

SPECIAL RELEASE

SUMMARY INFLATION REPORT CONSUMER PRICE INDEX (2018=100) NATIONAL CAPITAL REGION: JULY 2023

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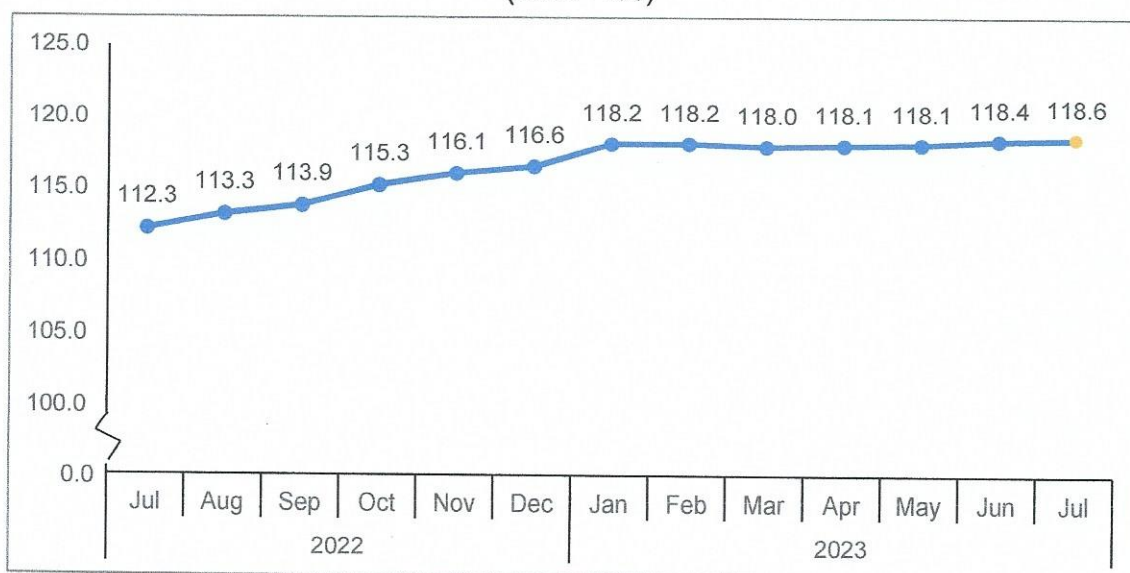
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Consumer Price Index in NCR upticks to 118.6 percent

The CPI in NCR this July 2023 uptick to 118.6 percent from 118.4 percent in the previous month. On a yearly basis, the CPI increased by 6.3 percentage points during the month from 112.3 percent in July 2022. The CPI in NCR consistently remained below the Philippines' record settling at 121.2 percent, up by 0.1 percentage point from its 121.1 percent index in June 2023.

The CPI of 118.6 percent in July 2023 indicated that consumer prices in the NCR, on average, had increased by 18.6 percent from the base year 2018. This can also be interpreted that a basket of commodities that can be purchased at Php100.00 by an average Filipino household in NCR in 2018 can be bought at Php118.6 in July 2023. (Figure 1)

Figure 1. Consumer Price Index, All Items: NCR
July 2022 - July 2023
(2018=100)



Source: Philippine Statistics Authority



Inflation rate in NCR remains at 5.6 percent

The inflation rate in NCR remained at 5.6 percent in July 2023. In July 2022, the inflation rate was recorded at 5.1 percent. The average inflation for the first seven (7) months of 2023 stood at 7.1 percent. (Figure 3)

Figure 3. Inflation Rates in NCR, All Items
July 2022 - July 2023
(2018=100)



Source: Philippine Statistics Authority

At the national level, the headline inflation rate for the Philippines slowed down to 4.7 percent in July 2023 from 5.4 percent in June 2023. Slower inflation was also observed in all other regions. Among the regions that registered slower inflation, Region IX (Zamboanga Peninsula) recorded the most with a 1.6 percentage points decline in their inflation rates this month compared to June 2023. This was followed by MIMAROPA Region with a decline of 1.5 percentage points, and Region XI (Davao Region) with a decline of 1.4 percentage points.

Index of Transport continues its downward trend

The index of transport in NCR continued its downward trend for ten (10) consecutive months to reach -3.2 percent this July 2023 from 15.7 in October 2022. Similarly, the index of clothing and footwear commodity group displayed a slower inflation rate of 2.1 percent this month, reflecting a decrease of 0.6 percentage point from the 2.7 percent recorded in June 2023. Likewise, the inflation rate of alcoholic beverages and tobacco also slowed down to 6.4 percent this July 2023 from 6.8 in the previous month.

In contrast, seven (7) commodity groups recorded faster inflation in July 2023. On the lead was the index of food and non-alcoholic beverages with a 6.4 percent inflation rate. This marked an increase of 0.4 percentage point from June 2023's 6.0 percent inflation rate. Subsequently, the restaurants and accommodation services index recorded a 0.3 percentage point rise in inflation, followed by furnishings, household equipment, and routine household maintenance, which exhibited a 0.2 percentage point uptick in inflation rates compared to the preceding month. Other commodity groups that registered faster inflation are the following:

- a. Housing, water, electricity, gas, and other fuels, 6.9 percent;
- b. Health, 2.2 percent;
- c. Recreation, sport and culture, 3.4 percent; and
- d. Personal care, and miscellaneous goods and services, 4.1 percent.

Meanwhile, the indices for the rest of the commodity groups continued to move at their respective previous month's annual growth rates. (Table 1)

Table 1. Year-on-Year Inflation Rates by Commodity Group: NCR
(2018=100)

Commodity Group	July 2022	June 2023	July 2023
All Items	5.1	5.6	5.6
Food and Non-Alcoholic Beverages	6.3	6.0	6.4
Alcoholic Beverages and Tobacco	7.4	6.8	6.4
Clothing and Footwear	2.3	2.7	2.1
Housing, Water, Electricity, Gas, and Other Fuels	3.6	6.8	6.9
Furnishings, Household Equipment and Routine Household Maintenance	3.2	6.0	6.2
Health	1.3	2.1	2.2
Transport	17.4	-2.3	-3.2
Information and Communication	0.0	0.5	0.5
Recreation, Sport and Culture	1.4	3.3	3.4
Education Services	-0.1	8.1	8.1
Restaurants and Accommodation Services	3.0	9.8	10.1
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	2.0	4.0	4.1

Source: Philippine Statistics Authority

Food inflation speeds up to 6.5 percent

Inflation of food moved faster at 6.5 percent in July 2023 from 6.0 percent in June 2023. The primary contributor to the increase in food inflation was the index of vegetables, tubers, plantains, cooking bananas, and pulses, which experienced an annual increment of 28.5 percent this month from 14.7 percent in June 2023. This contributed around 89.4 percent share to the uptrend of food inflation. In addition, the rice commodity group recorded a 0.7 percentage point increase of inflation registering 2.1 percent in July 2023 from 1.4 percent in June 2023. Similarly, the index of corn

displayed an uptick of 0.5 percentage point, reaching 11.8 percent this month from 11.3 percent in June 2023.

On the other hand, seven (7) food commodity groups exhibited a slower inflation rate during the month:

- a) Flour, bread and other bakery products, pasta products, and other cereals, 10.7 percent;
- b) Meat and other parts of slaughtered land animals, -2.8 percent;
- c) Milk, other dairy products and eggs, 8.0 percent;
- d) Oils and fats, 3.8 percent;
- e) Fruits and nuts, 19.3 percent;
- f) Sugar, confectionery and desserts, 17.8 percent; and
- g) Ready-made food and other food products n.e.c., 10.3 percent

Moreover, the inflation rate of fish and other seafood remained at 5.1 percent in July 2023.

Table 2. Year-on-Year Inflation Rates by Selected Food Commodity Group: NCR
(2018=100)

Commodity Group	July 2022	June 2023	July 2023
FOOD	6.7	6.0	6.5
Cereals and cereal products	3.4	5.2	5.4
Cereals	0.2	1.5	2.2
Rice	0.1	1.4	2.1
Corn	11.1	11.3	11.8
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	9.1	11.7	10.7
Meat and other parts of slaughtered land animals	9.8	-2.1	-2.8
Fish and other seafood	7.9	5.1	5.1
Milk, other dairy products and eggs	7.8	9.5	8.0
Oils and fats	18.5	7.6	3.8
Fruits and nuts	-2.0	21.5	19.3
Vegetables, tubers, plantains, cooking bananas and pulses	3.5	14.7	28.5
Sugar, confectionery and desserts	14.4	23.5	17.8
Ready-made food and other food products n.e.c.	7.6	11.1	10.3

Source: Philippine Statistics Authority

Purchasing Power of Peso (PPP) holds steady at 0.84


The PPP is a measure of the real value of the peso in a given period relative to a chosen reference and is computed by getting the reciprocal of the CPI and multiplying the result by 100. The PPP is inversely related to the CPI thus an increase in the CPI will result in a decrease in the PPP.

The PPP in NCR in July 2023 sustained its parity with June 2023 at 0.84. This means that a peso in 2018 was worth 84 centavos in July 2023. The PPP in July 2022 was higher at 0.89. (Figure 5)

Figure 5. Purchasing Power of the Peso: NCR
July 2022 - July 2023
(2018=100)



Source: Philippine Statistics Authority


PACIANO B. DIZON
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TECHNICAL NOTES

Consumer Price Index

The Consumer Price Index (CPI) is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households for their day-to-day consumption relative to a base year.

Components of the CPI

a. Base Period

This is a reference date or simply a convenient benchmark to which a continuous series of index numbers can be related. Since the CPI measures the average changes in the retail prices of a fixed basket of goods, it is necessary to compare the movement in previous years back to a reference date at which the index is taken as equal to 100. The present series of CPI uses 2018 as the base period or base year.

b. Market Basket

Market basket refers to a sample of goods and services commonly purchased by the households.

The commodities included in the 2018-based CPI Market basket are the modal commodities which were considered as the most commonly purchased/availed of commodities by the households. The composition of the Market basket was determined based on updating the 2012 basket using the results of the 2021 Survey of Key Informants (SKI). In NCR, a total of 760 commodities are included in the Market basket.

c. Weighting System

The weights for the 2018-based CPI were derived from the expenditure data of the 2018 Family Income and Expenditure Survey (FIES). The weight for each commodity/group of commodities is the proportion of the expenditure of the commodity/group of commodities to the total national expenditure. The sum of the weights of the commodity groups at the national level is equal to 100.

Inflation Rate

The inflation rate is the annual rate of change or the year-on-year change in the Consumer Price Index.

Purchasing Power of the Peso

The Purchasing Power of the Peso (PPP) is a measure of the real value of the peso in a given period relative to a chosen reference period. It is computed by getting the reciprocal of the CPI and multiplying the result by 100.