

1. Cordillera Administrative Region (CAR)

In June 2024, the inflation rate for the bottom 30% income households in the Cordillera Administrative Region (CAR) accelerated to 5.9%, from 5.8% in May 2023. This brings the bottom 30% income households regional average inflation from January to June 2024 to 5.0%. In June 2023, the inflation rate was at 4.6% (Table 1 and Figure 1).

1.1 Main Driver to the Upward Trend of Inflation

The uptrend was primarily brought about by higher prices in the index of Housing, Water, Electricity, Gas and Other Fuels with 0.9%, from -1.1 percent in May 2024. This commodity group contributed 96.8% share to the overall inflation of the bottom 30% income households in the region (Table 1, Table 2 and Figure 1).

Table 1: Year-on-Year Inflation Rates for Bottom 30% Income Households by Commodity Group in CAR, All Items: June 2023, May 2024 and June 2024 In Percent (2018=100)

COMMODITY GROUP	June 2023	May 2024	June 2024
ALL ITEMS	4.6	5.8	5.9
I. Food and non-alcoholic beverages	6.0	9.9	9.6
II. Alcoholic beverages and tobacco	7.6	4.0	3.5
III. Clothing and footwear	6.0	1.6	1.4
IV. Housing, water, electricity, gas and other fuels	1.1	-1.1	0.9
V. Furnishings, household equipment and routine household maintenance	4.7	2.4	1.9
VI. Health	2.6	3.8	3.9
VII. Transport	3.2	5.6	5.4
VIII. Information and communication	0.0	0.7	0.7
IX. Recreation, sport and culture	8.7	2.6	2.9
X. Education services	1.2	4.9	4.9
XI. Restaurants and accommodation services	6.0	2.8	2.9
XII. Financial services	0.0	-0.9	-0.9
XIII. Personal care, and miscellaneous goods and services	4.0	2.4	2.5

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

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

1.2 Inflation trends of commodity groups for the bottom 30% income households

Higher annual growth rates were registered in the indices of the following commodity groups during the month:

- a. Personal Care, and Miscellaneous Goods and Services, 2.5% from 2.4%;
- b. Restaurants and Accommodation Services, 2.9% from 2.8%.
- c. Recreation, Sport and Culture, 2.9% from 2.6%; and
- d. Health, 3.9% from 4.8%.

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

- a. Food and Non-Alcoholic Beverages, 9.6% from 9.9%;
- b. Alcoholic Beverages and Tobacco, 3.5% from 4.0%;
- c. Clothing and Footwear, 1.4% from 1.6%;
- d. Furnishings, Household Equipment and Routine Household Maintenance, 1.9% from 2.4%; and
- e. Transport, 5.4% from 5.6%.

The remaining commodity groups retained their respective previous month's annual rates (Table 1).

1.3 Top three contributors to inflation for the bottom 30% income households

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

- a. Food and Non-Alcoholic Beverages, 82.2% share or 4.8 percentage points;
- b. Transport, 5.6% share or 0.3 percentage points; and
- c. Housing, Water, Electricity, Gas and Other Fuels, 2.9% share or 0.1 percentage points.

2. Food Inflation in CAR

Food inflation for the region's bottom 30% income households decelerated to 9.7% in June 2024, from 10.1% in May 2024. In June 2023, food inflation was at 6.2% (Table 2).

2.1 Main drivers of the downtrend in food inflation

The decline in food inflation in June 2024 was mainly due to the lower year-on-year growth in Rice, which accounted for 74.8% of the overall decrease, with an inflation rate of 24.0% from 25.4% in May 2024. Additionally, Fruits and Nuts contributed 15.8% to the downtrend, registering a negative inflation rate of -1.0% compared to 1.6% the previous month. Milk, Other Dairy Products, and Eggs also played a role,

2.2 Main Contributors to Cordillera Food Inflation

Food inflation contributed 80.7% or 4.7 percentage points to the 5.9% overall inflation of the region in June 2024 for the bottom 30% income households. The top three food groups in terms of contribution to the 9.7% food inflation during the month were the following:

- a. Rice, 86.5% share or 8.3 percentage points;
- b. Vegetables, Tubers, Plantains, Cooking Bananas and Pulses, 6.6% share or 0.6 percentage points; and
- c. Fish and Other Seafood, 2.6% share or 0.2 percentage points.

Table 3: Year-on-Year Inflation Rates for Bottom 30% Income Households by Province/City in CAR, All Items: June 2023, May 2024 and June 2024 In Percent (2018=100)

Area	June 2023	May 2024	June 2024	Year-to-date*
Philippines	6.1	5.3	5.5	4.8
CAR	4.6	5.8	5.9	5.0
Abra	5.0	5.2	4.4	3.9
Apayao	5.7	6.1	5.8	8.0
Benguet	4.6	5.9	6.5	5.3
Baguio City	4.9	4.5	4.8	4.0
Ifugao	5.2	8.2	8.2	9.9
Kalinga	4.0	5.5	6.2	3.3
Mountain Province	2.9	4.9	5.7	2.7

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

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

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

In June 2024, most provinces in Cordillera, including the city of Baguio registered higher inflation rates, with notable exceptions found in the provinces of Abra, Apayao and Ifugao. Abra's inflation rate decreased from 5.2% to 4.4%, while

Apayao's decreased from 6.1% to 5.8% from May 2024. Meanwhile, Ifugao retained its previous month's rate of 8.2%. Ifugao continued to have the highest inflation rate with 8.2%. On the other hand, Abra posted the lowest inflation rate with 4.4%.

Provinces/Highly Urbanized City with higher inflation rate:

- a. Baguio City, 4.8%, from 4.5%;
- b. Benguet, 6.5%, from 5.9%;
- c. Kalinga, 6.2%, from 5.5%; and
- d. Mountain Province, 5.7%, from 4.9%.

Note:

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

VILLAFE P. ALIBUYOG
Regional Director

AFRB/RJPA/NLP

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.
