



# SPECIAL RELEASE

## May 2022 Consumer Price Index (CPI), Inflation Rate (IR), Purchasing Power of Peso (PPP) in Cebu City

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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.*

### ***Inflation rate in Cebu City decreased at 1.5 percent in May 2022***

The inflation rate in Cebu City had slightly decreased from 1.6 percent in April 2022 to 1.5 percent in May 2022. Inflation rate in the city is lower than the inflation rate in Central Visayas at 5.3 percent in the same period. The average inflation in Cebu City from January to May 2022 remained at 1.9 percent. The inflation in May 2021 was higher at 1.9 percent compared to the inflation in May 2022. (See Table A.)

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

Area	May 2021	April 2022	May 2022	Year-to-date*
<b>Central Visayas</b>	<b>2.3</b>	<b>5.4</b>	<b>5.3</b>	<b>5.2</b>
<b>Cebu City</b>	<b>1.9</b>	<b>1.6</b>	<b>1.5</b>	<b>1.9</b>

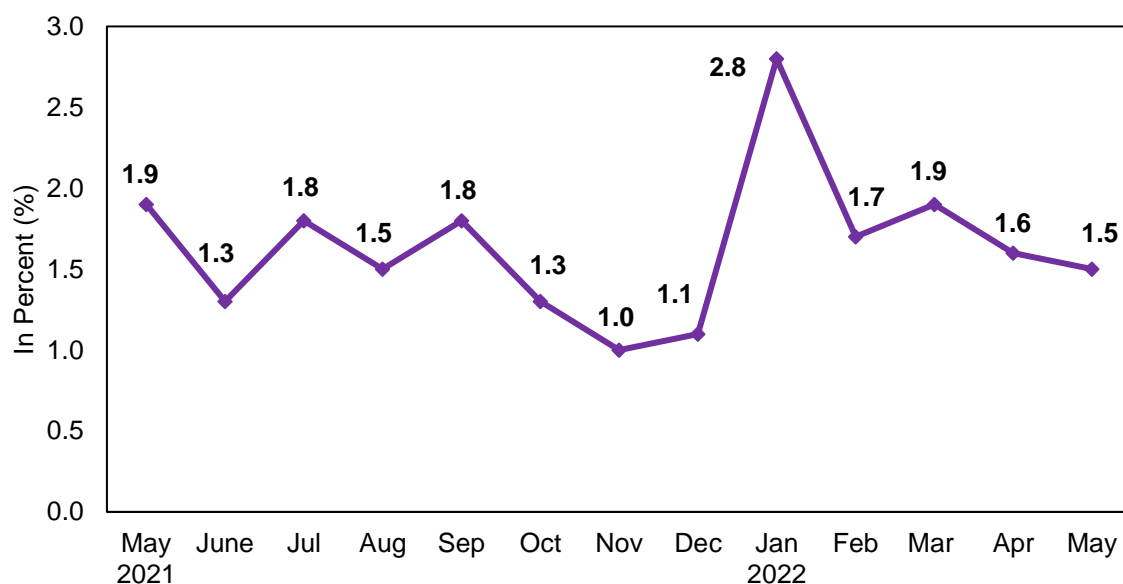
Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index  
Philippine Statistics Authority

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

### ***January 2022 had the highest inflation at 4.9 percent***

An up and down movement of the inflation rate was observed in Cebu City from May 2021 to May 2022. The highest inflation was recorded in the month of January 2022 at 2.8 percent among months of the same period. (See Figure 1 and Table B.)

**Figure 1. Inflation Rate, by Month, Cebu City  
May 2021 to May 2022  
(2018=100)**



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

**Table B. Year-on-Year Inflation Rates in Cebu City, All Items  
In Percent  
January 2019 – May 2022  
(2018=100)**

Month	Year			
	2019	2020	2021	2022
January	3.4	2.3	-0.2	2.8
February	3.1	1.7	0.3	1.7
March	2.1	1.8	1.0	1.9
April	1.6	1.3	1.7	1.6
May	1.4	1.1	1.9	1.5
June	0.8	2.1	1.3	
July	0.5	1.7	1.8	
August	0.4	1.1	1.5	
September	-0.1	0.5	1.8	
October	-0.1	0.7	1.3	
November	0.8	0.5	1.0	
December	1.8	0.5	1.1	
<b>Average</b>	<b>1.3</b>	<b>1.3</b>	<b>1.2</b>	<b>1.9</b>

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

***The decreased in the inflation in Cebu City is driven by Alcoholic Beverages and Tobacco***

The deceleration in the inflation was mainly driven by the decrease in the inflation of Alcoholic Beverages and Tobacco index from 3.3 percent in April 2022 to 1.0 percent inflation in May 2022. Also, contributing to the downward trend was brought about the decrease in the indices of the following commodity groups in May 2022:

- Food and Non-Alcoholic Beverages, -1.2 percent
- Clothing and Footwear, 0.0 percent
- Personal Care, and Miscellaneous Goods and Services, 0.3 percent

Meanwhile, indices of the rest of the commodity groups retained their previous month's inflation rates:

- Housing, Water, Electricity, Gas, and Other Fuels, 1.3 percent
- Furnishings, Household Equipment and Routine Maintenance of the House, 5.0 percent

Indices among commodity groups: Information and Communication; Recreation, Sport and Culture; Education Services; Restaurants and Accommodation Services; and Financial Services posted a constant inflation at 0.0 percent. (See Table 2)

On the other hand, increase in the inflation was higher in Transport at 16.7 percent in May 2022, from 15.2 percent in April 2022. (See Table C.)

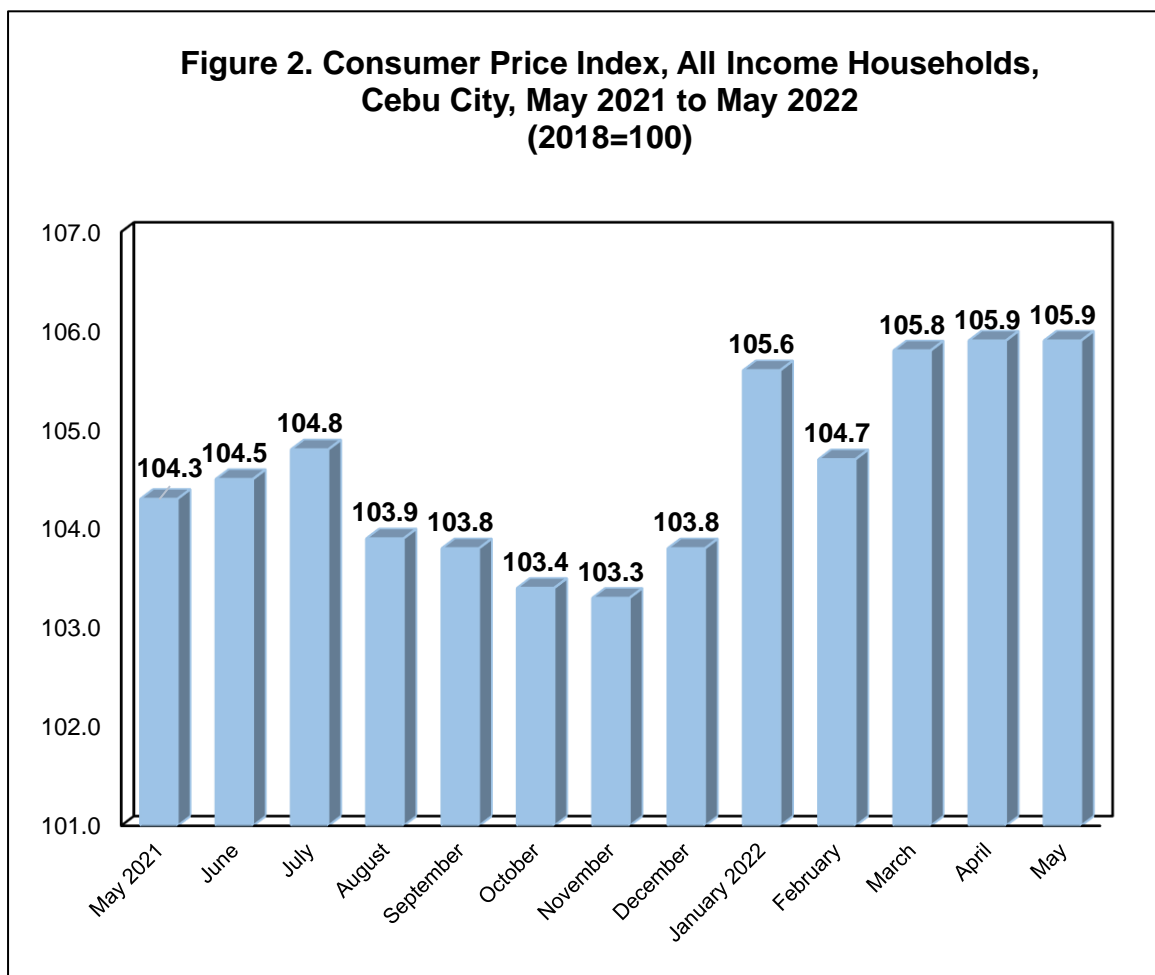
**Table C. Inflation Rate for All Income Households, by Commodity Group, Cebu City, April to May 2021 and 2022 (2018=100)**

COMMODITY GROUP		MAY		APRIL	
		2022	2021	2022	2021
<b>ALL ITEMS</b>		1.5	1.9	1.6	1.7
<b>1</b>	Food and Non-Alcoholic Beverages	-1.2	-0.1	-0.7	-0.4
<b>2</b>	Alcoholic Beverages and Tobacco	1.0	6.9	3.3	4.5
<b>3</b>	Clothing and Footwear	0.0	0.8	0.3	0.5
<b>4</b>	Housing, Water, Electricity, Gas, and Other Fuels	1.3	1.5	1.3	1.3
<b>5</b>	Furnishing, Household Equipment and Routine Household Maintenance	5.0	4.6	5.0	4.7
<b>6</b>	Health	1.9	6.2	3.1	4.9
<b>7</b>	Transport	16.7	11.0	15.2	10.6
<b>8</b>	Information and Communication	0.0	0.0	0.0	0.0
<b>9</b>	Recreation, Sport and Culture	0.0	-1.3	0.0	-1.3
<b>10</b>	Education Services	0.0	0.0	0.0	0.0
<b>11</b>	Restaurants and Accommodation Services	0.0	0.7	0.0	0.7
<b>12</b>	Financial Services	0.0	44.2	0.0	44.2
<b>13</b>	Personal Care, and Miscellaneous Goods and Services	0.3	3.7	0.5	4.6

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

### **Cebu City's CPI remained constant at 105.9 in May 2022**

The Consumer Price Index (CPI) in Cebu City for the month of May 2022 remained constant at 105.9. Moreover, a higher index by 1.6 points is generated in May 2022 compared to generated from the same month in 2021. The month of April and May 2022 had the highest CPI in the city at 105.9 for the period May 2021 to May 2022. (See Figure 2.)

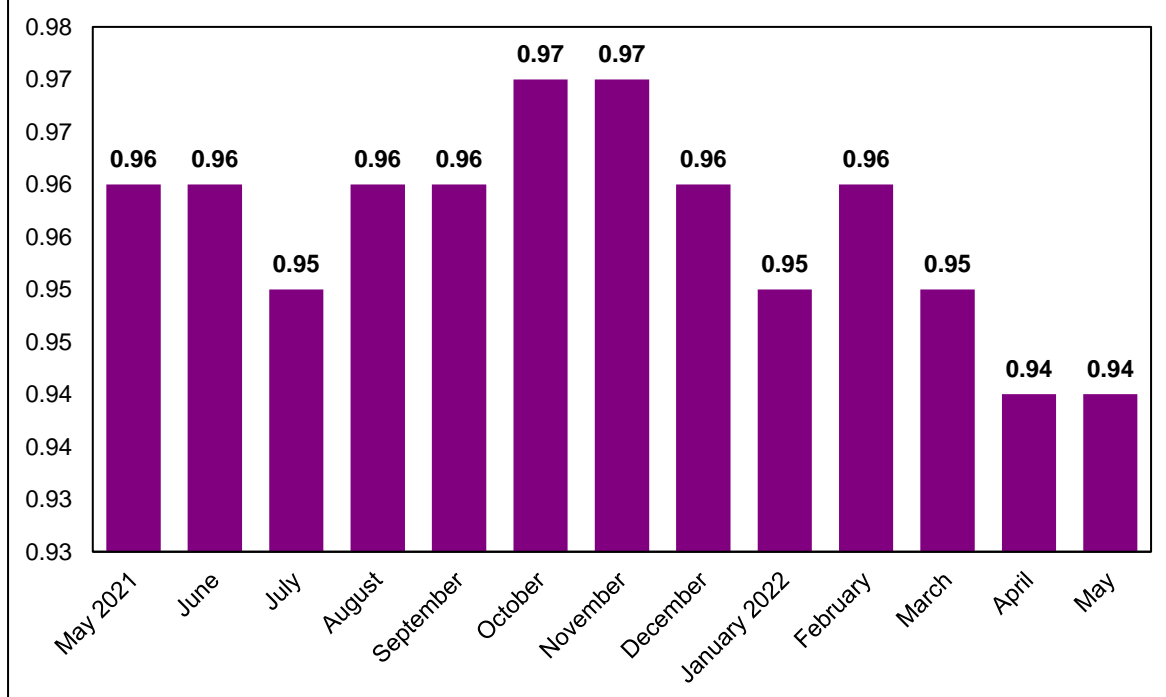


Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index  
Philippine Statistics Authority

### **PPP in Cebu City remained constant at 0.94**

Cebu City's Purchasing Power of Peso (PPP) remained constant at 0.94 for May 2022, indicating that a peso in 2018 is only worth 0.94 centavos in the month of reference. Furthermore, it implied that the prices of the same market of goods and services valued at Php 100.00 in 2018 are worth Php 94.00 in May 2022. (See Figure 3.)

**Figure 3. Purchasing Power of Peso (PPP) in Cebu City, May 2021 to May 2022 (2018= 100)**



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

**Table D. Consumer Price Index, Inflation Rate, Monthly Percent Change, and Purchasing Power of Peso in Cebu City, May 2021 to May 2022 (2018=100)**

Year/Month	C P I	Inflation Rate	Monthly % Change	Purchasing Power of Peso
<b>2021</b>				
May	104.3	1.9	0.1	0.96
June	104.5	1.3	0.2	0.96
July	104.8	1.8	0.3	0.95
August	103.9	1.5	-0.9	0.96
September	103.8	1.8	-0.1	0.96
October	103.4	1.3	-0.4	0.97
November	103.3	1.0	-0.1	0.97
December	103.8	1.1	0.5	0.96
<b>2022</b>				
January	105.6	2.8	1.7	0.95
February	104.7	1.7	-0.9	0.96
March	105.8	1.9	1.1	0.95
April	105.9	1.6	0.1	0.94
May	105.9	1.5	0.0	0.94

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index  
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 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 relative to a base year.

**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.

**Inflation Rate (IR)** 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,

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

Where:

CPI<sub>1</sub> - is the CPI in the previous period

CPI<sub>2</sub> - 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,

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

Prepared by:

  
**MAURO L. LEGASPO II**  
Statistical Analyst

Approved by:

  
**JUANILLA R. PREMNE**  
OIC- Chief Statistical Specialist