



Number: SR-2022-3110
Date Release: June 9, 2022, 9:00 AM

SPECIAL RELEASE

SUMMARY INFLATION REPORT CONSUMER PRICE INDEX (2018 = 100) MAY 2022

Inflation is the gradual rise in the general level of prices for goods and services in a given economy. When the general price level rises, each unit of currency buys fewer products and services. The inflation rate is determined as the annual rate of change, or year-on-year change, of the

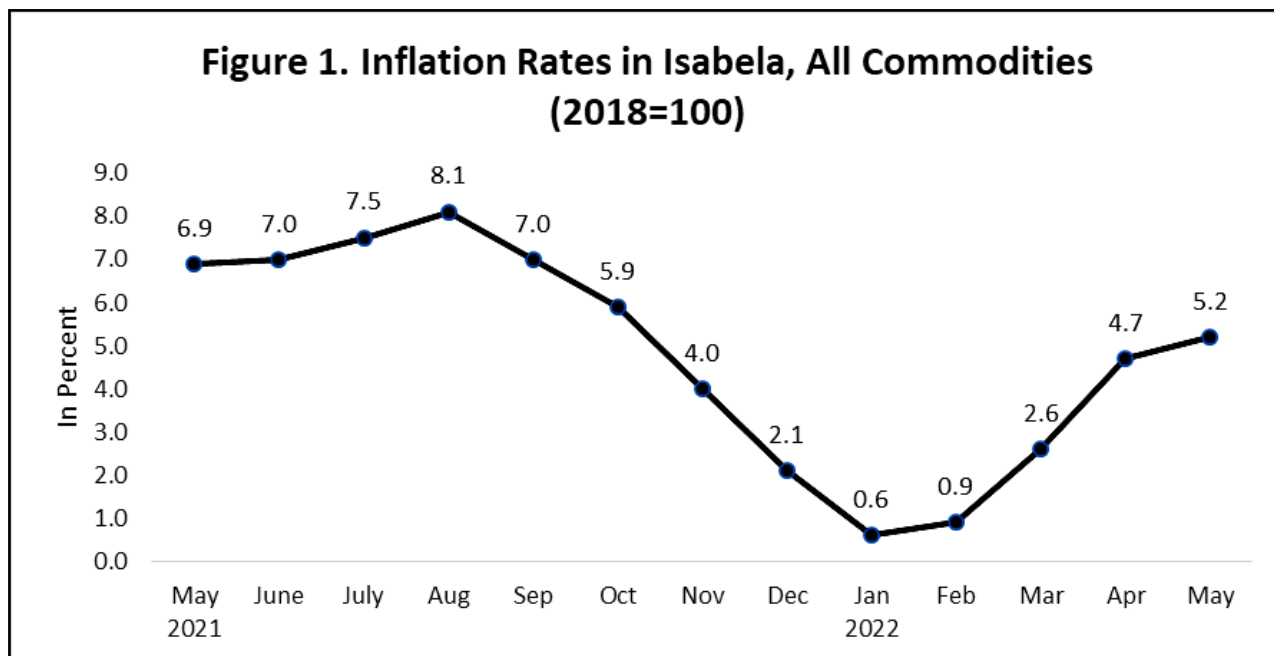
Table A. Year-on-Year Inflation Rates, All Items, In Percent (2018=100)

Area	May 2021	April 2022	May 2022	Year to Date*
Philippines	4.1	4.9	5.4	4.1
Cagayan Valley	6.3	4.6	5.1	3.3
Isabela	6.9	4.7	5.2	2.8

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

Commodity Price Index (CPI). It also shows the rate of change in prices over two time periods.

In the Province of Isabela, inflation increased to 5.2 percent in May 2022, higher from 4.7 percent in April 2022. This is the highest rate of inflation ever recorded since November of 2021. In May 2021, inflation was higher at 6.9%. (Table A and Figure 1)



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

**Table B. Inflation Rate, All Commodity Group April-May 2022
(2018=100)**

Commodity Group	April 2022	May 2022
Food and Non-Alcoholic Beverages	0.9	2.4
Alcoholic Beverages and Tobacco	6.2	9.7
Clothing and Footwear	1.9	1.9
Housing, Water, Electricity, Gas, and Other Fuels	8.4	7.0
Furnishing, Household Equipment and Routine Household Maintenance	4.6	4.7
Health	6.1	5.2
Transport	23.3	24.8
Information and Communication	0.0	0.0
Recreation, Sport and Culture	0.6	1.1
Education Services	0.0	0.0
Restaurants and Accommodation Services	3.9	1.9
Financial Services	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	3.0	3.4

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

The province's increasing inflation trend was driven by higher inflation in food and non-alcoholic beverages (2.4 percent) and transportation (24.8 percent). Higher annual increases in the following

commodity groups' indices compared to the previous month's inflation rates contributed to the total inflation increase over the period:

- a. Alcoholic beverages and tobacco, 9.7 percent;
- b. Personal care, and miscellaneous goods and services, 3.4 percent;
- c. Recreation, sports and culture, 1.1 percent; and
- d. Furnishings, household equipment and routine household maintenance, 4.7 percent.

Meanwhile, annual increases in housing, water, electricity, gas, and other fuels have slowed to 7.0 percent from 8.4 percent in April 2022; health has slowed to 5.2 percent from 6.1 percent last month; and restaurant and accommodation services has slowed to 1.9 percent from 3.9 percent in April 2022.

Furthermore, the remaining commodity groupings either maintained their previous month's inflation rates or had annual growth rates of zero percent. (Table B)

The food and non-alcoholic beverage index increased by 2.4 percent in May 2022, up from 0.9 percent the previous month. In May 2021, the food index grew by 8.3 percent.

The annual growth rate for the food and non-alcoholic beverages index was mainly brought by the increase in indices for vegetables, tubers, plantains, cooking bananas and pulses with 17.9 percent contributing 58.5 percent in the inflation of food. Other contributors are fish and other seafood with 5.3 percent and sugar, confectionary and desserts with 14.8 percent. Other commodities that contributed to the increase in inflation of food and non-alcoholic beverages were the following:

- a. Ready-made food and other food products not elsewhere classified, 6.0 percent;
- b. Oils and fats, 15.6 percent;
- c. Meat and other parts of slaughtered land animals, 0.5 percent;
- d. Fruit and vegetable juices, 5.9 percent;
- e. Coffee and coffee substitutes, 0.8 percent; and
- f. Other non-alcoholic beverages, 6.9 percent;

In comparison to their indices last month, cereals and cereal goods, as well as water, showed a downward trend.

Table C. Year-on-Year Inflation Rates in Isabela, All Commodities, In Percent (2018=100)


MONTH	2019	2020	2021	2022
January	5.3	2.9	7.7	0.6
February	3.3	4.5	6.1	0.9
March	3.5	3.0	6.7	2.6
April	3.8	2.1	6.8	4.7
May	4.0	1.1	6.9	5.2
June	3.4	1.5	7.0	
July	1.9	1.4	7.5	
August	0.5	1.6	8.1	
September	-0.8	1.9	7.0	
October	-0.6	2.1	5.9	
November	0.5	4.3	4.0	
December	2.7	5.3	2.1	

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

Similar to the trend at the national level and in Cagayan Valley region, inflation in Isabela increased to 5.2 percent in May 2022, from 4.7 percent in April 2022. In May 2021, inflation in Isabela stood at 6.9 percent. (Table C)

The uptrend in the inflation in Isabela was mainly due to the higher annual hike in the food and non-alcoholic beverages and transport indices.

Note: CPIs and inflation rates by province and selected city are posted at the PSA web site (<https://www.psa.gov.ph/>)


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