

REPORT ON INFLATION (APRIL 2021)

HIGHLIGHTS

- Headline inflation rate remained at 4.5 percent in April 2021, with year-to-date inflation at 4.5 percent. This is above the central bank’s full year target of 2 to 4 percent for 2021.
- Seasonally adjusted month-on-month inflation inched up marginally by 0.1 percent.
- Food and non-alcoholic beverages inflation slowed down to 4.8 percent while non-food inflation accelerated to 3.8 percent.
- Meat inflation increased to 22.1 percent and contributed 1.4 percentage points to overall inflation. Pork inflation significantly increased to 57.7 percent and reached as high as 68.5 percent in the National Capital Region (NCR). Meanwhile, rice inflation decelerated to -0.3 percent. This helped temper food inflation.
- Inflation in NCR and areas outside NCR (AONCR) were broadly stable at 3.7 percent and 4.7 percent, respectively. Bicol region recorded the highest inflation rate for the second time this year at 7.9 percent.
- Considering that meat has persistently been the top contributor to inflation this year, the temporary reduction of pork tariffs and the increase of the minimum access volume (MAV) for imported pork are essential to immediately curb the rising pork inflation for the benefit of 100 million Filipinos.

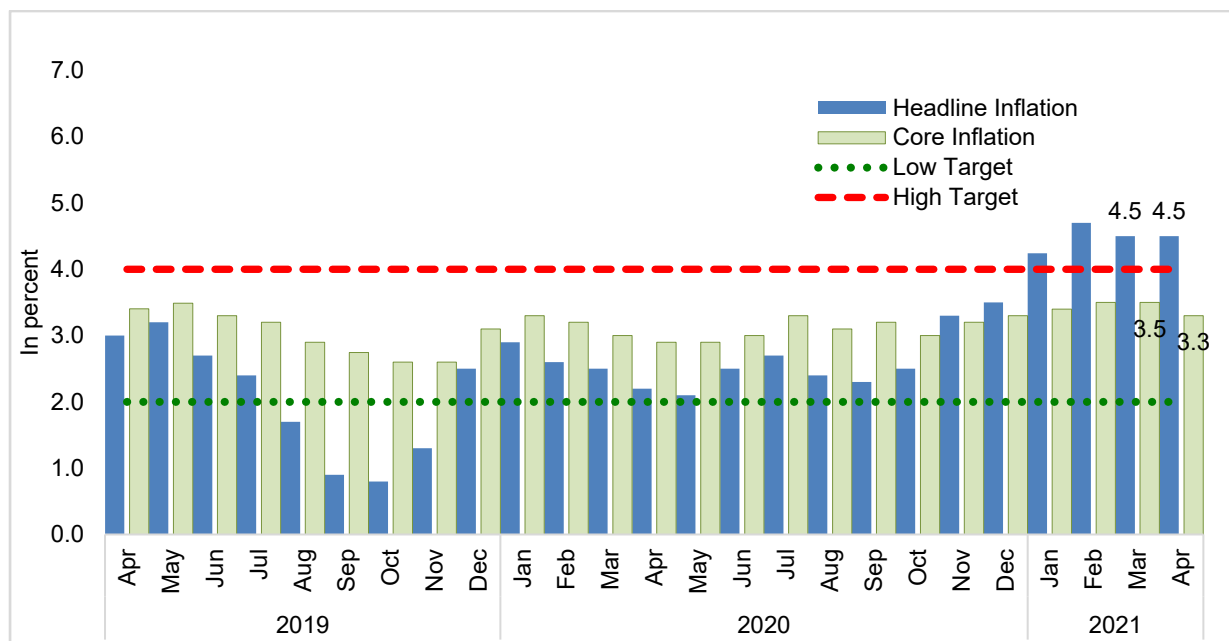
Year-on-year inflation rates (2012=100)

	Apr 2021	Mar 2021	YTD 2021
Philippines			
Headline	4.5	4.5	4.5
Core	3.3	3.5	3.4
Bottom 30%	4.9	5.5	5.2
NCR			
Headline	3.7	3.7	3.9
AONCR			
Headline	4.7	4.7	4.6

1. Headline inflation rate remained at 4.5 percent in April 2021, while seasonally adjusted month-on-month inflation inched up marginally by 0.1 percent.

The Philippines' headline inflation rate remained unchanged from the previous month at 4.5 percent in April 2021, albeit significantly higher than the 2.2 percent in April 2020. The latest inflation figure was within the 4.2 to 5.0 percent forecast range of the *Bangko Sentral ng Pilipinas* (BSP) for April 2021 and lower than the 4.7 percent median forecast of the private sector.¹ Year-to-date headline inflation remained at 4.5 percent, which is above the BSP's target of 2 to 4 percent.

Figure 1. Headline inflation rates: April 2019 to April 2021



¹ Business World. "Inflation likely quickened in April — poll" *Bworldonline.com*
<https://www.bworldonline.com/inflation-likely-quickened-in-april-poll/> (accessed on 3 May 2021)

Table 1. Headline inflation rates in the Philippines (in percent, 2012=100)

Commodity group	Apr 2021		Mar 2021	
	Y-O-Y	M-O-M ²	Y-O-Y	M-O-M ²
ALL ITEMS	4.5	-0.1	4.5	-0.2
Food and Non-Alcoholic Beverages	4.8	-0.2	5.8	-1.0
Alcoholic Beverages and Tobacco	12.0	0.4	12.1	0.8
Clothing and Footwear	1.6	0.1	1.6	0.3
Housing, Water, Electricity, Gas, and Other Fuels	1.5	0.0	0.9	-0.1
Furnishing, Household Equipment, and Routine Maintenance of the House	2.1	0.3	1.9	0.3
Health	3.1	0.2	2.9	0.2
Transport	17.9	0.2	13.8	1.3
Communication	0.3	0.0	0.2	0.0
Recreation and Culture	-0.6	0.1	-0.6	0.2
Education	1.1	0.0	1.1	0.0
Restaurant and Miscellaneous Goods and Services	3.4	0.3	3.1	0.2

Source: Philippine Statistics Authority

Inflation rate in April 2021 remained broadly steady as the increase in price indices for transport; housing, water, electricity, gas and other fuels; and restaurant and miscellaneous goods and services were partly offset by slower price adjustments in the indices for food and non-alcoholic beverages and alcoholic beverages and tobacco (see Table 1).

Core inflation³ slowed down to 3.3 percent in April from 3.5 percent in the preceding month, while inflation for the bottom 30 percent of households

² The month-on-month (m-o-m) inflation figures cited in Table 1 are not seasonally-adjusted.

³ The official core inflation measure is defined as the rate of change of headline Consumer Price Index (CPI) after excluding selected food and energy items whose underlying price movements are generally characterized by short-

decelerated significantly to 4.9 percent from the 5.5 percent in the previous month. Year-to-date core inflation averaged at 3.4 percent while inflation for the bottom 30 percent of households settled at 5.2 percent.

Among the top 10 contributors to inflation during the month, two items (meat and fish) belong to the food and non-alcoholic beverages commodity group. Together, these two items contributed around 1.9 percentage points to total inflation (see Table 2). Meat remained the top contributor to inflation.

Table 2. Top 10 contributors to inflation in April 2021 (in percentage points)

Commodity group	Apr 2021
Meat	1.4
Transport Services	0.8
Fish	0.4
Operation of Personal Transport Equipment	0.4
Tobacco	0.3
Catering Services	0.3
Actual Rentals for Housing	0.2
Personal Care	0.1
Electricity, Gas and Other Fuels	0.1
Alcoholic Beverages	0.1
TOTAL CONTRIBUTION TO INFLATION	4.1
Others (e.g., education, clothing & footwear, furnishings, communications, recreation, etc.)	0.4
OVERALL INFLATION	4.5

term volatile movements. It is a measure of the broad or underlying trend or movement in the average consumer prices. Source: BSP.

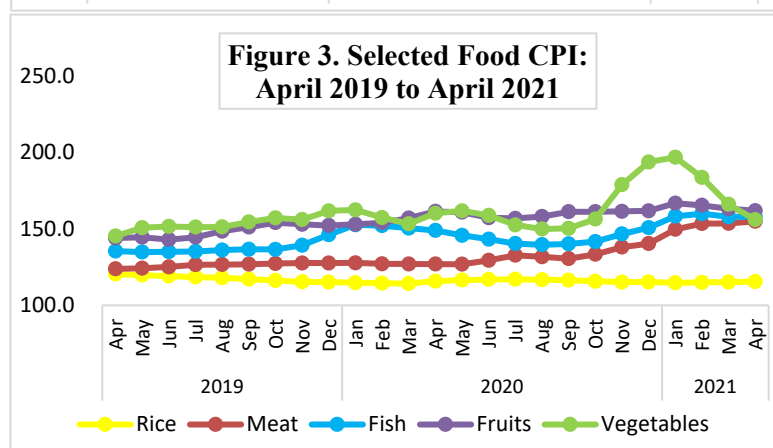
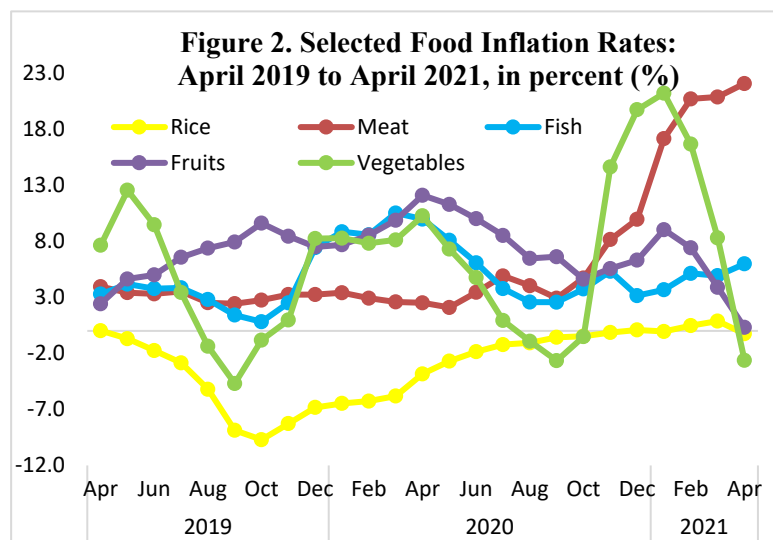
On a month-on-month (m-o-m) seasonally adjusted basis, overall inflation posted 0.1 percent growth in April, from a zero growth in March. This was primarily driven by the m-o-m inflation in alcoholic beverages and tobacco (0.8%) and restaurant and miscellaneous goods and services (0.4%). Slower deflation was observed in food and non-alcoholic beverages (-0.1% from the revised -0.4% in March), as well as in housing, water, electricity, gas, and other fuels (zero growth from -0.2% in March).

2. Food and non-alcoholic beverages inflation slowed down to 4.8 percent while non-food inflation accelerated to 3.8 percent.

Food

Food and non-alcoholic beverages inflation slowed to 4.8 percent in April 2021 from 5.8 percent in March 2021. But this is significantly higher than the 3.4 percent recorded in April 2020. On a m-o-m seasonally adjusted basis, food and non-alcoholic beverages registered slower deflation in April 2021 at -0.1 percent from -0.4 percent in the previous month.

Food inflation slowed down to 5.0 percent mainly on account of the deflation in vegetables (-2.6% in April 2021 from 8.3% in March 2021) and rice



(-0.3% from 0.9%), and slower price adjustments in fruits (0.3% from 3.9%); milk, cheese and eggs (1.4% from 1.7%); and other cereals (1.8% from 1.9%). The cheaper prices of vegetables and fruits were primarily due to the onset of the harvest season. Historically, the production of selected vegetables (e.g., tomatoes, eggplants, onions) and fruits (e.g., mangoes) are highest every first or second quarter of the year.⁴

Decelerating rice prices may be attributed to increased production as well as the arrival of more imported rice. *Palay* production improved in the first quarter due to increased harvest area and planting intentions.⁵ Moreover, despite the damage to rice supply brought by Typhoon Bising,⁶ the timely arrival of imported rice supplemented domestic production. In April, an estimated 806,961 metric tons (MT) of imported rice arrived. This was equivalent to 50 percent of the volume issued with the Sanitary and Phytosanitary Import Clearance (SPSIC).⁷

On the other hand, meat inflation reached a historical high (22.1%), as pork inflation soared to 57.7 percent. Pork inflation in NCR is even higher at 68.5 percent. The continued outbreak of the African Swine Fever (ASF) resulted in a 26.0 percent contraction in hog production for Q1 2021. In April 2021, the total number of culled or depopulated pigs increased to 471,416, or an equivalent of 4.85 percent of total swine inventory as of January 2021 and 2.3 percent of total hog production in 2020.⁸ Pork prices remained elevated as shipments are taking time to arrive. For instance, shipments from Europe and the United States take an average of 45 to 60 days.⁹

Inflation for fish products also accelerated (6.0% from 4.9%) due to lower fish volume unloading (38,222.7 MT, which is 10% lower compared to the same period

⁴ PSA Report on the volume and value of production (2018-2020)

⁵ DA Communications Group. DA News. "RTL on track, palay harvest and prices up, rice affordable, capped with another record harvest in 2021". <https://www.da.gov.ph/rtl-on-track-palay-harvest-and-prices-up-rice-affordable-capped-with-another-record-harvest-in-2021/>

⁶ DA-FPOPD updates

⁷ January to March 2021 import data are from BOC, while April 2021 data is from the Bureau of Plant and Industry (BPI)

⁸ PSA for the data on swine inventory and production; and DA-BAI on data on depopulated animals

⁹ DA-BAI through ANRES.

in the previous month¹⁰), as Typhoon Bising hampered fishing activities and forced several fish species to move towards deeper waters. Furthermore, there was no importation of fish for wet markets due to the expiration of the Certificate of Necessity to Import on 31 March 2021.

An accelerated increase in the price of corn (3.1% from 2.5%) was also observed and may be attributed to the recent typhoon, with the share of corn to total damage at 13.7 percent.¹¹ Meanwhile, price of oils and fats (3.9%) and sugar and related products (0.3%) were stable for the period.

Non-food

Inflation for non-food items picked up anew to 3.8 percent in April 2021 from 3.2 percent in March 2021 and 0.7 percent for the same period in 2020. The transport price index continued to drive the acceleration in prices with a record-high increase of 17.9 percent from 13.8 percent in March 2021. The price index for petroleum and fuels for personal transport equipment more than doubled from the previous month (32.0% from 11.9%). The increase was broad-based across fuel types, with kerosene exhibiting the fastest uptick (49.6% from 16.9%), followed by unleaded gas (26.8% from 4.0%) and diesel (24.7% from 13.8%). This may be attributed to base effects, as domestic fuels posted the deepest contraction in April last year amid lockdowns. Global oil prices also remained elevated amid recoveries in global demand and as United States (US) oil inventories declined.¹² Nevertheless, the global oil price growth was tempered by increased Iranian supply, growing delays in Europe's reopening of borders, and resurgent COVID-19 cases across

¹⁰ Philippine Fisheries Development Authority (PFDA) Regional Fish Ports

¹¹ DA-FPOPD updates

¹² Guerra Luz, Andres. Bloomberg. "Oil Surges With U.S. Demand Bump Driving Global Rebound Optimism". <https://www.bloomberg.com/news/articles/2021-04-27/oil-holds-gain-as-opec-bets-market-can-absorb-returning-supply?sref=cRpLj0Ue> (accessed 4 May 2021).

major economies such as India, Japan, and Brazil.^{13,14} Transport services further accelerated (17.6% from 17.2%) due to an increase in the price index for tricycle fares (48.4% from 47.5%), while bus (4.9%) and jeepney fares (6.3%) also remained elevated but stable.

Similarly, housing and utilities inflation edged higher (1.5% from 0.9%) amid slower deflation in electricity price index (-4.6% from -5.2%), coupled with a faster uptick in liquefied natural gas (18.3% from 7.7%).

Month-on-month, Meralco electricity generation charges accelerated by 3.7 percent. This may be attributed to offline powerplants, combined with the higher demand during the dry season, which is estimated to have increased by 10 to 40 percent compared to cooler months.¹⁵

Additionally, the price indices for restaurant and miscellaneous goods and services (3.4% from 3.1%); furnishings, household equipment and routine maintenance of the house (2.1% from 1.9%); health (3.1% from 2.9%); and communication (0.3% from 0.2%) registered faster inflation. Meanwhile, clothing and footwear (1.6%), education (1.1%), and recreation and culture (-0.6%) maintained their previous month's inflation.

On a m-o-m seasonally adjusted basis, non-food inflation decelerated to 0.2 percent in April 2021 from 0.3 percent in the previous month.

¹³ Luz, Andres Guerra. Bloomberg. "Oil Drops With Virus Risks in Europe Dimming the Demand Outlook". <https://www.bloomberg.com/news/articles/2021-04-04/oil-drops-after-opec-decides-on-gradual-easing-of-supply-curbs?sref=cRpLj0Ue> (accessed 4 May 2021)

¹⁴ Low, Elizabeth. Bloomberg. "Oil Gains Amid OPEC+ Optimism With Virus Looming Over Market". <https://www.bloomberg.com/news/articles/2021-04-26/oil-holds-drop-near-62-with-virus-flare-up-looming-over-market?sref=cRpLj0Ue> (accessed 4 May 2021)

¹⁵ Domingo, Ronnel W. Inquirer. "Meralco sees hike in electricity rates in April". <https://business.inquirer.net/320476/meralco-sees-hike-in-electricity-rates-in-april#ixzz6tDdC2ZKW> (accessed 4 May 2021)

3. Inflation in the National Capital Region (NCR) and areas outside NCR (AONCR) were broadly stable at 3.7 percent and 4.7 percent, respectively. Bicol Region recorded the highest inflation rate for the second time this year in April at 7.9 percent.

Headline inflation in NCR remained at 3.7 percent in April 2021, although still much higher than the 1.2 percent inflation rate in April 2020. The recent inflation outturn resulted from faster price adjustments in transport (19.7% in April from 16.3% in March 2021); restaurant and miscellaneous goods and services (1.8% from 1.1%); and clothing and footwear (0.8% from 0.7%). These offset the slower inflation of food and non-alcoholic beverages (4.9% from 5.7%); housing and utilities (0.2% from 0.3%); furnishing, household equipment and routine maintenance of the house (0.5% from 0.9%); and alcoholic beverages and tobacco (10.3% from 10.6%). Meanwhile, inflation of recreation and culture (-0.4%), health (2.9%), education (0.5%), and communication (0.1%) were unchanged from the previous month.

Similarly, inflation in AONCR was stable from the previous month at 4.7 percent in April 2021. Inflation upticks were recorded for transport (17.3% in April from 13.1% in March); housing and utilities (2.0% from 1.2%); restaurant and miscellaneous goods and services (4.2% from 3.9%); furnishing, household equipment and routine maintenance of the house (2.7% from 2.2%); health (3.1% from 3.0%); and communication (0.4% from 0.3%). These were partly mitigated by slower inflation in food and non-alcoholic beverages (4.8% from 5.9%). Meanwhile, inflation for the rest of the commodity groups were steady from the previous month: clothing and footwear (1.8%); education (1.4%); alcoholic beverages and tobacco (12.3%); and recreation and culture (-0.7%).

Table 3. Y-O-Y regional inflation rates (In percent, 2012=100)

Regions	Apr 2021	Mar 2021	YTD 2021
NCR- National Capital Region	3.7	3.7	3.9
AONCR - Areas outside the NCR	4.7	4.7	4.6
CAR - Cordillera Administrative Region	3.2	3.9	3.8
I - Ilocos Region	4.5	4.4	4.4
II - Cagayan Valley	6.9	7.3	7.5
III - Central Luzon	4.8	4.9	5.2
IV-A - CALABARZON	5.8	5.6	5.6
IV-B - MIMAROPA Region	5.8	5.7	5.4
V - Bicol Region	7.9	8.0	7.7
VI - Western Visayas	4.6	5.4	4.7
VII - Central Visayas	1.9	1.5	1.3
VIII - Eastern Visayas	2.8	2.9	2.5
IX - Zamboanga Peninsula	3.6	3.1	2.3
X - Northern Mindanao	4.7	3.9	3.7
XI - Davao Region	3.7	3.6	2.9
XII - SOCCSKSARGEN	4.6	5.4	4.8
XIII - Caraga	4.4	4.5	4.2
BARMM – Bangsamoro Autonomous Region in Muslim Mindanao	3.2	3.7	3.3

In AONCR, nine regions posted slower inflation rates compared with the previous month while seven posted higher inflation (see Table 3). The Bicol Region recorded the highest inflation rate at 7.9 percent in April 2021, albeit slightly slower compared with 8.0 percent in March 2021. The elevated inflation in the region was mainly driven by the significant acceleration in the transport price index (50.7% from 46.5%), which was notably higher compared with other regions. Meanwhile, the slight deceleration in Bicol's inflation in April 2021 could be

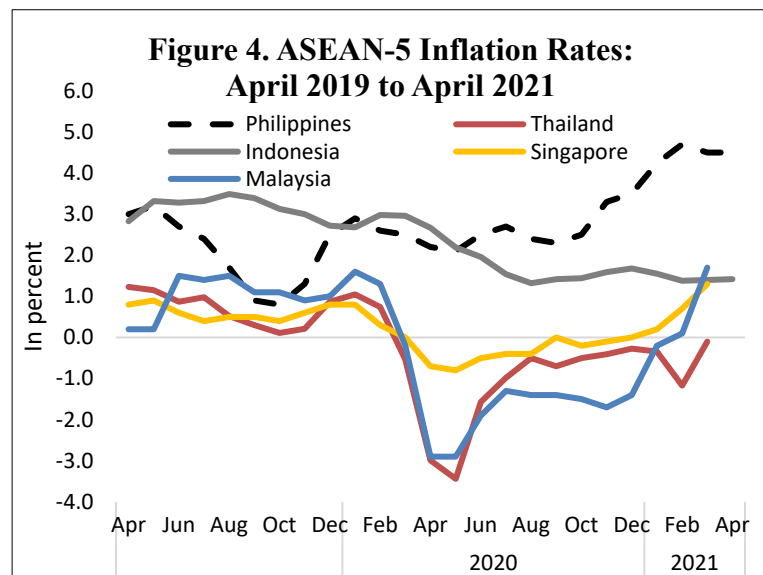
attributed to the relatively slower price adjustments in food and alcoholic beverages (6.2% from 7.3%), and clothing and footwear (4.5% from 4.8%).

4. Indonesia's headline inflation rate remained at 1.4 percent. Others have yet to release inflation figures for April 2021, but Singapore and Malaysia recorded an uptick in overall prices in March 2021, while deflation in Thailand eased to -0.1 percent.

In April 2021, Indonesia's overall inflation was generally stable at 1.4 percent. Faster inflation in food, beverages, and tobacco (2.3% in April 2021 from 2.2% in March 2021) and clothing (0.9% from 0.7%) were offset by the slower inflation in housing (0.20% from 0.22%) and health (2.2% from 2.3%).¹⁶ On

April 20, 2021, the Bank Indonesia maintained its key policy rate at 3.50 percent to sustain the country's economic recovery.¹⁷

Malaysia, Singapore, and Thailand have yet to report inflation figures for April 2021. For March 2021, Malaysia and Singapore both recorded an uptick in overall consumer prices while deflation in Thailand moderated to -0.1 percent.



¹⁶ <https://www.bps.go.id/pressrelease/2021/05/03/1763/inflasi-terjadi-pada-april-2021-sebesar-0-13-persen--inflasi-tertinggi-terjadi-di-kotamobagu-sebesar-1-31-persen-.html> and

<https://www.bps.go.id/pressrelease/2021/04/01/1762/maret-2021-inflasi-sebesar-0-08-persen--inflasi-tertinggi-terjadi-di-jayapura-sebesar-1-07-persen-.html>

¹⁷ https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2310521.aspx

Malaysia's headline inflation climbed to 1.7 percent in March 2021 from 0.1 percent in the previous month. This was driven by the spike in the price indices of transport (9.8% in March 2021 from -2.0% in February 2021); food and non-alcoholic beverages (1.5% from 1.4%); and furnishings, household equipment and routine maintenance of the house (0.9% from 0.3%).¹⁸

**Table 4. Y-O-Y ASEAN-5 inflation rates
(in percent)**

	Apr	Mar	YTD
	2021	2021	2021
Philippines	4.5	4.5	4.5
Indonesia	1.4	1.4	1.4
Thailand	Not yet available	-0.1	-0.5
Malaysia	Not yet available	1.7	0.5
Singapore	Not yet available	1.3	0.7

In Singapore, overall consumer prices accelerated by 1.3 percent in March 2021 from 0.7 percent growth in February 2021. This was mainly due to the faster inflation in private transport (7.2% in March from 4.2% in February), and services cost (1.2% from 0.5%), as well as the slower deflation in retail and other goods (-1.5% from -1.9%) and electricity and gas (-9.7% from -9.8%).¹⁹ The government of Singapore revised its forecast range for 2021 headline inflation to 0.5 to 1.5 percent from the previous estimates of -0.5 to 0.5 percent.²⁰

Deflation in Thailand significantly moderated to -0.1 percent in March 2021 from -1.2 percent in February 2021. Electricity and water bill subsidies provided by the Thai government as part of its welfare support for those affected by the COVID-19 pandemic may have also contributed to the country's deflation.²¹

5. Inflation outlook and policy implications

¹⁸ https://www.dosm.gov.my/v1/index.php?r=column/cthemByCat&cat=106&bul_id=UFNwODBTDMMyMmhaYIZXWmJKeHlzZz09&menu_id=bThzTHQxNlZqMVF6a2I4RkZoNDFkOT09

¹⁹ <https://www.mas.gov.sg/-/media/MAS/EPG/CPD/2021/Inflation202103.pdf>

²⁰ <https://www.mas.gov.sg/-/media/MAS/EPG/CPD/2021/Inflation202103.pdf>

²¹ <https://www.bot.or.th/English/PressandSpeeches/Press/2021/Pages/n2064.aspx>

In the near term, the BSP expects inflation to remain elevated driven by transitory supply factors. For 2021, the BSP expects inflation to reach 4.2 percent, beyond the 2.0 to 4.0 percent government target range, before decelerating to 2.8 percent in 2022.²² Upside risks to the inflation outlook include tighter domestic food supply and rising global oil prices, along with increased government spending, expected normalization of business operations, and the vaccine rollout. Meanwhile, downside risks emanate from subdued domestic demand.

To address the recent uptick in overall and meat inflation, the temporary reduction of pork tariffs and the increase of the MAV for imported pork are essential to immediately curb the rising pork inflation for the benefit of 100 million Filipinos.

On the external front, the government needs to remain vigilant to developments in the international oil market amidst tight oil supply and recovery in global demand.

Food supply

Aside from pork, current estimates of year-end inventory for selected food items point to favorable supply. These are evident in the declining food inflation. The Department of Agriculture (DA) estimates rice stock by end-2021 to reach 2.01 million MT (MMT) to 2.64 MMT which can last for 57 to 75 days. Vegetable supply is projected to reach 2.15 MMT or an equivalent of a 107 percent of local demand.²³ For fish, the DA-Bureau of Fisheries and Aquatic Resources (BFAR) projects a 74,277.26 MT surplus, which is equivalent to 8 days of stock, while chicken broiler will record a 58,437 MT surplus or 14-day stock by end-2021.

With the persistence of the African Swine Fever (ASF), the government must continue to provide support through financial assistance, hog repopulation, and the initial rollout of ASF vaccine trials, while temporarily boosting imports to cover the shortfall and to allow domestic production to catch up. Hence, it is necessary to reduce pork tariffs and increase the MAV for pork as limited supply may continue to push inflation higher.

²² <https://www.pna.gov.ph/articles/1134920>

²³ DA Presentation in the 25th Task Group on Food Security meeting. 29 April 2021.

To promote fair and stable prices across domestic and imported pork products, the government has set suggested retail prices (SRP) on imported goods (PHP 270/kg for *kasim* and PHP 350/kg for *liempo* effective April 9, 2021),²⁴ established an inter-agency Compliance Monitoring Team to ensure SRP compliance, and mandated proper labeling to determine imported products. Furthermore, the government is expected to provide wet markets with storage equipment worth PHP 45 million and equivalent to around 2,500 freezers.²⁵

Additionally, the government can sustain the efficient implementation of the Rice Competitiveness Enhancement Fund (RCEF). The RCEF program includes machinery and equipment delivery, seed distribution, provision of credit, training extension, and establishment of farm schools. In 2021, the DA-Philippine Center for Postharvest Development and Mechanization (PhilMech) aims to procure 5,098 farm equipment worth PHP 4.2 billion, to be distributed to 1,600 farmer's cooperatives and organizations (FCA) with 284,800 farmer-members. PhilMech estimates that mechanizing rice production operations can reduce *palay* production costs by as much as PHP 2 to PHP 3 per kilogram (kg). As a result, these improvements can help the country's rice sector become more competitive, as the country's current production cost (PHP 12.72 per kg) remains high compared to its neighbors (PHP 6.22 in Vietnam and PHP 8.86 in Thailand).^{26,27}

To support the fishing industry, the DA can fast track infrastructure investments (i.e., the establishment of community-based hatcheries, fishery hubs with landing sites, and storage facilities), and technical and marketing assistance. The coverage

²⁴ DA Communications Group. DA News. "DA, DTI set SRP for imported pork to stabilize prices, temper inflation". <https://www.da.gov.ph/da-dti-set-srp-for-imported-pork-to-stabilize-prices-temper-inflation/>

²⁵ DA Communications Group. Department of Agriculture (DA) News. "Food supply sufficient, amid pandemic". <https://www.da.gov.ph/food-supply-sufficient-amid-pandemic/>

²⁶ Estimates by DA-Philippine Rice Research Institute (PhilRice)

²⁷ DA Communications Group. Department of Agriculture (DA) News. "1 M rice farmers receive P15-B worth of farm machinery from RTL-RCEF". <https://www.da.gov.ph/1-m-rice-farmers-receive-p15-b-worth-of-farm-machinery-from-rtl-rcef/>

of its “OpLan ISDa” program that will help link fishers and aquaculturists to markets²⁸ may also need to be expanded.

To ensure adequate and unhampered movement of key agricultural products, the government and local agencies can continue to improve linkages across producers and consumers through FCAs and *Kadiwa* outlets.^{29,30}

Finally, to improve policy compliance and traceability systems, the DA may also prioritize strengthening the registration and accreditation system across local government units (LGU) and concerned national agencies (e.g. DA-Bureau of Animal and Industry on livestock traders, National Meat Inspection Service (NMIS) on meat transport vehicles). The goal is to develop a trade database that will identify participants and prices at each level of the supply chain – from farmgate to retail. This is also a way to guard against potential manipulation.

Adverse weather conditions

Weather conditions are expected to be generally favorable with the continued weakening of La Niña. The Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA)³¹ forecasts a transition into El Niño Southern Oscillation (ENSO)-neutral conditions in May to July. Meanwhile, 8 to 11 tropical cyclones may enter or develop in the Philippines between May and October 2021.

Farmers and fisherfolk can take advantage of the favorable weather forecast over the near term. To mitigate the adverse impact of the typhoons, the DA should remain vigilant in monitoring agriculture buffer stocks, providing credit assistance

²⁸ DA Communications Group. Department of Agriculture (DA) News. “Statement of DA Sec William Dar on the West Philippine Sea issue”. <https://www.da.gov.ph/statement-of-da-sec-william-dar-on-the-west-philippine-sea-issue/>

²⁹ DA Communications Group. Department of Agriculture (DA) News. “Food supply sufficient, amid pandemic”. <https://www.da.gov.ph/food-supply-sufficient-amid-pandemic/>

³⁰ The program is implemented in different modalities: (a) KADIWA ni Ani at Kita on Wheels, including Buffalo Milk on Wheels, (b) KADIWA ni Ani at Kita Online, (c) KADIWA ni Ani at Kita Retail Selling, (d) KADIWA ni Ani at Kita Express, (e) Seafood KADIWA ni Ani at Kita on Wheels, and (f) KADIWA isDA on the Go.

³¹ <https://pubfiles.pagasa.dost.gov.ph/climps/climateforum/climateoutlook.pdf>

and agricultural support (i.e., seeds and livestock biologics) as needed. Meanwhile, the government may beef up its assistance for production inputs, production loans, and insurance payments. At the same time, long-term solutions such as investments in research and development for climate-resilient crop production, infrastructure development to improve water management, and irrigation systems may need to be pursued. Improving logistics, productivity, and resilience in agriculture through digital technology and improved local and international³² partnerships can likewise contribute to mitigating or avoiding the impacts of typhoons and drought.

Transport Services

Mobility in the NCR Plus bubble (i.e. Metro Manila, Bulacan, Cavite, Rizal, and Laguna) has remained subdued due to the imposition of more stringent community quarantine restrictions since March 29. The Free Ride Service Program of the Land Transportation Franchising and Regulatory Board (LTFRB) and the Department of Transportation (DOTr) which caters to frontline and essential workers has been expanded to include authorized persons outside residence (APORs). Moreover, the LTFRB has opened more routes for traditional public utility jeeps (PUJ) and additional routes for provincial public utility buses in April. Sustaining these efforts will ensure the availability of transportation services for essential workers. Concerned government bodies are advised to regularly monitor the supply and demand for transport services to ensure that transport needs are met and that prices are fair and market-based.

³² <https://www.da.gov.ph/phl-us-to-forge-stronger-agri-trade-cooperation/>

Global oil prices

Global oil prices remain elevated amid COVID-19 resurgence across multiple world economies, the decline in US inventories, and increases in Organization of Petroleum Exporting Countries+ (OPEC+) supply. In late April, OPEC+ approved to maintain production cuts by 6.55 mb/d, 6.20 mb/d, and 5.76 mb/d for May, June, and July 2021 respectively.³³ Compliance with the production cut remains high at 123 percent in April 2021.³⁴ In the coming months, global oil prices are expected to ease as world oil supplies are set to ramp up and shift the market from deficit towards balance.³⁵ If COVID-19 containment measures falter, a further deterioration in demand could put downward pressure on prices.³⁶ As of 30 April, Dubai crude oil future prices for May 2021 increased to USD 65.8/bbl from the price quotation on 1 April of USD 60.6/bbl. Futures prices for December settled at USD 62.4/bbl.³⁷

³³ OPEC. “OPEC and non-OPEC Ministerial Meeting highlights importance of ongoing rebalancing efforts” OPEC.org https://www.opec.org/opec_web/en/press_room/6429.htm (accessed on 3 May 2021)

³⁴ Lawler, Alex. “Iran again boosts OPEC oil output in April -Reuters survey” *Reuters.com* <https://www.reuters.com/world/middle-east/iran-again-boosts-opec-oil-output-april-reuters-survey-2021-04-30/> (accessed on 3 May 2021)

³⁵ Perkins, Robert. “IEA hikes world oil demand forecast as economic recovery gains pace” SPGlobal.com <https://www.spglobal.com/platts/en/market-insights/latest-news/oil/041421-iea-raises-2021-world-oil-demand-forecast-by-230000-bd-on-firm-economic-recovery> (accessed on 3 May 2021)

³⁶ World Bank. “Commodity Prices to Stabilize after Early 2021 Gains, Supported by Global Economic Recovery” WorldBank.org <https://www.worldbank.org/en/news/press-release/2021/04/20/commodity-prices-to-stabilize-after-early-2021> (accessed on 3 May 2021)

³⁷ Bloomberg. “Dubai Crude Oil (Platts) Financial Futures Quotes” *Bloomberg.net* <https://bba.bloomberg.net> (accessed on 3 May 2021)