



# *Bangko Sentral ng Pilipinas*

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**PRESS RELEASE**

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## **September Inflation at 0.7 Percent**

Headline inflation increased to 0.7 percent year-on-year in September from 0.1 percent in August. The year-to-date average of 3.4 percent was well within the target range of 2.5-4.5 percent for 2009. Core inflation, which excludes specific food and energy items to measure generalized price pressures, was slightly lower at 2.8 percent year-on-year in September from 2.9 percent in August. Meanwhile, month-on-month headline inflation was unchanged at 0.2 percent in September.

The uptick in inflation was due mainly to the increase in the inflation rates of specific food items, namely: meat, fruits and vegetables, and miscellaneous food. It is also statistical as base effects that contributed to low inflation readings during the earlier part of the year have started to diminish. Meanwhile, the inflation rates of rice, corn, fuel, and transportation and communication services were less negative in September. The impact of tropical storm Ondoy which hit the country on 26 September 2009 is not yet reflected in the September inflation numbers as the NSO survey of price levels is done during the first half of each month.

Bangko Sentral ng Pilipinas (BSP) Officer-In-Charge (OIC) Nestor A. Espenilla, Jr. said that the inflation outturn was within the 0 to +0.9 percent forecast of the BSP for September, consistent with the assessment that inflation may have hit bottom in August. He added that inflation could gradually pick up in the remaining months of 2009 but forecasts continue to indicate within-target inflation for 2009. Inflation is also expected to remain stable in 2010 and well within target.

OIC Espenilla pointed out that, looking ahead, timely rice importation, close monitoring of prices, and the recent peso appreciation, could limit the direct impact on inflation of the recent tropical storms that hit the country. He stressed that the BSP will continue to monitor price developments so that incipient risks to price stability can be promptly addressed.

View table: [http://www.bsp.gov.ph/publications/tables/2009\\_10/news-10062009a1.htm](http://www.bsp.gov.ph/publications/tables/2009_10/news-10062009a1.htm)

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