

# REPORT ON INFLATION

## (AUGUST 2021)

### HIGHLIGHTS

- The Philippines' headline inflation rate accelerated to 4.9 percent in August 2021 from 4.0 percent in July 2021. Despite this increase, year-to-date inflation remains unchanged at 4.4 percent.
- Seasonally adjusted month-on-month (m-o-m) inflation increased to 0.6 percent from 0.4 percent.
- Food inflation also increased to 6.9 percent from 5.1 percent in the previous month. Similarly, non-food inflation inched up to 3.4 percent from 3.2 percent.

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

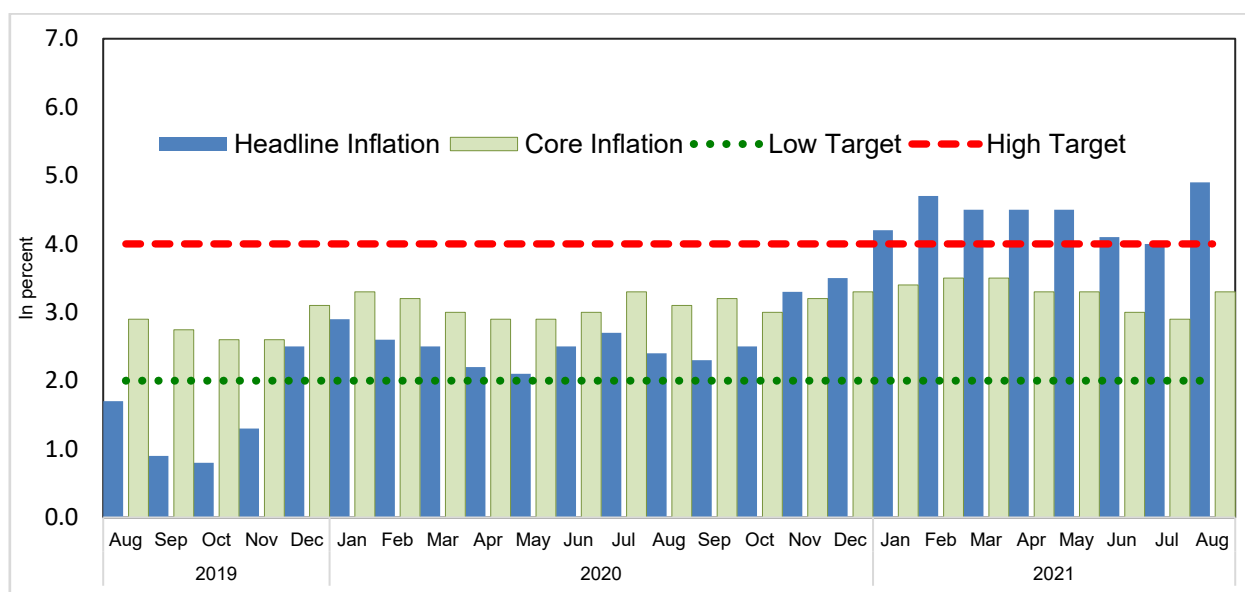
|                      | Jul<br>2021 | Aug<br>2021 | YTD<br>2021 |
|----------------------|-------------|-------------|-------------|
| <b>Philippines</b>   |             |             |             |
| <b>Headline</b>      | 4.0         | 4.9         | 4.4         |
| Core                 | 2.9         | 3.3         | 3.3         |
| Bottom<br>30 percent | 4.4         | 5.2         | 4.9         |
| <b>NCR</b>           |             |             |             |
| Headline             | 3.2         | 3.7         | 3.8         |
| <b>AONCR</b>         |             |             |             |
| Headline             | 4.3         | 5.2         | 4.6         |

- Meat inflation accelerated to 16.4 percent from 16.0 percent with a 1.1 percentage points (ppt) contribution to overall inflation. Pork inflation picked up marginally to 39.0 percent in August 2021 from 38.4 percent in July 2021, but mainly due to base effects. M-o-m, meat and pork inflation remained negative at -0.4 and -0.9 percent, respectively, suggesting some price stabilization.
- Fish inflation accelerated to 12.4 percent from 9.3 percent, while vegetable inflation rose to 15.7 percent from 5.0 percent due to the impact of the southwest monsoon and onset of the rainy season. To ensure stable fish supply, the Department of Agriculture (DA) issued Administrative Order No. 22, approving a Certificate of Necessity to Import (CNI) fish of 60,000 metric tons (MT) up to December 31, 2021. To support vegetable production, the government will further promote urban agriculture and backyard gardening.
- The government will continue to ensure a stable food supply to ease prices of fish, vegetables, and pork and address the recent uptick in inflation.

## 1. Headline inflation rate accelerated to 4.9 percent in August 2021; seasonally adjusted m-o-m inflation picked up to 0.6 percent.

The Philippines’ headline inflation rate rose to 4.9 percent from 4.0 percent in July 2021, the fastest rate since January 2019. The latest inflation figure is higher than the private sector’s median forecast of 4.4 percent,<sup>1</sup> and is on the upper end of the *Bangko Sentral ng Pilipinas*’ (BSP) forecast range of 4.1 to 4.9 percent.<sup>2</sup> Year-to-date (YTD) headline inflation remains unchanged at 4.4 percent. This remains above the BSP’s 2 to 4 percent full year 2021 inflation target range.

**Figure 1. Headline inflation rates: August 2019 to August 2021**



<sup>1</sup> Noble, Luz Wendy T. Business World. “Aug. inflation likely above target — poll” *Bworldonline.com* <https://www.bworldonline.com/aug-inflation-likely-above-target-poll/> (accessed on September 6, 2021)

<sup>2</sup> BSP Press Release, “Month-Ahead Inflation Forecast for August 2021”. BSP.gov.ph. <https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=5916> (accessed August 31, 2021)

The inflation rate in August picked up amid broad-based acceleration for most commodities. Upward pressure was led by food and non-alcoholic beverages; followed by housing and utilities; furnishings; restaurants and miscellaneous goods and services; transportation; recreation and culture; alcoholic beverages and tobacco; and clothing and footwear. Health, education, and communication were unchanged (see Table 1).

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

| Commodity group   | July 2021  |                    | August 2021 |            |
|---|------------|--------------------|-------------|------------|
|   | Y-O-Y      | M-O-M <sup>3</sup> | Y-O-Y       | M-O-M      |
| <b>ALL ITEMS</b>  | <b>4.0</b> | <b>0.4</b>         | <b>4.9</b>  | <b>0.6</b> |
| Food and Non-Alcoholic Beverages                                      | 4.9        | 0.1                | 6.5         | 1.2        |
| Alcoholic Beverages and Tobacco                                       | 10.2       | 0.3                | 10.3        | 0.3        |
| Clothing and Footwear   | 1.7        | 0.3                | 1.8         | 0.2        |
| Housing, Water, Electricity, Gas, and Other Fuels                     | 2.6        | 0.9                | 3.1         | 0.3        |
| Furnishing, Household Equipment, and Routine Maintenance of the House | 2.3        | 0.2                | 2.5         | 0.3        |
| Health  | 3.1        | 0.8                | 3.1         | 0.2        |
| Transport   | 7.0        | 1.0                | 7.2         | 0.1        |
| Communication   | 0.3        | 0.1                | 0.3         | 0.0        |
| Recreation and Culture  | -0.7       | 0.1                | 0.5         | 0.1        |
| Education   | 1.1        | 0.0                | 1.1         | 0.0        |
| Restaurant and Miscellaneous Goods and Services                       | 3.6        | 0.2                | 3.8         | 0.3        |

Source: Philippine Statistics Authority

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

Core inflation<sup>4</sup> accelerated to 3.3 percent in August 2021 from 2.9 percent in the previous month. Inflation for the bottom 30 percent of households continued to trend upward at 5.2 percent from 4.4 percent in the preceding month. YTD, core inflation remained stable at 3.3 percent, while inflation for the bottom 30 percent slightly picked up to 4.9 percent in August 2021 from 4.8 percent in July 2021.

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 2.4 ppt to total inflation (see Table 2).

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

| Commodity group  | August 2021 |
|--|-------------|
| Meat   | 1.1         |
| Fish   | 0.8         |
| Vegetables   | 0.5         |
| Electricity, Gas and Other Fuels   | 0.5         |
| Catering Services  | 0.4         |
| Tobacco  | 0.3         |
| Operation of Personal Transport Equipment  | 0.3         |
| Transport Services   | 0.3         |
| Actual Rentals for Housing   | 0.1         |
| Personal Care  | 0.1         |
| <b>TOTAL CONTRIBUTION TO INFLATION</b>   | <b>4.3</b>  |
| Others (e.g., education, clothing & footwear, furnishings, communications, recreation, etc.) | 0.6         |
| <b>OVERALL INFLATION</b>   | <b>4.9</b>  |

<sup>4</sup> 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.

## 2. Food and non-alcoholic beverages inflation picked up to 6.5 percent; non-food inflation increased to 3.4 percent.

### Food

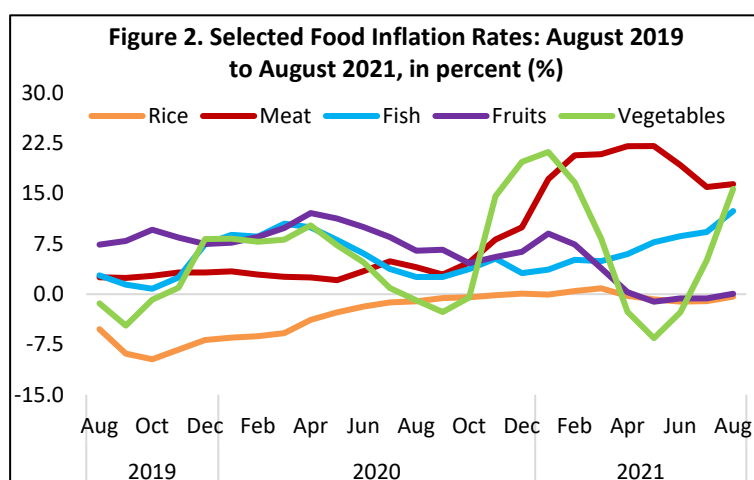
Food and non-alcoholic beverages inflation accelerated to 6.5 percent in August 2021 from 4.9 percent in July 2021. On a m-o-m seasonally adjusted basis, food and non-alcoholic beverages inflation increased to 1.3 percent in August 2021 from 0.3 percent in the previous month.

The increase in food inflation (6.9% from 5.1%) was broad-based. Vegetables (15.7% from 5.0%), fish (12.4% from 9.3%), meat (16.4% from 16.0%), fruits (0.1% from -0.6%), corn (8.7% from 6.4%), sugar (1.2% from 1.0%), oils and fats (4.8% from 4.4%), and other food items (1.6% from 0.9%) recorded faster inflation. Meanwhile, rice inflation (-0.4% from -1.0%) remained negative.

The uptick in food inflation was mainly attributed to seasonal factors. Vegetable and fish production in commercial and aquaculture are historically low during the third quarter of the year due to the rainy season. Aside from this, the imposition of stricter community quarantine in

some areas<sup>5</sup> may have resulted in the hampered movement and operations of fish ports and contributed to lower fish unloading to some extent.

Meat inflation increased partly due to base effects.<sup>6</sup> Pork inflation inched up to 39.0 percent in August from 38.4 percent in July. However, m-o-m pork deflation was deeper (-0.9% in August from -0.4% in July). In August, average retail prices of

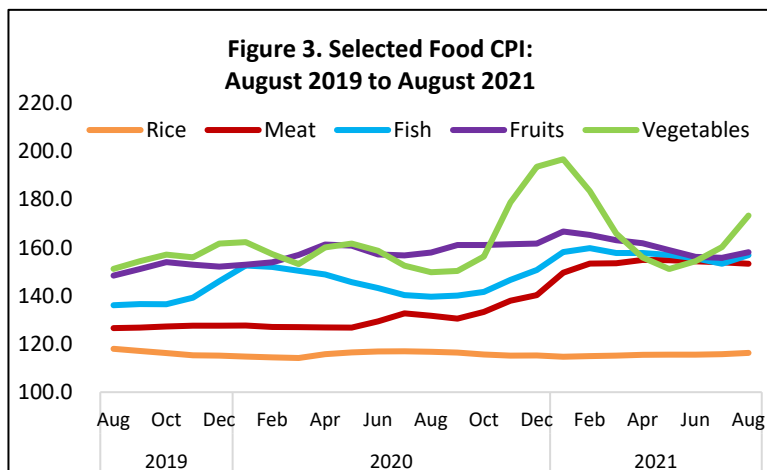


<sup>5</sup> NCR, Iloilo, Zamboanga, and Lucena

<sup>6</sup> The CPI for meat is lower in August 2021 compared with July 2021.

pork, beef, and chicken declined in the National Capital Region (NCR) compared to the previous month.

The slower deflation of rice (-0.4% from -1.0%) can be attributed to higher international shipping costs.<sup>7</sup> In the second quarter of 2021, actual rice production increased by 1.2 percent year-on-year to 4.2 million MT (MMT). As of August 2021, an estimated 1.7 MMT



of imported rice arrived in the country. This was equivalent to 48 percent of the volume issued Sanitary and Phytosanitary Import Clearance (SPSIC).<sup>8</sup>

The uptick in corn inflation may be partially attributed to inadequate supply, based on farmers’ weak planting intentions in previous cropping seasons. Moreover, the international prices of corn for August 2021 remained elevated from the previous year amid growing demand from China. However, this is partly moderated by improved production prospects in several countries.<sup>9,10</sup>

### Non-food

Non-food inflation accelerated to 3.4 percent in August 2021 from 3.2 percent in July 2021 and 2.1 percent in August 2020. Housing and utilities mainly contributed to the uptick owing to the faster inflation of electricity (6.6% from 5.4%) and liquefied natural gas (17.6% from 12.7%), along with the persistent increase in domestic petroleum prices. M-o-m, Meralco electricity generation charges increased

<sup>7</sup> Patel, Brijesh. “ASIA RICE High shipping costs, weak baht drag Thai rates to over 2-year low” *Reuters.com* <https://www.reuters.com/world/china/asia-rice-high-shipping-costs-weak-baht-drag-thai-rates-over-2-year-low-2021-08-12/> (accessed on September 6, 2021)

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

<sup>9</sup> 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)

<sup>10</sup> Relief Web. “Global food commodity prices rebound in August” *ReliefWeb.int* <https://reliefweb.int/report/world/global-food-commodity-prices-rebound-august-enarruzh> (accessed on September 5, 2021)

by 1.3 percent. This was driven by higher transmission charges, Malampaya gas restriction, and the depreciation of the local currency against the dollar.

Transport inflation (7.2% from 7.0%) likewise increased with upticks recorded in the operation of personal transport (14.3% from 14.0%) and transport services (5.3% from 4.8%). Domestic prices of petroleum products remained elevated<sup>11</sup> following developments in global oil prices. The Organization of Petroleum Exporting Countries and its allies (OPEC+) remained firm in their decision to boost output given strong market fundamentals and as Organization for Economic Cooperation and Development (OECD) stocks decline amid the recovery.<sup>12</sup> This is along with the increased mobility restrictions in several major oil-consuming countries, particularly Emerging Asia, amid the increased transmission of the COVID-19 Delta variant.

Among transport services, faster inflation in domestic air transport (7.8% from -8.6%) was recorded while inflation in other transport services decelerated.

Restaurants (3.8% in August from 3.6% in July), recreation and culture (0.5% from -0.7%), house furnishings (2.5% from 2.3%), and clothing and footwear (1.8% from 1.7%) also recorded accelerated inflation, while inflation for health (3.1%), communication (0.3%) and education (1.1%) remained stable during the period.

On a m-o-m seasonally adjusted basis, non-food inflation decelerated to 0.2 percent from 0.4 percent in July.

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<sup>11</sup> ULG registered a 10.2 percent year-on-year increase in August from 11.4 percent in July; kerosene 30.3 percent from 32.7 percent and diesel oil 18.8 percent from 17.2 percent.

<sup>12</sup> “20th OPEC and non-OPEC Ministerial Meeting concludes.”  
[https://opec.org/opec\\_web/en/press\\_room/6567.htm](https://opec.org/opec_web/en/press_room/6567.htm). (accessed on September 5, 2021)

### **3. Inflation in NCR and areas outside NCR (AONCR) both accelerated to 3.7 percent and 5.2 percent, respectively. The Cagayan Valley region recorded the highest inflation rate for the fourth time this year at 7.5 percent.**

**Headline inflation in NCR increased to 3.7 percent in August 2021 from 3.2 percent in July 2021.** The recent inflation outturn was attributed to the faster price adjustments in food and non-alcoholic beverages (6.6% in August from 5.5% in July), housing and utilities (1.9% from 1.2 %), restaurant and miscellaneous goods and services (3.2% from 2.9%), health (2.7% from 2.6%), furnishing and household equipment (1.4% from 1.3%), and alcoholic beverages and tobacco (10.6% from 10.5%). These offset the slower inflation of transport (3.5% from 4.1%) and education (0.4% from 0.5%). Meanwhile, inflation of communication (0.2%), recreation and culture (-0.7%), and clothing and footwear (0.7%) remain unchanged from the previous month.

Likewise, inflation in AONCR accelerated to 5.2 percent from 4.3 percent in the previous month. This was driven by the accelerated inflation in food and non-alcoholic beverages (6.5% in August from 4.8% in July), transport (8.4% from 7.8%), housing and utilities (3.7% from 3.2%), restaurant and miscellaneous goods and services (4.1% from 3.9%), recreation and culture (0.9% from -0.7%), alcoholic beverages and tobacco (10.2% from 10.1%), clothing and footwear (2.1% from 1.9%), and furnishing and household equipment (2.8% from 2.6%). Meanwhile, inflation for health (3.2%), education (1.4%), and communication (0.3%) remained stable from the previous month.



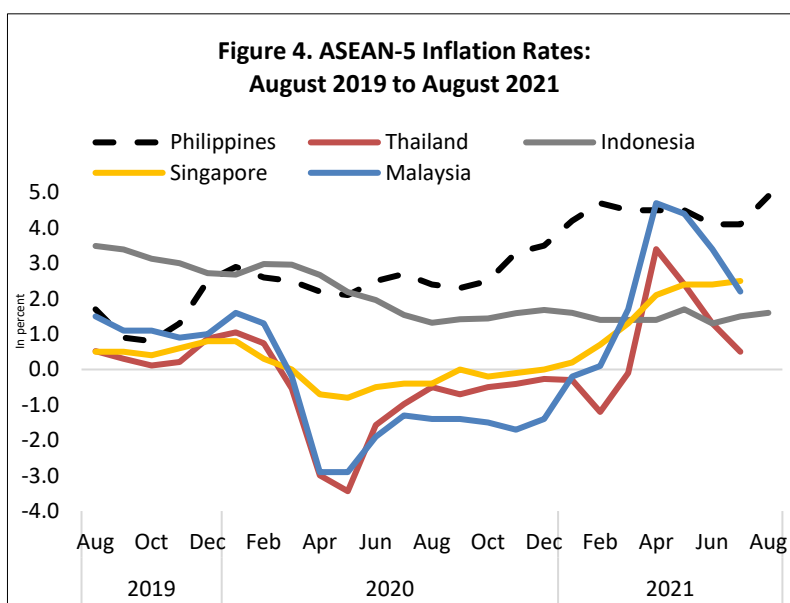
In AONCR, fourteen regions recorded an uptick in inflation, while two regions posted slower price movement (see Table 3). Cagayan Valley region recorded the highest inflation rate at 7.5 percent in August from 6.9 percent in July. This was driven by the accelerated inflation in food and non-alcoholic beverages (8.5% in August from 7.2% in July), recreation and culture (1.2% from -1.3%), and restaurant and miscellaneous goods and services (6.1% from 5.9%).

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

| Regions   | Jul 2021 | Aug 2021 | YTD 2021 |
|---|----------|----------|----------|
| NCR- National Capital Region                            | 3.2      | 3.7      | 3.8      |
| AONCR - Areas outside the NCR                           | 4.3      | 5.2      | 4.6      |
| CAR - Cordillera Administrative Region                  | 4.0      | 5.1      | 4.0      |
| I - Ilocos Region                                       | 4.3      | 5.0      | 4.4      |
| II - Cagayan Valley                                     | 6.9      | 7.5      | 7.1      |
| III - Central Luzon                                     | 3.9      | 5.6      | 4.9      |
| IV-A - CALABARZON                                       | 4.6      | 6.0      | 5.6      |
| IV-B - MIMAROPA   | 5.0      | 4.8      | 5.0      |
| V - Bicol Region  | 6.5      | 7.4      | 7.4      |
| VI - Western Visayas                                    | 4.3      | 4.4      | 4.6      |
| VII - Central Visayas                                   | 2.0      | 3.1      | 1.7      |
| VIII - Eastern Visayas                                  | 3.2      | 3.5      | 2.9      |
| IX - Zamboanga Peninsula                                | 3.7      | 3.9      | 2.9      |
| X - Northern Mindanao                                   | 3.8      | 3.9      | 3.9      |
| XI - Davao Region                                       | 4.9      | 6.7      | 3.9      |
| XII - SOCCSKSARGEN                                      | 4.8      | 5.6      | 4.9      |
| XIII - Caraga   | 4.1      | 3.9      | 4.2      |
| BARMM – Bangsamoro Autonomous Region in Muslim Mindanao | 2.0      | 2.5      | 2.8      |

#### 4. Indonesia's headline inflation rate increased to 1.6 percent. Other countries have yet to release inflation figures for August 2021. In July, Malaysia and Thailand's inflation decelerated, while Singapore recorded an uptick.

In August 2021, Indonesia's overall inflation increased marginally to 1.6 percent from 1.5 percent in July 2021. This was driven by the faster inflation in food, beverages, and tobacco (3.3% in August 2021 from 2.7% in July 2021); household equipment, tools, and routine maintenance (2.0% from 1.8%); health (2.1% from 1.9%); and education (2.3% from 1.6%).<sup>13</sup> On August 19,



2021, the Bank Indonesia maintained its key policy rate at 3.5 percent to maintain the exchange rate and ensure stability in the financial system.<sup>14</sup>

Malaysia, Thailand, and Singapore have yet to report inflation figures for August 2021. In July 2021, Malaysia and Thailand registered slower adjustments in prices, while Singapore recorded higher inflation.

#### 5. Inflation outlook and policy implications

The Monetary Board maintained its accommodative monetary stance given the expected inflation path and prevailing downside risks to growth. The key policy rate remained at 2 percent. The BSP expects inflation to settle at 4.1 percent for 2021, before decelerating to 3.1 percent for 2022 to 2023. This outlook is driven by the continued and timely implementation of monetary measures and non-monetary

<sup>13</sup> <https://www.bps.go.id/pressrelease/2021/09/01/1767/inflasi-terjadi-pada-agustus-2021-sebesar-0-03-persen--inflasi-tertinggi-terjadi-di-kendari-sebesar-0-62-persen-.html>

<sup>14</sup> [https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp\\_2321321.aspx](https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2321321.aspx)

reforms to mitigate supply-side pressures. Nevertheless, the BSP remains vigilant against emerging risks to inflation and growth. It is also ready to deploy monetary policy tools to safeguard prices and ensure financial stability.<sup>15</sup>

### Food supply

Several commodities are estimated to end the year with a surplus.<sup>16</sup> Rice and chicken stocks are expected at 3.0 MMT and 26,019 MT, or equivalent to 80 days<sup>17</sup> and 6 days of stock, respectively. Fisheries is also expected to have a surplus of 33,360 MT with imports, or a 4-day equivalent.<sup>18</sup> Moreover, highland vegetables are also projected at 803,833 MT of stock, or an equivalent of 190 percent of local demand by the end of 2021.<sup>19</sup>

Conversely, lowland vegetables will reach 1.256 MMT or equivalent to only 79 percent of local demand.<sup>20</sup> Aside from this, pork supply is also projected to have a deficit at 39,640 MT or equivalent to 9-day stocks by the end of the year. This projection in pork supply already accounts for the expected import arrivals in the third and fourth quarters of the year with the implementation of Executive Order (EO) Nos. 133 and 134, which expanded the minimum access volume and lowered the tariff rates of pork. Nevertheless, the government remains proactive in its approach to ease food prices and supply pressures.

The government will continue to temporarily augment pork supply through imports. As of September 1, import certification covered by the first tranche of EO No. 133 has reached 88,750 MT, 63.4 percent of total supply expected to arrive between July to October. Of this amount, 24.8 percent has been utilized (*i.e.*, already arrived, in-transit, to arrive soon). At the same time, relevant agencies have been supporting domestic production through zoning and biosecurity measures, hog repopulation programs, credit assistance, and African Swine Fever (ASF) vaccine development.

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<sup>15</sup> BSP Monetary Board Meeting – August 12, 2021.

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=5894> (accessed 24 August 2021)

<sup>16</sup> Presented during the Task Group on Food Security (TGFS) meeting on August 26 2021.

<sup>17</sup> NEDA Estimates based on basic data from DA, BOC and PSA

<sup>18</sup> BFAR, as of August 26, 2021

<sup>19</sup> DA-HVCDP estimates based on DA-RFO Submission as of August 25, 2021 (less 8% on feeds and waste), production for 1st and 2nd Quarters and month of July are actual harvest reported while data for the month of August, September, and 4th Quarter are projected harvest.

<sup>20</sup> BFAR, as of August 26, 2021

The government aims to declare 90 percent of infected *barangays* as ASF-free and released from quarantine by 2023.<sup>21</sup>

To prepare for the upcoming closed fishing season starting in October 2021, the government will increase the domestic volume through the recently approved Certificate of Necessity to Import (CNI). This will bring in 60,000 MT of fish between September to December to be sold at fish supply deficient areas.<sup>22</sup>

To support vegetable production, the government will intensify its “Plant, Plant, Plant” program and the promotion of urban agriculture and backyard gardening. Under these initiatives, the government will provide raw material resources, machinery and equipment, training and technical assistance, and resiliency projects, as well as funding support.

The government’s Rice Resiliency Project 2 (RRP2) will provide farming assistance such as fertilizer vouchers, inbred and hybrid seeds, and other support services under the Rice Competitiveness Enhancement Fund (RCEF). Moreover, the government will promote the Registry System for Basic Sectors in Agriculture (RSBSA) to facilitate information-sharing and service disbursements.<sup>23</sup> Given the implementation of EO No. 135, which temporarily reduces the Most Favored Nation tariff from 40-50 percent to 35 percent for one year (effective June 2021),<sup>24</sup> rice imports have reached 688,529 MT.

Meanwhile, the government will ensure the unhampered supply chain and movement of food supply amid the implementation of community quarantine restrictions.<sup>25</sup> Linkages between consumers and producers will be reinforced

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<sup>21</sup> DA Communications Group. “Hog repop, “Bantay ASF sa Barangay” bring swine industry towards recovery”. <https://www.da.gov.ph/hog-repop-bantay-asf-sa-barangay-bring-swine-industry-towards-recovery/> (accessed August 24, 2021)

<sup>22</sup> DA Communications Group. “To augment local prod’n and supply, DA chief okays CNI for 60K MT of fish” <https://www.da.gov.ph/to-augment-local-prodn-and-supply-da-chief-okays-cni-for-60k-mt-of-fish/> (accessed September 1, 2021)

<sup>23</sup> DA Communications Group. “Distribution of fertilizers above board, benefiting targeted rice farmers”. <https://www.da.gov.ph/distribution-of-fertilizers-above-board-benefiting-targeted-rice-farmers/> (accessed August 24, 2021)

<sup>24</sup> <https://www.officialgazette.gov.ph/downloads/2021/05may/20210515-EO-135-RRD.pdf>

<sup>25</sup> DA Communications Group. “DA ensures enough food supply, calls for unhampered transport of farm, fishery products to NCR, other areas”. <https://www.da.gov.ph/da-ensures-enough-food-supply-calls-for-unhampered-transport-of-farm-fishery-products-to-ncr-other-areas/> (accessed August 24 2021)

through online food fairs, *Kadiwa* platforms, and regional agribusiness and marketing services. Aside from this, the government will expand its “*Presyong Risonable Dapat*” (PRD) program across several supermarkets in areas under strict quarantine restrictions.<sup>26</sup>

Other initiatives include agri-fishery credit and financing packages;<sup>27</sup> infrastructure development;<sup>28</sup> devolution of government services through the Provincial-Led Agriculture and Fishery Extension System (PAFES);<sup>29</sup> and digitalization through the “*BayaniKita*” app.<sup>30</sup> The application will strengthen the communication and information dissemination of relevant government agricultural services.<sup>31</sup>

### Weather conditions

According to the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA),<sup>32</sup> the El Niño Southern Oscillation (ENSO)-neutral conditions is expected to continue until September 2021. La Niña is likely to start in the fourth quarter but is not likely to persist. Meanwhile, 7 to 10 tropical cyclones may enter or develop in the Philippines between September 2021 and February 2022. Moreover, above-normal rainfall conditions are expected over some parts of the country in the coming months, which can trigger flashfloods and rain-induced landslides.

In the short term, the government may focus on coordination efforts on disaster risk and management programs with local government units (LGU). Efforts may shift

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<sup>26</sup> Currently focused on providing affordable meat. DTI. “DTI: Presyong Risonable Dapat (PRD) Program Frozen Meat Edition continues”. <https://www.dti.gov.ph/news/dti-prd-program-continues/> (accessed September 4, 2021)

<sup>27</sup> Under the Agricultural Credit Policy Council: Agri-Negosyo Loan Program Expanded SURE Aid and Recovery Project, SWINE, RCEF, among others

<sup>28</sup> For example, cold storage warehouses, meat-cutting facilities, dressing plants, agri-industrial business corridors, and farm-to-market roads. DA Communications Group. “DA chief highlights poultry sector’s crucial role in agri growth” <https://www.da.gov.ph/da-chief-highlights-poultry-sectors-crucial-role-in-agri-growth/> (accessed September 1, 2021)

<sup>29</sup> DA Communications Group. “Agri chief reports progress in agri-fishery, lays down plans for coming months”. <https://www.da.gov.ph/agri-chief-reports-progress-in-agri-fishery-lays-down-plans-for-coming-months/> (accessed August 24, 2021)

<sup>30</sup> DA Communications Group. “Dar pushes for digitalization of Phl agri with Byaheng Digiskarte, BayaniKita”. <https://www.da.gov.ph/dar-pushes-for-digitalization-of-phl-agri-with-byaheng-digiskarte-bayanikita/> (Accessed August 24, 2021)

<sup>31</sup> Concerns and complaints platform, digital payments, digital IDs, weather updates, marketing platforms, price monitoring, Bantay ASF program.

<sup>32</sup> PAGASA. “Climate Outlook August 2021 – January 2022” *DOST.gov.ph* <https://pubfiles.pagasa.dost.gov.ph/climps/climateforum/climateoutlook.pdf> (accessed on July 3, 2021)

toward investment in research and development (e.g., climate-resilient crop production), developing agricultural risk financing and insurance products, and investing in resilient infrastructure development (e.g., improved water management, and irrigation systems) in the long-term.<sup>33</sup> Improving logistics, productivity, and resilience in agriculture through digital technology and strong local and international partnerships can likewise contribute to mitigating the impacts of typhoons in the longer term.<sup>34</sup>

The national government is carrying out a wide range of reforms to improve environmental governance, sustainable infrastructure, renewable energy, and knowledge management on climate and disaster solutions. Specifically, the Risk Resiliency Program (RRP) will help protect communities, especially in climate-vulnerable provinces and major urban centers, from climate-induced disasters. Moreover, the RRP aims to increase the adaptive capacities of vulnerable communities; ensure the adequate supply of clean air, water, and other natural resources; increase the resilience of critical infrastructures; and enhance knowledge, access to information, and institutional capacities of communities.

### Transport Services

Mobility in the Philippines has declined in August 2021 with the implementation of stricter community quarantine in some areas, including NCR.<sup>35</sup> The costs of transport services have remained elevated since July 2020 primarily due to social distancing measures and the recovery of global oil prices.<sup>36</sup>

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<sup>33</sup> 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> (accessed on June 3, 2021)

<sup>34</sup> 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](https://www.phcc.gov.ph/wp-content/uploads/2021/01/NCP_NEDA-PCC-JMC_Signed.pdf) (accessed on June 3 2021)

<sup>35</sup> Google. “Global Mobility Report” *Gstatic.com* [https://www.gstatic.com/covid19/mobility/Global\\_Mobility\\_Report.csv](https://www.gstatic.com/covid19/mobility/Global_Mobility_Report.csv) (accessed on September 5, 2021)

<sup>36</sup> 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)



The Department of Transportation (DOTr) is expected to gradually increase the number of public utility vehicles (PUV) available, shorten travel time, and lessen red tape under the new normal.<sup>37</sup> Moreover, the DOTr is continuing to push for the PUV Modernization Program, while several bus rapid transit (BRT) lines are currently in various stages of implementation.<sup>38</sup>

### Global oil prices

The compliance of OPEC+ members to their production cut agreement remains unchanged at 115 percent in August 2021.<sup>39</sup> Meanwhile, the OPEC+ maintained its production adjustment for September and agreed to increase the monthly overall production by 0.4 mb/d for October as demand continues to strengthen and OECD stocks fall amid the recovery.<sup>40</sup> Based on futures markets as of August 30, 2021, Dubai crude oil prices are expected to decline from USD 69.8/bbl in September to USD 67.7/bbl by December.<sup>41</sup>

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<sup>37</sup> 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)

<sup>38</sup> 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)

<sup>39</sup> <https://www.reuters.com/business/energy/opec-august-oil-output-rises-outages-limit-gain-reuters-survey-2021-08-31/>

<sup>40</sup> [https://opec.org/opec\\_web/en/press\\_room/6567.htm](https://opec.org/opec_web/en/press_room/6567.htm)

<sup>41</sup> Bloomberg. "Dubai Crude Oil (Platts) Financial Futures Quotes (accessed on August 31, 2021)