



SPECIAL RELEASE

Summary Inflation Report in Negros Oriental 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 2023 onwards will be 2018-based.

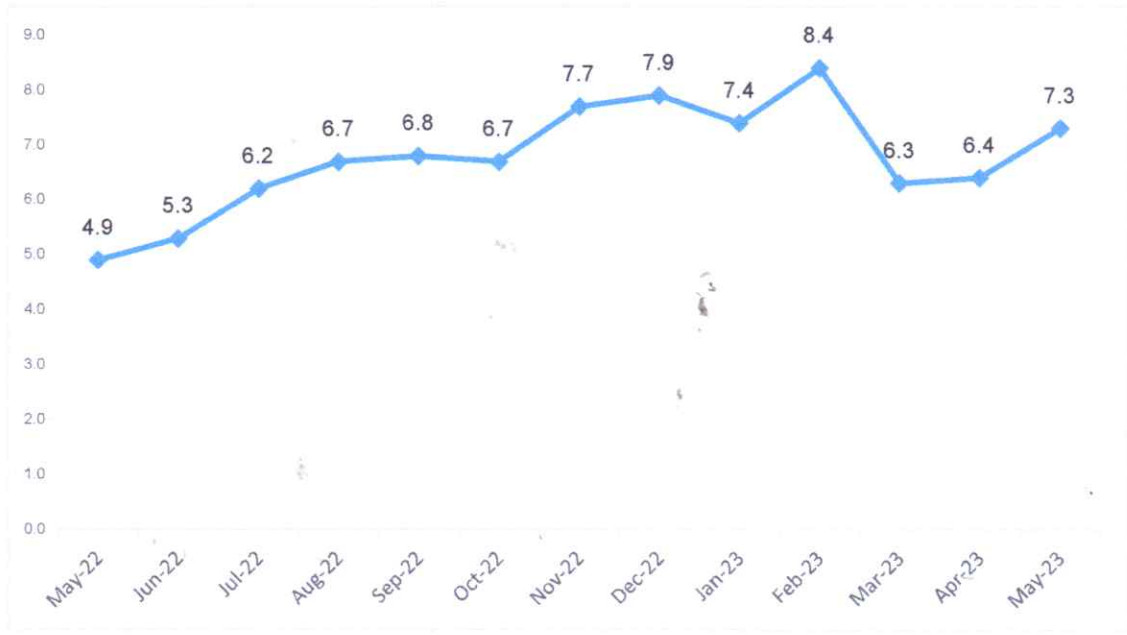
**Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	May 2022	April 2023	May 2023	Year-to-date*
Philippines	5.4	6.6	6.1	7.5
Central Visayas	5.3	5.5	5.4	6.4
Negros Oriental	4.9	6.4	7.3	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 May, 2023 vs. 2022

**Figure 1. Inflation Rates in Negros Oriental, All Items
(2018=100)**



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

A. Philippines

The country’s inflation rate slowed down further to 6.1 percent in May 2023 from 6.6 percent in April 2023. 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

Similar to the national trend, the Central Visayas’s inflation rate slowed down further to 5.4 percent in May 2023 from 5.5 percent in April 2023. In May 2022, the inflation rate was lower at 5.3 percent. (Table A)

C. Province of Negros Oriental

1. Headline Inflation

Headline inflation or the overall inflation in Negros Oriental has increased to 7.3 percent in May 2023 from 6.4 percent in April 2023. The inflation rate in May 2022 was observed at 4.9 percent. This brings the average inflation rate from January to May 2023 to 7.1 percent. (Figure 1)

The province’s inflation rate was higher than the region’s inflation rate. (Table A)

1.1 Main Drivers to the Upward Trend of the Headline Inflation

Among the 13 commodity groups, the upward trend of the overall inflation during the month was mainly brought about by Housing, Water, Electricity, Gas and Other Fuels, which recorded a higher inflation rate of 11.7 percent from 7.3 percent. Furnishings, Household Equipment and Routine Household Maintenance was the second top contributor with an inflation rate of 6.9 percent from 6.3 percent in April 2023. The third primary driver in the upward trend of the headline inflation in May 2023 was Restaurants and Accommodation Services which recorded a 9.7 percent inflation rate from 9.3 percent in April 2023.

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

- a. Food and Beverages at 7.8 percent from 8.0; and
- b. Transport at -4.5 from -1.7

On the other hand, three commodity groups have retained their previous month's inflation rates and these were: Education Services at 2.2 percent; Information and Communication at 1.3 percent; and Financial Services at 0.0 percent. (Table 3, Figure 2)

1.2 Main Contributors to the Provincial Inflation Rate

The top three commodity groups contributing to the May 2023 provincial inflation rate of 7.3 percent were the following:

- a. Food and Non-Alcoholic Beverages with 42.0 percent share or 3.1 percentage points;
- b. Housing, Water, Electricity, Gas, and Other Fuels at 4.2 percent share or 3.0 percentage points; and
- c. Restaurants and Accommodation services at 6.6 percent share or 0.5 percentage point.

2. Food Inflation

Food inflation at the provincial level slowed down further to 7.7 percent in May 2023 from 7.9 percent in April 2023. In April 2022, food inflation was lower at 5.9 percent. (Tables 6 and 7)

2.1 Main Drivers to the Downward Trend of Food Inflation

Sugar, Confectionery and Desserts was the primary driver of the lower food inflation rate of 39.5 percent in May 2023 from 45.7 percent in the previous month. This was followed by Fish and Other Seafood with an annual increment of 0.5 percent during the month from 3.3 percent. Fruits and Nuts ranked third, recording a 4.6 percent inflation during the month from 7.3 percent in the previous month. Oils and fats, ranked fourth at 36.6 percent during the month from 39.1 percent. The fifth contributor was Rice at 3.4 percent in May 2023 from 4.0 percent in the previous month.

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

- a. Corn, 5.8 percent from 2.0 percent;
- b. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses, 11.9 percent from 8.6 percent;
- c. Flour, Bread and Other Bakery Products, Pasta Products, and other Cereals, 13.5 percent from 11.4 percent;
- d. Milk, Other Dairy Products, and Eggs, 6.9 percent from 6.1 percent; and
- e. Meat and Other Parts of Slaughtered Land Animals, 8.8 percent from 8.6 percent.

One food item has retained its previous month's inflation rate and it was Ready-Made Food and Other Food Products N.E.C. at 16.8 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

In terms of contribution to the May 2023 provincial inflation rate, food shared 39.0 percent or 2.8 percentage points. Of the food groups, the top contributors to inflation were the following:

- a. Cereals and cereal products, which include rice, corn, flour, bread, and other bakery products, with 32.2 percent share or 2.48 percentage points;
- b. Sugar, confectionery, and desserts with 15.7 percent share or 1.21 percentage points; and
- c. Meat and other parts of slaughtered land animals with 14.0 percent share or 1.08 percentage points.

**Table B. Year-on-Year Inflation Rates in Negros Oriental, All Items
In Percent
January 2019 – May 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	7.3
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,

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

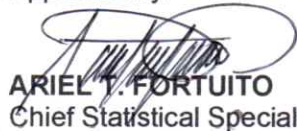
Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

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