



PRESS RELEASE

SUMMARY INFLATION REPORT CONSUMER PRICE INDEX (2012=100)

AUGUST 2019

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YEAR-ON-YEAR

Philippines

The Philippines' **headline inflation** decelerated further to 1.7 percent in August 2019. This is the lowest inflation since October 2016, in which the inflation rate was 1.8 percent.

Inflation in July 2019 was higher at 2.4 percent and in August 2018, 6.4 percent.

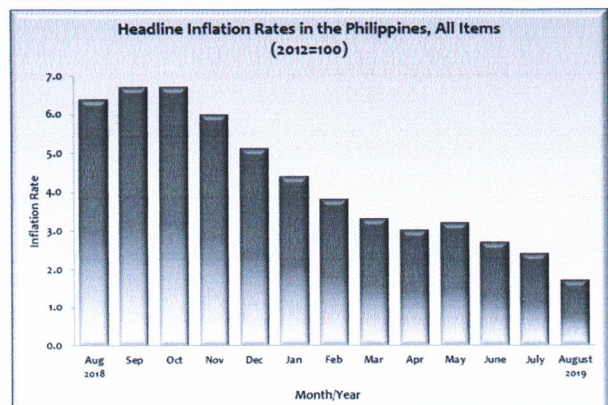
The slowdown of inflation in August 2019 was mainly due to the slower annual increase in the index of the heavily-weighted food and non-alcoholic beverages at 0.6 percent. Moreover, the following commodity groups posted slower annual rates during the month:

- Housing, water, electricity, gas, and other fuels, 1.8%;
- Health, 3.1%;
- Recreation and culture, 1.8%; and
- Restaurant and miscellaneous goods and services, 3.2%.

The transport index, which dropped by 0.2 percent, also contributed to the downtrend of inflation this month. On the other hand, higher annual increments were noted in the indices of alcoholic beverages and tobacco at 10.1 percent; clothing and footwear, 2.8 percent; and education, 4.6 percent. The rest of the commodity groups retained their previous month's annual rates (see Tables 3 and 4).

Year-on-Year Inflation Rates, All Items
 (2012=100)

Area	August 2019	July 2019	August 2018	Year-to-date
Philippines				
Headline	1.7	2.4	6.4	3.0
Core	2.9	3.2	4.8	3.6
NCR				
Headline	1.4	2.3	7.0	3.1
AONCR				
Headline	1.8	2.4	6.2	3.0



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Excluding selected food and energy items, **core inflation**, likewise, eased further to 2.9 percent in August 2019. In July 2019, core inflation was registered at 3.2 percent and in August 2018, 4.8 percent (see Table 9).

Inflation of the country's food index slowed down to 0.3 percent during the month. Its annual rate in July 2019 was higher at 1.7 percent, and in August 2018, 8.2 percent (see Table 7).

Annual declines were noted in the indices of rice at -5.2 percent; corn, -3.7 percent; vegetables, -1.4 percent; and sugar, jam, honey, chocolate and confectionery, -2.9 percent. In addition, annual upticks were slower in the following food groups:

- Other cereals, flour, cereal preparation, bread, pasta and other bakery products, 3.2%;
- Meat, 2.5%;
- Fish, 2.8%;
- Oils and fats, 1.8%; and
- Food products, not elsewhere classified, 6.6%.

On the contrary, annual increases in the indices of milk, cheese and egg; and fruits were higher at 2.7 percent and 7.4 percent, respectively (see Table 5).

Year-on-Year Inflation Rates in the Philippines, All Items
January 2015 – August 2019
(2012=100)

Month	Year				
	2015	2016	2017	2018	2019
January	1.5	0.7	2.5	3.4	4.4
February	1.5	0.5	3.1	3.8	3.8
March	1.5	0.6	3.1	4.3	3.3
April	1.4	0.7	3.2	4.5	3.0
May	0.9	0.9	2.9	4.6	3.2
June	0.6	1.3	2.5	5.2	2.7
July	0.2	1.3	2.4	5.7	2.4
August	0.0	1.3	2.6	6.4	1.7
September	-0.4	1.7	3.0	6.7	
October	-0.2	1.8	3.1	6.7	
November	0.3	2.1	3.0	6.0	
December	0.7	2.2	2.9	5.1	
Average	0.7	1.3	2.9	5.2	

National Capital Region (NCR)

Similarly, inflation in NCR continued to move at a slower pace during the month at 1.4 percent. Its annual rate was higher at 2.3 percent in July 2019 and 7.0 percent in August 2018.

The annual change in the transport index declined by 1.4 percent in August 2019. Moreover, slower annual hikes were seen in the indices of the following commodity groups:

- Food and non-alcoholic beverages, 1.2%;
- Housing, water, electricity, gas, and other fuels, 0.8%;
- Furnishing, household equipment and routine maintenance of the house, 1.3%;
- Recreation and culture, 1.1%; and
- Restaurant and miscellaneous goods and services, 3.2%.

For five consecutive months now, inflation of communication index remained at 0.3 percent. The rest of the commodity groups had higher annual mark-ups during the month (see Tables 3 and 4).

Areas Outside NCR (AONCR)

Following the same trend as in the national level and in NCR, inflation in AONCR eased further to 1.8 percent in August 2019. Inflation in the previous month was recorded at 2.4 percent and in August 2018, 6.2 percent.

Slower annual increments in August 2019 were posted in the indices of the following commodity groups:

- Food and non-alcoholic beverages, 0.5%;
- Housing, water, electricity, gas, and other fuels, 2.2%;
- Health, 3.3%;
- Transport, 0.2%;
- Communication, 0.3% and
- Recreation and culture, 1.9%.

The rest of the commodity groups either had higher annual increases during the month or retained their previous month's annual rates (see Tables 3 and 4).

Relative to their annual rates in the previous month, lower annual upticks were noted in all the regions in AONCR during the month. Region IX (Zamboanga Peninsula) exhibited the lowest inflation of 0.5 percent in August 2019, while MIMAROPA Region still registered the highest inflation at 4.6 percent (see Table 4).

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



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