

Stagflation,
from SI/1

The BSP last month raised its average inflation estimate to 4.6% this year, higher than the previous estimate of 4.3%.

“While domestic inflation is seen to remain elevated in the near term, as a result of supply-side factors linked to volatile global commodity prices, inflation is expected to revert to the government’s target range of 2-4% by 2023. In the meantime, the balance of risks to the inflation outlook now leans toward the upside for both 2022 and 2023,” Mr. Diokno said.

The central bank repeated its support for “urgent and coordinated efforts” of government agencies to ensure there is enough domestic food supply, as

well as direct and targeted interventions for vulnerable sectors.

“The BSP will remain vigilant over emerging price and output conditions and will undertake necessary action to ensure that monetary policy settings remain appropriately calibrated, consistent with the BSP’s price and financial stability mandates,” Mr. Diokno said.

The BSP has already signaled another policy rate hike at its June 23 policy meeting.

The Monetary Board kicked off its tightening cycle by raising the policy rate, the yield on the BSP’s overnight reverse repurchase facility, by 25 basis points (bps) to 2.25% during its May 19 meeting to temper rising

inflation. Interest rates on the overnight deposit and lending facilities were also hiked to 1.75% and 2.75%, respectively.

This was the first increase in borrowing costs since 2018 and followed cuts worth 200 bps in 2020 as the BSP moved to support the economy amid the coronavirus pandemic.

The World Bank earlier this month warned of the rising risk of stagflation, an economic condition characterized by weak growth and high inflation that was last seen in the 1970s.

“Just over two years after COVID-19 (coronavirus disease 2019) caused the deepest global recession since World War II, the world economy is again in danger,” World Bank

Group President David Malpass said in the Global Economic Prospects report released earlier this month.

“This time it is facing high inflation and slow growth at the same time. Even if a global recession is averted, the pain of stagflation could persist for several years — unless major supply increases are set in motion.”

Mr. Malpass noted that global growth will likely be subdued throughout the decade due to weak investment, and there is a risk that inflation will remain higher for longer than anticipated.

The World Bank estimated global growth at 2.1% in 2022 and 1.5% in 2023, reflecting the impact of the pandemic and the Russia-Ukraine war.

Chicken output set to decline as cost of feed rises

THE PHILIPPINES will likely produce fewer chickens in the coming months with numbers reduced by pricier, lower-quality feed and poor weather, an industry leader said — a slowdown that could drive food costs higher.

Raising poultry will be “very challenging” in the coming months, said United Broiler Raisers’ Association President Elias Jose Inciong, as producers in the Southeast Asian nation compete with the rest of the world for chicken feed, as the war in Ukraine disrupts supplies.

Across Southeast Asia, food costs are rising, hitting domestic supplies and exports. Malaysia recently banned chicken exports due to rising local prices and that hit poultry supplies in neighboring Singapore.

In the Philippines, the cost issue is compounded by high humidity that’s

unfavorable to growing chickens, as rainy season came earlier this year. “Normally, the answer to high humidity would be very good nutrition. The problem is it’s now more difficult to get good-quality feeds because of the high cost of raw materials,” Mr. Inciong said in a phone interview on Thursday.

Whole chicken prices in Manila have risen by 25% to P200 (\$3.75) since the start of the year, Agriculture department data showed. Meat price increases quickened by 5.4% in May, boosting overall inflation to its fastest since November 2018.

Higher chicken prices could, however, ultimately boost production, Agriculture Assistant Secretary Noel Reyes told *The Philippine Star*. The Philippines’ total chicken output fell by 3.6% last year to 1.7 million metric tons. — **Bloomberg**

BSP
from SI/1

However, Mr. Medalla, a current Monetary Board (MB) member, signaled that the pace of subsequent tightening will be gradual as he ruled out hikes higher than 25 bps.

“While it’s true that signaling such contractionary stance should provide some forward guidance on the BSP’s policy intent and therefore inflation expectation, the size of the Fed’s adjustment could somehow enlarge the expectation by the market of the BSP’s future move,” Mr. Guingundo said.

Rizal Commercial Banking Corp. (RCBC) Chief Economist Michael L. Ricafort said higher Fed rates may lead to further upward adjustments in the local policy rate from the current 2.25%.

“Thus, there is a chance of a local policy rate hike of +0.50 on the next rate-setting meeting on June 23, 2022 and more local policy rate hikes for the rest of the year, partly to maintain a comfortable interest rate differential with the US, to account for the comfortable spreads/interest rate differentials/risk premium — a dilemma faced by many other countries/central banks around the world,” Mr. Ricafort said in a note.

Bank of the Philippine Islands (BPI) in a press release said it now anticipates a 50-bp hike at the next MB meeting.

“We now expect a 50-bp hike from the BSP at its June meeting given the latest move of the Fed. Hiking the policy rate gradually in contrast to what the Fed is doing may exacerbate the headwinds affecting the Philippine economy,” BPI said.

“A very narrow gap between US and local interest rates will likely exert more pressure on the peso, which will eventually translate to more inflation.”

The peso weakened by 3.5 centavos on Thursday as it closed at P53.47 versus the dollar from its P53.435 finish on Wednesday

Incoming Socioeconomic Secretary Arsenio M. Balisacan said

the country has to adjust to global policy tightening, and be more mindful of any shocks.

“If interest rates are rising outside of our country, we have to adjust to that because if you don’t, capital will move out of the country,” he said during a roundtable with *BusinessWorld* editors on Thursday.

“I think we don’t think macroeconomic fundamentals are that bad compared to other countries. We can withstand these shocks. We have to be mindful, always alert, adjusting to the shocks. Failure to do so will be damaging to the economy.”

MORE SELLING?

Meanwhile, the benchmark Philippine Stock Exchange index (PSEi) rose by 73.59 points or 1.16% to close at 6,393.01 on Thursday, recovering from Wednesday’s bloodbath.

Philippine Stock Exchange, Inc. President and Chief Executive Officer Ramon S. Monzon told ANC that the Wednesday’s drop was “in anticipation of what kind of rates the Fed will impose.”

“We’ve been in worse situations and we’ve bounce back to a higher level. I have no doubts what is happening is temporary,” he said.

In a Viber message, AAA Southeast Equities, Inc. President William M. Cabangon said the Fed’s tightening cycle is pulling down global markets, including the PSE.

“I expect selling to continue over the next few months as valuations continue to readjust lower in line with rising interest rates. Although stocks are cheap relative to past earnings, the uncertainty over future earnings due to inflation and slowdown concerns do not make forward-looking valuations very attractive,” Mr. Cabangon said. — *with reports from Keisha B. Ta-asan and Luisa Maria Jacinta C. Jocson*

Tourism,
from SI/1

Mr. Rivera said tourism sector’s growth can further improve this year once more foreigners visit the country for tourism.

The Philippines began accepting foreign tourists from visa-free countries in February this year. This was further expanded in April to include vaccinated tourists from all countries in a bid to help in the recovery of the tourism sector and the overall economy.

In a separate e-mail interview, University of Asia and the Pacific Senior Economist Cid L. Terosa said the more relaxed mobility restrictions helped drive the tourism sector’s slightly better performance last year.

“Tourism-related activities that were choked by the pandemic in 2020 started to regain their vim and vigor in 2021,” he said.

Domestic tourism expenditures, which cover spending of resident visitors within the country either as a domestic trip or part of an international trip, surged by a record 38.7% year on year to P782.51 billion in 2021. However, this was still significantly lower than the P3.14 trillion seen in 2019.

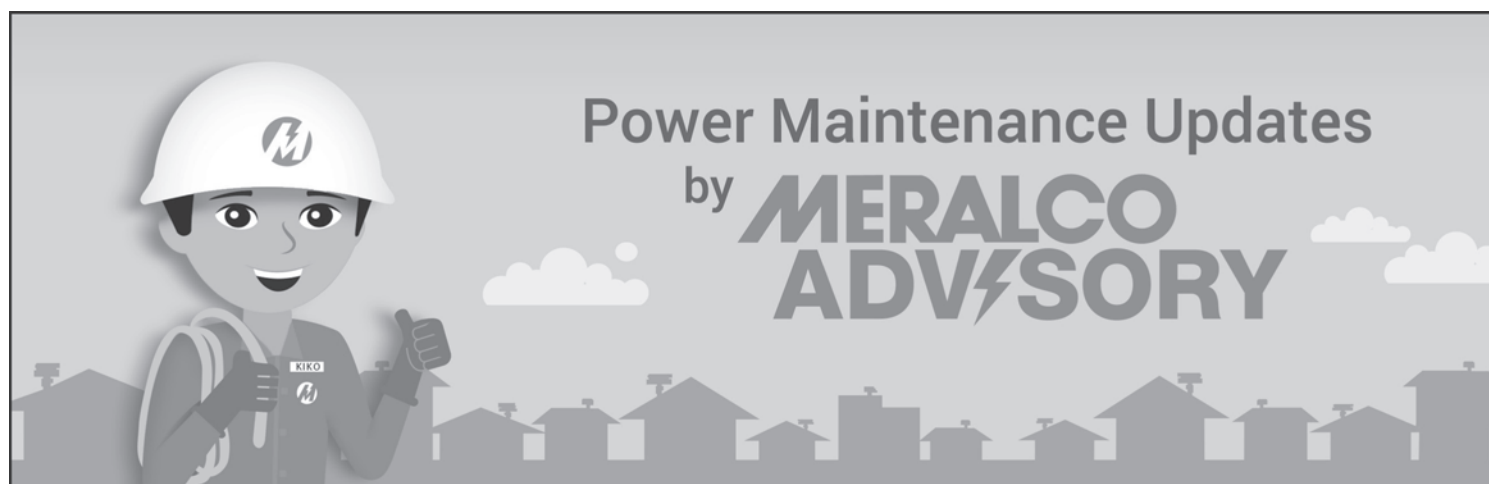
Tourism expenditures by non-residents, on the other hand, declined by 79.2% to P27.62 billion from 2020’s P132.59 billion, as foreign tourists were still not allowed to enter the country.

The share of inbound tourism expenditure to total exports dipped to a record low of 0.6% in 2021 versus the 2.9% share in 2020.

Meanwhile, employment in the tourism industries for the year 2021 was estimated at 4.90 million, which is 11.1% of the total employment. This was higher than the 4.68 million employed in the tourism sector in 2020 or 11.9% of the total jobs.

Mr. Terosa believes that the tourism sector will continue to perform better this year, as long as mobility restrictions and alert levels remain at their most lenient.

“Revenge travel or vacation vengeance will continue to gradually gain momentum this year. Inflationary pressures, however, threaten to curb further rise in tourism demand,” he said. “Given the current situation, however, the tourism sector will probably have a clearer chance to exceed pre-pandemic levels in 2023 and 2024.”



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SUNDAY, JUNE 19, 2022**LAS PIÑAS CITY (ALMANZA DOS)**

BETWEEN 2:30AM AND 7:30AM – PORTION OF CIRCUIT AYALA ALABANG 412WR
Madonna Del Divino Amore Quasi – Parish Church in Ayala Southvale Village.

REASON: Line reconstruction work along Daang Hari Road in Bgy. Almanza Dos, Las Piñas City.

BULACAN (MALOLOS CITY; PAOMBONG; AND HAGONAY)

BETWEEN 3:00AM AND 3:30AM AND THEN BETWEEN 7:30AM AND 8:00AM – PORTION OF CIRCUIT MALOLOS II 324YV

Portion of Jacinto St. from Sampaga St. to Blas Ople Diversion Road including Purok 4 in Bgy. Canalate, Malolos City.

Portion of Blas Ople Diversion Road from Jacinto St. to and including Sitio Akle in Bgy. Anilao, Malolos City.

Portion of Jacinto St. from Blas Ople Diversion Road to Sto. Rosario Road and San Vicente Road including Purok 1 – 4; and Puregold Paombong in Bgy. Sto. Niño, Paombong.

Portion of San Jose Road from Jacinto St. to Malumot Road including Sitio Culis, Purok 1 and 2 in Bgys. San Vicente and San Jose in Paombong.

BETWEEN 3:00AM AND 8:00AM – PORTION OF CIRCUIT MALOLOS II 324YV

Portion of Poblacion Road and San Roque Road from Jacinto St. to and including Sitio Malumot Na Munti, Sitio Pulo, Sitio Pantay, Purok 1, 3 and 4; Paombong Municipal Hall and Ministop in Bgys. San Jose, San Roque and Poblacion in Paombong.

Portion of San Jose Road from Malumot Road to and including Sitio Lantad, Sitio Matalaba, Sitio Gitna, Sitio Pulo, Sitio Cristia Bayan and Sitio Bitas II in Bgys. Binakod, Malumot, Masukol, San Isidro 1 and Sta. Cruz in Paombong.

Purok 1 and 4 in Bgy. Hagonoy, Bulacan.
Purok 1, 2, 3 and 6 in Bgy. Tibaguin, Hagonoy, Bulacan.

REASON: Replacement of hazardous pole along Jacinto St. in Bgy. San Isidro I, Paombong, Bulacan.

MANILA (ERMITA, MALATE AND PACO)

BETWEEN 9:00AM AND 9:10AM AND THEN BETWEEN 3:00PM AND 3:10PM – THE WHOLE OF CIRCUIT ERMITA 22S

Portion of Padre Faura St. from Maria Y. Orosa St. in Malate to and including Paco Park in Paco; and PGH – Cancer Institute in Ermita.

Portion of F. Agoncillo St. from Padre Faura St. to and including Asian Social Institute in Ermita.

Cosmopolitan Church along Taft Ave. in Ermita.

BETWEEN 8:30AM AND 9:00AM AND THEN BETWEEN 3:00PM AND 3:30PM – PORTIONS OF CIRCUITS MALATE 18J; TEGEN 50B; TEGEN 57B – ERMITA 41S; AND ESCODA 414ESC

Portion of Apacible St. from Gen. Luna St. to Taft Ave. including Leon Guinto, F. Agoncillo and San Marcelino Sts. in Ermita.

Portion of Josefa Llanes Escoda St. from F. T. Benitez St. to Leon Guinto St. including Yakult Phils., NCCI Marine Inc. and Supreme Council of the Demolay in Ermita.

Portion of Pedro Gil St. from F. Agoncillo St. to F. T. Benitez St. in Ermita.

Portion of Leon Guinto St. from Arcadia Manila to near Asian Social Institute including IPAMS in Ermita.

Portion of San Marcelino St. from Gen. Luna St. to Gen. Malvar St. including Philippine Nurses Assn. in Ermita.

Portion of F. Agoncillo St. from near G. Apacible St. to and including J. Nakpil St. in Ermita.

Portion of Pedro Gil St. from Pilar Hidalgo Lim St. to and including J. Bocobo and Luis Ma. Guerrero Sts., Philippine General Hospital, Hotel Kimberly, Eurotel and St. Paul University Manila in Malate.

Portion of Leon Guinto St. from Pres. Quirino Ave. to near Pedro Gil St. (Herran) in Malate.

Portion of Pilar Hidalgo Lim St. from Pedro Gil St. to Gen. Malvar St. including Jemasons Place in Malate.

Portion of J. Bocobo St. from Pedro Gil St. to and including Splendorplace, Manila Manor Hotel, Altra Center, BDO, JKK Pacific Tower, Bellagio Square and Amelie Hotel in Malate.

Portion of M. Adriatico St. from Gen. Malvar St. to and including Josefa Bldg., Manila Crown Palace Hotel and Pearl Garden Hotel in Malate.

Portion of J. Nakpil St. from M. Adriatico St. to Ma. Orosa St. in Malate.

Portion of Taft Ave. from Josefa Llanes Escoda St. to Apacible St. in Ermita.

BETWEEN 8:30AM AND 3:30PM – PORTIONS OF CIRCUITS MALATE 18J; TEGEN 50B; TEGEN 57B – ERMITA 41S; AND ESCODA 414ESC

Portion of Correa and Mahatma Gandhi Sts. from Puregold Head Office – Permax Bldg. to and including P & C Buendia Mansions, YSS Laboratories, JetPhil Resources and Cannossian Daughters of Charity in Paco.

Pius XII Catholic Center along United Nations Ave. in Paco.

Portion of Gen. Luna St. from G. Apacible St. to Josefa Llanes Escoda St. including Regent Bldg. and Plaridel Masonic Temple in Ermita.

Portion of D. Romualdez St. and Belen St. from Apacible St. to Mahatma Gandhi St. in Paco.

Portion of Leon Guinto St. St. from near Josefa Llanes Escoda St. to Gen. Malvar St. in Ermita.

Portion of Pedro Gil St. from Leon Guinto St. to near Pilar Hidalgo Lim St. including LRT – Pedro Gil Station, University of the Phils. – College of Pharmacy and U.P. Manila Dormitory in Ermita.

REASON: Replacement of poles, line reconstruction work and installation of additional lightning protection devices along Correa, M. Gandhi, D. Romualdez and Leon Guinto Sts. in Paco, Manila.

SUNDAY TO MONDAY, JUNE 19 - 20, 2022**CAVITE (GEN. TRIAS CITY)**

BETWEEN 4:00AM AND 5:00AM (SUN., 06/19/22) AND THEN BETWEEN 3:00AM AND 4:00AM (MON., 06/20/22) – PORTION OF CIRCUIT AMADEO 62AMA – GATEWAY 62WP – FCIE 65WB – SMC

San Miguel – Purefoods Hormel Compound along Governor’s Drive in Sitio De Fuego, Bgy. San Francisco.

REASON: Relocation of facilities along Crisanto Delos Reyes Ave. in Bgy. Biclatan, Gen. Trias City, Cavite.

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TUESDAY, JUNE 21, 2022**LAGUNA (MAJAYJAY AND LUISIANA) AND QUEZON PROVINCE (LUCBAN)**

BETWEEN 9:30AM AND 10:00AM AND THEN BETWEEN 3:00PM AND 3:30PM – PORTION OF CIRCUIT TAYABAS 48ZY

Portion of Lucban – Majayjay National Road and Majayjay – Luisiana National Road from near Plant Nursery Farm in Bgy. Samil to and including the whole town of Luisiana; Bgys. Bakia, Bitayo, Botocan, Burgos, Gagalog, Pit, Rizal and Taytay in Majayjay, Laguna; and Bgy. Igang, Lucban, Quezon Province.

BETWEEN 10:00AM AND 3:00PM – PORTION OF CIRCUIT TAYABAS 48ZY

Portion of Lucban – Majayjay National Road from Permalino Rice Mill to Plant Nursery Farm in Bgy. Samil, Lucban, Quezon Province.

REASON: Replacement of wooden poles along Lucban – Majayjay National Road in Bgy. Samil, Lucban, Quezon Province.

LAS PIÑAS CITY (PAMPLONA III AND PULANG LUPA II)

BETWEEN 12:00NN AND 5:00PM – PORTION OF CIRCUIT PAMPLONA 41XD

Portion of Doña Manuela St. from Rosal St. to and including Vergonville Subd. in Bgy. Pulang Lupa II; Veraville Townhomes 3, Greenview Village and Doña Manuela Subd. in Bgy. Pamplona III.

REASON: Replacement of pole and relocation of facilities along Doña Manuela St. in Doña Manuela Subd., Bgy. Pamplona III, Las Piñas City.

TUESDAY TO WEDNESDAY, JUNE 21-22, 2022**CAVITE (GEN. TRIAS CITY)**

BETWEEN 11:00PM (TUE., 06/21/22) AND 12:15AM (WED., 06/22/22) THEN BETWEEN 4:45AM AND 6:00AM (WED., 06/22/22) – PORTION OF CIRCUIT FCIE 60WB – PHCI – FCIE 65WB – LANCASTER 61LAN

San Miguel – Purefoods Hormel Compound along Governor’s Drive in Sitio De Fuego, Bgy. San Francisco.

REASON: Relocation of poles affected by Cavite – Laguna Expressway (CALAX) construction project along FCIE 60WB – PHCI – Lancaster 61LAN 115kV transmission lines.

WEDNESDAY TO THURSDAY, JUNE 22-23, 2022**QUEZON CITY (NOVALICHES)**

BETWEEN 11:00PM (WED., 06/22/22) AND 6:00AM (THU., 06/23/22) – PORTION OF CIRCUIT KAYBIGA 46YX

Portion of Quirino Highway from San Francisco St. to near Dr. Villareal Ave. including Rainbow Homes; Araceli, Kalayaan, Marcosin, Mariano, Nellie, St. Anthony and Susana Sts.; Contract Design & Systems Furniture, Fly Ace Corp. and Nova Gen Food Choices Corp. in Bgys. San Bartolome and Gulod.

REASON: Replacement of hazardous poles along Quirino Highway in Bgy. Gulod, Novaliches, Quezon City.

THURSDAY TO FRIDAY, JUNE 23 - 24, 2022**CAVITE (GEN. TRIAS CITY)**

BETWEEN 11:00PM (THU., 06/23/22) AND 12:15AM (FRI., 06/24/22) THEN BETWEEN 4:45AM AND 6:00AM (FRI., 06/24/22) – PORTION OF CIRCUIT FCIE 60WB – PHCI – FCIE 65WB – LANCASTER 61LAN

San Miguel – Purefoods Hormel Compound along Governor’s Drive in Sitio De Fuego, Bgy. San Francisco.

REASON: Relocation of poles affected by Cavite – Laguna Expressway (CALAX) construction project along FCIE 60WB – PHCI – Lancaster 61LAN 115kV transmission lines.

SATURDAY, JUNE 25, 2022**CAVITE (GEN. TRIAS CITY AND ROSARIO)**

BETWEEN 2:00AM AND 2:30AM AND THEN BETWEEN 7:30AM AND 8:00AM – THE WHOLE OF CIRCUIT ROSARIO 42RS

Portion of Gen. Trias Drive from Gen. Trias City proper in Gen. Trias to and including Bgys. Muzon I – II, Kanluran, Sapa I – IV, Wawa I – III, Silangan I – II, Bagbag I – II, Tejeron Convention and Rosario town proper; Costa Verde Subd., Em’s Barrio, Graceville Subd., Ricafrente Subd., Cuesta Subd., Karlaville Subd. and Sephora Residences; and SM City – Rosario in Rosario.

Portion of Gov. Ferrer Drive from Bgy. Pinagtupnan to and including Gen. Trias City proper in Gen. Trias City.

Portion of Arnaldo Highway from Gov. Ferrer Drive to and including Camachile Subds. 1 & 2 and Grand Riverside Subd. in Bgy. Pasong Camchile 1; Woodstock Homes, Richmond Park Townhomes Phase 2, Peninsula Homes and Paramount Homes in Bgy. Navarro, Gen. Trias City.

REASON: Testing work inside Meralco – Rosario substation.

SUNDAY, JUNE 26, 2022**CAVITE (GEN. TRIAS CITY; AND ROSARIO)**

BETWEEN 2:00AM AND 2:30AM AND THEN BETWEEN 7:30AM AND 8:00AM – THE WHOLE OF CIRCUIT ROSARIO 42RS

Portion of Gen. Trias Drive from Gen. Trias City proper in Gen. Trias to and including Bgys. Muzon I – II, Kanluran, Sapa I – IV, Wawa I – III, Silangan I – II, Bagbag I – II, Tejeron Convention and Rosario town proper; Costa Verde Subd., Em’s Barrio, Graceville Subd., Ricafrente Subd., Cuesta Subd., Karlaville Subd. and Sephora Residences; and SM City – Rosario in Rosario.

Portion of Gov. Ferrer Drive from Bgy. Pinagtupnan to and including Gen. Trias City proper in Gen. Trias City.

Portion of Arnaldo Highway from Gov. Ferrer Drive to and including Camachile Subds. 1 & 2 and Grand Riverside Subd. in Bgy. Pasong Camchile 1; Woodstock Homes, Richmond Park Townhomes Phase 2, Peninsula Homes and Paramount Homes in Bgy. Navarro, Gen. Trias City.

REASON: Testing work inside Meralco – Rosario substation.

PASIG CITY (ROSARIO)

BETWEEN 9:00AM AND 11:00AM – PORTION OF CIRCUIT CAINTA 42XG

Portion of GISIS Road from Manggahan Floodway West Bank Road to near C. Raymundo Ave. including Rodriguez Compound and Rosario Village.

Portion of Manggahan Floodway West Bank Road from GISIS Road to near Mary’s Bicycle Shop.

Portion of Jenny’s Ave. near GISIS Road.

REASON: Line reconstruction work along Ortigas Ave. near Manggahan Floodway East Bank Road in Bgy. Rosario, Pasig City.

