



SPECIAL RELEASE

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

Date of Release: 09 June 2025

Reference No. 2025-SR-13-29

Consumer Price Index in NCR declines to 124.3

The Consumer Price Index (CPI) in the National Capital Region (NCR) declined to 123.9 in May 2025 from 124.3 in April 2025 (2018=100). It marks the fourth consecutive month of decline following a gradual decrease from the peak level of 124.9 recorded in January 2025.

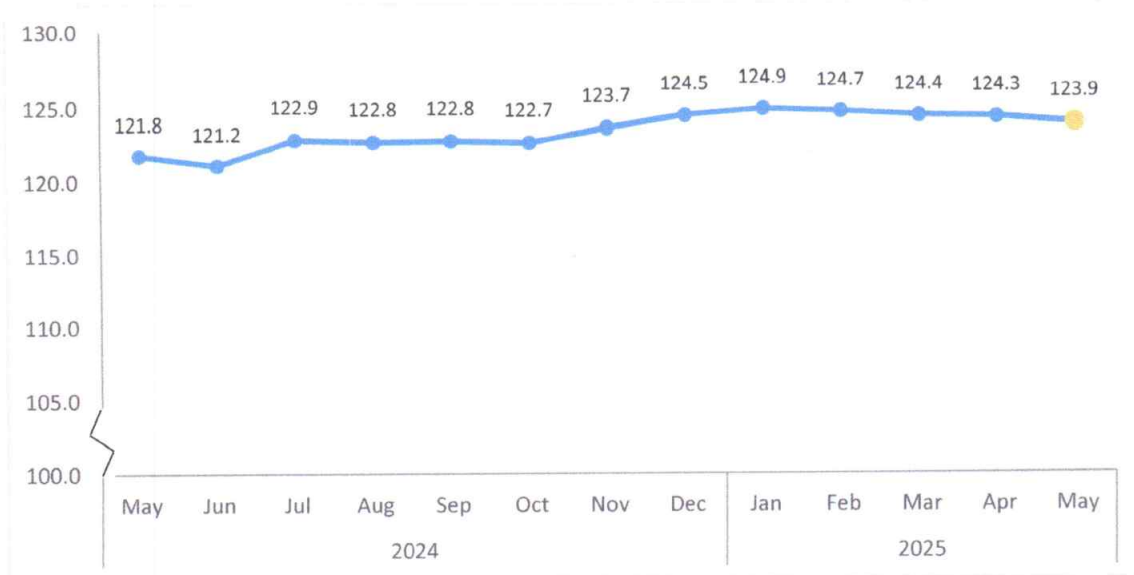
From June 2024 to November 2024, the CPI in NCR generally showed an upward trend, rising from 121.2 in June to 123.7 in November. This upward movement continued in December, reaching 124.5, and peaked at 124.9 in January 2025. However, beginning February 2025, the CPI began to decline gradually, from 124.7 to 123.9 in May 2025.

Over the 12-month period, the CPI increased by 2.1 index points, from 121.8 in May 2024 to 123.9 in May 2025. The CPI in NCR remained lower than the national level, which stood at 127.2 in May 2025.

The CPI of 123.9 in May 2025 indicates that, on average, prices of goods and services in the region have increased by 23.9 percent compared to the 2018 base year. In practical terms, a basket of goods and services that cost PhP100.00 in 2018 for a typical household in NCR would now cost PhP123.90 in May 2025. (Figure 1)



Figure 1. Consumer Price Index, All Items: NCR
May 2024 – May 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

After a sustained deceleration from December 2024 to March 2025, the inflation rate in NCR accelerated in April 2025 before easing to 1.7 percent in May 2025 from 2.4 percent in the previous month, reflecting a 0.7 percentage point decrease. On an annual basis, the May 2025 inflation rate was also lower than the 3.1 percent recorded in May 2024. (Figure 2)

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



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

At the national level, the headline inflation rate further slowed to 1.3 percent in May 2025 from 1.4 percent in April 2025.

A decline in inflation was observed in most of the 18 regions in May 2025. The largest deceleration was recorded in Region VII (Central Visayas), with a decrease of 1.1 percentage points. This was followed by the MIMAROPA Region, which registered a 0.6 percentage point drop. Region II (Cagayan Valley), Region VI (Western Visayas), and Region XI (Davao Region) each posted a 0.3 percentage point decrease in inflation.

Housing, water, electricity, gas, and other fuels drive the deceleration of inflation in NCR

The main driver of the inflation deceleration in NCR was the slower annual increase in the index of Housing, Water, Electricity, Gas, and Other Fuels, which registered a 3.1 percent inflation rate in May 2025, down from 5.1 percent in April 2025. This commodity group contributed 74.4 percent to the overall downward trend in inflation for the month.

The restaurants and accommodation services commodity group was the second major contributor to the slower inflation in the region, as its inflation rate decelerated to 1.2 percent in May 2025 from 1.9 percent in April 2025. This was followed by the food and non-alcoholic beverages index, which declined to 2.2 percent in May 2025 from 2.5 percent in the previous month.

In addition, lower year-on-year growth rates were recorded in the indices of the following commodity groups in May 2025:

- a) Personal care, and miscellaneous goods, and services, 2.3 percent;
- b) Alcoholic beverages and tobacco, 2.3 percent; and
- c) Health, 1.5 percent;

In contrast, a slower annual increase was observed in the transport index, which registered a 0.1 percentage point decrease in May 2025 compared to the previous month.

The indices for the remaining commodity groups remained at their respective annual rates in May 2025. Information and communication, and financial services, continued to register a zero percent annual rate during the month

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

Commodity Group	May 2024	Apr 2025	May 2025
All Items	3.1	2.4	1.7
Food and non-alcoholic beverages	4.4	2.5	2.2
Alcoholic beverages and tobacco	3.5	2.5	2.3
Clothing and footwear	2.1	0.8	0.8
Housing, water, electricity, gas, and other fuels	1.9	5.1	3.1
Furnishings, household equipment and routine household maintenance	1.7	0.3	0.3
Health	2.5	1.6	1.5
Transport	3.4	-2.5	-2.4
Information and communication	0.2	0.0	0.0
Recreation, sport and culture	1.6	0.6	0.6
Education services	3.9	2.5	2.5
Restaurants and accommodation services	4.1	1.9	1.2
Financial services	-0.1	0.0	0.0
Personal care, and miscellaneous goods, and services	2.8	2.4	2.3

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

Food Inflation in NCR continues its fourth consecutive month of deceleration at 2.2 percent

Food inflation in the NCR continued its fourth consecutive month of deceleration, easing from 2.4 percent in April 2025 to 2.2 percent in May 2025, reflecting a 0.2 percentage point.

The deceleration of food inflation in the region was mainly attributed to the rice index, which recorded an annual decline of negative 9.1 percent in May 2025, compared to a negative 6.9 percent in the previous month. This commodity group accounted for 64.5 percent share of the overall downward trend in food inflation in the NCR. Followed by the slower annual growth rates in the indices of fish and other seafood at 5.0 percent in May 2025 from 6.1 percent in April 2025; and Ready-made food and other food products n.e.c., at 2.2 percent during the month, from 3.4 percent in the previous month.

Conversely, higher annual increases were observed in the indices of the following food groups in May 2025:

- a) Corn, 15.2 percent;
- b) Fruits and nuts, 5.0 percent;
- c) Vegetables, tubers, plantains, cooking bananas, and pulses, 4.9 percent;
- d) Oils and fats, 0.2 percent;
- e) Meat and other parts of slaughtered land animals, 7.3 percent;
- f) Milk, other dairy products, and eggs, 4.8 percent; and
- g) Sugar, confectionery, and desserts, -1.2 percent.

The flour, bread, and other bakery products, pasta products, and other cereals remained at their annual rate in May 2025.

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

Commodity Group	May 2024	Apr 2025	May 2025
FOOD	4.6	2.4	2.2
Cereals and cereal products	11.6	-4.0	-5.5
Cereals	17.5	-6.7	-8.9
Rice	17.7	-6.9	-9.1
Corn	4.3	11.9	15.2
Flour, bread and other bakery products, pasta products, and other cereals	2.5	0.6	0.6
Meat and other parts of slaughtered land animals	1.8	6.9	7.3
Fish and other seafood	1.4	6.1	5.0
Milk, other dairy products and eggs	1.5	4.5	4.8
Oils and fats	-5.7	-0.3	0.2
Fruits and nuts	7.2	3.2	5.0
Vegetables, tubers, plantains, cooking bananas and pulses	2.9	3.4	4.9
Sugar, confectionery and desserts	-0.3	-1.4	-1.2
Ready-made food and other food products	4.3	3.4	2.2
n.e.c.			

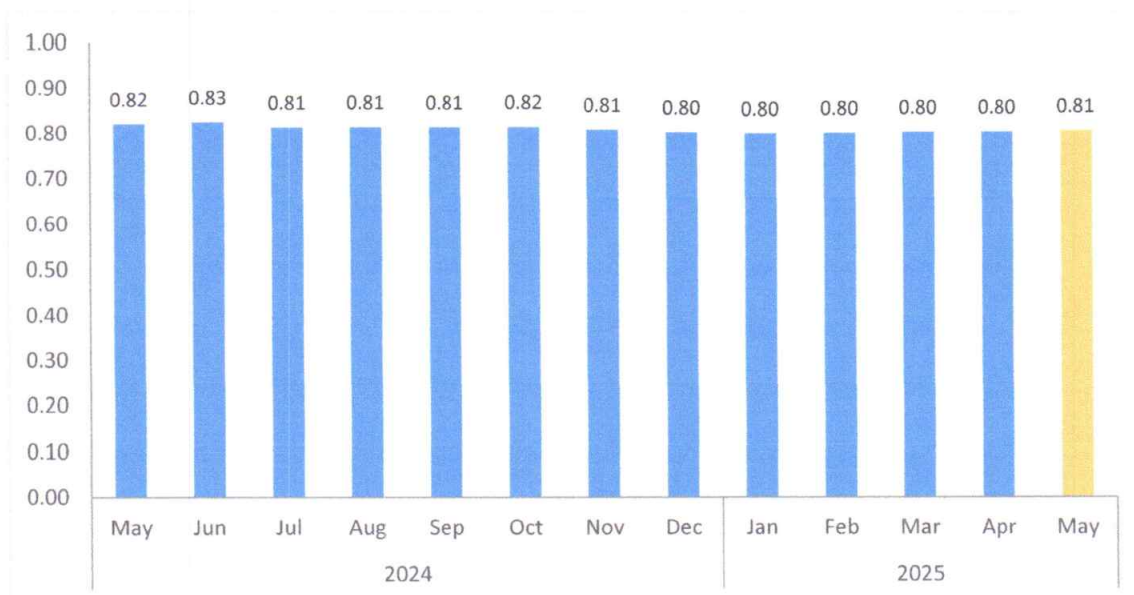
Source: Philippine Statistics Authority, Retail Price Survey of Selected Commodities for the Generation of Consumer Price Index

Peso purchasing power remains at 0.81

The Purchasing Power of the Peso (PPP) in the region increased to 0.81 in May 2025 as compared to the previous month. This indicates that the real value of PhP1.00 in 2018 prices is equivalent to PhP0.81 in May 2025. PPP in NCR was higher at 0.82 in May 2024, reflecting a gradual loss 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
May 2024 – May 2025
(2018=100)



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

PACIANO B. DIZON
Regional Director

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JCR/AJPO/MCDG

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.