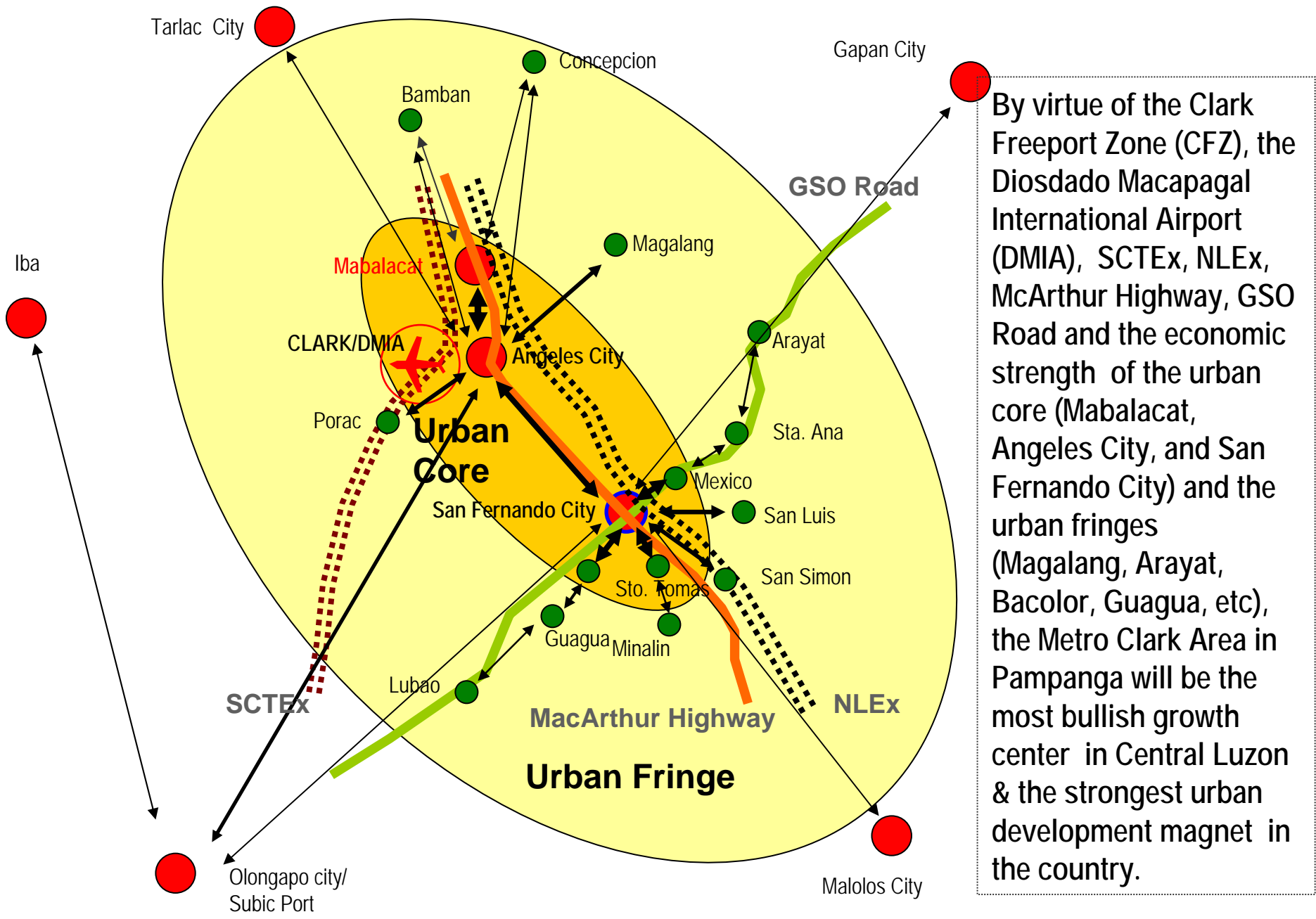
Source: NEDA III RPFP (2006)

I. Brief Profile of Central Luzon

Per the emerging hierarchy of the different urban centers in Central Luzon, San Fernando City will remain as the regional urban center and administrative capital because of its strategic location, supported by the rapidly developing Metropolitan Clark Area

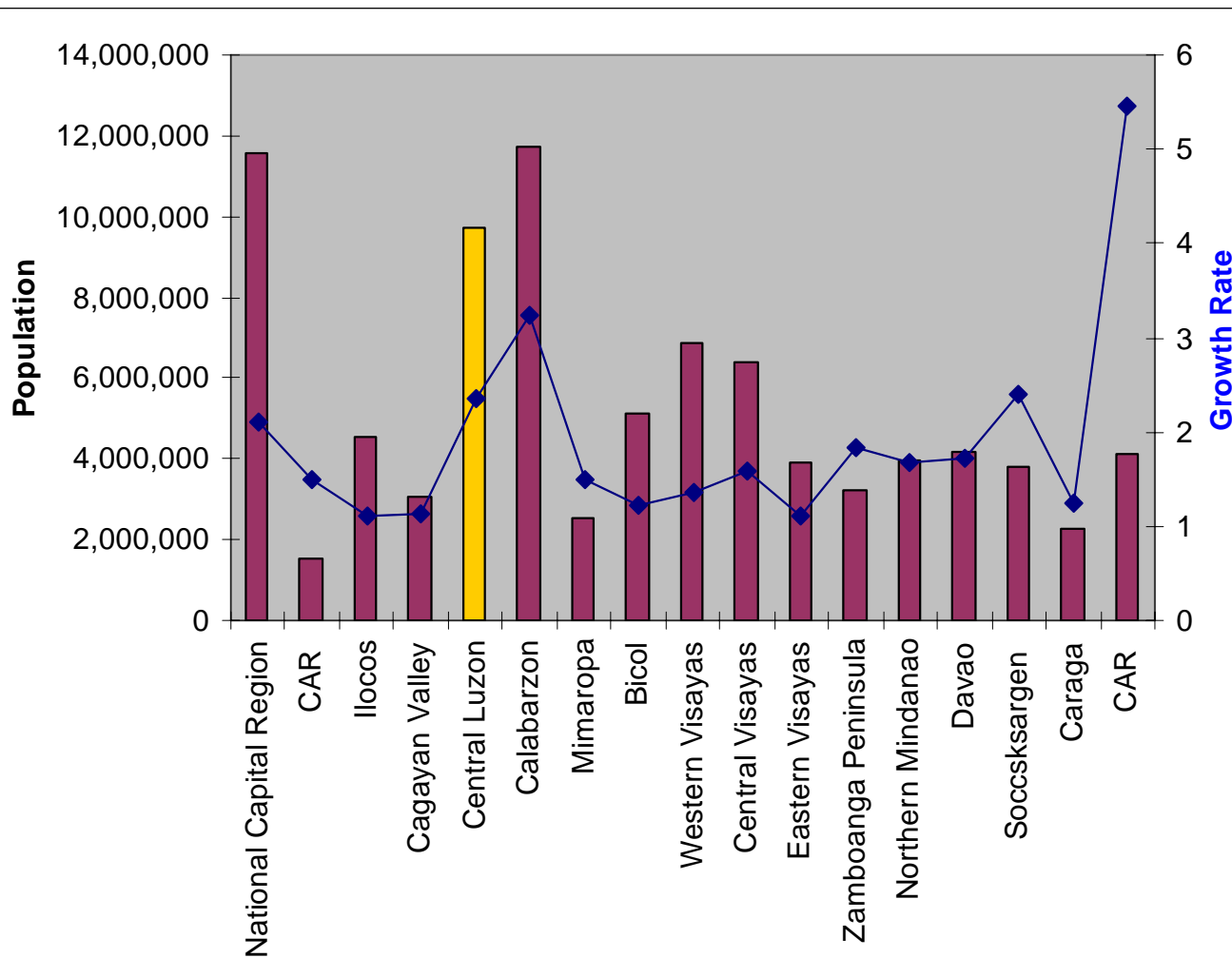


I. Brief Profile of Central Luzon



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Results of the September 2007 Census



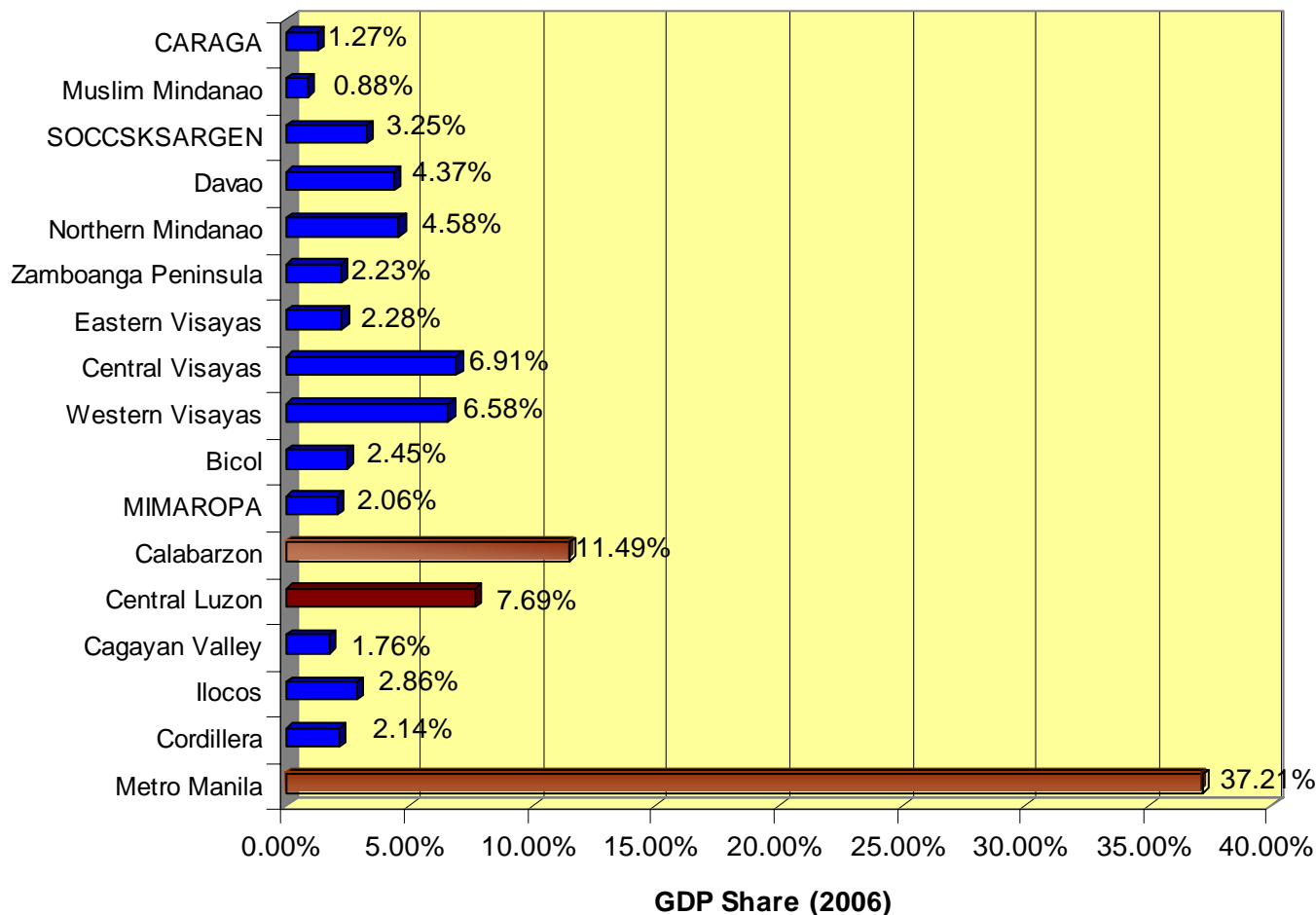
In the 2007 census, Central Luzon registered a population of 9.7 million (3rd rank) representing 11% of the country's total population of 88.57 million

CLABARZON had the most number of population at 11.74 (1st), followed by NCR at 11.55 million (2nd)

Region III's population growth rate between 2000 and 2007 was 2.36%, and it is expected to double in 30 years

I. Brief Profile of Central Luzon

Shares of Regions to the GDP (2006)

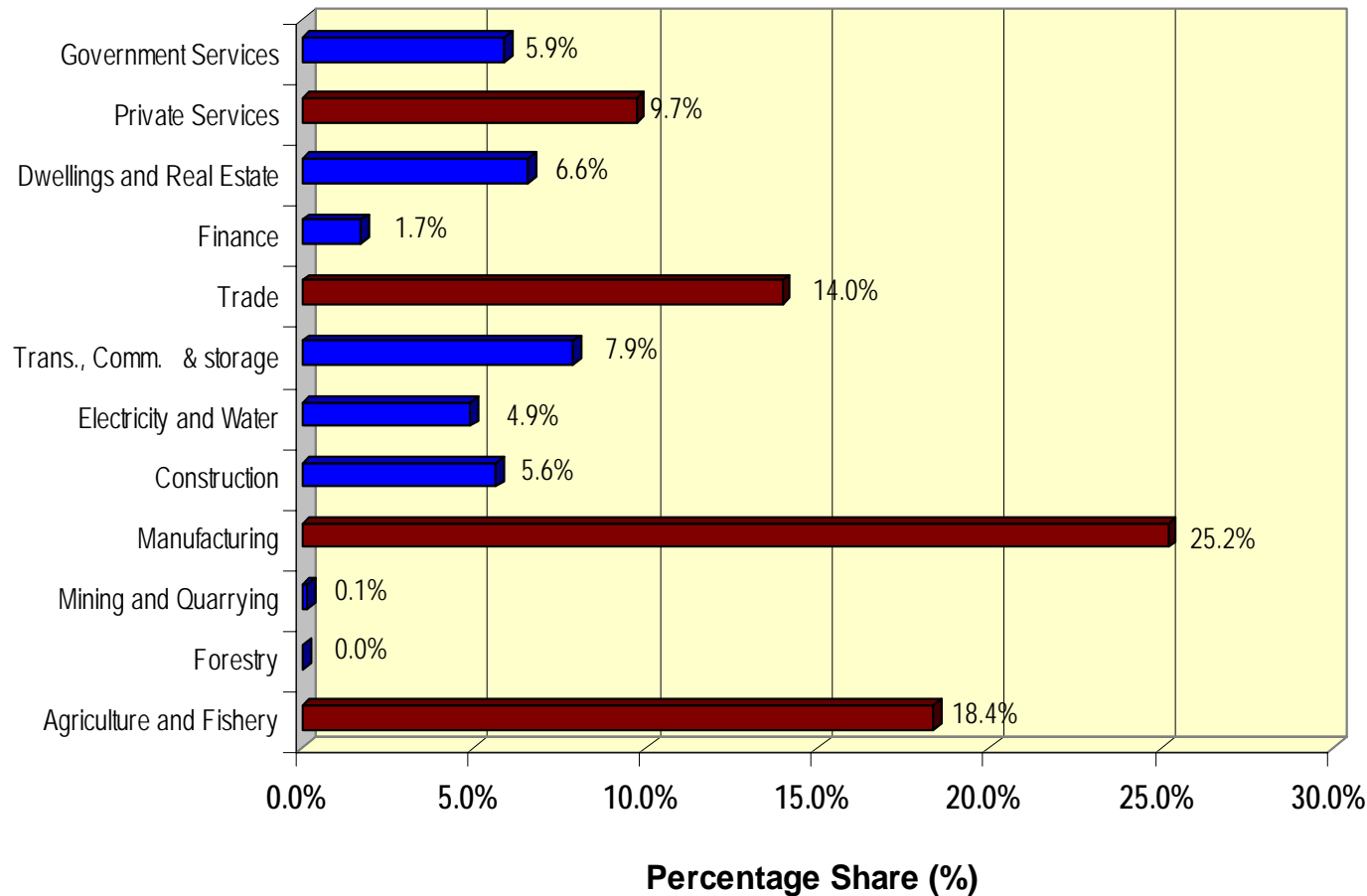


In the 2007, the share of Central Luzon over the country's gross domestic product was 7.69% (3rd).

It trailed CALABARZON with 11.49% (2nd) and the NCR with the lion's share of 37.2% (1st)

I. Brief Profile of Central Luzon

Central Luzon GDP Sectoral Distribution (2006)



In terms of sectoral distribution of Central Luzon's gross domestic product, manufacturing came at 1st posting a 25.2% share.

Agriculture and Fishery is still a major contributor to the regional economy as it had a share of 18.4%

Trading came in double digits with a share of 14%

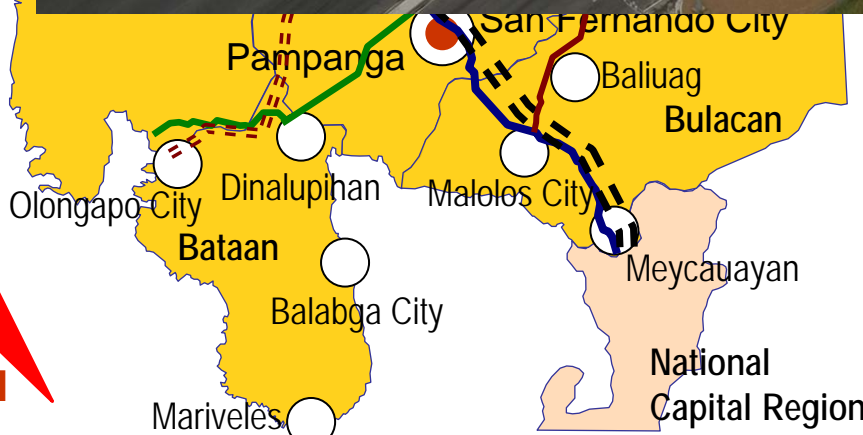
Private Services are closing in with a share of 9.7%

II. Energy Demand Triggers

A. Well Established Infrastructure Facilities



1. [World Class North Luzon Expressway \(NLEX\)](#)
2. Fast and Reliable Subic-Clark-Tarlac Expressway (SCTEx)
3. Dependable Cagayan Valley Road (CVR)
4. Lahar and flood free Gapan-San fernando-Olongapo (GSO) road
5. Decongested MacArthur Highway
6. Modernized Subic Port
7. Modernized Diosdado Macapagal International Airport (DMIA)

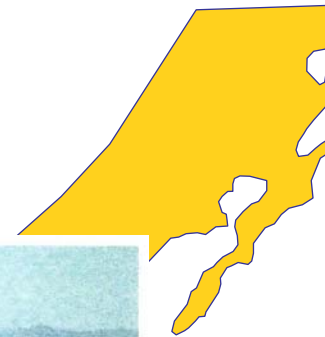


Legend:

- MacArthur Highway
- Cagayan Valley Road (CVR)
- Gapan-San Fernando-Olongapo (GSO) Road
- Subic-Clark-Tarlac Expressway (SCTEx)
- North Luzon Expressway (NLEX)
- Regional Administrative Capital
- Capital Towns & Cities

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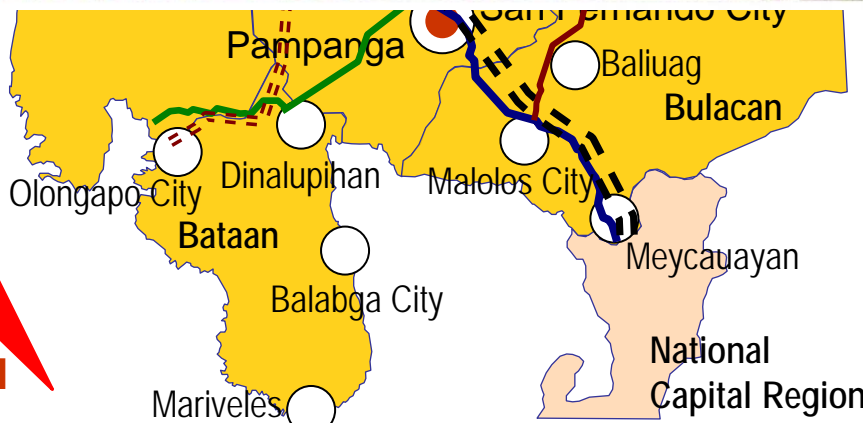


World Class North Luzon Expressway (NLEX)
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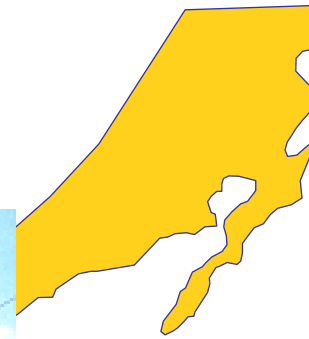
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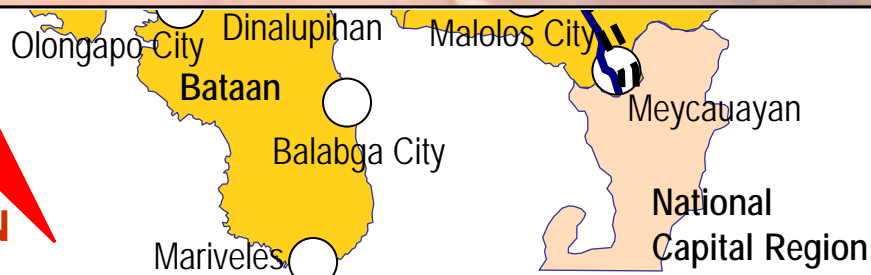
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Malolos City Fly Over

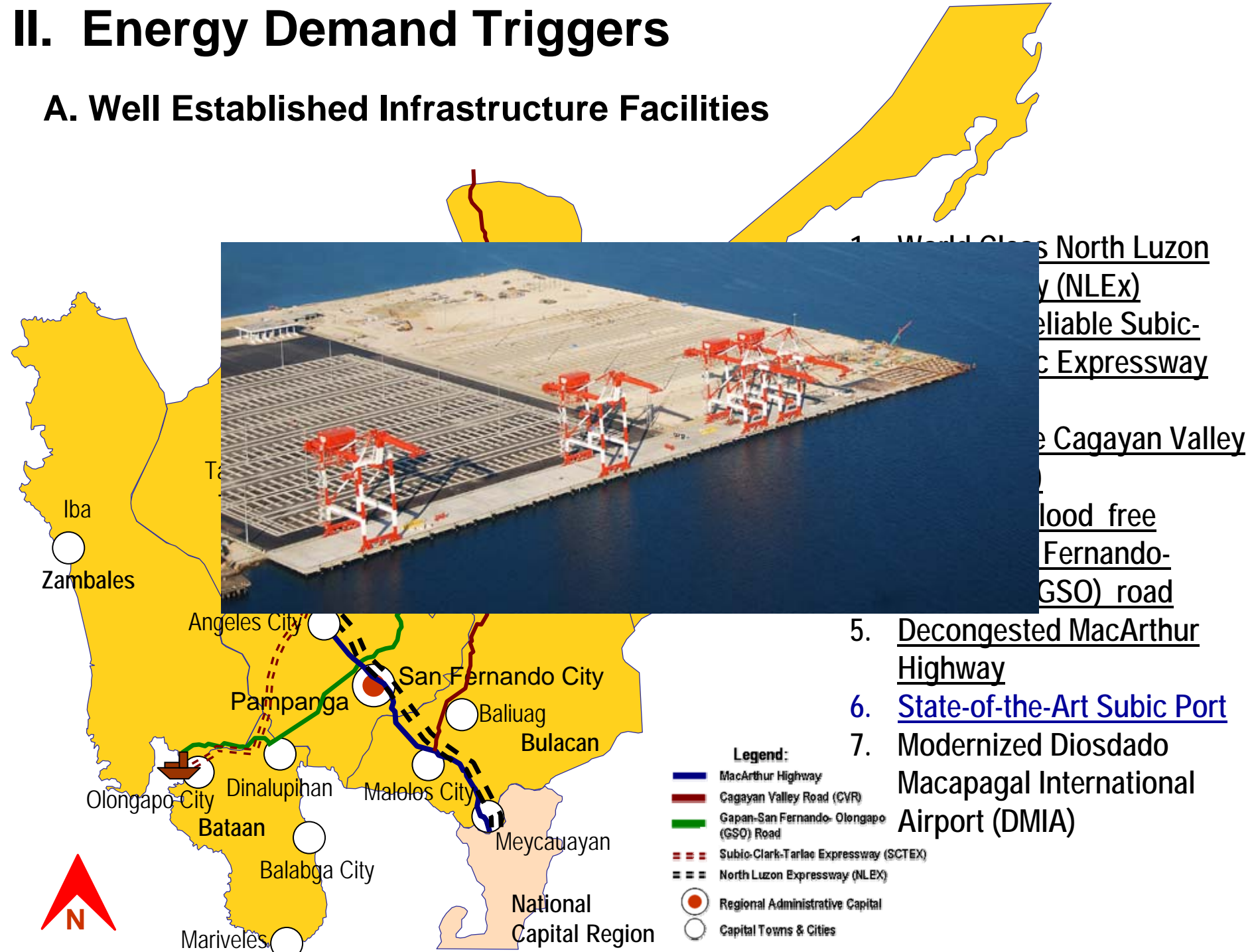
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CLARK AIRPORT - DMIA - FACILITIES AND FUTURE GROWTH

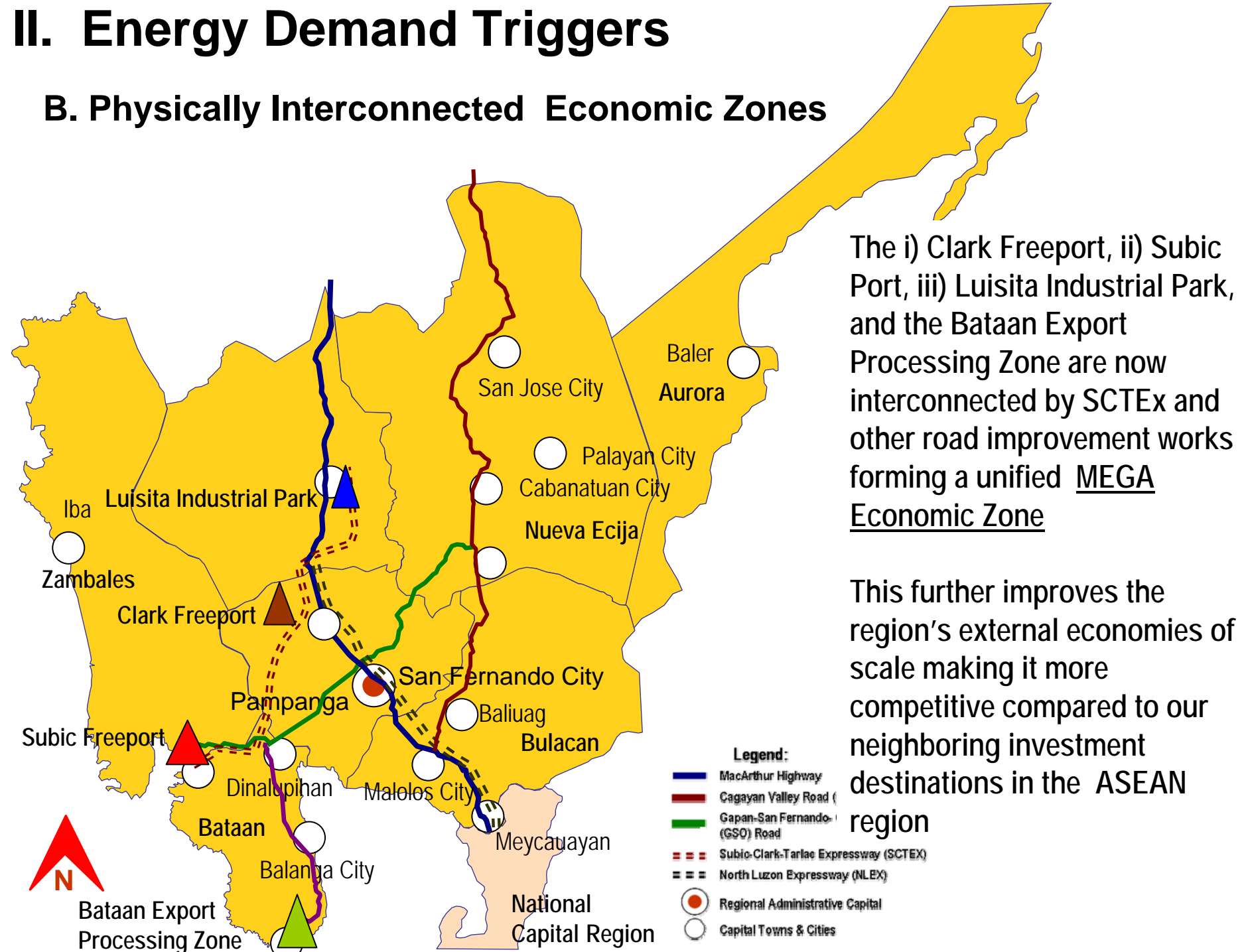


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- State-of-the-Art Subic Port
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way (SCTEX)
LEX)
pital

II. Energy Demand Triggers

B. Physically Interconnected Economic Zones



II. Energy Demand Triggers

C. CL has 9.7 million People With Relatively High Purchasing Power

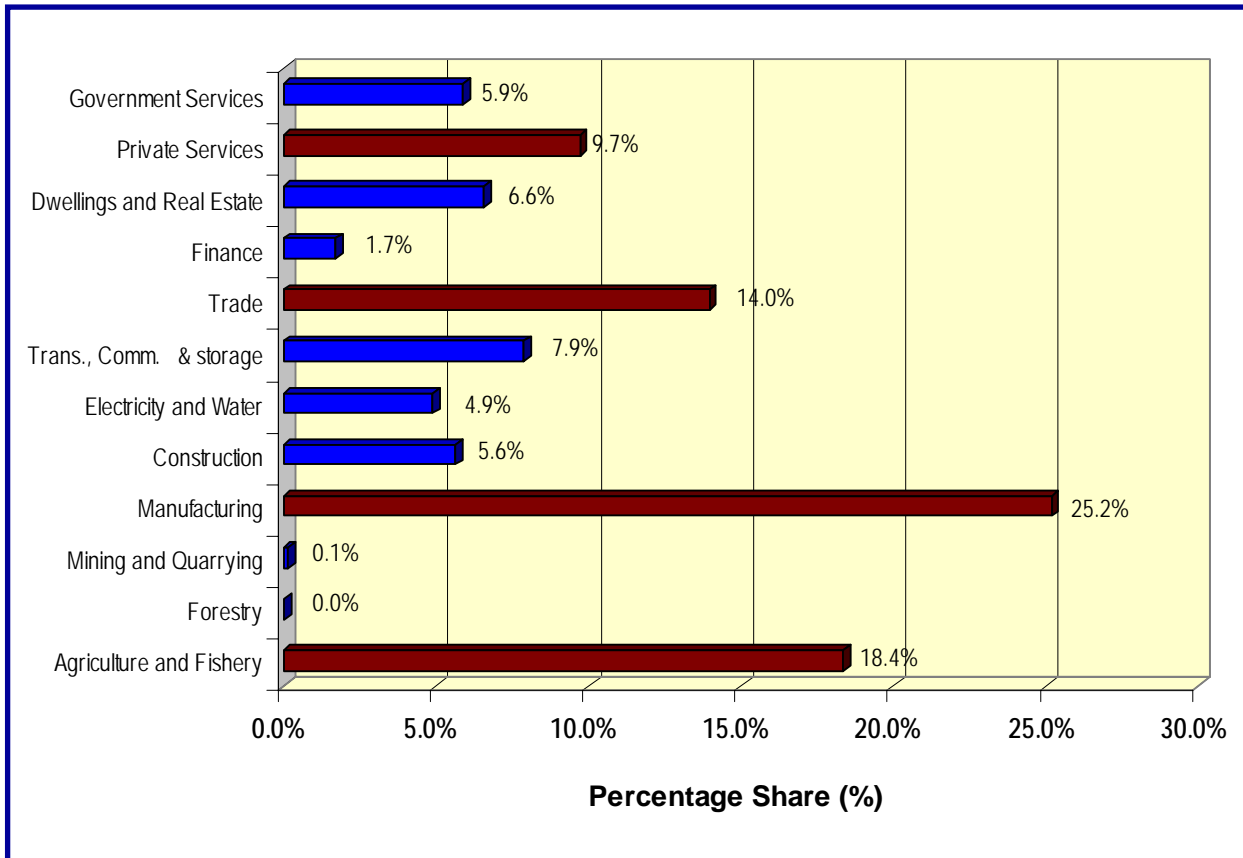
TABLE 4b Average Income, Expenditure, and Savings of Families by Region (at 2000 Prices):
2003 and 2006

Region	2006 (Thousand Pesos)			2003 (Thousand Pesos)		
	Income	Expenditure	Savings	Income	Expenditure	Savings
Philippines	125	107	19	122	102	20
National Capital Region	221	183	38	217	177	39
Cordillera Administrative Region	137	108	30	124	103	21
I - Ilocos Region	102	89	14	100	83	18
II - Cagayan Valley	108	89	19	107	84	23
III - Central Luzon	147	127	20	132	114	18
IVA - Calabarzon	153	136	17	154	132	22
IVB - Mimaropa	82	70	12	87	71	16
V - Bicol Region	92	81	11	90	78	12
VI - Western Visayas	97	86	10	94	82	12
VII - Central Visayas	101	87	14	102	86	16
VIII - Eastern Visayas	94	78	16	87	71	16
IX - Zamboanga Peninsula	93	73	20	76	62	15
X - Northern Mindanao	102	84	18	89	74	15
XI - Davao Region	96	82	14	94	80	14
XII - Soccsksargen	85	72	14	95	71	24
XIII - Caraga	86	73	13	73	64	10
Autonomous Region in Muslim Mindanao	61	52	10	65	53	12

The average family Income, Expenditure, and Savings in Central Luzon is one of the highest in the country

II. Energy Demand Triggers

D. Strong Performance in Agriculture, Manufacturing, Trade, Services, and Investments



Ongoing and Upcoming Investments in CL:

1. Hanjin Heavy Industries – US\$1.0 billion
2. Texas Instruments – US\$1.0 billion
3. Korean Semi-conductor Company – US\$3 billion

II. Energy Demand Triggers

D. Emerging Price Equilibrium of Rice and Oil

- **From Php17.50/ Kilo, commercial rice price spiked to Php40.00/ kilo.**
- **Similarly, the price of gasoline also spiked as high as Php60.00 per liter because the world price of crude oil breached the US\$100.00/barrel mark.**
- **Food production requires energy inputs. And if the cost of energy keeps on rising, we cannot expect a drop in the prices of food.**
- **The issue on the affordability of energy is a major factor that will affect demand and the overall economic growth and energy demand of the region.**

III. Summary and Conclusion

- It was shown in the discussion that Central Luzon has the potential to utilize more energy as it continue to sustain its economic gains.
- The necessary ingredients that will trigger more demand for energy are already established and in place.
- However, in the light of rising prices of fossil fuel coupled by the price spike in rice, food, and other commodities, the Cost of Living and the Cost of Doing Business in Central Luzon also moved up possibly affecting the region's positive economic outlook.
- In order to mitigate this scenario, the Philippines must adopt policies and implement programs and projects that will make energy available and affordable.
- The country must ensure its energy security and ideally, energy sufficiency

Thank You 😊