



SPECIAL RELEASE

SUMMARY INFLATION REPORT CONSUMER PRICE INDEX (2018=100)

NATIONAL CAPITAL REGION: June 2022

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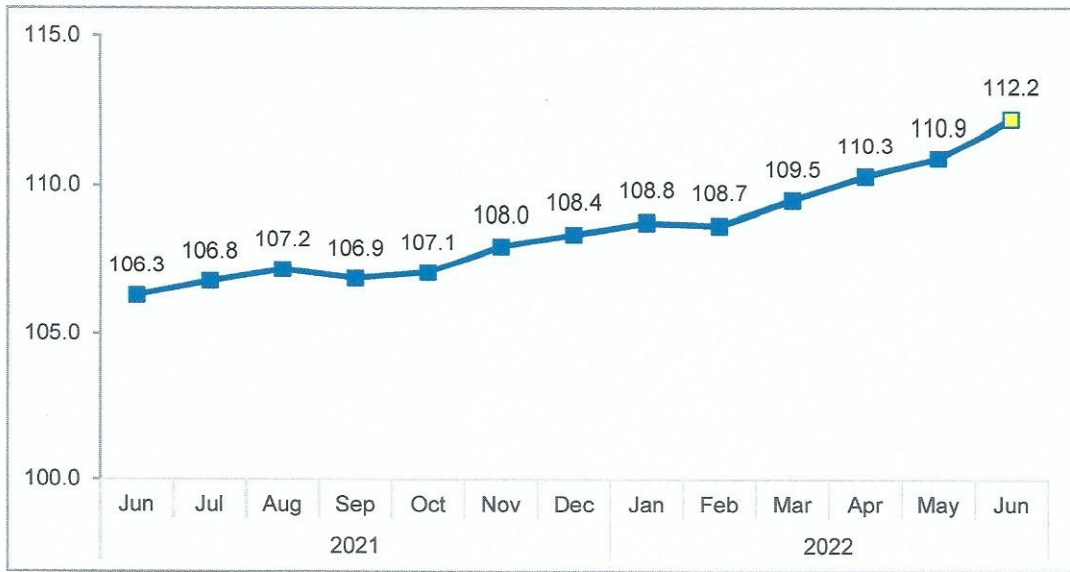
This special release presents data on Consumer Price Index (CPI for all income households in the National Capital Region (NCR). The CPI is an indicator of the change in the average prices of goods and services commonly purchased by consumers relative to a base year. It is most widely used in the calculation 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 further by 1.3 percentage points from its previous month's level

The Consumer Price Index this June 2022 in NCR stood at 112.2 which increased by 1.3 percentage points from the previous month's record of 110.9 percent. On yearly basis, the CPI grew by 5.9 percentage points in June 2022 from 106.3 in June 2021. The CPI in NCR consistently remained below the Philippine's record of 114.9. Across all regions, the CPI in NCR was still the second-lowest among the 17 regions with Central Visayas garnering the least at 110.9 percent. On the other hand, Bicol Region registered the highest CPI with 118.7.

The CPI of 112.2 in June 2022 indicated that consumer prices, on average, have increased by 12.2 percent from the base year 2018. It 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 PhP112.2 in June 2022. (Figure 1)

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

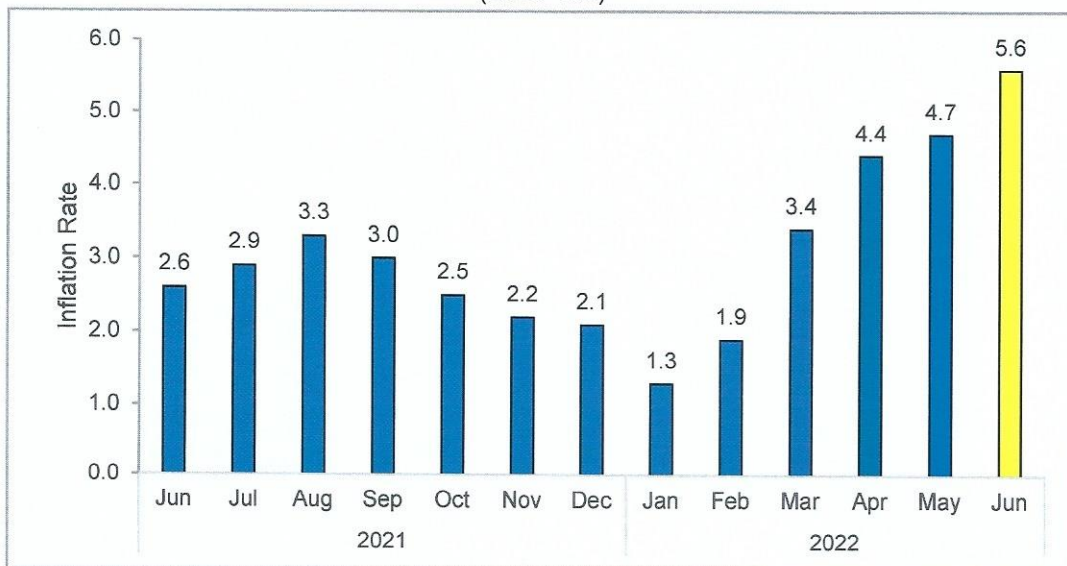


Source: Philippine Statistics Authority

Inflation rate in NCR accelerated to 5.6 percent

The Inflation rate in NCR accelerated to 5.6 percent in June 2022 from 4.7 percent in the previous month. In June 2021, the Inflation rate was lower at 2.6 percent. The average Inflation rate from January to June 2022 stood at 3.1 percent. (Figure 2)

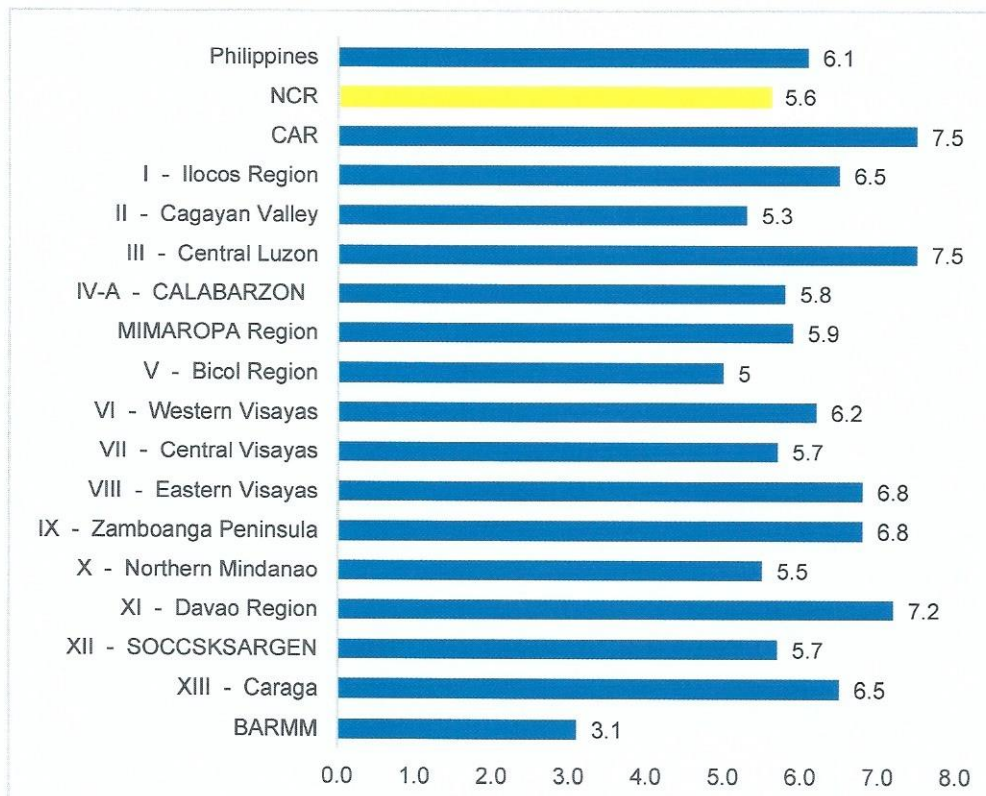
Figure 2. Inflation Rates in NCR, All Items
June 2021 - June 2022
(2018=100)



Source: Philippine Statistics Authority

Across all regions, NCR was in the 5th place from among the regions with lower inflation rates in June 2022. The lowest inflation rate was observed in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) with 3.1 percent while Cordillera Administrative Region (CAR) and Region III (Central Luzon) registered the highest with 7.5 percent. Headline inflation in the Philippines was observed at 6.1 percent. (Figure 3)

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



Source: Philippine Statistics Authority

Food and non-alcoholic beverages are still the largest contributors to the faster inflation in NCR

The increase in the region's inflation was largely brought about by the higher inflation of food and non-alcoholic beverages at 6.1 percent. The acceleration of inflation rate was also influenced by a higher increase in Transport with 17.2 percent and Housing, Water, Electricity, Gas and other Fuels at 5.9 percent.

In addition, what contributed to the uptrend in the overall inflation during the period were faster annual increments in the indices of the following commodity groups as compared with their previous month's inflation rates:

- a. Furnishings, Household Equipment and Routine Household Maintenance, 3.2 percent;
- b. Clothing and Footwear, 1.5 percent
- c. Alcoholic beverages and tobacco, 6.9 percent
- d. Personal Care, and Miscellaneous Goods and Services, 2.3 percent
- e. Recreation, Sport and Culture, 1.4 percent

The rest of the commodity groups either retained their previous month's inflation or had zero percent annual growth. (Table 1)

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

Area/Commodity Group	June 2021	May 2022	June 2022
ALL ITEMS	2.6	4.7	5.6
Food and Non-Alcoholic Beverages	3.5	4.6	6.1
Alcoholic Beverages and Tobacco	9.0	6.5	6.9
Clothing and Footwear	1.1	1.2	1.5
Housing, Water, Electricity, Gas, and Other Fuels	1.0	5.2	5.9
Furnishing, Household Equipment and Routine Household Maintenance	1.0	2.6	3.2
Health	2.3	1.9	1.9
Transport	4.5	13.8	17.2
Information and Communication	0.5	0.4	0.0
Recreation, Sport and Culture	-0.8	1.0	1.4
Education Services	0.3	-0.1	-0.1
Restaurants and Accommodation Services	3.4	3.3	2.9
Financial Services	46.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	1.3	2.2	2.3

Source: Philippine Statistics Authority

Annual growth rate in the food index rose further to 6.5 percent in June 2022, from 5.0 percent in the previous month. In June 2021, the food index had 3.8 percent inflation.

The increase in the inflation of the food index was driven by the higher inflation of Meat and other parts of slaughtered land animals which accelerated to 9.1 percent in June 2022 from 4.9 percent in the previous month. Similarly, the fish and other seafood commodity group also increased to 7.9 percent, and the flour, bread and other bakery products, pasta products, and other cereals rose to 8.1 percent.

The following food commodity groups also exhibited higher annual increments in June 2022:

- a) Milk, other dairy products, and eggs, 4.9 percent
- b) Ready-made food and other food products n.e.c., 6.4 percent
- c) Oils and Fats, 15.9 percent
- d) Sugar, confectionery, and desserts, 9.4 percent

On the other hand, annual increases of the indices of vegetables, tubers, plantains, cooking bananas and pulses slowed down to 13.9 percent in June 2022 from 20.1 in May 2022. Meanwhile, the indices of rice and fruit and nuts registered higher annual increments but were still negative at -0.2 percent and -4.8 percent, respectively. (Table 2)

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

Commodity Group	June 2021	May 2022	June 2022
FOOD	3.8	5.0	6.5
Cereals and cereal products	1.1	2.4	2.9
Cereals	0.9	-0.2	0.0
Rice	1.0	-0.3	-0.2
Corn	-9.3	11.2	16.8
Flour, Bread And Other Bakery Products, Pasta Products, And Other Cereals	1.4	7.0	8.1
Meat and other parts of slaughtered land animals	13.7	4.9	9.1
Fish and other seafood	6.1	7.5	7.9
Milk, other dairy products and eggs	-1.3	2.7	4.9
Oils and fats	4.2	13.3	15.9
Fruit and nuts	-9.9	-10.5	-4.8
Vegetables, tubers, plantains, cooking bananas and pulses	-1.4	20.1	13.9
Sugar, confectionery and desserts	0.4	7.5	9.4
Ready-made food and other food products n.e.c.	0.2	5.8	6.4

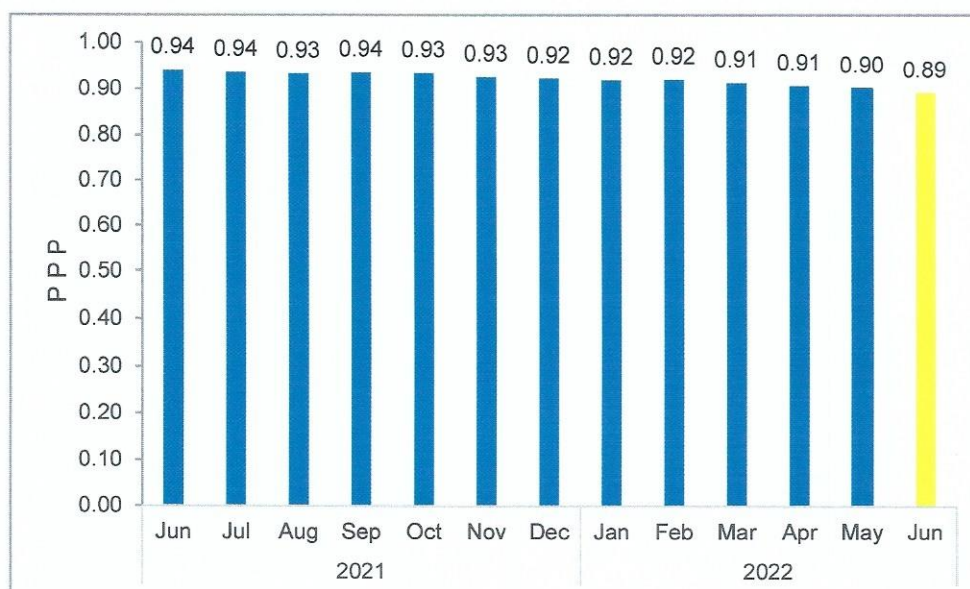
Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP) skids to 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.

In June 2022, the PPP in NCR slightly dropped to 0.89 from the previous month's level of 0.90. The increase in CPI between the period May and June 2022 slightly affected the PPP in NCR. Meanwhile, the PPP in June 2021 was at 0.94. (Figure 4)

Figure 4. Purchasing Power of the Peso: NCR
June 2021 - June 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.