



PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

July 2023

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

Area	July 2022	June 2023	July 2023	Year-to-date*
Philippines				
Headline	6.4	5.4	4.7	6.8
Core	3.9	7.4	6.7	7.6
NCR				
Headline	5.1	5.6	5.6	7.1
AONCR				
Headline	6.8	5.3	4.4	6.7

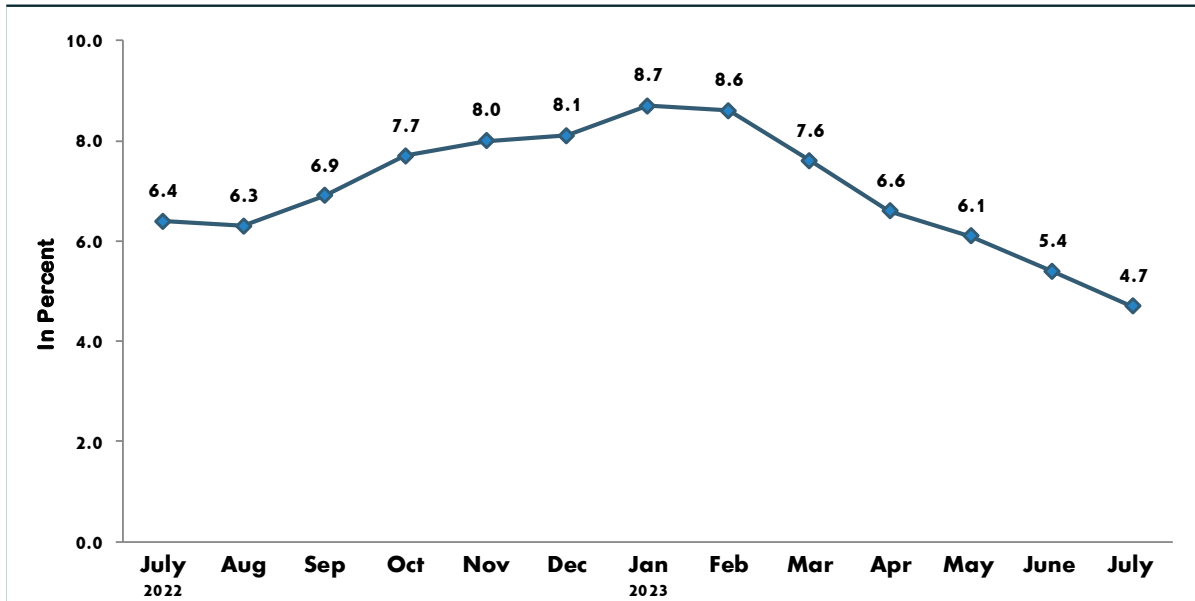
Source: *Philippine Statistics Authority, Retail Price Survey of Commodities for the Generation of Consumer Price Index*

* Year-on-year change of CPI for January to July 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 4.7 percent in July 2023 from 5.4 percent in June 2023. This is the sixth consecutive month of deceleration in the headline inflation and the lowest since March 2022 with an inflation rate of 4.0 percent. The average inflation rate from January to July 2023 stood at 6.8 percent. In July 2022, the inflation rate was recorded at 6.4 percent. (Figure 1, and Tables A, B, 5, and 14).

1.1 Main Drivers to the Downward Trend of the Headline Inflation

The continued downtrend of overall inflation in July 2023 was primarily brought about by the slower year-on-year increase in housing, water, electricity, gas and other fuels at 4.5 percent during the month from 5.6 percent in June 2023. The slower annual increment observed in the heavily-weighted food and non-alcoholic beverages at 6.3 percent in July 2023 from 6.7 percent in the previous month also contributed to the downward trend of headline inflation. The third main source of deceleration was transport, recording a faster annual decrease of -4.7 percent during the month from -3.1 percent in June 2023.

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Compared with their previous month's inflation rates, slower annual increments were noted in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 10.9 percent from 11.6 percent;
- b. Clothing and footwear, 4.8 percent from 5.1 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.8 percent from 6.0 percent;
- d. Recreation, sport and culture, 4.7 percent from 4.8 percent;
- e. Restaurants and accommodation services, 7.9 percent from 8.2 percent; and
- f. Personal care, and miscellaneous goods and services, 5.6 percent from 5.8 percent.

On the contrary, the index of education services exhibited a faster year-on-year increase at 3.7 percent during the month from 3.6 percent in June 2023.

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

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the July 2023 headline inflation were the following:

- a. Food and non-alcoholic beverages with 50.0 percent share or 2.4 percentage points;
- b. Housing, water, electricity, gas and other fuels with 20.2 percent share or 1.0 percentage point; and
- c. Restaurants and accommodation services with 16.0 percent share or 0.8 percentage point.

2. Food Inflation

Food inflation at the national level continued to decelerate for the sixth consecutive month at 6.3 percent in July 2023. In the previous month, food inflation was recorded at 6.7 percent, while it was 7.1 percent in July 2022. (Table 9)



2.1 Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in July 2023 was primarily influenced by the annual decrease in meat and other parts of slaughtered land animals at -1.7 percent during the month from 0.3 percent in the previous month. This was followed by fish and other seafood with an inflation of 4.5 percent in July 2023 from 6.2 percent in June 2023. Also contributing to the downtrend of food inflation in July 2023 was the slower year-on-year growth of sugar, confectionery and desserts at 21.4 percent during the month from 28.9 percent in the previous month.

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

- a. Flour, bread and other bakery products, pasta products, and other cereals, 10.1 percent from 11.0 percent;
- b. Milk, other dairy products and eggs, 9.7 percent from 11.2 percent;
- c. Oils and fats, 2.0 percent from 5.6 percent;
- d. Fruits and nuts, 8.4 percent from 11.4 percent; and
- e. Ready-made food and other food products not elsewhere classified, 7.8 percent from 8.5 percent.

Meanwhile, compared with their previous month's inflation rates, higher year-on-year growth rates were observed in the indices of rice at 4.2 percent from 3.6 percent; corn at 5.8 percent from 5.3 percent; and vegetables, tubers, plantains, cooking bananas and pulses at 21.8 percent from 12.7 percent. (Table 7)

2.2 Main Contributors to the Food Inflation

Food inflation shared 45.8 percent or 2.2 percentage points to the overall inflation in July 2023. The 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 32.4 percent share or 2.0 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses, with 27.1 percent share or 1.7 percentage points; and
- c. Milk, other dairy products and eggs, with 12.5 percent share or 0.8 percentage point.



3. Core Inflation

Core inflation, which excludes selected food and energy items, decelerated to 6.7 percent in July 2023 from 7.4 percent in June 2023. This brings the average core inflation from January to July 2023 to 7.6 percent. In July 2022, core inflation was observed at 3.9 percent. (Tables A and 11)

**Table B. Year-on-Year Inflation Rates in the Philippines, All Items
In Percent
January 2018 – July 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	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	
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	6.8

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

B. National Capital Region (NCR)

Inflation in NCR remained at 5.6 percent in July 2023, which was the same rate recorded in June 2023. In July 2022, inflation rate in the area was lower at 5.1 percent. (Tables A, 5, and 15)

In comparison to their June 2023 annual rates, higher annual increases were observed in the indices of the following commodity groups during the month:

- a. Food and non-alcoholic beverages, 6.4 percent from 6.0 percent;
- b. Housing, water, electricity, gas and other fuels, 6.9 percent from 6.8 percent;
- c. Furnishings, household equipment and routine household

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- maintenance, 6.2 percent from 6.0 percent;
- d. Health, 2.2 percent from 2.1 percent;
- e. Recreation, sport and culture, 3.4 percent from 3.3 percent;
- f. Restaurants and accommodation services, 10.1 percent from 9.8 percent; and
- g. Personal care, and miscellaneous goods and services, 4.1 percent from 4.0 percent.

On the other hand, lower inflation rates during the month were noted in the indices of alcoholic beverages and tobacco at 6.4 percent from 6.8 percent in June 2023, and clothing and footwear at 2.1 percent from 2.7 percent in the previous month. The annual change in the index of transport decreased further to -3.2 percent in July 2023 from -2.3 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, inflation in AONCR also decelerated further to 4.4 percent in July 2023 from 5.3 percent in the previous month. In July 2022, inflation in the area was recorded at 6.8 percent. (Tables A, 5, and 16)

The slowdown of inflation in the area was brought about by the slower annual growth in the index of housing, water, electricity, gas and other fuels at 3.8 percent in July 2023 from 5.3 percent in June 2023. In addition, the heavily-weighted food and non-alcoholic beverages contributed to the downtrend with a 6.2 percent annual growth rate from 6.9 percent in the previous month. The third primary contributor to the deceleration of inflation in the area was the faster decline in transport at -5.0 percent during the month from -3.3 percent in June 2023.

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



- a. Alcoholic beverages and tobacco, 11.7 percent from 12.4 percent;
- b. Clothing and footwear, 5.3 percent from 5.6 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.7 percent from 6.1 percent;
- d. Health, 4.2 percent from 4.3 percent;

- e. Restaurants and accommodation services, 7.1 percent from 7.7 percent; and
- f. Personal care, and miscellaneous goods and services, 6.0 percent from 6.2 percent.

On the contrary, higher annual hike was observed in the index of education services at 2.2 percent in July 2023 from 2.1 percent in the previous month.

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

All regions outside NCR recorded slower inflation rates during the month relative to their June 2023 annual rates. Region VIII (Eastern Visayas) recorded the lowest inflation rate in July 2023 at 2.4 percent, while Region VI (Western Visayas) had the highest inflation rate at 5.8 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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