



SPECIAL RELEASE

January 2023 Price Situation in Baguio City (Base Year: 2018)

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Consumer Price Index

Consumer Price Index (CPI) is the general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.

The CPI of the City of Baguio in January 2023 was 117.7. Comparing to the December 2022, index for the city increased by 1.0 points.

**Table 1. Consumer Price Index for All Income Households in Baguio City,
Region and Country
December and January 2022 and 2023
(2018=100)**

Area/Region	December		January	
	2021	2022	2022	2023
PHILIPPINES	110.5	119.4	111.7	121.4
CAR	111.0	119.6	111.7	120.5
BAGUIO CITY	109.6	116.7	109.9	117.7

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

**Table 2. Consumer Price Index for All Income Household in Baguio City
by Commodity Group: January2022- January 2023
(2018=100)**

Commodity Group	2 0 2 2												2023
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
ALL ITEMS	109.9	110.4	111.1	111.8	112.4	112.9	113.5	113.1	113.9	114.8	116.4	116.7	117.7
Food and Non-Alcoholic Beverages	114.3	115.2	115.4	115.9	116.9	118.1	118.5	118.9	119.9	121.6	127.5	129.0	132.4
Alcoholic Beverages and Tobacco	122.6	122.7	123.2	124.1	124.8	127.8	131.1	132.1	133.0	134.2	134.4	134.4	135.1
Clothing and Footwear	113.1	113.2	113.3	113.3	113.3	113.2	113.2	113.1	113.2	112.9	113.1	113.2	113.8
Housing, Water, Electricity, Gas and Other Fuels	109.2	109.3	110.4	111.0	111.4	110.6	110.2	109.8	111.3	111.2	111.4	111.6	111.6
Furnishings, Household Equipment and Routine Household Maintenance	107.0	106.8	106.8	106.8	107.1	107.9	107.9	108.0	107.9	107.5	107.8	108.0	108.1
Health	108.7	108.6	108.7	108.7	109.0	109.8	110.6	110.8	110.9	111.1	111.3	111.5	111.2
Transport	107.1	108.7	112.0	114.6	116.5	119.4	124.6	121.0	121.6	125.6	126.3	123.4	124.1
Information and Communication	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.7	101.8	101.8	102.2	102.2
Recreation, Sport and Culture	105.7	105.6	105.8	106.1	106.2	106.4	106.8	106.8	107.3	108.1	108.5	108.4	109.1
Education Services	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4	107.4
Restaurants and Accommodation Services	109.2	109.2	109.2	109.2	109.5	109.5	109.5	109.5	109.5	109.5	109.5	109.5	109.8
Financial Services	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4	135.4
Personal Care, and Miscellaneous Goods and Services	108.6	108.8	109.0	109.2	110.1	111.0	111.7	112.3	112.4	112.7	113.4	114.3	114.6

CPI by Commodity Groups

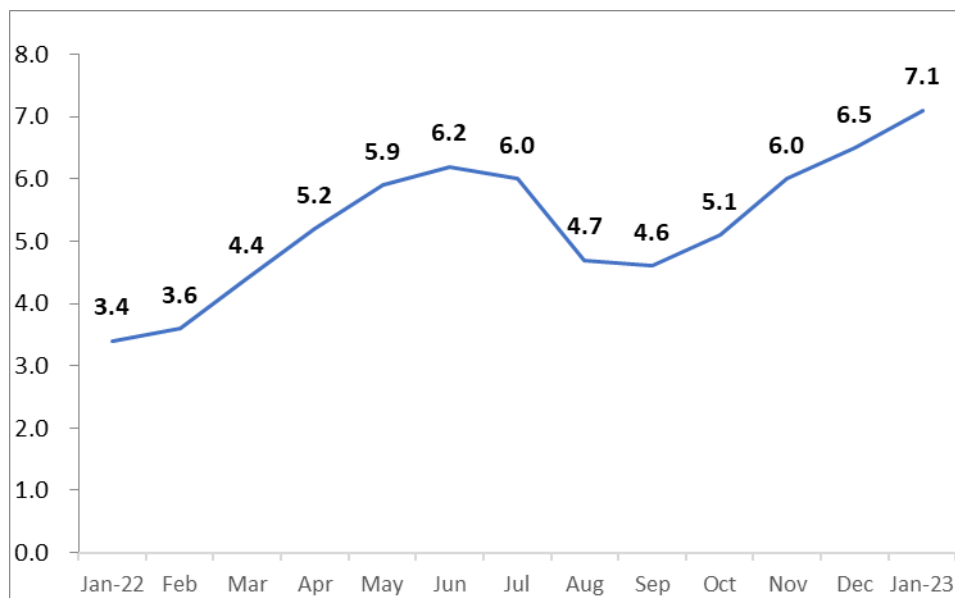
- Among the commodity groups, Financial Services still had the highest CPI at 135.4 index points, same index from the previous months.
- Alcoholic Beverages and Tobacco had the second highest CPI at 135.1 index points, increased by 0.7 index points from the previous month.

- Food and Non-Alcoholic Beverages ranked third among the commodity groups in the city at 132.4 index points. It increased by 3.4 index points comparing from the previous month.
- Meanwhile, Information and Communication still had the lowest CPI among the commodity groups at the provincial level with 102.2 index points.

Inflation Rate

Inflation is a rise in the general level of prices of goods and services in an economy over a period of time. When the general price level rises, each unit of currency buys fewer goods and services. A chief measure of price inflation is the inflation rate, the annualized percentage change in CPI over time.

Figure 1. Inflation Rates in Baguio City, All Items (2018=100)



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

Similar to the trend of the inflation at the national and regional level, inflation in Baguio City further increased to 7.1 percent in January 2023, from 6.5 percent in December 2022. In January 2022, inflation was higher at 3.4 percent.

The main driver in the uptrend of inflation in January 2023 was the higher year-on-year increase in the index of food and non-alcoholic beverages at 15.8 percent, from 13.4 percent in December 2022. This was followed by

clothing and footwear at 0.6 percent, from 0.0 percent in December 2022. Also contributed to the decrease in inflation was recreation, sports and culture with an inflation rate of 3.2 percent in January 2023, from 2.5 percent in December 2022.

Relative to their annual rates in the previous month, increases were also observed in the indices of the following commodity groups:

- a. Alcoholic beverages and tobacco, 10.2 percent;
- b. Furnishings, household equipment and routine household maintenance, 1.0 percent;
- c. Restaurants and accommodation services, 0.5 percent;
- d. Personal care, and miscellaneous goods and services, 5.5 percent;

On the contrary, decreases were observed in the index of the following:

- a. Housing, water, electricity, gas and other fuels, 2.2 percent;
- b. Health, 2.3 percent; and
- c. Transport, 15.9 percent.

Meanwhile, the indices of information and communication, education services and financial services remained at their previous month's annual rates of 0.5, 0.0 percent and 0.0 percent, respectively. (Table 3)

Food inflation at the provincial level increased to 16.6 percent in January 2023, from 13.9 percent in December 2022. In January 2022, food inflation stood at 7.5 percent. (Table 5,9)

The higher food inflation was mainly brought about by the increased year-on-year growth in the index of vegetables, tubers, plantains, cooking bananas and pulses at 72.1 percent in January 2023, from 53.2 percent in December 2022. Moreover, higher annual mark-ups were observed in the indices of the following food groups during the month:

- a. Flour, bread and other bakery products, pasta products, and other cereals, 11.1 percent;
- b. Meat and other slaughtered land animals, 3.5 percent;
- c. Fish and other seafoods, 7.8 percent;
- d. Milk and other dairy products and eggs, 14.3 percent; and
- e. Oils and fats, 9.5 percent.

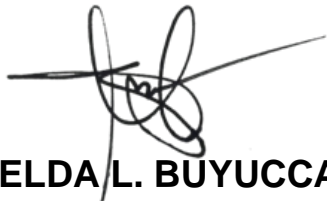
Meanwhile, lower annual growth rates were observed in the indices of the following food groups in January 2023:

- a. Rice, 7.1 percent;
- b. Corn, 39.8 percent;
- c. Fruits and nuts, 12.7 percent; and
- d. Sugar, confectionery and desserts, 29.3 percent; and
- e. Ready-made food and other food products not elsewhere classified, 6.9 percent.

Purchasing Power of the Peso (PPP)

Purchasing Power of Peso is a measure of the real value of peso in a given period relative to the base year. The nearer the base year to the current period, the higher the value of the peso derived. As the period goes farther from the base year, the value of peso diminishes as this is “eaten up” by the inflationary factors.

The value of 1 peso in the city was 85 centavos in January 2023. This can be translated that one peso in 2018 was worth 85 centavos in January 2023.



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Technical Notes

Consumer Price Index (CPI) is a general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.

Inflation Rate (IR) is the rate of change in the average price level between two periods (year-on year/month-on-month as measured by the CPI).

Purchasing Power of the Peso (PPP) measures how much the peso in the reference year is worth in another year.

Base Year (BY) is the reference point of the index number series, at which the index number is set to 100. It is the reference point of the index number series.

The CPI is now rebased from base year 2012 to base year 2018. The rebasing of the CPI is done periodically by the PSA:

- 1) to ensure that the CPI market basket continues to capture goods and services commonly purchased by households over time;
- 2) to update expenditure patterns of households; and
- 3) to synchronize its base year with 2018 base year of the Gross Domestic Product and other indices produced by PSA such as Producer Price Index (PPI) for Agriculture; PPI for Manufacturing; and Value of Production Index (VaPI), Volume of Production Index (VoPI), and Value of Net Sales Index (VaNSI) for Manufacturing.

The rebasing of the CPI is also in accordance with the PSA Board Resolution No.1 Series 2017-146 which approves the synchronized rebasing of the price indices to base year 2006 and every six (6) years thereafter.

Market Basket (MB) is a sample of goods and services used to represent all goods and services produced or bought.