



SPECIAL RELEASE

**SUMMARY INFLATION REPORT
CONSUMER PRICE INDEX
(2018=100)**

NATIONAL CAPITAL REGION: SEPTEMBER 2022

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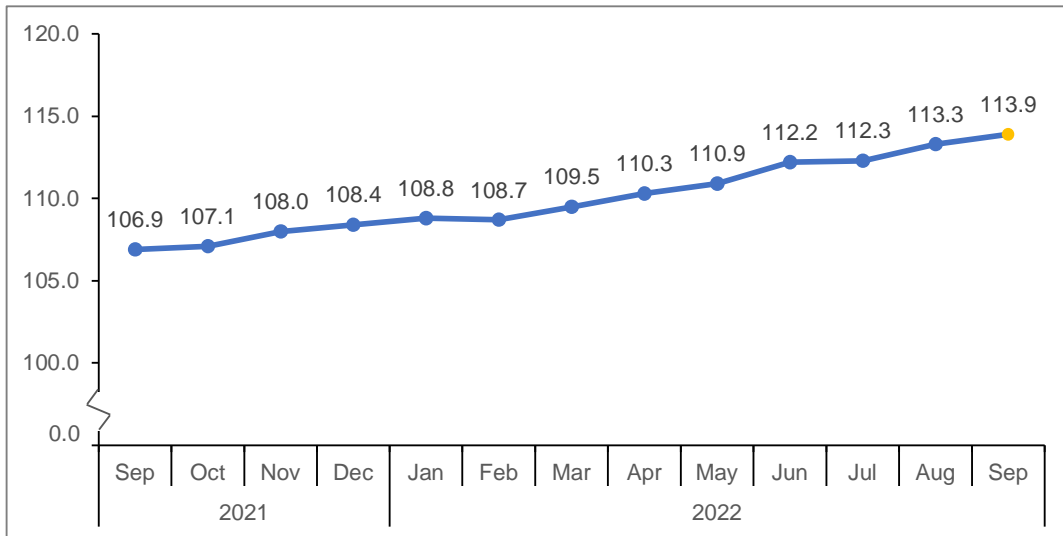
This special release presents data on Consumer Price Index (CPI for all income households in the National Capital Region (NCR). The CPI is an indicator of the change in the average prices of goods and services commonly purchased by consumers relative to a base year. It is most widely used in the calculation of the Inflation Rate and Purchasing Power of the Peso (PPP). The Inflation Rate is defined as the annual rate of change or the year-on-year change in the CPI. On the other hand, the PPP is a measure of the real value of the peso in a given period relative to a chosen reference period. The PSA releases data on CPI five days after the reference month which is posted on the PSA website (www.psa.gov.ph). Data series are also available at the OpenSTAT database portal of the PSA website.

Consumer Price Index in NCR increases to 113.9 percent

The Consumer Price Index increased to 113.9 percent in September 2022 from 113.3 percent in August 2022. On yearly basis, the CPI grew by 7.0 percentage points during the month from 109.6 percent in August 2021. The CPI in NCR consistently remained below the Philippine's record with 116.8 percent in September 2022. Across all regions, the CPI in NCR remained the second-lowest among the 17 regions with Central Visayas registering the lowest at 113.3 percent. On the other hand, Bicol Region had the highest CPI in September 2022 with 121.4 percent. Meanwhile, the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) registered the highest increase of 1.2 percentage points in CPI or from 109.9 percent in August 2022 to 116.5 percent in September 2022.

The CPI of 113.9 in September 2022 indicated that consumer prices, on average, had increased by 13.9 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 PhP113.9 in September 2022. (Figure 1)

Figure 1. Consumer Price Index, All Items: NCR
September 2021 - September 2022
(2018=100)

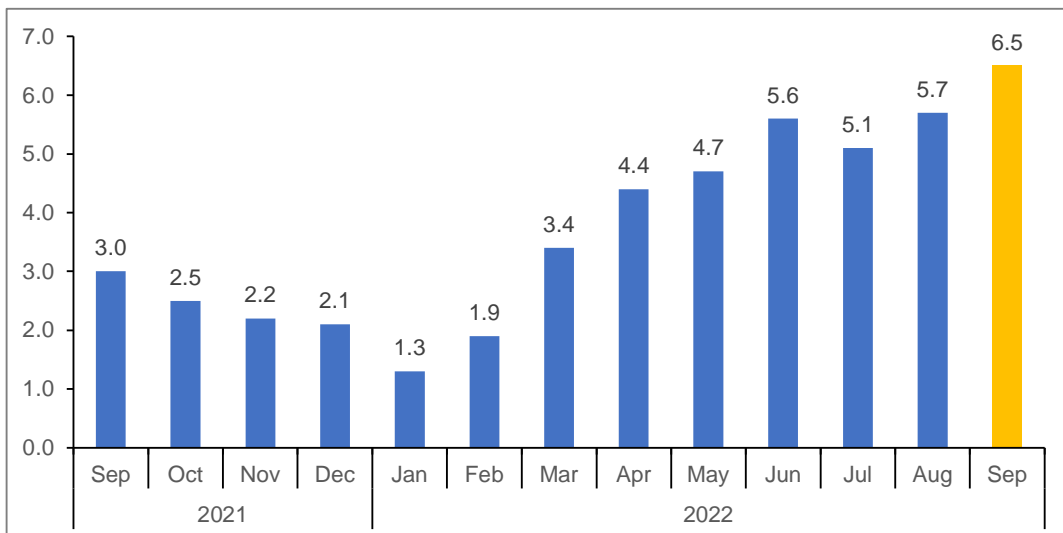


Source: Philippine Statistics Authority

Inflation rate in NCR accelerates to 6.5 percent

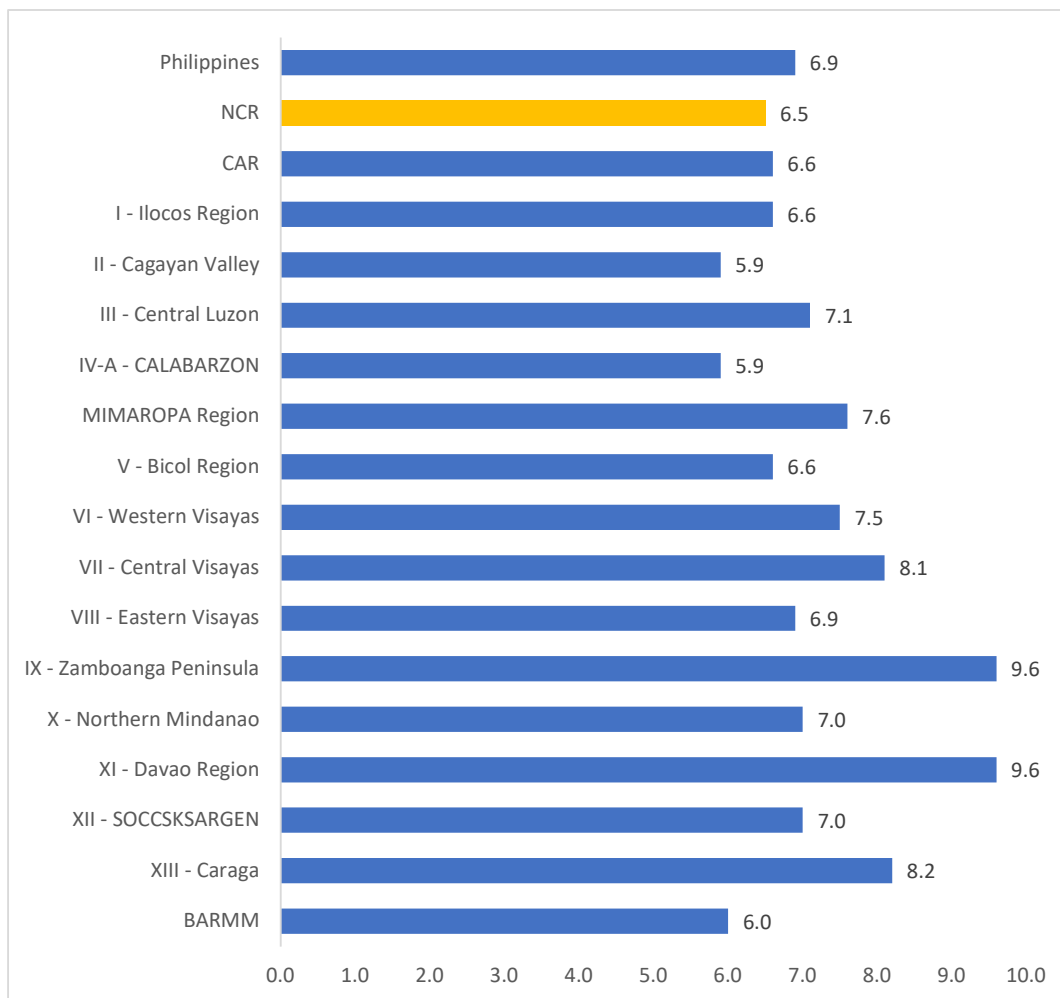
The inflation rate in NCR accelerated to 6.5 percent in September 2022 from 5.7 percent in the previous month. In September 2021, the Inflation rate was lower at 3.0 percent. The average inflation rate from January to September 2022 stood at 4.3 percent. (Figure 2)

Figure 2. Inflation Rates in NCR, All Items
September 2021 - September 2022
(2018=100)



Across all regions, NCR was in third place among the regions with lower inflation rates in September 2022. The lowest inflation rate was recorded in Region IV-A (CALABARZON) with 5.9 percent followed by BARMM with 6.0 percent. On the other hand, Region IX (Zamboanga Peninsula) and Region X (Davao Region) registered the highest with both 9.6 percent followed by Region XIII (Caraga) with 8.2 percent. At the national level, the headline inflation rate for the Philippines stood at 6.9 percent during the month up by 0.6 percentage points from 6.3 percent in August 2022. (Figure 3)

Figure 3. Year-on Year Inflation Rates by Region, All Items: September 2022 (2018=100)



Source: Philippine Statistics Authority

Index of food and non-alcoholic beverages is the main contributor to the faster inflation in NCR

The acceleration of inflation in NCR was brought about by the higher annual hike in the food and non-alcoholic beverages index at 8.5 percent, from 6.2 percent in August 2022. Also contributing to the uptrend in the inflation in NCR were the higher annual increases in the indices of housing, water, electricity, gas and other fuels at 5.3 percent; recreation, sport, and culture at 1.5 percent; and restaurants and accommodation services at 5.9 percent.

On the other hand, lower annual increases were noted in the indices of the following commodity groups:

- a. Clothing and footwear, 2.2 percent;
- b. Health, 0.7 percent;
- c. Transport, 14.3 percent; and
- d. Personal care, and miscellaneous goods and services, 2.2 percent.

The indices of the rest of the commodity groups retained their respective August 2022 rates. (Table 1)

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

Commodity Group	Sep 2021	Aug 2022	Sep 2022
All Items	3.0	5.7	6.5
Food and Non-Alcoholic Beverages	3.6	6.2	8.5
Alcoholic Beverages and Tobacco	8.4	7.8	7.8
Clothing and Footwear	0.7	2.3	2.2
Housing, Water, Electricity, Gas, and Other Fuels	3.0	4.6	5.3
Furnishings, Household Equipment and Routine Household Maintenance	1.0	3.3	3.3
Health	2.3	1.0	0.7
Transport	4.4	14.7	14.3
Information and Communication	0.4	0.0	0.0
Recreation, Sport and Culture	0.3	1.4	1.5
Education Services	-0.1	8.1	8.1
Restaurants and Accommodation Services	2.9	5.7	5.9
Financial Services	46.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	1.7	2.3	2.2

Source: Philippine Statistics Authority

Inflation of food moves faster at 8.8 percent

The inflation of the food index moved faster at 8.8 percent in September 2022 from 6.4 percent in the previous month. In September 2021, the food index had 4.0 percent inflation.

The acceleration in food inflation was primarily influenced by the turned around in the index of vegetables, tubers, plantains, cooking bananas and pulses at 23.7 percent in September 2022 from -7.4 percent in August 2022. Similarly, the following food commodity groups also exhibited higher annual increments in September 2022 as compared to the previous month:

- a) Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, 11.7 percent;
- b) Milk, other dairy products and eggs, 11.9 percent;
- c) Oils and fats, 22.5 percent;
- d) Sugar, confectionery and desserts, 22.1 percent; and
- e) Ready-made food and other food products n.e.c., 9.5 percent

The index of cereals and cereal products exhibited a slowdown in inflation to 4.1 percent during the month from 4.5 percent in August 2022. The deceleration in the inflation was brought mainly by the contraction in inflation of Rice to -0.2 percent from 0.8 percent and slowed down in the inflation of corn to 10.9 percent from 12.1 percent. In contrast, the inflation of flour, bread and other bakery products, pasta products, and other cereals inched up to 11.7 percent in September 2022 from 10.9 percent in the previous month. (Table 2)

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

Commodity Group	Sep 2021	Aug 2022	Sep 2022
FOOD	4.0	6.4	8.8
Cereals and cereal products	1.0	4.5	4.1
Cereals	0.7	0.9	-0.1
Rice	0.7	0.8	-0.2
Corn	1.6	12.1	10.9
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	1.5	10.9	11.7
Meat and other parts of slaughtered land animals	12.4	8.2	6.0
Fish and other seafood	7.1	9.5	9.1
Milk, other dairy products and eggs	-1.6	10.7	11.9
Oils and fats	5.1	21.0	22.5
Fruits and nuts	-13.8	4.9	3.3
Vegetables, tubers, plantains, cooking bananas and pulses	7.3	-7.4	23.7
Sugar, confectionery and desserts	0.6	19.6	22.1
Ready-made food and other food products n.e.c.	0.5	8.1	9.5

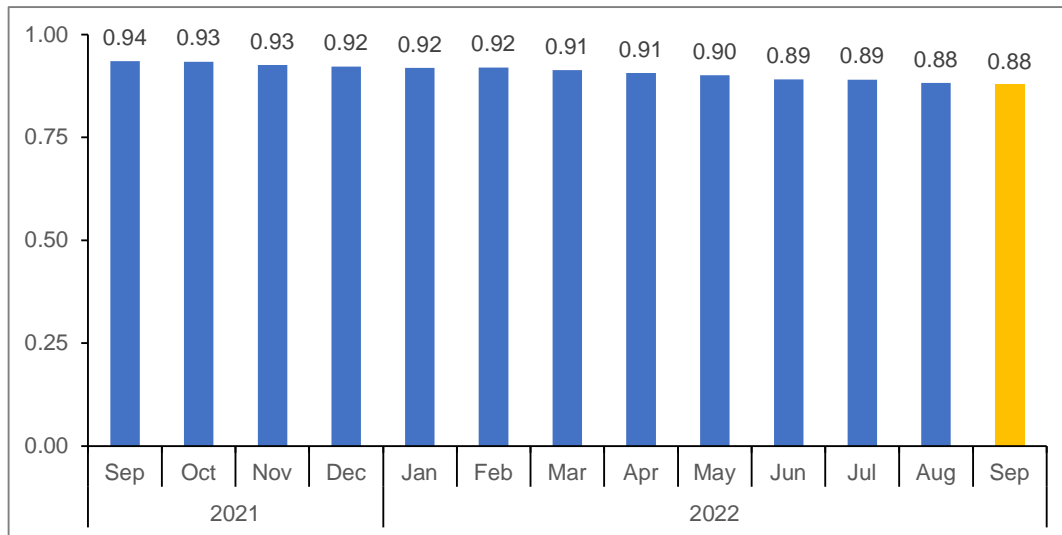
Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP) remains at 0.88

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.

In September 2022, the PPP in NCR retained its previous month's level of 0.88. The increase of CPI in September 2022 did not significantly affect the PPP in NCR. Meanwhile, the PPP in September 2021 was higher at 0.94. (Figure 4)

Figure 4. Purchasing Power of the Peso: NCR
September 2021 - September 2022
(2018=100)



Source: Philippine Statistics Authority


PACIANO B. DIZON
Regional Director

EGB/JCR

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 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.