

REPORT ON INFLATION

(JULY 2021)

HIGHLIGHTS

- The Philippines' headline inflation rate decelerated to 4.0 percent in July 2021 from 4.1 percent in June 2021. Year-to-date inflation is unchanged at 4.4 percent.
- Seasonally adjusted month-on-month (m-o-m) inflation accelerated to 0.4 percent from 0.1 percent.
- Food and non-alcoholic beverages inflation picked up to 4.9 percent from 4.7 percent in the previous month, while non-food inflation slowed down to 3.2 percent from 3.4 percent.

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

	June 2021	July 2021	YTD 2021
Philippines			
Headline	4.1	4.0	4.4
Core	3.0	2.9	3.3
Bottom 30 percent	4.3	4.4	4.8
NCR			
Headline	3.2	3.2	3.7
AONCR			
Headline	4.4	4.3	4.5

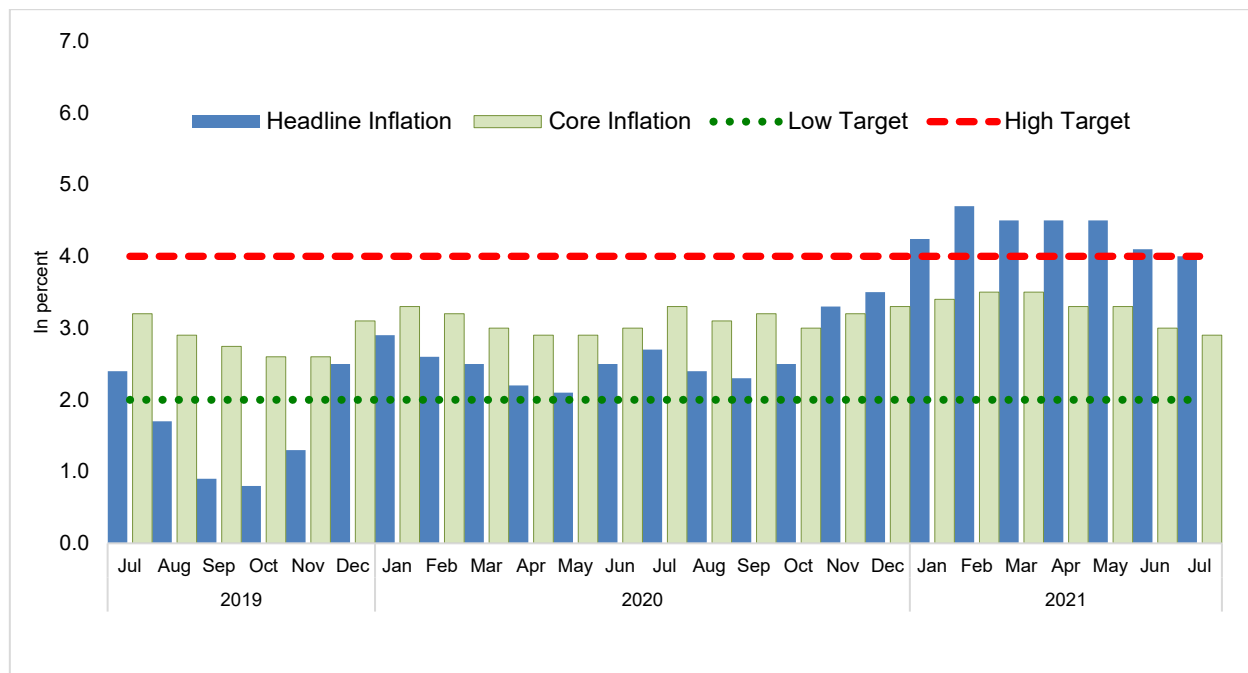
- Meat inflation slowed down to 16 percent from 19.2 percent with a 1.1-percentage-point (ppt) contribution to overall inflation. Pork inflation decelerated significantly to 38.4 percent in July 2021 from 49.0 percent in June 2021. M-o-m meat inflation continued its downtrend at -0.3 percent. This decline can be attributed to the implementation of Executive Orders (EO) Nos. 133 and 134, which expanded the minimum access volume (MAV) and lowered the tariff rates of pork. Meanwhile, rice inflation remained negative at -1.0 percent, partly benefiting from EO 135 which reduced most favored nation rice tariffs. However, fish inflation accelerated from 8.7 percent to 9.3 percent due to Typhoon Fabian which affected regional port operations.

- To manage fish inflation and ensure stable fish supply, the Department of Agriculture (DA) will fast-track the issuance of the certificate of necessity to import (CNI) fish to cover the domestic demand gap during the closed fishing season starting October 2021.
- The government will continue to proactively manage the availability of food and an unhampered supply chain especially for food items during the enhanced community quarantine (ECQ) period in August 2021.

1. Headline inflation rate moderated to 4.0 percent in July 2021. Meanwhile, seasonally adjusted m-o-m inflation accelerated to 0.4 percent.

The Philippines' headline inflation rate decelerated to 4.0 percent from 4.1 percent in June 2021, although still higher than the figure of 2.7 percent in July 2020. The latest inflation figure is in line with the private sector's median forecast of 4.0 percent¹ and the *Bangko Sentral ng Pilipinas* (BSP)'s forecast range of 3.9 to 4.7 percent.² Year-to-date, headline inflation remains unchanged at 4.4 percent, slightly above the BSP's 2 to 4 percent full-year 2021 inflation target range.

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



¹ Noble, Luz Wendy T. Business World. "July inflation seen within BSP target" *Bworldonline.com* <https://www.bworldonline.com/july-inflation-seen-within-bsp-target/> (accessed on August 2, 2021)

² BSP Press Release, "Month-Ahead Inflation Forecast for July 2021". BSP.gov.ph. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=5870> (accessed August 2, 2021)

The inflation rate in July slowed down amid the decelerated transport inflation (7.0% from 9.6% in June), along with slower inflation of restaurants and miscellaneous goods and services; alcoholic beverages and tobacco; furnishings; and recreation and culture. These offset the accelerated inflation of food and non-alcoholic beverages; housing and utilities; health; communication; and clothing and footwear (see Table 1).

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

Commodity group	June 2021		July 2021	
	Y-O-Y	M-O-M ³	Y-O-Y	M-O-M
ALL ITEMS	4.1	0.2	4.0	0.4
Food and Non-Alcoholic Beverages	4.7	-0.1	4.9	0.1
Alcoholic Beverages and Tobacco	11.2	0.3	10.2	0.3
Clothing and Footwear	1.6	0.1	1.7	0.3
Housing, Water, Electricity, Gas, and Other Fuels	2.4	0.3	2.6	0.9
Furnishing, Household Equipment, and Routine Maintenance of the House	2.5	0.1	2.3	0.2
Health	2.9	0.1	3.1	0.8
Transport	9.6	0.5	7.0	1.0
Communication	0.2	0.0	0.3	0.1
Recreation and Culture	-0.6	0.1	-0.7	0.1
Education	1.1	0.0	1.1	0.0
Restaurant and Miscellaneous Goods and Services	3.9	0.3	3.6	0.2

Source: Philippine Statistics Authority

³ The month-on-month (m-o-m) inflation figures cited in Table 1 are not seasonally adjusted.

Core inflation⁴ also eased to 2.9 percent in July, the lowest rate for the year so far. Inflation for the bottom 30 percent of households slightly accelerated to 4.4 percent, from the 4.3 percent figure in the previous month. Year-to-date, core inflation remained stable at 3.3 percent, while inflation for the bottom 30 percent eased to 4.8 percent.

Among the top 10 contributors to inflation during the month, three items belong to the food and non-alcoholic beverages commodity group. These are meat, fish, and vegetables. Together, these items contributed 1.8 ppt to total inflation (see Table 2).

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

Commodity group	July 2021
Meat	1.1
Fish	0.6
Electricity, Gas and Other Fuels	0.4
Catering Services	0.3
Tobacco	0.3
Operation of Personal Transport Equipment	0.3
Transport Services	0.2
Vegetables	0.2
Actual Rentals for Housing	0.1
Personal Care	0.1
TOTAL CONTRIBUTION TO INFLATION	3.6
Others (e.g., education, clothing & footwear, furnishings, communications, recreation, etc.)	0.5
OVERALL INFLATION	4.0

⁴ 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-term volatile movements. It is a measure of the broad or underlying trend or movement in the average consumer prices. Source: BSP.

M-o-m seasonally adjusted inflation picked up to 0.4 percent in July, from 0.1 percent in June. This was primarily driven by faster m-o-m adjustments for education (1.0% in July from -1.5% in June), food and non-alcoholic beverages (0.3% from 0.1%), health (0.3% from 0.1%), housing and utilities (0.5% from 0.4%), clothing and footwear (0.2% from 0.1%), and recreation and culture (0.1% from 0.0%). Meanwhile, slower adjustments were led by alcoholic beverages and tobacco (0.4% from 0.7%), restaurants (0.1% from 0.3%), and furnishings (0.1% from 0.2%).

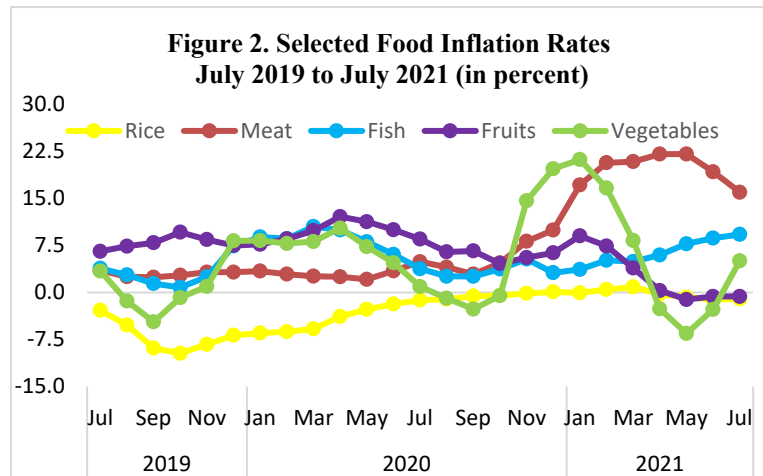
2. Food and non-alcoholic beverages inflation inched up to 4.9 percent, while non-food inflation decelerated to 3.2 percent.

Food

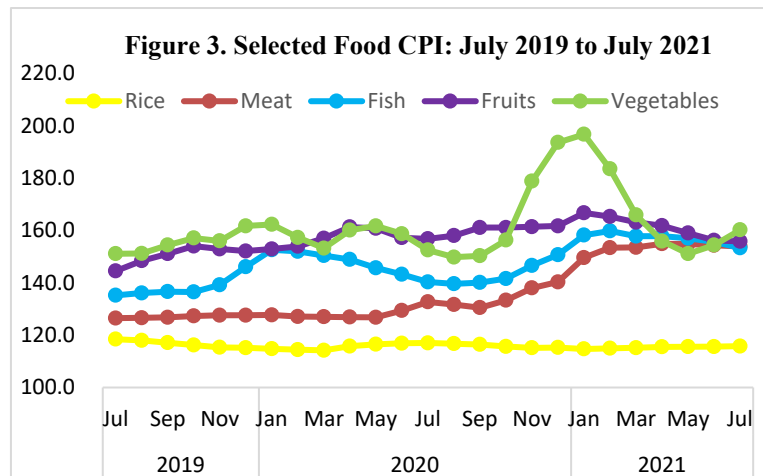
Food and non-alcoholic beverages inflation inched up to 4.9 percent in July from 4.7 percent in June. On a m-o-m seasonally adjusted basis, food and non-alcoholic beverages inflation increased to 0.3 percent in July 2021 from 0.1 percent in the previous month.

Food inflation accelerated to 5.1 percent (from 4.9%) amid the faster inflation in vegetables (5.0% from -2.7%) and fish (9.3% from 8.7%), and slower deflation in rice (-1.0% from -1.1%). Meanwhile, the slowdown in meat inflation (16.0% from 19.2%) and stable inflation of fruits (-0.6%) tempered the increase in food inflation.

The faster inflation in vegetables was driven by higher prices of lowland⁵ vegetables given tight supply, while an abundance of highland vegetables⁶ moderated the increase in vegetable inflation. However, the uptick in fish inflation was mainly due to base effects.⁷



The slower deflation of rice (-1.0% from -1.1%) can be attributed to the onset of the lean season. However, supply remains sufficient which is supported by the continuous arrival of imported rice. As of July, an estimated 1.5 million metric tons (MT) of imported rice arrived in the Philippines.



This was equivalent to 62.0 percent of the volume issued Sanitary and Phytosanitary Import Clearance (SPSIC).⁸

On the other hand, meat inflation slowed down (16.0% from 19.2% in June) amid sustained increase in imports.⁹ Imported pork prime cuts¹⁰ averaged 34,616 MT in May to July 2021 from 15,626 MT in January to April 2021. Specifically, pork inflation decelerated to 38.4 percent from 49.0 percent in the preceding month. The increased imported MAV allocation along with the reduced tariffs under EOs 133

⁵ Lowland vegetables include ampalaya, eggplant, squash, tomato, and sitao.

⁶ Highland vegetables include carrots, cabbage, white potato, patchay Baguio, and habitchuelas.

⁷ Price index for fish was lower in July 2021 compared to June 2021.

⁸ BOC E2M for actual arrivals; and Bureau of Plant and Industry (BPI) for volume issued with SPSIC (as of June 25, 2021)

⁹ Price index for meat was lower in July 2021 compared to June 2021.

¹⁰ Excludes meat processing cuts.

and 134 have allowed the arrival of more pork imports and is expected to ease pork prices further.^{11,12}

The uptick in corn inflation (6.4% from 5.3%) may be partially attributed to inadequate supply, based on farmers' weak planting intentions in previous cropping seasons. Moreover, the international prices of corn for July 2021 remained elevated from the previous year amid growing demand from China.¹³ Meanwhile, the inflation of milk, cheese, and eggs (0.6% from 1.0%) and other cereals (1.7% from 1.8%), moderated during the period.

Non-food

Inflation for non-food items decelerated to 3.2 percent in July from 3.4 percent in June, but still remains higher than the 2.1 percent figure in the same period last year. Transport inflation decelerated significantly (7.0% from 9.6% in June) which is mainly due to base effects.¹⁴ Domestic prices of petroleum products were higher in July compared to the previous month. Global oil prices have reached their highest since October 2018, with demand growing faster than supply amid a positive outlook on the efficacy of vaccinations in alleviating the impact of a global resurgence in COVID-19 infections. Transport services also exhibited broad-based slower inflation (4.8% from 7.9%) due to base effects, as fares remained broadly stable.

Furnishing, household equipment, and routine maintenance of the house (2.3% from 2.5%) and recreation and culture (-0.7% from -0.6%) also contributed to slower non-food inflation in July 2021.

¹¹ According to the DA-BAI, shipments from Europe and the US average 45 to 60 days to arrive.

¹² Executive Order No. 134, s. 2021 or the "Customs Modernization and Tariff Act" temporarily reduced the tariff on pork imports to 10 to 25 percent from 30 to 40 percent.

¹³ Terazono, Emiko. "Top agricultural traders predict a 'mini supercycle'" *FT.com*
<https://www.ft.com/content/b9551dfb-cabb-40aa-bd02-5b1fff3afb64> (accessed on July 5, 2021)

¹⁴ Price index for transport was higher in July 2021 compared to June 2021.

¹⁵ <https://www.bps.go.id/pressrelease/2021/08/02/1766/inflasi-terjadi-pada-juli-2021-sebesar-0-08-persen--inflasi-tertinggi-terjadi-di-sorong-sebesar-1-51-persen-.html>

On the other hand, housing and utilities inflation edged up (2.6% from 2.4%) driven by a faster uptick in electricity price index (5.3% from 1.4%) and natural liquefied gas (12.7% from 8.2%). M-o-m, Meralco electricity generation charges increased by 5.5 percent. This may be attributed to tight supply conditions in Luzon amid the ongoing natural gas supply restriction in the offshore Malampaya project.

On a m-o-m seasonally adjusted basis, non-food inflation inched up to 0.4 percent from 0.2 percent in June.

3. National Capital Region (NCR) inflation remained stable at 3.2 percent, while inflation outside NCR (AONCR) decelerated to 4.3 percent. The Cagayan Valley region recorded the highest inflation rate for the third time this year at 6.9 percent from 6.2 percent in the previous month.

Headline inflation in NCR remained unchanged at 3.2 percent in July 2021, although still higher than 2.2 percent in July 2020. The recent inflation outturn was attributed to the slower price adjustments in transport (4.1% in July from 5.1% in June), health (2.6% from 3.0%), alcoholic beverages and tobacco (10.5% from 10.9%), and clothing and footwear (0.7% from 0.9%), along with the faster deflation in recreation and culture (-0.7% from -0.5%). These offset the faster inflation of food and non-alcoholic beverages (5.5% from 5.2%), housing and utilities (1.2% from 1.0%), and restaurant and miscellaneous goods and services (2.9% from 2.8%). Meanwhile, inflation of furnishing and household equipment (1.3%), education (0.5%), and communication (0.2%) remain unchanged from the previous month.

On the other hand, inflation in AONCR decreased to 4.3 percent from 4.4 percent in the previous month. This was driven by the slower inflation in transport (7.8% in July from 11.2% in June), restaurant and miscellaneous goods and services (3.9% from 4.4%), alcoholic beverages and tobacco (10.1% from 11.2%), and furnishing and household equipment (2.6% from 2.9%), and the faster deflation in recreation and culture (-0.7% from -0.6%). These offset the faster inflation in food and non-alcoholic beverages (4.8% from 4.5%), housing and utilities (3.2% from 2.8%), and health (3.2% from 2.8%). Inflation for education (1.4%), communication (0.3%), and clothing and footwear (1.9%) were stable from the previous month.

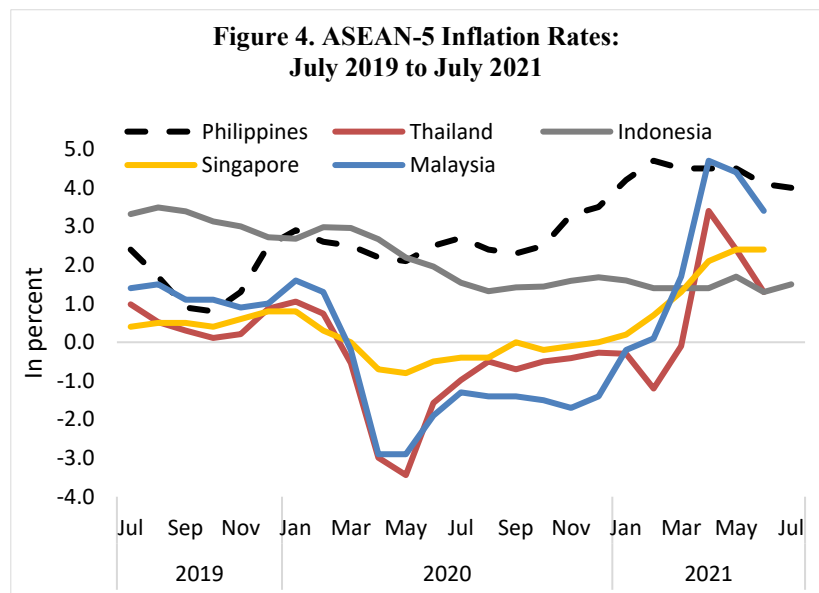
In AONCR, six regions posted slower inflation rates while nine posted higher inflation. One region showed steady inflation (see Table 3). The Cagayan Valley region recorded the highest inflation rate at 6.9 percent in July from 6.2 percent in June. This was driven by the significantly faster inflation in housing and utilities (7.5% from 2.5%), furnishing and household equipment (3.4% from 2.8%), restaurant and miscellaneous goods and services (5.9% from 5.8%), clothing and footwear (3.4% from 3.0%), and alcoholic beverages and tobacco (8.4% from 8.2%).

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

Regions	June 2021	July 2021	YTD 2021
NCR- National Capital Region	3.2	3.2	3.7
AONCR - Areas outside the NCR	4.4	4.3	4.5
CAR - Cordillera Administrative Region	3.6	4.0	3.7
I - Ilocos Region	4.1	4.3	4.3
II - Cagayan Valley	6.2	6.9	7.1
III - Central Luzon	4.4	3.9	4.9
IV-A - CALABARZON	5.4	4.6	5.6
IV-B - MIMAROPA Region	4.3	5.0	5.1
V - Bicol Region	6.3	6.5	7.3
VI - Western Visayas	4.5	4.3	4.6
VII - Central Visayas	1.7	2.0	1.6
VIII - Eastern Visayas	3.3	3.2	2.8
IX - Zamboanga Peninsula	3.5	3.7	2.7
X - Northern Mindanao	4.4	3.8	3.9
XI - Davao Region	4.1	4.9	3.6
XII - SOCCSKSARGEN	4.8	4.8	4.8
XIII - Caraga	3.9	4.2	4.2
BARMM – Bangsamoro Autonomous Region in Muslim Mindanao	2.1	2.0	2.9

4. Indonesia's headline inflation rate accelerated to 1.5 percent. Others have yet to release inflation figures for July 2021, but Malaysia and Thailand's inflation decelerated while Singapore's inflation remained unchanged in June 2021.

In July 2021, Indonesia's overall inflation increased to 1.5 percent from 1.3 percent in June 2021. This was driven by the faster inflation in food, beverages, and tobacco (2.7% in July 2021 from 1.9% in June 2021), transportation (0.3% from 0.0%), and housing and utilities (0.4% from 0.3%).¹⁵ On July 22,



2021, the Bank Indonesia maintained its key policy rate at 3.5 percent to maintain the exchange rate and the stability of their financial system.¹⁶

Malaysia, Thailand, and Singapore have yet to report inflation figures for July 2021. For June 2021, Malaysia and Thailand registered slower adjustments in prices, while Singapore's inflation remained unchanged.

¹⁵ <https://www.bps.go.id/pressrelease/2021/08/02/1766/inflasi-terjadi-pada-juli-2021-sebesar-0-08-persen--inflasi-tertinggi-terjadi-di-sorong-sebesar-1-51-persen-.html>

¹⁶ https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2317721.aspx

5. Inflation outlook and policy implications

As of June 24, 2021, the BSP maintained its accommodative monetary stance, with the key policy rate unchanged at 2.0 percent.¹⁷ The prevailing stance is considered appropriate to support economic recovery amid downside risks to growth, while supply-side pressures are expected to ease due to government interventions.

The BSP still expects inflation to settle at the upper end of its target of 2 to 4 percent for 2021, before moderating to the mid-point by 2022 to 2023. Risks to inflation are seen as broadly balanced.^{18,19}

Food supply

While the outlook for some food items remains favorable, the supply forecast for other food products may fall short of demand. For the latter, the government will work actively to support their availability and ease potential price pressures. This is complemented with the government's proactive approach to ensure an unhampered supply chain especially during the imposition of more stringent quarantine measures.

Rice stock is projected to reach a surplus of 2.99 million metric tons (MMT) which is equivalent to 80 days of national consumption. Chicken supply and highland vegetables production are forecast to reach surpluses of 41,928 MT and 797,820 MT, or an equivalent of 10-day stocks and 189 percent of local demand, respectively. On the other hand, pork supply is still expected to end the year with a deficit of 199,344 MT or 45-day stocks.²⁰ Lowland vegetable production and

¹⁷ Overnight deposit facility rate at 1.5 percent, overnight lending facility rate at 2.5 percent.

¹⁸ Upside risks include a robust global recovery, an uptick in global commodity prices, and earlier-than-expected easing of quarantine restrictions. Downside risks include protracted containment measures, and weaker-than-expected global growth due to new COVID variants.

¹⁹ BSP Inflation Report Q2 2021. https://www.bsp.gov.ph/Lists/Inflation/percent20Report/Attachments/22/IR2qtr_2021.pdf (accessed July 29, 2021)

²⁰ DA Presentation in the Task Group on Food Security meeting on July 14, 2021

fisheries supply are also expected to undershoot at 1,267,804 MT and 135,135 MT, or only an 80 percent and 96 percent sufficiency level, respectively.^{21,22}

The reduced tariffs under EO 135²³ contributed to the arrival of 494,248 MT of rice imports between June to July, which is equivalent to about 30 percent of year-to-date arrivals. The Rice Competitiveness Enhancement Fund program will also reinforce the local production of rice through mechanization, resource and training provision, and credit extension components.

Pork imports for January to June remain robust with a growth rate of 175.9 percent,²⁴ compared to the previous year. Imports covered by the temporary increase in the MAV allocation and the reduced tariff rates began to arrive in July. Of the first tranche target of 140,000 MT, 13.8 percent has been utilized. Nonetheless, supply needs to be further augmented with the arrival of more imports given the projected pork deficit by year-end.

Likewise, the government will remain vigilant amid reports of new African Swine Fever (ASF) cases in other countries.²⁵ Phytosanitary and biosecurity measures can be strengthened, along with bolstering local pork production. Domestic support measures – such as hog repopulation programs, financial assistance, food safety and ASF-zoning – are showing signs of effectively containing the local ASF outbreak, as six local government units (LGU) have been declared free of ASF.²⁶

To manage fish inflation and ensure stable supply, the DA will fast-track the issuance of the certificate of necessity to import (CNI) for fish to cover the domestic demand gap during the closed fishing season starting October 2021.

²¹ DA Presentation in the Task Group on Food Security meeting on July 14, 2021

²² Revised BFAR Outlook as of July 2021

²³ Executive Order (EO) No. 135, implemented on June 2, 2021, temporarily reduces the Most Favoured Nation tariff of rice to 35 percent for a one-year period.

²⁴ DA-BAI, Importation Data. <https://www.bai.gov.ph/index.php/importation-data> (accessed July 29, 2021)

²⁵ Hogan, Michael. Reuters News. “Germany has first African swine fever case in farm pigs” (accessed July 30, 2021)

²⁶ DA Communications Group. “Agri chief declares country’s first LGUs that recovered from ASF”. <https://www.da.gov.ph/agri-chief-declares-countrys-first-lgus-that-recovered-from-asf/> (accessed July 27, 2021)

While the availability of highland vegetables will partly offset the projected deficit in lowland vegetables, the government can proactively adopt measures to ease price pressures on vegetables and fish products. Linkages across relevant stakeholders will be enhanced through the *Diskwento Karavan*²⁷ and *Kadiwa ni Ani at Kita* modalities. Monitoring systems can likewise be strengthened for both producers and consumers. These include DA's Registry System for Basic Sectors in Agriculture (RSBSA), the Department of Trade and Industry's e-Presyo, "*Presyong Risonable Dapat*" program,²⁸ and other special consumer protection activities.²⁹

Weather conditions

According to the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA),³⁰ the El Niño Southern Oscillation (ENSO)-neutral conditions in July is likely to continue until September. However, La Niña is likely to re-emerge (likelihood of 55%) during September to November and may persist until Q1 2022. Meanwhile, 9 to 12 tropical cyclones may enter or develop in the Philippines between August 2021 and January 2022.

The government can continue to coordinate efforts on disaster risk and management programs with LGUs, investments in research and development (e.g., climate-resilient crop production), development of agricultural risk financing and insurance products, and investments in resilient infrastructure development (e.g., improve water management and irrigation systems).³¹ Improving logistics, productivity, and resilience in agriculture through digital technology and improved local and

²⁷ DTI News. "DTI and DA continue the Kadiwa Diskwento Karavan". <https://www.dti.gov.ph/news/dti-da-continue-kadiwa-diskwento-karavan/> (accessed July 29, 2021)

²⁸ DA Communications Group. "DA, DTI, Robinsons Supermarket partner to offer affordable frozen meat". <https://www.da.gov.ph/da-dti-robinsons-supermarket-partner-to-offer-affordable-frozen-meat/> (accessed July 30, 2021)

²⁹ DTI News. "DTI conducts special monitoring and enforcement operations in NCR". <https://www.dti.gov.ph/news/dti-conducts-special-monitoring-and-enforcement-operations/> (accessed July 29, 2021)

³⁰ PAGASA. "Climate Outlook August 2021 – January 2022" [DOST.gov.ph https://pubfiles.pagasa.dost.gov.ph/climps/climateforum/climateoutlook.pdf](https://pubfiles.pagasa.dost.gov.ph/climps/climateforum/climateoutlook.pdf) (accessed on July 3, 2021)

³¹ World Bank. "Building a Resilient Recovery Philippines Economic Update December 2020 Edition" [WorldBank.org https://openknowledge.worldbank.org/bitstream/handle/10986/34899/Philippines-Economic-Update-Building-a-Resilient-Recovery.pdf](https://openknowledge.worldbank.org/bitstream/handle/10986/34899/Philippines-Economic-Update-Building-a-Resilient-Recovery.pdf) (accessed on June 3, 2021)

international partnerships can likewise contribute to mitigating the impacts of typhoons.³²

Transport Services

Mobility in the Philippines partially improved in July 2021 relative to the previous month³³ and could be further improved given that supply is still constrained. Despite the slower inflation in July, the cost of transport services remains elevated since July 2020, primarily due to social distancing measures and the recovery of global oil prices.³⁴ This may ease in the coming months as the vaccination program is accelerated. As of August 1, 2021, a total of 20.9 million doses have been administered, consisting of 11.7 million and 9.1 million for the first and second doses, respectively.³⁵ Towards the end of July, the country reported its highest number of jabs in one day at 659,029. The average daily doses administered in the last seven days (July 26 to August 1, 2021) reached 523,018. With this rapid progress in the rate of inoculation and the expected arrival of 132.7 million doses in the next six months, the government is confident in vaccinating 70 million Filipinos or the entire adult population by the end of 2021.

³² DA Communications Group. “Phl, US to forge stronger agri, trade cooperation” *DA.gov.ph* <https://www.da.gov.ph/phl-us-to-forge-stronger-agri-trade-cooperation/>; PHCC. “THE NATIONAL COMPETITION POLICY OF THE PHILIPPINES” *PHCC.gov.ph* https://www.phcc.gov.ph/wp-content/uploads/2021/01/NCP_NEDA-PCC-JMC_Signed.pdf (accessed on June 3, 2021)

³³ Google. “Global Mobility Report” *Gstatic.com* https://www.gstatic.com/covid19/mobility/Global_Mobility_Report.csv (accessed on August 3, 2021)

³⁴ World Bank. “Philippines Economic Update JUNE 2021 EDITION Navigating a Challenging Recovery” *WorldBank.org* <https://documents1.worldbank.org/curated/en/380011623076770757/pdf/Philippines-Economic-Update-Navigating-a-Challenging-Recovery.pdf> (accessed on July 5, 2021)

³⁵ National Task Force Against Covid19. “VACCINE ROLLOUT UPDATE: 02 August 2021” *Facebook.com* <https://www.facebook.com/ntfcovid19ph/photos/a.104441587885110/363248465337753/> (accessed on August 3, 2021)

The Department of Transportation (DOTr) plans to gradually increase the number of public utility vehicles (PUV) available, shorten travel time, and lessen red tape under the new normal.³⁶ Moreover, the DOTr continues to push for the PUV Modernization Program. Furthermore, several bus rapid transit (BRT) lines are currently in various stages of implementation.³⁷

Global oil prices

In July, the OPEC+ agreed to increase overall production by 0.4 mb/d on a monthly basis starting August 2021 as oil demand continues to show clear signs of improvement.³⁸ The compliance of OPEC+ members to their production cut agreement remained high at 115 percent in July 2021.³⁹ Based on futures markets as of July 30, 2021, Dubai crude oil prices are expected to decline from USD 73.3/bbl in August to USD 69.9/bbl by December.⁴⁰

³⁶ Dela Cruz, Raymond Carl. "DOTr to speed up, increase public transport under new normal" PNA.gov.ph <https://www.pna.gov.ph/articles/1131259> (accessed on June 5, 2021)

³⁷ DOTr. "DOTR PUSHES FOR EFFICIENT ROAD MASS TRANSPORT SYSTEMS AS PH ENTERS 'NEW NORMAL'" DOTr.gov.ph <https://dotr.gov.ph/2014-09-02-05-03-02/55-dotrnews/3526-dotr-pushes-for-efficient-road-mass-transport-systems-as-ph-enters-new-normal.html> (accessed on June 3, 2021)

³⁸ https://opec.org/opec_web/en/press_room/6512.htm

³⁹ <https://www.reuters.com/world/middle-east/opec-july-oil-output-hits-15-month-high-demand-recovers-survey-shows-2021-07-30/>

⁴⁰ Bloomberg. "Dubai Crude Oil (Platts) Financial Futures Quotes (accessed on August 2, 2021)