

SPECIAL RELEASE

Summary Inflation Report Consumer Price Index for the Bottom 30% Income Households (2018=100)

Cordillera Administrative Region May 2024

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Figure 1: Inflation Rate for the Bottom 30% Income Households in CAR,
All Items: May 2023 - May 2024
In Percent
(2018=100)



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



1. Cordillera Administrative Region (CAR)

The region's inflation rate for bottom 30% income households retained its previous month's rate of 5.8% in May 2024. This brings the bottom 30% income households regional average inflation from January to May 2024 to 4.9%. In May 2023, the inflation rate was posted at 5.4% (Table A and Figure 1).

1.1 Inflation trends of commodity groups for bottom 30% income households

Moreover, higher annual growth rates were noted in the indices of the following commodity groups during the month:

- a. Food and Non-Alcoholic Beverages, 9.9% from 9.6%;
- b. Health, 3.8% from 3.5%;
- c. Transport, 5.6% from 4.8%; and
- d. Information and Communication, 0.7% from 0.6%.

Table A: Year-on-Year Inflation Rates for Bottom 30% Income Households by Commodity Group in CAR, All Items: May 2023, April 2024 and May 2024
In Percent (2018=100)

COMMODITY GROUP	May 2023	April 2024	May 2024
ALL ITEMS	5.4	5.8	5.8
I. Food and non-alcoholic beverages	6.3	9.6	9.9
II. Alcoholic beverages and tobacco	8.7	4.3	4.0
III. Clothing and footwear	6.2	1.9	1.6
IV. Housing, water, electricity, gas and other fuels	2.6	0.0	-1.1
V. Furnishings, household equipment and routine household maintenance	4.7	2.7	2.4
VI. Health	3.5	3.5	3.8
VII. Transport	6.5	4.8	5.6
VIII. Information and communication	0.0	0.6	0.7
IX. Recreation, sport and culture	8.8	3.3	2.6
X. Education services	1.2	4.9	4.9
XI. Restaurants and accommodation services	7.6	3.1	2.8
XII. Financial services	0.0	-0.9	-0.9
XIII. Personal care, and miscellaneous goods and services	4.3	2.4	2.4

Note: Year-on-year change of CPI for May 2023, April 2024 vs May 2024

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

On the other hand, slower annual increases were noted in the indices of the following commodity groups during the month:

- a. Alcoholic Beverages and Tobacco, 4.0% from 4.3%;
- b. Clothing and Footwear, 1.6% from 1.9%;
- c. Furnishings, Household Equipment and Routine Household Maintenance, 2.4% from 2.7%;
- d. Recreation, Sport and Culture, 2.6% from 3.3%; and
- e. Restaurants and Accommodation Services, 2.8% from 3.1%.

Meanwhile, Housing, Water, Electricity, Gas, and Other Fuels recorded a deflation of 1.1% from 0.0% inflation the previous month;

The rest of the commodity groups retained their respective previous month's annual rates (Table A).

1.2 Main contributors to inflation for bottom 30% income households

The following commodity groups were the top three contributors to the May 2024 overall inflation for the bottom 30% income households:

- a. Food and Non-Alcoholic beverages, 87.8% share or 5.0 percentage points;
- b. Transport, 6.0% share or 0.3 percentage points; and
- c. Personal Care, and Miscellaneous Goods and Services, 2.1% share or 0.1 percentage points.

2. Food Inflation in CAR

Food inflation for the bottom 30% income households in the region accelerated to 10.1% in May 2024, from 9.9% in April 2024. In May 2023, food inflation posted 6.4% (Table B).

2.1 Main drivers of the upward trend in food inflation

The increase in food inflation in May 2024 was primarily attributed to the higher year-on-year growth in Rice, contributing 43.3% share to the overall increase, with an inflation rate of 25.4% from 24.9% in April 2024. This was followed by Fruits and Nuts with 17.2% share, with 1.6% inflation rate from -0.2% in the previous month. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses with 16.5% share, with 6.9% inflation rate from 6.2% in April 2024.

In addition, higher annual growth rates were noted in the following food groups during the month:

- a. Sugar, Confectionery and Desserts, -6.1% from -7.7%;
- b. Milk, Other Dairy Products and Eggs, 3.9% from 3.3%;
- c. Ready-made Food and Other Food Products n.e.c., 5.2% from 4.7%; and

d. Oils and Fats, -4.3% from -5.0%.

Table B: Year-on-Year Inflation Rates for Bottom 30% Income Households by Food Group in CAR, All Items: May 2023, April 2024 and May 2024
In Percent (2018=100)

FOOD GROUP	May 2023	April 2024	May 2024
Food and Non-Alcoholic Beverages	6.3	9.6	9.9
Food	6.4	9.9	10.1
Cereals and cereal products	3.0	20.9	21.3
Cereals	1.8	24.7	25.2
Rice	1.7	24.9	25.4
Corn	6.8	13.0	12.9
Flour, bread and other bakery products, pasta products, and other cereals	9.4	3.4	3.0
Meat and other parts of slaughtered land animals	3.3	0.5	0.0
Fish and other seafood	5.9	2.6	2.3
Milk, other dairy products and eggs	15.6	3.3	3.9
Oils and fats	8.2	-5.0	-4.3
Fruits and nuts	8.0	-0.2	1.6
Vegetables, tubers, plantains, cooking bananas and pulses	11.1	6.2	6.9
Sugar, confectionery and desserts	41.9	-7.7	-6.1
Ready-made food and other food products n.e.c.	3.4	4.7	5.2

Note: Year-on-year change of CPI for May 2023, April 2024 vs May 2024

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

On the contrary, slower annual growth rates in the month of May 2024 were observed in the indices of the following food items:

- a. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, 3.0% from 3.4%;
- b. Corn, 12.9% from 13.0%;
- c. Meat and Other Parts of Slaughtered Land Animals, 0.0% from 0.5%; and
- d. Fish and Other Seafood, 2.3% from 2.6%.

2.2 Main Contributors to Cordillera Food Inflation

Food inflation contributed 86.4% or 5.0 percentage points to the 9.9% overall inflation of the region in May 2024 for the bottom 30% income households. The top three food groups in terms of contribution to the food inflation during the month were the following:

- a. Rice, 87.4% share or 8.8 percentage points;

- b. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses, 6.3% share or 0.6 percentage points; and
- c. Fish and Other Seafood, 2.2% share or 0.2 percentage points.

Table C: Year-on-Year Inflation Rates for Bottom 30% Income Households by Province/City in CAR, All Items: May 2023, April 2024 and May 2024
In Percent (2018=100)

Area	May 2023	April 2024	May 2024	Year-to-date*
Philippines	6.7	5.3	5.3	4.6
CAR	5.4	5.8	5.8	4.9
Abra	5.8	5.7	5.2	3.7
Apayao	6.8	7.2	6.1	8.4
Benguet	4.8	6.2	5.9	5.1
Baguio City	4.8	5.2	4.5	3.8
Ifugao	5.6	10.2	8.2	10.2
Kalinga	5.7	4.7	5.5	2.7
Mountain Province	4.2	2.2	4.9	2.1

3. Provinces/ Highly Urbanized City (HUC) in CAR

In May 2024, most provinces in Cordillera, including the city of Baguio registered a slowdown in inflation rates, with notable exceptions found in the provinces of Kalinga and Mountain Province. Kalinga posted an increase from 4.7% to 5.5% while Mountain Province registered a rise from 2.2% to 4.9%. Ifugao continued to have the highest inflation rate with 8.2%. On the other hand, Baguio City posted the lowest inflation rate with 4.5%.

Provinces/Highly Urbanized City with slower inflation rate:

- a. Abra, 5.2%, from 5.7%;
- b. Apayao, 6.1% from 7.2%.
- c. Baguio City, 4.5%, from 5.2%;
- d. Benguet, 5.9%, from 6.2%; and
- e. Ifugao, 8.2%, from 10.2%.

Note:

CPI and inflation rates by province and selected city are posted on the PSA website (<http://openstat.psa.gov.ph>).

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Technical Notes

Concepts and Definitions of Terms

Base Period a reference period, usually a year, at which the index number is set to 100. It is the reference point of the index number series.

Consumer Price Index (CPI) is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by an average Filipino household. It shows how much on average, prices of goods and services have increased or decreased from a particular reference period known as base year.

Inflation Rate refers to the annual rate of change or the year-on-year change of the CPI expressed in percent. Inflation is interpreted in terms of the declining purchasing power of money.

Market Basket for CPI purposes, market basket is a term used to refer to a sample of goods and services that are commonly purchased and bought by an average Filipino household.

Philippine Classification of Individual Consumption According to Purpose (PCOICOP) A detailed classification of individual consumption expenditures on goods and services incurred by the three (household, general government, non-profit institutions serving households) of the five institutional sectors (non-financial corporations, financial corporations) of the 1993 and 2008 Systems of National Accounts (SNA). The PCOICOP was patterned after the United Nations COICOP.

Purchasing Power of the Peso (PPP) shows how much the peso in the base period is worth in the current period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100.

Weight is a value attached to a commodity or group of commodities to indicate the relative importance of that commodity or group of commodities in the market basket.
