WORKING PAPER

Taming Inflation:
Drivers and Options

Jerome Patrick Cruz
Ateneo School of Government

Ronald U. Mendoza
Ateneo School of Government

Ayn G. Torres
Ateneo School of Government

ASOG WORKING PAPER 18-07

Forming Leaders. Leading Reforms.

ATENEO SCHOOL OF GOVERNMENT WORKING PAPER SERIES

Taming Inflation: Drivers and Options

Jerome Patrick Cruz
Ateneo School of Government

Ronald U. Mendoza
Ateneo School of Government

Ayn G. Torres
Ateneo School of Government

October 2018

This working paper is a draft in progress that is posted online to stimulate discussion and critical comment. The purpose is to mine reader's additional ideas and contributions for completion of a final document.

The views expressed herein are those of the authors and do not necessarily reflect the views of Ateneo de Manila University.

Corresponding authors:[1]

Ronald U. Mendoza, Ateneo School of Government
E-mail: rumendoza@ateneo.edu

Jerome Patrick Cruz, Ateneo School of Government
E-mail: jpdcruz@ateneo.edu

Ayn G. Torres, Ateneo School of Government
E-mail: atorres02@ateneo.edu

[1] We thank Miann Banaag for her inputs into earlier drafts of this paper. The usual disclaimers apply.

Inflation in the Philippines has accelerated over the course of 2018, with year-on-year headline inflation rising from 2.9 percent in December 2017 to 6.7 percent as of September 2018 (PSA 2018). Amidst such trends, calls have been sounded by lawmakers as well as civil society groups for the advanced suspension of scheduled increases in oil levies planned by R.A. 10963 (the TRAIN Law) for 2019 and 2020[2]. In fact, the Duterte administration has reportedly began undertaking steps to suspend the next tranche of increases in fuel excise taxes (Romero 2018), though the issuance of an executive order to this effect has yet to materialize.

The 9.5-year high inflation spell that the country is presently experiencing owes to a variety of factors— some of which are external and beyond the control of government officials, others of which are largely self-inflicted by policymakers. While much debate between the administration's economic managers and opposition figures has focused on the scale of the TRAIN law's contribution to present inflation pressures, there have clearly been challenges faced by the government in anchoring inflation expectations. For one, TRAIN's rollout in early 2018 was accompanied to disproportionate price adjustments by firms— a dynamic that the government's economic managers have also attributed to "possible profiteering" by traders and distributors (Kabiling 2018).

How are these various inflation drivers likely to fare for the remainder of 2018 and 2019? What are the measures of greatest relevance to the poor and near-poor that should be undertaken to address them? This policy note provides an overview of the main factors shaping the country's present inflation dilemma, and are likely to continue molding the country's price outlook for the foreseeable future. While we tackle issues related to the TRAIN law and role of self-fulfilling expectations, we focus especially on the drivers and potential responses to rice and food price changes, given the inordinate repercussions of such inflationary dynamics on the poor and near-poor. Overall, we highlight the cost-push dimensions underlying recent inflation trends in the country, in order to emphasize various supply-side responses that are necessary to mitigate the burden of price changes, particularly on poorer households.

---

[2] The said law has a freeze provision (subject to the DOF's recommendation) should world prices for Dubai crude oil (measured by Means of Platts Singapore) breach US$80 per barrel for three months prior to future oil tax hikes

Philippine Inflation in 2018

The steady increase in inflation rates over the last three quarters of 2018 has been attributed to a spectrum of causes, which have evolved since the beginning of the year. With January 2018 witnessing a 4 percent headline inflation rate— primarily due to the immediate effects of TRAIN's implementation, as well as reported weather disturbances— , the first quarter of 2018 recorded a 3-year high inflation mark, rising to 4.3 percent in March. Food and non-alcoholic beverages in the CPI reached 4.8 percent compared to 4.6 percent in 2017 for the same period, while alcoholic beverages and tobacco registered double-digit markup figures, which have been attributed to improved compliance of cigarette manufacturers with sin taxes (DOF 2018).

The second quarter sustained this upward trend, with the highest levels of inflation since 2013 (4.5 percent) being reached by April. Yet even beyond headline inflation, the inflation rate for the poorest 30% of households was recorded at 6.5 percent throughout this second quarter— considerably above the headline inflation rate across households, and more than double the 2.7% percent mark in the same period in 2017. For this section of the population, food prices alone jumped by 6.2 percent from their 2017 levels, with rice prices also climbing by 4.9 percent (Rivas 2018c).

Throughout the third quarter of 2018, food price inflation has especially come to fore in present inflation episodes. In August, Dr. Dennis Mapa of the University of the Philippines School of Statistics released updated statistics on the share of food spending in the budgets of the bottom 30% of households— estimated at 60.9 percent—, whereas the average household was found to allocate a smaller portion of 38.3 percent. Moreover, according to Mapa's findings, the P200 additional monthly transfers allocated by the TRAIN law for the bottom 10 million households did little to compensate for the rising prices (Vergara 2018).

Table 1. CPI Inflation Rate by Commodity Subgroup, March 2018 vs. September 2018

Commodity Group	March 2018	September 2018
All Items	4.3%	6.7%
Food and Non-Alcoholic Beverages	5.9%	9.7%
Alcoholic Beverages and Tobacco	18.6%	21.8%
Clothing and Footwear	2.0%	2.5%

Housing, Water, Electricity, Gas, and Other Fuels	2.9%	4.6%
Furnishing, Household Equipment and Routine Maintenance of the House	2.7%	3.6%
Health	2.4%	4.1%
Transport	4.6%	8.0%
Communication	0.3%	0.5%
Recreation and Culture	1.4%	3.0%
Education	1.8%	-3.8%
Restaurant and Miscellaneous Goods and Services	3.0%	4.0%
Top Six Contributors to Headline Inflation Rate, September 2018 (percentage point contribution)		
Rice	1.0	
Fish	0.8	
Electricity, Gas, and Other Fuels	0.7	
Operation of Personal Transport Equipment	0.6	
Vegetables	0.5	
Fish	0.5	

Source: Philippine Statistics Authority, Department of Finance

In particular, the last month of the quarter (September 2018), has been marked by the highest inflation rate (6.7 percent) since February 2009— then at 7.2 percent, due to the ongoing world food price crisis at the time (Oplas 2018). Yet compared to other quarters of the year, inflation in food items has decisively overtaken that of non-food items. As Table 1 shows, while inflation in alcohol and tobacco products remained at comparably high levels as with March 2018, price increases in food and non-alcoholic beverages accelerated by more than three percentage points (from 5.9 to 9.7 percent) compared to six months earlier. More significantly, as found by government analyses, movements in rice prices apparently comprised the single biggest contributor to headline inflation rates (a 1.0 percentage point contribution), while fish (0.8 pp), vegetable (0.5 pp), and meat (0.5 pp) items also figured within the top six inflation components. Significant non-food items included electricity, gas, and other fuels (0.7 pp), as well as personal transportation costs (0.6 pp) (PSA 2018; DOF 2018b).

The way in which the country's the inflation scenario has evolved over the past few months suggests that current price trends are being driven by supply-side pressures. A particularly telling indicator of such dynamics is the Philippine economy's slowing growth rate, which has declined from 7.2 percent during the third quarter of 2017, to 6.0 percent during the second quarter of 2018, even as price levels have risen at an accelerated rate[3]. While there has been some speculation as to whether inflationary trends have been due to an "overheating" economy (i.e. demand outstripping supply, causing upward pressures on prices), one would instead expect inflation under such a scenario to occur amidst accelerating or sustained growth. That slowing growth has instead occurred alongside inflation seems to indicate that recent price trends have likely dampened economic activity due to increased production and living costs.

Figure 1. Recommended Pinggang Pinoy meal vs. Minimum wage meal, September 2018

Source: Ateneo Policy Center

These increased costs have been especially evident among the poor and near-poor— not only through heightened expenses on basic necessities, but also though the phenomenon of "shrinkflation"[4]. Indeed, using the suggested daily menus for a family of four recommended by the government's Pinggang Pinoy (PP) program as a benchmark[5], the Ateneo Policy Center unearthed evidence that the real purchasing power afforded by minimum wages has deteriorated over the past decade as a result of inflationary trends (see Figure 1). Compared to in 2008, when

---

[3] Figures from the National Accounts page of the Philippine Statistics Authority.

[4] Simply put, this occurs when companies make adjustments to the production of commodities through the reduction of ingredients, alteration in packaging, or downsizing.

[5] For more about the Pinggang Pinoy program, please see: http://www.fnri.dost.gov.ph/index.php/116-pinggang-pinoy

the minimum wage in NCR (PhP 345-382 per day) fell short of being able to purchase the requisite ingredients for recommended PP meals from 9.5 percent to 18.2 percent, the shortfall had widened to between 20.4 to 26.1 percent by mid-2018, when nominal minimum wages had actually risen to PhP 475-512 per day (Mendoza and Torres 2018).

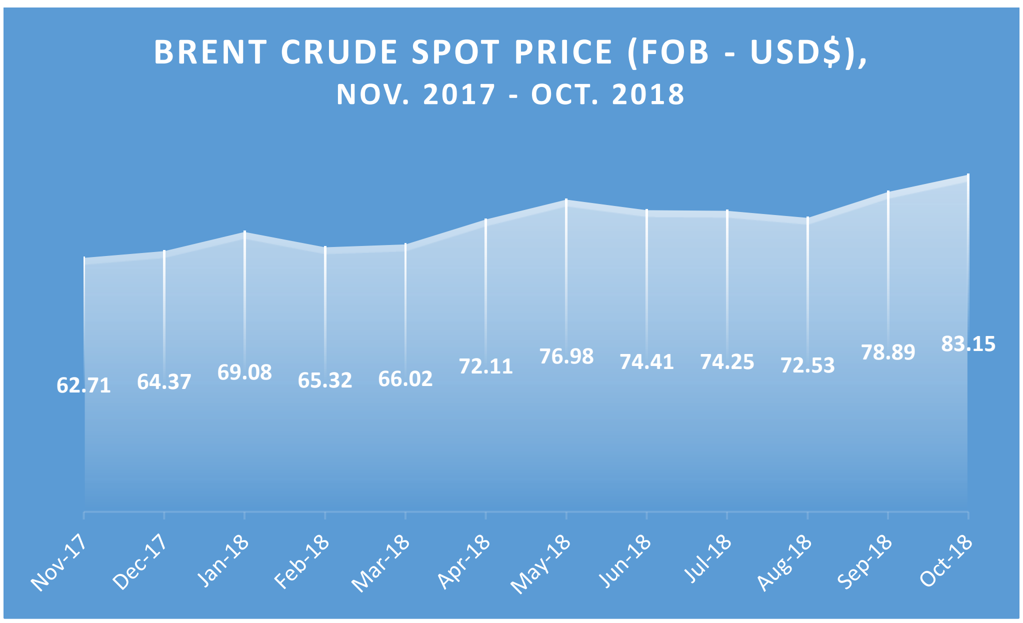
For low-income households that are unable to earn based on minimum wages, the burden of inflation in terms of diminished real incomes are likely to be even higher, given the high contribution of food items to present inflationary trends. But unfortunately, despite government efforts to provide subsidies to the poorest of the poor who are mostly impacted by increasing prices of food and transport, the evidence suggests that conditional cash transfers provided by the DSWD have significantly eroded in real value, similar to what has been observed with regards to minimum wages. Ateneo Policy Center estimates pin this erosion to be at around 28 percent in 2013— half a decade into the implementation of the 4Ps program (Mendoza and Torres 2018). More recently, real cash transfers have eroded by 22 percent in actual real values considering the inflation rate in September 2018. Had it not been for the additional P600 rice subsidy granted to 4 million beneficiaries in 2017, this erosion would have been at 40 percent. This is assuming, however, that the additional rice grants are flawlessly delivered in reality.

Inflation Drivers: Challenges and Outlook

What are the effective drivers of accelerating inflation throughout 2018? More importantly, how are these factors poised to fare in the immediate future, and which of them fall within the scope of policymakers' ability to address? Three major sources of inflationary pressures loom large in explaining recent price trends, spanning *international* factors, general *policy* factors, and *sector-specific governance* factors, especially with regards to food prices. In this respect, though much policy debate has focused on the contributions of TRAIN to recent inflation levels, more significant contributors to rising prices have been government shortfalls in managing expectations related to TRAIN's implementation and accelerating inflation since the beginning of 2018.

INTERNATIONAL FACTORS. To begin with, world oil prices have increased to their highest levels since 2014, with the price of a barrel of Brent crude (the leading international benchmark) having risen from US$64.37 in December 2017 to US$83.15 as of mid-October 2018 (see Figure 2). While there are multiple reasons for this rise in global oil prices, it is clear that increased excise taxes on petroleum products were introduced by the administration during a period of upward pressure on oil prices. Some of the factors behind ongoing oil price spikes include increasing supply constraints in global oil production, given Venezuela's continuing economic crisis, the restoration of US trade sanctions against Iran crude oil exports, and the reticence of OPEC nations and Russia in increasin oil production (following the US's imposition of sanctions) (The Economist 2018).

Figure 2. Global Oil Prices (Brent Crude), November 2017 to October 2018.



Source: https://countryeconomy.com/raw-materials/brent?year=2018

Moreover, current projections for how oil prices will fare in the coming years are not encouraging. Indeed, several banks and credit rating agencies have elevated their forecasts for global oil prices. HSBC, for instance, was warned that Brent crude prices are likely to remain above US$80/barrel for 2019 and could rise to US$100/barrel by 2020. JP Morgan— which had earlier forecasted declining oil prices— has in its September 2018 market outlook suggested that oil prices could rise to US$90/barrel over the coming months (Heath 2018; Critchlow 2018). On a similar note, the US Energy Information Administration's Annual Energy Outlook for 2018 has suggested that global energy demand could drive average Brent crude prices to levels of US$92.83/barrel by 2030, and US$106.08/barrel by 2040 (EIA 2018).

Compounding increasing global oil prices has been the depreciation of the Philippine peso. From US$/PhP exchange rate of US$1:PhP50.00579 at the beginning of January 2018 to US$1:PhP53.13 as of October 18, 2018, the peso has continued its downward slide as among the worst-performing currencies in the Asia-Pacific region, having steadily depreciated against the US dollar since the beginning of the current administration (Uy 2018). While a depreciated peso can— under the right conditions— enhance the competitiveness of Philippine exports, its more immediate impact has been to aggravate existing inflationary pressures by heightening the prices of imports, especially those of oil and capital goods. Indicative of the inflationary impacts of the peso's depreciation was the fact that Philippine trade deficit in 2017 has been touted to be single biggest one on record (Lema 2018).

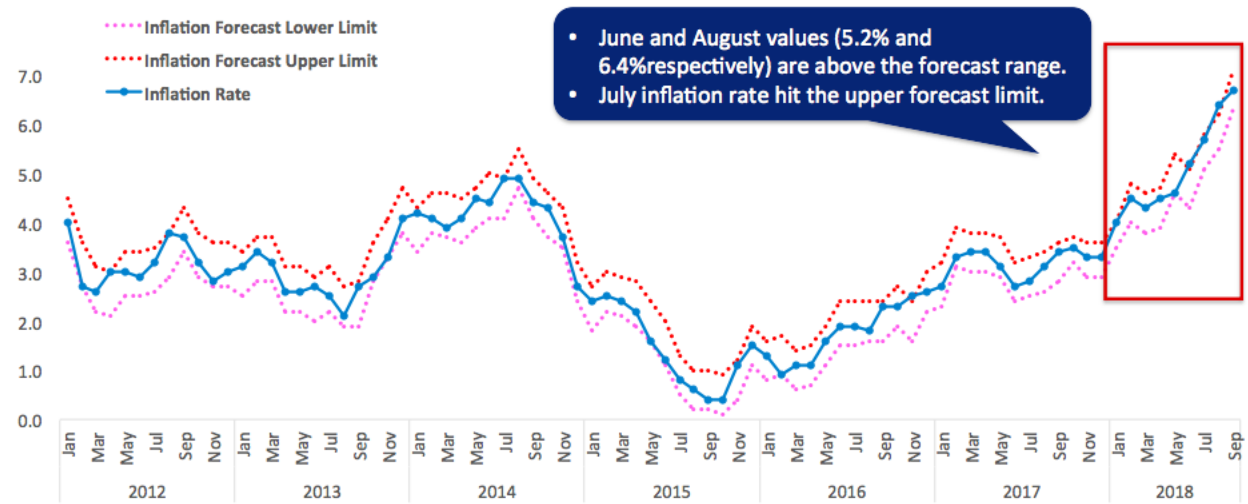
Just as with oil prices, however, there is again little reason to believe that this trend will change in the forthcoming year, especially given the Duterte administration's infrastructure program— Build, Build, Build (BBB). As numerous observers have noted, the massive expansion in infrastructure projects being implemented by BBB has required a corresponding surge in the importation of capital goods as well as construction materials (e.g. cement, steel) (Oxford Business Group 2018). Coupled with sluggish growth in exports, this has been one of the major reasons for the country's yawning trade gap, which has been further widened by 171.8 percent in the first half of 2018 (Rivas 2018).On the back of such trends, London-based consultancy Capital Economics has forecasted that the US$/PhP exchange rate could climb as high as 1:58 by the end of 2019 (Cigaral 2018).

GENERAL POLICY FACTORS. Since its implementation in the beginning of 2018, the TRAIN law has been the single most prominent policy measure to which recent inflation episodes have been attributed. Amidst such debate, government officials have repeatedly emphasized the minor contribution of TRAIN to present inflationary dynamics. To take one example, in their analysis of inflation in September 2018, the Department of Finance (DOF) emphasized that the implementation of TRAIN only accounted for 0.4 to 0.7 percent of that month's 6.7 percent headline inflation rate overall, and only 25 percent of personal transport inflation and 5 percent of electricity and gas inflation (DOF 2018b).

To be sure, the fact that food items have overtaken non-food items as the primary areas where increased inflation has unfolded indicates that much of present price trends cannot be solely attributed to TRAIN. Yet arguably to even greater extent than recent tax reforms, misplaced assumptions and apparent blind-spots of government agencies may have further reinforced inflationary trends, through their effects on inflation expectations. Indeed, an unanticipated effect of TRAIN's rollout was a series of oftentimes disproportionate— sometimes opportunistic— price changes by firms and suppliers that have resulted in self-fulfilling inflationary trends (Habito 2018). Especially in the early half of 2018, the contribution of profiteering (as well as other factors beyond global oil prices, exchange rate movements, and better tobacco compliance) was estimated by the DOF to be nearly double (0.7 percent) that of TRAIN's excise tax hikes (DOF 2018b).

While such developments may have been unanticipated by policymakers, they also reveal failed assumptions surrounding the implementation of the TRAIN law, as well as its interaction with other inflationary pressures. Since March 2018, for instance, estimated headline inflation rates have consistently exceeded the Bangko Sentral's target inflation rate for 2018 of 3.0 +/- 1.0 (BSP 2010), while inflation projections of the DOF in 2018 have often fallen below actual inflation rates. To provide one example, actual inflation for August was recorded at 6.4 percent, whereas DOF forecasts had earlier pegged it at 5.9 percent (Rivas 2018b). On various occasions, inflation outcomes in 2018 have overshot even BSP predictions (see Figure 3), such as during June, July and August 2018.

Figure 3. Inflation forecast vs. Actual Inflation rates, 2012-2018

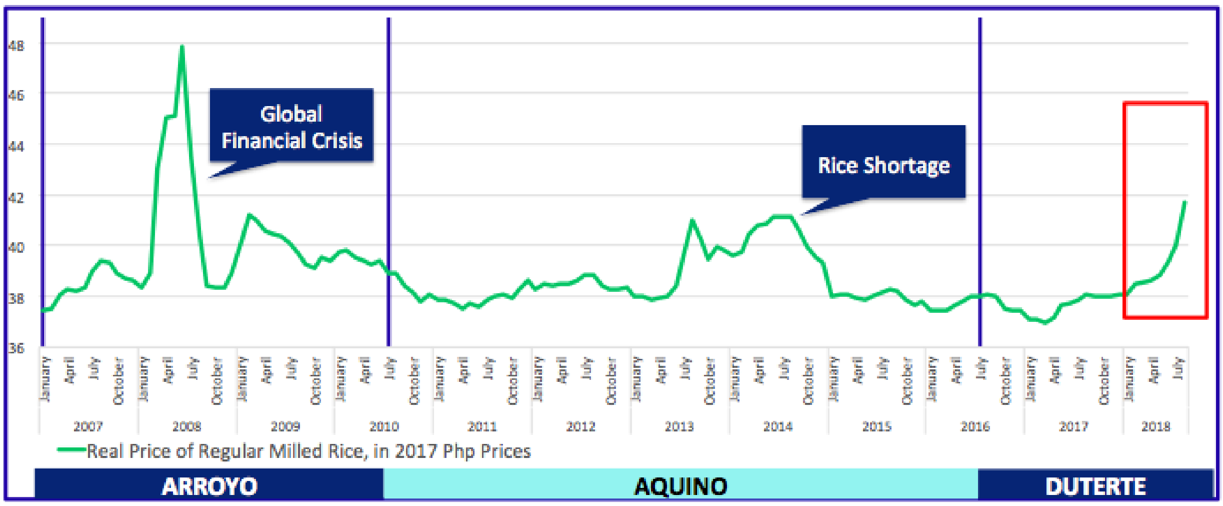


Source: Bangko Sentral ng Pilipinas, Philippine Statistics Authority

These forecasting errors are indicative of government's weaknesses at reining in public expectations on inflation, and containing the effects of such heightened expectations on inflation levels. Due to its repeated underestimation of accelerating inflation, various economic actors now tend to expect much higher inflation than government agencies forecast. Similarly, the government's focus on insulating TRAIN from criticisms, even amidst chronic delays in the release of cash transfers and social protection measures pledged by TRAIN (ABS-CBN News 2018), has not built widespread assurance in the government's capacity to anticipate and manage the direct and indirect impacts of recent tax and economic reforms. All told, such general policy shortfalls have significantly compromised government's ability to anchor public expectations on inflation. Absent decisive actions by government to regain consumer and business confidence, there is significant risk that self-fulfilling inflationary behavior in the months ahead will continue.

SECTOR-SPECIFIC GOVERNANCE FACTORS. Challenges in supply-side governance in specific sectors are another self-inflicted part of the inflation debacle. Nowhere is this more apparent than in the case of food and rice price inflation— which have already been noted to have been the biggest components of inflation as of September 2018, with the contribution of rice in particular having grown by more than by practically ten times over since the beginning of 2018 (cf. DOF 2018b). While part of the increases in the price of basic foodstuffs may have been partly attributable to TRAIN-1 (e.g. increase oil excise taxes), supply constraints have evidently been greater contributors to food price inflation. In this respect, though weather disturbances, environmental issues (e.g. overfishing, red tide, climate change), and trade malpractices (e.g. hoarding) may have cut into available food supplies, the recent rise in prices is also reflective of governance failures.

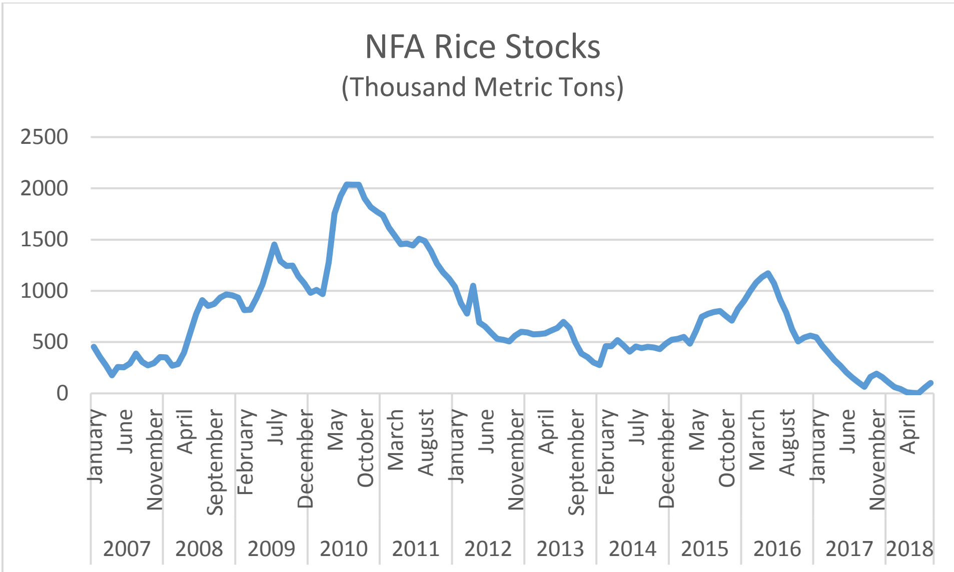
Fig. 4. Retail Price of Regular-Milled Rice, 2007-2018



Source: Philippine Statistics Authority.

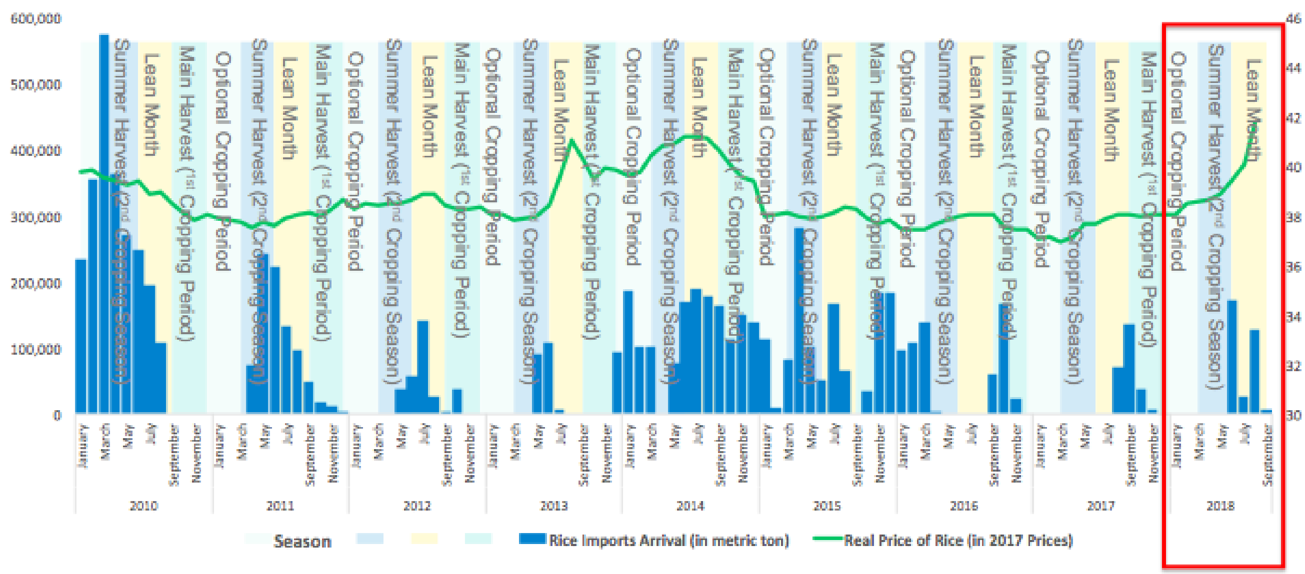
There is striking evidence to this end in rice management. As shown by Figure 4 above, rice prices spiked at least thrice in the past ten years, first during the infamous food price crisis in 2008-2009; secondly, during the mismanagement of rice stocks by the Department of Agriculture under former secretary Alcala in 2013; and most recently, under Sec. Piñol once again in DA. In all three events, the National Food Authority (NFA), which is mainly responsible for safeguarding the stability of price and supply of rice in the country, was unable to temper the price shock.

Fig. 5. NFA Rice Inventory, 2007-2018



Source: National Food Authority

Fig. 6. Importation arrivals vs. Rice Prices and harvest season of Philippine Regular-Milled Rice, 2010-2018



Source: National Food Authority, Philippine Statistics Authority.

Particularly telling of the NFA's governance failures have been foibles in managing its rice inventories and rice importation volumes. Indeed, the NFA's failure to import rice in a timely manner over the past two years has resulted in the depletion of its 90-day buffer stocks— which is exhibited in Figure 5. From 1.070-million metric tons of rice in June 2016, the National Food Authority's (NFA) rice buffer stocks have declined to precipitous lows of 2.1 thousand metric tons as of June 2018 (NFA 2018), which has coincided with the increase of rice prices to their highest levels in nine years. That the agency has been sporadic in exercising its rice import function is also borne out by Figure 6, which documents visibly lower and less frequent NFA rice import arrivals from 2016 to 2018, relative to years immediately preceding it.

In response to such challenges, government officials has reported taken counter-inflationary measures to ameliorate increasing food prices, such as lifting special safeguard mechanisms for poultry products; allowing heightened importation of fish and pork; and tapping agriculturally-productive regions to contribute more to the country's overall food supply (DBM 2018). Yet these are ultimately short-term solutions which do not strike at the core governance issues hounding the NFA from previous administrations, and may be undermined by heightened demand during the upcoming Christmas season. Ultimately, addressing such issues in the longer term will require sector-specific reforms to improve food supply availability and the governance effectiveness of involved agencies. These include, among others, the passage of the rice tariffication bill, as well as rationalizing the country's rice importing regime so as to abolish the NFA monopoly on rice importation, and to enable the licensing of rice importers in the private sector.

Options for Taming Inflation

Examining the drivers of the country's present inflation debacle suggests that the Philippine economy's growth trajectory could be settling into a new inflection point— with slowing growth and rising prices bringing to light new vulnerabilities in the country's economic prospects. Cost-push factors, such as rising world oil prices, the continuing depreciation of the Philippine peso, and food supply governance, loom large in accounting for recent inflationary trends. At the same time, government's efforts at handling of the direct and indirect impacts of TRAIN have thus far been unable contain changing expectations on rising prices, reinforcing other inflationary pressures.

The character of current inflationary trends raises trenchant challenges with regards to the available counter-inflationary policy options. For one, it is well-known among economists that applying standard macroeconomic policy tools (e.g. BSP interest rate hikes) to cost-push inflation episodes is likely to have adverse effects on growth, which has led the BSP itself to highlight the importance of non-monetary measures for addressing inflation (BSP 2018). On the other hand, though freezing oil tax hikes planned by TRAIN for 2019 can be one credible action by government to rein in runaway expectations, it remains unclear to what extent this will arrest existing inflation pressures. To be sure, removing scheduled tax increases for 2019, will not address other inflationary drivers, though it does reduce the risk of synchronized price adjustments by firms. This could help re-anchor inflation expectations by market actors and the broader public, since TRAIN's implementation in 2018 has given businesses a clear, common reason for price adjustment, compared to gradual oil price increases[6].

But due to the prominence of contribution of food items to recent inflation trends, taming the inflation predicament above all requires sector-specific responses to cost-push inflationary drivers. As already mentioned, the Duterte administration has implemented counter-inflationary measures to immediately curb price shocks in the food sector. Arguably the most significant among these has been the signing of Administrative Order 13, which has removed non-tariff barriers on the importation of agricultural products, has authorized the NFA to allow rice importation beyond existing commitments to the World Trade Organization, and has streamlined administrative importation procedures.

Yet as also mentioned earlier, long-term reforms are ultimately necessary in the food security sector to allay future risks of unchecked food and rice inflation. In this respect, measures such as the rice tariffication bill— which amends Republic Act 8178— and the rationalization of NFA's rice import licensing powers are of utmost urgency. By imposing import tariffs on rice instead of import quotas or quantitative restrictions (QR), a price decrease of around P2 to P7 per kilo has been projected to take effect through the additional supply that will augment the domestic volume being produced (Briones et al. 2018). In the same vein, a recent analysis by Dr. Ramon Clarete has suggested that with a 35 percent tariff rate, a 10 percent marketing cost, and an exchange rate of PhP 54 to a US dollar, the price of well-milled rice could be brought down from

[6] Nevertheless, a suspension of the oil excise tax will result in significant foregone revenues (around PhP41.6-billion for 2019, based on DOF estimates) (DOF 2017). Naturally, this will strain government's ability to deliver expanded UCT's of PhP3,600, as well as to finance increased infrastructure spending, and could widen the planned fiscal deficit for 2019.

P39 to P31 per kilo. Since the weight of rice in the Consumer Price Index (CPI) is around 10 percent, this means that the passage of the rice tariffication bill alone could reduce inflation by 2.5 percentage points[7].

Nonetheless, the rice tariffication bill should not be viewed as a magical solution to address these cyclical price shocks[8], and the influx of lower-priced rice in the market alone will not solve the root cause of food price inflation in the current and past administrations: government failures in the NFA's exercise of its import licensing powers. Essentially, the sole authority of the NFA over import decisions creates a monopoly as well as numerous opportunities for rent-seeking— which has been abundantly borne out by a panoply of scandals involving mismanagement, rice supply shocks, smuggling, hoarding, long queues due to shortages, and inept agriculture executives since the agency's establishment in the Marcos period (Briones 2018). In this regard, a first step for reforming the food security sector would be to end the NFA's monopoly over rice importation decisions, through the transfer of the licensing function to the Securities and Exchange Commission (SEC). This can be followed by other reforms in the rice sector, such as by transferring NFA's regulatory functions to other government agencies, and by tackling competition and collusion issues among rice traders (Ibid.).

All in all, the features of the present inflation dilemma hounding the Philippine economy do not lend themselves to quick-fix solutions. While suspending future oil excise tax increases can help anchor expectations-related inflationary pressures (if at the expense of foregone revenues), addressing the most pressing drivers of inflation ultimately demands transforming governance structures and processes in specific sectors, particularly in that of food security policies and institutions. Perhaps, in this sense, accelerating inflation could yet offer reformers a rare

[7] To be sure, to cushion any impact to existing rice farmers' and farm workers' livelihoods, safety nets should be readily available for those who will choose to transition out and diversify to other higher-valued crops, which can be funded by tariffs imposed upon rice imports. The same fund can also prove a boon to small-scale farmers in the rice sector, if it is governed on a participatory basis, and if it is used to invest and promote innovations in agri-cooperative models for smallholder rice farmers.

[8] Rather, this bill is suggested to be a window of reform for domestic rice producers through the adoption of three proposals in the Senate version: a.) securing farmer representation in managing the RCEF and in the creation of the Rice Industry Roadmap; b.) allocation of safety nets for farmers and farm workers who will be impacted and who will diversify to other crops; and c.) providing funds to strengthen farmers' organizations through the consolidation and professionalization of agri-cooperatives for increased capacity-building.

window-of-opportunity to finally drive forward critical socioeconomic reforms that past administrations have thus far failed to accomplish. In the months to come, it will be such reforms that will be at the core of taming the Philippines' inflation woes, and of making the cost of food and basic necessities more genuinely affordable to all Filipinos.

References.

Cruz, RG and Sherry Ann Torres. 2018. House Panel to tackle delays in aid release for the poor amid price hikes. *ABS-CBN News.* 5 June, Online https://news.abs-cbn.com/news/06/05/18/house-panel-to-tackle-delays-in-aid-release-for-the-poor-amid-price-hikes, accessed 20 October 2018.

Briones, Roehlano. 2018. Options for reform of the National Food Authority. PIDS Policy Notes No. 2018-09. Online, https://pidswebs.pids.gov.ph/CDN/PUBLICATIONS/pidspn1809.pdf?fbclid=IwAR2IQrIC_CznnW29p819WeMnaGzNyPNoTJnixXTB6yrOvZj_Weexq89iIbk, accessed 20 October 2018.

Bangko Sentral ng Pilipinas. 2010. The Inflation Target. Bangko Sentral ng Pilipinas. Undated, Online. http://www.bsp.gov.ph/monetary/targeting_inflation.asp, accessed 20 October 2018.

Bangko Sentral ng Pilipinas. 2018. Monetary Policy Tightens Further in Q3 2018. *Bangko Sentral ng Pilipinas.* 19 October, Online, http://www.bsp.gov.ph/publications/media.asp?id=4842, accessed 20 October 2018.

Cigaral, Ian Nicolas. 2018. Philippine peso seen closing 2019 at P59:$1. *Philippine Star.* 18 September, Online https://www.philstar.com/business/2018/09/18/1852570/philippine-peso-seen-closing-2019-p581, accessed 20 October 2018.

Critchlow, Andy. 2018. HSBC flags 'risk' of $100/b oil price spike as bank revises forecast. 12 September, Online, https://www.spglobal.com/platts/en/market-insights/latest-news/oil/091218-hsbc-flags-risk-of-100b-oil-price-spike-as-bank-revises-forecast, accessed 20 October 2018.

Department of Finance. 2018. Analysis of April 2018 Inflation and TRAIN. *Department of Finance.* 22 May, Online, http://www.dof.gov.ph/taxreform/?wpdmdl=2698, accessed 20 October 2018.

Department of Finance. 2018b. Update on TRAIN, inflation, and mitigating measures. *Department of Finance.* 12 October, Online. http://www.dof.gov.ph/taxreform/?wpdmdl=3386, accessed 20 October 2018.

Department of Budget and Management. 2018. DOF-DBM-NEDA Joint Statement on June 2018 Inflation Report. *Department of Budget and Management.* 6 July, Online, https://www.dbm.gov.ph/index.php/secretary-s-corner/press-releases/list-of-press-releases/1108-dof-dbm-neda-joint-statement-on-june-2018-inflation-report, accessed 20 October 2018.

The Economist. 2018. Rising oil prices catch emerging economies at vulnerable moment. *The Economist.* 29 September, Online, https://www.economist.com/finance-and-economics/2018/09/29/rising-oil-prices-catch-emerging-economies-at-a-vulnerable-moment, accessed 20 October 2018.

Habito, Cielito. 2018. Stowaways on the TRAIN. *Philippine Daily Inquirer*. 23 January, Online, https://opinion.inquirer.net/110484/stowaways-on-train, accessed 20 October 2018.

Health, Thomas. 2018. Global oil prices spikes to four-year highs. *Washington Post.* 23 September, Online https://www.washingtonpost.com/business/economy/global-oil-prices-spike-to-four-year-highs/2018/09/24/b31f8630-c012-11e8-be77-516336a26305_story.html?noredirect=on&utm_term=.7fff9d4d27fd, accessed 20 October 2018.

Kabiling, Genalyn. 2018. Gov't finance official believes TRAIN was 'quite successful', revenues will be 'well-spent'. *Manila Bulletin.* 2 March, Online, https://news.mb.com.ph/2018/03/01/govt-finance-official-believes-train-was-quite-successful-revenues-will-be-well-spent/, accessed 20 October 2018.

Lema, Karen. 2018. Peso slides as trade deficits widens to record. *ABS-CBN News.* 9 February, Online, https://news.abs-cbn.com/business/02/09/18/peso-slides-as-trade-deficit-widens-to-record, accessed 20 October 2018.

Mendoza, Ronald and Ayn Torres. 2018. *Shrinkflation. ABS-CBN News.* 2 July, Online, https://news.abs-cbn.com/blogs/business/07/02/18/opinion-shrinkflation, accessed 20 October 2018.

National Food Authority. 2018. NFA Statistics. *National Food Authority.* Undated. Online, http://nfa.gov.ph/programs-projects/others/statistics, accessed 20 October 2018.

Oplas, Nonoy. 2018. Inflation king of Asia, world's second worst stock market. *BusinessWorld.* 7 October, Online, https://www.bworldonline.com/inflation-king-of-asia-worlds-second-worst-stock-market/, accessed 20 October 2018.

Oxford Business Group. 2018. Build, Build, Build, development programme to boost the Philippines' construction industry and to close the infrastructure gap. *Oxford Business Group.* Undated. Online, https://oxfordbusinessgroup.com/overview/building-boom-flagship-works-programme-intent-closing-nation%E2%80%99s-infrastructure-gap, accessed 20 October 2018.

Philippine Statistics Authority. 2018. Summary Inflation Report Consumer Price Index (2012=100): September 2018. *Philippine Statistics Authority.* 5 October, Online. http://www.psa.gov.ph/statistics/survey/price/summary-inflation-report-consumer-price-index-2012100-september-2018, accessed 20 October 2018.

Rivas, Ralf. 2018. Trade deficit balloons by 171% in July 2018. *Rappler.com.* 11 September, Online. https://www.rappler.com/business/211758-trade-deficit-philippines-july-2018, accessed 20 October 2018.

Rivas, Ralf. 2018b. Inflation expected to jump even higher in August 2018. *Rappler.com.* 3 September, Online, https://www.rappler.com/business/211006-august-2018-inflation-projections, accessed 20 October 2018.

Rivas, Ralf. 2018c. Inflation hits the poorest Filipinos hard in Q2 2018. *Rappler.com.* 1 August, Online, https://www.rappler.com/business/208624-inflation-effects-poorest-filipinos-q2-2018, accessed 20 October 2018.

Romero, Paolo. 2018. DOF to suspend fuel tax hike. *Philippine Star.* 15 October, Online, https://www.philstar.com/headlines/2018/10/15/1860186/dof-suspend-fuel-tax-hike, accessed 20 October 2018.

US Energy Information Administration. 2018. Annual Energy Outlook 2018. Washington, D.C.: US Department of Energy.

Uy, Jerald. 2018. DOF: Peso among weakest currencies in Asia. *CNN Philippines.* 39 June, Online, http://cnnphilippines.com/business/2018/06/29/peso-second-asia-weakest-currencies.html, accessed 20 October 2018.

Vergara, Robert. 2018. UP Dean: Cash transfer not enough to compensate poor families amid high inflation. *CNN Philippines.* 16 August, Online, http://cnnphilippines.com/news/2018/08/16/university-of-the-philippines-cash-transfer.html, accessed 20 October 2018.

ATENEO | ATENEO SCHOOL OF GOVERNMENT

Forming Leaders. Leading Reforms.