2ND NATIONAL PRICE COORDINATING COUNCIL MEETING FOR THE YEAR 2021

Monday, 05 July 2021

PAGASA took part in the longest NPCC Meeting on 5 July 2021 from 10:00am to 2:47pm without any lunch break! The Meeting was very informative & presentations/reports by the DA, PROPORK, PAMPI, UBRA, SRA, DTI, DOH, NFA, PAGASA the weather bureau, DENR, DOE and BSP were all very comprehensive. In behalf of PAGASA, STC reported that despite the order for a Price Freeze which is supposed to end on 10 July 2021, at least twenty manufacturers (both multi-nationals & SMEs alike) have so far increased their prices during the on-going 60-day period. This report was made so that the DTI knows that if some supermarket shelves reflect prices higher than those on their SRP List, they would not be surprised. DTI Usec. Castelo warned that the price freeze applies to all products and not just those on their SRP watch! BSP also introduced their round-off program where they want shops/stores to round off final transactions (after VAT, discounts to senior citizens/PWDs, etc.) to the nearest 25 centavos...so that the economy can do away with the 1- & 5-centavo coins.

Other economies have done away with these denominations (NZ as early as 1992 and Australia by 1995) and this has saved their government a lot (in our case, around P3B) in terms of minting,Â non-circulation & negative seigniorage (i.e., the intrinsic value of coin is greater than its nominal value esp. for lower denominated coins). BSP will need to have Congress pass this doing away with small denominations into law but this will take some time so BSP is teasing DTI to hasten the process by coaxing it to convince retailers & the public into accepting this practice. By law of averages, empirical studies show that the final outcome will result in less than .01% of the total value of transactions had an economy not done away with the smaller denominations. Issue to be discussedÂ further.