

SPECIAL RELEASE

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

September 2023

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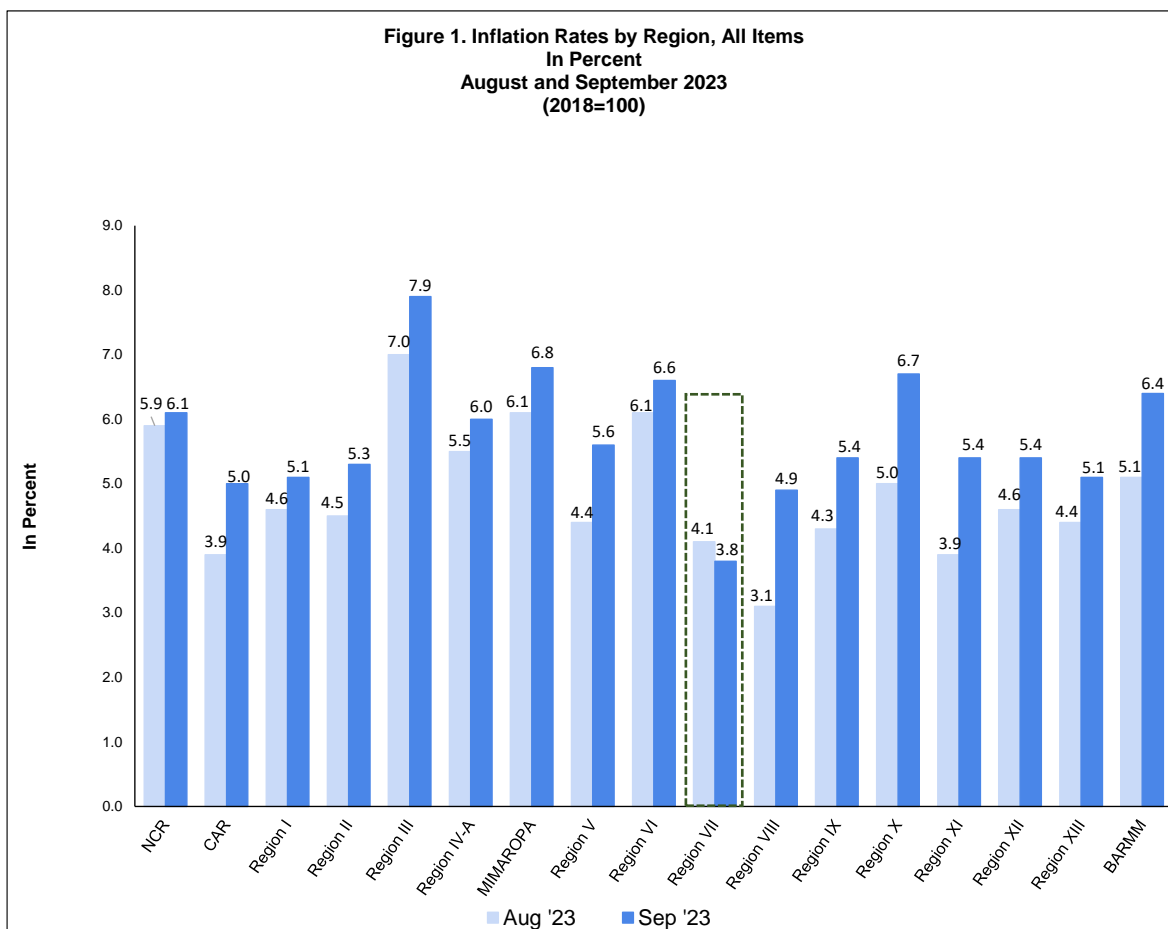
Starting February 2022, the Philippine Statistics Authority (PSA) released the rebased Consumer Price Index (CPI) for all income households to base year 2018, from base year 2012 as announced in the press release number 2022-01 dated 04 January 2022. The CPI series for all income households for January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

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

Area	September	August	September	Year-to-date*
	2022	2023	2023	
Philippines	6.9	5.3	6.1	6.6
Central Visayas	8.1	4.1	3.8	5.4
Bohol	8.3	6.0	6.4	7.1
Cebu	11.6	2.5	2.0	5.4
Negros Oriental	6.8	6.8	7.1	6.9
Siquijor	9.0	6.3	7.1	7.9
City of Cebu	4.4	4.0	3.3	4.0
City of Lapu-Lapu	4.7	2.9	2.2	3.7
City of Mandaue	3.7	3.0	3.2	3.0

Source: Philippine Statistics Authority

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



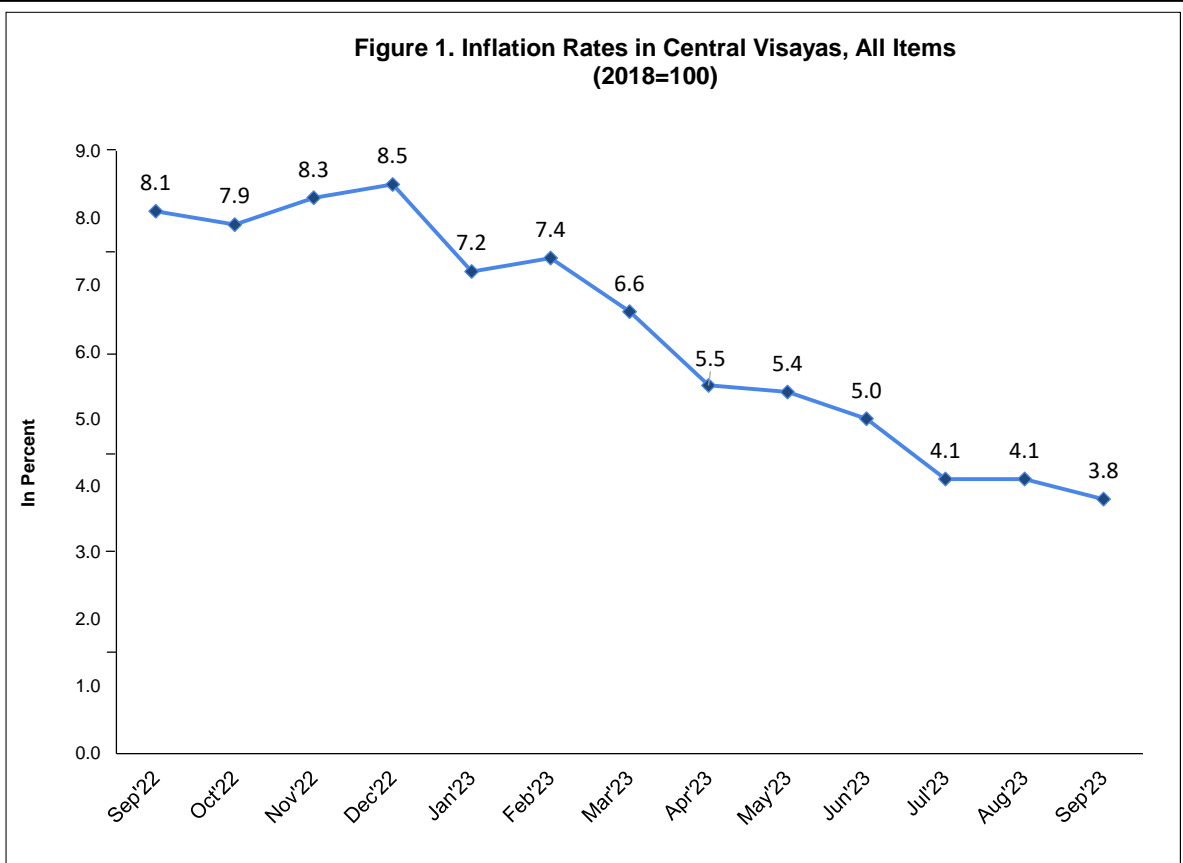
Source: Philippine Statistics Authority

A. The Philippines

The Philippines' headline inflation or overall inflation increased further to 6.1 percent in September 2023 from 5.3 percent in August 2023. This makes the national average inflation from January to September 2023 to remain at 6.6 percent. In September 2022, inflation rate was higher at 6.9 percent. (Table A)

By Region

Relative to their respective August 2023 inflation rates, 16 regions had higher inflation rates in September 2023. On the other hand, Region VII (Central Visayas) recorded a lower inflation rate during the month. Among all regions, Region III (Central Luzon) remained the region with the highest inflation rate during the month at 7.9 percent, while Region VII (Central Visayas) had the lowest inflation rate of 3.8 percent. (Figure 1)



Source: Philippine Statistics Authority

B. Central Visayas

1. Regional Inflation

Inflation in Central Visayas, on the contrary to the national inflation, slowed down further to 3.8 percent in September 2023 from 4.1 percent in July and August 2023. With this month's inflation, the region's average inflation from January to September 2023 stood at 5.4 percent. In September 2022, inflation rate in the region was higher at 8.1 percent. (Table A, B and Figure 2)

1.1 Main Drivers to the Downward Trend of the Regional Inflation

The top three drivers to the downtrend of the overall inflation in September 2023 were the following: (Table 3)

1. Housing, water, electricity, gas and other fuels at 1.3 percent from 4.9 percent in August 2023;
2. Transport at -1.9 percent from -1.4 percent; and
3. Personal care, and miscellaneous goods and services at 4.4 percent from 5.1 percent in the previous month.

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

- a. Alcoholic beverages and tobacco, 9.5 percent from 10.4 percent;
- b. Clothing and footwear, 2.8 percent from 3.1 percent;
- c. Furnishings, household equipment and routine household maintenance, 4.7 percent from 4.8 percent;
- d. Health, 3.6 percent from 4.0 percent;
- e. Information and communication, 0.4 percent from 0.9 percent;
- f. Education services, 5.7 percent from 6.3 percent; and
- g. Restaurants and accommodation services, 3.7 percent from 4.0 percent.

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

- a. Food and non-alcoholic beverages, 6.6 percent from 4.6 percent; and
- b. Recreation, sport and culture, 2.5 percent from 2.3 percent.

Meanwhile, the index of financial services retained its previous month's annual rate at 0.0 percent.

1.2 Main Contributors to the Regional Inflation

The top three commodity groups contributing to the 3.8 percent regional inflation in September 2023 were the following:

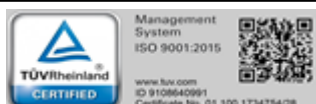
- a. Food and non-alcoholic beverages with 66.2 percent share or 2.5 percentage points;
- b. Restaurants and accommodation services with 8.7 percent share or 0.3 percentage points; and
- c. Housing, water, electricity, gas and other fuels with 8.1 percent share or 0.3 percentage point.

2. Food Inflation

Food inflation at the regional level rose to 6.6 percent in September 2023 after six consecutive months of deceleration. In the previous month, food inflation was recorded at 4.3 percent, while it was higher in September 2022 at 10.4 percent. (Table 7)

2.1 Main Drivers to the Upward Trend of Food Inflation

The acceleration of food inflation in September 2023 was mainly brought about by the higher inflation of rice with a double-digit inflation rate of 14.7 percent during the month from 7.4 percent in August 2023. This was followed by corn with an inflation rate of -9.8 percent during the month from -17.5 percent inflation rate in August 2023.



Also contributing to the upward trend of food inflation in September 2023 was the faster year-on-year growth of meat and other parts of slaughtered land animals at 2.2 percent during the month from 0.2 percent in the previous month. (Table 5)

In addition, faster annual growth rate during the month were also noted in the indices of the following food items: (Table 5)

- a. Fish and other seafood, 4.8 percent from 4.4 percent;
- b. Milk, other dairy products, and eggs, 7.1 percent from 6.6 percent.
- c. Fruits and nuts, 7.6 percent from 7.1 percent;

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

- a. Flour, bread and other bakery products, pasta products, and other cereal, 9.0 percent from 10.9 percent;
- b. Oils and fats, 4.9 percent from 8.5 percent;
- c. Vegetables, tubers, plantains, cooking bananas and pulses, 18.1 percent from 18.4 percent.
- d. Sugar, confectionery and desserts, 6.6 percent from 10.5 percent; and
- e. Ready-made food and other food products not elsewhere classified, 4.8 percent from 6.8 percent.

2.2 Main Contributors to the Food Inflation

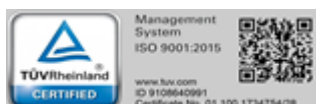
Food shared 62.0 percent or 2.4 percentage points to the overall inflation in September 2023. Food groups with the highest contribution to food inflation during the month were the following:

- a. Cereals and cereal products which includes rice, corn, flour, bread and other bakery products with 44.3 percent share or 2.9 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses with 18.2 percent share or 1.2 percentage points; and
- c. Fish and other seafood with 12.3 percent share or 0.8 percentage point.

**Table B. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2019 – September 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	4.1
September	-0.5	1.3	2.2	8.1	3.8
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	5.4

Source: Philippine Statistics Authority

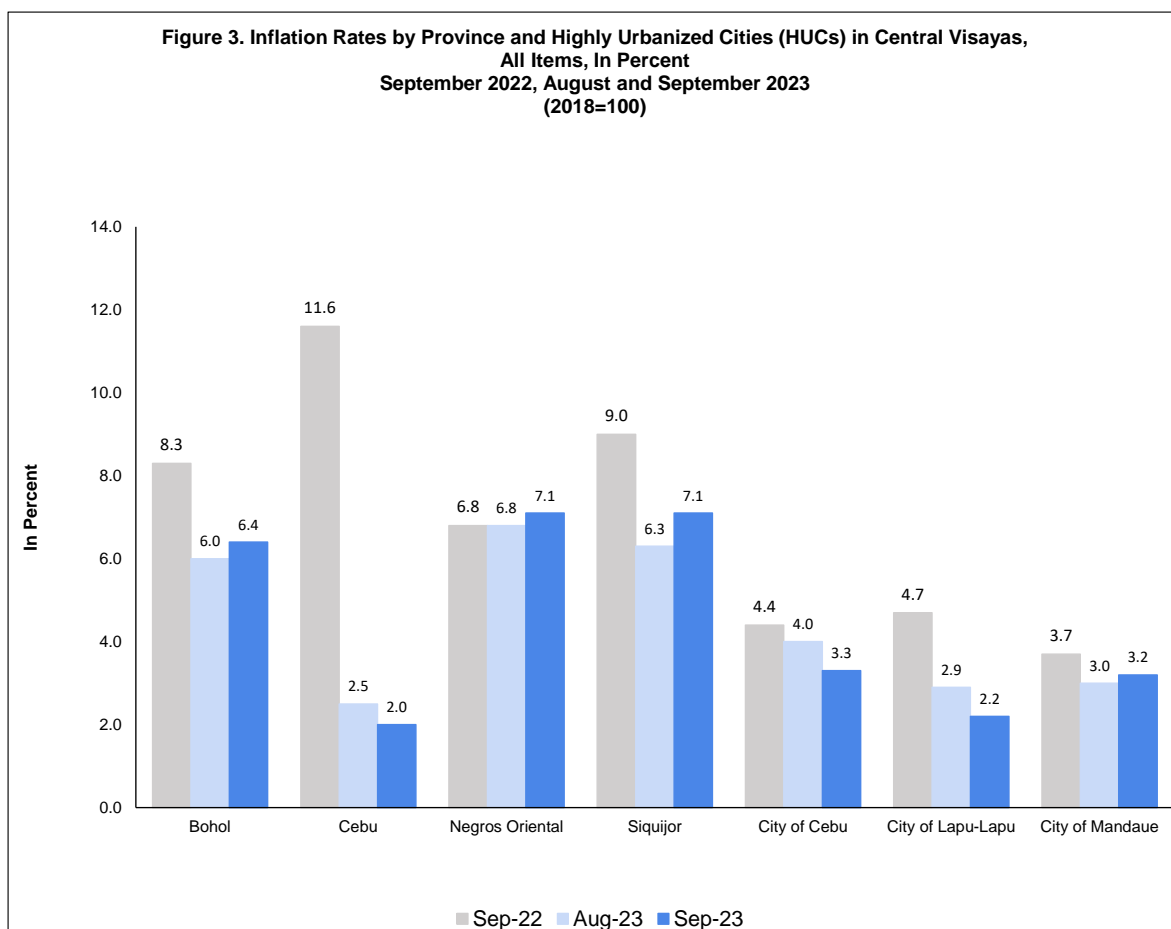


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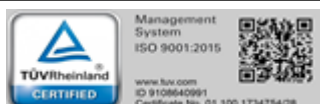
C. By Province

Among the provinces and Highly Urbanized Cities (HUCs) of Central Visayas, Negros Oriental and Siquijor recorded the highest inflation in September 2023 both at 7.1 percent, while the Province of Cebu recorded the lowest inflation during the month at 2.0 percent.

Bohol, Negros Oriental and Siquijor had an inflation higher than the regional inflation which was at 6.4 percent, 7.1 percent and 7.1 percent respectively. (Table A, Figure 3)



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,

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

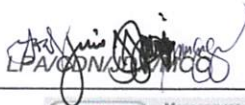
Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

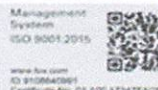
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