

SPECIAL RELEASE

Summary Inflation Report Consumer Price Index (2018=100) National Capital Region: July 2025

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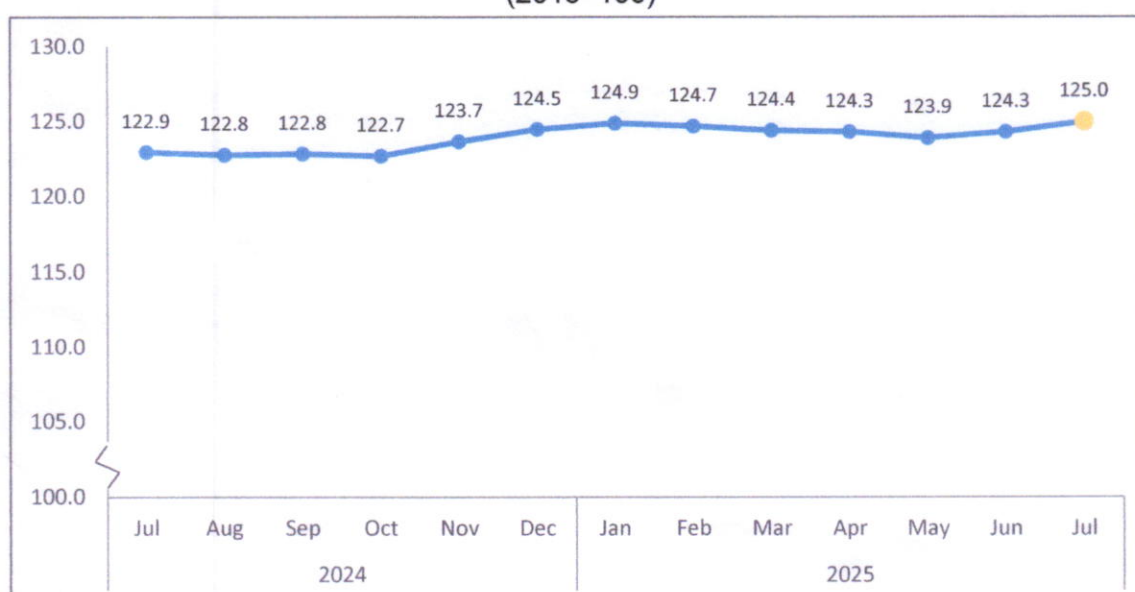
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Consumer Price Index in NCR reaches 125.0

The Consumer Price Index (CPI) in the National Capital Region (NCR) increased to 125.0 in July 2025, from 124.3 in June 2025. This is the second increase from the previous four-month streak of declines observed in the preceding months. Moreover, the NCR's CPI rose by 2.1 index points compared to 122.9 in July 2024. The region's CPI remained below the national average, which grew to 127.7 in July 2025, compared to 127.3 in the previous month.

The CPI of 125.0 in July 2025 signifies that, on average, the prices of goods and services in the region have increased by 25.0 percent relative to the base year of 2018. In practical terms, a basket of goods and services that cost PhP100.00 for a typical Filipino household in NCR in 2018 would have cost approximately PhP125.0 in July 2025. (Figure 1)

Figure 1. Consumer Price Index, All Items: NCR
 July 2024 – July 2025
 (2018=100)



Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

The inflation rate in NCR eases to 1.7 percent

In July 2025, the inflation rate in the NCR moved to a slower rate at 1.7 percent, from 2.6 percent in June 2025. This 0.9 percentage point decrease represents the sharpest monthly deceleration in inflation since January 2025. In July 2024, inflation rate in the region was recorded at 3.7 percent. (Figure 2)

Figure 2. Inflation Rates in NCR, All Items
July 2024 – July 2025
(2018=100)



Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

Similarly, the headline inflation at the national level decreased to 0.9 percent in July 2025 from 1.4 percent in June 2025, still lower than the inflation rate in the NCR.

Several regions experienced a decrease in inflation. Region II (Cagayan Valley) recorded the highest dip with at 1.2 percentage point, followed by Region III (Central Luzon) with a 1.1 percentage point decrease, and Region XI (Davao Region), recorded a 1.0 percentage point decrease.

Housing, water, electricity, gas, and other fuels contribute to the slower inflation rate in NCR

The slower inflation in NCR was primarily driven by the housing, water, electricity, gas, and other fuels index, which decreased from 6.0 percent in June 2025 to 3.7 percent in July 2025. This contributed approximately 70.1 percent share overall decrease in inflation.

The index of food and non-alcoholic beverages was the second-largest contributor to the region's decelerating inflation which decreased from 2.3 percent in June 2025,

to 1.8 percent in July 2025. This was followed by the index of transport, which dips to negative 2.3 percent during the month from negative 1.6 percent in the previous month.

Likewise, gradual annual decline during the month were observed in the indices of the following commodity groups:

- a) Furnishings, household equipment and routine household maintenance, 0.4 percent;
- b) Health, 1.5 percent;
- c) Recreation, sport and culture, 0.6 percent;
- d) Education Services, 2.6 percent; and
- e) Restaurants and accommodation services, 0.9 percent.

Meanwhile, the indices for the remaining commodity groups stayed at their respective annual rates in June 2025.

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

Commodity Group	Jul 2024	Jun 2025	Jul 2025
All Items	3.7	2.6	1.7
Food and non-alcoholic beverages	5.2	2.3	1.8
Alcoholic beverages and tobacco	2.9	2.5	2.5
Clothing and footwear	1.9	0.8	0.8
Housing, water, electricity, gas, and other fuels	3.3	6.0	3.7
Furnishings, household equipment, and routine household maintenance	1.2	0.5	0.4
Health	2.4	1.7	1.5
Transport	3.5	-1.6	-2.3
Information and communication	0.2	0.0	0.0
Recreation, sport, and culture	1.5	0.7	0.6
Education services	5.1	2.8	2.6
Restaurants and accommodation services	3.6	1.3	0.9
Financial services	-0.1	0.0	0.0
Personal care and miscellaneous goods and services	2.6	2.0	2.0

Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

Food Inflation in NCR subsides to 1.7 percent

The food inflation in the NCR subsided to 1.7 percent in July 2025 far below the 5.5 percent inflation rate posted in July 2024. Moreover, slower annual decrease were observed in the indices of meat and other parts of slaughtered land animals at 8.5 percent; followed by fruits and nuts at 2.9 percent; and rice at negative 10.2 percent.

Likewise, the annual decrease during the month were observed in the indices of corn at 12.4 percent, and milk and other dairy products, and eggs at 4.6 percent.

On the contrary, upticks on its annual rate were observed in the indices of:

- a) Flour, bread and other bakery products, pasta products, and other cereals, 0.8 percent;
- b) Fish and other seafood, 6.1 percent;
- c) Oils and fats, 1.8 percent;
- d) Vegetables, tubers, plantains, cooking bananas, and pulses, negative 3.6 percent;
- e) Sugar, confectionery and desserts, negative 0.7 percent;
- f) Ready-made food and other food products n.e.c. at 1.6 percent.

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

Commodity Group	Jun 2024	Apr 2025	May 2025
FOOD	5.5	2.2	1.7
Cereals and cereal products	10.3	-5.6	-6.0
Cereals	16.1	-9.2	-10.0
Rice	16.1	-9.5	-10.2
Corn	20.9	18.7	12.4
Flour, bread, and other bakery products, pasta products, and other cereals	1.5	0.7	0.8
Meat and other parts of slaughtered land animals	5.8	10.5	8.5
Fish and other seafood	0.7	5.0	6.1
Milk, other dairy products, and eggs	2.2	5.3	4.6
Oils and fats	-4.6	1.2	1.8
Fruits and nuts	12.4	6.4	2.9
Vegetables, tubers, plantains, cooking bananas and pulses	4.2	-4.8	-3.6
Sugar, confectionery, and desserts	-1.1	-1.0	-0.7
Ready-made food and other food products n.e.c.	4.6	1.5	1.6

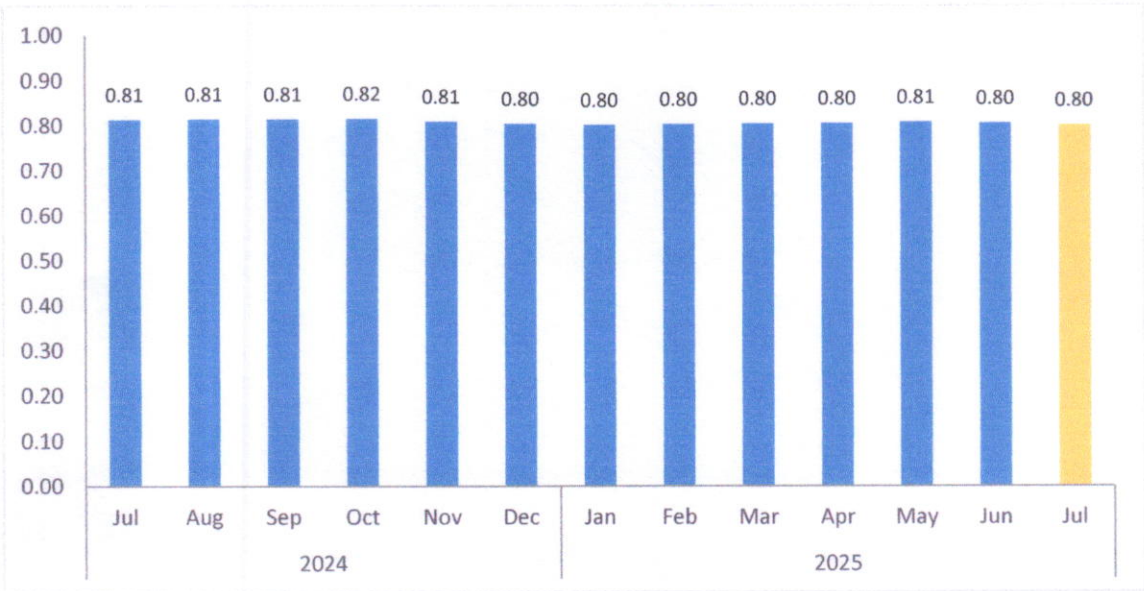
Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

Peso purchasing power remains at 0.80

The Purchasing Power of the Peso (PPP) in the region remained to 0.80 in July 2025. This means that the real value of PhP1.00 in 2018 prices is equivalent to PhP0.80 in July 2025. In comparison, the PPP in NCR was slightly higher at 0.81 in July 2024, indicating a gradual decline in the peso's purchasing power over the past year. (Figure 3)

The PPP is inversely related to the CPI; thus, an increase in the CPI will result in a decrease in the PPP.

Figure 3. Purchasing Power of the Peso: NCR
July 2024 – July 2025
(2018=100)



Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

for *Sanitell*
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 households.

The commodities included in the 2018-based CPI Market basket are the modal commodities which were considered 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 expenditure of 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.