The country has been experiencing higher costs of goods and services this year as the economy bounced back from the coronavirus disease 2019 (COVID-19) pandemic restrictions, and the Russia-Ukraine conflict that started in February 2022, which sky-rocketed fuel prices this year. This led to higher inflation and currency depreciation across the globe and the Philippines was not spared from the effects.

Preliminary data from the Philippine Statistics Authority (PSA) showed the general increase of prices of widely used goods and services surged to 8% in November. This was the highest inflation rate in 14 years, a level not seen since the Global Financial Crisis.

Year to date, this put the average inflation at 5.6%, above the 2-4% target range but still below the 5.8% forecast by the Bangko Sentral ng Pilipinas (BSP).

This prompted the BSP to hike rates to control inflation. The central bank has raised a total of 350 basis points (bps) this year, with the latest 50-bp rate hike on Dec. 15.

Moreover, the aggressive tightening of the US Federal Reserve (US Fed) has led to the record low depreciation of the peso in the latter part of the year. Starting last August, the peso fluctuated between P56 and P58 against the greenback. The Philippine peso hit its record low of P59 to a dollar on Oct. 17.

While some are benefiting from the lower peso, others are feeling the effects in their daily lives.

"For our export industry, a weaker peso used to be favorable for the export industries," Semiconductor and Electronics Industries in the Philippines Foundation, Inc. (SEIPI) President Danilo C. Lachica said in a Viber call interview.