

SPECIAL RELEASE

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

July 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.

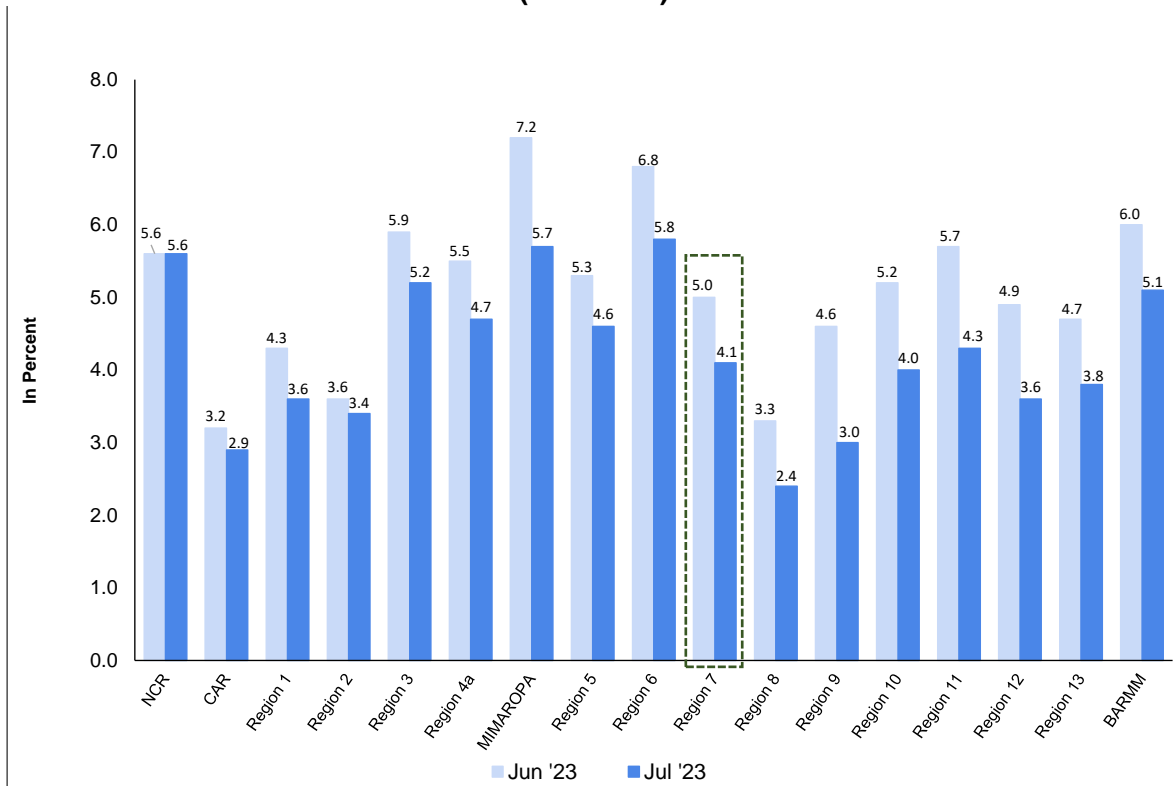
**Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	July	June	July	Year-to-date*
	2022	2023	2023	
Philippines	6.4	5.4	4.7	6.8
Central Visayas	6.9	5.0	4.1	5.9
Bohol	7.6	5.9	4.2	7.4
Cebu	10.2	5.6	4.6	6.4
Negros Oriental	6.2	6.9	5.9	6.9
Siquijor	9.3	6.2	4.6	8.2
City of Cebu	2.4	3.2	2.9	4.1
City of Lapu-Lapu	2.5	3.1	2.1	4.0
City of Mandaue	3.7	2.3	2.5	3.0

Source: Philippine Statistics Authority

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

**Figure 1. Inflation Rates by Region, All Items
In Percent
June and July 2023
(2018=100)**



Source: Philippine Statistics Authority

A. The Philippines

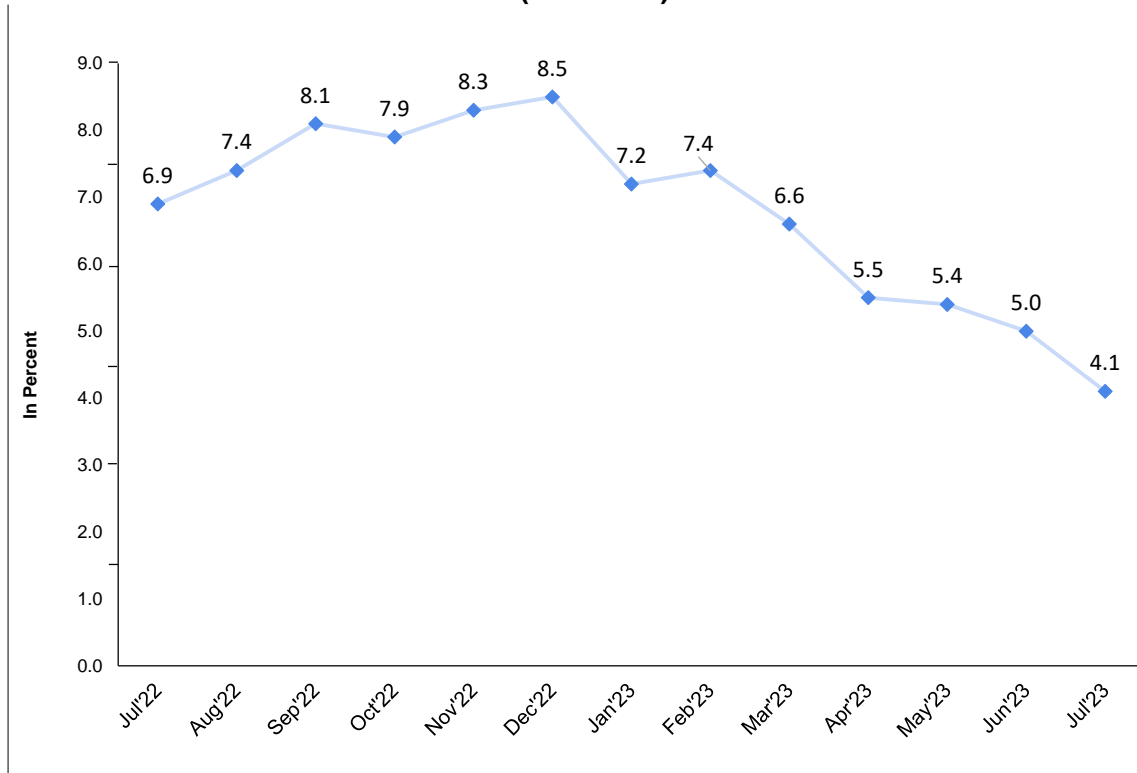
The Philippines' headline inflation or overall inflation slowed down further to 4.7 percent in July 2023 from 5.4 percent in June 2023. This is the sixth consecutive month of deceleration in the headline inflation and the lowest since March 2022 with an inflation rate of 4.0 percent. The average inflation rate from January to July 2023 stood at 6.8 percent. In July 2022, the inflation rate was recorded at 6.4 percent. (Table A)

By Region

Following the trend at the national level, all regions except NCR recorded slower inflation rates during the month relative to their June 2023 annual rates. Region VIII (Eastern Visayas) recorded the lowest inflation rate in July 2023 at 2.4 percent, while Region VI (Western Visayas) had the highest inflation rate at 5.8 percent.

On the other hand, inflation in NCR remained at 5.6 percent in July 2023, which was the same rate recorded in June 2023. (Figure 1)

Figure 2. Inflation Rates in Central Visayas, All Items (2018=100)



Source: Philippine Statistics Authority

B. Central Visayas

1. Regional Inflation

Similar to the national trend, the inflation rate in Central Visayas slowed down further to 4.1 percent in July 2023 from 5.0 percent in June 2023. This is the fifth consecutive month of deceleration in the regional inflation and the lowest since January 2022. In July 2022, the inflation rate was recorded at 6.9 percent. (Table A, B and Figure 2)

1.1 Main Drivers to the Downward Trend of the Regional Inflation

The downtrend of the overall inflation in July 2023 was primarily brought about by the slower year-on-year increase in the index of the heavily-weighted food and non-alcoholic beverages at 5.4 percent from 6.5 percent in the previous month. The slower annual increment observed in housing, water, electricity, gas and other fuels at 6.8 percent from 7.8 percent in June 2023 in the previous month also contributed to the downward trend of headline inflation. The third main source of deceleration was restaurants and accommodation services, recording a slower inflation at 4.3 percent in July 2023 from 6.2 percent in the previous month. (Table 3)

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

- a. Alcoholic beverages and tobacco, 11.3 percent from 14.6 percent;
- b. Clothing and footwear, 3.1 percent from 3.6 percent;
- c. Furnishings, household equipment and routine household maintenance, 4.3 percent from 4.9 percent;
- d. Health, 3.7 percent from 4.0 percent;
- e. Information and communication, 0.9 percent from 1.1 percent; and
- f. Recreation, sport and culture, 1.8 percent from 2.3 percent; and
- g. Personal care, and miscellaneous goods and services, 4.9 percent from 5.2 percent.

On the contrary, the index of transport posted an increase at -6.9 percent during the month from -7.0 percent in June 2023.

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

- a. Education services, 5.9 percent; and
- b. Financial services, 0.0 percent.

1.2 Main Contributors to the Regional Inflation

The top three commodity groups contributing to the 4.1 percent regional inflation in July 2023 were the following:

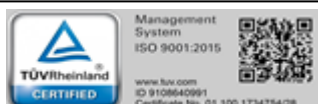
- a. Food and non-alcoholic beverages with 48.0 percent share or 2.0 percentage points;
- b. Housing, water, electricity, gas and other fuels at 37.4 percent share or 1.5 percentage points; and
- c. Restaurants and accommodation services at 8.9 percent share or 0.4 percentage point.

2. Food Inflation

Food inflation at the regional level continued to decelerate for the fifth consecutive month at 5.2 percent in July 2023. In the previous month, food inflation was recorded at 6.3 percent, while it was 8.8 percent in July 2022. (Table 7)

2.1 Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in July 2023 was primarily influenced by the annual decrease in meat and other parts of slaughtered land animals at -0.7 percent during the month from 2.3 percent in June 2023. This was followed by fish and other seafood with an inflation of 2.2 percent in July 2023 from 3.9 percent in the previous month.



Also contributing to the downtrend of food inflation in July 2023 was the slower year-on-year growth of fruits and nuts at 7.1 percent in July 2023 from 12.0 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. Flour, bread and other bakery products, pasta products, and other cereal, 11.5 percent from 13.5 percent;
- b. Milk, other dairy products, and eggs, 6.9 percent from 8.2 percent.
- c. Oils and fats, 11.2 percent from 18.6 percent;
- d. Sugar, confectionery and desserts, 26.5 percent from 34.5 percent; and
- e. Ready-made food and other food products not elsewhere classified, 7.3 percent from 8.7 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, 4.1 percent from 3.8 percent;
- b. Corn, 0.7 percent from -5.0 percent; and
- c. Vegetables, tubers, plantains, cooking bananas and pulses, 18.7 percent from 18.3 percent.

2.2 Main Contributors to the Food Inflation

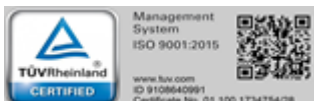
The following food groups were the top contributors to food inflation during the month:

- a. Cereals and cereal products which includes rice, corn, flour, bread and other bakery products with 34.7 percent share or 1.8 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses with 23.6 percent share or 1.2 percentage points; and
- c. Sugar, confectionery and desserts with 12.0 percent share or 0.6 percentage point.

**Table B. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2019 – July 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	4.1
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	5.9

Source: Philippine Statistics Authority



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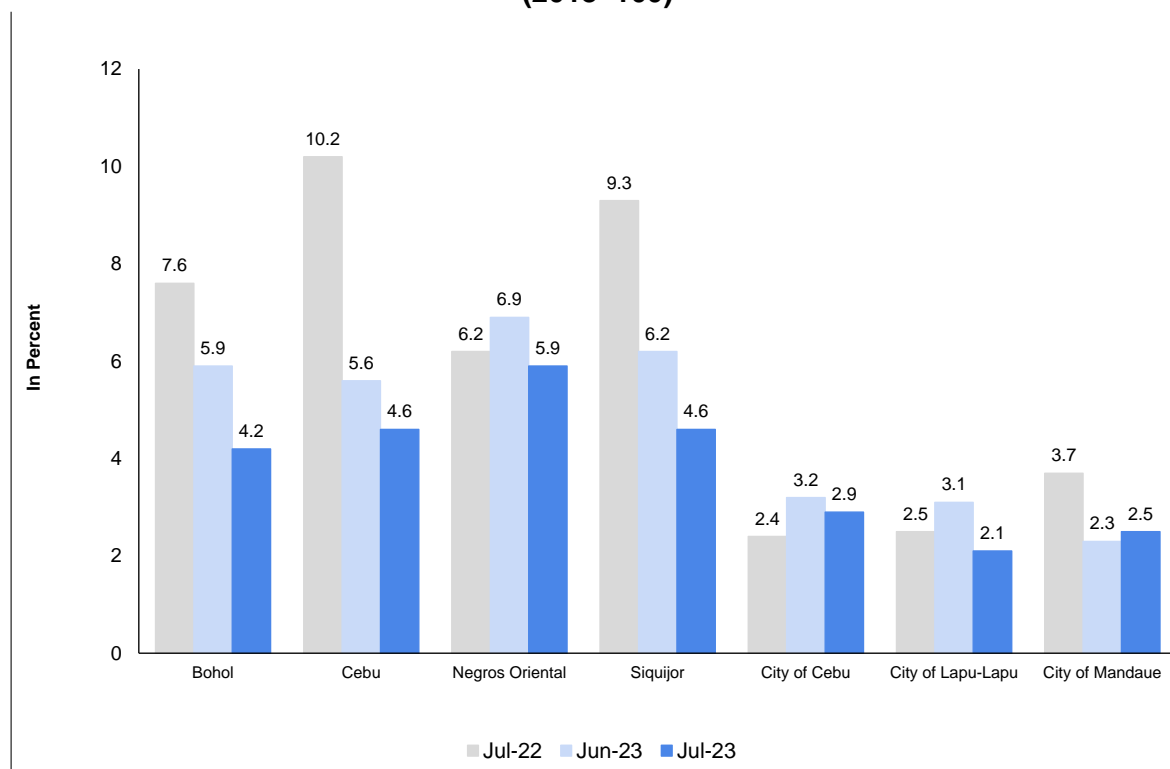
C. By Province

Similar to the trend at the national and regional level, all provinces and Highly Urbanized Cities (HUCs) of Central Visayas except the City of Mandaue recorded slower inflation rates during the month relative to their June 2023 annual rates.

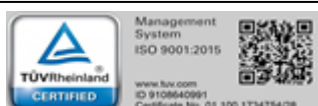
Among the provinces, Bohol recorded the lowest inflation rate in July 2023 at 4.2 percent, while Negros Oriental had the highest inflation rate at 5.9 percent.

Further, among HUCs, the City of Lapu-Lapu recorded the lowest inflation rate in July 2023 at 2.1 percent, while City of Cebu had the highest inflation rate at 2.9 percent. (Table A, Figure 3)

**Figure 3. Inflation Rates by Province, All Items
In Percent
July 2022, June and July 2023
(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 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,

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

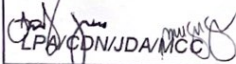
Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

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