

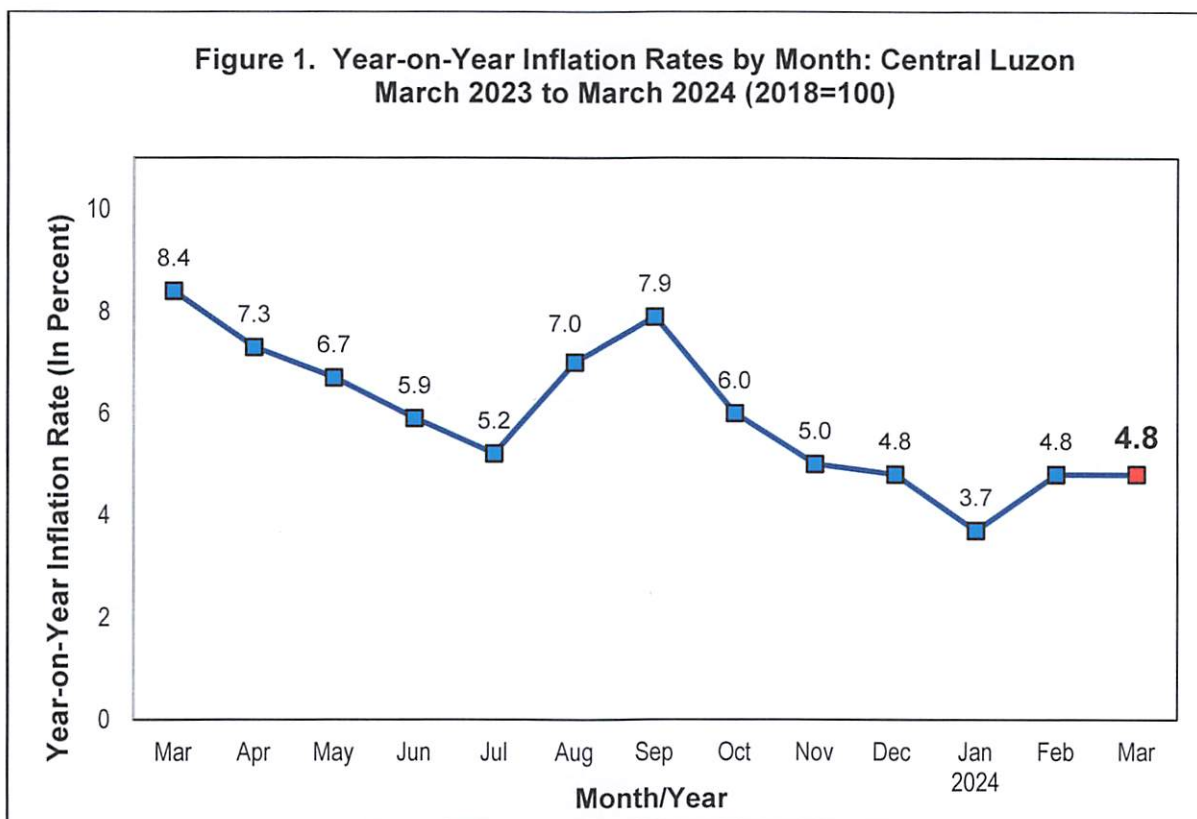
SPECIAL RELEASE

Central Luzon's Inflation and Consumer Price Index (CPI) March 2024

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Central Luzon's Inflation Remained at 4.8 Percent

The annual inflation of Central Luzon retained its inflation from February 2024 at 4.8 percent for the month of March 2024. Nonetheless, it is still lower by 3.6 percentage points compared to the March 2023 inflation rate of 8.4 percent. (Figure 1)

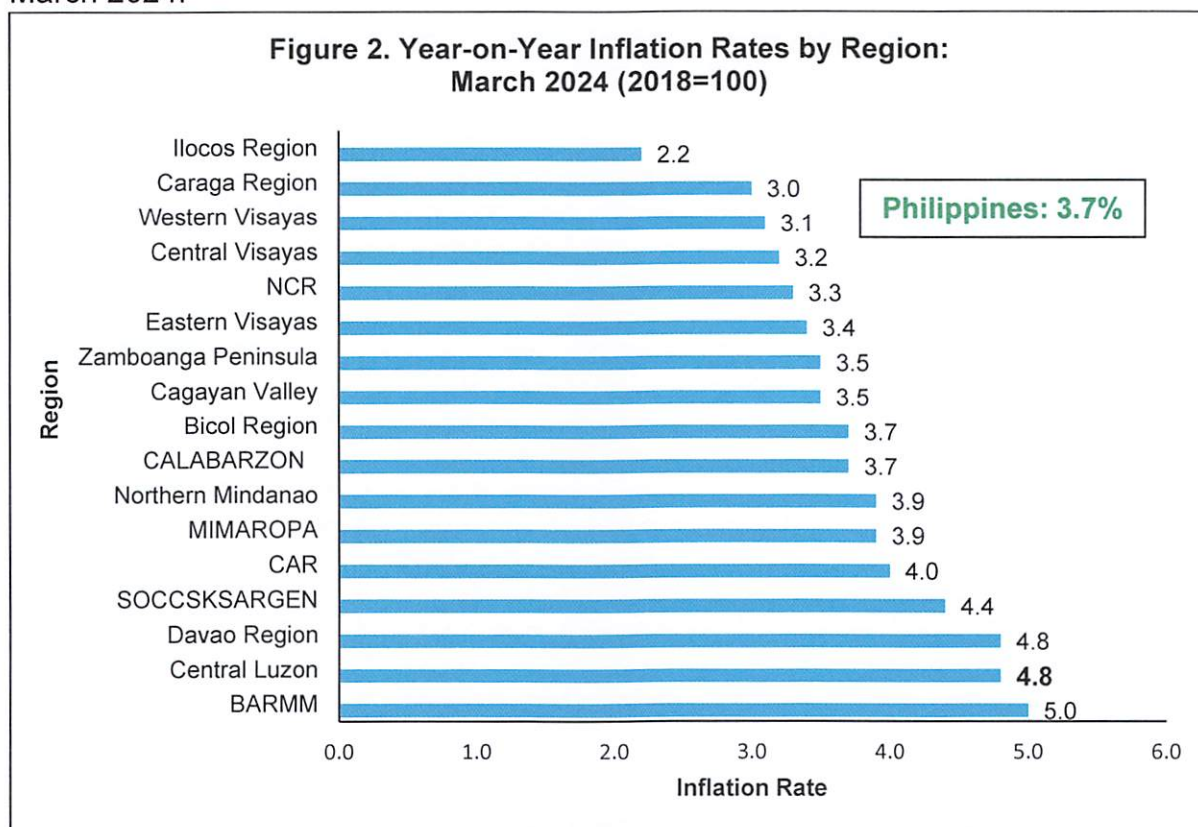


Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

Among the 17 regions, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) recorded the highest inflation rate at 5.0 percent in March 2024. It was followed by Central Luzon and Davao Region, with both having an inflation rate of 4.8 percent. On the other hand, Ilocos Region has the lowest inflation at 2.2 percent. (Figure 2)

Meanwhile the country's inflation rate increased from 3.4 percent in February 2024 to 3.7 percent in March 2024.

Figure 2 shows the annual inflation rates of the different regions in the Philippines in March 2024.



Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

An upward trend in the following indices were observed in March 2024:

- Restaurants and Accommodation Services, 7.4 percent from 5.4 percent,
- Food and Non-Alcoholic Beverages, 6.1 percent from 6.0 percent,
- Clothing and Footwear, 5.9 percent from 5.7 percent,
- Health, 4.5 percent from 4.3 percent, and
- Transport, 2.3 percent from 1.3 percent.

Conversely, slower increments in the following indices were observed in March 2024:

- Alcoholic Beverages and Tobacco, 7.2 percent from 9.7 percent,
- Personal Care, and Miscellaneous Goods and Services, 4.8 percent from 5.6 percent,
- Furnishings, household equipment and routine household maintenance, 3.6 percent from 3.8 percent, and
- Housing, Water, Electricity, Gas and Other Fuels, 2.1 percent from 3.0 percent.

Meanwhile, the indices of the following commodity group retained their previous month's inflation rate:

- Education Services, 6.1 percent,
- Recreation, Sport and Culture, 5.4 percent,
- Information and Communication, 0.6 percent, and
- Financial Services, -0.3 percent.

**Table 1. Year-on-Year Inflation Rates by Commodity Group:
Central Luzon (2018 = 100)
(In Percent)**

Commodity Group	March 2023	February 2024	March 2024
All Items	8.4	4.8	4.8
Food and Non-Alcoholic Beverages	9.2	6.0	6.1
Alcoholic Beverages and Tobacco	16.7	9.7	7.2
Clothing and Footwear	7.5	5.7	5.9
Housing, Water, Electricity, Gas, and Other Fuels	7.9	3.0	2.1
Furnishings, Household Equipment and Routine Household Maintenance	7.1	3.8	3.6
Health	6.4	4.3	4.5
Transport	7.7	1.3	2.3
Information and Communication	0.8	0.6	0.6
Recreation, Sport, and Culture	7.2	5.4	5.4
Education Services	1.7	6.1	6.1
Restaurants and Accommodation Services	8.0	5.4	7.4
Financial Services	0.0	(0.3)	(0.3)
Personal Care, and Miscellaneous Goods and Services	8.5	5.6	4.8

Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

The annual growth rate in the regional food index registered a faster rate of increase at 6.5 percent in March 2024 from 6.2 percent in February 2024. This increase could be attributed to the faster rate of increase of the following indices:

- Vegetables, tubers, plantains, cooking bananas, and pulses, 4.4 percent from -5.1 percent; and
- Meat and other parts of slaughtered land animals, 1.6 percent from -0.6 percent.

Further, faster rate of decrease was noted in the index of oils and fats at -7.2 percent from -7.7 percent.

On the other hand, slower rate of increase was noted in the following indices:

- Cereals and cereal products, 19.1 percent from 20.6 percent,
- Fruits and nuts, 6.6 percent from 11.2 percent;
- Ready-Made food and other food products n.e.c., 4.9 percent from 5.4 percent;
- Fish and other seafood, 1.5 percent from 4.0 percent, and
- Sugar, confectionary and desserts, 0.2 percent from 0.7 percent.

Meanwhile, milk, other dairy products and eggs posted an inflation rate of -0.5 percent from 1.3 percent. (Table 1a)

**Table 1a. Year-on-Year Changes in the Consumer Price Index, Food
Central Luzon (2018 = 100)
(In Percent)**

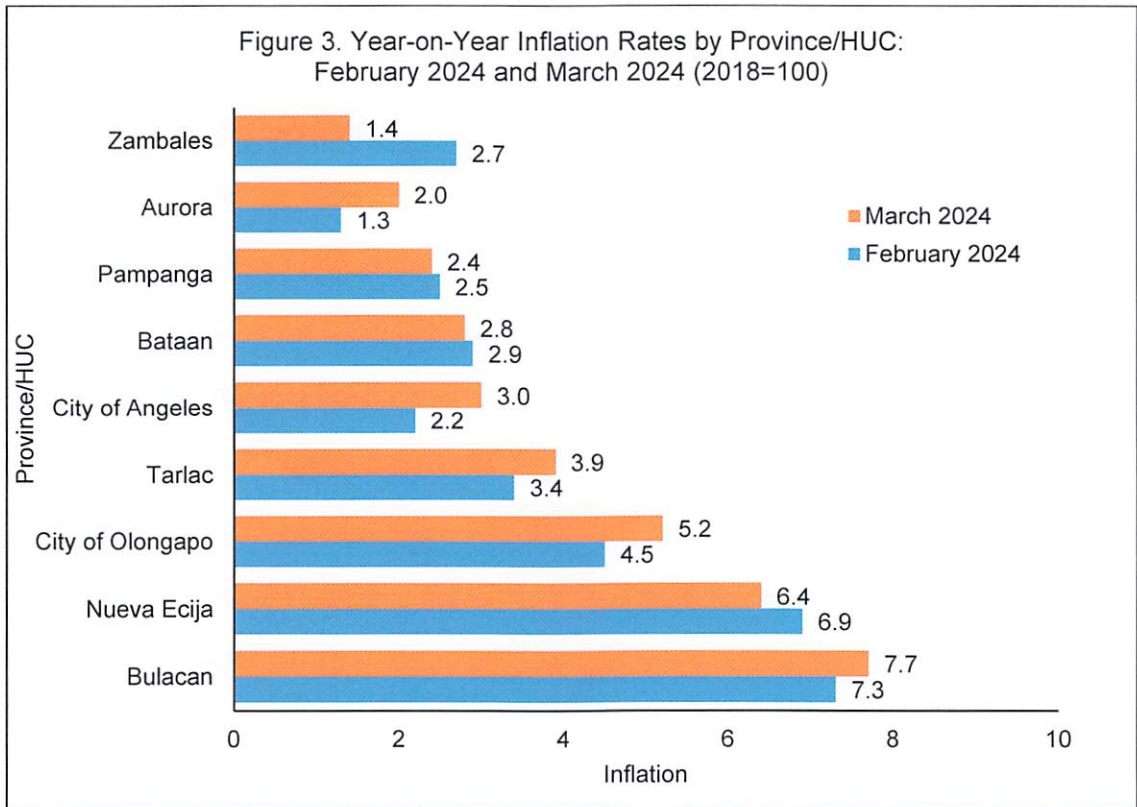
Commodity Group	March 2023	February 2024	March 2024
Food	9.3	6.2	6.5
Cereals and cereal products	6.6	20.6	19.1
Cereals	2.8	27.4	25.5
Rice	2.6	27.9	26.0
Corn	19.0	2.3	0.1
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	15.2	6.5	5.8
Meat and Other Parts of Slaughtered Land Animals	1.8	(0.6)	1.6
Fish and Other Seafood	7.2	4.0	1.5
Milk, Other Dairy Products, and Eggs	20.7	1.3	(0.5)
Oils and Fats	16.6	(7.7)	(7.2)
Fruits and Nuts	17.9	11.2	6.6
Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses	17.3	(5.1)	4.4
Sugar, Confectionery and Desserts	30.2	0.7	0.2
Ready-Made Food and Other Food Products N.E.C.	13.0	5.4	4.9

Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

An increase in the inflation rate was noted in Bulacan (7.7%), City of Olongapo (5.2%), Tarlac (3.9%), City of Angeles (3.0%), and Aurora (2.0%). On the other hand, the following provinces posted a decrease in their inflation rate:

- Nueva Ecija, 6.4 percent from 6.9 percent,
- Bataan, 2.8 percent from 2.9 percent,
- Pampanga, 2.4 percent from 2.5 percent, and
- Zambales, 1.4 percent from 2.7 percent. (Figure 3)

Among the provinces and HUCs of Central Luzon, Bulacan remained to have the highest inflation rate at 7.7 percent in March 2024, while Zambales recorded the lowest at 1.4 percent. (Figure 3).



Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

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Technical Notes

This Special Release presents the results of the Survey of Retail Prices of Commodities and Services for the Generation of Consumer Price Index (CPI) conducted in March 2024.

CPI

The CPI is an indicator of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households for their day-to-day consumption relative to a base year.

Uses of the CPI

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

The CPI is also used as a deflator to express value series in real terms, which is, measuring the change in actual volume of transaction by removing the effects of price changes. 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. The CPI also serves as inputs in wage adjustments through the collective bargaining agreements.

Components of the CPI

a. Base Period

This is a reference date or simply a convenient benchmark to which a continuous series of index numbers can be related. Since the CPI measures the average changes in the retail prices of a fixed basket of goods, it is necessary to compare the movement in previous years back to a reference date at which the index is taken as equal to 100.

The present series of CPI is rebased from base year 2012 to base year 2018.

b. Market Basket

Market basket refers to a sample of goods and services commonly purchased by the households.

The market basket for the CPI for All Income Households is updated using the results of the 2021 Survey of Key Informants (SKI). The survey, which was undertaken in March 2021, was conducted nationwide to store managers, sellers, or proprietors, in order to obtain information on the most commonly purchased goods and availed of services by the households.

The commodities included in the 2018-based CPI market basket are the modal commodities which were considered as the most commonly purchased/availed of commodities by the households.

The commodities in the 2018-based CPI market basket are grouped/classified according to the 2020 Philippine Classification of Individual Consumption According to Purpose (PCOICOP) which is based on the United Nations COICOP. Meanwhile, the commodities in the 2012-based CPI market basket used the 2009 PCOICOP version of classification of commodities.

Table 1 below presents the comparison of the commodity classification based on 2009 and 2020 PCOICOP which are adopted in the 2012-based and 2018-based CPI market baskets, respectively.

Table 1. Commodity Classification of the CPI Market Basket

2012-based CPI		2018-based CPI	
Code	Description	Code	Description
01	Food and non-alcoholic beverages	01	Food and non-alcoholic beverages
02	Alcoholic beverages and tobacco	02	Alcoholic beverages and tobacco
03	Clothing and footwear	03	Clothing and footwear
04	Housing, water, electricity, gas, and other fuels	04	Housing, water, electricity, gas, and other fuels
05	Furnishings, household equipment and routine household maintenance	05	Furnishings, household equipment and routine household maintenance
06	Health	06	Health
07	Transport	07	Transport
08	Communication	08	Information and Communication
09	Recreation and culture	09	Recreation, sport, and culture
10	Education	10	Education services
11	Restaurant and Miscellaneous Goods and Services	11	Restaurant and accommodation services
		12	Financial services
		13	Personal care, and miscellaneous goods and services
Note: In the 2012-based CPI, divisions 11 and 13 are combined as one division (Restaurant and Miscellaneous goods and services).			

c. Weighting System

The weights for the 2018-based CPI were derived from the expenditure data of the 2018 Family Income and Expenditure Survey (FIES). The weight for each commodity/group of commodities is the proportion of the expenditure of the expenditure of commodity/group of commodities to the total national expenditure. The sum of the weights of the commodity groups at the national level is equal to 100.

d. Geographic Coverage

CPI values are computed at the national, regional, and provincial levels, for selected cities. A separate CPI for NCR is also computed.

Inflation Rate

The inflation rate (IR) is the annual or monthly rate of change of the CPI in percent. It is interpreted in terms of declining purchasing power of money.