



PRESS RELEASE

Summary Inflation Report Consumer Price Index (2012=100)

May 2020

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1. Philippines

At the national level, the **headline inflation** continued to move at a slower rate of 2.1 percent in May 2020, from 2.2 percent in April 2020. This brings the year-to-date inflation for 2020 at 2.5 percent. In May 2019, inflation was higher at 3.2 percent. (Table A and Figure 1)

Slowdown in the headline inflation in May 2020 was mainly driven by the 5.6 percent annual drop in the transport index. The downtrend in the headline inflation was also brought about by the deceleration in the annual increments recorded in the indices of the following commodity groups during the month:

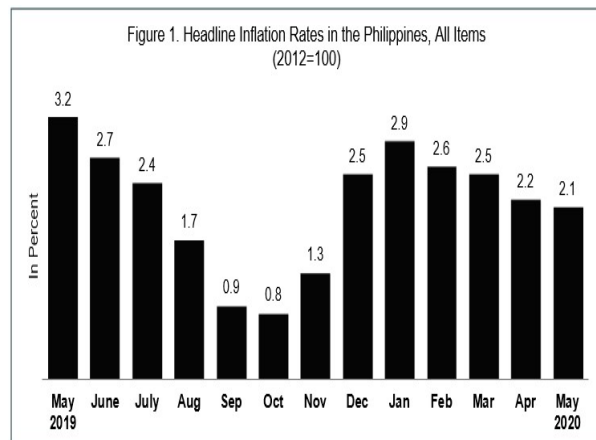
- a. Food and non-alcoholic beverages, 2.9 percent;
- b. Clothing and footwear, 2.4 percent;
- c. Furnishing, household equipment and routine maintenance of the house,

Table A. Year-on-Year Inflation Rates, All Items
 In Percent
 (2012=100)

Area	May 2020	April 2020	May 2019	Year-to-date
Philippines				
Headline	2.1	2.2	3.2	2.5
Core	2.9	2.9r	3.5	3.0
NCR				
Headline	1.4	1.2	3.4	1.8
AONCR				
Headline	2.2	2.5	3.1	2.7

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Source: Philippine Statistics Authority



Source: Philippine Statistics Authority



- 4.1 percent; and
- d. Recreation and culture, 1.4 percent.

On the contrary, a higher annual increase of 18.0 percent was noted in the index of alcoholic beverages and tobacco. The indices of the rest of the commodity groups such as housing, water, electricity, gas, and other fuels; health; communication; education; and restaurant and miscellaneous goods and services retained their previous month's annual growth rates. (Tables 3 and 4)

Core inflation in May 2020 retained its previous month's annual rate of 2.9 percent. In May 2019, it was posted at 3.5 percent. (Table A and 9)

Inflation for food at the national level slowed down to 2.9 percent in May 2020, from 3.4 percent in the previous month. It was observed at 3.2 percent in May 2019. (Table 7)

Annual decreases were still noted in the indices of rice at 2.7 percent; corn, 0.7 percent; and sugar, jam, honey, chocolate and confectionery, 0.8 percent. The indices of other food groups also exhibited slower annual increments during the month, except for the indices of other cereals, flour, cereal preparation, bread, pasta and other bakery products; and oils and fats, whose annual growth rates were higher at 2.7 percent and 2.1 percent, respectively. (Table 5)

Table B. Year-on-Year Inflation Rates in the Philippines, All Items
January 2016 – May 2020
(2012=100)

Month	Year				
	2016	2017	2018	2019	2020
January	0.7	2.5	3.4	4.4	2.9
February	0.5	3.1	3.8	3.8	2.6
March	0.6	3.1	4.3	3.3	2.5
April	0.7	3.2	4.5	3.0	2.2
May	0.9	2.9	4.6	3.2	2.1
June	1.3	2.5	5.2	2.7	
July	1.3	2.4	5.7	2.4	
August	1.3	2.6	6.4	1.7	
September	1.7	3.0	6.7	0.9	
October	1.8	3.1	6.7	0.8	
November	2.1	3.0	6.0	1.3	
December	2.2	2.9	5.1	2.5	
Average	1.3	2.9	5.2	2.5	

Source: Philippine Statistics Authority

2. National Capital Region (NCR)

Inflation in NCR was higher at 1.4 percent in May 2020 than in the previous month which posted at 1.2 percent. In May 2019, inflation was 3.4 percent.

The transport index registered a slower annual decline of 1.8 percent in May 2020 than its annual drop in the previous month of 6.5 percent. On the other hand, annual gains decelerated for food and non-alcoholic beverages at 2.7 percent; alcoholic beverages and tobacco, 13.8 percent; and recreation and culture, 0.6 percent.

Moreover, the indices of the following commodity groups retained their previous month's annual growth rates:

- a. Clothing and footwear, 1.2 percent;
- b. Housing, water, electricity, gas, and others fuels, -1.7 percent;
- c. Furnishing, household equipment and routine maintenance of the house, 5.8 percent;
- d. Health, 2.1 percent;
- e. Communication, 0.3 percent;

- f. Education, 5.7 percent; and
- g. Restaurant and miscellaneous goods and services, 1.9 percent.
(Tables 3 and 4)

3. Areas Outside NCR (AONCR)

Following the same trend as that of the national level, inflation in AONCR eased further to 2.2 percent in May 2020. Inflation in AONCR was recorded at 2.5 percent in the previous month and 3.1 percent in May 2019.

Contributing to the downtrend in the inflation in the area during the month was the 6.8 percent annual drop in the transport index. In addition, annual hikes decelerated in the indices of the following commodity groups:

- a. Food and non-alcoholic beverages, 3.1 percent;
- b. Clothing and footwear, 2.8 percent;
- c. Housing, water, electricity, gas, and other fuels, 0.9 percent;
- d. Furnishing, household equipment and routine maintenance of the house, 3.6 percent; and
- e. Recreation and culture, 1.6 percent.

On the other hand, annual growth rates were higher in the indices of alcoholic beverages and tobacco at 18.8 percent and health at 3.0 percent. The indices of the rest of the commodity groups such as communication, education, and restaurant and miscellaneous goods and services retained their previous month's annual growth rates. (Tables 3 and 4)

Eleven (11) regions in AONCR had lower inflation in May 2020 relative to their inflation in April 2020. The lowest inflation among the regions outside NCR during the month was still observed in Region X (Northern Mindanao) at 1.0 percent, while the highest remained in Region XII (SOCCSKSARGEN) at 3.6 percent. (Table 4)

Notes:

1. CPIs and inflation rates by province and selected cities are posted at the Philippine Statistics Authority (PSA) website (<http://openstat.psa.gov.ph>).

2. The PSA was able to collect prices from the sample markets/outlets even during the Coronavirus disease 2019 (COVID-19) pandemic period. Normally, face-to-face interview or visit to sample markets/outlets is done to collect prices. However, when face-to face interview was not possible in some areas, alternative approaches such as phone call/text to sellers of the sample outlets, email to sample outlets, and other alternative approaches/strategies were done to collect prices.



CLAIRE DENNIS S. MAPA, Ph.D.

Undersecretary

National Statistician and Civil Registrar General

DGLDP/EGV/RCL