

# On interest rates

**At its regular monetary policy meeting in May 2024, the Bangko Sentral ng Pilipinas (BSP) kept the Target Reverse Repurchase (RRP) Rate unchanged.**

**6.5%**

The Monetary Board maintains the BSP's restrictive monetary policy stance to keep inflation expectations anchored amid a possible buildup in upside risks to future inflation.



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# On inflation forecast



At the same meeting, the BSP reduced its risk-adjusted inflation forecast to **3.8% for 2024**, from 3.9 percent in the February 2024 MPR.

**For 2025**, inflation is projected at **3.7%** due to:

- Increases in global oil prices
- Depreciation of the peso.



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# On risks to inflation

Certain factors may cause inflation to settle above the BSP's forecasts.



**Higher transportation  
and toll fees**



**Higher food prices**



**Higher electricity rates**

**Higher global oil prices**



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# On inflation expectations



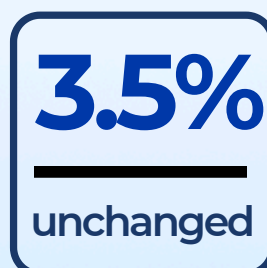
Inflation expectations refer to how much people—consumers, businesses, investors, and policymakers—expect prices to rise over time. These expectations can influence actual inflation because they affect economic behavior.

External forecasters have adjusted their inflation expectations:

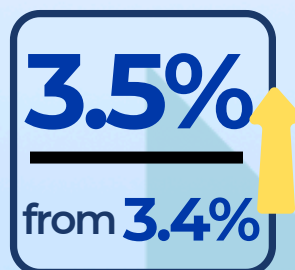
**2024**



**2025**



**2026**



This year, inflation is expected to stay within the target range of 2.0 to 4.0 percent, though there are concerns about potential increases due to supply chain disruptions.

For 2025 and 2026, inflation is also expected to stay within the target range.

*There were 20 respondents in the BSP's survey of external forecasters in May 2024, based on submissions from 9 to 15 May 2024.*

# On economic growth and outlook

## 2024

Modest growth despite  
external headwinds

**RESILIENT**

## 2025

Expected growth from  
stronger exports and better  
global conditions

**ROBUST**





# On monetary policy



**Sufficiently tight:** The Monetary Board will maintain monetary policy settings until inflation settles firmly within the target.

**Data-dependent:** The BSP is ready to adjust monetary policy settings in response to economic developments.

**Support measures:** Focus on supporting the national government's non-monetary measures to address supply-side pressures.

**Keeping the current monetary policy settings will allow the BSP to watch for factors that might push inflation higher as the effects of past monetary policy actions are expected to fully take hold in the coming months.**

