

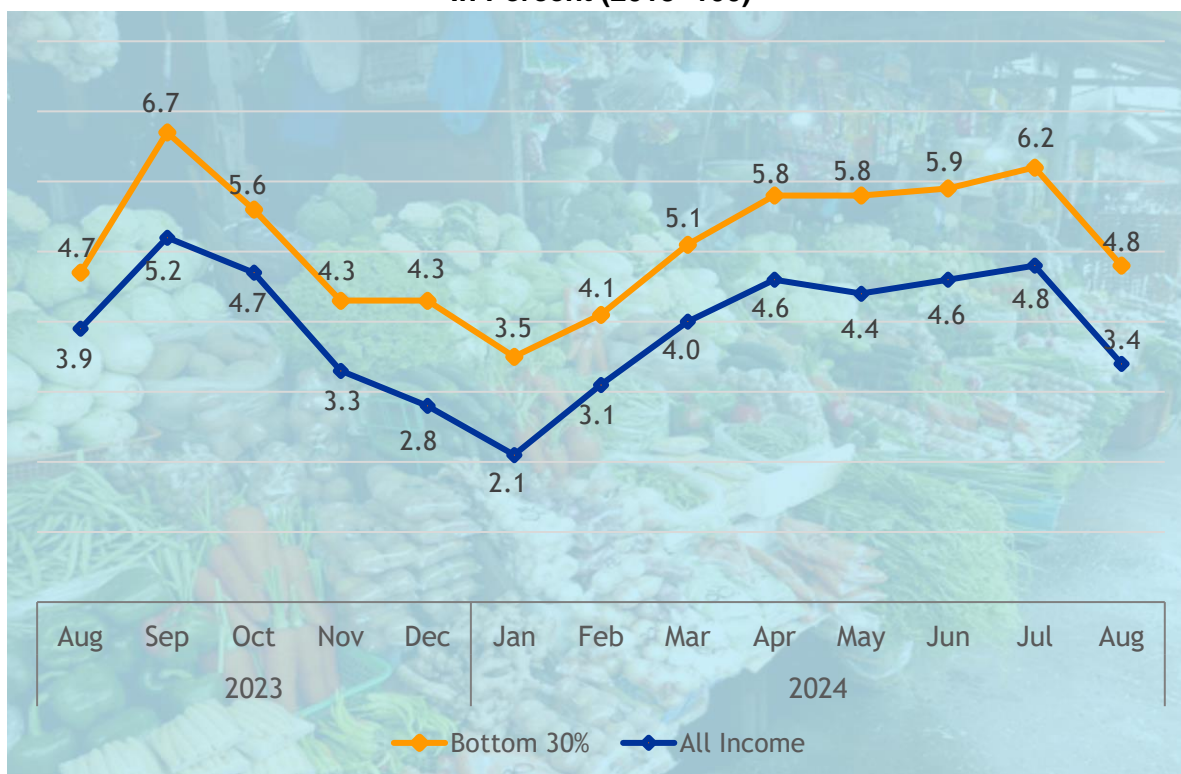
# SPECIAL RELEASE

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

### Cordillera Administrative Region August 2024

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**Figure 1: Inflation Rate for the Bottom 30% Income Households in CAR,  
All Items: August 2023 - August 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)

In August 2024, the inflation rate for the bottom 30% income households in the Cordillera Administrative Region (CAR) decelerated to 4.8%, from 6.2% in July 2024. This brings the bottom 30% income households regional average inflation from January to August 2024 to 5.2%. In August 2023, the inflation rate was at 4.7% (Table 1 and Figure 1).

### 1.1 Main Driver to the Downward Trend of Inflation

The downtrend was primarily brought about by lower prices in the index of Food and Non-Alcoholic Beverages with 7.0%, from 9.5% in July 2024. This commodity group contributed 78.3% share to the deceleration of the bottom 30% income households in the region. Additionally, Transport with 3.4% from 6.3% in the previous month contributed 11.0% share. The Housing, Water, Electricity, Gas, and Other Fuels category also contributed to the downtrend, with an inflation rate of 1.5% and an 8.3% (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: August 2023, July 2024 and August 2024 In Percent (2018=100)**

| COMMODITY GROUP   | August 2023 | July 2024 | August 2024 |
|---|-------------|-----------|-------------|
| ALL ITEMS   | 4.7         | 6.2       |             |
| I. Food and non-alcoholic beverages                                   | 8.6         | 9.5       | 4.8         |
| II. Alcoholic beverages and tobacco                                   | 5.7         | 2.9       | 7.0         |
| III. Clothing and footwear  | 4.6         | 1.4       | 2.7         |
| IV. Housing, water, electricity, gas and other fuels                  | -2.4        | 2.2       | 1.5         |
| V. Furnishings, household equipment and routine household maintenance | 3.7         | 2.2       | 1.5         |
| VI. Health  | 1.5         | 3.9       | 2.3         |
| VII. Transport  | 1.8         | 6.3       | 4.3         |
| VIII. Information and communication                                   | 0.0         | 0.9       | 3.4         |
| IX. Recreation, sport and culture                                     | 6.7         | 3.7       | 1.0         |
| X. Education services   | 3.0         | 5.2       | 3.6         |
| XI. Restaurants and accommodation services                            | 5.6         | 3.5       | 3.1         |
| XII. Financial services   | 0.0         | -0.9      | 3.2         |
| XIII. Personal care, and miscellaneous goods and services             | 3.3         | 3.0       | -0.9        |

Note: Year-on-year change of CPI for August 2023, July 2024 vs August 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*

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

- a. Education Services, 3.1% from 5.2%;
- b. Restaurants and Accommodation Services, 3.2% from 3.5%.
- c. Alcoholic Beverages and Tobacco, 2.7% from 2.9%; and
- d. Recreation, Sport and Culture, 3.6% from 3.7%.

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

- a. Clothing and footwear, 1.5% from 1.4%;
- b. Furnishings, Household Equipment and Routine Household Maintenance, 2.3% from 2.2%;
- c. Health, 4.3% from 3.9%;
- d. Information and Communication, 1.0% from 0.9%; and
- e. Personal Care, and Miscellaneous Goods and Services, 3.3% from 3.0%.

The rate for Financial Services remained unchanged at -0.9% (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 August 2024 overall inflation for the bottom 30% income households:

- a. Food and Non-Alcoholic Beverages, 76.6% share or 3.6 percentage points;
- b. Housing, Water, Electricity, Gas and Other Fuels, 6.3% share or 0.3 percentage points; and
- c. Transport, 4.5% share or 0.2 percentage points.

## **2. Food Inflation in CAR**

Food inflation for the region's bottom 30% income households decelerated at 7.1% in August 2024 from 9.7% in July 2024. In August 2023, food inflation was at 8.8% (Table 2).

### *1.1 Main Driver to the Downward Trend of Food Inflation*

The deceleration in food inflation in the region was primarily driven by the decrease in the prices of Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses, with -8.7% from 5.1% in July 2024. This food group contributed 58.3% to

the overall deceleration in food inflation for the bottom 30% income households in the region.

Following this, Rice with 20.6% from 23.0% in the previous month, contributed 36.5% to the downtrend. Fish and Other Seafood also contributed, with an inflation rate of 1.7%, from 2.7%, contributing 4.3% (Table 1, Table 2, and Figure 1).

Moreover, lower annual growth rates in the month of August 2024 were observed in the indices of the following food items:

- a. Ready-made Food and Other Food Products n.e.c., 7.6% from 7.8%;
- b. Oils and Fats, -2.6% from -2.3%; and
- c. Corn, 15.3% from 16.1%.

**Table 2: Year-on-Year Inflation Rates for Bottom 30% Income Households by Food Group in CAR, All Items: August 2023, July 2024 and August 2024 In Percent (2018=100)**

| <b>FOOD GROUP</b>   | <b>August 2023</b> | <b>July 2024</b> | <b>August 2024</b> |
|---|--------------------|------------------|--------------------|
| <b>Food and Non-Alcoholic Beverages</b>                                   | 8.6                | 9.5              | 7.0                |
| <b>Food</b>   | 8.8                | 9.7              | 7.1                |
| Cereals and cereal products   | 5.1                | 19.5             | 17.6               |
| Cereals   | 4.8                | 22.9             | 20.5               |
| Rice  | 4.9                | 23.0             | 20.6               |
| Corn  | 1.9                | 16.1             | 15.3               |
| Flour, bread and other bakery products, pasta products, and other cereals | 6.7                | 3.3              | 3.3                |
| Meat and other parts of slaughtered land animals                          | -1.5               | 2.5              | 4.3                |
| Fish and other seafood  | 5.4                | 2.7              | 1.7                |
| Milk, other dairy products and eggs                                       | 12.8               | 3.3              | 4.1                |
| Oils and fats   | 0.6                | -2.3             | -2.6               |
| Fruits and nuts   | 5.2                | 2.5              | 3.4                |
| Vegetables, tubers, plantains, cooking bananas and pulses                 | 39.6               | 5.1              | -8.7               |
| Sugar, confectionery and desserts   | 21.0               | -7.1             | -7.0               |
| Ready-made food and other food products n.e.c.                            | 4.5                | 7.8              | 7.6                |

*Note: Year-on-year change of CPI for August 2023, July 2024 vs August 2024*

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

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

- a. Meat and Other Parts of Slaughtered Land Animals, 4.3% from 2.5%; and
- b. Milk, other dairy products and eggs, 4.1% from 3.3%;
- c. Fruits and Nuts, 3.4% from 2.5%; and

- d. Sugar, Confectionery and Desserts, -7.0% from 7.1%.

The rate for Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals remained unchanged at 3.3% (Table 2).

## 2.2 Main Contributors to Cordillera Food Inflation

Food inflation contributed 74.4% or 3.5 percentage points to the 4.8% overall inflation of the region in August 2024 for the bottom 30% income households. The top three food groups in terms of contribution to the 7.1% food inflation during the month were the following:

- a. Rice, 94.3% share or 6.6 percentage points;
- b. Meat and Other Parts of Slaughtered Land Animals, 6.5% share or 0.4 percentage points; and
- c. Ready-made food and other food products, 2.9% 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: August 2023, July 2024 and August 2024 In Percent (2018=100)**

| Area               | August 2023 | July 2024  | August 2024 | Year-to-date* |
|--------------------|-------------|------------|-------------|---------------|
| <b>Philippines</b> | <b>5.6</b>  | <b>5.8</b> | <b>4.7</b>  | <b>4.9</b>    |
| <b>CAR</b>         | <b>4.7</b>  | <b>6.2</b> | <b>4.8</b>  | <b>5.2</b>    |
| Abra               | 2.0         | 7.7        | 6.1         | 4.6           |
| Apayao             | 6.0         | 6.3        | 6.1         | 7.5           |
| Benguet            | 5.5         | 6.0        | 3.9         | 5.2           |
| Baguio City        | 5.2         | 4.8        | 3.6         | 4.1           |
| Ifugao             | 8.9         | 7.0        | 3.8         | 8.7           |
| Kalinga            | 4.7         | 5.3        | 3.9         | 3.6           |
| Mountain Province  | 2.6         | 6.3        | 6.4         | 3.6           |

Note: Year-on-year change of CPI for August 2023, July 2024 vs August 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 August 2024, inflation rates for the bottom 30% income households decelerated across the five provinces and the City of Baguio in the Cordillera region. The inflation rates are as follows:

- a. Abra: 6.1% from 7.7%;
- b. Apayao: 6.1% from 6.3%;
- c. Baguio City: 3.6% from 4.8%;
- d. Benguet, 3.9% from 6.0%;
- e. Ifugao, 3.8% from 7.0%; and
- f. Kalinga, 3.9% from 5.3%.

Among these areas, Mountain Province experienced the highest inflation rate in the region with 6.4%. Conversely, Baguio City reported the lowest inflation rate in CAR at 3.6%.

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**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.

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