



UNIVERSITY OF THE PHILIPPINES SCHOOL OF ECONOMICS

and

PCED | Philippine Center for
Economic Development

present a seminar on

Determining the Inflationary Effects of El Niño and La Niña in the Philippines

by

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U.P. School of Economics

18 August 2017, Friday

4:00-5:00 p.m. – Rm 303

Abstract:

This paper investigates whether climate “shocks” (or short-term changes in climatic conditions), El Niño and La Niña, have significant impacts on inflation in the country. Using regional panel data and information from PAGASA, this study finds that both of these weather shocks have significant effects on the general price level in the Philippines, along with interest rate, foreign exchange, and unemployment rate. Further, the results also indicate that long-term changes in climatic conditions, specifically average temperature and rainfall, do not have any significant impacts on prices. These findings are consistent with the literature that point to the fact that successful adaptation to long-term changes in climatic conditions negates any potential negative impacts to the economy. The study concludes that adaptation must be expanded not only to respond to long-term changes in climatic conditions, but also to short-term but intense changes in temperature and rainfall

About the author:

Dr. Agustin L. Arcenas is an Associate Professor at the U.P. School of Economics. He earned his Ph.D. in Agricultural Economics specializing in Environmental and Natural Resource Economics at Michigan State University in East Lansing, MI and his M.S. in Applied Economics at the University of Wisconsin in River Falls, WI. He is an alumnus of the U.P. School of Economics, graduating with a BA Economics degree (with honors). Before joining the School of Economics in 2005, Dr. Arcenas was a member of the Policy and Economics Team (PET) as consultant and Environmental Economist in the (then) Environment Department of the World Bank in Washington, D.C.(USA), and as Visiting Professor at Michigan State University. Since moving back to the Philippines, he has worked on and written about various environmental and natural resource issues both in the Philippines and abroad, including economics of climate change, natural resource valuation, and environmental quality. He has also advised the Philippine government on various environmental and natural resource issues.



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