

SPECIAL RELEASE

**Summary Inflation Report
Consumer Price Index
(2018=100)
National Capital Region: May 2024**

Date of Release: 06 June 2024

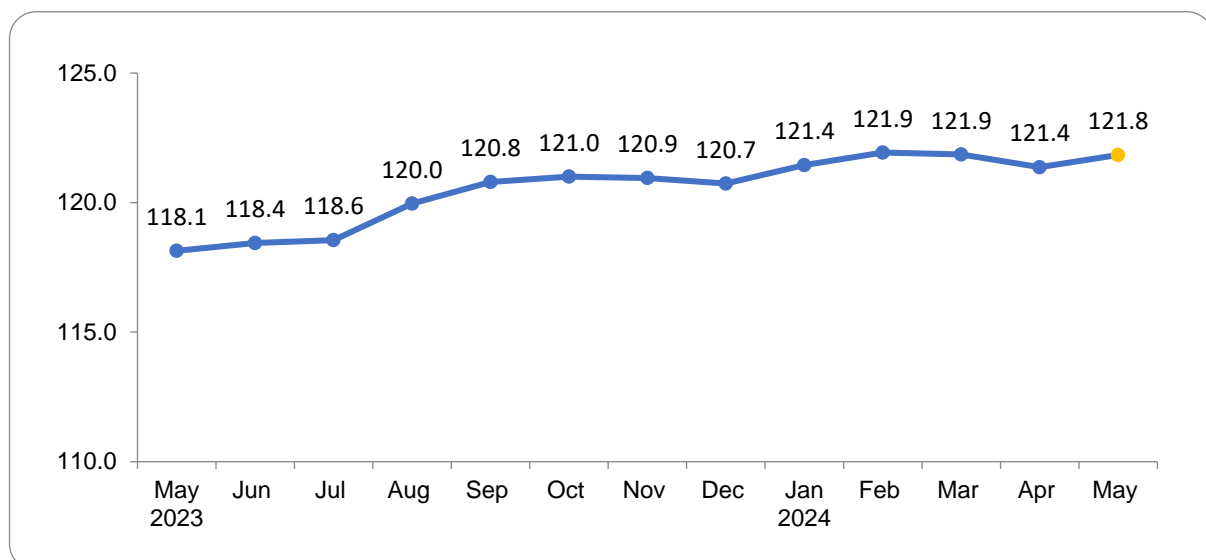
Reference No. 2024-SR-13-

Consumer Price Index in the NCR has upticks to 121.8 percent

The Consumer Price Index (CPI) for the National Capital Region (NCR) experienced a slight uptick, rising by 0.4 percentage points from 121.4 percent in April 2024 to 121.8 percent in May 2024. Compared to May 2023, the CPI showed a year-on-year increase of 3.7 percentage points, climbing from 118.1 percent. Throughout this timeframe, the NCR's CPI consistently stayed below the overall CPI of the Philippines, which reached 125.6 percent in May 2024, marking a 0.1 percentage point increase from the previous month's index of 125.5 percent.

In May 2024, the CPI of 121.8 percent indicates that consumer prices in the NCR had risen by 21.8 percent compared to the base year of 2018. This means that a basket of goods valued at PHP 100.00 in 2018 can now be purchased at PHP 121.8 in May 2024 by an average Filipino household in NCR. (Figure 1)

Figure 1. Consumer Price Index, All Items: NCR
May 2023 – May 2024
(2018=100)

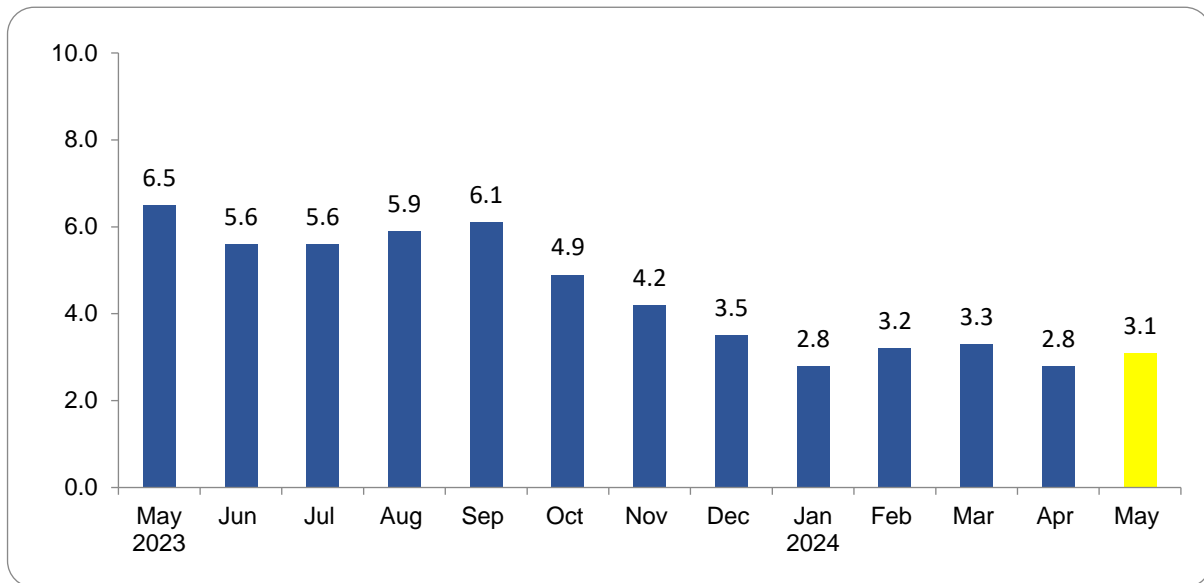


Source: Philippine Statistics Authority

Inflation rate in NCR increases to 3.1 percent.

In May 2024, the inflation rate in NCR experienced a marginal uptick reaching 3.1 percent, compared to 2.8 percent in April 2024. This marks a 0.3 percent increase in inflation compared to the preceding month. In May 2023, the inflation rate in the region stood at 6.5 percent. (Figure 2)

Figure 2. Inflation Rates in NCR, All Items
May 2023 – May 2024
(2018=100)



Source: Philippine Statistics Authority

Similarly, on a national scale, inflation in the Philippines saw a slight increase to 3.9 percent in May 2024 from 3.8 percent in April 2024. This upward trajectory in inflation was observed across six (6) out of the seventeen regions. Central Visayas observed the most significant increase in its inflation rate, with a rise of 0.8 percentage points. This was followed by National Capital Region (NCR) with an increase of 0.3 percentage points. And three (3) other provinces, Western Visayas, Northern Mindanao and Davao Region, each experiencing an increase of 0.2 percentage points.

Food and non-alcoholic beverages contributes acceleration within NCR.

The food and non-alcoholic beverages index made the most significant contribution to the increase in the inflation rate in NCR with a 4.4 percent increase during the month from 3.8 percent in April 2024. The increase in the inflation rate in food and non-alcoholic beverages contributed to around 46.7 percent to the overall uptrend in inflation for the month. The index of housing, water, electricity, gas, and other fuels came next as the major contributor to higher inflation in the region as it accelerated to 1.9 percent this May 2024 from 1.4 percent inflation rate in April 2024. This was followed by the index of Transport which registered an increase of 3.4 percent from its 2.6 percent in the previous month.

On the other hand, annual decreases were observed in the indices of the following commodity groups:

- a. Alcoholic beverage and tobacco, 4.2 percent from 3.5 percent;
- b. Clothing and footwear, from 2.2 percent to 2.1 percent;
- c. Furnishings, household equipment and routine household maintenance, from 1.9 percent to to 1.7 percent;
- d. Health, from 2.6 percent to 2.5 percent;
- e. Recreation, sports and cultute, from 1.7 percent to 1.6 percent; and
- f. Personal care, and miscellaneous goods and services, from 2.9 percent to 2.8 percent.

Meanwhile, the annual growth rates for the remaining commodity groups held on to the previous month's record. (Table 1)

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

Commodity Group	May 2023	Apr 2024	May 2024
All Items	6.5	2.8	3.1
Food and non-alcoholic beverages	7.6	3.8	4.4
Alcoholic beverages and tobacco	7.4	4.2	3.5
Clothing and footwear	2.9	2.2	2.1
Housing, water, electricity, gas, and other fuels	7.5	1.4	1.9
Furnishings, household equipment and routine household maintenance	6.4	1.9	1.7
Health	2.1	2.6	2.5
Transport	1.1	2.6	3.4
Information and communication	0.5	0.2	0.2
Recreation, sport and culture	3.5	1.7	1.6
Education services	8.1	3.9	3.9
Restaurants and accommodation services	9.5	4.1	4.1
Financial services	0.0	-0.1	-0.1
Personal care, and miscellaneous goods and services	3.8	2.9	2.8

Source: Philippine Statistics Authority

Food inflation bounces to 4.6 percent

Inflation of food bounced to 4.6 percent this May 2024, recording a 0.6 percentage points increase from 4.0 percent inflation in April 2024. The speed up of food inflation was mainly brought by the higher year-on-year growth rate in the index of meat and other parts of slaughtered land animals which increased to 1.8 percent in May 2024 from negative 0.2 percent in April 2024. This was followed by the index of rice which registered an annual increase of 17.7 percent this month from 16.4 percent in April 2024, and the commodity groups of fish and other seafood and milk, other dairy products and eggs which registered higher inflation with upticks from 1.0 percent from previous month to 1.4 percent in May 2024 and 0.8 percent in April 2024 to 1.5 percent this May 2024 on their inflation rate, respectively. Other three commodity groups have

contributed to the higher inflation in the region, these are Ready-made food and other food products n.e.c. with annual increase from 4.3 percent form 3.4 percent from the previous month, oil and fats with an annual increase from negative 5.7 percent this May 2024 from negative 5.9 percent from April 2024 and corn was recorded at 4.3 percent from 3.9 percent in the previous month.

Meanwhile, the following four commodity groups also exhibited lower inflation this month:

- a) Flour, bread and other bakery products, pasta products, and other cereals, moved down to 2.5 percent;
- b) Fruits and nuts, 7.2 percent;
- c) Vegetables, tubers, plantains, cooking bananas and pulses, 2.9; and
- d) Sugar, confectionery and desserts, -0.3 percent.

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

Commodity Group	May 2023	Apr 2024	May 2024
FOOD	7.7	4.0	4.6
Cereals and cereal products	5.3	11.2	11.6
Cereals	1.5	16.3	17.5
Rice	1.3	16.4	17.7
Corn	20.8	3.9	4.3
Flour, bread and other bakery products, pasta products, and other cereals	12.0	3.3	2.5
Meat and other parts of slaughtered land animals	2.4	-0.2	1.8
Fish and other seafood	4.6	1.0	1.4
Milk, other dairy products and eggs	11.3	0.8	1.5
Oils and fats	11.4	-5.9	-5.7
Fruits and nuts	26.4	8.2	7.2
Vegetables, tubers, plantains, cooking bananas and pulses	15.4	5.3	2.9
Sugar, confectionery and desserts	25.7	0.4	-0.3
Ready-made food and other food products n.e.c.	11.3	3.4	4.3

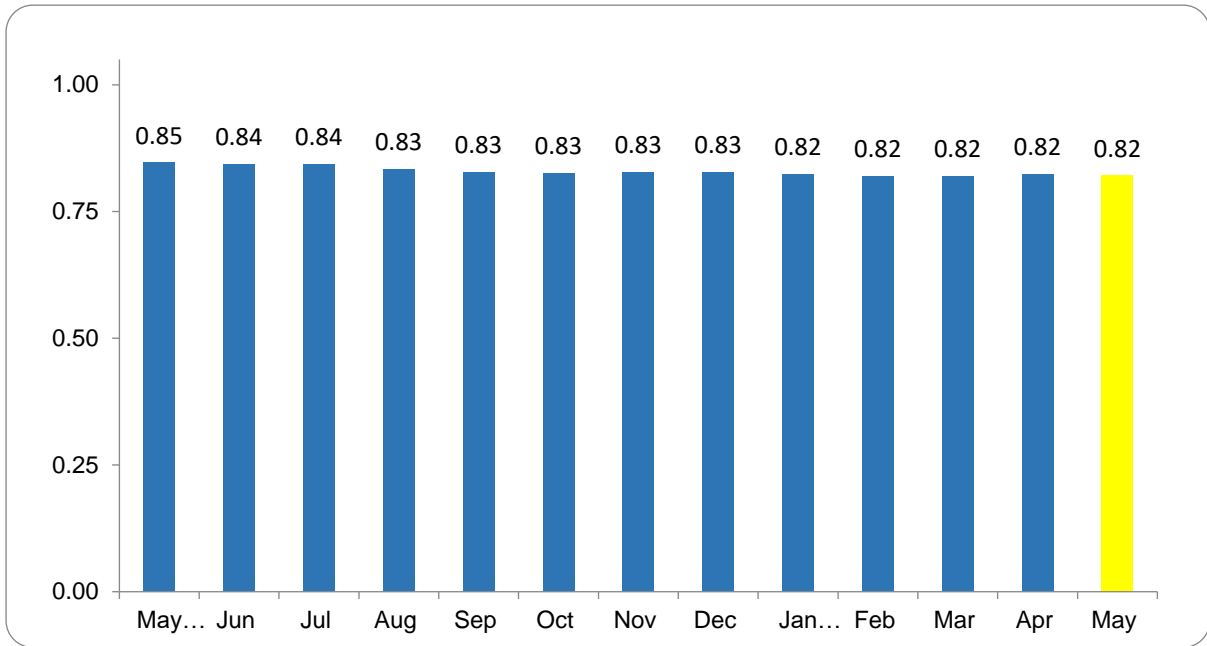
Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP) remains at 0.82

The PPP is a measure of the real value of the peso in a given period relative to a chosen reference period 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.

In May 2024, the PPP in NCR remains at 0.82, this is the fifth time that the PPP held on to its previous month's level. The PPP in May 2023 was at 0.85. (Figure 3)

Figure 3. Purchasing Power of the Peso: NCR
May 2023 – May 2024
(2018=100)



Source: Philippine Statistics Authority

PACIANO B. DIZON
Regional Director

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.