



SPECIAL RELEASE

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

May 2023

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

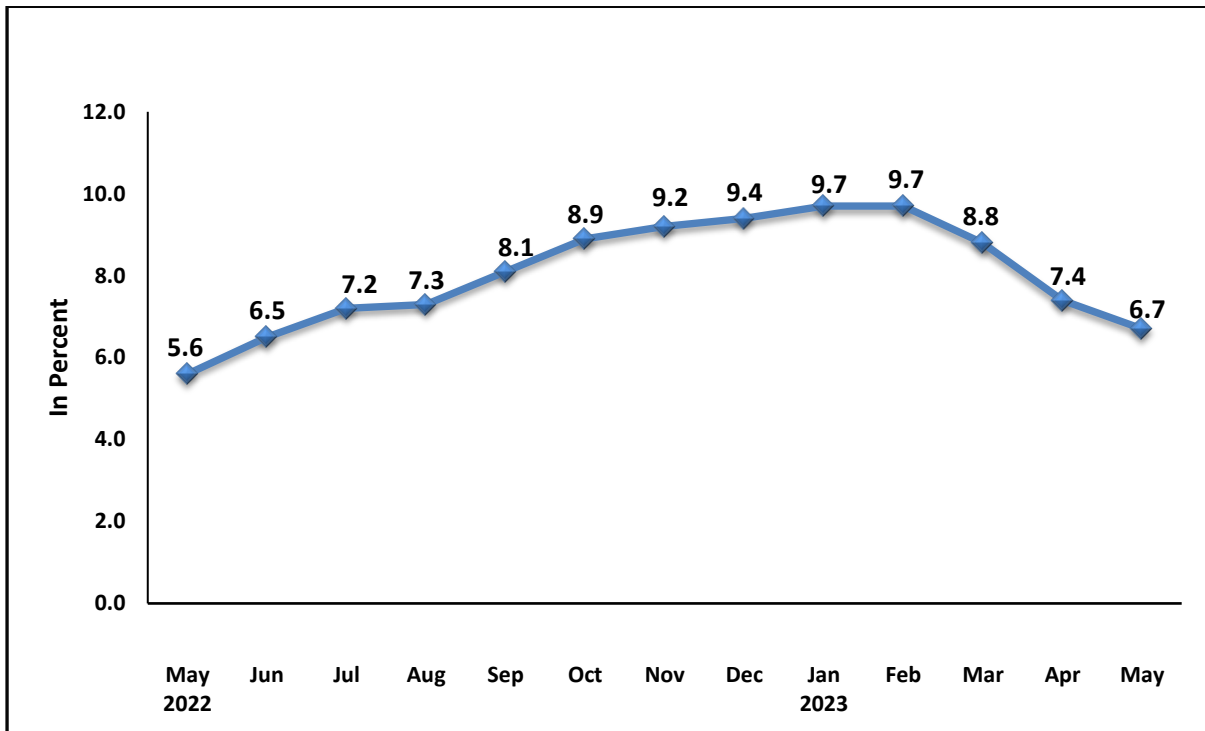
Area	May 2022	April 2023	May 2023	Year-to-date *
Philippines	5.6	7.4	6.7	8.4
NCR	4.5	8.0	7.6	8.7
AONCR	5.6	7.4	6.8	8.5

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

*Year-on-year change of average CPI for May 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 headline inflation or overall inflation for the bottom 30% income households in the Philippines at 6.7 percent in May 2023 exhibited downward trend for the third month in a row. In the previous month, the headline inflation for the bottom 30% income household was higher at 7.4 percent. In May 2022, the inflation rate was lower at 5.6 percent. The inflation rate in May 2023 brings the country’s annual average inflation for this group of consumers to 8.4 percent in 2023. (Figure 1, and Tables A, B, 5, 6, and 12)

1.1 Main Drivers to the Downward Trend of the Overall Inflation

The decrease in the overall inflation for the bottom 30% income households was primarily influenced by the lower year-on-year growth rate in the index of the heavily weighted food and non-alcoholic beverages

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at 7.4 percent in May 2023 from 7.8 percent in April 2023. This was followed by housing, water, electricity, gas and other fuels, which recorded an annual decrease of 6.5 percent in May 2023 from 7.7 percent in the previous month. Also contributing to the downtrend was the slower annual upticks observed in transport at 1.3 percent from 4.0 percent in April 2023.

Similarly, the annual growth rates in the indices of alcoholic beverages and tobacco, and restaurants and accommodation services slowed down in May 2023 at 12.7 percent and 8.1 percent, respectively. On the other hand, the annual rate in the index of recreation, sport and culture inched up to 5.9 percent in May 2023 from 5.8 percent in the previous month.

The indices of the remaining commodity groups maintained their respective April 2023 annual growth rates. (Tables 5 and 6)

1.2 Main Contributor to the Overall Inflation

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

- a. Food and non-alcoholic beverages, 59.8 percent share or 4.0 percentage points;
- b. Housing, water, electricity, gas and other fuels, 14.8 percent share or 1.0 percentage point; and
- c. Restaurants and accommodation services, 8.9 percent share or 0.6 percentage point.

2. Food inflation

Similar to the trend of the overall inflation, food inflation for the bottom 30% income households also slowed down to 7.3 percent in May 2023 from 7.8 percent in the previous month. In May 2022, food inflation stood at 5.1 percent. (Table 9)

2.1 Main Drivers to the Downward Trend of the Food Inflation

The slowdown in food inflation was primarily driven by the slower annual increase in fish and other seafood at 5.4 percent during the month from 7.4 percent in April 2023. Also contributed to the downtrend was the lower

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inflation in meat and other parts of slaughtered land animals at 3.8 percent in May 2023 from 4.7 percent in the previous month.

Moreover, lower annual upticks were observed in the indices of the following food groups during the period:

- a. Corn, 5.3 percent from 7.9 percent;
- b. Flour, bread and other bakery products, pasta products, and other cereals, 10.7 percent from 10.8 percent;
- c. Milk, other dairy products and eggs, 11.9 percent from 12.3 percent;
- d. Oils and fats, 7.3 percent from 10.9 percent;
- e. Fruits and nuts, 10.3 percent from 10.8 percent;
- f. Sugar, confectionery and desserts, 37.5 percent from 40.4 percent; and
- g. Ready-made food and other food products not elsewhere classified, 7.4 percent from 7.9 percent.

On the contrary, higher annual increases were observed in the indices of rice, and vegetables, tubers, plantains, cooking bananas and pulses, which grew by 3.6 percent from 3.0 percent, and 12.9 percent from 11.4 percent, respectively. (Tables 7 and 11)

2.2 Main Contributors to the Food Inflation

The food inflation of 7.3 percent in May 2023 contributed 55.9 percent or 3.7 percentage points to the overall inflation for this particular income group. The main 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, 32.5 percent share or 2.4 percentage points;
- b. Sugar, confectionery and desserts, 14.2 percent share or 1.0 percentage point; and
- c. Vegetables, tubers, plantains, cooking bananas and pulses with 13.9 percent share or 1.0 percentage point.

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**Table B. Year-on-Year Inflation Rates
for the Bottom 30% Income Households in the Philippines, All Items
January 2018 – May 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	
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	8.4

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 for the bottom 30% income households in NCR, likewise, eased further to 7.6 percent in May 2023 from 8.0 percent in April 2023. In May 2022, the year-on-year inflation for this income group was recorded at 4.5 percent. (Tables A, 5, 6, and 13)

The lower annual increments in the index of food and non-alcoholic beverages at 7.5 percent in May 2023 from 8.1 percent in the previous month primarily contributed to the deceleration of inflation in NCR. The slowdown in the annual increases of restaurants and accommodation services at 9.5 percent, and transport at 12.7 percent also contributed to the downtrend.

In addition, lower annual increments were observed in the indices of alcoholic beverages and tobacco at 8.1 percent in May 2023 from

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8.9 percent in the previous month, and recreation, sport and culture at 3.0 percent from 3.8 percent.

On the other hand, higher annual mark-ups were noted in the indices of the following commodity groups during the month:

- a. Clothing and footwear, 3.1 percent from 2.9 percent;
- b. Housing, water, electricity, gas and other fuels, 7.6 percent from 6.7 percent;
- c. Furnishings, household equipment and routine household maintenance, 5.4 percent from 5.0 percent; and
- d. Personal care, and miscellaneous goods and services, 3.8 percent from 3.6 percent.

The index of health continued to exhibit an annual decrease of -0.8 percent during the month from -0.6 percent in April 2023. The indices of the rest of the commodity groups retained their respective April 2023 annual rates. (Tables 5 and 6)

C. Areas Outside NCR (AONCR)

The inflation rate for the bottom 30% income households in AONCR decreased further to 6.8 percent from its previous month's rate of 7.4 percent. In May 2022, inflation in AONCR for this income group was registered at 5.6 percent. (Tables A, 5, and 14)

The lower inflation rate for the bottom 30% income households in AONCR was primarily driven by the lower year-on-year growth rate in housing, water, electricity, gas and other fuels at 6.5 percent in May 2023 from 7.8 percent in the previous month. Food and non-alcoholic beverages also contributed to the slowdown with an annual increase of 7.4 percent during the month from 7.7 percent in April 2023. In addition, transport recorded slower annual increase of 0.9 percent from 3.6 percent in the previous month.

Slower annual increments were also observed in the indices of the following commodity groups during the month:

- a. Alcoholic beverages and tobacco, 12.9 percent from 13.0 percent;
- b. Clothing and footwear, 5.5 percent from 5.6 percent; and
- c. Health, 3.8 percent from 3.9 percent.

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On the other hand, higher annual increases were observed during the month in the indices of recreation, sport and culture at 6.0 percent from 5.9 percent in April 2023; and personal care, and miscellaneous goods and services at 6.3 percent from 6.2 percent.

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

All regions in AONCR exhibited lower inflation rates for the bottom 30% income households in May 2023 relative to their inflation in April 2023, except for Region IV-A (CALABARZON) which retained its year-on-year growth rate of 7.2 percent. Cordillera Administrative Region and Region VIII (Eastern Visayas) both posted the lowest inflation during the month at 5.4 percent. On the other hand, MIMAROPA Region remained as the region with the highest inflation rate in May 2023 at 8.5 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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