

PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

August 2023

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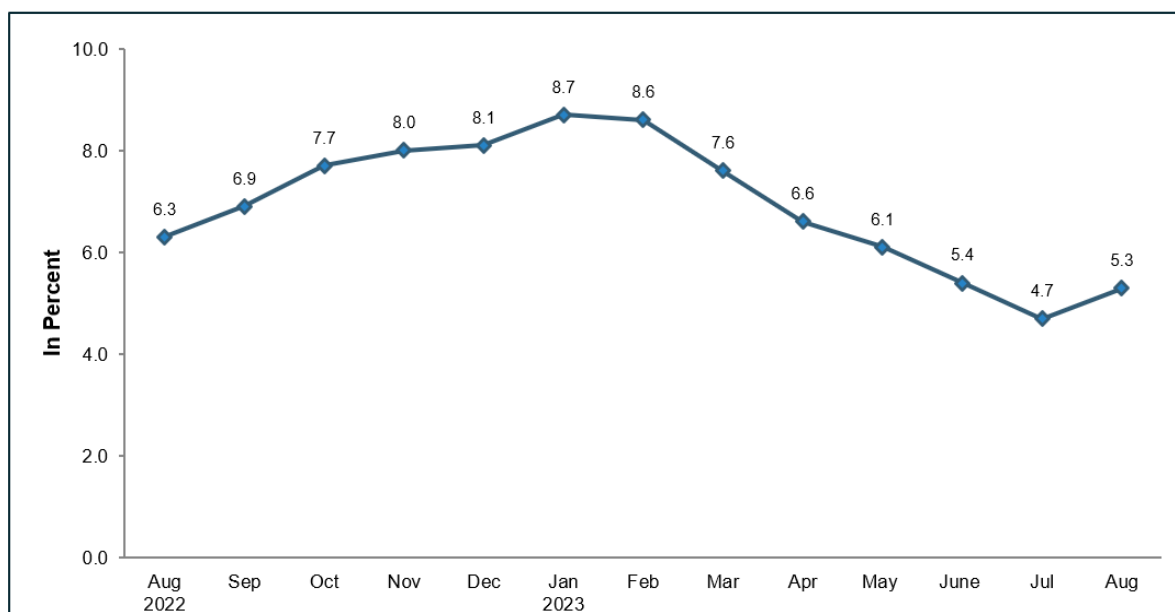
**Table A. Year-on-Year Inflation Rates, All Items
In Percent
(2018=100)**

Area	August 2022	July 2023	August 2023	Year-to-date*
Philippines				
Headline	6.3	4.7	5.3	6.6
Core	4.6	6.7	6.1	7.4
NCR				
Headline	5.7	5.6	5.9	6.9
AONCR				
Headline	6.5	4.4	5.2	6.5

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 August 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

The Philippines' headline inflation or overall inflation increased to 5.3 percent in August 2023 from 4.7 percent in July 2023. This brings the national average inflation from January to August 2023 to 6.6 percent. In August 2022, inflation rate was higher at 6.3 percent. (Figure 1, and Tables A, B, 5, and 14)

1.1 Main Drivers to the Upward Trend of the Headline Inflation

The uptrend in the overall inflation in August 2023 was primarily influenced by the higher year-on-year increase in the heavily-weighted food and non-alcoholic beverages at 8.1 percent during the month from 6.3 percent in the previous month. The annual growth of transport at 0.2 percent during the month, from an annual decline of -4.7 percent in July 2023, also contributed to the uptrend. In addition, the recreation, sport and culture index recorded an annual increase of 4.9 percent during the month from 4.7 percent in July 2023.

In contrast, six commodity groups showed lower inflation rates during the month:

- a. Alcoholic beverages and tobacco, 10.1 percent from 10.9 percent;
- b. Housing, water, electricity, gas and other fuels, 2.5 percent from 4.5 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.6 percent from 5.8 percent;
- d. Education services, 2.9 percent from 3.7 percent;
- e. Restaurants and accommodation services, 7.1 percent from 7.9 percent; and
- f. Personal care, and miscellaneous goods and services, 5.5 percent from 5.6 percent.

The indices of the rest of the commodity groups retained their respective previous month's annual increases, while the financial services remained at zero growth during the month. (Tables 5 and 6)

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the August 2023 overall inflation were the following:

- a. Food and non-alcoholic beverages with 57.4 percent share or 3.0 percentage points;
- b. Restaurants and accommodation services with 12.8 percent share or 0.7 percentage point; and
- c. Housing, water, electricity, gas and other fuels with 10.0 percent share or 0.5 percentage point.

2. Food Inflation

Food inflation at the national level rose to 8.2 percent in August 2023 from 6.3 percent in July 2023. In August 2022, food inflation was lower at 6.5 percent. (Table 9)

2.1 Main Drivers to the Upward Trend of Food Inflation

The acceleration of food inflation in August 2023 was mainly brought about by the higher year-on-year growth rate observed in rice at 8.7 percent from 4.2 percent in July 2023. This was followed by vegetables, tubers, plantains, cooking bananas and pulses with an inflation rate of 31.9 percent during the month from 21.8 percent in

July 2023. In addition, faster annual increments were noted in fish and other seafood at 6.9 percent in August 2023 from 4.5 percent in the previous month, and fruits and nuts with 9.6 percent during the month from 8.4 percent in July 2023.

The indices of meat and other parts of slaughtered land animals had slower annual decrease of -0.1 percent in August 2023 from -1.7 percent in the previous month.

Meanwhile, compared with their previous month's inflation rates, lower annual growth rates during the month were observed in the indices of flour, bread and other bakery products, pasta products, and other cereals at 9.0 percent from 10.1 percent; milk, other dairy products and eggs at 7.8 percent from 9.7 percent; sugar, confectionery and desserts at 13.2 percent from 21.4 percent; and ready-made food and other food products not elsewhere classified at 7.3 percent from 7.8 percent.

Corn index registered an annual drop of -0.9 percent during the month from 5.8 percent annual increase in the previous month, while the index of oils and fats recorded zero percent annual rate during the month from 2.0 percent annual growth in July 2023. (Table 7)

2.2 Main Contributors to the Food Inflation

Food shared 53.9 percent or 2.9 percentage points to the overall inflation in August 2023. Food groups with the highest contribution to food inflation during the month were the following:

- a. Cereals and cereal products, which includes rice, corn, flour, bread and other bakery products, with 35.0 percent share or 2.9 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses, with 30.6 percent share or 2.5 percentage points; and
- c. Fish and other seafood, with 13.4 percent share or 1.1 percentage points.

3. Core Inflation

Core inflation, which excludes selected food and energy items, decelerated further to 6.1 percent in August 2023 from 6.7 percent in July 2023. This brings the average core inflation from January to August 2023 to 7.4 percent. In August 2022, core inflation was observed at 4.6 percent. (Tables A and 11)

**Table B. Year-on-Year Inflation Rates in the Philippines, All Items: January 2018 to August 2023
In Percent
(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	5.4
July	5.8	2.2	2.4	3.7	6.4	4.7
August	6.6	1.4	2.2	4.4	6.3	5.3
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	6.6

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

B. National Capital Region (NCR)

Similarly, inflation in NCR moved at a faster pace in August 2023 at 5.9 percent from 5.6 percent in the previous month. In August 2022, inflation rate in the area was recorded at 5.7 percent. (Tables A, 5, and 15)

The uptrend of inflation in NCR for the month of August 2023 was mainly attributed to the higher annual increment in the heavily-weighted food and non-alcoholic beverages at 8.6 percent during the month from 6.4 percent in July 2023. This was followed by transport with an inflation rate of 1.4 percent from an annual decline of -3.2 percent in the previous month.

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

- a. Clothing and footwear, 2.3 percent from 2.1 percent;
- b. Health, 2.7 percent from 2.2 percent; and
- c. Recreation, sport and culture, 3.5 percent from 3.4 percent.

On the contrary, lower inflation rates were noted in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 5.8 percent from 6.4 percent;

- b. Housing, water, electricity, gas and other fuels, 5.3 percent from 6.9 percent;
- c. Furnishings, household equipment and routine household maintenance, 6.1 percent from 6.2 percent;
- d. Education services, 3.3 percent from 8.1 percent;
- e. Restaurants and accommodation services, 7.9 percent from 10.1 percent; and
- f. Personal care, and miscellaneous goods and services, 3.9 percent from 4.1 percent in the previous month.

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

C. Areas Outside NCR (AONCR)

Following the trend at the national level and NCR, overall inflation in AONCR also showed an uptrend at 5.2 percent in August 2023 from 4.4 percent in July 2023. In August 2022, inflation in the area was recorded at 6.5 percent. (Tables A, 5, and 16)

The acceleration of inflation in the area was mainly contributed by the higher annual increase in food and non-alcoholic beverages at 8.0 percent in August 2023 from 6.2 percent in July 2023. In addition, transport recorded a zero annual rate during the month from -5.0 percent annual decline in the previous month. Furthermore, higher year-on-year increments were observed in the indices of recreation, sport and culture at 5.3 percent from 5.0 percent, and education services at 2.7 percent from 2.2 percent.

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

- a. Alcoholic beverages and tobacco, 10.9 percent from 11.7 percent;
- b. Housing, water, electricity, gas and other fuels, 1.6 percent from 3.8 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.5 percent from 5.7 percent;
- d. Health, 4.1 percent from 4.2 percent;
- e. Restaurants and accommodation services, 6.9 percent from 7.1 percent; and
- f. Personal care, and miscellaneous goods and services, 5.9 percent from 6.0 percent.

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

Relative to their respective July 2023 inflation rates, 12 regions in AONCR had higher inflation rates in August 2023. On the contrary, two regions recorded lower inflation rates during the month, while the remaining two regions moved at the same rate as in the previous month. Region III (Central Luzon) had the highest inflation rate during the month at 7.0 percent, while Region VIII (Eastern Visayas) had the lowest inflation rate at 3.1 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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