



PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

May 2023

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

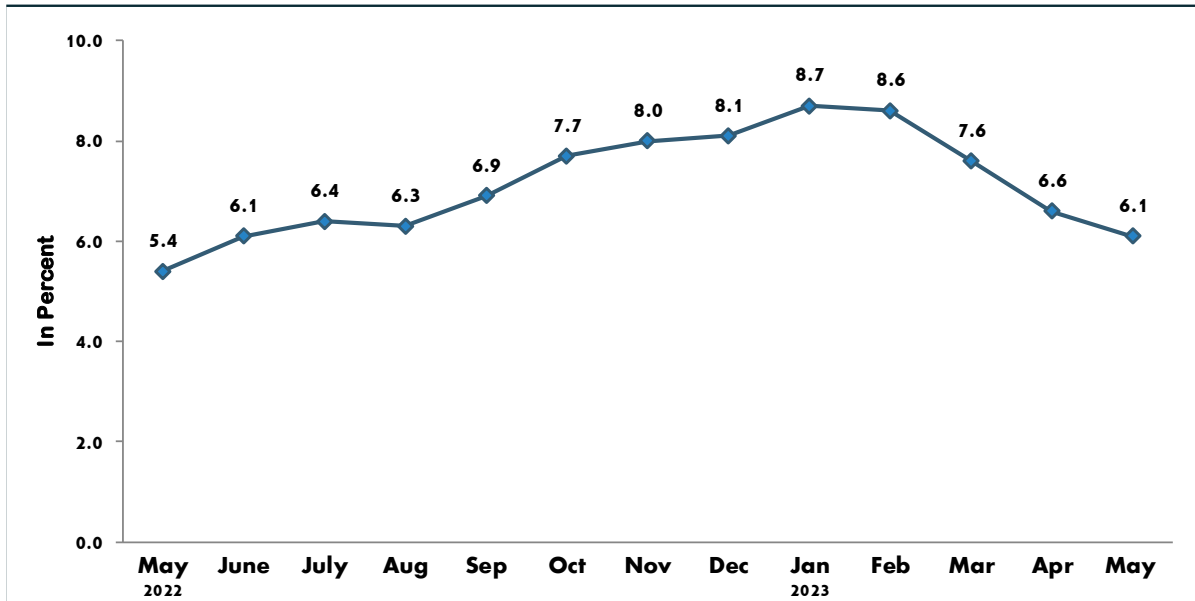
Area	May 2022	April 2023	May 2023	Year-to-date*
Philippines				
Headline	5.4	6.6	6.1	7.5
Core	2.8	7.9	7.7	7.8
NCR				
Headline	4.7	7.1	6.5	7.7
AONCR				
Headline	5.5	6.5	6.0	7.4

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

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



**Figure 1. Headline Inflation Rates in the Philippines, All Items
(2018=100)**



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

A. Philippines

1. Headline Inflation

Headline inflation or the overall inflation in the Philippines slowed down further to 6.1 percent in May 2023 from 6.6 percent in April 2023. This is the fourth consecutive month of deceleration in the headline inflation in the country. 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. (Figure 1, and Tables A, B, 5, and 14)

1.1 Main Drivers to the Downward Trend of the Headline Inflation

Among the 13 commodity groups, the downtrend of the headline inflation in May 2023 was primarily brought about by the annual decline in the index of transport at -0.5 percent from 2.6 percent annual increase in the previous month. The heavily-weighted food and non-alcoholic beverages also pulled down the overall inflation during the month with a lower inflation rate of 7.4 percent from 7.9 percent in April 2023. The third main source of deceleration for the May 2023 inflation was restaurants and accommodation services, which registered slower inflation at 8.3 percent from 8.6 percent in the previous month.

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In addition, the annual rate of alcoholic beverages and tobacco index slowed down to 12.3 percent during the month.

Meanwhile, higher inflation rates were observed in the indices of furnishings, household equipment and routine household maintenance at 6.2 percent in May 2023 from 6.1 percent in April 2023; and recreation, sport and culture at 4.9 percent during the month from 4.7 percent in the previous month.

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

- a. Clothing and footwear, 5.1 percent;
 - b. Housing, water, electricity, gas and other fuels, 6.5 percent;
 - c. Health, 4.1 percent;
 - d. Information and Communication, 0.7 percent;
 - e. Education services, 3.6 percent;
 - f. Financial services, 0.0 percent; and
 - g. Personal care, and miscellaneous goods and services, 5.7 percent.
- (Tables 5 and 6)

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the 6.1 percent headline inflation in May 2023 were the following:

- a. Food and non-alcoholic beverages with 46.0 percent share or 2.8 percentage points;
- b. Housing, water, electricity, gas and other fuels with 22.9 percent share or 1.4 percentage points; and
- c. Restaurants and accommodation services with 13.1 percent share or 0.8 percentage point.

2. Food Inflation

Food inflation at the national level in May 2023 at 7.5 percent also exhibited a downward movement for the fourth month in a row. In the previous month, food inflation was posted at 8.0 percent. However, despite the deceleration, the May 2022 food inflation was still lower at 5.2 percent. (Table 9)

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2.1 Main Drivers to the Downward Trend of Food Inflation

The slower food inflation during the month was primarily influenced by the lower annual growth in fish and other seafood at 5.0 percent from 7.0 percent in April 2023. This was followed by meat and other parts of slaughtered land animals with an inflation rate of 3.2 percent in May 2023 from 4.2 percent in the previous month. The third primary driver of slower food inflation was milk, other dairy products and eggs, which recorded a lower inflation rate of 12.1 percent in May 2023 from 13.0 percent in the previous month.

Lower inflation rates during the month were also noted in the indices of the following food items:

- a. Corn, 5.9 percent from 8.4 percent;
- b. Flour, bread and other bakery products, pasta products, and other cereals, 11.4 percent from 11.7 percent;
- c. Oils and fats, 8.5 percent from 11.7 percent;
- d. Fruits and nuts, 14.3 percent from 14.7 percent;
- e. Sugar, confectionery and desserts, 31.6 percent from 33.7 percent; and
- f. Ready-made food and other food products not elsewhere classified, 9.0 percent from 9.5 percent.

Meanwhile, compared with their previous month's inflation rates, higher year-on-year growth rates were observed in the indices of rice at 3.4 percent from 2.9 percent; and vegetables, tubers, plantains, cooking bananas and pulses at 12.6 percent from 10.0 percent. (Table 7)

2.2 Main Contributors to the Food Inflation

Food shared 42.5 percent or 2.6 percentage points to the overall inflation in May 2023. 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 26.7 percent share or 2.0 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses, with 13.4 percent share or 1.0 percentage point; and
- c. Milk, other dairy products and eggs, also with 13.4 percent share or 1.0 percentage point.

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3. Core Inflation

The core inflation, which excludes selected food and energy items in the headline inflation, slowed down to 7.7 percent in May 2023 from 7.9 percent in April 2023. This brings the average core inflation from January to May 2023 to 7.8 percent. In May 2022, core inflation was observed at 2.8 percent. (Tables A and 11)

**Table B. Year-on-Year Inflation Rates in the Philippines, All Items
In Percent
January 2018 – May 2023
(2018=100)**

Month	Year					
	2018	2019	2020	2021	2022	2023
January	3.4	4.4	3.0	3.7	3.0	8.7
February	3.7	3.8	2.5	4.2	3.0	8.6
March	4.3	3.4	2.2	4.1	4.0	7.6
April	4.3	3.2	1.8	4.1	4.9	6.6
May	4.6	3.2	1.6	4.1	5.4	6.1
June	5.0	2.7	2.3	3.7	6.1	
July	5.8	2.2	2.4	3.7	6.4	
August	6.6	1.4	2.2	4.4	6.3	
September	6.9	0.5	2.2	4.2	6.9	
October	6.9	0.6	2.3	4.0	7.7	
November	6.1	1.2	3.0	3.7	8.0	
December	5.2	2.4	3.3	3.1	8.1	
Average	5.2	2.4	2.4	3.9	5.8	7.5

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

B. National Capital Region (NCR)

Similar to the trend at the national level, inflation rate in NCR slowed down further to 6.5 percent in May 2023 from 7.1 percent in April 2023. Inflation rate in the area in May 2022 was lower at 4.7 percent. (Tables A, 5, and 15)

The slowdown of inflation in NCR was mainly due to the slower year-on-year increment in the transport index at 1.1 percent during the month from 4.3 percent in April 2023. Another primary contributor to the downtrend was the lower annual growth rate in restaurants and accommodation services at 9.5 percent in May 2023 from 11.4 percent

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in the previous month. Food and non-alcoholic beverages also pulled down the May 2023 inflation in the area with an inflation rate of 7.6 percent from 8.3 percent in the previous month.

In addition, lower inflation rates were observed in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 7.4 percent from 7.9 percent;
- b. Clothing and footwear, 2.9 percent from 3.1 percent;
- c. Health, 2.1 percent from 2.4 percent; and
- d. Recreation, sport and culture, 3.5 percent from 3.6 percent.

On the contrary, higher inflation rates were noted in the indices of the following commodity groups in May 2023:

- a. Housing, water, electricity, gas and other fuels, 7.5 percent from 6.8 percent;
- b. Furnishings, household equipment and routine household maintenance, 6.4 percent from 6.1 percent;
- c. Information and communication, 0.5 percent from 0.2 percent; and
- d. Personal care, and miscellaneous goods and services, 3.8 percent from 3.6 percent.

Meanwhile, the annual increases in the indices of the rest of the commodity groups remained at their respective previous month's rates. (Tables 5 and 6)

C. Areas Outside NCR (AONCR)

Inflation rate in AONCR, likewise, decelerated further to 6.0 percent in May 2023 from 6.5 percent in April 2023. In May 2022, inflation in the area stood at 5.5 percent. (Tables A, 5, and 16)

The deceleration of inflation in the area during the period was primarily caused by the annual decrease in the transport index at -0.8 percent in May 2023 from an annual increment of 2.3 percent in the previous month. Also contributing to slower inflation during the month were the slowdown in the annual increases of food and non-alcoholic beverages at 7.4 percent from 7.9 percent in the previous month, and housing, water, electricity, gas and other fuels at 6.1 percent from 6.3 percent.

In addition, alcoholic beverages and tobacco index had a slower annual rate of 13.2 percent during the month from 13.6 percent in April 2023.



On the contrary, higher inflation rates were recorded in the indices of the following commodity groups during the period:

- a. Clothing and footwear, 5.6 percent from 5.5 percent;
- b. Furnishings, household equipment and routine household maintenance, 6.2 percent from 6.1 percent;
- c. Recreation, sport and culture, 5.1 percent from 5.0 percent;
- d. Restaurants and accommodation services, 7.7 percent from 7.5 percent; and
- e. Personal care, and miscellaneous goods and services, 6.3 percent from 6.2 percent.

The indices for the rest of the commodity groups remained at their respective previous month's annual growth rates. (Tables 5 and 6)

For the second consecutive month, all regions outside NCR recorded slower inflation rates during the month relative to their April 2023 inflation rates. Cordillera Administrative Region remained as the region with the lowest inflation rate for the third consecutive month at 3.9 percent, while MIMAROPA Region recorded the highest inflation rate during the month at 7.2 percent. (Table 6)

Note: CPIs and inflation rates by province and selected city are posted at the PSA OpenSTAT Portal at (<https://openstat.psa.gov.ph/>).



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