



SPECIAL RELEASE

Summary Inflation Report Consumer Price Index for the Bottom 30% Income Households (2018=100)

June 2023

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**Table A. Year-on-Year Inflation Rates
for the Bottom 30% Income Households, All Items
In Percent
(2018=100)**

| Area | June 2022 | May 2023 | June 2023 | Year-to-date * |
|-------------|-----------|------------------|-----------|----------------|
| Philippines | 6.5 | 6.7 | 6.1 | 8.0 |
| NCR | 5.4 | 7.6 | 6.6 | 8.4 |
| AONCR | 6.5 | 6.7 ^r | 6.0 | 8.0 |

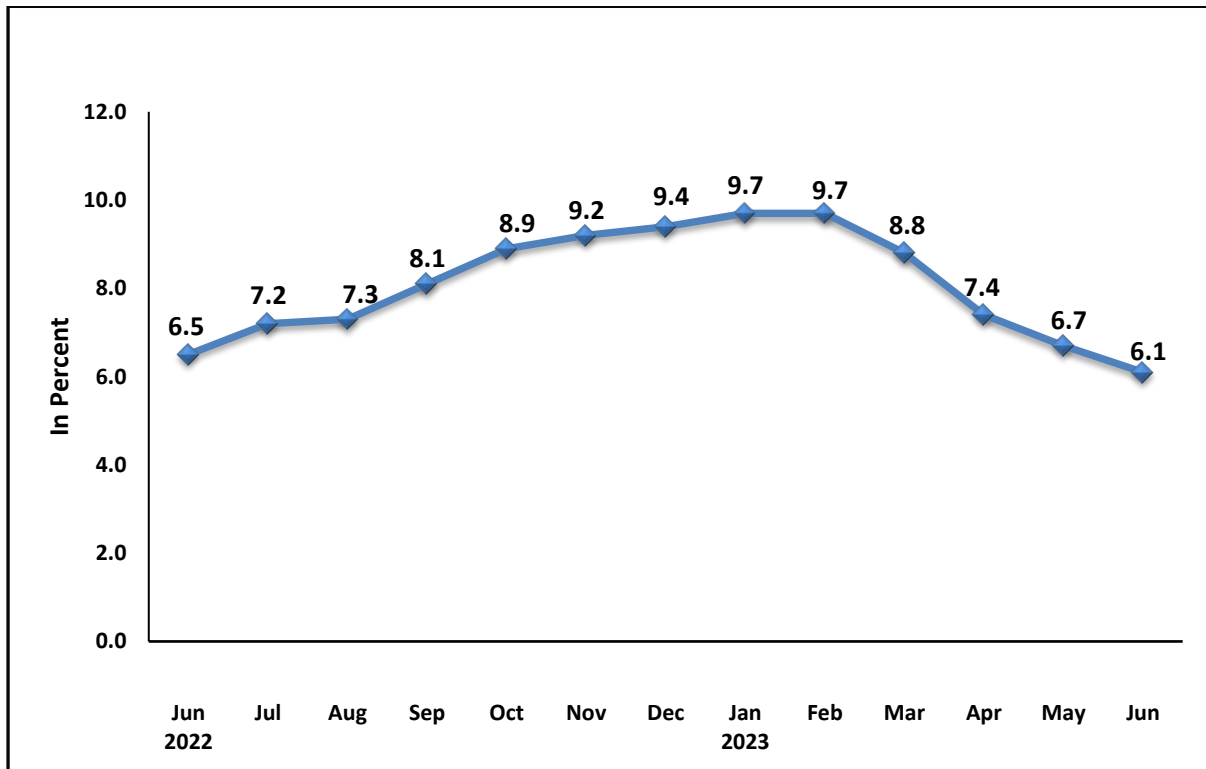
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Source: *Philippine Statistics Authority, Retail Price Survey of Commodities for the Generation of Consumer Price Index*

*Year-on-year change of average CPI for January to June 2022 vs 2023



**Figure 1. Inflation Rates for the Bottom 30%
Income Households 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. Overall Inflation

The overall inflation for the bottom 30% income households at the national level continued to exhibit a downward trend as it eased further to 6.1 percent in June 2023 from 6.7 percent in the previous month. The June 2023 inflation rate was the fourth month in a row that the inflation for the bottom 30% income households recorded a downward trend. This brings the national average inflation rate for this group of consumers to 8.0 percent for the first half of 2023. In June 2022, the headline inflation for this income group was higher at 6.5 percent. (Figure 1, and Tables A, B, 5, 6, and 12)

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1.1 Main Drivers to the Downward Trend of the Overall Inflation

The slower overall inflation for the bottom 30% income households was primarily brought about by the lower annual growth rate in the heavily-weighted food and non-alcoholic beverages at 6.9 percent in June 2023 from 7.4 percent in the previous month. This was followed by housing, water, electricity, gas and other fuels with 4.8 percent annual increment during the month from 6.5 percent in May 2023. The transport index also contributed to the lower overall inflation after posting a year-on-year decline of -1.2 percent from 1.3 percent annual increase in the previous month.

In addition, slower annual increases were observed in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 12.0 percent from 12.7 percent;
- b. Clothing and footwear, 5.4 percent from 5.5 percent;
- c. Recreation, sport and culture, 5.8 percent from 5.9 percent; and
- d. Restaurants and accommodation services, 7.8 percent from 8.1 percent.

The annual rate of personal care, and miscellaneous goods and services index inched up by 6.2 percent in June 2023 from 6.1 percent in the previous month, while the indices of the remaining commodity groups sustained their respective May 2023 annual rates. (Tables 5 and 6)

1.2 Main Contributor to the Overall Inflation

The following commodity groups were the top three contributors to the overall inflation for the bottom 30% income households during the month:

- a. Food and non-alcoholic beverages, 62.5 percent share or 3.8 percentage points;
- b. Housing, water, electricity, gas and other fuels, 12.3 percent share or 0.8 percentage point; and
- c. Restaurants and accommodation services, 9.6 percent share or 0.6 percentage point.

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2. Food inflation

Following the trend of the overall inflation, the food inflation for the bottom 30% income households decreased further to 7.0 percent during the month from 7.3 percent in May 2023. This marks the fourth consecutive month of lower inflation for this commodity group. In June 2022, food inflation stood at 6.0 percent. (Table 9)

2.1 Main Drivers to the Downward Trend of the Food Inflation

The downtrend of the food inflation for this income group was primarily influenced by the lower year-on-year increase in meat and other parts of slaughtered land animals at 1.3 percent in June 2023 from 3.8 percent in May 2023. Sugar, confectionery and desserts followed at 33.6 percent annual increase from 37.5 percent in the previous month. Also contributing to the downward trend of food inflation was fruits and nuts at 7.8 percent in June 2023 from 10.3 percent in the previous month.

In addition, the indices of the following food groups exhibited slower annual increases during the month:

- a. Corn, 4.6 percent from 5.3 percent;
- b. Flour, bread and other bakery products, pasta products, and other cereals, 10.2 percent from 10.7 percent;
- c. Milk, other dairy products and eggs, 11.1 percent from 11.9 percent;
- d. Oils and fats, 4.5 percent from 7.3 percent;
- e. Vegetables, tubers, plantains, cooking bananas and pulses, 12.8 percent from 12.9 percent; and
- f. Ready-made food and other food products not elsewhere classified, 6.9 percent from 7.4 percent.

On the contrary, faster annual increases were observed in the indices of rice at 3.9 percent from 3.6 percent, and fish and other seafood at 6.5 percent from 5.4 percent. (Tables 7 and 11)

2.2 Main Contributors to the Food Inflation

In terms of contribution to the June 2023 overall inflation for this particular income group, food index contributed 58.3 percent share or 3.6 percentage points. Among the food groups, the top contributors 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, 35.0 percent share or 2.5 percentage points;
- b. Fish and other seafood, 15.7 percent share or 1.1 percentage points; and
- c. Vegetables, tubers, plantains, cooking bananas and pulses, 14.6 percent share or 1.0 percentage point.

**Table B. Year-on-Year Inflation Rates
for the Bottom 30% Income Households in the Philippines, All Items
January 2018 – June 2023
(2018=100)**

| Month | Year | | | | | |
|-----------|------|------|------|------|------|------|
| | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| January | 3.4 | 5.2 | 2.1 | 3.9 | 4.0 | 9.7 |
| February | 3.9 | 4.3 | 2.1 | 4.6 | 3.5 | 9.7 |
| March | 4.5 | 3.8 | 1.9 | 4.8 | 4.2 | 8.8 |
| April | 4.9 | 3.2 | 2.2 | 4.5 | 5.0 | 7.4 |
| May | 5.2 | 3.0 | 2.2 | 4.3 | 5.6 | 6.7 |
| June | 5.6 | 2.4 | 2.7 | 3.8 | 6.5 | 6.1 |
| July | 6.4 | 1.6 | 2.9 | 3.9 | 7.2 | |
| August | 7.3 | 0.5 | 2.6 | 4.7 | 7.3 | |
| September | 8.6 | -1.0 | 2.7 | 4.3 | 8.1 | |
| October | 8.4 | -1.1 | 2.7 | 4.3 | 8.9 | |
| November | 7.4 | -0.3 | 3.5 | 4.0 | 9.2 | |
| December | 6.2 | 1.3 | 3.7 | 3.4 | 9.4 | |
| Average | 6.0 | 1.9 | 2.6 | 4.2 | 6.6 | 8.0 |

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

B. National Capital Region (NCR)

The overall inflation in NCR for the bottom 30% income households continued its downtrend for the fourth consecutive month at 6.6 percent in June 2023 from 7.6 percent in the previous month. In June 2022, the inflation rate in this area was recorded at 5.4 percent. (Tables A, 5, 6, and 13)

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The heavily-weighted food and non-alcoholic beverages primarily pulled down the inflation in NCR with a lower year-on-year growth rate of 6.2 percent in June 2023 from 7.5 percent in the previous month. This was followed by transport at 7.8 percent annual increment during the month from 12.7 percent in May 2023. Also contributing to the downtrend in the inflation in NCR was housing, water, electricity, gas and other fuels with 7.0 percent annual rate in June 2023 from 7.6 percent.

In addition, slower annual increases were registered in the indices of alcoholic beverages and tobacco at 7.7 percent in June 2023 from 8.1 percent in the previous month; and clothing and footwear at 2.8 percent from 3.1 percent.

In contrast, faster annual upticks were observed in the indices of the following commodity groups during the month:

- a. Recreation, sport and culture, 3.1 percent from 3.0 percent;
- b. Restaurants and accommodation services, 9.8 percent from 9.5 percent; and
- c. Personal care, and miscellaneous goods and services, 4.2 percent from 3.8 percent.

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

C. Areas Outside NCR (AONCR)

Similar to the trend at the national level and in NCR, inflation for this particular group of consumers in AONCR also continued to decrease at 6.0 percent in June 2023 from 6.7 percent in May 2023. Inflation in June 2022 for this group was registered at 6.5 percent. (Tables A, 5, and 14)

The slowdown in inflation for the bottom 30% income households in AONCR was mainly attributed to the lower year-on-year growth rate of the housing, water, electricity, gas and other fuels at 4.7 percent in June 2023 from 6.5 percent in May 2023. The heavily-weighted food and non-alcoholic beverages also contributed to the downtrend with a slower annual increase of 7.0 percent from 7.4 percent. The third contributor was transport with an annual decline of -1.5 percent in June 2023 from 0.9 percent annual increment in the previous month.



Year-on-year increments were also slower in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 12.1 percent from 12.9 percent;
- b. Furnishings, household equipment and routine household maintenance, 6.3 percent from 6.4 percent;
- c. Recreation, sport and culture, 5.9 percent from 6.0 percent; and
- d. Restaurants and accommodation services, 7.7 percent from 8.0 percent.

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

Relative to their respective inflation rates in May 2023, 14 regions in AONCR exhibited lower inflation rates for the bottom 30% income households in June 2023. Among the regions outside NCR, MIMAROPA Region registered the highest inflation during the month at 8.6 percent. On the other hand, Region VIII (Eastern Visayas) posted the lowest inflation at 4.2 percent. (Table 6)

Note: CPIs and inflation rates for the bottom 30% income households by region are posted at the PSA OpenSTAT Portal at (<http://openstat.psa.gov.ph/>).



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