



# PRESS RELEASE

**Summary Inflation Report  
 Consumer Price Index  
 (2018=100)  
 December 2023**

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

Area	December 2022	November 2023	December 2023	Year-to-date*
<b>Philippines</b>				
Headline	8.1	4.1	3.9	6.0
Core	6.9	4.7	4.4	6.6
<b>NCR</b>				
Headline	7.6	4.2	3.5	6.2
<b>AONCR</b>				
Headline	8.2	4.1	4.0	5.9

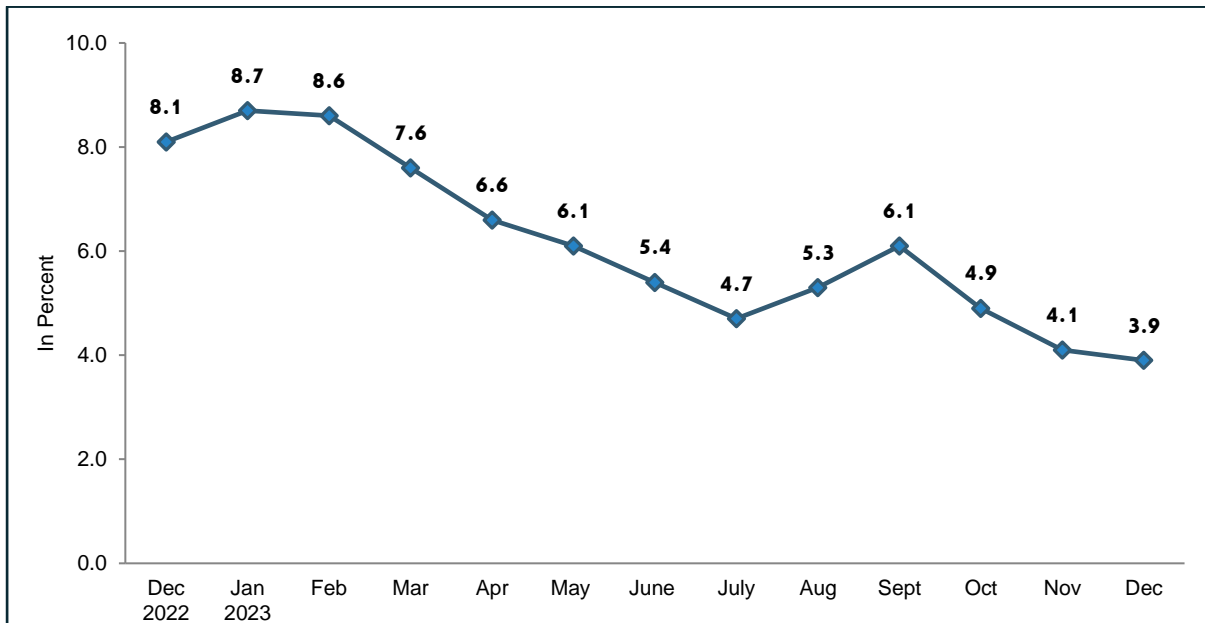
Source: Philippine Statistics Authority, Retail Price Survey of Commodities for the Generation of Consumer Price Index

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

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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 slowed down further to 3.9 percent in December 2023, the lowest inflation rate for 2023. In November 2023, inflation rate was recorded at 4.1 percent and in December 2022, it was at 8.1 percent. (Figure 1, and Tables A, B, 5, and 14)

#### 1.1 Main Drivers to the Downward Trend of the Headline Inflation

The downtrend in the overall inflation in December 2023 was primarily brought about by the lower year-on-year growth in the index of housing, water, electricity, gas and other fuels at 1.5 percent in December 2023 from 2.5 percent in the previous month. This was followed by food and non-alcoholic beverages with 5.4 percent inflation during the month from 5.7 percent in November 2023.

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

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- a. Clothing and footwear, 4.2 percent from 4.3 percent;
- b. Furnishings, household equipment and routine household maintenance, 4.5 percent from 4.7 percent;
- c. Health, 3.7 percent from 3.8 percent;
- d. Information and communication, 0.5 percent from 0.6 percent;
- e. Recreation, sport and culture, 4.2 percent from 4.9 percent; and
- f. Personal care, and miscellaneous goods and services, 4.6 percent from 4.8 percent.

On the contrary, the index of transport exhibited an annual increase of 0.4 percent during the month from an annual decrease of 0.8 percent in November 2023.

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

### *1.2 Main Contributors to the Headline Inflation*

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

- a. Food and non-alcoholic beverages with 53.0 percent share or 2.1 percentage points;
- b. Restaurants and accommodation services with 14.0 percent share or 0.6 percentage point; and
- c. Housing, water, electricity, gas and other fuels with 8.3 percent share or 0.3 percentage point.

### *1.3 Annual Average Inflation Rate*

The Philippines' annual average inflation rate for 2023 stood at 6.0 percent, which was higher than the 2022 annual average inflation rate of 5.8 percent. (Tables A, 5, 6A, and 14)

Compared with their respective annual average inflation rates in 2022, the indices of the following commodity groups recorded higher annual average inflation rates in 2023:

- a. Food and non-alcoholic beverages, 7.9 percent from 5.9 percent;
- b. Alcoholic beverages and tobacco, 10.7 percent from 7.9 percent;
- c. Clothing and footwear, 4.8 percent from 2.6 percent;
- d. Furnishings, household equipment and routine household

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- maintenance, 5.6 percent from 3.2 percent;
- e. Health, 3.9 percent from 2.6 percent;
- f. Information and communication, 0.7 percent from 0.6 percent;
- g. Recreation, sport and culture, 4.7 percent from 2.3 percent;
- h. Education services, 3.6 percent from 1.8 percent;
- i. Restaurants and accommodation services, 7.4 percent from 4.1 percent; and
- j. Personal care, and miscellaneous goods and services, 5.4 percent from 3.0 percent.

On the other hand, slower annual average increases were observed in the indices of housing, water, electricity, gas and other fuels at 4.9 percent in 2023 from 6.4 percent in 2022, and transport at 1.6 percent in 2023 from 12.9 percent in 2022. Meanwhile, financial services recorded a zero percent annual average inflation rate in 2023 from 8.2 percent annual average inflation rate in 2022. (Tables 5 and 6A)

## **2. Food Inflation**

Food inflation at the national level eased to 5.5 percent in December 2023 from 5.8 percent in the previous month. In December 2022, food inflation was higher at 10.6 percent. (Table 9)

### *2.1 Main Drivers to the Downward Trend of Food Inflation*

The deceleration of food inflation in December 2023 was primarily brought about by the faster year-on-year decrease in vegetables, tubers, plantains, cooking bananas and pulses at 9.2 percent during the month from 2.0 percent annual decline in November 2023. The meat and other parts of slaughtered land animals also contributed to the downtrend with a slower inflation rate of 0.2 percent in December 2023 from 0.5 percent in November 2023.

In addition, oils and fats index recorded faster annual decline at 3.6 percent in December 2023 from an annual decrease of 3.1 percent in the previous month.

Moreover, lower inflation rates during the month were noted in the indices of the following food items:

- a. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, 6.3 percent from 6.9 percent;
- b. Fish and other seafood, 4.8 percent from 4.9 percent;



- c. Milk, other dairy products and eggs, 7.4 percent from 7.6 percent;
- d. Fruits and nuts, 12.2 percent from 13.1 percent;
- e. Sugar, confectionery and desserts, 0.1 percent from 1.5 percent; and
- f. Ready-made food and other food products not elsewhere classified, 5.0 percent from 5.4 percent.

Meanwhile, rice inflation increased further to 19.6 percent during the month from 15.8 percent in November 2023, while slower annual decrease was noted in the corn index at 3.5 percent in December 2023 from 4.5 percent annual drop in the previous month. (Tables 7 and 13)

## *2.2 Main Contributors to the Food Inflation*

Food inflation shared 49.9 percent or 2.0 percentage points to the overall inflation in December 2023. The food groups with the highest contribution to the food inflation during the month were the following:

- a. Cereals and cereal products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals, with 78.9 percent share or 4.3 percentage points;
- b. Fish and other seafood with 11.9 percent share or 0.7 percentage point; and
- c. Milk, other dairy products and eggs with 9.4 percent share or 0.5 percentage point.

## *2.3 Annual Average Food Inflation Rate*

In 2023, the annual average food inflation rate was observed at 8.0 percent, higher than the recorded annual average food inflation rate of 6.1 percent in 2022. (Table 9)

## **3. Core Inflation**

Core inflation, which excludes selected food and energy items, decelerated further to 4.4 percent in December 2023 from 4.7 percent in the previous month. This brings the average core inflation rate for 2023 at 6.6 percent. In December 2022, core inflation was observed at 6.9 percent. (Tables A, 11, and 17)



Table B. Year-on-Year Inflation Rates in the Philippines, All Items  
January 2018 to December 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	6.1
October	6.9	0.6	2.3	4.0	7.7	4.9
November	6.1	1.2	3.0	3.7	8.0	4.1
December	5.2	2.4	3.3	3.1	8.1	3.9
<b>Average</b>	<b>5.2</b>	<b>2.4</b>	<b>2.4</b>	<b>3.9</b>	<b>5.8</b>	<b>6.0</b>

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

## B. National Capital Region (NCR)

Following the trend at the national level, inflation rate in NCR also decelerated to 3.5 percent in December 2023 from 4.2 percent in November 2023. In December 2022, inflation rate in the area was recorded at 7.6 percent. (Tables A, 5, and 15)

The lower inflation rate in NCR was influenced by the slower annual increase in the housing, water, electricity, gas and other fuels index at 4.8 percent in December 2023 from 6.9 percent in the previous month. This was followed by food and non-alcoholic beverages with a slower annual increase of 2.8 percent during the month from 3.6 percent in November 2023.

The information and communication index also recorded a lower year-on-year increase of 0.1 percent in December 2023 from 0.3 percent in the previous month.

In contrast, higher annual increments in December 2023 were observed in the indices of the following commodity groups:

- a. Clothing and footwear, 2.3 percent from 2.2 percent;
- b. Health, 2.9 percent from 2.7 percent; and
- c. Personal care, and miscellaneous goods and services, 3.8 percent from 3.7 percent.

In addition, the transport index recorded an annual increment of 0.4 percent in December 2023 from an annual decrease of 0.8 percent in the previous month.

The indices of the rest of the commodity groups moved at their respective annual rates in November 2023. (Tables 5 and 6)

The annual average inflation rate in NCR in 2023 stood at 6.2 percent, higher than the recorded annual average inflation rate of 5.1 percent in 2022. (Table 5, 6A and 15)

### **C. Areas Outside NCR (AONCR)**

Inflation rate in AONCR, likewise, decelerated to 4.0 percent in December 2023 from 4.1 percent in November 2023. Inflation in the area in December 2022 was higher at 8.2 percent. (Tables A, 5, and 16)

The deceleration of inflation in AONCR was mainly due to the slower annual increase in the housing, water, electricity, gas and other fuels index at 0.4 percent during the month from 1.1 percent in November 2023. Inflation in AONCR was also pulled down by the lower annual increments in the food and non-alcoholic beverages at 5.9 percent in December 2023 from 6.1 percent in the previous month, and personal care, and miscellaneous goods and services with an annual increase of 4.7 percent in December 2023 from 5.0 percent in the previous month.

Moreover, slower year-on-year growth rates were observed in the indices of the following commodity groups during the month:

- a. Clothing and footwear, 4.5 percent from 4.7 percent;
- b. Furnishings, household equipment and routine household maintenance, 4.3 percent from 4.7 percent;
- c. Health, 3.8 percent from 3.9 percent; and



d. Recreation, sport and culture, 4.7 percent from 5.4 percent.

On the contrary, transport index exhibited an annual increment of 0.4 percent during the month from an annual decline of 0.8 percent in November 2023.

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

Compared with their respective annual growth rates in November 2023, eight regions in AONCR recorded lower inflation rates in December 2023. For the third consecutive month, Region II (Cagayan Valley) registered the lowest inflation rate of 1.6 percent, while Bangsamoro Autonomous Region in Muslim Mindanao, with 6.2 percent inflation, remained the highest for two consecutive months. (Table 6)

The annual average inflation rate in the area in 2023 was recorded at 5.9 percent, which was lower than the annual average inflation rate of 6.0 percent in 2022. (Table 6A and 16)

Relative to their 2022 annual average inflation rates, eight regions recorded lower average inflation rates in 2023. Region VIII (Eastern Visayas) registered the lowest average inflation rate of 4.4 percent in 2023. On the contrary, the highest average inflation rate among regions outside NCR was observed at 6.9 percent in Region III (Central Luzon), MIMAROPA Region, and Region VI (Western Visayas). (Table 6A)

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**Note:** CPIs and inflation rates by province and selected city are posted at the PSA OpenSTAT portal at [https://openstat.psa.gov.ph/PXWeb/pxweb/en/DB/DB\\_\\_2M\\_\\_PI\\_\\_CPI\\_\\_2018/?tablelist=true](https://openstat.psa.gov.ph/PXWeb/pxweb/en/DB/DB__2M__PI__CPI__2018/?tablelist=true).



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