

PRESS RELEASE

Consumer Price Index (CPI) in Mountain Province: July 2023

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Mountain Province CPI Went up in July 2023

The Consumer Price Index for all items in Mountain Province for the month of July 2023 was estimated at 124.2 index points using 2018 as its base year. This means that using the year 2018=100, there was an increase of 24.2 index points on the average retail price of a fixed basket of goods and services commonly purchased by households in the province.

In addition, this was 0.3 index points higher compared to its preceding month with a CPI of 123.9 and was 4.2 index points higher compared to the same month of 2022 with 119.9 index points.

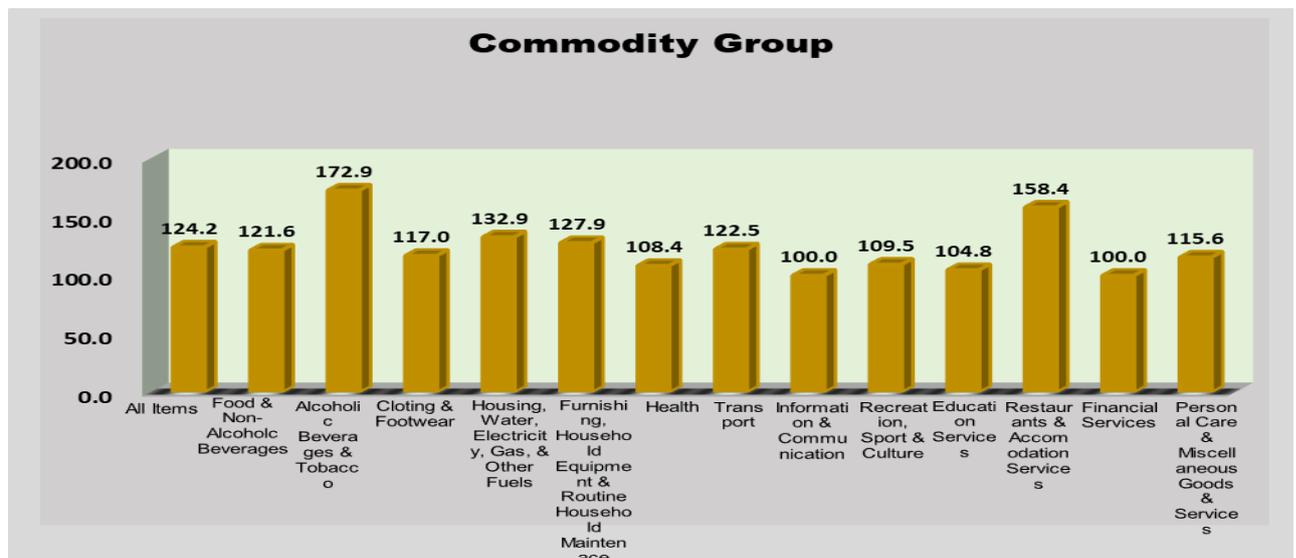
Table 1: Monthly CPI for All Income Households by Commodity Group,
Mountain Province: July 2023
(2018 = 100)

Commodity Group	July 2022	June 2023	July 2023
All Items	119.9	123.9	124.2
Food and Non-alcoholic Beverages	113.9	120.7	121.6
Alcoholic Beverages and Tobacco	163.8	172.5	172.9
Clothing and Footwear	117.7	117.1	117.0
Housing, water, electricity, gas and other fuels	131.3	133.7	132.9
Furnishings, Household Equipment and Routine Maintenance	124.7	129.2	127.9
Health	108.8	108.2	108.4
Transport	132.2	123.6	122.5
Information and Communication	99.6	99.9	100.0
Recreation, Sport and Culture	105.9	109.8	109.5
Education Services	105.3	104.8	104.8
Restaurant and Accommodation Services	146.6	159.3	158.4
Financial Services	100.0	100.0	100.0
Personal Care, and Miscellaneous Goods and Services	116.2	115.5	115.6

Commodity Group “Alcoholic Beverages and Tobacco” Tops the Index

Among the different major commodity groups in the province, Alcoholic Beverages and Tobacco had the highest value with a consumer price index of 172.9 for the month of July 2023. Among its subgroups, tobacco continued to have the highest price index with 232.6 while other vegetable-based tobacco products had a price index of 159.2.

Figure 1: Consumer Price Index for All Income Households
 Mountain Province: July 2023
 (2018 = 100)



Restaurants and Accommodation Services ranked second with an index point of 158.4. Food and Beverage Serving Services had the highest index points with 163.7 among its subgroups followed by Accommodation Services with 137.8 index points.

Housing, water, electricity, gas, and other fuels ranked third with an index point of 132.9. Among its subgroups, electricity, gas, and other fuels had the highest index point of 142.2 followed by actual rentals for housing with an index point of 126.9.

Information and Communication had the lowest CPI in the province with an index point of 99.9 while Financial Services showed no changes in its index points.

CPI for All Items Shows a Downward Trend

Figure 2 shows the CPI for All Items in the province for the month of June 2023 and July 2023. The indices for All Items showed an increase in July 2023 from June 2023 with index points 123.9 and 124.2 respectively.

Among the different commodity groups, food and non-alcoholic beverages and restaurant and accommodation increased by 0.9 points followed by alcoholic beverages and tobacco with index point of 0.4 while furnishings, household equipment

and routine maintenance and transport decreased by 1.3 and 1.1 index points.

Figure 2: Consumer Price Index by Commodity Group
 Mountain Province: June 2023 and July 2023
 (2018 = 100)



While indices of 6 commodity groups increased from June 2023 to July 2023, two groups also showed no changes. These are education services and financial services. It means that their CPI in June 2023 was the same in July this year.

Inflation Rate by Month

Inflation rate in the province increased to 3.6 percent in July 2023 from 3.3 percent in June 2023. In July last year, inflation rate was higher at 8.0 percent. The acceleration in the inflation rate in July 2023 was primarily due to the higher annual growths in the

food and non-alcoholic beverages at 87.8 percent; housing, water, electricity, gas and other fuels at 10.2 percent, and health at 2.0 percent.

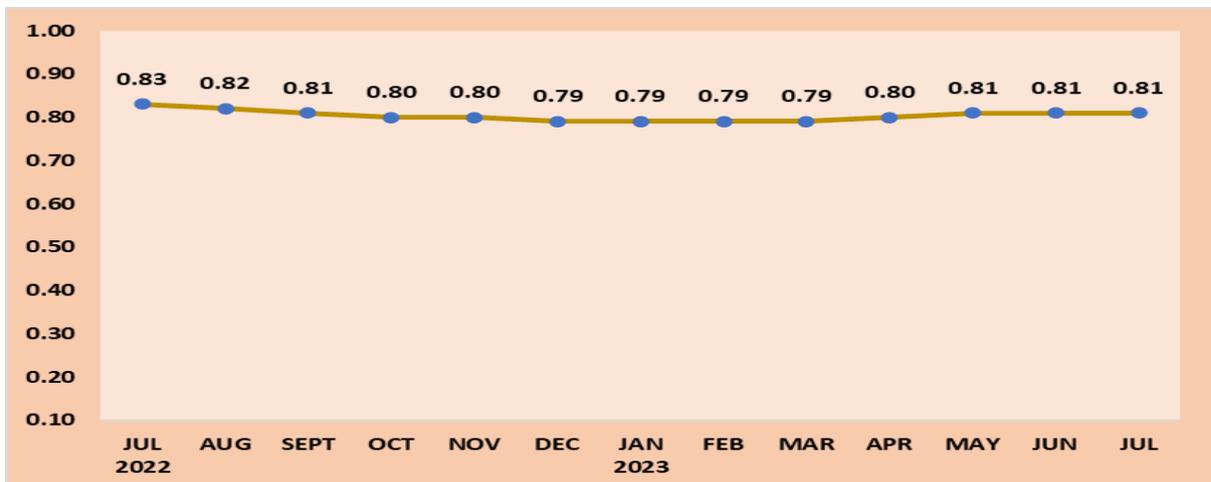
Figure 3: Inflation Rate by Month,
 Mountain Province: July 2022 – July 2023
 (2018=100)



Purchasing Power of Peso (PPP) Slides by 3 Centavos

The Purchasing Power of the Peso (PPP) in the province for July 2023 increased to 0.81 and decreased by 3 centavos compared to the same month of the previous year. Thus, a hundred peso in 2018 is worth 81 pesos this July 2023. (Figure 4).

Figure 3: Inflation Rate by Month,
 Mountain Province: July 2022 – July 2023
 (2018=100)



Technical Notes

Consumer Price Index (CPI) A single number used to measure changes in the average retail prices of a market basket or collection of goods and services commonly purchased by an average Filipino household. It shows how much on the average, prices of goods and services have increased or decreased from a particular reference period known as base year.

The CPI measures the changes in the price level of goods and services that most people buy for their day-to-day consumption relative to a base year (currently at year 2018)

*It is widely used in the calculation of the inflation rate and purchasing power of the peso. Changes in the CPI over a specified period of time (usually a month or a year), is the **rate of inflation**. Inflation is equivalent to a decline in the purchasing power of peso (PPP).*

*The **Purchasing Power of Peso (PPP)** gives an indication of the real value of the peso (how much it is worth) in a given period relative to its value in a base period. Or it measures how much the peso in the reference year is worth in another year.*

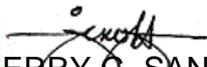
Inflation Rate (IR) is the rate of change in the average price level between two periods (year-on year/month-on-month as measured by the CPI).

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

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

The monthly Consumers Price Index is computed based on the average retail prices of goods and services collected during the first week and mid-month of the reference month.

Retail Price - the actual price at which retailers sell a commodity on spot or earliest delivery, usually in small quantities for consumption and not for resale. It is confined to transactions on cash basis in the free market and excludes black-market prices and prices of commodities that are on sale as in summer sales, anniversary sales, Christmas sales, etc.



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