# SPECIAL RELEASE

Central Luzon's Consumer Price Index (CPI) for Bottom 30% Income Households April 2025

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Inflation Rate for Central Luzon's Bottom 30% Income Households Declines Further to 0.4 Percent

Central Luzon's inflation rate for the bottom 30 percent income households further declined to 0.4 percent in April 2025, from 1.7 percent in March 2025. This reflects a decrease of 1.3 percentage points from the previous month and a 5.9 percentage points compared to that in April 2024. (Figure 1)
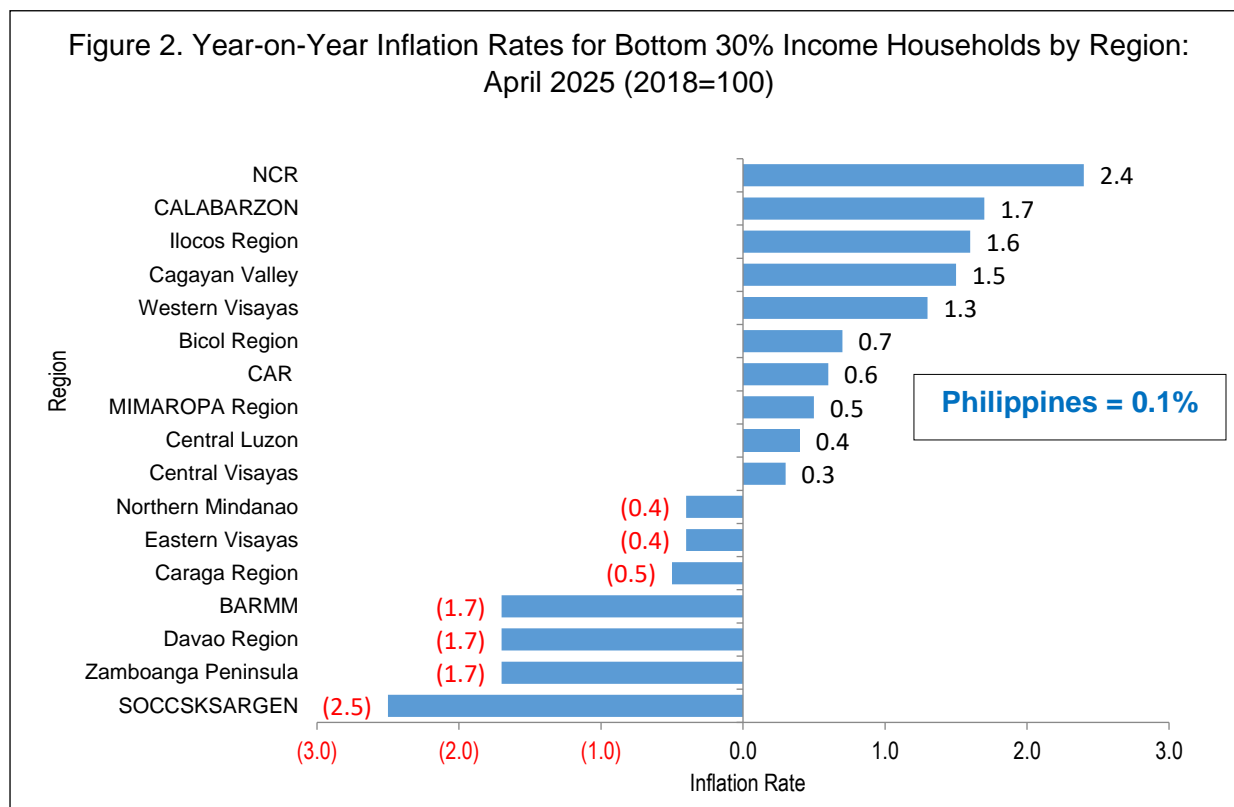

Figure 1. Year-on-Year Inflation Rates for Bottom 30% Income Households in Central Luzon, All Items
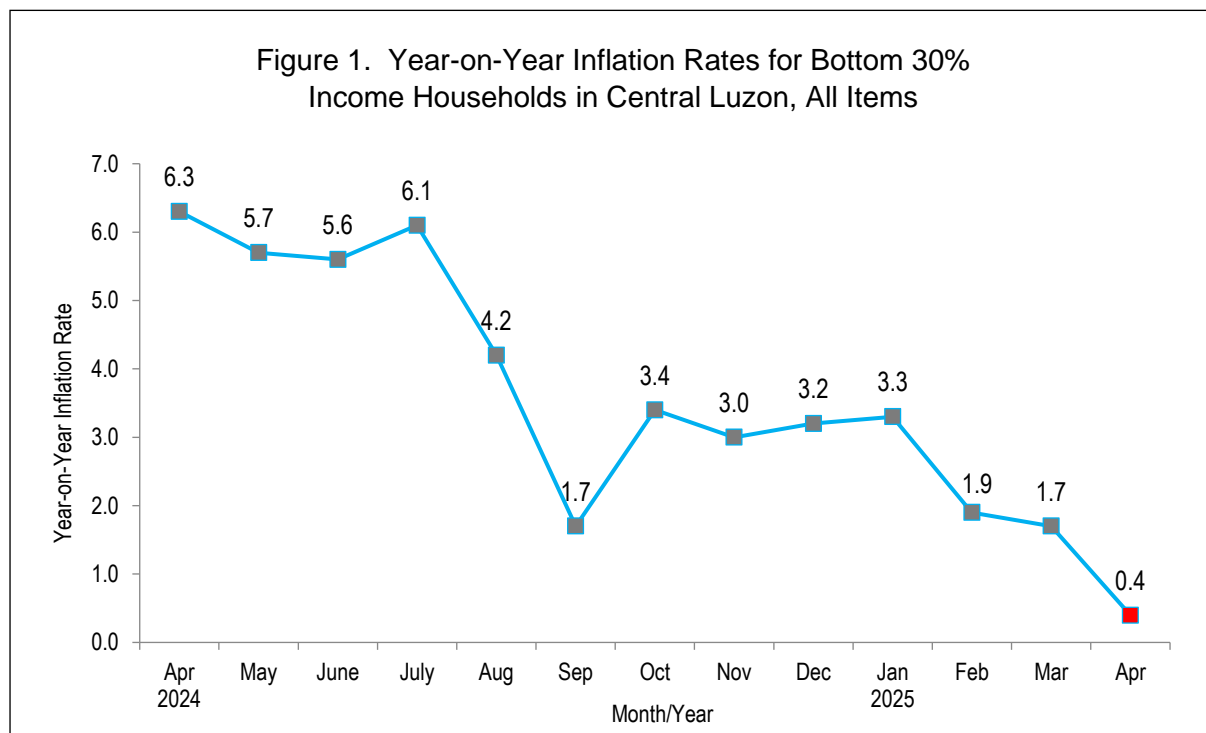
Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

Central Luzon ranked ninth among regions with the highest inflation rate for bottom 30 percent income households in April 2025. National Capital Region (NCR) recorded the highest inflation rate at 2.4 percent, followed by CALABARZON and Ilocos Region at 1.7 percent and 1.6 percent, respectively. Meanwhile, SOCCSKSARGEN recorded the lowest inflation rate at -2.5 percent. (Figure 2)

Furthermore, the headline inflation for bottom 30 percent income households in the Philippines also decreased from 1.1 percent in March 2025 to 0.1 percent in April 2025.

Figure 2 shows the annual inflation rates of the different regions in the Philippines in April 2025.

Figure 2. Year-on-Year Inflation Rates for Bottom 30% Income Households by Region: April 2025 (2018=100)

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

Main Drivers to the Downward Trend of the April 2025 Inflation in Central Luzon

The overall inflation rate in April 2025 declined primarily due to the slower year-on-year growth rates in several major commodity groups. Notably, the index for food and non-alcoholic beverages dropped from 1.9 percent in March 2025 to 0.1 percent in April 2025. Similarly, the index for housing, water, electricity, gas, and other fuels decreased further from 0.4 percent to -0.6 percent. In addition, the sustained deceleration in the transport index also contributed to the downtrend, recording a slower decline of -2.0 percent in April 2025 compared to -0.9 percent in the previous month. (Table 1)

Additionally, slower increments were also recorded in the following indices:

- clothing and footwear at 1.2 percent from 1.3 percent;
- furnishings, household equipment and routine household maintenance at 1.8 percent from 1.9 percent;
- restaurants and accommodation services at 0.7 percent from 1.3 percent; and
- personal care and miscellaneous goods and services at 2.9 percent from 3.0 percent.

On the other hand, faster annual increments were recorded in the following indices:

- alcoholic beverages and tobacco at 5.5 percent from 5.2 percent; and
- information and communication at 0.4 percent from 0.3 percent.

Meanwhile, the indices of health (1.7%), recreation, sport and culture (4.0%), education services (3.3), and financial services (0.0) maintained their previous month's inflation rate.

Table 1. Year-on-Year Changes of the Inflation Rate
for Bottom 30% Income Households by Commodity Group
Central Luzon: April 2024, March 2025, and April 2025 (2018 = 100)

Commodity Group	Apr-24	Mar-25	Apr-25
All Items	6.3	1.7	0.4
Food and Non-Alcoholic Beverages	8.6	1.9	0.1
Alcoholic Beverages and Tobacco	4.5	5.2	5.5
Clothing and Footwear	5.5	1.3	1.2
Housing, Water, Electricity, Gas and Other Fuels	2.1	0.4	(0.6)
Furnishings, Household Equipment and Routine Household Maintenance	4.2	1.9	1.8
Health	4.6	1.7	1.7
Transport	2.8	(0.9)	(2.0)
Information and Communication	0.4	0.3	0.4
Recreation, Sport and Culture	7.7	4.0	4.0
Education Services	7.0	3.3	3.3
Restaurants and Accommodation Services	7.0	1.3	0.7
Financial Services	(0.1)	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	4.1	3.0	2.9

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

Main Contributor to the April 2025 Overall Inflation in Central Luzon

The following commodity groups were the top three contributors to the April 2025 overall inflation for the bottom 30% income households:
- alcoholic beverages and tobacco with 67.3 percent share or 0.27 percentage point;
- personal care, and miscellaneous with 31.3 percent share or 0.13 percentage point; and
- restaurants and accommodation services with 15.2 percent share or 0.06 percentage point.

Food Inflation

The inflation rate in the regional food index decelerated to -0.1 percent in April 2025 from 1.9 percent in March 2025.

Main Drivers to the Downward Trend of the April 2025 Food Inflation in Central Luzon

The deceleration of food inflation in April 2025 was mainly attributed to the slower year-on-year growth in several food commodity groups. These include cereals and cereal products, which posted a further decline at -10.7 percent from -7.8 percent in March 2025, vegetables, tubers, plantains, cooking bananas, and pulses, which recorded 0.0 percent from 6.2 percent, and meat and other parts of slaughtered land animals, which decreased to 8.0 percent from 10.3 percent in March 2025. (Table 2)

Additionally, slower increments were also recorded in the following indices:
- fish and other seafood at 8.0 percent from 8.2 percent;
- fruits and nuts at 7.5 percent from 8.1 percent;
- sugar, confectionery and desserts at -0.8 percent from -0.6 percent; and
- ready-made food and other food products N.E.C at 4.4 percent from 4.9 percent.

On the other hand, faster annual increments were recorded in the following indices:
- flour, bread, and other bakery products, pasta products, and other cereals at 1.5 percent from 1.3 percent;
- milk, other dairy products and eggs at 7.1 percent from 6.3 percent; and
- oils and fats at 7.8 percent from 7.4 percent;

Table 2 Year-on-Year Changes of the Inflation Rate
for Bottom 30% Income Households by Food Group
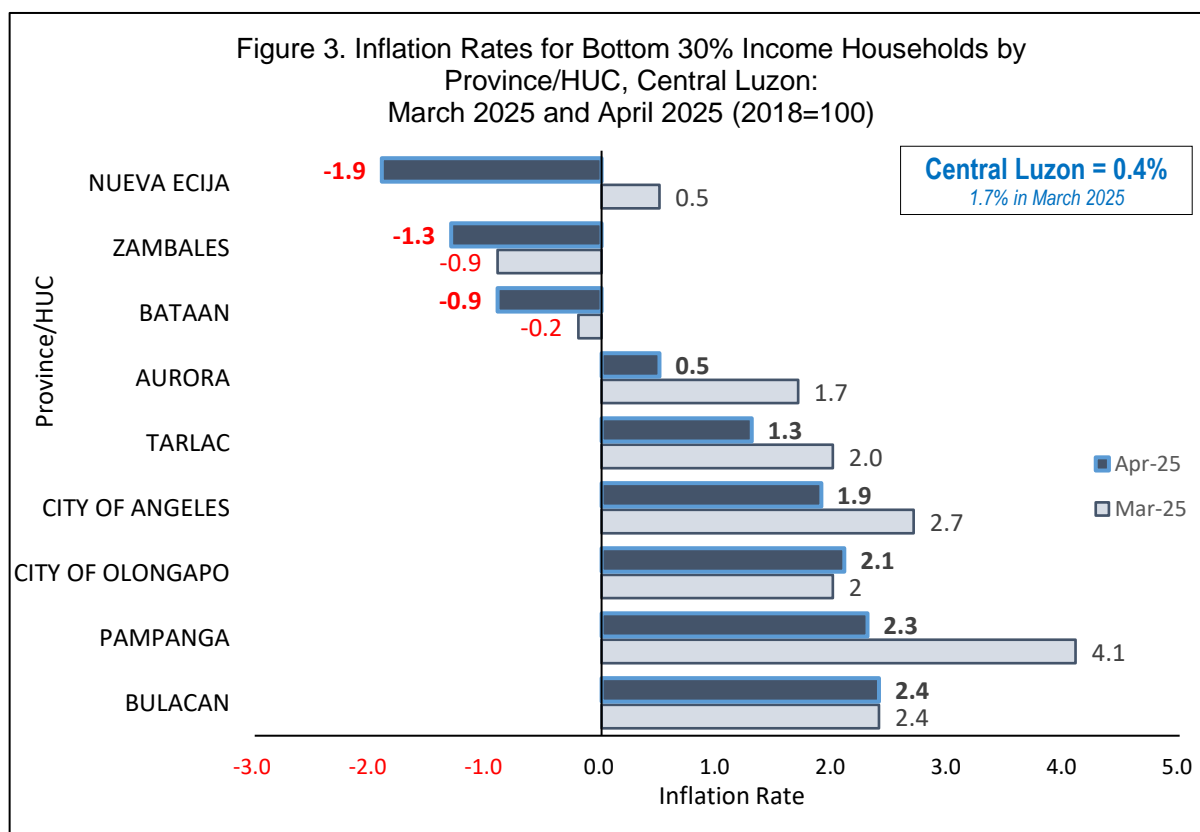Central Luzon: April 2024, March 2025, and April 2025 (2018 = 100)

Commodity Group	Apr-24	Mar-25	Apr-25
FOOD	9.2	1.9	(0.1)
Cereals and Cereal Products	23.1	(7.8)	(10.7)
Cereals	29.8	(10.5)	(14.3)
Rice	30.2	(10.7)	(14.5)
Corn	3.5	8.6	5.3
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	4.8	1.3	1.5
Meat and Other Parts of Slaughtered Land Animals	0.7	10.3	8.0
Fish and Other Seafood	0.3	8.2	8.0
Milk, Other Dairy Products, and Eggs	(1.1)	6.3	7.1
Oils and Fats	(5.3)	7.4	7.8
Fruits and Nuts	7.5	8.1	7.5
Vegetables, Tubers, Cooking Bananas and Pulses	15.1	6.2	0.0
Sugar, Confectionery and Desserts	(0.5)	(0.6)	(0.8)
Ready-Made Food and Other Food Products N.E.C.	4.9	4.9	4.4

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

Relative to the April 2025 inflation rates for the bottom 30 percent income households, all provinces and Highly Urbanized Cities (HUCs) in the region recorded lower inflation rates compared to their respective previous months' inflation rates, except for the City of Olongapo, which recorded an increase to 2.1 percent from 2.0 percent in March 2025, and Bulacan, which retained its inflation rate at 2.4 percent in April 2025.

Among the provinces and HUCs in the region, Bulacan registered the highest inflation rate for the bottom 30 percent income households at 2.4 percent, followed by Pampanga at 2.3 percent. In contrast, Nueva Ecija recorded the lowest inflation rate at -1.9 percent. Furthermore, Nueva Ecija recorded the highest decrease in inflation rate compared with the previous month's inflation of 0.5 percent posting a 2.4 percentage points difference followed by Pampanga with 1.8 percentage points difference from the inflation in March 2025 at 4.1 percent. (Figure 3)

Figure 3. Inflation Rates for Bottom 30% Income Households by Province/HUC, Central Luzon: March 2025 and April 2025 (2018=100)

Source: Survey of Retail Prices of Commodities for the Generation of 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 April 2025.

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 of CPI is rebased from base year 2012 to base year 2018.

b. Market Basket

   Market basket refers to a sample of goods and services commonly purchased by the households.

   The market basket for the CPI for All Income Households is updated using the results of the 2021 Survey of Key Informants (SKI). The survey, which was undertaken in March 2021, was conducted nationwide to store managers, sellers, or proprietors, to obtain information on the most commonly purchased goods and availed of services by the households.

   The commodities included in the 2018-based CPI market basket are the modal commodities which were considered as the most commonly purchased/availed of commodities by the households.

   The commodities in the 2018-based CPI market basket are grouped/classified according to the 2020 Philippine Classification of Individual Consumption According to Purpose (PCOICOP) which is based on the United Nations COICOP. Meanwhile, the commodities in the 2012-based CPI market basket used the 2009 PCOICOP version of classification of commodities.

Table A below presents the comparison of the commodity classification based on 2009 and 2020 PCOICOP which are adopted in the 2012-based and 2018-based CPI market baskets, respectively.

Table A. Commodity Classification of the CPI Market Basket

2012-based CPI		2018-based CPI	
Code	Description	Code	Description
01	Food and non-alcoholic beverages	01	Food and non-alcoholic beverages
02	Alcoholic beverages and tobacco	02	Alcoholic beverages and tobacco
03	Clothing and footwear	03	Clothing and footwear
04	Housing, water, electricity, gas, and other fuels	04	Housing, water, electricity, gas, and other fuels
05	Furnishings, household equipment and routine household maintenance	05	Furnishings, household equipment and routine household maintenance
06	Health	06	Health
07	Transport	07	Transport
08	Communication	08	Information and Communication
09	Recreation and culture	09	Recreation, sport, and culture
10	Education	10	Education services
11	Restaurant and Miscellaneous Goods and Services	11	Restaurant and accommodation services
		12	Financial services
		13	Personal care, and miscellaneous goods and services
Note: In the 2012-based CPI, divisions 11 and 13 are combined as one division (Restaurant and Miscellaneous goods and services).			

c. Weighting System

The weights for the 2018-based CPI were derived from the expenditure data of the 2018 Family Income and Expenditure Survey (FIES). The weight for each commodity/group of commodities is the proportion of the expenditure of the expenditure of commodity/group of commodities to the total national expenditure. The sum of the weights of the commodity groups at the national level is equal to 100.

d. Geographic Coverage

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

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.