



REPUBLIC OF THE PHILIPPINES

**PHILIPPINE STATISTICS AUTHORITY**

NATIONAL CAPITAL REGION

# SPECIAL RELEASE

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

**NATIONAL CAPITAL REGION: JULY 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](http://www.psa.gov.ph)). Data series are also available at the OpenSTAT database portal of the PSA website.

### **Consumer Price Index in NCR slightly increase to is almost unchanged with its previous month's level**

The region's Consumer Price Index this July 2022 stood at 112.3 percent which was almost at the same level with that of its previous month's record of 112.2 percent. On yearly basis, the CPI grew by 5.5 percentage points in July 2022 from 106.8 percent in July 2021. The CPI in NCR consistently remained below the Philippine's record of 115.8 percent. Across all regions, the CPI in NCR was still the second-lowest among the 17 regions with Central Visayas garnering the lowest at 112.0 percent. On the other hand, MIMAROPA region recorded the highest CPI in July 2022 with 120.3 percent. The CPI in MIMAROPA grew by 1.7 percentage points compared to its previous month's record of 118.6 percent.

The CPI of 112.3 in July 2022 indicated that consumer prices, on average, had increased by 12.3 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 Php112.3 in July 2022. (Figure 1)

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

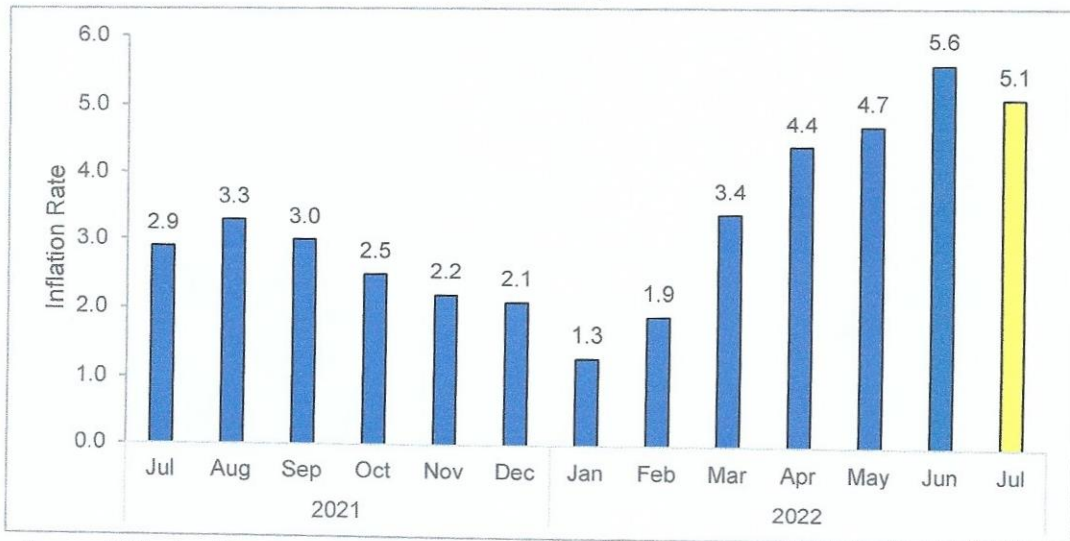


Source: Philippine Statistics Authority

### Inflation rate in NCR slow down to 5.1 percent

The inflation rate in NCR slowed down to 5.1 percent in July 2022 from 5.6 percent in the previous month. In July 2021, the Inflation rate was lower at 2.9 percent. The average inflation rate from January to July 2022 stood at 3.8 percent. (Figure 2)

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

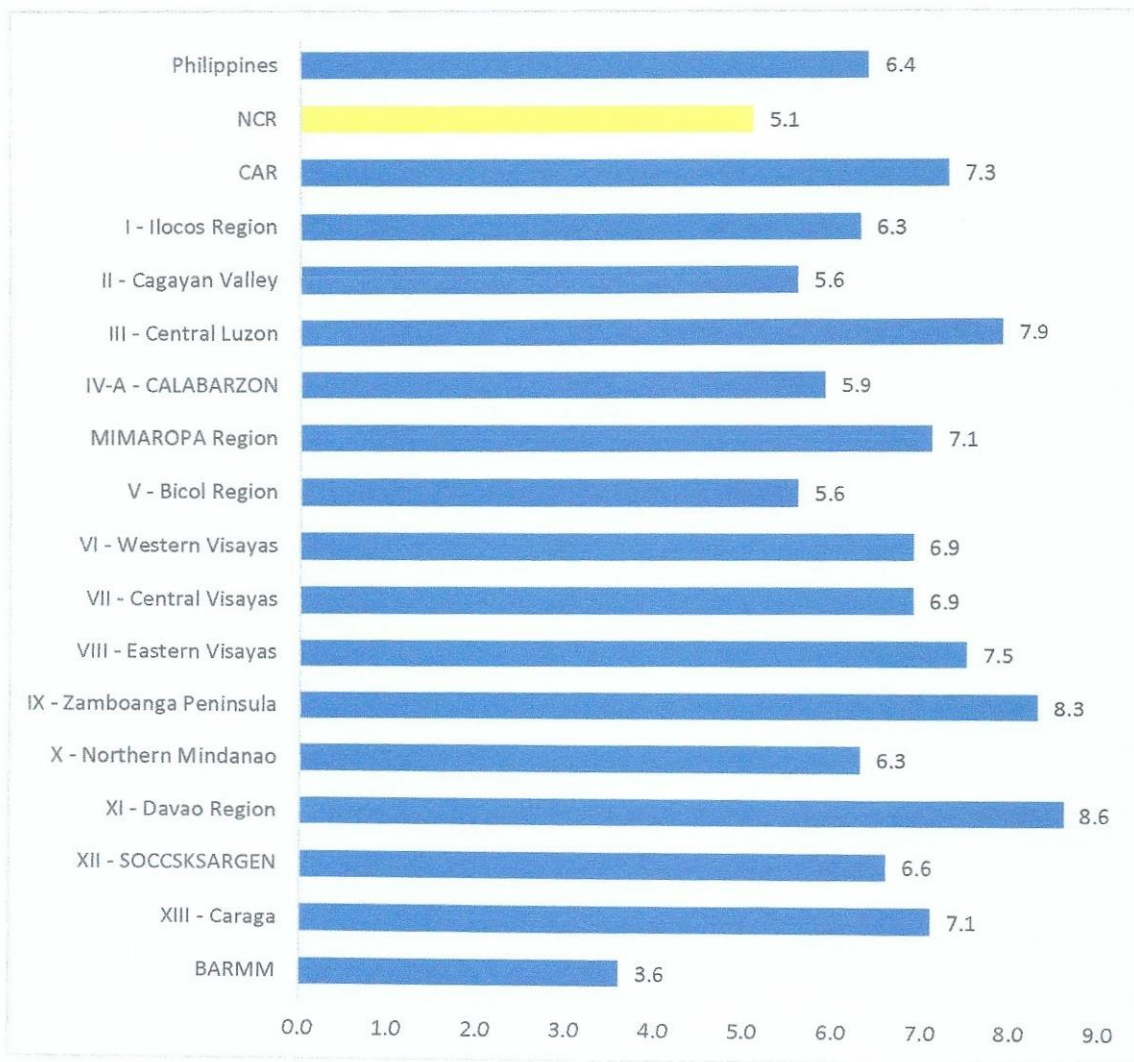


Source: Philippine Statistics Authority



Across all regions, NCR was in 2<sup>nd</sup> place among the regions with lower inflation rates in July 2022. The lowest inflation rate was observed in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) with 3.6 percent while Region XI (Davao Region) registered the highest with 8.6 percent followed by Region IX (Zamboanga Peninsula) with 8.3 percent and Region III (Central Luzon) with 7.9 percent. Meanwhile, headline inflation in the Philippines continued its uptrend direction and reached 6.4 percent in July 2022 from 6.1 in June 2022. (Figure 3)

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



Source: Philippine Statistics Authority

## Index of housing, water, electricity, gas and other fuels contributes to the deceleration of inflation in NCR

The deceleration of inflation in NCR this July 2022 was brought about by the lower annual increase in the housing, water, electricity, gas and other fuels index at 3.6 percent, from 5.9 percent in the previous month. Lower annual hikes were also observed in the indices of health at 1.3 percent, and personal care and miscellaneous goods and services at 2.0 percent.

On the other hand, higher annual hikes were noted in the indices of the following commodity groups during the month:

- a. Food and non-alcoholic beverages, 6.3 percent;
- b. Alcoholic beverages and tobacco, 7.4 percent;
- c. Clothing and footwear, 2.3 percent;
- d. Transport, 17.4 percent; and
- e. Restaurants and accommodation services, 3.0 percent.

The indices of the rest of the commodity groups retained their respective previous month's rates. (Table 1)

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

Commodity Group	July 2021	June 2022	July 2022
All Items	2.9	5.6	5.1
Food and Non-Alcoholic Beverages	4.2	6.1	6.3
Alcoholic Beverages and Tobacco	8.3	6.9	7.4
Clothing and Footwear	0.8	1.5	2.3
Housing, Water, Electricity, Gas, and Other Fuels	1.8	5.9	3.6
Furnishings, Household Equipment and Routine Household Maintenance	1.0	3.2	3.2
Health	2.1	1.9	1.3
Transport	3.8	17.2	17.4
Information and Communication	0.5	0.0	0.0
Recreation, Sport and Culture	-0.9	1.4	1.4
Education Services	0.3	-0.1	-0.1
Restaurants and Accommodation Services	3.0	2.9	3.0
Financial Services	46.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	1.6	2.3	2.0

Source: Philippine Statistics Authority

## **Inflation of food moves at a faster rate at 6.7 percent**

The inflation of the food index rose to 6.7 percent in July 2022, from 6.5 percent in the previous month. In July 2021, the food index had 4.6 percent inflation.

The increase in the inflation of the food index was driven by the higher inflation of milk, other dairy products and eggs which accelerated to 7.8 percent in July 2022 from 4.9 percent in the previous month. Similarly, the meat and other parts of slaughtered land animals commodity group also increased to 9.8 percent from 9.1 percent in June 2022, and the sugar, confectionery and desserts index rose to 14.4 percent from 9.4 percent in the previous month.

The following food commodity groups also exhibited higher annual increments in July 2022 as compared to the previous month:

- a) Flour, bread and other bakery products, pasta products, and other cereals., 9.1 percent;
- b) Ready-made food and other food products n.e.c., 7.6 percent;
- c) Oils and fats, 18.5 percent

The cereals and cereal products index also exhibited faster inflation with an uptick in the inflation of rice from -0.2 percent in June 2022 to 0.1 percent in July 2022. Inflation of corn, however, shrank to 11.1 percent during the month from 16.8 percent in July 2022. Similarly, annual increases in the indices of vegetables, tubers, plantains, cooking bananas and pulses also slowed down to 3.5 percent in July 2022 from 13.9 percent in the previous month. Meanwhile, the indices of fish and other seafood registered higher annual increments but was at the same level as the previous month's record at 7.9 percent. (Table 2)



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

Commodity Group	July 2021	June 2022	July 2022
FOOD	4.6	6.5	6.7
Cereals and cereal products	0.7	2.9	3.4
Cereals	0.4	0.0	0.2
Rice	0.4	-0.2	0.1
Corn	-4.4	16.8	11.1
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	1.3	8.1	9.1
Meat and other parts of slaughtered land animals	12.1	9.1	9.8
Fish and other seafood	7.8	7.9	7.9
Milk, other dairy products and eggs	-1.3	4.9	7.8
Oils and fats	4.7	15.9	18.5
Fruits and nuts	-10.9	-4.8	-2.0
Vegetables, tubers, plantains, cooking bananas and pulses	12.6	13.9	3.5
Sugar, confectionery and desserts	0.5	9.4	14.4
Ready-made food and other food products n.e.c.	-0.2	6.4	7.6

Source: Philippine Statistics Authority

### Purchasing Power of the Peso (PPP) remains at 0.89

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 remains at the same level as that of the previous month at 0.89. The slight increase in CPI between the period June and July 2022 did not affect the PPP in NCR. Meanwhile, the PPP in July 2021 was at 0.94. (Figure 4)

Figure 4. Purchasing Power of the Peso: NCR  
July 2021 - July 2022  
(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 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.