

PRESS RELEASE

Summary Inflation Report Consumer Price Index (2012=100)

August 2021

Date of Release: 07 September 2021, 9:00 AM
Reference No. 2021-378

1. Philippines

The **headline inflation** at the national level jumped to 4.9 percent in August 2021, from 4.0 percent in July 2021. This is the highest inflation recorded since January 2019.

With the August 2021 inflation, the Philippines' average inflation from January to August 2021 stood at 4.4 percent.

In August 2020, inflation rate was lower at 2.4 percent. (Table A and Figure 1)

The uptrend in the country's inflation was mainly brought about by the higher annual increment in the index of the heavily-weighted food and non-alcoholic beverages at 6.5 percent during the month, from 4.9 percent in July 2021.

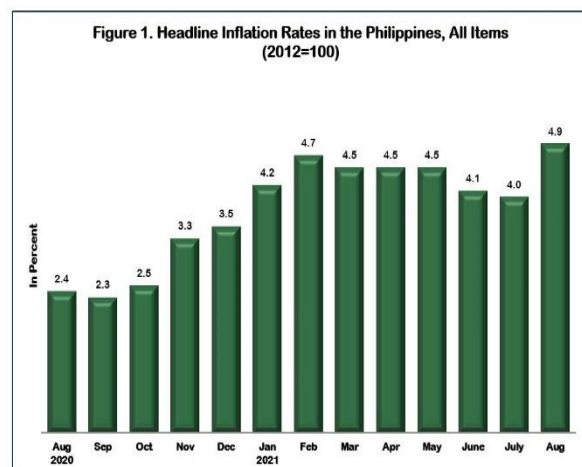
Moreover, recreation and culture index went up by 0.5 percent in August 2021, after recording annual decreases since August 2020.

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

Area	August 2020	July 2021	August 2021	Year-to-date*
Philippines				
Headline	2.4	4.0	4.9	4.4
Core	3.1	2.9	3.3	3.3
NCR				
Headline	2.2	3.2	3.7	3.8
AONCR				
Headline	2.5	4.3	5.2	4.6

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

* Year-on-year change of average CPI for January to August, 2021 vs. 2020



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

Annual increases were also higher in the indices of the following commodity groups:

- Alcoholic beverages and tobacco, 10.3 percent;
- Clothing and footwear, 1.8 percent;
- Housing, water, electricity, gas, and other fuels, 3.1 percent;
- Furnishing, household equipment and routine household maintenance, 2.5 percent;
- Transport, 7.2 percent; and
- Restaurant and miscellaneous goods and services, 3.8 percent.

The other commodity groups, i.e., health, communication, and education, retained their previous month's annual growth rates. (Tables 3 and 4)

Excluding selected food and energy items, **core inflation**, likewise, picked up to 3.3 percent in August 2021, from 2.9 percent in July 2021. In August 2020, core inflation was posted at 3.1 percent. (Tables A and 9)

For food index, the annual growth rate at the national level accelerated to 6.9 percent in August 2021, from 5.1 percent in July 2021. It was observed at 1.7 percent in August 2020. (Table 7)

By specific food item, double-digit annual growth rates were noted in the indices of meat at 16.4 percent; fish, 12.4 percent; and vegetables, 15.7 percent.

Annual hikes were also higher in the indices of the following food groups:

- Corn, 8.7 percent;
- Other cereals, flour, cereal preparations, bread, pasta, and other bakery products, 1.8 percent;
- Oils and fats, 4.8 percent;
- Sugar, jam, honey, chocolate and confectionery, 1.2 percent; and
- Food products not elsewhere classified, 1.6 percent.

Moreover, inflation for fruit inched up to 0.1 percent, from an annual drop of -0.6 percent in the previous month. Furthermore, the annual decline of -0.4 percent in rice index during the month was slower relative to its previous month's annual decrease of -1.0 percent.

Meanwhile, milk, cheese and egg index retained its previous month's annual growth of 0.6 percent. (Table 5)

**Table B. Year-on-Year Inflation Rates in the Philippines, All Items
In Percent
January 2017 – August 2021
(2012=100)**

Month	Year				
	2017	2018	2019	2020	2021
January	2.5	3.4	4.4	2.9	4.2
February	3.1	3.8	3.8	2.6	4.7
March	3.1	4.3	3.3	2.5	4.5
April	3.2	4.5	3.0	2.2	4.5
May	2.9	4.6	3.2	2.1	4.5
June	2.5	5.2	2.7	2.5	4.1
July	2.4	5.7	2.4	2.7	4.0
August	2.6	6.4	1.7	2.4	4.9
September	3.0	6.7	0.9	2.3	
October	3.1	6.7	0.8	2.5	
November	3.0	6.0	1.3	3.3	
December	2.9	5.1	2.5	3.5	
Average	2.9	5.2	2.5	2.6	

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

2. National Capital Region (NCR)

Similar to the trend of the national level, inflation in NCR rose to 3.7 percent in August 2021, from 3.2 percent in July 2021. In August 2020, inflation in the region was observed at 2.2 percent. (Tables A and 3)

Higher annual increases during the month were noted in the indices of the following commodity groups:

- Food and non-alcoholic beverages, 6.6 percent;
- Alcoholic beverages and tobacco, 10.6 percent;
- Housing, water, electricity, gas, and other fuels, 1.9 percent;
- Furnishings, household equipment and routine household maintenance, 1.4 percent;
- Health, 2.7 percent; and
- Restaurant and miscellaneous goods and services, 3.2 percent.

The rest of the commodity groups either had slower annual increments or retained their previous month's annual growth rates. (Tables 3 and 4).

3. Areas Outside NCR (AONCR)

Following the trend of the national level and NCR, inflation in AONCR accelerated to 5.2 percent in August 2021, from 4.3 percent in the previous month. In August 2020, inflation in AONCR stood at 2.5 percent.

Uptrend in the inflation in AONCR was mainly due to the higher annual hike in food and non-alcoholic beverages index at 6.5 percent.

Contributing also to the uptrend in the inflation in AONCR were the higher annual increments registered in the indices of the following commodity groups:

- Alcoholic beverages and tobacco, at 10.2 percent;
- Clothing and footwear, 2.1 percent;
- Housing, water, electricity, gas, and other fuels, 3.7 percent;
- Furnishing, household equipment and routine maintenance of the house, 2.8 percent;
- Transport, 8.4 percent; and
- Restaurant and miscellaneous goods and services, 4.1 percent.

Moreover, the index of recreation and culture also posted an annual growth of 0.9 percent during the month, after exhibiting negative annual growth rates since August 2020. Meanwhile, the rest of the commodity groups retained their previous month's annual growth rates. (Tables 3 and 4)

All regions in AONCR, except MIMAROPA and Caraga, had higher inflation in August 2021. The highest inflation during the month remained in Region II (Cagayan Valley) at 7.5 percent, while the lowest was still registered in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) at 2.5 percent. (Table 4)

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

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