



# SPECIAL RELEASE

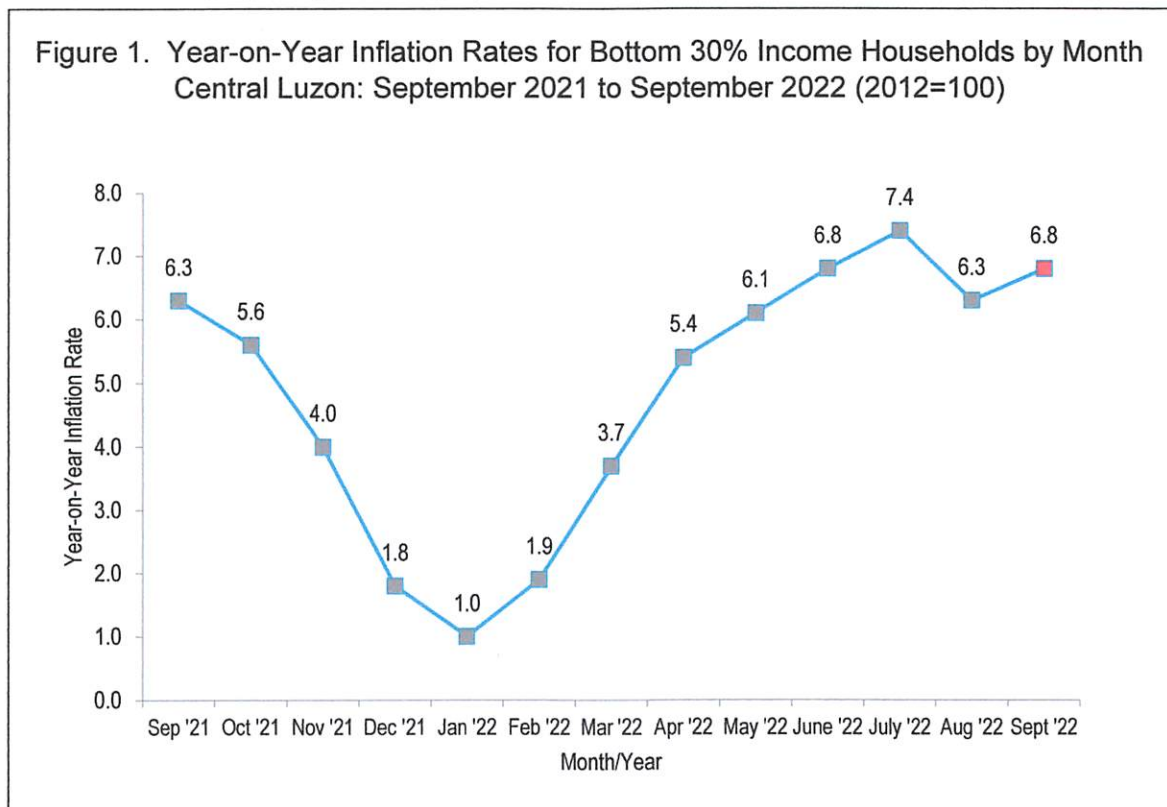
## Central Luzon's Consumer Price Index (CPI) for Bottom 30% Income Households September 2022 (2012 = 100)

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### Year-on-Year Price Index Situation in September 2022

Central Luzon's inflation rate for bottom 30 percent income households accelerated to 6.8 percent in September 2022. It immediately breaks its slowing down movement in the previous month, increasing by 0.5 percentage point from 6.3 percent in August 2022. (Figure 1)

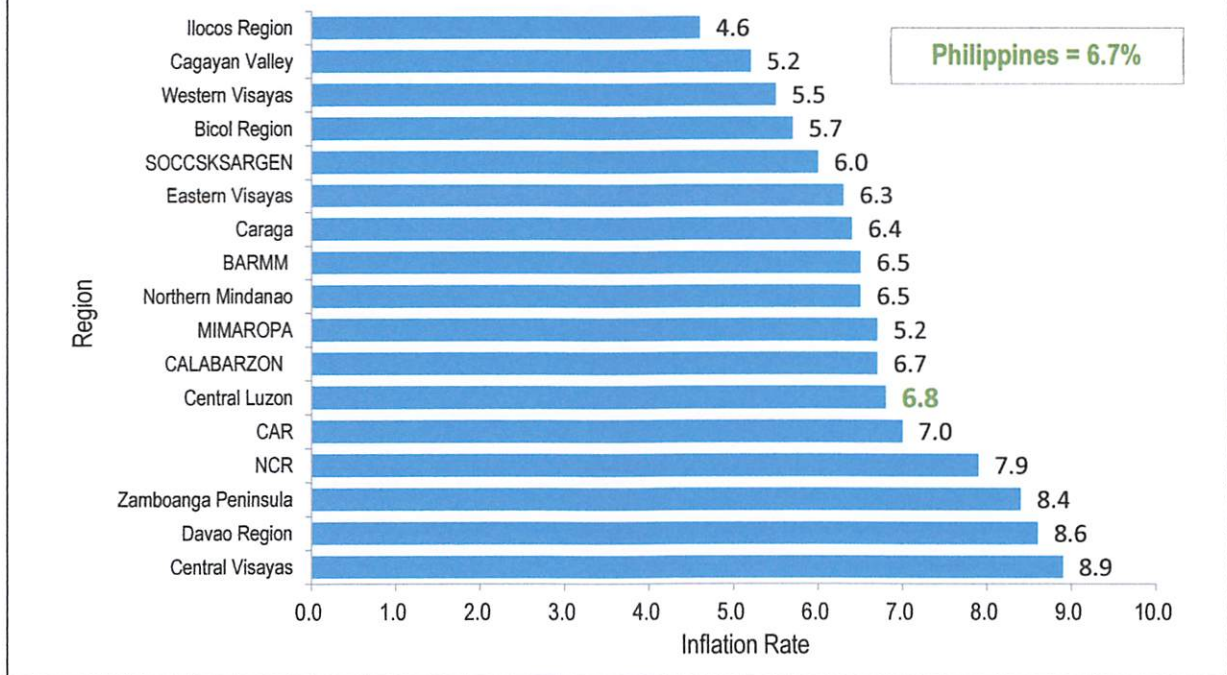


Source: Survey of Retail Prices of Commodities for the CPI, PSA

The national inflation rate for the bottom 30 percent income households was recorded at 6.7 percent in September 2022. Among the 17 regions in the country, Central Visayas had the highest inflation at 8.9 percent, while Ilocos Region recorded the lowest at 4.6 percent. Central Luzon recorded the sixth highest inflation rate at 6.8 percent. (Figure 2)



Figure 2. Year-on-Year Inflation Rates for Bottom 30% Income Households by Region, Philippines: September 2022 (2012=100)



Source: Survey of Retail Prices of Commodities for the CPI, PSA

### Year-on-Year Price Change by Commodity Group

The increase in almost all indices of CPI significantly contributed to the faster acceleration in the inflation for the bottom 30 percent income households. The index of Transport recorded the highest inflation rate among the 11 indices at 16.4 percent followed by the index of Alcoholic Beverages and Tobacco at 15.8 percent, and Housing, Water, Electricity, Gas and Other Fuels at 9.0 percent.

Likewise, higher annual increments were recorded in the following indices:

- Food and Non-Alcoholic Beverages, 5.2 percent;
- Furnishing, Household Equipment and Routine Maintenance of the House, 5.2 percent;
- Health, 2.3 percent; and
- Recreation and Culture, 4.7 percent.

On the other hand, slower rate of increases were recorded in the indices of Communication at 0.9 percent and Restaurant and Miscellaneous Goods and Service at 4.3 percent. (Table A)

Further, same rate of increase with that of the previous month was observed in the indices of Clothing and Footwear (4.7%) and Education (2.6%).

**Table A Year-on-Year Changes of the CPI  
for Bottom 30% Income Households by Commodity Group  
Central Luzon (2012 = 100)**

<b>Commodity Group</b>	<b>August 2022</b>	<b>September 2022</b>
All Items	6.3	6.8
Food and Non-Alcoholic Beverages	4.7	5.2
Alcoholic Beverages and Tobacco	15.6	15.8
Clothing and Footwear	4.7	4.7
Housing, Water, Electricity, Gas and Other Fuels	7.9	9.0
Furnishing, Household Equipment and Routine Maintenance of the House	4.8	5.2
Health	2.0	2.3
Transport	15.2	16.4
Communication	1.0	0.9
Recreation and Culture	4.3	4.7
Education	2.6	2.6
Restaurant and Miscellaneous Goods and Service	4.4	4.3

*Source: Survey of Retail Prices of Commodities for the CPI, PSA*

### **Year-on-Year Price Change by Food Group**

Sugar, Jam, Honey, Chocolate and Confectionery recorded the highest annual increase at 43.0 percent, followed by Oils and Fats index recording 29.6 percent annual increase. Milk, Cheese and Eggs indices followed at 11.6 percent and Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products at 11.5 percent in September 2022.

Moreover, increase in the annual indices were recorded for the following:

- Rice, 1.4 percent;
- Corn, 6.3 percent;
- Meat, 6.6 percent; and
- Fish and Seafood, 6.9 percent.

Further, slower rate of increase was recorded in the index of Food Products, NEC at 6.4 percent.

On the other hand, Vegetables further decline at -11.1 percent. Meanwhile, index of Fruits recorded a slower rate of decline at -1.6 percent. (Table B)

**Table B Year-on-Year Changes of the CPI  
for Bottom 30% Income Households by Food Group  
Central Luzon (2012 = 100)**

<b>Commodity Group</b>	<b>August 2022</b>	<b>September 2022</b>
Rice	0.5	1.4
Corn	3.7	6.3
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	10.7	11.5
Meat	6.1	6.6
Fish and Seafood	4.7	6.9
Milk, Cheese and Eggs	10.7	11.6
Oils and Fats	29.3	29.6
Fruits	(2.1)	(1.6)
Vegetables	(9.1)	(11.1)
Sugar, Jam, Honey, Chocolate and Confectionery Food Products, N.E.C.	42.2	43.0
	6.9	6.4

*Source: Survey of Retail Prices of Commodities for the CPI, PSA*

  
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## **Technical Notes**

This Special Release presents the results of the Survey of Retail Prices of Commodities and Services for the Generation of Consumer Price Index (CPI) conducted in September 2022.

### **CPI**

The CPI is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households for their day-to-day consumption relative to a base year.

### **Uses of the CPI**

As an indicator, the CPI is most widely used in the calculation of the inflation rate and purchasing power of the peso. It is a major statistical series used for economic analysis and as monitoring indicator of government economic policy.

The CPI is also used as a deflator to express value series in real terms, which is, measuring the change in actual volume of transaction by removing the effects of price changes. Another major importance of the CPI is its use as basis to adjust wages in labor management contracts as well as pensions and retirement benefits. The CPI also serves as inputs in wage adjustments through the collective bargaining agreements.

### **Components of the CPI**

#### **a. Base Period**

This is a reference date or simply a convenient benchmark to which a continuous series of index numbers can be related. Since the CPI measures the average changes in the retail prices of a fixed basket of goods, it is necessary to compare the movement in previous years back to a reference date at which the index is taken as equal to 100.

The present series uses the 2012 as the base year. The year 2012 was chosen as the base year because it is the year when the Family Income and Expenditure Survey (FIES) was conducted. The FIES is the basis of the CPI weights.

#### **b. Market Basket**

Market basket refers to a sample of thousands of varieties of goods purchased for consumption and services availed by the households in the country. It was selected to represent the composite price behavior of all goods and services purchased by the consumers.

#### **c. Weighting System**

The weighting system is a desirable system that considers the relevance of the components of the index. For the CPI, the weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditures.

**d. Geographic Coverage**

CPI values are computed at the national, regional, and provincial levels, and for selected cities. A separate CPI for NCR is also computed.

**e. Classification Standards**

The 2012-based CPI series is the first in the series that used the 1999 United Nations Classification of the Individual Consumption According to Purpose (COICOP) in determining the commodity groupings of the items and services included in the market basket. The 2012-based CPI also follows the 2015 Philippine Standard Geographic Classification codes.

**Inflation Rate**

The inflation rate (IR) is the annual or monthly rate of change of the CPI in percent. It is interpreted in terms of declining purchasing power of money.