SPECIAL RELEASE

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

September 2023

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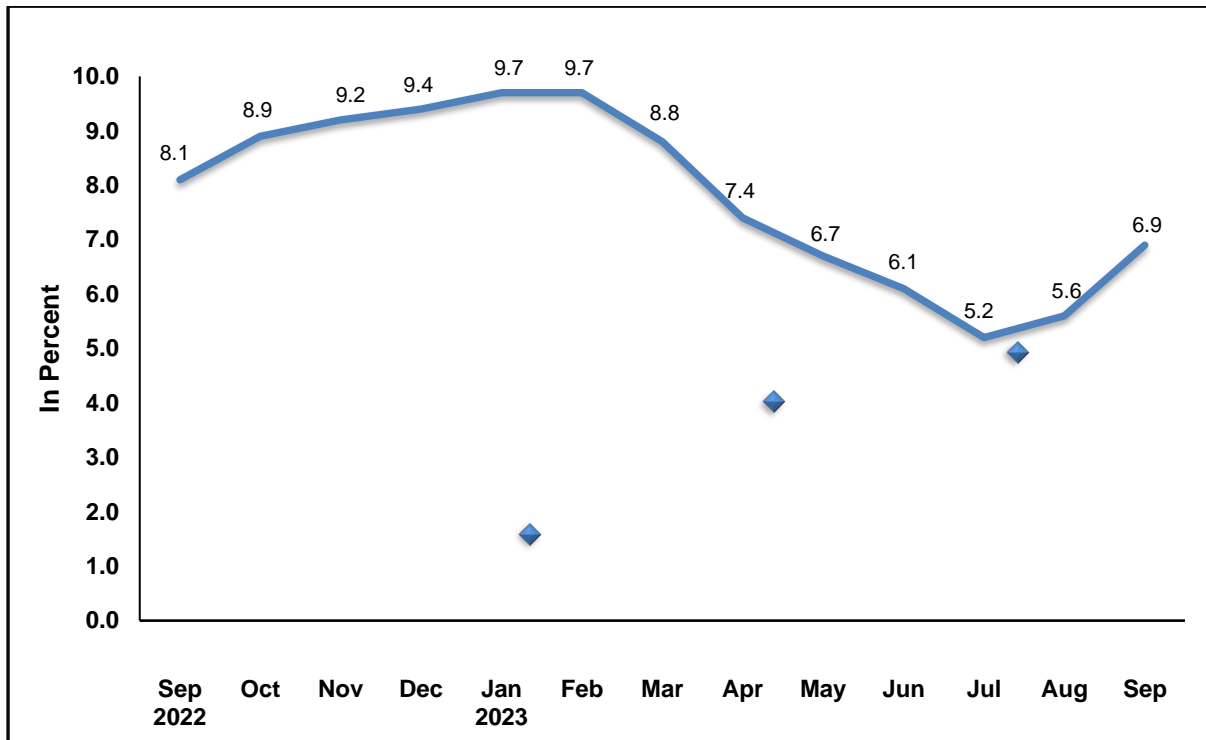for the Bottom 30% Income Households, All Items
In Percent
(2018=100)

Area	September 2022	August 2023	September 2023	Year-to-date*
Philippines	8.1	5.6	6.9	7.3
NCR	6.7	7.2	7.3	7.9
AONCR	8.1	5.6	6.9	7.3

*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 September 2023 vs 2022

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 increased further to 6.9 percent in September 2023 from 5.6 percent in August 2023. The average inflation rate from January to September 2023 for this income group stood at 7.3 percent. In September 2022, inflation rate was posted at 8.1 percent. (Figure 1, and Tables A, B, 5, 6, and 12)

1.1 Main Drivers to the Upward Trend of the Overall Inflation

The primary driver to the upward trend of the overall inflation for this income group in September 2023 was the higher year-on-year growth in the heavily-weighted food and non-alcoholic beverages at 10.4 percent during the month from 7.7 percent in the previous month.

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

a. Transport, 1.6 percent from 1.1 percent;
b. Recreation, sport and culture, 7.0 percent from 6.7 percent; and
c. Education services, 4.7 percent from 3.7 percent.

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

a. Alcoholic beverages and tobacco, 10.3 percent from 10.6 percent;
b. Clothing and footwear, 5.0 percent from 5.2 percent;
c. Furnishings, household equipment and routine household maintenance, 5.5 percent from 5.8 percent;
d. Health, 3.4 percent from 3.5 percent;
e. Restaurants and accommodation services, 6.8 percent from 7.0 percent; and
f. Personal care, and miscellaneous goods and services, 5.6 percent from 5.9 percent.

Moreover, the index of housing, water, electricity, gas and other fuels dropped further by 1.4 percent in September 2023 from a 0.7 percent decrease in the previous month. The indices of the rest of the commodity groups retained their previous month's 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 September 2023 overall inflation for the bottom 30% income households:

a. Food and non-alcoholic beverages, 81.3 percent share or 5.6 percentage points;
b. Restaurants and accommodation services, 7.2 percent share or 0.5 percentage point; and
c. Personal care, and miscellaneous goods and services, 3.9 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 faster pace of 10.8 percent in September 2023 from

7.7 percent in the previous month. In September 2022, its annual increase was observed at 7.8 percent. (Table 9)

2.1 Main Drivers to the Upward Trend of the Food Inflation

The uptrend in the food inflation was mainly due to the higher annual increment in rice with inflation rate of 19.8 percent during the month from 9.1 percent in the previous month. This was followed by meat and other parts of slaughtered land animals with 1.8 percent inflation in September 2023 from a zero percent annual rate in August 2023.

In addition, faster annual increment during the month was noted in the index of fruits and nuts at 8.5 percent from 6.6 percent in August 2023. The index of corn recorded an annual growth of 2.1 percent in September 2023 from an annual drop of 0.2 percent in the previous month.

In contrast, 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, 7.2 percent from 8.2 percent;
b. Fish and other seafood, 5.6 percent from 6.3 percent;
c. Milk, other dairy products and eggs, 7.2 percent from 7.6 percent;
d. Vegetables, tubers, plantains, cooking bananas and pulses, 22.9 percent from 23.6 percent;
e. Sugar, confectionery and desserts, 10.0 percent from 14.7 percent; and
f. Ready-made food and other food products not elsewhere classified, 5.8 percent from 6.0 percent.

Moreover, the index of oils and fats declined further by 2.7 percent in September 2023 from a 0.9 percent decline in the previous month. (Tables 7 and 11)

2.2 Main Contributors to the Food Inflation

Food inflation contributed 78.5 percent or 5.4 percentage points to the September 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 63.3 percent share or 6.8 percentage points;
b. Vegetables, tubers, plantains, cooking bananas and pulses, with 15.8 percent share or 1.7 percentage points; and
c. Fish and other seafood, with 8.2 percent share or 0.9 percentage point.

Table B. Year-on-Year Inflation Rates for the Bottom 30% Income Households
in the Philippines, All Items: January 2018 to September 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	
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**	**7.3**

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, increased further to 7.3 percent in September 2023 from 7.2 percent in

August 2023. In September 2022, inflation in the area was recorded at 6.7 percent. (Tables A, 5, 6, and 13)

The uptrend of the inflation in the area was primarily brought about by the higher annual increments in the housing, water, electricity, gas and other fuels at 6.7 percent during the month from 6.0 percent in August 2023, transport at 6.2 percent from 5.6 percent, and restaurants and accommodation services at 8.1 percent from 7.9 percent.

Faster annual increments were also observed in the indices of alcoholic beverages and tobacco at 6.6 percent during the month from 6.4 percent in the previous month and clothing and footwear at 2.7 percent from 2.5 percent.

On the other hand, slower annual increase was noted in the index of food and non-alcoholic beverages at 8.6 percent in September 2023 from 8.8 percent in the previous month.

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 also demonstrated an uptrend in September 2023 at 6.9 percent from 5.6 percent in the previous month. In the same month of the previous year, inflation for this income group was registered at 8.1 percent. (Tables A, 5, and 14)

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

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

   a. Transport, 1.5 percent from 1.0 percent;
   b. Recreation, sport and culture, 7.1 percent from 6.8 percent; and
   c. Education services, 4.7 percent from 3.7 percent.

In contrast, the indices of the following commodity groups recorded lower annual growth rates during the month:

a. Alcoholic beverages and tobacco, 10.4 percent from 10.8 percent;
b. Clothing and footwear, 5.1 percent from 5.3 percent;
c. Furnishings, household equipment and routine household maintenance, 5.4 percent from 5.8 percent;
d. Health, 3.4 percent from 3.6 percent;
e. Restaurants and accommodation services, 6.7 percent from 6.9 percent; and
f. Personal care, and miscellaneous goods and services, 5.6 percent from 5.9 percent.

In addition, the housing, water, electricity, gas and other fuels index decreased further by 1.8 percent in September 2023 from a decrease of 1.1 percent in the previous month. The indices of the rest of the commodity groups retained their respective previous month's annual rates. (Tables 5 and 6)

In September 2023, all regions outside NCR recorded higher inflation rates for the bottom 30% income households relative to their respective inflation rates in the previous month. The highest inflation rate was recorded in Region III (Central Luzon) at 9.2 percent. Meanwhile, the lowest inflation rate was observed in Region XI (Davao Region) at 5.2 percent. (Table 6)

Note: CPIs and inflation rates for the bottom 30% income households by region are posted at the PSA OpenSTAT portal at https://openstat.psa.gov.ph/PXWeb/pxweb/en/DB/DB 2M PI BIH 2018/?tablelist=true.

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