

Summary Inflation Report Consumer Price Index (2018=100)

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

Area	February 2023	January 2024	February 2024
<i>CAR</i>	7.1	2.1	3.1
<i>IFUGAO</i>	6.4	6.7	6.5

In Ifugao, the inflation rate decreased to 6.5 percent in February 2024 from 6.7 percent in January 2024. Moreover, February 2024 witnessed a 0.1 percentage point increase compared to the 6.4 percent recorded in February 2023. Notably, this also marked a 0.2 percentage point decrease from the inflation rate of 6.7 percent observed in January 2024 (refer to Table 1)

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

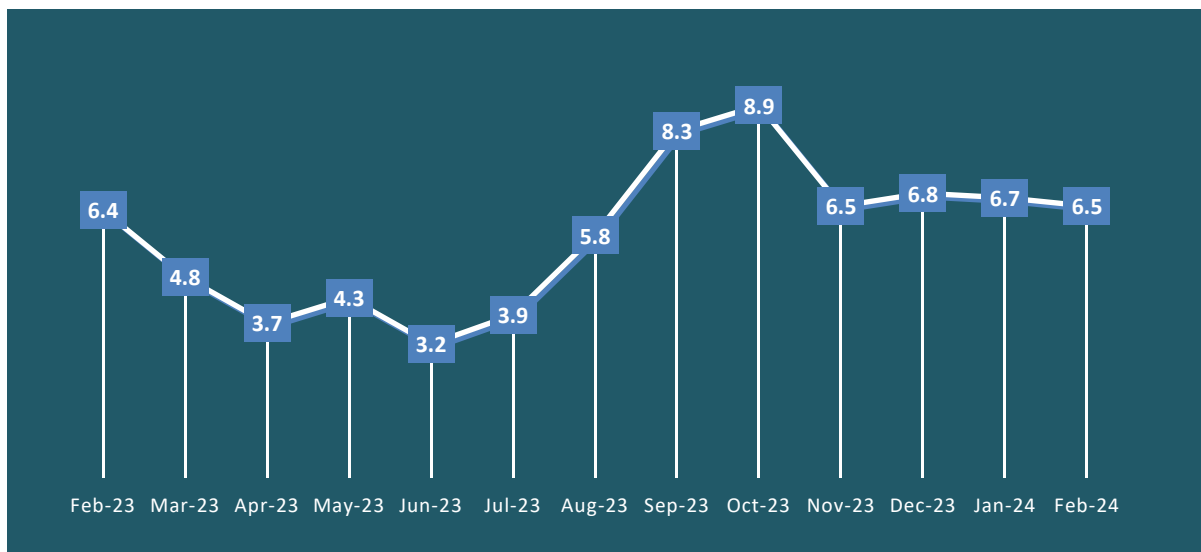
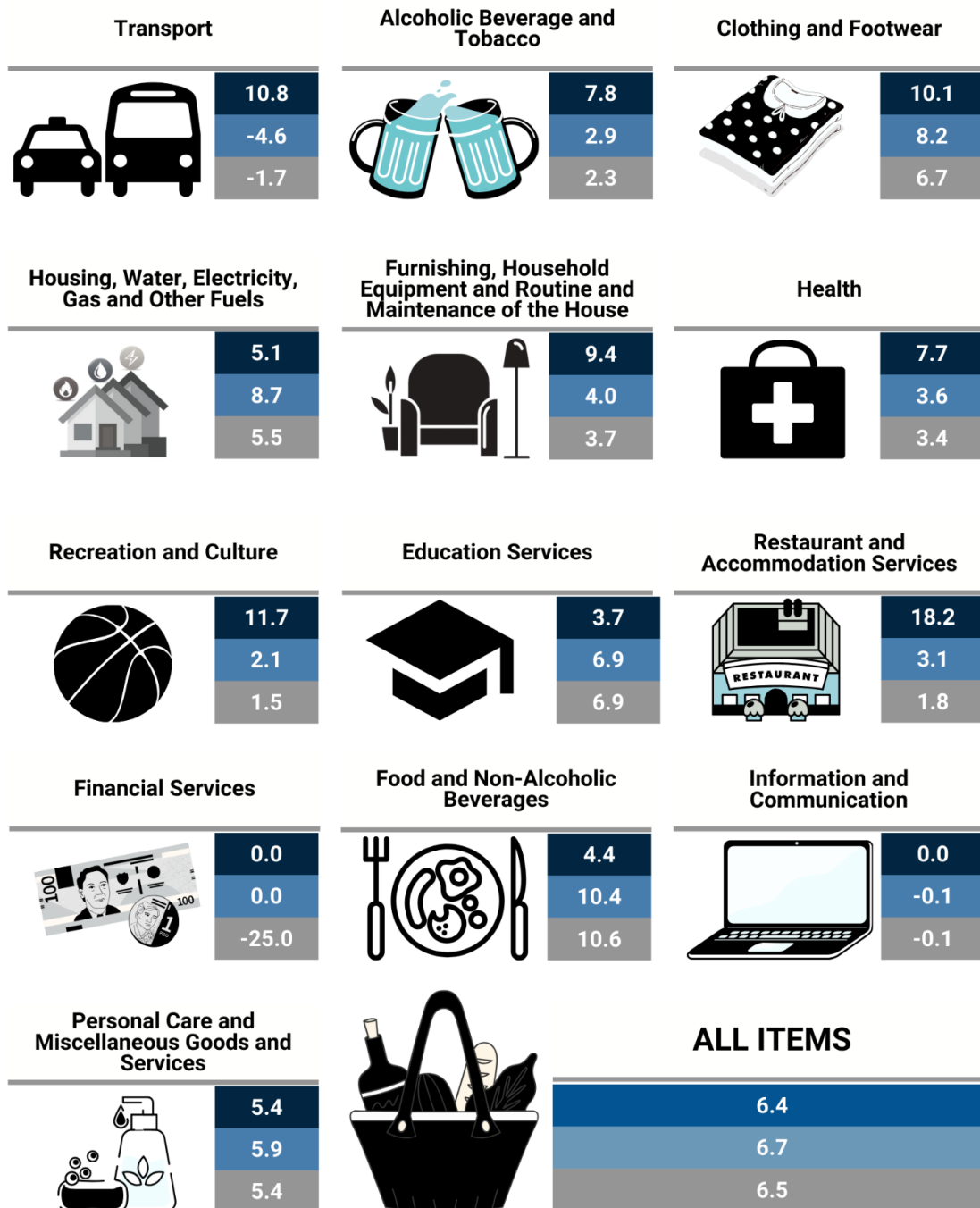


Figure 2. Year-on-Year Inflation Rates by Commodity Group: Ifugao (2018 = 100)
(In Percent)



Legend:

February 2023	January 2024	February 2024
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Food and Non-Alcoholic Beverages category posted the highest inflation rate among the commodity groups at 10.6 percent, followed by Education Services at a 6.9 percent inflation rate, and Clothing and Footwear at 6.7 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. Housing, Water, Electricity, Gas and Other Fuels, 5.5;
2. Personal Care, Miscellaneous Goods and Services; 5.4;
3. Furnishings, Household Equipment and Routine Household Maintenance, 3.7;
4. Health, 3.4;
5. Alcoholic Beverages and Tobacco, 2.3;
6. Restaurants and Accommodation Services, 1.8;
7. Recreation, Sport and Culture, 1.5;














**Table 2. Consumer Price Index for All Items,
Ifugao (2018=100)**

<i>Area</i>	February 2023	January 2024	February 2024
<i>CAR</i>	120.0	123.0	123.7
<i>Ifugao</i>	120.6	128.2	128.4

Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a Consumer Price Index (CPI) of 128.4 in Ifugao as of February 2024, using 2018 as the base year. This indicates that the average cost of a basket of goods and services commonly purchased by a typical Filipino household in the different municipalities of Ifugao increased during the reference month.

In Figure 3, all the Commodity Groups has changes in Consumer Price Index except Information and Communication, Education Services and Financial Services.

Figure 3. Consumer Price Index for All Income Households by Commodity Group, Ifugao (2018=100)

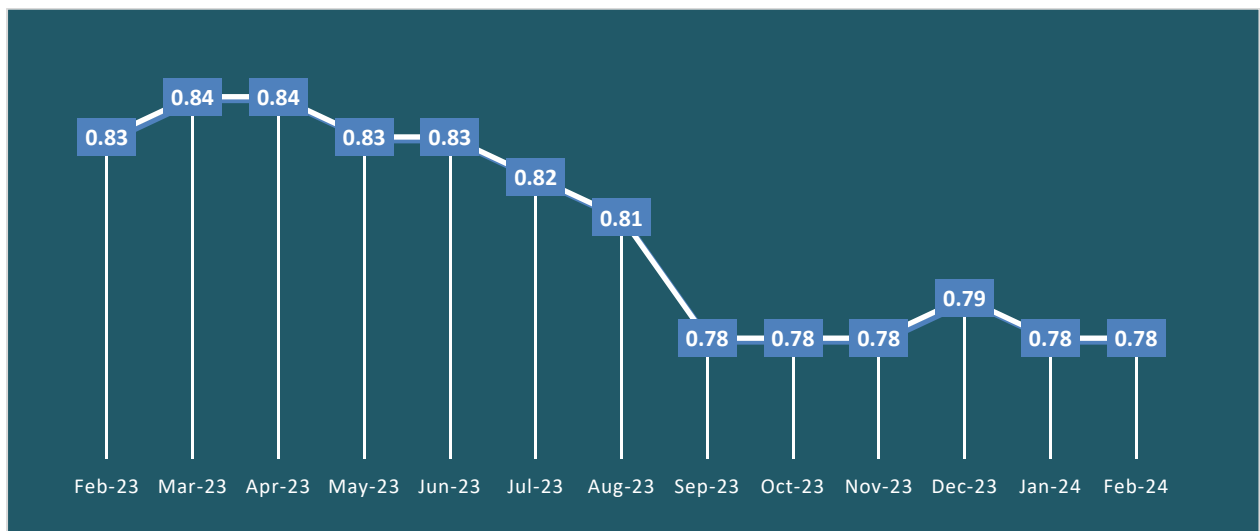
		February 2023	January 2024	February 2024
Restaurants and Accommodation Services		146.1	148.5	148.8
Clothing and Footwear		129.7	138.1	138.4
Alcoholic Beverages and Tobacco		132.0	135.7	135.1
Health		126.6	130.8	130.9
Recreation, Sport and Culture		127.5	128.9	129.4
Transport		130.9	126.6	128.7
Housing, Water, Electricity, Gas and Other Fuels		119.8	129.0	126.4
Food and Non-Alcoholic Beverages		116.5	128.1	128.9
Furnishings, Household Equipment and Routine Household Maintenance		118.8	122.9	123.2
Personal Care, and Miscellaneous Goods and Services		115.0	121.0	121.0
Education Services		111.1	118.8	118.8
Financial Services		100.0	75.0	75.0
Information and Communication		100.0	99.9	99.9

The Purchasing Power of the Peso (PPP) is closely linked to the Inflation Rate, but in an opposite way. So, when the Inflation Rate goes up, the PPP goes down. To put it in perspective, let's take 1 peso in 2018 as an example. In February 2024, it's only worth 78 centavos, which is a drop of 5 centavos compared to February 2023 when it was worth 83 centavos. Similarly, if you had a hundred pesos in 2018, they'd be equivalent to just 78 pesos by January 2024.

This consistent decline in the purchasing power of the peso underlines how much of an impact inflation has on consumers. As the peso's purchasing power diminishes, it becomes tougher for people to maintain their usual standard of living and manage their expenses with the same amount of money.

When the purchasing power of the peso decreases, it means that each peso can buy fewer goods and services than it could before. To put it simply, the real value of the peso has gone down.

Figure 4. Monthly Purchasing Power of Peso in Ifugao: December 2023 (2018 = 100)



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:

a. 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

b. 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.

c. Weighting System

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

d. 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.

e. 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.

a. 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.

b. 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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