



Republic of the Philippines  
**DEPARTMENT OF FINANCE**

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**PRESS RELEASE**  
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### **December 2021 Inflation Bulletin**

- In the final month of 2021, inflation continued its downward trend, decelerating further to 3.65% from 4.24% in the previous month. The December headline inflation is the lowest for the year.
- The decline in the inflation rate could be traced to both food and non-food groups. Food inflation fell to 3.19% while non-food inflation eased to 3.65% after peaking during the year to 4.10% in November. In particular, rice price inflation moderated from 0.99% in November to 0.90% in December; fish, from the peak of 12.39% in August to 6.97% in December, and; vegetables further decelerating from minus 1.85% in November to minus 9.97% in December. In the non-food sector, transportation price inflation eased from 8.84% in November to 6.13% in December following hefty roll back in the pump prices of petroleum products. Dubai crude oil prices averaged \$72.8/bbl in December, down from \$79.9/bbl in November.
- Month-on-month, the general price level increased by 0.31% in December at a slower pace than the 0.69% rate in November, on account of both food and non-food sectors. Food price level increased by 0.72% in December, decelerating from its jump by 1.10% in November, while non-food price level remained flat. Despite the declining MOM trend, the annualized MOM remains high especially for food prices (computed at nearly 9%) due to weather issues, continuing African Swine Fever (ASF) and the reduced effectiveness of EO 133 due to the imposition by DA of several QRs especially labeling requirement (as reported to the Economic Development Cluster in its meeting on 29 November 2021) thus limiting MAV Plus utilization to only 65% as of 20 December 2021 based on the NEDA Report dated Week 3 of December 2021.

For the whole year of 2021, inflation rate averaged 4.39%, overshooting the monetary authority's target range of 2%-4%.

## DOF View

The slowdown in inflationary trend should continue with the unhampered implementation of DA programs in mitigating food supply concerns. The DA needs to streamline further its importation procedures, particularly on labeling and requirements that reduced MAV Plus utilization to 65%. The transportation and distribution of food items must proceed unhampered.

**Table 1 Inflation and Contribution to Inflation by Commodity**

Commodity	Year-on-Year (%)					Contribution to Inflation (ppts)					Month-on-Month (%)		
	Dec-20	Nov-21	Dec-21	2020	2021	Dec-20	Nov-21	Dec-21	2020	2021	Oct-21	Nov-21	Dec-21
ALL ITEMS	3.53	4.24	3.65	2.63	4.39	3.53	4.24	3.65	2.63	4.39	0.15	0.69	0.31
FOOD & NON-ALCHOLIC BEVERAGES	4.76	3.93	3.13	2.73	5.21	1.92	1.59	1.28	1.10	2.10	(0.15)	0.96	0.80
* Food	4.90	4.15	3.19	2.75	5.52	1.83	1.56	1.21	1.03	2.06	(0.15)	1.10	0.72
Bread and Cereals	0.60	1.89	1.80	(1.27)	0.82	0.08	0.24	0.22	(0.17)	0.10	0.08	0.08	0.08
Rice	0.10	0.99	0.90	(2.52)	0.02	0.01	0.09	0.08	(0.24)	0.00	(0.13)	0.00	0.01
Corn	0.06	15.21	14.44	(0.95)	7.28	0.00	0.08	0.07	(0.01)	0.04	2.10	1.21	0.11
Meat	9.95	10.65	11.26	4.30	16.99	0.65	0.73	0.78	0.28	1.12	(1.19)	2.41	2.23
Fish	3.15	7.91	6.97	6.10	7.69	0.22	0.53	0.48	0.40	0.52	0.39	2.06	1.90
Milk, Cheese and Eggs	1.66	1.22	1.14	2.93	1.16	0.05	0.04	0.03	0.09	0.04	0.08	0.49	(0.08)
Oils and Fats	2.67	5.88	6.12	1.98	4.50	0.02	0.04	0.05	0.01	0.03	0.32	0.56	0.48
Fruit	6.31	0.19	0.99	8.13	1.61	0.11	0.00	0.02	0.14	0.03	0.69	0.12	0.99
Vegetables	19.73	(1.85)	(9.97)	6.47	5.90	0.68	(0.07)	(0.40)	0.21	0.19	(0.34)	0.80	(0.68)
Sugar	0.43	1.79	2.04	(0.51)	1.01	0.00	0.02	0.02	(0.01)	0.01	0.25	0.25	0.25
Food Products N.E.C.	3.28	2.25	2.48	5.74	2.16	0.04	0.03	0.03	0.06	0.02	(0.23)	0.84	0.38
* Non-alcoholic Beverages	1.83	1.56	1.56	2.39	1.54	0.05	0.05	0.05	0.07	0.05	0.15	0.08	0.08
ALCOHOLIC BEVERAGES & TOBACCO	12.19	7.49	6.47	16.30	10.47	0.37	0.24	0.21	0.45	0.33	0.18	0.33	0.33
Alcoholic Beverages	9.83	4.34	4.38	8.06	6.31	0.08	0.04	0.04	0.06	0.05	0.18	0.37	0.49
Tobacco	12.96	8.53	7.13	19.52	11.87	0.29	0.21	0.17	0.39	0.28	0.23	0.28	0.25
NON-FOOD	2.35	4.10	3.65	1.90	3.42	1.33	2.31	2.05	1.08	1.94	0.50	0.41	-
CLOTHING AND FOOTWEAR	1.64	1.86	1.78	2.20	1.72	0.05	0.05	0.05	0.06	0.05	0.08	0.08	0.08
HOUSING, UTILITIES, & FUELS	0.53	4.63	4.89	0.92	2.60	0.11	0.93	0.98	0.19	0.53	0.51	0.59	0.42
Rentals for Housing	2.34	1.39	1.39	2.78	1.52	0.30	0.18	0.17	0.35	0.19	0.40	-	-
Electricity, Gas and Other Fuels	(3.38)	12.32	13.29	(2.80)	5.33	(0.21)	0.73	0.78	(0.18)	0.32	0.92	2.09	1.16
MAINTENANCE OF THE HOUSE	3.29	2.39	2.31	3.78	2.38	0.10	0.07	0.07	0.11	0.07	0.16	0.08	0.08
HEALTH	2.63	3.21	2.96	2.76	2.98	0.10	0.12	0.11	0.11	0.12	0.16	0.08	0.08
TRANSPORT	8.33	8.84	6.13	3.19	9.85	0.59	0.65	0.45	0.22	0.69	1.57	1.22	(1.21)

Operation of Personal Transport Eq	(7.98)	32.38	22.78	(8.59)	16.00	(0.16)	0.56	0.40	(0.18)	0.27	5.92	4.33	(4.49)
Transport Services	16.32	1.63	0.77	8.53	8.92	0.72	0.08	0.04	0.38	0.40	-	0.15	0.08
COMMUNICATION	0.30	0.20	0.29	0.35	0.25	0.01	0.00	0.01	0.01	0.01	-	-	0.10
RECREATION AND CULTURE	(0.60)	0.95	0.87	0.61	(0.02)	(0.01)	0.01	0.01	0.01	(0.00)	0.09	0.09	-
EDUCATION	1.08	0.66	0.66	2.48	0.96	0.04	0.02	0.02	0.08	0.03	(0.08)	-	-
REST. & MISC. GOODS & SERVICES	2.54	3.73	3.46	2.42	3.55	0.31	0.45	0.42	0.30	0.43	-	0.16	0.16
Core Inflation	3.31	3.30	2.96	3.11	3.26								

Source of Basic Data: PSA

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