SPECIAL RELEASE

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

October 2023

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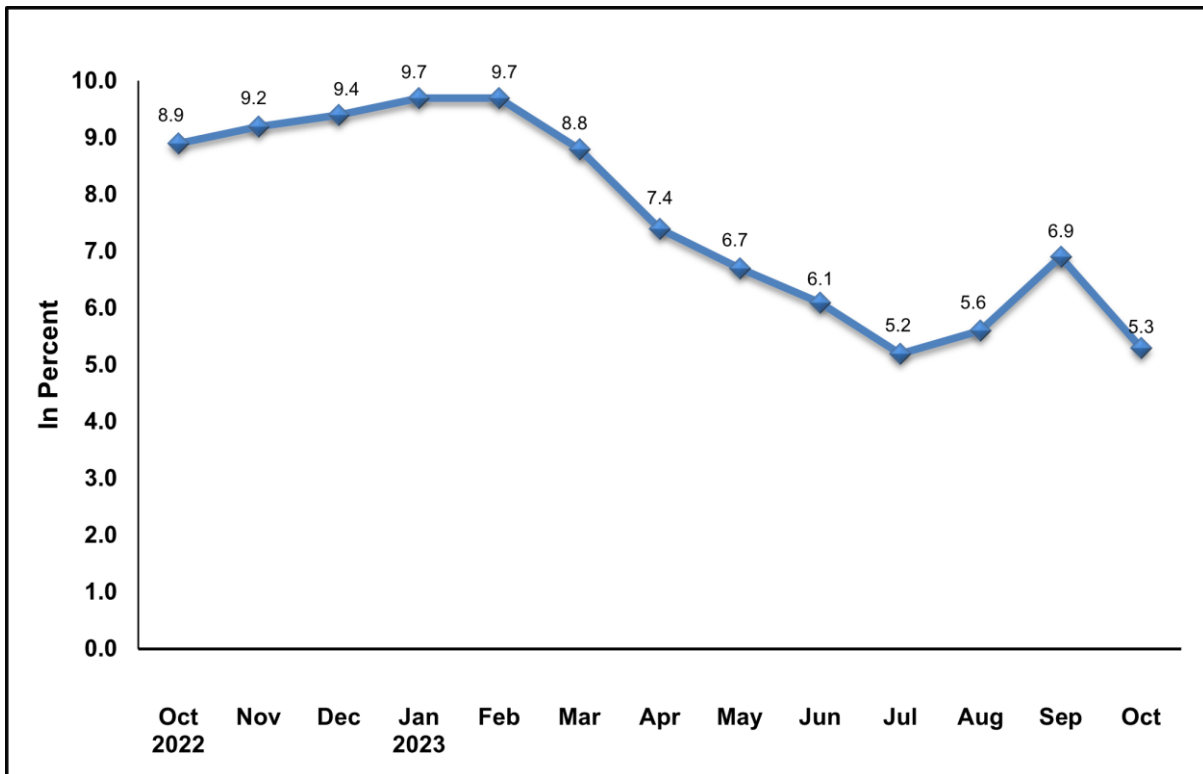for the Bottom 30% Income Households, All Items
In Percent
(2018=100)

Area	October 2022	September 2023	October 2023	Year-to-date*
Philippines	8.9	6.9	5.3	7.1
NCR	8.4	7.3	5.7	7.7
AONCR	8.9	6.9	5.3	7.1

*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 October 2023 vs 2022

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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
of Consumer Price Index

A. Philippines

1. Overall Inflation

The country's inflation rate for the bottom 30% income households slowed down to 5.3 percent in October 2023 from 6.9 percent in September 2023. This brings the average inflation rate from January to October 2023 for this income group to 7.1 percent. In October 2022, inflation rate was posted at 8.9 percent. (Figure 1, and Tables A, B, 5, 6, and 12)

1.1 Main Drivers to the Downward Trend of the Overall Inflation

The primary driver to the downward trend of the overall inflation for this income group in October 2023 was the lower year-on-year growth in the heavily-weighted food and non-alcoholic beverages at 7.6 percent during the month from 10.4 percent in the previous month. Also contributing to

the downtrend was housing, water, electricity, gas and other fuels which dropped further by 2.3 percent in October 2023 from a 1.4 percent annual decrease in the previous month.

In addition, lower annual increases were noted in the indices of the following commodity groups during the period:

a. Alcoholic beverages and tobacco, 9.8 percent from 10.3 percent;
b. Clothing and footwear, 4.8 percent from 5.0 percent;
c. Furnishings, household equipment and routine household maintenance, 5.3 percent from 5.5 percent;
d. Health, 3.2 percent from 3.4 percent; and
e. Restaurants and accommodation services, 6.5 percent from 6.8 percent.

In contrast, higher annual growth rates were noted in the indices of the following commodity groups during the month:

a. Transport, 2.3 percent from 1.6 percent;
b. Information and communication, 0.9 percent from 0.7 percent; and
c. Recreation, sport and culture, 7.1 percent from 7.0 percent.

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

1.2 Main Contributors to the Overall Inflation

The following commodity groups were the top three contributors to the October 2023 overall inflation for the bottom 30% income households:

a. Food and non-alcoholic beverages, 78.1 percent share or 4.1 percentage points;
b. Restaurants and accommodation services, 9.1 percent share or 0.5 percentage point; and
c. Personal care, and miscellaneous goods and services, 5.1 percent share or 0.3 percentage point.

2. Food Inflation

Food inflation for the bottom 30% income households at the national level moved at a slower pace of 8.0 percent in October 2023 from 10.8 percent in the previous month. In October 2022, its annual increase was observed at 9.3 percent. (Table 9)

2.1 Main Drivers to the Downward Trend of the Food Inflation

The deceleration of food inflation was mainly due to the lower annual increase of rice at 14.8 percent during the month from 19.8 percent in the previous month. This was followed by vegetables, tubers, plantains, cooking bananas and pulses with 10.9 percent inflation in October 2023 from 22.9 percent annual rate in September 2023 and sugar, confectionery and desserts with 4.2 percent inflation during the month from 10.0 percent in the previous month.

In addition, lower annual growth rates were observed in the indices of the following food groups during the month:

  a. Flour, bread and other bakery products, pasta products, and other cereals, 6.4 percent from 7.2 percent;
  b. Fish and other seafood, 4.7 percent from 5.6 percent; and
  c. Ready-made food and other food products not elsewhere classified, 5.3 percent from 5.8 percent.

In addition, corn index recorded an annual decline of 1.6 percent during the month from an annual increase of 2.1 percent in September 2023, while the index of oils and fats declined further by 4.1 percent in October 2023 from a 2.7 percent decline in the previous month.

In contrast, faster annual increments were noted in the indices of the following food groups during the month:

  a. Meat and other parts of slaughtered land animals, 1.9 percent from 1.8 percent;
  b. Milk, other dairy products and eggs, 7.9 percent from 7.2 percent; and
  c. Fruits and nuts, 10.4 percent from 8.5 percent. (Tables 7 and 11)

2.2 Main Contributors to the Food Inflation

Food inflation contributed 74.8 percent or 4.0 percentage points to the October 2023 overall inflation for this particular income group.

Among the food groups, 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, pasta products, and other cereals, with 63.8 percent share or 5.1 percentage points;
b. Vegetables, tubers, plantains, cooking bananas and pulses with 10.3 percent share or 0.8 percentage point; and
c. Fish and other seafood with 9.4 percent share or 0.8 percentage point.

Table B. Year-on-Year Inflation Rates for the Bottom 30% Income Households in the Philippines, All Items: January 2018 to October 2023
In Percent
(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	5.2
August	7.3	0.5	2.6	4.7	7.3	5.6
September	8.6	-1.0	2.7	4.3	8.1	6.9
October	8.4	-1.1	2.7	4.3	8.9	5.3
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**	**7.1**

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

B. National Capital Region (NCR)

Inflation for the bottom 30% income households in NCR, likewise, eased to 5.7 percent in October 2023 from 7.3 percent in September 2023. In October 2022, inflation in the area was recorded at 8.4 percent. (Tables A, 5, 6, and 13)

The downtrend of the inflation in the area was primarily brought about by the lower annual increment during the month in food and non-alcoholic beverages at 5.6 percent from 8.6 percent in September 2023. Also pulling down the inflation in the area was restaurants and accommodation services with 5.4 percent annual increase in October 2023 from 8.1 percent in the previous month and transport with 2.8 percent annual increment during the period from 6.2 percent in September 2023.

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

a. Alcoholic beverages and tobacco, 6.3 percent from 6.6 percent;
b. Furnishings, household equipment and routine household maintenance, 5.6 percent from 5.8 percent; and
c. Personal care, and miscellaneous goods and services, 4.1 percent from 4.2 percent.

On the other hand, faster annual increments were observed in the indices of the following commodity groups during the month:

a. Housing, water, electricity, gas and other fuels, 8.2 percent from 6.7 percent;
b. Health, 2.0 percent from 1.4 percent;
c. Information and communication, 0.5 percent from 0.4 percent; and
d. Recreation, sport and culture, 4.1 percent from 3.7 percent.

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 and NCR, inflation for the bottom 30% income households in AONCR in October 2023 also recorded a downtrend at 5.3 percent from 6.9 percent in September 2023. In October 2022, inflation for this income group was registered at 8.9 percent. (Tables A, 5, and 14)

The deceleration of inflation for this income group was mainly influenced by the lower year-on-year increment in the heavily-weighted food and non-alcoholic beverages at 7.7 percent in October 2023 from 10.5 percent in September 2023.

In addition, the housing, water, electricity, gas and other fuels index decreased further by 2.9 percent in October 2023 from an annual decrease of 1.8 percent in the previous month.

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

a. Alcoholic beverages and tobacco, 10.0 percent from 10.4 percent;
b. Clothing and footwear, 4.9 percent from 5.1 percent;
c. Furnishings, household equipment and routine household maintenance, 5.3 percent from 5.4 percent;
d. Health, 3.2 percent from 3.4 percent; and
e. Restaurants and accommodation services, 6.6 percent from 6.7 percent.

In contrast, higher annual growth rates were recorded during the month in the indices of transport at 2.3 percent from 1.5 percent in previous month and information and communication at 1.0 percent from 0.7 percent in September 2023.

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

In October 2023, all regions outside NCR recorded lower inflation rates for the bottom 30% income households relative to their respective inflation rates in the previous month. The lowest inflation rate was recorded in Region II (Cagayan Valley) at 3.1 percent, while the highest inflation rate was observed in MIMAROPA Region and Region X (Northern Mindanao) both at 6.7 percent. (Table 6)

Note: CPIs and inflation rates for the bottom 30% income households by region are posted at the PSA OpenSTAT portal at https://openstat.psa.gov.ph/PXWeb/pxweb/en/DB/DB__2M__PI__BIH__2018/?tablelist=true.

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