

Summary Inflation Report Consumer Price Index (2018=100)

Date of Release: July 8, 2024

Reference No. SR-2024-030

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

<i>Area</i>	<i>June 2023</i>	<i>May 2024</i>	<i>June 2024</i>
CAR	3.2	4.4	4.6
IFUGAO	3.2	5.7	5.9

Inflation in Ifugao increased to 5.9 percent in June 2024 from 5.7 percent in May 2024. In addition, June 2024 inflation was higher by 2.7 percentage points from 3.2 percent in June 2023 and 0.2 percentage points lower from 5.7 percent in May 2024. (Table 1)

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

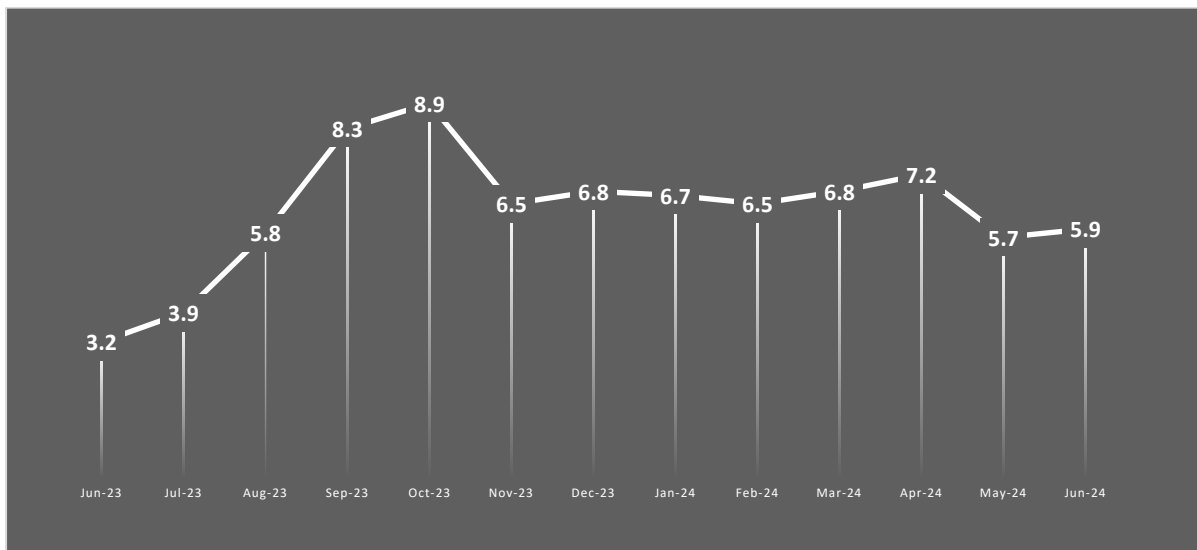
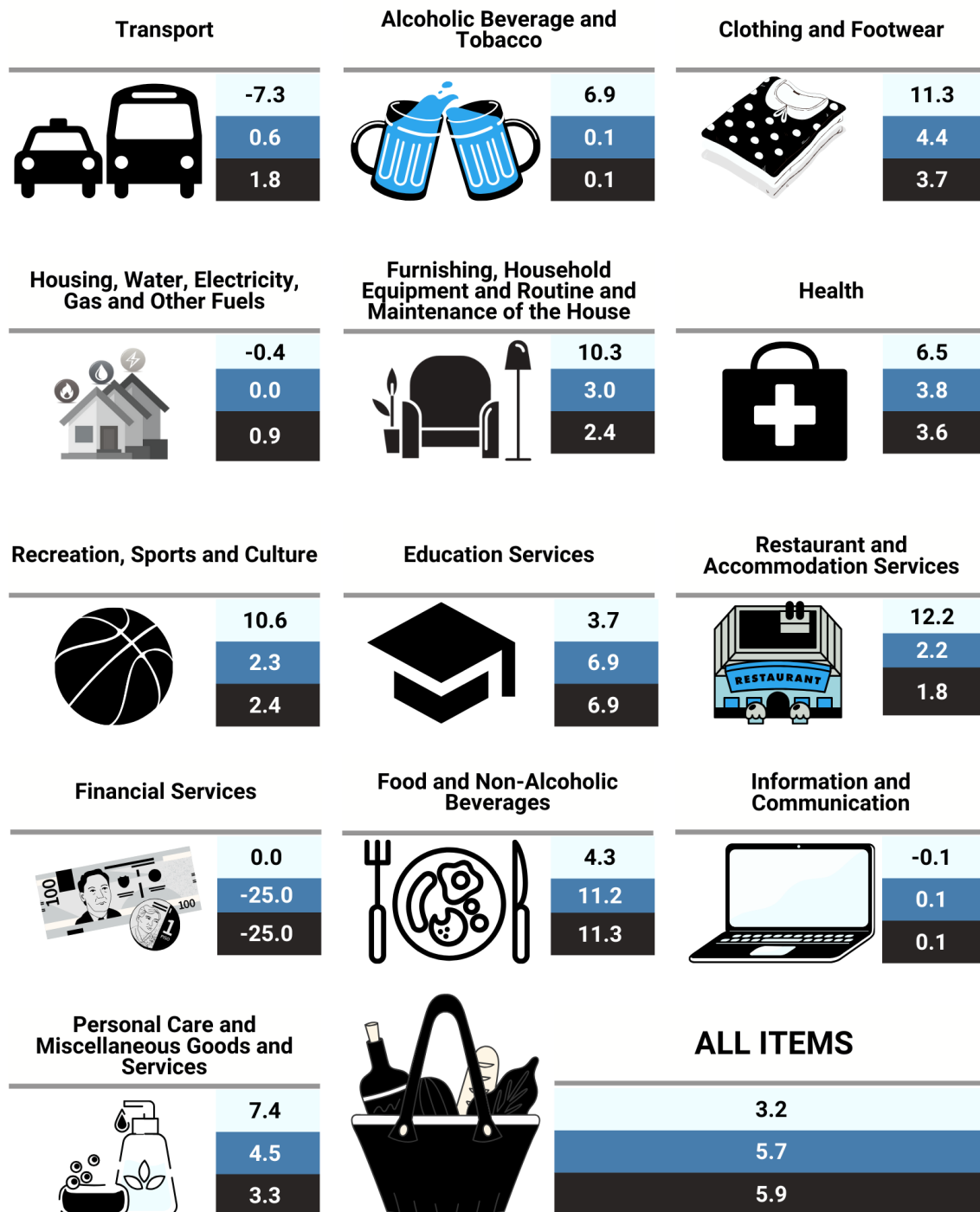


Figure 2. Year-on-Year Inflation Rates by Commodity Group: Ifugao (2018 = 100)
(In Percent)



Legend:



In terms of inflation rates among commodity groups, Food and Non-Alcoholic Beverages experienced the highest increase at 11.3 percent. Following closely behind, Education Services recorded a 6.9 percent inflation rate and Clothing and Footwear with 3.7 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. Health, 3.6
2. Personal Care, and Miscellaneous Goods and Services, 3.3
3. Furnishings, Household Equipment and Routine Household Maintenance, 2.4
4. Recreation, Sport and Culture, 2.4
5. Transport, 1.8
6. Restaurants and Accommodation Services, 1.8
7. Housing, Water, Electricity, Gas and Other Fuels, 0.9
8. Alcoholic Beverages and Tobacco, 0.1
9. Information and Communication, 0.1

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

Commodity Group	CPI		
	Jun 2023	May 2024	Jun 2024
ALL ITEMS	120.0	127.1	127.1
I. FOOD AND NON-ALCOHOLIC BEVERAGES	114.8	127.2	127.8
* Food	114.5	127.4	128.0
Cereals and Cereal Products	93.5	119.4	119.6
○ Cereals	88.4	118.5	118.7
• Rice	87.6	118.3	118.5
• Corn	124.9	125.7	125.7
• Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	124.0	125.3	125.3
○ Meat and Other Parts of Slaughtered Land Animals	138.7	143.2	143.2
○ Fish and Other Seafood	128.0	134.0	133.0
○ Milk, Other Dairy Products, and Eggs	128.5	133.4	133.4
○ Oils and Fats	96.8	97.2	97.2



○ Fruits and Nuts	113.9	117.1	108.3
○ Vegetables, Tubers, Cooking Bananas and Pulses	130.7	133.1	141.4
○ Sugar, Confectionery and Desserts	144.5	134.9	134.9
○ Ready-Made Food and Other Food Products N.E.C.	118.9	123.7	125.0
○ * Non-alcoholic Beverages	122.5	123.7	123.7
II. ALCOHOLIC BEVERAGES AND TOBACCO	135.5	135.5	135.7
○ Alcoholic Beverages	127.0	126.2	126.5
○ Tobacco	161.1	163.3	163.3
○ Other Vegetable-Based Tobacco Products			
NON-FOOD	123.5	126.5	126.1
III. CLOTHING AND FOOTWEAR	135.4	140.2	140.4
○ Clothing	135.5	140.2	140.5
○ Footwear	135.2	140.3	140.3
IV. HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	120.0	121.8	121.1
○ Actual Rentals for Housing	115.2	115.2	115.2
○ Maintenance, Repair and Security of the Dwelling	128.2	131.1	131.1
○ Water Supply and Miscellaneous Services Relating to the Dwelling	113.6	113.6	113.6
○ Electricity, Gas and Other Fuels	124.9	128.8	127.3
V. FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOUSEHOLD MAINTENANCE	122.2	125.1	125.1
○ Furniture and Furnishings, and Loose Carpets	104.9	105.4	105.4
○ Household Textiles	120.3	121.8	121.7
○ Household Appliances	113.5	116.2	116.2
○ Glassware, Tableware and Household Utensils	113.6	121.0	121.6
○ Tools and Equipment for House and Garden	112.5	112.5	112.6
○ Goods and Services for Routine Household Maintenance	130.1	133.7	133.7
VI. HEALTH	126.5	131.1	131.1



○	Medicines and Health Products	126.9	130.9	131.0
○	Outpatient Care Services	121.9	121.9	121.9
○	Inpatient Care Services	132.8	144.3	144.3
○	Other Health Services	103.0	105.8	105.8
VII. TRANSPORT				
		125.0	128.4	127.3
○	Purchase of Vehicles			
○	Operation of Personal Transport Equipment	118.5	124.7	122.6
○	Passenger Transport Services	133.1	133.1	133.1
○	Transport Services of Goods			
VIII. INFORMATION AND COMMUNICATION				
		99.9	100.0	100.0
○	Information and Communication Equipment	100.2	100.2	100.2
○	Information and Communication Services	99.7	99.8	99.8
IX. RECREATION, SPORT AND CULTURE				
		127.4	130.5	130.5
○	Recreational Durables			
○	Other Recreational Goods	104.1	105.5	105.5
○	Garden Products and Pets	112.2	106.1	105.9
○	Recreational Services	101.1	101.1	101.1
○	Cultural Goods			
○	Cultural Services	100.2	100.2	100.2
○	Newspapers, Books and Stationery	134.0	138.5	138.5
○	Package Holidays			
X. EDUCATION SERVICES				
		111.1	118.8	118.8
○	Early Childhood and Primary Education	126.2	128.3	128.3
○	Secondary Education	120.3	137.9	137.9
○	Tertiary Education	100.0	100.0	100.0
○	Education Not Defined by Level			
XI. RESTAURANTS AND ACCOMMODATION SERVICES				
		148.5	151.2	151.2
○	Food and Beverage Serving Services	148.5	151.2	151.2
○	Accommodation Services			
XII. FINANCIAL SERVICES				
		100.0	75.0	75.0
○	Financial Services	100.0	75.0	75.0

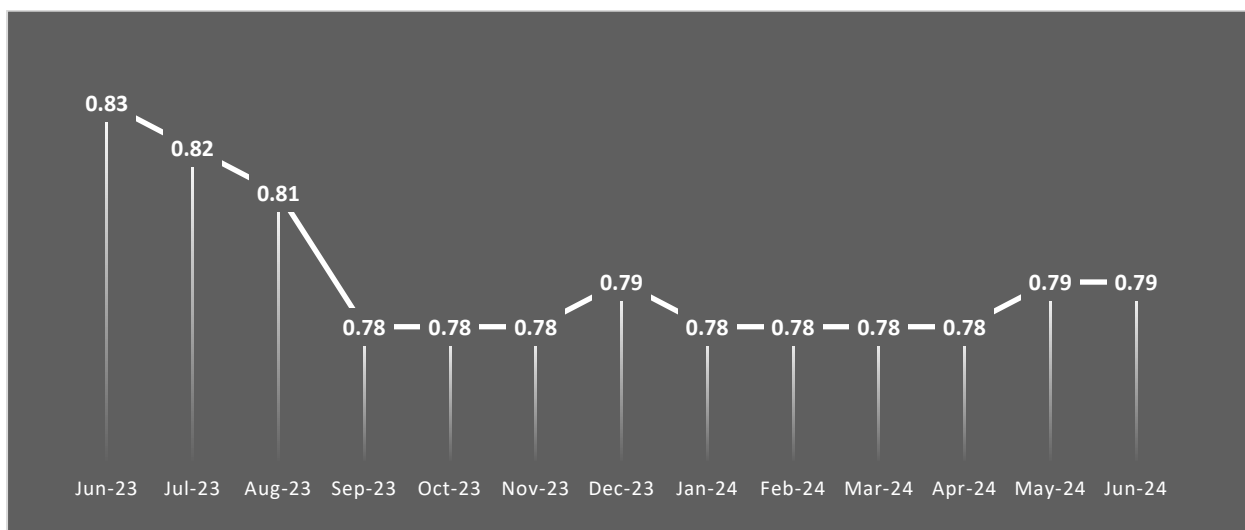


XIII. PERSONAL CARE, AND MISCELLANEOUS GOODS AND SERVICES				
		118.0	121.9	121.9
○	Personal Care	122.2	125.2	125.2
○	Other Personal Effects	104.4	111.5	111.5
○	Other Services	100.4	100.4	100.4

The Survey of Retail Prices of Commodities, conducted by the Philippine Statistics Authority (PSA), has produced a Consumer Price Index (CPI) of 127.1 in Ifugao as of June 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 all commodity groups either maintained their Consumer Price Index or experienced a decrease, except for Food and Non-Alcoholic Beverages, Clothing and Footwear, Alcoholic Beverages and Tobacco, Furnishings, Household Equipment and Routine Household Maintenance, Health, Information and Communication, Recreation, Sport and Culture, Education Services, Restaurants and Accommodation Services, Financial Services, Personal Care, and Miscellaneous Goods and Services, Housing, Water, Electricity, Gas and Other Fuels Transport

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



The Purchasing Power of the Peso (PPP) is intricately tied to the Inflation Rate, albeit in an inverse manner. As the Inflation Rate rises, the PPP declines. To illustrate, consider 1 peso in 2018: in June 2024, its value dwindles to 79 centavos, marking a decrease of 4 centavos from





June 2023 when it stood at 83 centavos. Similarly, a hundred pesos from 2018 would translate to just 79 pesos by June 2024.

This consistent drop in the purchasing power of peso underscores the profound impact of inflation on consumers. With the diminishing purchasing power of the peso, maintaining the usual standard of living and managing expenses becomes increasingly challenging.

A decline in the purchasing power of the peso implies that each peso can procure fewer goods and services than before.

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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