



SPECIAL RELEASE

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

June 2023

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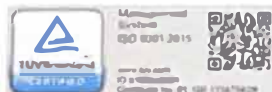
Starting February 2022, the Philippine Statistics Authority (PSA) released the rebased Consumer Price Index (CPI) for all income households to base year 2018, from base year 2012 as announced in the press release number 2022-01 dated 04 January 2022. The CPI series for all income households for January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

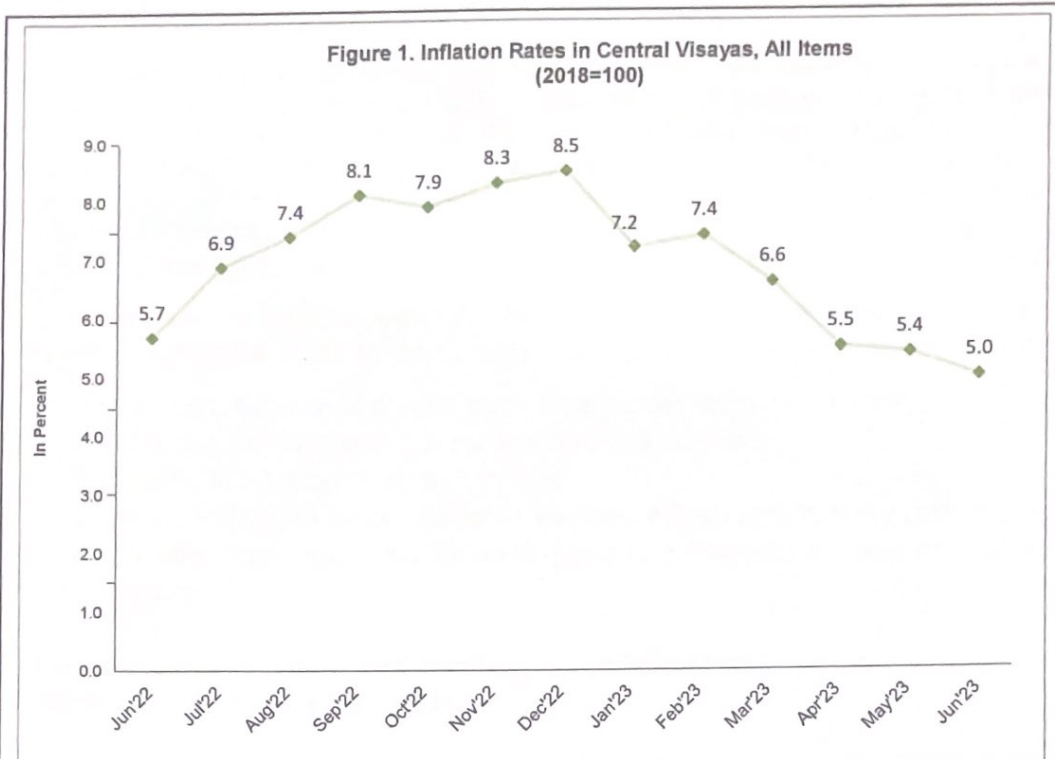
**Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	June	May	June	Year-to-date*
	2022	2023	2023	
Philippines	6.1	6.1	5.4	7.2
Central Visayas	5.7	5.4	5.0	6.2
Bohol	5.2	7.1	5.9	8.0
Cebu	8.6	5.4	5.6	6.7
Negros Oriental	5.3	7.3	6.9	7.1
Siquijor	7.9	6.9	6.2	8.8
City of Cebu	2.3	4.1	3.2	4.3
City of Lapu-Lapu	1.7	3.1	3.1	4.4
City of Mandaue	3.6	2.7	2.3	3.1

Source: Philippine Statistics Authority

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





Source: Philippine Statistics Authority

A. The Philippines

The Philippines' headline inflation or overall inflation continued to move at a slower pace of 5.4 percent in June 2023 from 6.1 percent in May 2023. This is the fifth consecutive month of deceleration in the headline inflation and the lowest in the past 13 months. The average inflation rate for the first semester of 2023 stood at 7.2 percent. In June 2022, inflation rate was higher at 6.1 percent. (Table A)

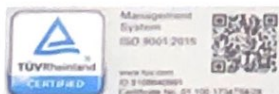
B. Central Visayas

1. Regional Inflation

Similar to the national trend, the inflation rate in Central Visayas slowed down further to 5.0 percent in June 2023 from 5.4 percent in May 2023. This is the fourth consecutive month of deceleration in the regional inflation and the lowest in the past 14 months. In June 2022, the inflation rate was higher at 5.7 percent. (Table A, B and Figure 1)

1.1 Main Drivers to the Downward Trend of the Regional Inflation

The downtrend of the overall inflation in June 2023 was primarily influenced by the slower annual increase in the index of housing, water, electricity, gas and other fuels



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at 7.8 percent from 8.9 percent in the previous month. The faster annual decrease in transport at -7.0 percent during the month from -5.8 percent in May 2023 also contributed to the downtrend of the overall inflation. Furnishings, household equipment and routine household maintenance was the third main source of deceleration of the headline inflation in June 2023 with 4.9 percent annual growth rate from 5.0 percent in May 2023. Information and communication also registered slower inflation at 1.1 percent in June 2023 from 1.2 percent in the previous month.

Compared with their previous month's inflation rates, higher annual increments were noted in the indices of the following commodity groups during the month: (Table 3)

- a. Alcoholic beverages and tobacco, 14.6 percent from 14.1 percent;
- b. Clothing and footwear, 3.6 percent from 3.3 percent;
- c. Health, 4.0 percent from 3.7 percent;
- d. Restaurants and accommodation services, 6.2 percent from 6.0 percent; and
- e. Personal care, and miscellaneous goods and services, 5.2 percent from 4.0 percent.

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

- a. Food and non-alcoholic beverages, 6.5 percent;
- b. Recreation, sport and culture, 2.3 percent,
- c. Financial services, 0.0 percent; and
- d. Education services, 5.9 percent.

1.2 Main Contributors to the Regional Inflation

The top three commodity groups contributing to the 5.0 percent regional inflation in June 2023 were the following:

- a. Food and non-alcoholic beverages with 47.5 percent share or 2.4 percentage points;
- b. Housing, water, electricity, gas and other fuels at 35.2 percent share or 1.8 percentage points; and
- c. Restaurants and accommodation services at 10.6 percent share or 0.5 percentage point.

2. Food Inflation

Food inflation at the regional level continued to decelerate for the fourth consecutive month at 6.3 percent in June 2023. In the previous month, food inflation was recorded at 6.5 percent, while 7.6 percent in June 2022. (Table 7)



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2.1 Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in June 2023 was mainly brought about by the lower annual growth in meat and other parts of slaughtered land animals at 2.3 percent during the month from 4.2 percent in May 2023. This was followed by vegetables, tubers, plantains, cooking bananas and pulses with an inflation of 18.3 percent in June 2023 from 21.7 percent in the previous month. Also contributing to the downtrend of food inflation in June 2023 was the slower year-on-year growth of fruits and nuts at 12.0 percent in June 2023 from 14.4 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. Corn, -5.0 percent from -4.5 percent;
- b. Oils and fats, 18.6 percent from 23.7 percent;
- c. Sugar, Confectionery and Desserts, 34.5 percent from 37.8 percent; and
- d. Ready-Made Food and Other Food Products N.E.C., 8.7 percent from 9.3 percent.

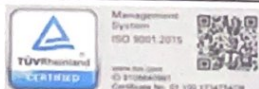
Meanwhile, compared with their previous month's inflation rates, higher year-on-year growth rates were observed in the indices of the following food groups during the month: (Table 5)

- a. Rice, 3.8 percent from 3.6 percent;
- b. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereal, 13.5 percent from 12.7 percent;
- c. Fish and Other Seafood, 3.9 percent from 1.3 percent; and
- d. Milk, Other Dairy Products, and Eggs, 8.2 percent from 8.1 percent.

2.2 Main Contributors to the Food Inflation

Food shared 42.9 percent or 2.1 percentage points to the regional inflation in June 2023. The following food groups were the top contributors to food inflation during the month:

- a. Cereals and Cereal products which includes rice, corn, flour, bread and other bakery products with 21.2 percent share or 1.3 percentage points; and
- b. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses with 19.9 percent share or 1.3 percentage points;
- c. Sugar, Confectionery and Desserts with 13.4 percent share or 0.8 percentage point.

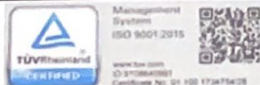


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**Table B. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2019 – June 2023
(2018=100)**

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	5.0
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	6.2

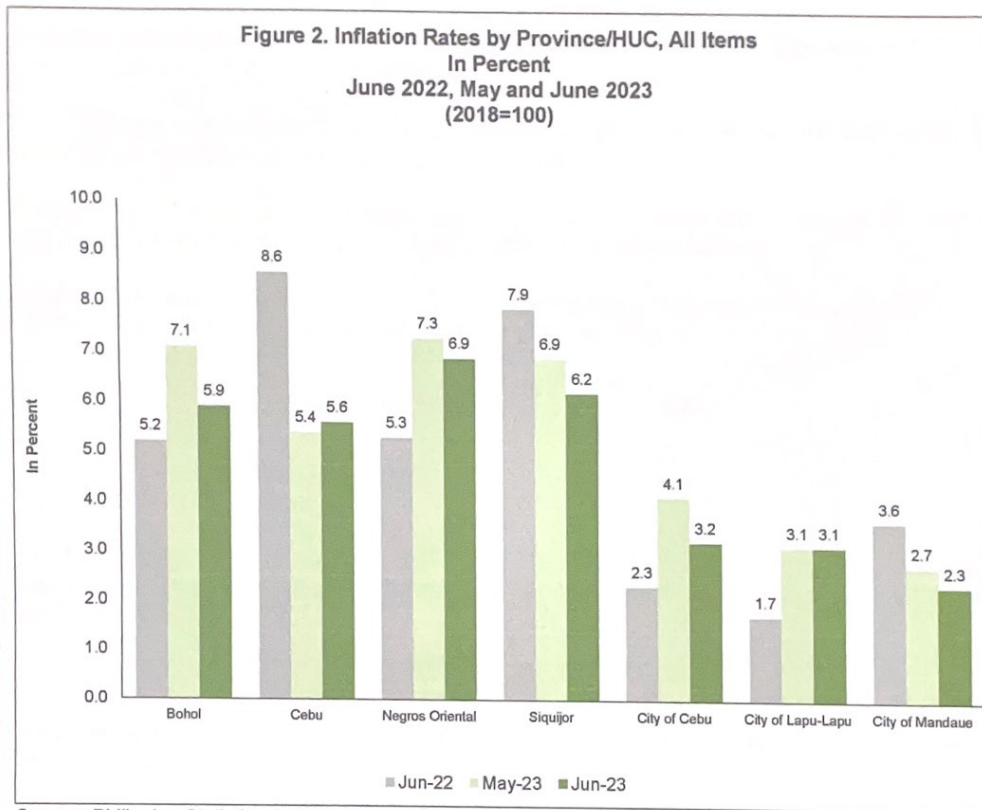
Source: Philippine Statistics Authority



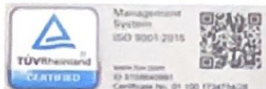
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C. By Province

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 Cebu recorded slower inflation rates during the month while City of Lapu-Lapu retained its previous months inflation rate at 3.1 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.

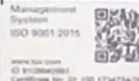
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