

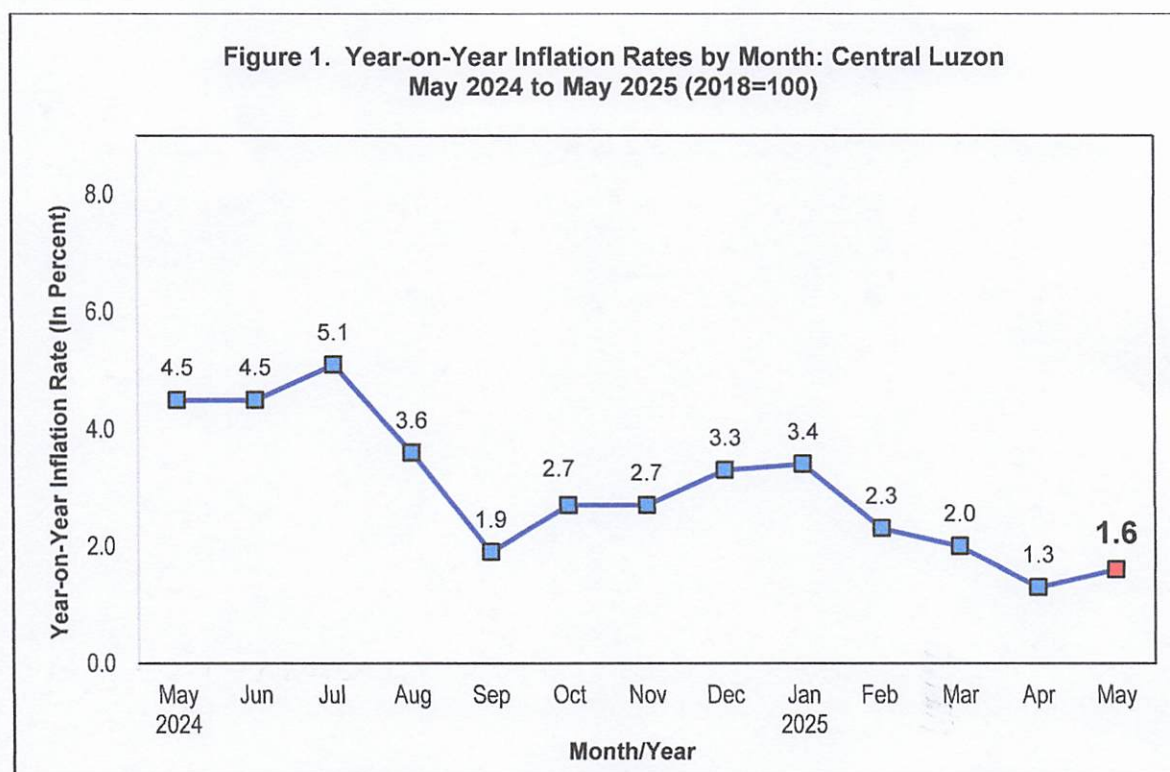
SPECIAL RELEASE

Central Luzon's Inflation and Consumer Price Index (CPI) May 2025

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Central Luzon's Inflation Increased to 1.6 Percent

The annual inflation rate in Central Luzon rose to 1.6 percent in May 2025. In May 2024, inflation was higher at 4.5 percent. (Figure 1)



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

1. Headline Inflation

1.1 Main Drivers to the Upward Trend of May 2025 Inflation

The upward trend in the overall inflation in Central Luzon in May 2025 was primarily due to the higher inflation rates in the following commodity groups:

- Food and non-alcoholic beverages, 2.3 percent from 1.4 percent in April 2025;
- Clothing and footwear, 1.5 percent from 1.2 percent in April 2025; and
- Alcoholic beverages and tobacco, 5.6 percent from 5.3 percent in April 2025.

Further, the following commodity groups also contributed to the increase in May 2025 inflation from April 2025:

- Health, 1.9 percent from 1.7 percent; and
- Personal care, and miscellaneous goods and services, 2.9 percent from 2.8 percent.

Meanwhile, lower annual increments were noted for information and communication recording an inflation rate of 0.2 percent from 0.4 percent and restaurants and accommodation services at 1.0 percent during the month from 1.1 percent in April 2025.

Furthermore, transport index reported faster decline recording -2.7 percent during the month from -2.3 percent in April 2025 while the indices of the rest of the commodity groups retained their respective previous month's annual growth rates. (Table 1)

1.2 Main Contributors to the May 2025 Inflation

The top three commodity groups contributing to Central Luzon's overall inflation rate in May 2025 were as follows:

- Food and non-alcoholic beverages with 0.85 percentage point;
- Housing, water, electricity, gas, and other fuels with 0.31 percentage point; and
- Alcoholic beverages and tobacco with 0.26 percentage point.

Table 1. Year-on-Year Inflation Rates by Commodity Group:
Central Luzon (2018 = 100)
(In Percent)

Commodity Group	May 2024	April 2025	May 2025
All Items	4.5	1.3	1.6
Food and Non-Alcoholic Beverages	5.5	1.4	2.3
Alcoholic Beverages and Tobacco	4.4	5.3	5.6
Clothing and Footwear	4.5	1.2	1.5
Housing, Water, Electricity, Gas, and Other Fuels	2.6	1.6	1.6
Furnishings, Household Equipment and Routine Household Maintenance	2.9	2.0	2.0
Health	3.9	1.7	1.9
Transport	3.9	-2.3	-2.7
Information and Communication	0.6	0.4	0.2
Recreation, Sport, and Culture	4.4	2.0	2.0
Education Services	6.1	2.5	2.5
Restaurants and Accommodation Services	7.7	1.1	1.0
Financial Services	-0.3	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	4.0	2.8	2.9

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

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2. Food Inflation

Food inflation in Central Luzon also increased to 2.2 percent in May 2025 from 1.3 percent in April 2025. In comparison, food inflation was notably higher at 5.8 percent in May 2024.

2.1 Main Drivers to the Upward Trend in Food Inflation

The overall uptrend in food inflation for May 2025 was primarily driven by the higher inflation rates in the following:

- Vegetables, tubers, plantains, cooking bananas and pulses, 6.7 percent from -1.1 percent in April 2025;
- Fish and other seafood, 9.1 percent from 7.7 percent in April 2025; and
- Meat and other parts of slaughtered land animals, 8.0 percent from 7.4 percent in April 2025.

Moreover, higher inflation rates during the month were also observed for milk, other dairy products and eggs at 6.7 percent from 5.7 percent in the previous month, oils and fats at 9.6 percent from 8.2 percent in April 2025, and fruits and nuts at 8.3 percent from 6.7 percent in April 2025.

Furthermore, the following food groups recorded slower annual increments in May 2025:

- Corn, 5.9 percent from 6.8 percent;
- Flour, bread and other bakery products, pasta products, and other cereals, 1.5 percent from 1.8 percent; and
- Ready-made food and other food products n.e.c., 4.2 percent from 4.4 percent.

Rice registered a faster decline from -13.0 percent in April 2025 to -14.5 percent during the month. Sugar, confectionery and desserts, on the other hand, registered a slower year-on-year decline at -0.2 percent during the month from -0.8 percent in April 2025. (Table 2)

Table 2 Year-on-Year Changes in the Consumer Price Index, Food
Central Luzon (2018 = 100)
(In Percent)

Commodity Group	May 2024	April 2025	May 2025
Food	5.8	1.3	2.2
Cereals and cereal products	18.0	-8.5	-9.6
Cereals	24.5	-12.7	-14.2
Rice	24.8	-13.0	-14.5
Corn	7.4	6.8	5.9
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	4.8	1.8	1.5
Meat and Other Parts of Slaughtered Land Animals	0.7	7.4	8.0
Fish and Other Seafood	-0.1	7.7	9.1
Milk, Other Dairy Products, and Eggs	-0.9	5.7	6.7
Oils and Fats	-6.0	8.2	9.6
Fruits and Nuts	6.6	6.7	8.3
Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses	5.6	-1.1	6.7
Sugar, Confectionery and Desserts	-0.6	-0.8	-0.2
Ready-Made Food and Other Food Products N.E.C.	4.7	4.4	4.2

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

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2.2 Main Contributors to Food Inflation

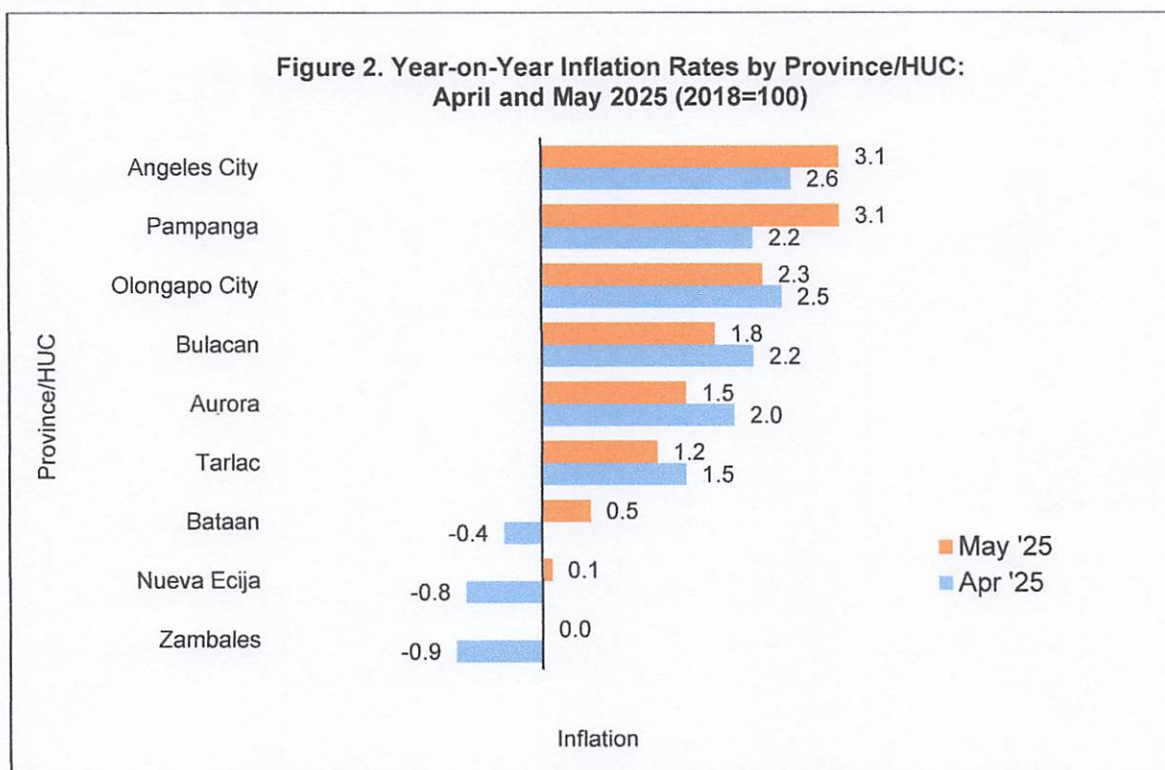
Food inflation contributed 0.75 percentage point to the overall inflation in May 2025. The top three food groups in terms of contribution to food inflation during the month were the following:

- Meat and other parts of slaughtered land animals with 1.79 percentage points;
- Fish and other seafood with 1.50 percentage points; and
- Milk, other dairy products and eggs with 0.57 percentage point.

3. Inflation by Province in Central Luzon

In May 2025, Pampanga and City of Angeles both registered annual increases of 3.1 percent inflation rates compared to their previous month's inflation rates. Meanwhile, Bataan, Nueva Ecija and Zambales recorded faster annual increases of 0.5 percent, 0.1 percent, and zero percent during the month from the recorded annual drops of -0.4 percent, -0.8 percent, and -0.9 percent, respectively, in April 2025. On the other hand, Tarlac, Aurora, Bulacan, and City of Olongapo registered slower year-on-year increases in inflation rates.

Among all provinces and highly urbanized cities (HUCs) in Central Luzon, City of Angeles and Pampanga both recorded the highest inflation at 3.1 percent, followed by City of Olongapo at 2.3 percent. On the contrary, Zambales still has the lowest inflation rate at zero percent in May 2025. (Figure 2)



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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 May 2025.

CPI

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 April 2021, was conducted nationwide to store managers, sellers, or proprietors, in order 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 1 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 1. 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.