



PRESS RELEASE

Summary Inflation Report Consumer Price Index (2012=100)

December 2020

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1. Philippines

The **headline inflation** at the national level accelerated further to 3.5 percent in December 2020, from 3.3 percent in November 2020. This is the highest inflation recorded since March 2019.

Inflation in December 2019 stood at 2.5 percent.

The uptrend in the country's inflation was primarily brought about by the increase in the inflation of heavily-weighted food and non-alcoholic beverages at 4.8 percent during the month, from 4.3 percent in November 2020.

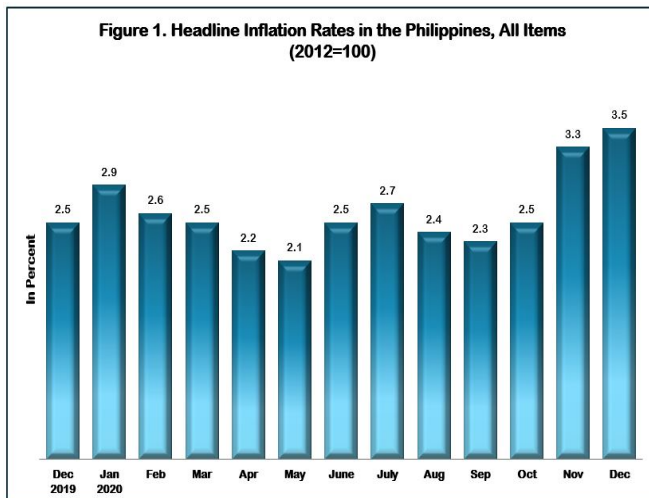
Moreover, annual increments were higher in the indices of health at 2.6 percent; transport, 8.3 percent; and restaurant and miscellaneous goods and services, 2.5 percent.

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

Area	December 2020	November 2020	December 2019	Year-to-date
Philippines				
Headline	3.5	3.3	2.5	2.6
Core	3.3	3.2	3.1	3.2
NCR				
Headline	3.2	3.5	2.8	2.2
AONCR				
Headline	3.7	3.3	2.4	2.7

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

Figure 1. Headline Inflation Rates in the Philippines, All Items
 (2012=100)



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



On the other hand, inflation slowed down in the indices of the following commodity groups:

- a. Alcoholic beverages and tobacco, 12.2 percent;
- b. Housing, water, electricity, gas, and other fuels, 0.5 percent
- c. Furnishing, household equipment and routine maintenance of the house, 3.3 percent; and
- d. Communication, 0.2 percent.

The rest of the commodity groups retained their previous month's annual rates. (Tables 3, and 4)

The Philippines' annual average inflation for 2020 was posted at 2.6 percent, slightly higher than the 2.5 percent annual average inflation in 2019.

Relative to their annual average rates in 2019, the indices of the following commodity groups recorded faster annual average increments in 2020:

- a. Food and non-alcoholic beverages, 2.7 percent;
- b. Alcoholic beverages and tobacco, 16.1 percent;
- c. Furnishing, household equipment and routine maintenance of the house, 3.8 percent;
- d. Transport, 3.2 percent; and
- e. Education, 2.5 percent.

On the other hand, annual average inflation rates during the year were slower for the rest of the commodity groups such as clothing and footwear; housing, water, electricity, gas and other fuels; health; communication, recreation and culture; and restaurant and miscellaneous goods and services. (Tables 3, and 4a).

Excluding selected food and energy items, **core inflation** inched up by 3.3 percent in December 2020, from 3.2 percent in the previous month. In December 2019, core inflation was posted at 3.1 percent.

The annual average core inflation in 2020 was recorded at 3.2 percent, the same rate observed in 2019. (Tables A, and 9).

Inflation for food index at the country level jumped to 4.9 percent in December 2020, from 4.5 percent in the previous month. In December 2019, inflation for food was registered at 1.7 percent. (Table 7)

The annual rate of the index of vegetables soared further to 19.7 percent in December 2020. Likewise, a double-digit inflation of 10.0 percent was observed in meat during the month. In addition, higher annual gains were also noted in the indices of oils and fats at 2.7 percent; and fruits, 6.3 percent.

The indices of rice and corn both posted a 0.1 percent annual increase after registering negative annual rates in the previous month.

The rest of the food groups recorded slower annual increments, except for the index of sugar, jam, honey, chocolate and confectionery index which retained its previous month's annual rate of 0.4 percent. (Tables 5, and 7)

**Table B. Year-on-Year Inflation Rates in the Philippines, All Items
In Percent
January 2016 – December 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	2.5
July	1.3	2.4	5.7	2.4	2.7
August	1.3	2.6	6.4	1.7	2.4
September	1.7	3.0	6.7	0.9	2.3
October	1.8	3.1	6.7	0.8	2.5
November	2.1	3.0	6.0	1.3	3.3
December	2.2	2.9	5.1	2.5	3.5
Average	1.3	2.9	5.2	2.5	2.6

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

2. National Capital Region (NCR)

Inflation in NCR, on the contrary, slowed down to 3.2 percent during the month, from 3.5 percent in November 2020. In December 2019, inflation in the area was posted at 2.8 percent. (Tables A, and 3)

The annual rates decreased further in the indices of housing, water, electricity, gas and other fuels at -0.6 percent; and recreation and culture at -0.3 percent.

Moreover, other commodity groups exhibited slower annual growth rates, except for alcoholic beverages which recorded a higher annual gain of 9.3 percent; and transport and education which retained their previous month's annual rates of 10.9 percent and 0.5 percent, respectively. (Tables 3, and 4)

The annual average inflation in NCR eased to 2.2 percent in 2020, from 2.6 percent in 2019. (Tables 3, and 4a)

3. Areas Outside NCR (AONCR)

Following the trend of the national level, inflation in AONCR increased further to 3.7 in percent December 2020, from 3.3 percent in November 2020. Inflation in the area in December 2019 was observed at 2.4 percent. (Tables A, and 3)

The uptrend in the inflation in AONCR was mainly due to the higher annual rate of increment in the index of the heavily-weighted food and non-alcoholic beverages at 4.5 percent during the month. Faster annual rates were also recorded in the indices of health at 2.6 percent; transport, 7.5 percent; and restaurant and miscellaneous goods and services, 3.1 percent.

On the other hand, slower annual gains were posted in the indices of alcoholic beverages and tobacco at 12.7 percent; housing, water, electricity, gas, and other fuels, 0.9 percent; and furnishing, household equipment and routine maintenance of the house, 2.7 percent. The rest of the commodity groups such as clothing and footwear; communication; recreation and culture; and education retained their previous month's annual rates. (Table 3)

Compared with their annual growth rates in November 2020, 11 regions in AONCR had higher inflation in December 2020. The highest inflation during the month was noted in Region II (Cagayan Valley), and Region V (Bicol Region), both at 6.6 percent, while the lowest remained in Region VII (Central Visayas) at 0.9 percent. (Table 4)

The annual average inflation in AONCR went up to 2.7 percent in 2020, from 2.5 percent in 2019 (Tables 3, and 4a).

Relative to their 2019 annual average rates, 12 regions in AONCR had faster annual average inflation in 2020. Region V (Bicol Region) exhibited the highest annual average inflation during the year at 4.2 percent. On the other hand, Region XI (Davao Region) had the lowest annual average inflation at 1.7 percent (Table 4a).

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



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