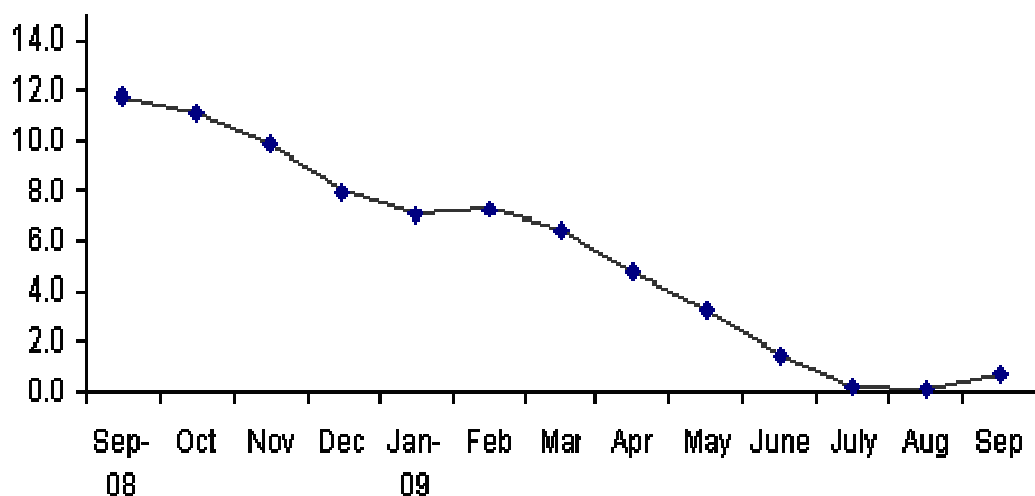

SUMMARY INFLATION REPORT CONSUMER PRICE INDEX (2000=100) SEPTEMBER AND AUGUST 2009

Year-on-Year Inflation Rates, All Items			
	September	August	Year-to-date
Philippines			
Headline	0.7	0.1	3.4
Core	2.8	2.9	4.6
NCR			
Headline	-0.3	-1.1	1.4
AONCR			
Headline	1.1	0.6	4.2

- The country's year-year headline inflation rate went up to 0.7 percent in September from 0.1 percent in August due to a higher annual price increase in the heavily weighted food, beverages and tobacco (FBT) index. Inflation a year ago was 11.8 percent.
- Excluding selected food and energy items, core inflation continued to slow down to 2.8 percent in September from 2.9 percent in August.
 - A negative annual rate was still registered in the National Capital Region (NCR) at -0.3 percent in September from -1.1 percent in August. This was brought about by the sustained negative annual price movements in fuel, light and water (FLW) and services index and the deceleration in the annual rates of clothing and housing and repairs (H&R) index.
 - Annual inflation rate in Areas Outside the National Capital Region (AONCR) picked up to 1.1 percent in September from 0.6 percent in August as the inflation rate of the FBT index moved upward.

Headline Inflation Rates in the Philippines, All Items (2000=100)



Month-on-Month Inflation Rates, All Items		
	September	August
Philippines	0.2	0.2
NCR	0.2	0.0
AONCR	0.2	0.2

- Higher prices of food items particularly fruits, vegetables, sugar, fresh sea foods and selected spices and seasonings were recorded in many regions including NCR. Upward adjustments in prices of meat and meat products were also observed in NCR. Moreover, price gains in LPG and kerosene were noted during the month. These factors resulted to a 0.2 percent month-on-month inflation rate in the three areas.

CONSUMER PRICE INDEX (2000=100) SEPTEMBER 2009

By Region, Year-on-Year

- The annual price movement in NCR was still negative at -0.3 percent in September from -1.1 percent in August.

- On the other hand, annual inflation rate in AONCR rose to 1.1 percent in September from 0.6 percent in August. Except for Ilocos and Western Visayas, all the regions registered faster annual inflation rates. The biggest jump of 1.7 percentage points (0.9% from -0.8%) was posted in Zamboanga Peninsula. The highest annual rate was recorded in Davao and SOCCSKSARGEN at 2.4 percent while the lowest was noticed in Central Visayas at -0.9 percent.

By Commodity Group, Year-on-Year

- At the national level, inflation rate for FBT accelerated to 2.2 percent in September from 1.8 percent in August. Annual inflation for clothing, H&R and miscellaneous items however eased to 2.1 percent from 2.2 percent. Negative annual rates were still seen in the indexes of FLW and services at -3.4 percent and -3.1 percent, respectively from their corresponding previous month's rates of -5.4 percent and -4.2 percent.
 - The overall inflation rate for food alone grew to 2.1 percent in September from 1.7 percent in August.
 - Higher annual price increase was noted in the index of fruits and vegetables at 1.5 percent in September from 1.1 percent in August; meat, 2.7 percent from 2.2 percent; and miscellaneous foods, 2.8 percent from 2.6 percent. On the contrary, slower annual price gains were noted in the cereal preparations index at 3.7 percent from 4.5 percent; dairy products, 4.0 percent from 4.9 percent; eggs, 5.8 percent from 6.3 percent; and fish, 6.2 percent from 6.5 percent. Negative annual rates were still posted in the index of rice and corn at -1.9 percent and -2.2 percent from -3.7 percent and -3.9 percent, respectively.
- In NCR, inflation rate for FBT index advanced to 2.9 percent from 2.2 percent while the miscellaneous items index retained its last month's rate of 1.8 percent. On the other hand, annual inflation rates for clothing and H&R index eased to 1.1 percent and 1.9 percent from 1.2 percent and 2.0 percent, respectively. Negative annual rates were correspondingly noticed in the FLW and services index at -2.4 percent and -7.1 percent from -2.9 percent and -8.8 percent, respectively.
 - Inflation for food alone in NCR was posted at 2.9 percent in September from 2.2 percent in August.
 - Annual upward adjustments in the prices of fruits and vegetables and meat index were higher at 4.3 percent and 1.7 percent in September from their respective August rates of 1.5 percent and 0.6 percent. On the other hand, annual growths decelerated in the corn index (9.5% from 9.7%);

cereal preparations (2.3% from 2.8%); dairy products (2.8% from 3.5%); eggs (8.3% from 8.4%); fish, (6.0% from 7.1%); and miscellaneous foods (4.3% from 4.6%). Annual price adjustment in the rice index was still negative at -2.6 percent from -5.6 percent.

- In AONCR, inflation rate for FBT climbed to 1.1 percent in September from 0.6 percent in August. Slowdowns in the annual inflation were however posted in the index of clothing items at 2.4 percent from 2.6 percent and H&R and miscellaneous items, 2.2 percent and 2.3 percent from 2.4 percent. Annual price movement in the FLW and services index were recorded at -3.9 percent and -0.8 percent, respectively from their corresponding previous month's rates of -6.7 percent and -1.5 percent.
 - Inflation for food alone in AONCR advanced to 1.8 percent in September from 1.5 percent in August.
 - Higher annual growth rates were noticed in meat and miscellaneous foods index at 3.0 percent and 2.1 percent, respectively from 2.9 percent and 1.6 percent.
 - Annual rate registered in rice index was still negative at -1.9 percent from -3.5 percent as twelve regions recorded faster annual price movements. The biggest increment of 9.3 percentage points was seen in Zamboanga Peninsula (0.3% from -9.0%). The corn index continued to register a negative annual rate at -2.4 percent from -4.1 percent last month.
 - Meanwhile, annual price hike in cereal preparations index was slower at 4.2 percent from 5.2 percent; dairy products, 4.5 percent from 5.5 percent; eggs, 5.1 percent from 5.6 percent; fish, 6.2 percent from 6.4 percent; and fruits and vegetables, 0.8 percent from 1.0 percent.

By Region, Month-on-Month

- Consumer prices in NCR generally went up by 0.2 percent in September from zero growth in August brought about by the higher rates in the prices of FBT and miscellaneous items. On the other hand, prices of H&R items decreased by -0.1 percent from 0.1 percent while that of clothing items remained stable as its index had a zero growth. Price adjustment in the FLW index was still negative at -0.3 percent from -1.3 percent.
- Similarly, prices in AONCR rose to 0.2 percent in September, the same rate registered last month. Price gains in FLW and miscellaneous were correspondingly higher at 1.3 percent and 0.2 percent from 0.7 percent and 0.1 percent, respectively. Price add-on was however slower in H&R items at 0.1 percent from 0.3 percent while that for FBT and clothing items remained at their last month's respective rates of 0.1 percent and 0.2 percent.

- The highest month-on-month inflation rate of 0.6 percent was seen in CAR while the lowest rate was in SOCCSKSARGEN at -0.5 percent.
- Compared to Visayas and Mindanao, price add-ons in Luzon were generally higher during the month in review.

By Commodity Group, Month-on-Month

- Consumer prices in September moved up at its August rate of 0.2 percent. Price additions in FBT and FLW were higher at 0.2 percent and 0.7 percent, respectively from 0.1 percent and miscellaneous items, 0.2 percent from zero growth. Price hikes in H&R items however, eased to 0.1 percent from 0.2 percent. Prices of services items remained stable as it posted zero growth while clothing items moved at its August rate of 0.1 percent.
 - Vegetables continued to register price increases. This was brought about by the low supply due to the effects of the excessive rains being experienced since July. Thus, the index of fruits and vegetables in the three areas picked up during the month: Philippines, 2.1 percent from 0.7 percent; NCR, 4.4 percent from 2.8 percent; and AONCR, 1.5 percent from 0.1 percent.
 - The general upward adjustments in the prices of powdered tonic drink, margarine, tea, cocoa and selected spices and seasonings in all the regions including NCR along with the higher prices of meals eaten outside the home in some regions raised the miscellaneous foods index in the Philippines by 0.7 percent from 0.2 percent; NCR, 0.5 percent from 0.1 percent; and AONCR, 0.6 percent from 0.3 percent.
 - The cereal preparations index in the three areas grew by 0.3 percent brought about by price gains in flour and flour products in selected regions including NCR.
 - Price hikes in meat and meat products in NCR markets pushed the meat index in the Philippines and in the area by 0.1 percent and 0.4 percent, respectively. Meanwhile, sufficient supply of chicken in the markets was still recorded in selected regions. Thus, the meat index in AONCR still registered a 0.1 percent drop during the month.
 - Prices of rice in many regions further declined due to the harvest season of palay in selected provinces. The group's index in the Philippines and AONCR decreased by -0.9 percent and -1.1 percent from -0.2 percent last month. On the contrary, prices of rice in NCR generally went up by 0.1 percent from -0.3 percent.
 - The continuous sufficient supply of corn in the markets further pulled down the group's index in the Philippines and AONCR

- by - 2.8 percent and NCR, -0.1 percent.
- With price increments in LPG and kerosene in most of the regions, the FLW index advanced by 0.7 percent in the Philippines and 1.3 percent in AONCR. However, the FLW index in NCR went down by - 0.3 percent due to lower charges in electricity rates.
 - The increase in the miscellaneous items index in the Philippines and AONCR was pegged at 0.2 percent and in NCR, 0.1 percent. This was brought about by price hikes in selected items for household operations.
 - The clothing index at the national level and in AONCR correspondingly went up by 0.1 percent and 0.2 percent as prices of selected ready-made apparel and footwear increased in some regions. On the other hand, prices of clothing items in NCR generally remained stable as its index posted a zero growth during the month.

NOTE: CPIs and inflation rates by province and selected city are also available upon request at NSO, Industry and Trade Statistics Department, Economic Indices and Indicators Division (Telephone Numbers: 716-39-35 and 715-33-47).

(Sgd.) **CARMELITA N. ERICTA**
Administrator

Source: **National Statistics Office**
Manila, Philippines

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