SPECIAL RELEASE

Summary Inflation Report in Central Visayas
Consumer Price Index
(2018=100)

November 2022

Date of Release: <u>08 December 2022</u>
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Starting February 2022, the Philippine Statistics Authority (PSA) released the rebased Consumer Price Index (CPI) for all income households to base year 2018, from base year 2012 as announced in the press release number 2022-01 dated 04 January 2022. The CPI series for all income households for January 2022 onwards will be 2018-based.

Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)

Area	November 2021	October 2022	November 2022	Year-to-date*
Philippines	3.7	7.7	8.0	5.6
Central Visayas	2.6	7.9	8.3	6.4
Bohol	3.9	8.4	8.7	6.1
Cebu	2.4	10.8	10.7	9.3
Negros Oriental	5.1	6.7	7.7	6.2
Siquijor	3.4	9.6	10.2	7.4
City of Cebu	1.0	5.0	5.5	2.9
City of Lapu-Lapu	0.8	4.6	5.8	2.7
City of Mandaue	2.6	3.6	4.4	3.8

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

*Year-on-year change of average CPI for January to November, 2022 vs. 2021

Figure 1. Inflation Rates in Central Visayas, All Items (2018=100)
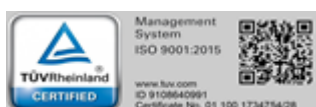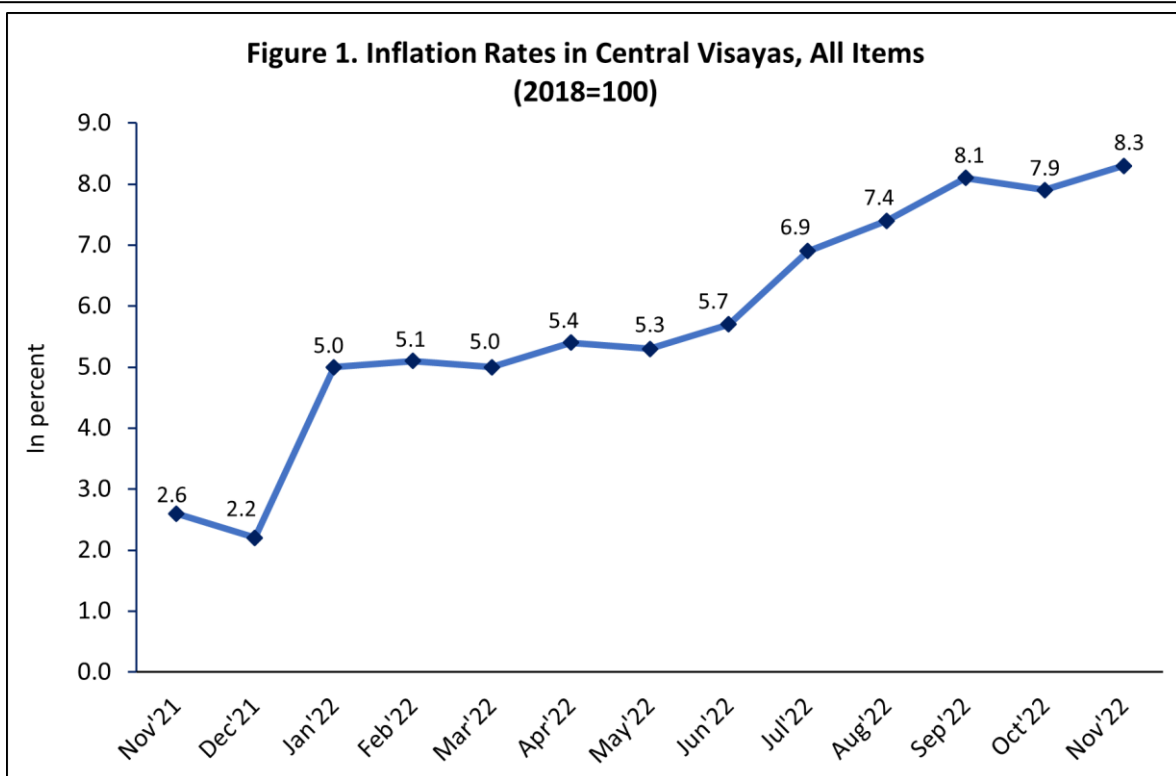
*Source: Philippine Statistics Authority*

1. The Philippines

The headline inflation in the Philippines continued its uptrend as it moved up further to 8.0 percent in November 2022, from 7.7 percent in October 2022. This is the highest recorded inflation since December 2008. With this month's inflation, the Philippines' average inflation rate from January to November 2022 stood at 5.6 percent. In November 2021, inflation rate was observed at 3.7 percent. (Table A)

2. Central Visayas

Inflation in Central Visayas accelerated to 8.3 percent in November 2022, from 7.9 percent in October 2022. This is the highest recorded regional inflation since November 2021. With this month's inflation, the region's average inflation from January to November 2022 stood at 6.4 percent. In November 2021, inflation rate in the region stood at 2.6 percent. (Table A, B and Figure 1)

The acceleration of the regional inflation in November 2022 was mainly due to the higher year-on-year growth rate in the index of food and non-alcoholic beverages at 11.2 percent, from 10.8 percent in October 2022. Also contributing to the uptrend is the higher annual increment in the index of housing, water, electricity, gas and other fuels at 8.7 percent, from 8.1 percent in October 2022. Moreover, relative to their annual rates in October 2022, annual increases were also higher in the indices of the following commodity groups:
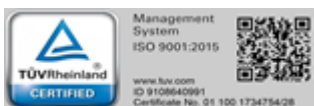
a. Alcoholic Beverages and Tobacco, 9.5 percent;
b. Clothing and Footwear, 2.5 percent;
c. Furnishing, Household Equipment and Routine Household Maintenance, 4.3 percent;
d. Health, 2.4 percent;
e. Information and Communication, 1.2 percent;
f.   Recreation, Sport and Culture at 1.8 percent;
g. Education Services, 5.2 percent;
h. Restaurants and Accommodation Services, 6.8 percent; and
i.   Personal Care, and Miscellaneous Goods and Services; 3.2 percent.

On the other hand, slower year-on-year increases was observed in the index of transport at 7.7 percent.

Meanwhile, the index of financial services retained its previous month's inflation rate at 0.0 percent. (Table 3)

Inflation for food at the regional level increased to 11.7 percent in November 2022, from 11.3 percent in October 2022. In November 2021, food inflation was lower at 2.6 percent. (Table 7)

Faster annual growth rates were observed in the following food groups: (Table 5)

a. Flour, bread and other bakery products, pasta products, and other cereals, 9.5 percent;
b. Meat and other parts of slaughtered land animals, 14.4 percent;
c. Milk, other dairy products and eggs, 2.8 percent;
d. Oils and fats, 24.3 percent;
e. Fruits and nuts, 11.9 percent;
f.   Vegetables, tubers, plantains, cooking bananas and pulses, 12.9 percent;
g. Sugar, confectionery and desserts, 43.5 percent; and
h. Ready-made food and other food products n.e.c., 7.0 percent.

On the other hand, the following food groups exhibited lower annual increases during the month: (Table 5)

a. Rice, 0.9 percent; and
b. Corn, 51.4 percent;
c. Fish and other seafood, 8.2 percent.
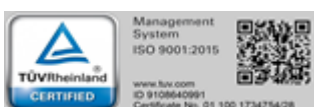
Table B. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2019 – November 2022
(2018=100)

Month	Year			
	2019	2020	2021	2022
January	4.0	2.0	0.9	5.0
February	3.1	1.8	1.1	5.1
March	2.2	1.6	1.5	5.0
April	1.8	0.9	2.3	5.4
May	1.5	0.7	2.3	5.3
June	0.6	2.3	1.5	5.7
July	0.4	2.1	1.5	6.9
August	0.4	1.5	1.9	7.4
September	-0.5	1.3	2.2	8.1
October	-0.6	1.4	2.4	7.9
November	0.1	1.4	2.6	8.3
December	1.4	1.4	2.2	
Average	1.2	1.5	1.9	6.4

Source: Philippine Statistics Authority
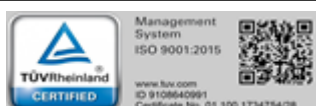
3. By Province

Comparing with the respective previous month's annual rates of the provinces and Highly Urbanized Cities (HUCs) of Central Visayas, only Cebu Province exhibited lower inflation in November 2022. (Figure 2)

Among the provinces, Negros Oriental posted the lowest inflation rate during the month at 7.7 percent while Cebu had the highest inflation rate at 10.7 percent. (Figure 2)

Moreover, among the HUCs in Central Visayas, the City of Mandaue posted the lowest inflation rate at 4.4 percent, followed by the City of Cebu at 5.5 percent. The highest inflation rate was noted in the City of Lapu-Lapu at 5.8 percent. (Figure 2)

Figure 2. Inflation Rates by Province/HUC, All Items
In Percent
November 2021, October 2022 and November 2022
(2018=100)
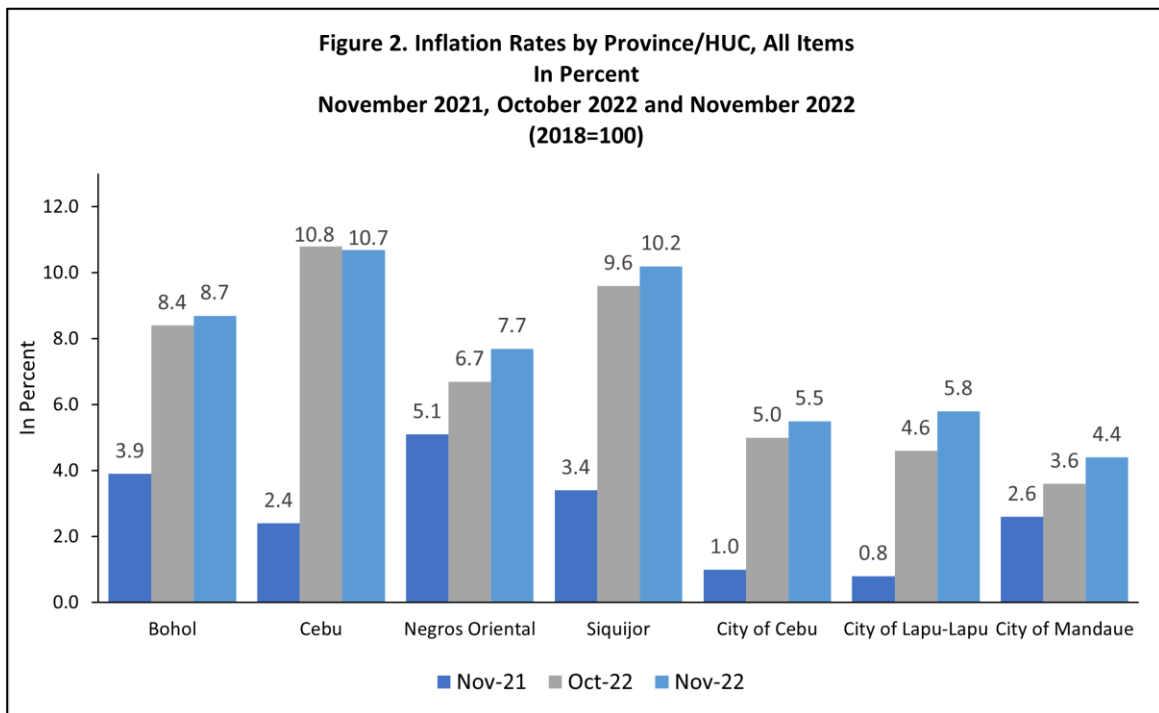
Source: Philippine Statistics Authority

TECHNICAL NOTES

The Philippine Statistics Authority generates and announces the monthly Consumer Price Index (CPI) based on a nationwide survey of prices for a given basket of goods and services. Two important indicators, the inflation rate and purchasing power of the peso (PPP), are derived from the CPI which are important in monitoring price stability and the value of the country's currency.

The **CPI** is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to a base year.

Retail Price is the price at which a commodity is sold for spot in small quantities for consumption.

Base Period/Base Year is the period, usually a year, at which the index number is set to 100. It is the reference point of the index number series.

Market Basket is a term used to refer to a sample of goods and services that are commonly purchased and bought by an average Filipino household.

Weight is a value attached to a commodity or ground of commodities to indicate the relative importance of that commodity or group of commodities in the market basket.

Inflation Rate is equivalent to a decline in the purchasing power of the peso. It is the change in the CPI over a specific period of time (usually a month or a year). That is,

$$Inflation\ Rate = \frac{CPI_2 - CPI_1}{CPI_1} * 100$$

where:
CPI_1 - is the CPI in the previous period
CPI_2 - is the CPI in the current period

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. That is,

$$PPP = \frac{1}{CPI} * 100$$

Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.
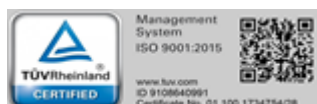
Prepared by:

medalle

BEVERLY C. MEDALLE
Assistant Statistician

Approved by:

ARIEL E. FLORENDO
Regional Director

LPA/CDN/JDA/MCC