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SPECIAL RELEASE

Summary Inflation Report in Negros Oriental Consumer Price Index (2018=100)

April 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 2023 onwards will be 2018-based.

**Table 1. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	April 2022	March 2023	April 2023	Year-to-date*
Philippines	4.9	7.6	6.6	7.9
Central Visayas	5.4	6.6	5.5	6.7
Negros Oriental	6.4	6.3	6.4	7.1

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

* Year-on-year change of average CPI for January to April, 2023 vs. 2022

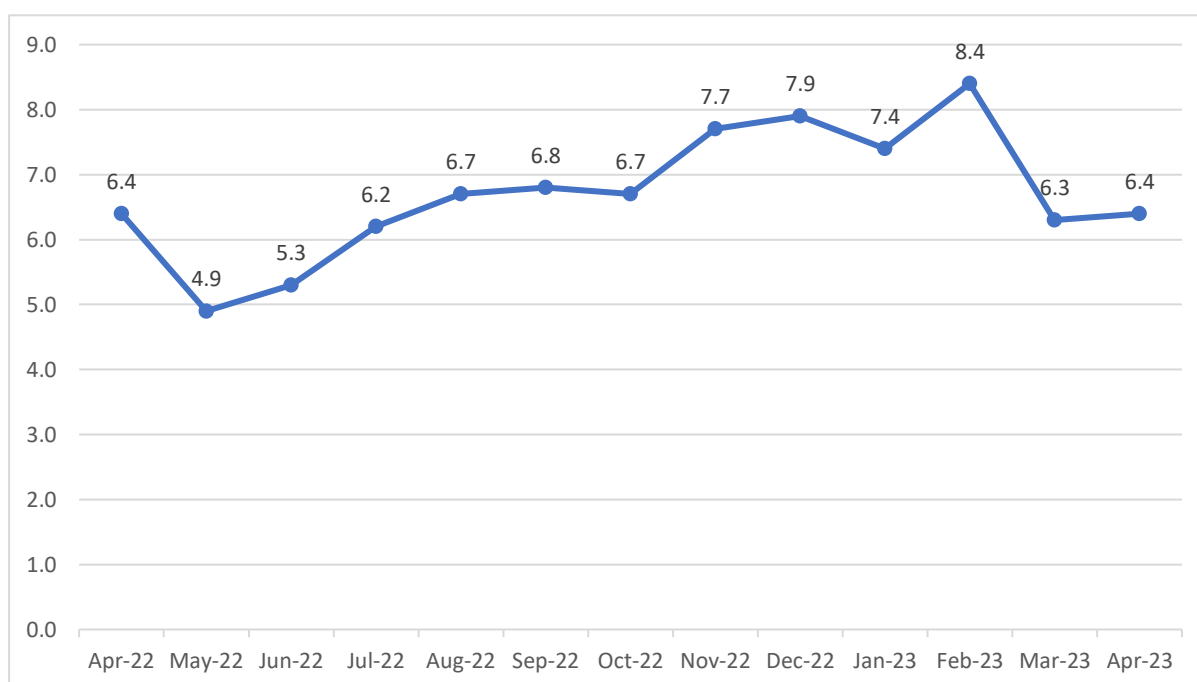
A. Philippines

The country's inflation rate has decreased from 7.6 percent in March 2023 to 6.6 percent in April 2023. In April of the previous year, inflation was lower at 4.9 percent. (Table 1)

B. Central Visayas

Following the trend at the national level, the inflation rate in Central Visayas has decreased to 5.5 percent in April 2023 from 6.6 percent in March 2023. In April 2022, inflation in the region was recorded at 5.4 percent. (Table 1)

**Figure 1. Headline Inflation Rates in Negros Oriental, All Items
In Percent, April 2022 to April 2023
(2018=100)**



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

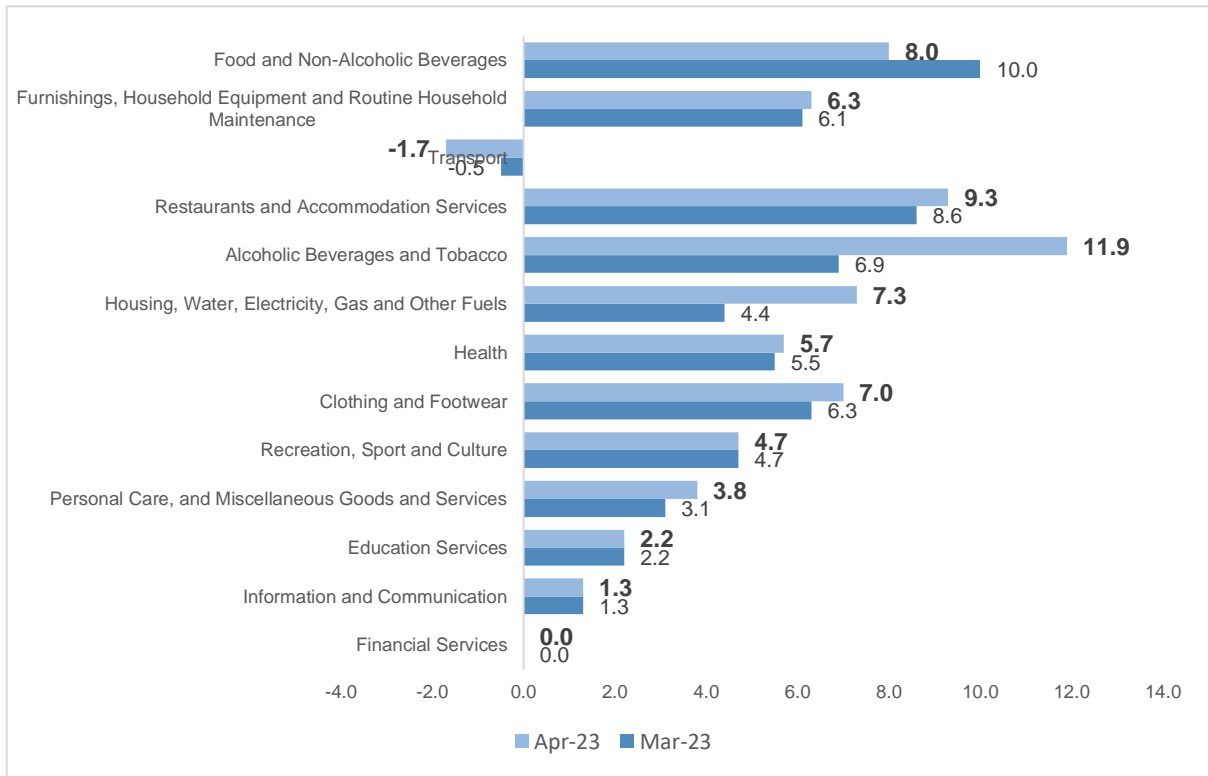
C. Negros Oriental

1. Headline Inflation

Headline inflation or the overall inflation in Negros Oriental has increased to 6.4 percent in April 2023 from 6.3 percent in March 2023. The inflation rate in April 2022 was observed at 6.4 percent. This brings the average inflation rate from January to April 2023 to 7.1 percent. (Figure 1)

The province's inflation rate was higher than the region's inflation rate. (Table 1)

Figure 2. Provincial Inflation Rates in Percent by Commodity Group, March and April 2023



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

1.1 Main Drivers to the Upward Trend of the Headline Inflation

Among the 13 commodity groups, the upward trend of the overall inflation in the province during the month was mainly brought about by the heavily weighted Alcoholic Beverages and Tobacco which recorded a higher inflation rate of 11.9 percent from 8.3 percent in March 2023. Restaurants and Accommodation Services was the second top contributor with an inflation rate of 9.3 percent from 8.6 percent in March 2023. The third primary driver in the upward trend was Housing, Water, Electricity, Gas and Other Fuels which recorded a 7.3 percent inflation rate from 4.4 percent in March 2023. The fourth contributor was Clothing and Footwear at 7.0 percent from 6.3 percent in March 2023. The fifth was Furnishings, Household Equipment and Routine Household Maintenance at 6.3 percent from 6.1 percent in March 2023. The sixth was Health at 5.7 percent from 5.5 percent in March 2023. The seventh contributor was Personal Care, and Miscellaneous Goods and Services at 3.8 percent from 3.1 percent in March 2023.

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

- a. Food and Non-Alcoholic Beverages, 8.0 percent from 10.0 percent; and
- b. Transport, -1.7 percent from 0-5 percent.

On the other hand, four commodity groups have retained their previous month's inflation rates and these were: Recreation, Sport and Culture at 4.7 percent; Education Services at 2.2 percent; Information and Communication at 1.3 percent; and Financial Services at 0.0 percent. (Figure 2)

1.2 Main Contributors to the Provincial Inflation Rate

The top three commodity groups contributing to the April 2023 provincial inflation rate of 6.4 percent were the following:

- a. Food and Non-Alcoholic Beverages with 48.8 percent share or 3.1 percentage points;
- b. Housing, Water, Electricity, Gas and Other Fuels at 29.2 percent share or 1.9 percentage points; and
- c. Restaurants and Accommodation services at 7.1 percent share or 0.5 percentage point.

2. Food Inflation

Food inflation at the provincial level slowed down further to 7.9 percent in April 2023 from 10.0 percent in March 2023. In April 2022, food inflation was lower at 5.8 percent. (Tables 6 and 7)

2.1 Main Drivers to the Downward Trend of Food Inflation

Fish and Other Seafood was the primary driver of the lower food inflation rate of 3.3 percent in April 2023 from 10.6 percent in the previous month. This was followed by Corn with an annual increment of 2.0 percent during the month from 6.9 percent. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses ranked third, recording a 8.6 percent inflation during the month from 12.3 percent in the previous month. Sugar, Confectionery and Desserts ranked fourth at 45.7 percent in April 2023 from 49.9 in March 2023. Milk, Other Dairy Products, and Eggs ranked fifth at 6.1 percent during the month from 7.4 percent. The sixth contributor was Meat and Other Parts of Slaughtered Land Animals at 8.6 percent from 9.6 percent in the previous month.

On the contrary, higher inflations rates were observed in the following food items:

- a. Rice, 4.0 percent from 1.8 percent;
- b. Fruits and Nuts, 7.3 percent from 6.5 percent;
- c. Ready-Made Food and Other Food products N.E.C, 16.8 percent from 16.5 percent; and
- d. Flour, Bread and Other Bakery Products, Pasta Products, and other Cereals, 11.4 percent from 11.2 percent.

One food item has retained its previous month's inflation rate and it was Oils and Fats at 39.1 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

In terms of contribution to the April 2023 provincial inflation rate, food shared 45.4 percent or 2.9 percentage points. Of the food groups, the top contributors to inflation were the following:

- a. Cereals and cereal products, which includes rice, corn, flour, bread and other bakery products, with 26.8 percent share;
- b. Sugar, confectionery and desserts (ND) with 18.1 percent share; and
- c. Meat and other parts of slaughtered land animals (ND) with 13.6 percent.

**Table 2. Year-on-Year Inflation Rates in Negros Oriental, All Items
In Percent
January 2019 – April 2023**

Month	Year				
	2019	2020	2021	2022	2023
January	4.8	2.4	1.4	5.7	7.4
February	3.7	2.1	2.2	5.1	8.4
March	3.7	1.9	2.3	6.1	6.3
April	3.0	1.8	2.6	6.4	6.4
May	1.6	0.1	4.6	4.9	
June	1.2	0.7	3.8	5.3	
July	0.5	0.9	3.8	6.2	
August	0.6	0.4	4.0	6.7	
September	-0.9	1.3	4.0	6.8	
October	-0.8	1.3	5.0	6.7	
November	-0.3	1.9	5.1	7.7	
December	1.7	1.2	5.2	7.9	
Average	1.5	1.3	3.7	6.3	7.1

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

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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