

Summary Inflation Report Consumer Price Index (2018=100)

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I. INFLATION RATE (IR)

Inflation in Ifugao declined to 4.2 percent in 2024 from 5.7 percent in 2023. In addition, 2024 inflation was lower by 1.5 percentage points from 5.7 percent in 2023 and 0.7 percentage points lower from 4.9 percent in 2022. (Table 1). The provincial average inflation for the year 2024 was 4.2 percent.

Table 1. Year-on-Year Inflation Rates, All Items, Ifugao
In percent
(2018=100)

Area	2024	2023	2022
<i>CAR</i>	2.8	3.3	3.3
<i>IFUGAO</i>	4.2	5.7	4.9

Figure 1. Inflation Rates, Ifugao, All Items (2018=100)

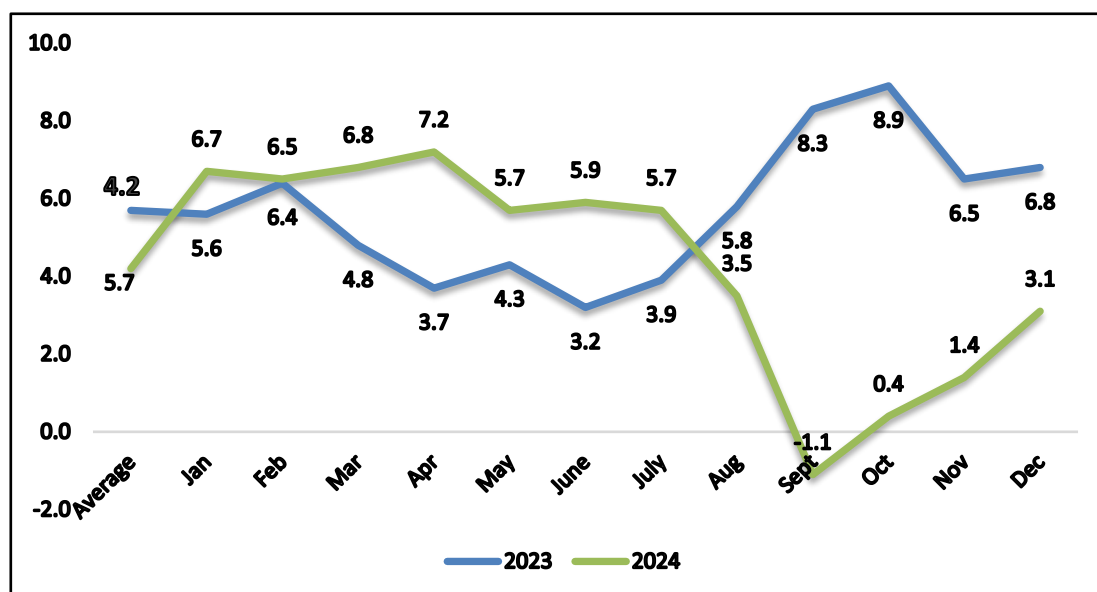


Figure 2. Year-on-Year Inflation Rates by Commodity Group: Ifugao (2018 = 100)
(In Percent)

2024 ANNUAL INFLATION RATE PROVINCE OF IFUGAO ↓4.2 %
as compared to **5.7 %** 2023



Consumer Price Index for All Items

128.2

2024

In the base year 2018=100, there was an increase of 28.2 Index Points in the average retail price by a fixed basket of goods and services commonly purchased by households.

0.78

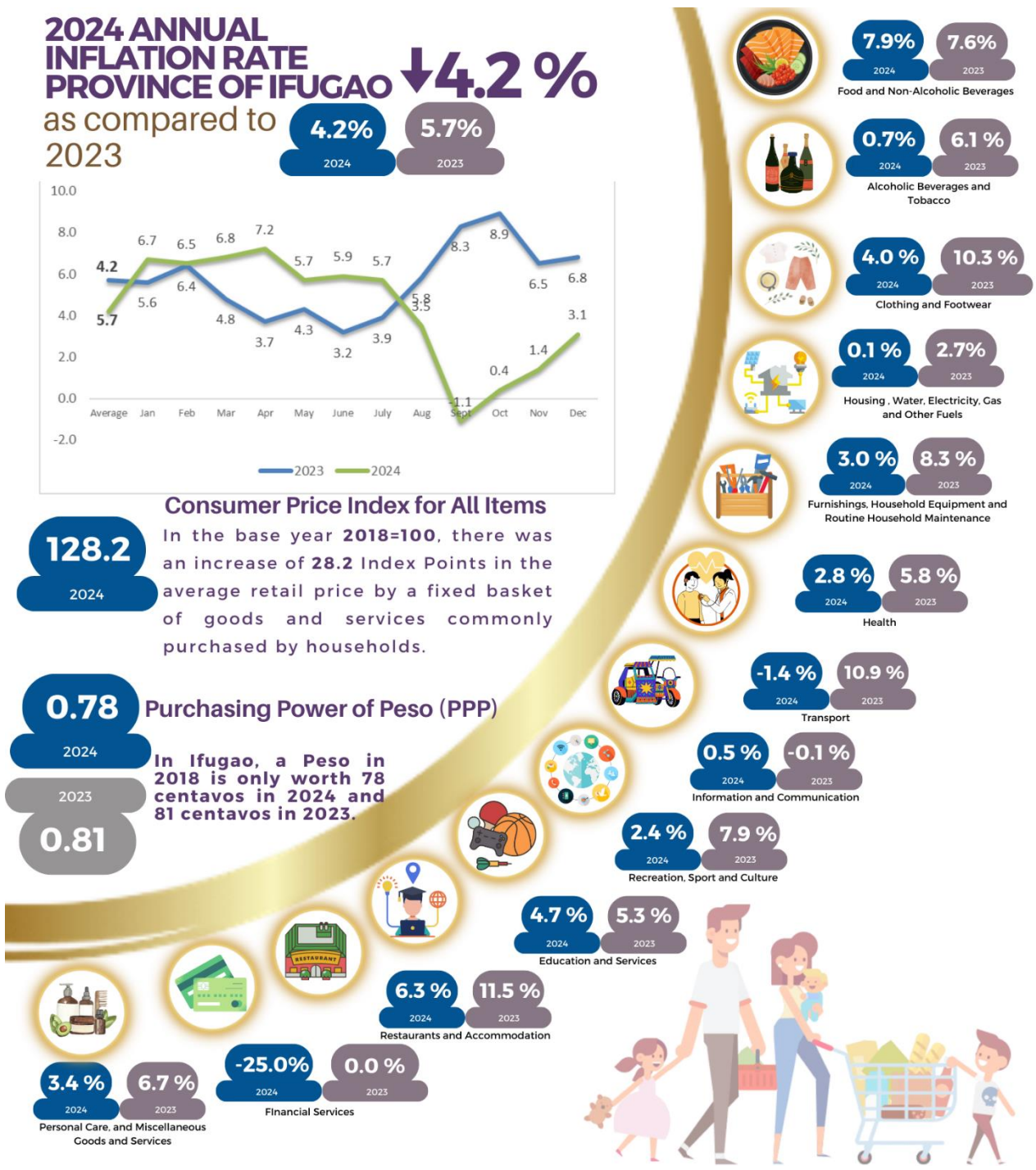
2024

Purchasing Power of Peso (PPP)

2023

In Ifugao, a Peso in 2018 is only worth 78 centavos in 2024 and 81 centavos in 2023.

0.81





In terms of inflation rates among commodity groups, Food and Non-Alcoholic Beverages experienced the highest share at 7.9 percent.

In addition, contributing to the uptrend in the overall inflation during the period were the higher annual average growth in the indices of the following commodity groups:

1. Restaurants and Accommodation Services, 6.3;
2. Education Services, 4.7;
3. Clothing and Footwear, 4.0;
4. Personal Care, and Miscellaneous Goods and Services, 3.4;
5. Furnishings, Household Equipment and Routine Household Maintenance, 3.0;
6. Health, 2.8;
7. Recreation, Sport and Culture, 2.4;
8. Alcoholic Beverages and Tobacco, 0.7;
9. Information and Communication, 0.5;
10. Housing, Water, Electricity, Gas and Other Fuels, 0.1














II. CONSUMER PRICE INDEX (CPI)

The Survey of Retail Prices of Commodities, conducted by the Philippine Statistics Authority (PSA), has produced a Consumer Price Index (CPI) of 129.2 in Ifugao as of 2024, with 2018 serving as the base year. This figure indicates that the overall cost of a typical basket of goods and services commonly purchased by a Filipino household in various municipalities of Ifugao remained stable during the reference month.

Table 2 illustrates that some commodity groups increased in their Consumer Price Index from their year-on-year CPI except for Transport and Financial Services. Compared in 2022, all the commodity groups increased in their Consumer Price Indices. Except for Financial Services that decreased by 25 percent.



Table 2. Consumer Price Index by Subgroup, Year-on-Year Percent Changes

Food and Non-Alcoholic Beverages		129.2 2024	119.7 2023	110.7 2022
Alcoholic Beverages and Tobacco		135.6 2024	134.7 2023	120.9 2022
Clothing and Footwear		139.7 2024	134.3 2023	115.1 2022
Housing, Water, Electricity, Gas and Other Fuels		122.9 2024	122.8 2023	110.5 2022
Furnishings, Household Equipment and Routine Household Maintenance		124.9 2024	121.3 2023	106.9 2022
Health		131.0 2024	127.4 2023	115.9 2022
Transport		127.0 2024	128.8 2023	109.8 MARCH 2022
Information and Communication		100.4 2024	99.9 2023	100.0 2022
Recreation, Sport and Culture		131.1 2024	128.0 2023	113.1 2022
Education and Services		119.7 2024	114.3 2023	107.1 2022
Restaurants and Accommodation		156.7 2024	147.5 2023	117.5 2022
Financial Services		75.0 2024	100.0 2023	100.0 2022
Personal Care, and Miscellaneous Goods and Services		122.0 2024	118.0 2023	107.9 2022

III. PURCHASING POWER OF PESO (PPP)

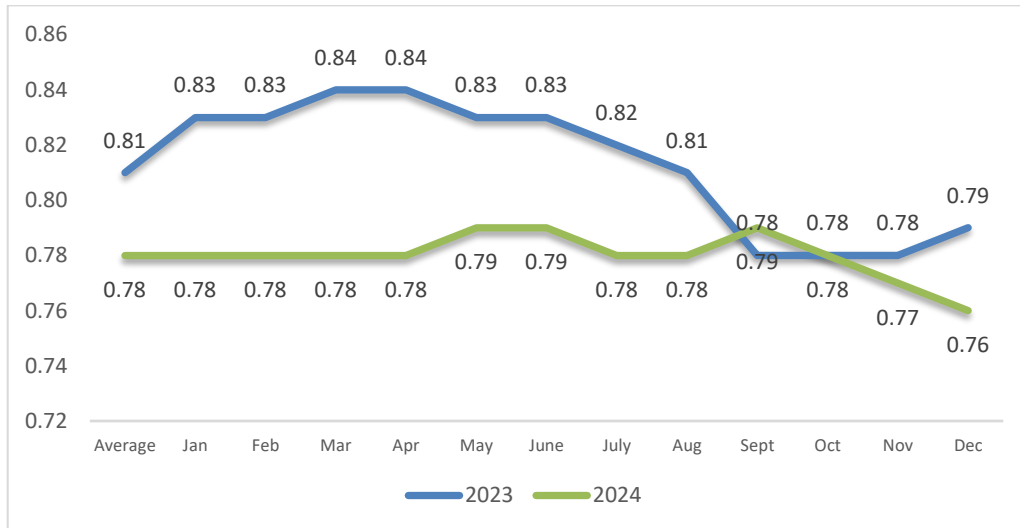


Figure 4. Purchasing Power of Peso in Ifugao (2018 = 100)

The Purchasing Power of the Peso (PPP) is intricately linked to the Inflation Rate, functioning inversely; as the Inflation Rate drops, the PPP increases. For instance, consider the value of one peso from 2018: by 2024, it is valued at 76 centavos, reflecting a decrease of three centavos from 2023. Similarly, a hundred pesos from 2018 would translate to just 79 pesos 2023.

This decline in the purchasing power of the peso underscores the significant impact of inflation on consumers. When inflation is high, the value of money erodes, making it harder for individuals to maintain their usual standard of living. When inflation is low, purchasing power improves, making it easier for consumers to manage their expenses and stretch their budgets.

An increase in the purchasing power of the peso means that each peso can buy more goods and services than before, allowing consumers to get more value for their money.





TECHNICAL NOTES

Consumer Price Index (CPI)

The CPI is an indicator of the changes in the average retail prices of a fixed basket of goods and services that most people buy for their day-to-day consumption relative to a base year.

Uses of CPI

The CPI is most widely used to calculate inflation rate and the purchasing power of peso. It is a major statistical series used for economic analysis and as monitoring indicator of government economic policy. It is also used to adjust other economic series for price changes. For example, CPI components are used as deflators for most personal consumption expenditures (PCE) in the calculation in the Gross National Product (GNP). Another major importance of the CPI is its use as basis to adjust wages in labor management contracts as well as pensions and retirement benefits. Increases in wages through collective bargaining agreements used the CPI as one of their bases.

Computation of the CPI

The computation of the CPI involves consideration of the following important points:

Base Period.

The reference date or period is the benchmark or reference date or period at which the index is taken as equal to 100

Market Basket

A sample of the thousands of varieties of goods purchased for consumption and services availed by the households in the country was selected to represent the composite price behavior of all goods and services purchased by consumers.

Weighting System

The weighting pattern uses the expenditures on various consumer item purchased by households as proportion to total expenditure.

Formula

The formula used in computing the CPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base year period (2012) weights.

Geographic Coverage

CPI values are computed at the national, regional, and provincial levels, and for selected cities.





Inflation Rate (IR)

The Inflation Rate is the rate of change or the year-on-year change of the CPI. Inflation is interpreted in terms of declining purchasing power of peso.

Headline Inflation

Headline inflation refers to the rate of change in CPI. It captures the changes in the cost of living based on the movements of prices of items in the basket of commodities and services consumed by the typical Filipino households.

Core Inflation

Core inflation measures the change in average consumer prices after excluding from the CPI certain items with volatile price movements. By stripping out the volatile components of the CPI, core inflation allows us to see the broad underlying trend in consumer prices. Core inflation is often used as an indicator of the long-term inflation trend and as indicator of future inflation. It is usually affected by the amount of money in the economy relative to production, or by monetary policy.

Purchasing Power of the Peso (PPP)

The purchasing power of the peso (PPP) shows how much 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.

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