

REPORT ON INFLATION

(NOVEMBER 2021)

HIGHLIGHTS

- The Philippines' headline inflation rate continued to decelerate for the third straight month to 4.2 percent in November 2021 from 4.6 percent in October 2021. Year-to-date (YTD) inflation remained at 4.5 percent.
- Seasonally-adjusted month-on-month (m-o-m) inflation decelerated to 0.5 percent from 0.9 percent.
- The decline in the overall year-on-year (y-o-y) inflation was primarily driven by the slowdown in inflation for food to 4.1 percent in November from 5.6 percent in October.
- Meat inflation likewise decreased to 10.7 percent from 11.9 percent, while pork inflation decreased to 17.3 percent from 23.3 percent.

However, on a m-o-m basis, both meat and pork recorded positive inflation at 2.4 and 4.2 percent, respectively. To help further bring down pork prices, administrative requirements for the unloading and distribution of stocks need to be eased further to encourage more importation.

- Meanwhile, non-food inflation slightly rose to 4.1 percent from 3.8 percent for the same period. The main driver was high international crude oil prices, which drove up transport inflation to 8.8 percent from 7.1 percent. This was also reflected in the higher inflation seen in housing, water, electricity, gas, and other fuels at 4.6 percent from 4.4 percent.
- It is necessary to increase public transport capacity to 100 percent as vaccination rates increase to reduce crowding in terminals and help protect commuters and drivers from future oil price shocks.

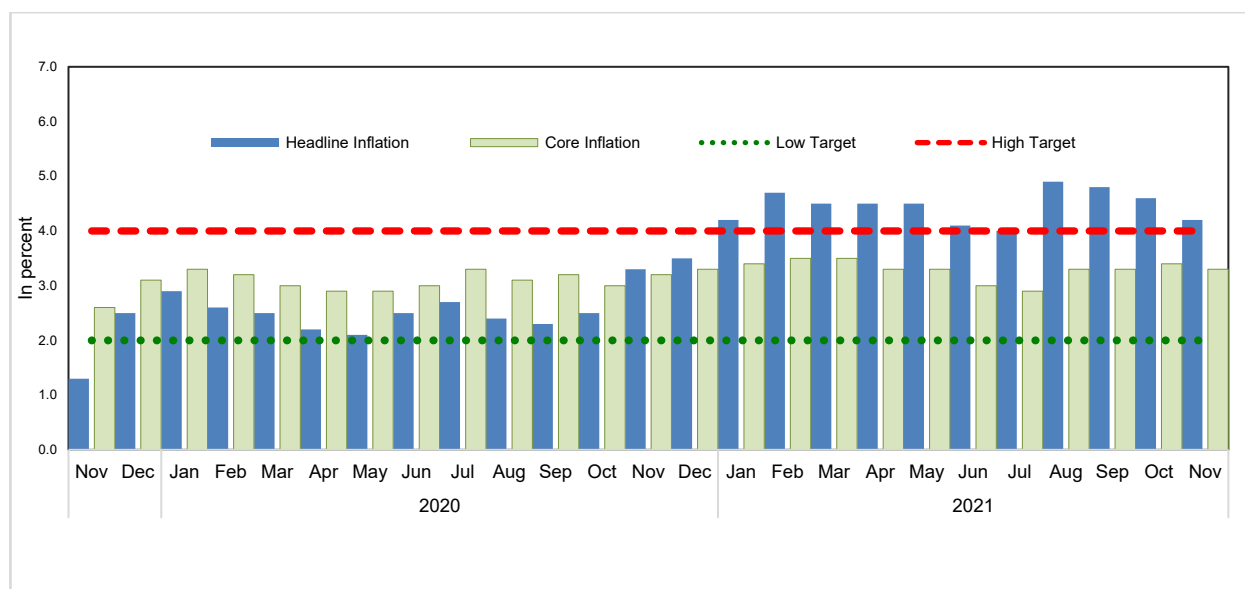
Year-on-year inflation rates (2012=100)

	Oct	Nov	YTD
	2021	2021	2021
Philippines			
Headline	4.6	4.2	4.5
Core	3.4	3.3	3.3
Bottom 30 percent	4.8	4.2	4.8
NCR			
Headline	3.2	2.9	3.6
AONCR			
Headline	5.0	4.5	4.7

1. Headline inflation rate eased to 4.2 percent in November 2021; seasonally adjusted m-o-m inflation moderated to 0.5 percent.

The Philippines' headline inflation rate decelerated to 4.2 percent in November 2021 from 4.6 percent in October 2021. This latest figure is slightly above the *Bangko Sentral ng Pilipinas'* (BSP) forecast range of 3.3 to 4.1 percent for November 2021.¹ This is also above the private sector's median forecast of 4.0 percent.² Meanwhile, YTD inflation was maintained at 4.5 percent from the previous month.

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



Source: Philippine Statistics Authority (PSA)

The November inflation moderated due to slower price adjustments in food and non-alcoholic beverages, alcoholic beverages and tobacco, and furnishings. Inflation in restaurant and miscellaneous goods and services, health, clothing and footwear, and recreation and culture marginally eased. These more than offset the uptick in inflation for transport and housing and utilities. Meanwhile, inflation for education and communication remain unchanged (see Table 1).

¹ BSP Media and Research "Month-Ahead Inflation Forecast for November 2021"

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6041> (accessed December 5, 2021)

² Noble, Luz Wendy T. Business World. "Inflation likely eased in Nov" <https://www.bworldonline.com/inflation-likely-eased-in-nov-poll/> (accessed on December 6, 2021)

M-o-m seasonally-adjusted inflation eased to 0.5 percent in November from 0.9 percent in October.

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

Commodity Group	October 2021		November 2021	
	Y-O-Y	M-O-M ³	Y-O-Y	M-O-M
ALL ITEMS	4.6	0.2	4.2	0.7
Food and Non-Alcoholic Beverages	5.3	-0.1	3.9	1.0
Alcoholic Beverages and Tobacco	9.8	0.2	7.5	0.3
Clothing and Footwear	1.9	0.1	1.9	0.1
Housing, Water, Electricity, Gas, and Other Fuels	4.4	0.5	4.6	0.6
Furnishing, Household Equipment, and Routine Maintenance of the House	2.5	0.2	2.4	0.1
Health	3.2	0.2	3.2	0.1
Transport	7.1	1.6	8.8	1.2
Communication	0.2	0.0	0.2	0.0
Recreation and Culture	1.0	0.1	1.0	0.1
Education	0.7	-0.1	0.7	0.0
Restaurant and Miscellaneous Goods and Services	3.7	0.0	3.7	0.2

Source: PSA

³ M-o-m inflation figures cited in Table 1 are not seasonally-adjusted.

Core inflation⁴ eased marginally to 3.3 percent in November, while inflation for the bottom 30 percent of households moderated to 4.2 percent from 4.8 percent in the preceding month. YTD figures stood at 3.3 percent and 4.8 percent, respectively.

Three items under the food and non-alcoholic beverages commodity group are among the top contributors to inflation for this month. Meat, fish, and rice contributed a total of 1.4 percentage points (ppt) to total inflation. Meanwhile, electricity, gas and other fuels, and operation of personal transport equipment contributed 1.3 ppts (see Table 2).

**Table 2. Top 10 contributors to inflation in November 2021
(in ppts)**

Commodity group	November 2021
Meat	0.7
Electricity, Gas and Other Fuels	0.7
Operation of Personal Transport Equipment	0.6
Fish	0.5
Catering Services	0.3
Tobacco	0.2
Actual Rentals for Housing	0.2
Personal Care	0.1
Rice	0.1
Transport Services	0.1
TOTAL CONTRIBUTION TO INFLATION	3.5
Others (e.g., education, clothing & footwear, furnishings, communications, recreation, etc.)	0.7
OVERALL INFLATION	4.2

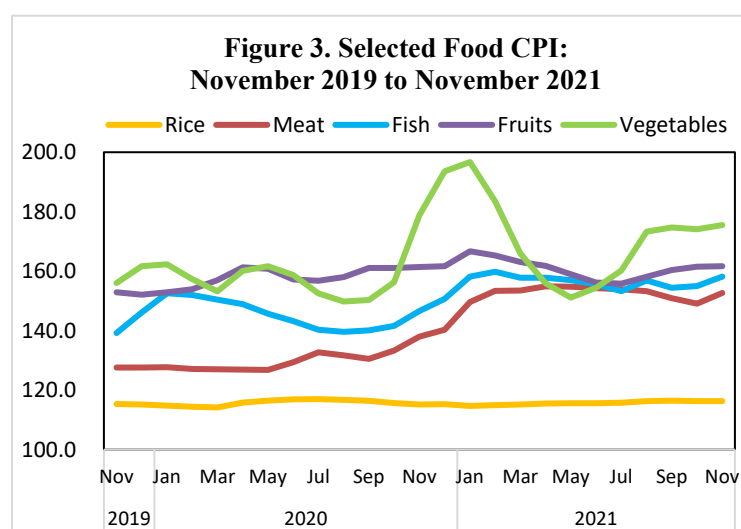
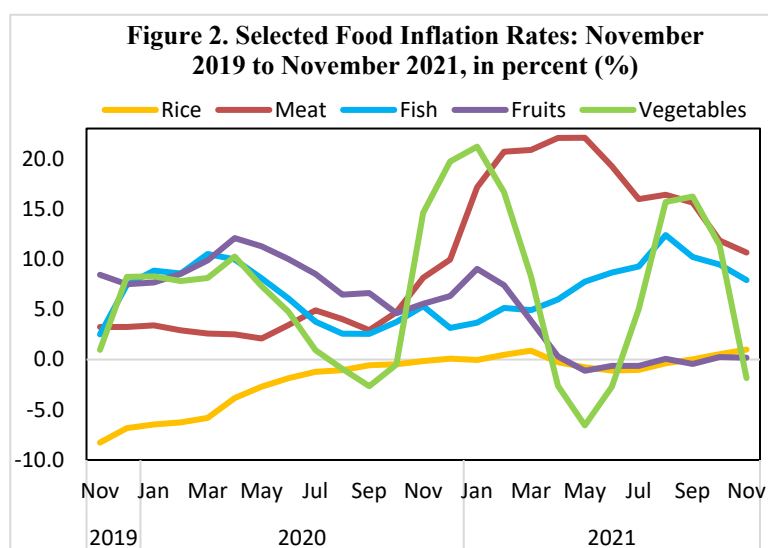
2. Food and non-alcoholic beverages inflation further slowed down to 3.9 percent, while non-food inflation picked up to 4.1 percent.

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

Food

Food and non-alcoholic beverages inflation continued to ease to 3.9 percent in November 2021 from 5.3 percent in October 2021. Conversely, on a m-o-m seasonally-adjusted basis, food and non-alcoholic beverages inflation picked up to 0.5 percent from -0.7 percent inflation in the previous month.

The downward trend was a result of deflation in vegetables (-1.8% from 11.4%) and slower adjustments in fish (7.9% from 9.5%), and meat (10.7% from 11.9%) inflation. These offset the faster inflation in corn (15.2% from 13.5%) and rice (1.0% from 0.5%).



Vegetable inflation contracted amid favorable weather conditions in November. Fish prices likewise decelerated due to ample supply. Despite the imposition of the closed fishing season in certain areas, fish unloading increased in most regional fish ports⁵ at an average of 32.7 percent compared to the previous month. This is partly due to favorable weather conditions and easing of restrictions across the country.

⁵ PFDA, Fish Unloading (MT) at Regional PFDA Fish Ports, November 1-14

Meat inflation eased to 17.3 percent in November from 23.3 percent in October. However, on a m-o-m basis, inflation figures for both meat and pork remained positive at 2.4 and 4.2 percent, respectively. The latest data from the Department of Agriculture (DA) shows a slower pork import arrival with only a 42 percent utilization of the expanded pork minimum access volume (MAV) as of end-November. At the same time, the unreleased inventory of frozen pork is reported at 76,953 metric tons (MT). The slow importation and release of inventory, together with higher demand due to the Christmas season, led to higher average pork prices in November. In particular, transit time for pork imports remains at 120 days compared to the usual 30 to 40 days.⁶

Conversely, rice inflation ticked higher to 1.0 percent primarily due to base effects.⁷ Meanwhile, corn inflation continued to pick up at 15.2 percent because of global price trends in oil and fertilizers, along with increasing global demand⁸ for animal feeds as countries reopen.

Milk, cheese, and eggs (1.2% from 0.7%), oils and fats (5.9% from 5.4%), other food products (2.2% from 1.9%), other cereals (2.2% from 2.1%), and sugar (1.8% from 1.7%) also picked up. Meanwhile, fruit inflation remained low and unchanged from the previous month (0.2%).

Non-food

Non-food inflation accelerated to 4.1 percent in November 2021 from 3.8 percent in the previous month. However, on a m-o-m seasonally-adjusted basis, non-food inflation slowed down to 0.4 percent, from 0.8 percent in the previous period.

Transport prices continued to pick up to 8.8 percent from 7.1 percent in the previous month. Operation of personal transport equipment saw faster inflation (32.4% from 25.5%) amid continued price acceleration in diesel (71.4% from 48.6%) and unleaded gas (32.6% from 29.2%). Meanwhile, kerosene eased but remained elevated (48.8%

⁶ DA MC No. 23, s. 2021: Amendment on Pork MAV Plus 2021. Retrieved from: https://www.da.gov.ph/wp-content/uploads/2021/10/mc23_s2021.pdf

⁷ CPI levels remained unchanged at 116.3

⁸ World Bank Commodities Price Data (The Pink Sheet) as of December 2, 2021.

<https://thedocs.worldbank.org/en/doc/5d903e848db1d1b83e0ec8f744e55570-0350012021/related/CMO-Pink-Sheet-December-2021.pdf> (accessed December 6, 2021)

from 50.5%).⁹ International crude oil prices remain elevated despite slight easing amid the emergence of the Omicron variant, the reimposition of lockdowns in the European Union, and the release of United States strategic reserves in coordination with several countries.¹⁰ Similarly, inflation of transport services inched upward (1.6% from 1.2%). Jeepney fare inflation recorded a slight uptick (0.5% from 0.0%), owing mainly to base effects, while bus fares inflation eased (0.7% from 0.9%).

Housing and utilities (4.6% from 4.4%) inflation ticked higher due to acceleration for both liquefied natural gas and electricity. Liquefied natural gas continued to pick up at 30.7 percent, from 26.4 percent in the previous month. This reflects international price trends amid winter heating demand. Electricity costs also edged higher at 10.3 percent in line with the increase in Meralco's generation charges (27.0% y-o-y, to PHP9.46 per kilowatt-hour [kWh] from PHP9.14 per kWh in the previous month). Meralco attributed the uptick to the shutdown of the Malampaya natural gas facility in November.¹¹

3. Inflation in the National Capital Region (NCR) and Areas Outside the NCR (AONCR) decelerated to 2.9 percent and 4.5 percent, respectively. The Davao region recorded the highest inflation rate at 6.2 percent.

Headline inflation in NCR slowed down to 2.9 percent in November 2021 from 3.2 percent in October 2021. The recent inflation outturn was attributed to the slower price adjustments in food and non-alcoholic beverages (1.7% in November from 3.4% in October) and alcoholic beverages and tobacco (8.1% from 10.3%). These offset the faster inflation in transport (7.6% from 6.3%), housing and utilities (4.0% from 3.1%), furnishing and household equipment (1.1% from 1.0%), clothing and footwear (0.7% from 0.6%), and recreation and culture (0.1% from 0.0%). Meanwhile, inflation of

⁹ Based on Department of Energy data on domestic pump prices

¹⁰ US, India, China, Japan, South Korea, and the UK. Stevens, Pippa. CNBC. "U.S. to release oil from reserves in coordination with other countries to lower gas prices". <https://www.cnbc.com/2021/11/23/biden-says-us-will-tap-strategic-petroleum-reserve-as-gas-prices-hover-around-7-heat-high.html> (accessed December 5, 2021)

¹¹ Meralco Advisory. <https://www.facebook.com/meralco/photos/a.245774935436085/5126125527400977/?type=3&theater> (accessed December 6, 2021)

health (3.3%), restaurant and miscellaneous goods (2.8%), communication (0.2%), and education (0.0%) were unchanged from the previous month.

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

Regions	Oct 2021	Nov 2021	YTD 2021
NCR- National Capital Region	3.2	2.9	3.6
AONCR - Areas outside the NCR	5.0	4.5	4.7
CAR - Cordillera Administrative Region	6.1	5.7	4.5
I - Ilocos Region	4.7	3.8	4.3
II - Cagayan Valley	6.5	4.1	6.7
III - Central Luzon	5.2	4.5	4.9
IV-A - CALABARZON	5.2	4.3	5.4
IV-B - MIMAROPA Region	3.8	3.3	4.8
V - Bicol Region	6.6	5.1	7.0
VI - Western Visayas	4.8	4.7	4.6
VII - Central Visayas	3.8	4.5	2.3
VIII - Eastern Visayas	4.0	3.8	3.1
IX - Zamboanga Peninsula	4.9	5.8	3.4
X - Northern Mindanao	3.7	3.7	3.9
XI - Davao Region	5.9	6.2	4.6
XII - SOCCSKSARGEN	5.5	5.6	5.1
XIII - Caraga	3.5	4.0	4.0
BARMM	2.4	2.6	2.7

Source: PSA

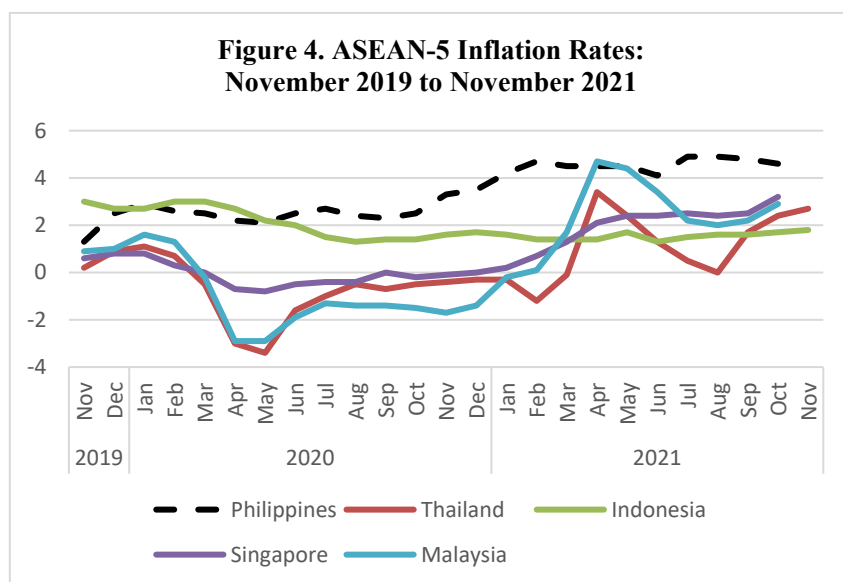
Likewise, inflation in AONCR decelerated to 4.5 percent from 5.0 percent. This was driven by the slower inflation in food and non-alcoholic beverages (4.4% in November from 5.7% in October), alcoholic beverages and tobacco (7.4% from 9.7%), furnishing and household equipment (2.8% from 2.9%), and recreation and culture (1.2% from 1.3%). These were tempered by faster inflation in transport (9.2% from 7.2%) and

housing and utilities (4.9% from 4.8%). Restaurant and miscellaneous goods (4.1%), health (3.1%), clothing and footwear (2.1%), education (0.8%), and communication (0.3%) remain stable.

In AONCR, nine regions posted slower price movements, six regions recorded an uptick in overall prices, while one region had stable inflation (see Table 3). The Davao region recorded the highest inflation rate at 6.2 percent in November, faster than 5.9 percent in October. This was driven by the faster inflation in transport (9.6% from 6.9%), housing and utilities (6.5% from 5.7%), restaurant and miscellaneous goods and services (3.7% from 3.0%), clothing and footwear (2.1% from 1.8%), alcoholic beverages and tobacco (6.9% from 6.7%), and health (4.1% from 3.9%).

4. The headline inflation rate of Indonesia and Thailand increased to 1.8 percent and 2.7 percent, respectively. Malaysia and Singapore have yet to release inflation figures for November 2021. In October 2021, the inflation of both countries accelerated.

Indonesia's overall inflation inched up marginally to 1.8 percent in November. Faster inflation in housing and utilities (0.7% in November 2021 from 0.5% in October 2021) and transportation (1.4% from 1.2%) offset the slower inflation in clothing and footwear (1.3% from 1.4%).¹² On November 18, 2021, Bank Indonesia maintained its key policy rate at 3.5 percent to support financial stability and economic recovery.¹³



¹² <https://www.bps.go.id/pressrelease/2021/12/01/1770/inflasi-terjadi-pada-november-2021-sebesar-0-37-persen--inflasi-tertinggi-terjadi-di-sintang-sebesar-2-01-persen-.html>

¹³ [https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2330421.aspx#:~:text=The%20BI%20Board%20of%20Governors,LF\)%20rates%20at%204.25%25.](https://www.bi.go.id/en/publikasi/ruang-media/news-release/Pages/sp_2330421.aspx#:~:text=The%20BI%20Board%20of%20Governors,LF)%20rates%20at%204.25%25.)

Meanwhile, Thailand's inflation rate increased to 2.7 percent in November 2021. This was driven by faster inflation in food (0.4% from -0.3%) and transportation and communication (11.7% from 11.6%), along with lower deflation in housing (-0.1% from -0.2 percent).¹⁴ On November 10, 2021, the Bank of Thailand maintained its policy rate at 0.5 percent to support overall economic growth.¹⁵

5. Inflation outlook and policy implications

The BSP revised its full year 2021 inflation forecast slightly downwards to 4.3 percent¹⁶ (previously 4.4%). Inflation is expected to settle at 3.3 percent in 2022 and at 3.2 percent in 2023. The BSP maintains its accommodative monetary stance, with the key policy rate at 2.0 percent,¹⁷ but stands ready to address potential second-round effects caused by supply-side pressures.¹⁸

Food supply

Year-end forecasts for rice¹⁹ and chicken²⁰ inventories are expected at 4.3 million metric tons (MMT) and 58.7 thousand metric tons (TMT) (equivalent to 114 and 14 days stock), respectively. Similarly, a surplus in the inventory of highland vegetables is expected by year-end, with local production at 712.6 TMT or 169 percent of local demand. However, the supply of lowland vegetables will not be sufficient, with a local production outlook of 1.3 MMT or only 79 percent of the demand. Fisheries are also expected to end the year with a deficit of 126.9 TMT, even with imports.²¹ Similarly, pork supplies will remain under a deficit at 185.9 TMT²² despite the arrival of imports under Executive Orders (EO) No. 133 and 134. As of December 1, 2021, only 42.0 percent (or 52,018 MT) of the MAV Plus first tranche has been utilized. The continued delay in import

¹⁴ http://www.indepr.moc.go.th/price_present/cpi/data/index_47_e.asp?list_month=10&list_year=2564&list_region=country

¹⁵ <https://www.bot.or.th/English/PressandSpeeches/Press/2021/Pages/n8064.aspx>

¹⁶ BSP Monetary Board Meeting – November 18, 2021

¹⁷ Overnight reverse repurchase facility at 2 percent, overnight deposit at 1.5 percent, and lending facilities 2.5 percent

¹⁸ BSP Media and Research. “Monetary Board Maintains Policy Rate”

<https://www.bsp.gov.ph/SitePages/MediaAndResearch/MediaDisp.aspx?ItemId=6031> (accessed December 6, 2021)

¹⁹ NEDA Estimates based on basic data from DA, BOC and PSA

²⁰ DA Outlook. Presented during the IATF – Task Group on Food Security Virtual Presser on October 14, 2021

²¹ BFAR, as of October 29, 2021

²² NEDA Estimates based on basic data from DA and PSA

arrivals and the low utilization rate were attributed to international port closures, substantial increases in transit time (from 30-40 days to 120 days), and market restrictions.²³

To help further bring down pork prices to pre-African Swine Fever levels, DA issued Memorandum Circular No. 23, s. of 2021 on October 25. The circular addresses the low utilization of the pork MAV Plus by allowing the distribution of imported pork to areas outside the NCR Plus. It also expands the distribution channels by allowing Pork MAV Plus to be sold to processors and institutional buyers. To further increase the utilization of MAV Plus, extending the validity of EO 133 to December 2022 may be considered, including the distribution of more imported meat to targeted areas outside of NCR²⁴ to maximize the benefits of these issuances.²⁵

Aside from these, the unloading of more pork stocks from cold storages to the markets may be fast-tracked. The average stock of frozen pork in November decreased to 76,953 MT from 80,935 MT in October 2021 but remains elevated from the 2019 full-year average of 40,084 MT. The timely release of pork stocks will help address the supply gap and bring down pork prices.

With the closed fishing season, the government will augment fish supply through the temporary importation of 60,000 MT of fish under the Certificate of Necessity to Import. Based on data from the Philippine Fisheries Development Authority,²⁶ 57,121 MT of the 60,000 MT has been allocated to 26 eligible importers, of which 42 percent has already been issued clearances²⁷ and entry permits, and 38 percent has already arrived at the Navotas Fish Port. Alternatively, the expansion of intensive hatchery farming systems,²⁸ the establishment of Fisheries Management Areas, the implementation of the

²³ Imported pork are sold only in supermarkets, wet markets, and Kadiwa centers in Mega Manila.

²⁴ DA's Memorandum Circular No. 23 Series of 2021, dated October 25, 2021, expanded the market coverage under MAV Plus. It allowed the distribution outside of the NCR Plus (composed of Metro Manila, Bulacan, Rizal, Laguna, and Cavite) to areas with relatively high prices of pork meat.

²⁵ Meat continues to be a significant driver of regional inflation in several regions of the country (only NCR, regions I, III, IV-A, and the BARMM have meat inflation less 10 percent in November 2021)

²⁶ as of November 30, 2021

²⁷ These clearances refer to the Sanitary and Phytosanitary Import Clearance (SPSIC).

²⁸ DA Communications Group. "Sec. Dar leads inauguration of 1st ever DA-BFAR shrimp hatchery". <https://www.da.gov.ph/sec-dar-leads-inauguration-of-1st-ever-da-bfar-shrimp-hatchery/> (accessed September 27, 2021)

Malinis at Masaganang Karagatan incentives program,²⁹ and the implementation of the Fisheries and Coastal Resiliency project³⁰ will bolster domestic fish production.³¹

Direct government support for vegetable production includes the provision of postharvest and storage facilities, clustered farms, and planting materials, among others.³² Research and development projects, such as the Crop Biotechnology Center³³ and organic pesticides,³⁴ will improve the productivity and sustainability of key commodities. Urban agriculture will be stimulated through skills training,³⁵ distribution of planting materials, and the establishment of the Urban Agri Hydro Hub Learning Center, among other initiatives.³⁶

To keep rice prices stable, the government will continue existing measures such as direct procurement of *palay* from farmers³⁷ for distribution through the *Pantawid Pamilyang Pilipino Program* (4Ps), and extend credit to local government units (LGU) for the purchase of *palay* from local farmers through the Land Bank's *Palay at Mais ng Lalawigan* program.

²⁹ The MMK program will incentivize local communities to protect and conserve the coastal and marine resources under their jurisdictions

³⁰ DA. "Fisheries and Coastal Resiliency" PIA.gov.ph <https://pia.gov.ph/press-releases/2021/10/27/da-set-to-pursue-p10-b-world-bank-funded-blue-resources-project> (accessed on December 5, 2021)

³¹ DA Communications Group. "58th FishCon Week highlights right balance between fisheries dev't and protection". <https://www.da.gov.ph/58th-fishcon-week-highlights-right-balance-between-fisheries-devt-and-protection/> (accessed September 23, 2021)

³² DA Communications Group. "Farmers, stakeholders, DA to craft strategic corn industry roadmap". <https://www.da.gov.ph/farmers-stakeholders-da-to-craft-strategic-corn-industry-roadmap/> (accessed September 23, 2021)

³³ DA Communications Group. "New DA biotech center to help ensure food security". <https://www.da.gov.ph/new-da-biotech-center-to-help-ensure-food-security/> (accessed October 1, 2021)

³⁴ DA Communications Group. "Agri chief advocates balanced pesticides use strategy for food safety and security". <https://www.da.gov.ph/agri-chief-advocates-balanced-pesticides-use-strategy-for-food-safety-and-security/> (accessed September 23, 2021)

³⁵ Such as vertical gardening, hydroponics, and urban agriculture. DA Communications Group. "Urban agriculture safeguards food supply, ensures food security". <https://www.da.gov.ph/urban-agriculture-safeguards-food-supply-ensures-food-security/> (accessed September 23, 2021)

³⁶ Bejarin, Gumamela Celes. "Newly-opened urban agri learning center to address DA's food sufficiency drive" [DA.gov.ph https://www.da.gov.ph/newly-opened-urban-agri-learning-center-to-address-das-food-sufficiency-drive/](https://www.da.gov.ph/newly-opened-urban-agri-learning-center-to-address-das-food-sufficiency-drive/) (accessed on November 3, 2021)

³⁷ NFA targets to procure 493,476 MT of palay from October to December, and as of November 18, 2021, the NFA was able to procure 215,290 MT or 44 percent of the their Q4 2021 target. The full-year 2021 target procurement is at 923,607 MT.

Weather conditions

According to the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA),³⁸ La Niña is present in the tropical Pacific and is likely to persist until the first quarter of 2022 and return to ENSO-neutral by the March-May 2021 season. Meanwhile, two to five tropical cyclones may enter or develop in the Philippines between December 2021 and May 2022. PAGASA expects above-normal rainfall conditions 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 strengthening coordination efforts on disaster risk management. In the long-term, the government can increase investment in research and development (e.g., climate-resilient crop production), further integrate climate change resiliency in national planning and investment programming, and develop agricultural risk financing and insurance products.³⁹ 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.⁴⁰

Transport Services

To help public utility vehicle (PUV) drivers cope with rising fuel prices, the Development Budget Coordination Committee (DBCC) approved on October 25 a PHP1 billion fuel subsidy program to bonafide public utility jeepney (PUJ) drivers.⁴¹ As of November 24, around 78,000 out of 136,000 qualified PUJ operators, have already received fuel subsidies.⁴² In addition, the government, as of November 4, gradually increased the PUV capacity from 50 percent to 70 percent to support PUV drivers' income while easing pressure on transportation fares. It is also necessary to increase

³⁸ PAGASA. "Climate Outlook December 2021 – May 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 December 5, 2021)

³⁹ 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)

⁴⁰ 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/](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)

⁴¹ <https://neda.gov.ph/dbcc-joint-statement-on-the-grant-of-fuel-subsidies-for-affected-puv-drivers/>

⁴² <https://www.pna.gov.ph/articles/1160825>

public transport capacity to 100 percent as vaccination rates increase to reduce crowding in terminals and help protect commuters and drivers from future oil price shocks. In the long-term, the government will strengthen infrastructure support for alternative travel options and the development of greener and renewable energy sources.⁴³ These will minimize the country's vulnerability to global oil trends and promote more sustainable means of transportation.

[Global oil prices](#)

The OPEC+ agreed to increase the monthly overall production by 0.4 mb/d for December 2021 and January 2022 as demand continues to strengthen amid recovery.⁴⁴ Based on futures markets as of November 30, 2021, Dubai crude oil prices are expected to decline from USD71.8/bbl in December 2021 to USD70.5/bbl by January 2022.

⁴³ Ibanez, Jenina P. BusinessWorld. "Gov't urged to hasten renewable energy dev't". <https://www.bworldonline.com/govt-urged-to-hasten-renewable-energy-devt/> (accessed December 6, 2021)

⁴⁴ https://www.opec.org/opec_web/en/press_room/6690.htm and https://www.opec.org/opec_web/en/press_room/6736.htm