



SPECIAL RELEASE

CONSUMER PRICE INDEX ABRA: August 2024 (2018=100)

Date of Release: 08 September 2024

Reference No. 2024CAR01-SR-013

PRICE SITUATION: Year-on-Year

The Consumer Price Index (CPI) for all income household in Abra for August 2024 is 125.7. This implies that a household in Abra needs 25.70 pesos more to purchase the same basket of goods worth 100 pesos in 2018.

Table 1. Consumer Price Index by Commodity Group for All Income Households, Year-on-Year Percent Change in ABRA: August 2023 and August 2024 (2018 = 100)

COMMODITY GROUP	Aug-23	Jul-24	Aug-24	Percent Change
				Year-on-Year
All Items	119.9	125.1	125.7	4.8
<i>I. Food and Non-Alcoholic Beverages</i>	119.0	128.4	128.7	8.2
<i>II. Alcoholic Beverages and Tobacco</i>	171.8	175.5	175.6	2.2
<i>III. Clothing and Footwear</i>	112.4	112.4	112.4	0.0
<i>IV. Housing, Water, Electricity, Gas and Other Fuels</i>	119.0	118.9	120.8	1.5
<i>V. Furnishings, Household Equipment and Routine Household Maintenance</i>	116.7	119.9	119.9	2.7
<i>VI. Health</i>	117.5	122.7	122.8	4.5
<i>VII. Transport</i>	123.3	124.1	123.4	0.1
<i>VIII. Information and Communication</i>	100.3	102.1	102.1	1.8
<i>IX. Recreation, Sport and Culture</i>	118.6	124.3	125.1	5.5
<i>X. Education Services</i>	105.4	107.7	107.7	2.2
<i>XI. Restaurants and Accommodation Services</i>	139.4	139.4	139.4	0.0
<i>XII. Financial Services</i>	160.4	159.2	159.2	-0.7
<i>XIII. Personal Care and Miscellaneous Goods and Services</i>	112.9	120.3	122.5	8.5

Source: PSA, Consumer Price Index (CPI)

This month's CPI for all items is 4.8 higher than last year's index. Changes in the prices of different commodities determine the fluctuations in the monthly CPI.

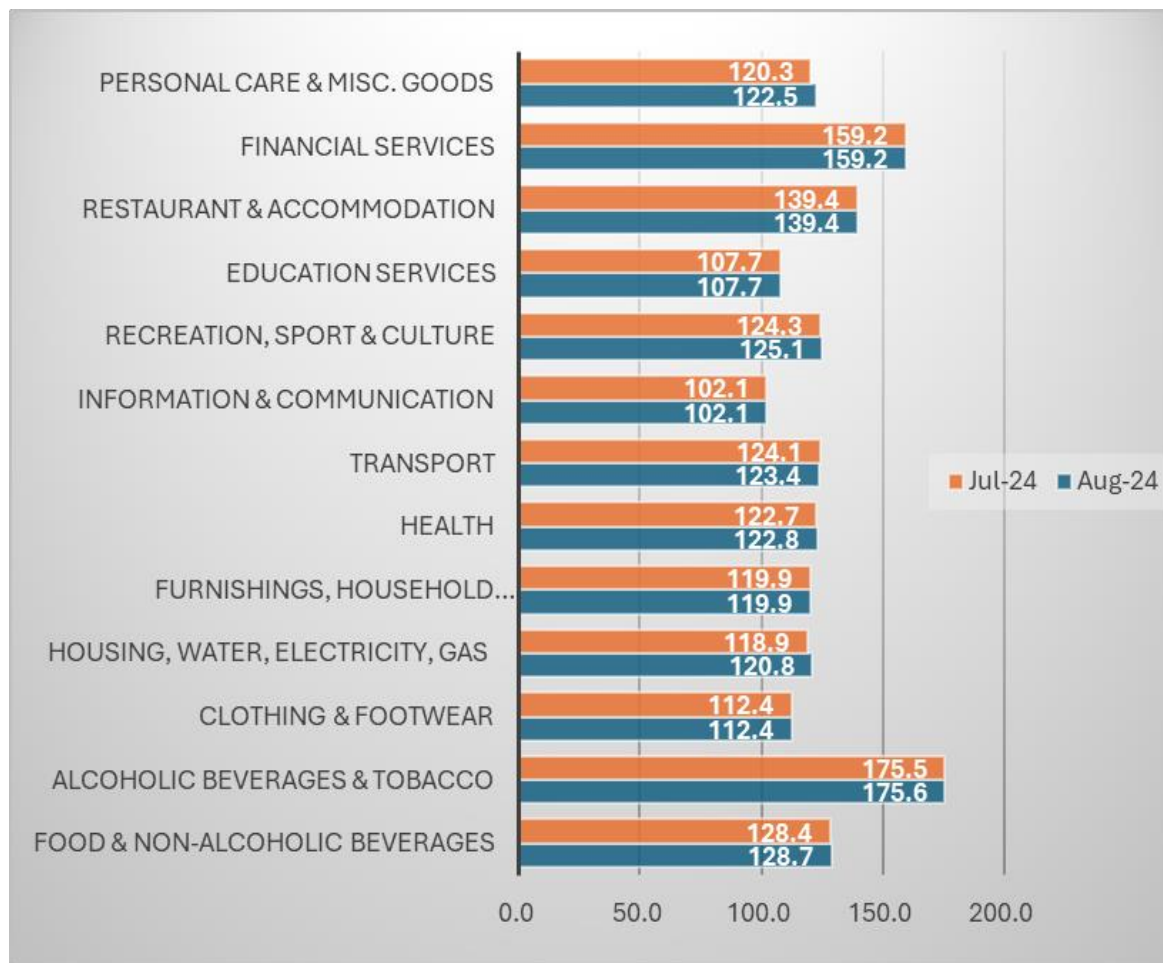


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The higher index was due to the recorded price changes in the following: Personal Care, and Miscellaneous Goods and Services with 8.5 percent; Food and Non-Alcoholic Beverages with 8.2 percent; and Recreation, Sport and Culture with 5.5 percent.

Except for Financial Services all other commodity groups increased in prices while Restaurants and Accommodation Services and Clothing and Footwear posted no percent change.

Figure 1. Consumer Price Index for All Income Households by Commodity Group, ABRA: July 2024 and August 2024 (2018=100)

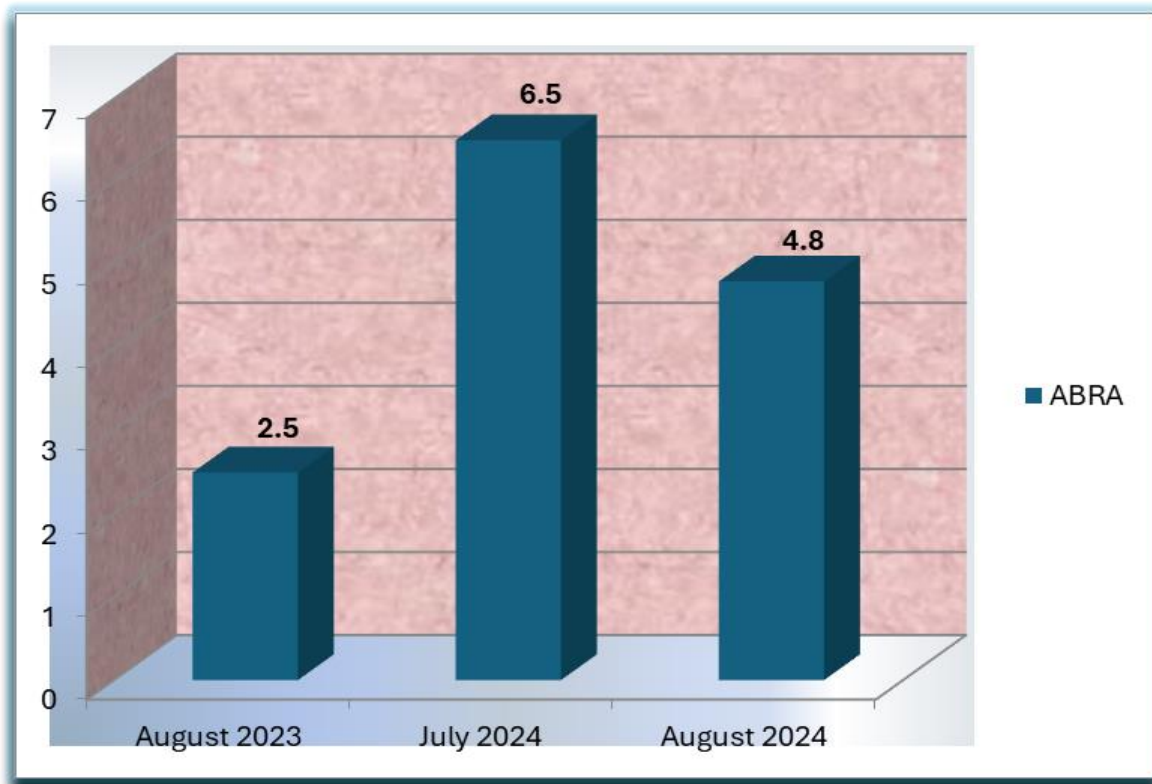


Source: PSA, Consumer Price Index (CPI)

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Inflation Rate (IR)

Figure 2 below shows a difference of 2.3 percent increase on year-on-year comparison between August 2023 with 2.5 and August 2024 with 4.8 inflation rates, and a 1.7 percent decrease compared to July 2024 with 6.5 inflation rate.



**Figure 2. Year-on-Year Inflation Rate (IR)
All Items (2018=100)**

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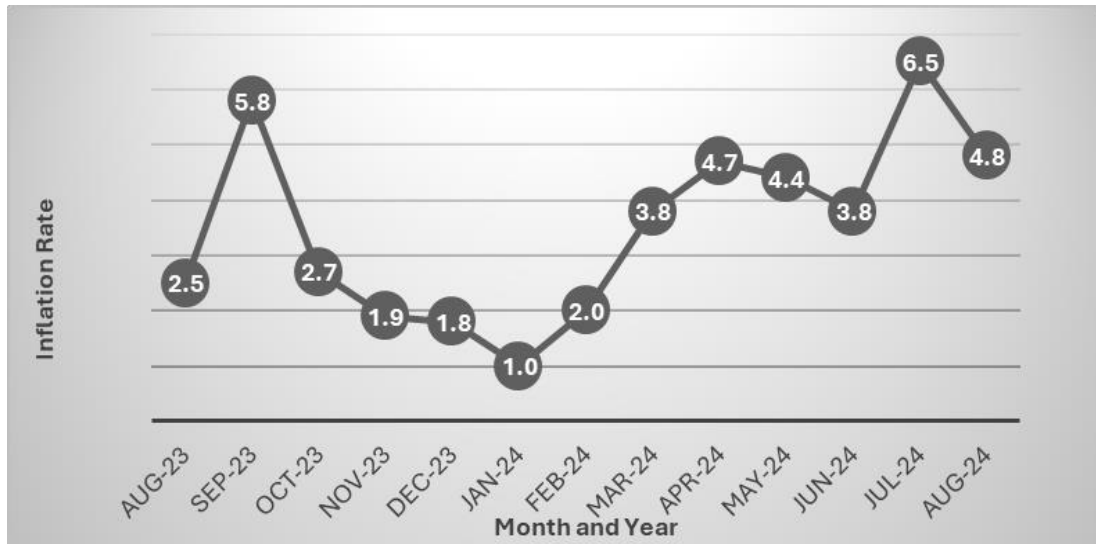


Figure 3. Inflation Rate (IR) by Month in Abra: August 2023 to August 2024

Figure 3 shows the trend of inflation rate in the province for the period August 2023 to August 2024. Inflation rate posted the least in January 2024 with 1.0 percent while its highest inflation rate was observed in July 2024 with 6.5 percent.

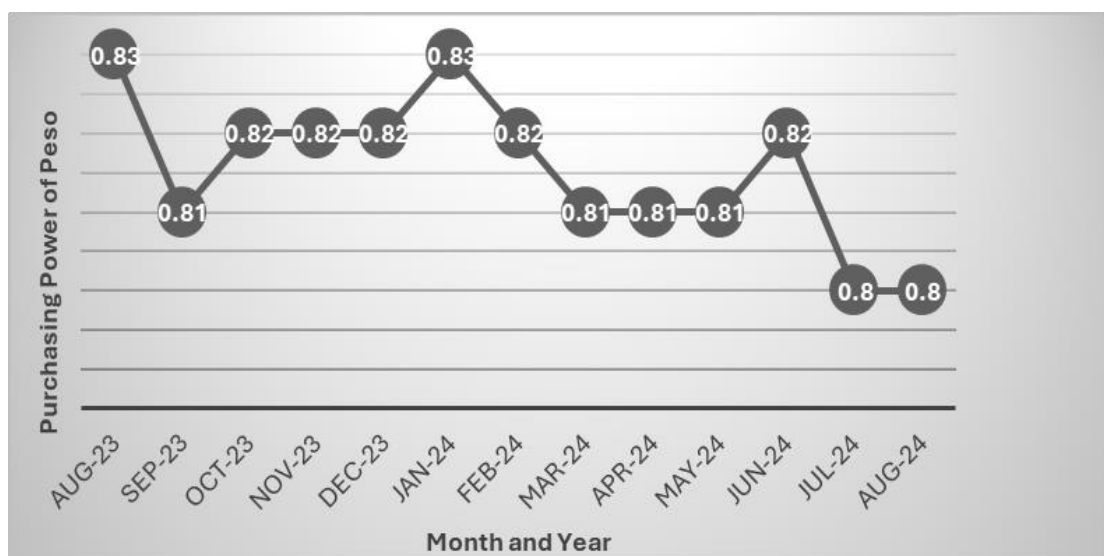


Figure 4. Purchasing Power of Peso (PPP) by Month in Abra: August 2023 to August 2024



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Concepts and Definitions

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 commonly purchased by households relative to a base year.

Uses of CPI

The CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is a major statistical series used for economic analysis and as a monitoring indicator of government economic policy.

Computation of CPI

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

- Base Period-** The reference date or base 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 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 consumers' items purchased by households as a 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 based year period (2006) weights.

Inflation Rate is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso.

Headline Inflation refers to the rate of change in the CPI, a measure of the average standard "basket" of goods and services consumed by a typical family.

Purchasing Power of Peso 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.

