



Republic of the Philippines

Philippine Statistics Authority

REGION VII- CENTRAL VISAYAS

SPECIAL RELEASE

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

May 2023

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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)**

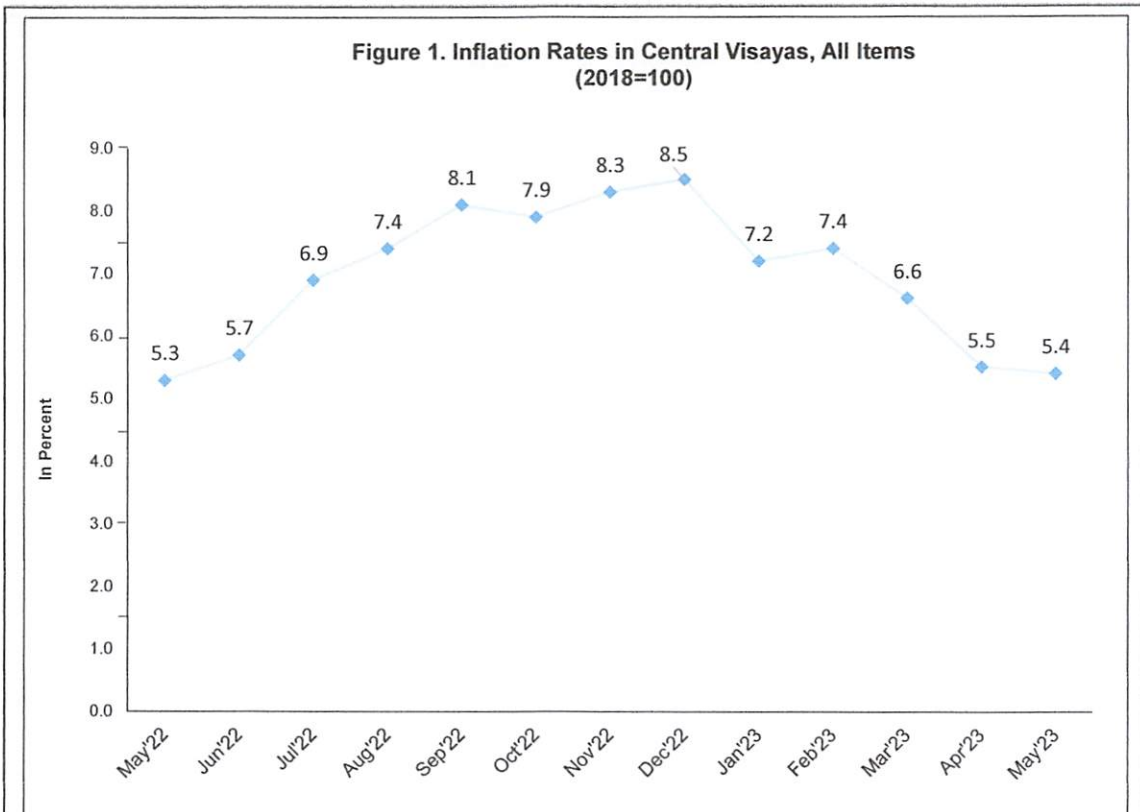
Area	May	April	May	Year-to-date*
	2022	2023	2023	
Philippines	5.4	6.6	6.1	7.5
Central Visayas	5.3	5.5	5.4	6.4
Bohol	4.8	7.4	7.1	8.4
Cebu	8.3	5.8	5.4	6.9
Negros Oriental	4.9	6.4	7.3	7.1
Siquijor	6.8	8.1	6.9	9.4
City of Cebu	1.5	4.3	4.1	4.6
City of Lapu-Lapu	1.5	4.2	3.1	4.6
City of Mandaue	3.2	2.4	2.7	3.3

Source: *Philippine Statistics Authority*

*Year-on-year change of CPI for January to May 2023 vs. 2022



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Source: Philippine Statistics Authority

A. The Philippines

Headline inflation or the overall inflation in the Philippines slowed down further to 6.1 percent in May 2023 from 6.6 percent in April 2023. This is the fourth consecutive month of deceleration in the headline inflation in the country. Despite the decline, the inflation rate in May 2022 was still lower at 5.4 percent. The year-to-date average inflation rate, that is from January to May 2023, stood at 7.5 percent. (Table A)

B. Central Visayas

1. Regional Inflation

Similar to the national trend, the inflation rate in Central Visayas slowed down further to 5.4 percent in May 2023 from 5.5 percent in April 2023. This is the third consecutive month of deceleration in the regional inflation. In May 2022, the inflation rate was still lower at 5.3 percent. (Table A, B and Figure 1)

1.1 Main Drivers to the Downward Trend of the Regional Inflation

Among the 13 commodity groups, the downtrend of the regional inflation in May 2023 was primarily brought about by the annual decline in the index of transport at -5.8 percent from -1.7 percent annual increase in the previous month.



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The heavily-weighted food and non-alcoholic beverages also pulled down the overall inflation during the month with a lower inflation rate of 6.5 percent from 7.1 percent in April 2023. The third main source of deceleration for the May 2023 inflation was restaurants and accommodation services, which registered slower inflation at 6.0 percent from 6.1 percent in the previous month.

On the contrary, higher inflation rates were observed in the following commodity groups during the month: (Table 3)

- a. Alcoholic beverages and tobacco, 14.1 percent from 12.0 percent;
- b. Housing, water, electricity, gas and other fuels, 8.9 percent from 7.3 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.0 percent from 4.8 percent;
- d. Health, 3.7 percent from 3.6 percent; and
- e. Recreation, sport and culture, 2.3 percent from 2.2 percent.

The indices of the following commodity groups retained their corresponding previous month's annual increments: (Table 3)

- a. Clothing and footwear, 3.3 percent;
- b. Information and communication, 1.2 percent;
- c. Education services, 5.9 percent;
- d. Financial services, 0.0 percent; and
- e. Personal care, and miscellaneous goods and services, 4.0 percent.

1.2 Main Contributors to the Regional Inflation

The top three commodity groups contributing to the 5.4 percent regional inflation in May 2023 were the following:

- a. Food and non-alcoholic beverages with 45.0 percent share or 2.4 percentage points;
- b. Housing, water, electricity, gas and other fuels at 38.1 percent share or 2.1 percentage points; and
- c. Restaurants and accommodation services at 9.7 percent share or 0.5 percentage point.

2. Food Inflation

Food inflation at the regional level in May 2023 at 6.5 percent also exhibited a downward movement for the third month in a row. In the previous month, food inflation was posted at 6.9 percent. (Table 7)



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2.1 Main Drivers to the Downward Trend of Food Inflation

The slower food inflation during the month was primarily influenced by the lower annual growth in fish and other seafood at 1.3 percent from 5.4 percent in April 2023. This was followed by sugar, confectionery and desserts with an inflation rate of 37.8 percent in May 2023 from 40.7 percent in the previous month. The third primary driver of slower food inflation was corn, which recorded a lower inflation rate of -4.5 percent in May 2023 from -1.9 percent in the previous month. (Table 5)

Lower inflation rates during the month were also noted in the indices of the following food items: (Table 5)

- a. Meat and other parts of slaughtered land animals, 4.2 percent from 5.1 percent; and
- b. Oils and fats, 23.7 percent from 24.2 percent.

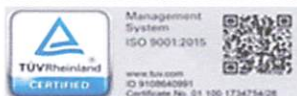
Meanwhile, compared with their previous month's inflation rates, higher year-on-year growth rates were observed in the indices of the following food groups during the month: (Table 5)

- a. Rice, 3.6 percent from 3.4 percent;
- b. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, 12.7 percent from 12.2 percent;
- c. Milk, Other Dairy Products and Eggs, 8.1 percent from 8.0 percent;
- d. Fruits and Nuts, 14.4 percent from 12.2 percent;
- e. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses, 21.7 percent from 12.6 percent; and
- f. Ready-made Food and Other Food Products not elsewhere classified, 9.3 percent from 8.4 percent.

2.2 Main Contributors to the Food Inflation

Food shared 40.8 percent or 2.2 percentage points to the regional inflation in May 2023. The following food groups were the top contributors to food inflation during the month:

- a. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses with 22.5 percent share or 1.46 percentage points;
- b. Cereals and Cereal products which includes rice, corn, flour, bread and other bakery products with 19.6 percent share or 1.27 percentage points; and
- c. Sugar, Confectionery and Desserts with 14.0 percent share or 0.91 percentage point.



**Table B. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2019 – May 2023
(2018=100)**

Month	Year				
	2019	2020	2021	2022	2023
January	4.0	2.0	0.9	5.0	7.2
February	3.1	1.8	1.1	5.1	7.4
March	2.2	1.6	1.5	5.0	6.6
April	1.8	0.9	2.3	5.4	5.5
May	1.5	0.7	2.3	5.3	5.4
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	8.5	
Average	1.2	1.5	1.9	6.6	6.4

Source: Philippine Statistics Authority



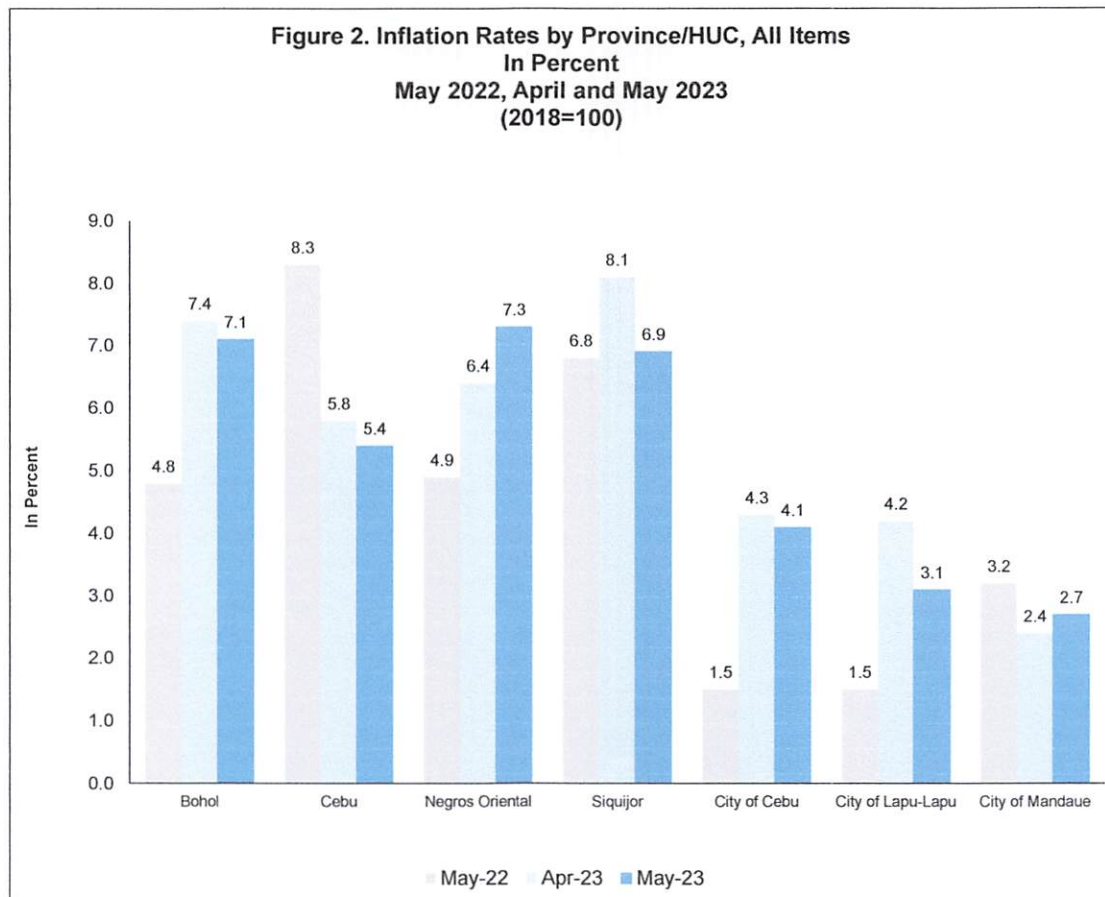
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C. By Province

Comparing with the respective previous month's annual rates of the provinces and Highly Urbanized Cities (HUCs) of Central Visayas, all provinces and HUCs, except the Province of Negros Oriental and City of Mandaue, recorded slower inflation rates during the month. (Table A, Figure 2)

Among the provinces, the Province of Cebu registered the lowest inflation rate at 5.4 percent during the month. Meanwhile, Negros Oriental recorded the highest and the only province that registered a higher inflation rate in May 2023 at 7.3 percent compared to its previous month. (Table A, Figure 2)

Further, City of Lapu-Lapu and City of Cebu posted lower inflation in May 2023 at 3.1 percent and 4.1 percent, respectively, while the City of Mandaue registered a higher inflation rate at 2.7 percent. (Table A, Figure 2)



Source: Philippine Statistics Authority



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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 group 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,

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

where:

CPI₁ - is the CPI in the previous period

CPI₂ - 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.

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