

# Special Release

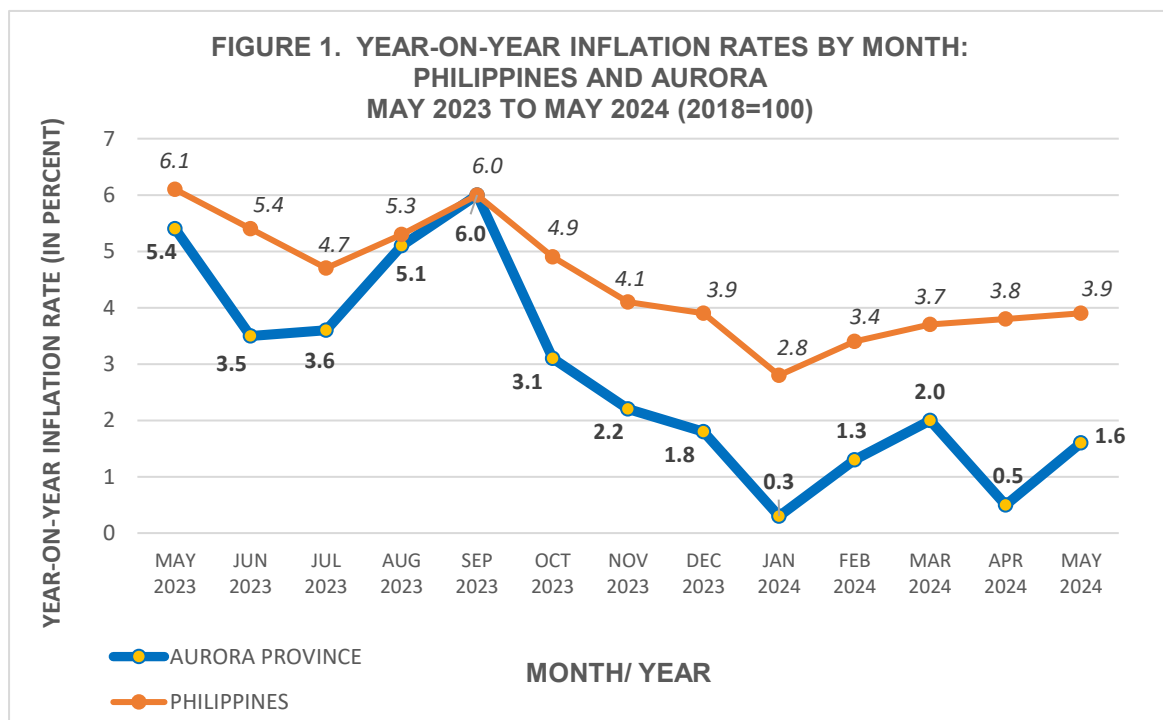
## Aurora's Inflation and Consumer Price Index (CPI) May 2024

Date of Release: 06 June 2024

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### Aurora's Inflation Increased to 1.6 Percent

Aurora's annual inflation hiked up to 1.6 percent in May 2024 which was 1.1 percent point higher from 0.5 percent in April 2024 and 3.8 percentage points lower from 5.4 percent in May 2023. (Refer to Figure 1)



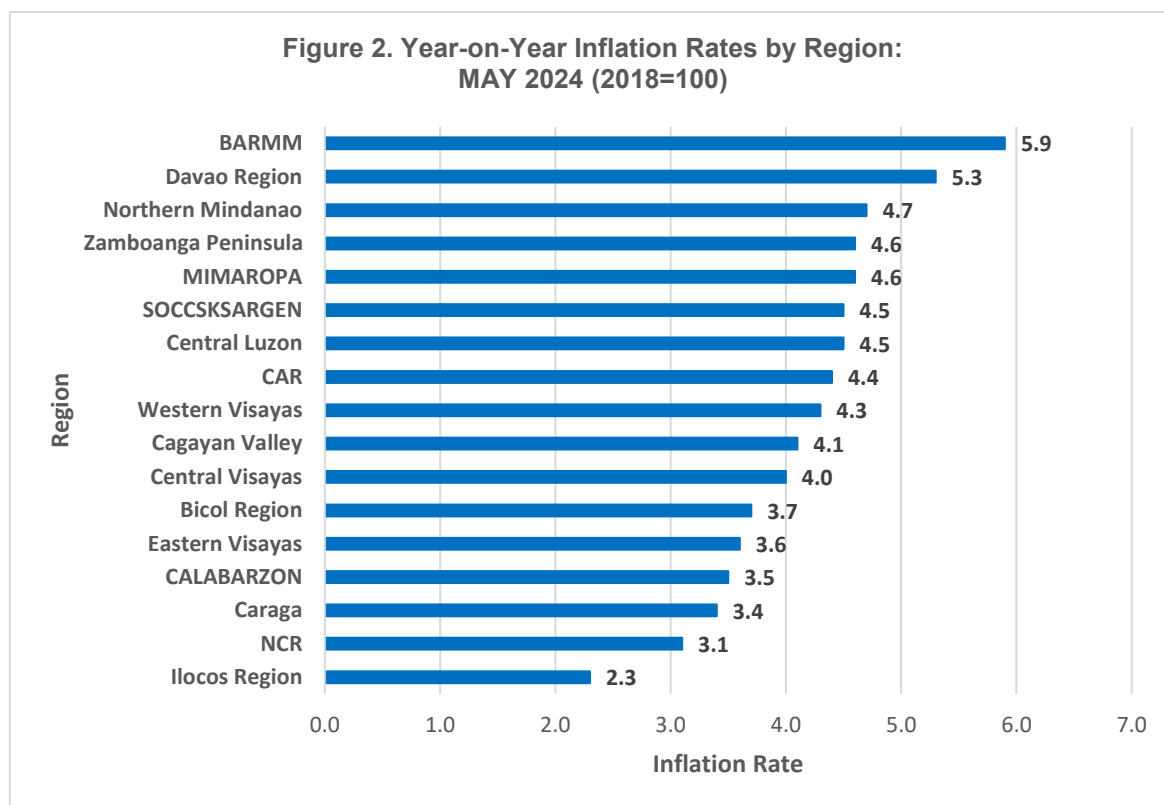
Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

Across regions, Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) has the highest inflation rate recorded at 5.9 percent in May 2024, followed by Davao Region at 5.3 percent. Meanwhile, Ilocos Region remained to have the lowest inflation rate at 2.3 percent.

The headline inflation in the country increased from 3.8 percent in April 2024 to 3.9 percent in May 2024.



Figure 2 presents the annual inflation rates of the different regions in the Philippines in May 2024.



In Aurora, the increase in inflation could be mainly attributed to the higher increment posted by the index of Housing, Water, Electricity, Gas, and Other Fuels at -8.1 percent from -19.2 percent in April 2024. This was followed by the index of Transport at 0.5 percent.

Listed below are the indices that recorded higher monthly increments:

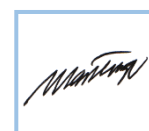
- Alcoholic Beverages and Tobacco (4.8%);
- Health (1.5%); and
- Information and Communication (0.0%).

On the other hand, lower monthly increments were recorded in the following indices:

- Food and Non-Alcoholic Beverages (5.0%);
- Clothing and Footwear (4.5%);
- Personal Care, and Miscellaneous Goods and Services (1.9%);
- Furnishings, Household Equipment and Routine Household Maintenance (0.0 %); and
- Recreation, Sport and Culture (6.8%).

Lastly, the following indices showed same rate from that of the previous month:

- Education Services (0.4%);
- Restaurants and Accommodation Services (2.6%); and
- Financial Services (0.0%). (Table 1)



**Table 1. Year-on-Year Inflation Rates by Commodity Group:  
Aurora (2018 = 100)  
(in percent)**

Commodity Group	May 2023	April 2024	May 2024
All Items	5.4	0.5	1.6
Food and Non-Alcoholic Beverages	6.5	6.7	5.0
Alcoholic Beverages and Tobacco	12.3	4.4	4.8
Clothing and Footwear	6.2	5.0	4.5
Housing, Water, Electricity, Gas, and Other Fuels	9.3	-19.2	-8.1
Furnishings, Household Equipment and Routine Household Maintenance	3.7	0.2	0.0
Health	4.5	1.3	1.5
Transport	-7.5	-1.1	-0.5
Information and Communication	0.7	-0.1	0.0
Recreation, Sport and Culture	9.8	7.0	6.8
Education Services	4.0	0.4	0.4
Restaurants and Accommodation Services	7.4	2.6	2.6
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	6.2	2.2	1.9

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

The annual growth rate in the provincial food index posted a decrease in rate at 1.8 percentage points from 6.9 percent in April 2024 to 5.1 percent in May 2024. This trend was attributed by the lower monthly increments of the index of Rice at 24.0 percent in May 2024 from 28.3 percent in April 2024. This was followed by the index of Cereals at 23.9 percent in May 2024. (Refer to Table 1.a)

Listed below are the following indices that recorded lower annual increments from April 2024 to May 2024:

- Fish and other seafood (-0.3%);
- Meat and other parts of slaughtered land animals (2.3%);
- Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals (5.0%);
- Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses (8.7%);
- Milk, Other Dairy Products, and Eggs (-6.7%);
- Ready-made Food and Other Food Products N.E.C (6.0%); and
- Oils and Fats (-9.0%).

Meanwhile, higher annual increment was noted only in the following indices:

- Fruits and Nuts (5.8%).
  - Corn (18.1%); and
  - Sugar, Confectionery and Desserts (-7.9%).
- (Refer to Table 1a)



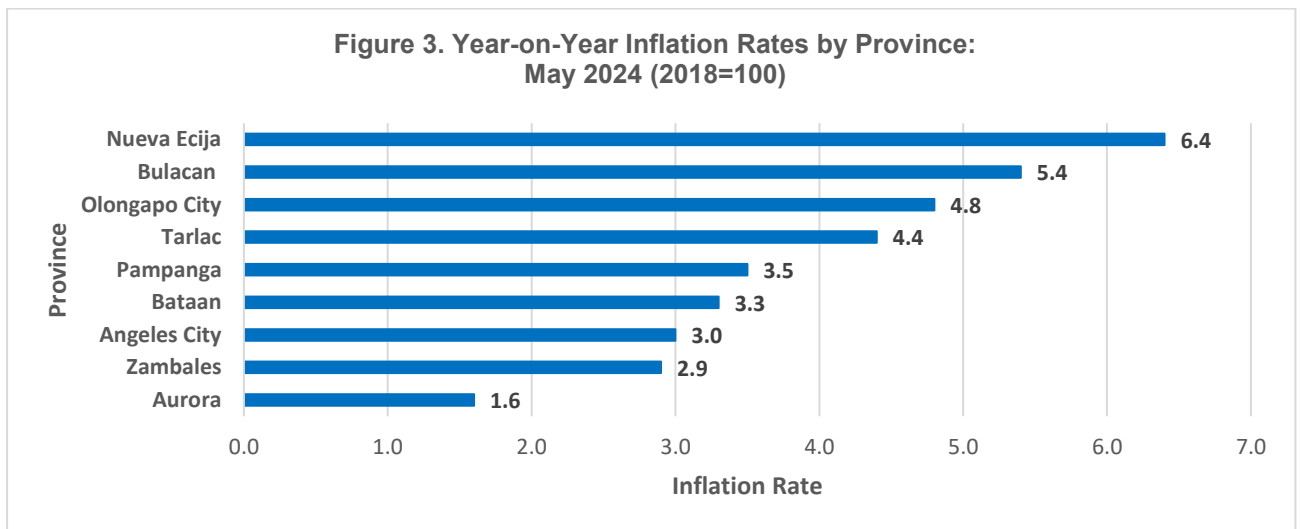
**Table 1a. Year-on-Year Changes in the Consumer Price Index, Food Group of Aurora (2018 = 100) in May 2024 (in percent)**

Food Group	May 2023	April 2024	May 2024
Food	6.5	6.9	5.1
Cereals	5.3	28.1	23.9
Rice	5.1	28.3	24.0
Corn	19.0	15.4	18.1
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	9.7	5.9	5.0
Meat and Other Parts of Slaughtered Land Animals	0.5	3.0	2.3
Fish and Other Seafood	4.9	3.3	-0.3
Milk, Other Dairy Products, and Eggs	21.5	-6.4	-6.7
Oils and Fats	14.9	-9.0	-9.1
Fruits and Nuts	12.7	1.3	5.8
Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses	1.1	9.6	8.7
Sugar, Confectionery and Desserts	28.7	-8.3	-7.9
Ready-Made Food and Other Food Products N.E.C.	6.6	6.4	6.0


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

Nueva Ecija recorded the highest inflation rate in the region at 6.4 percent followed by Bulacan at 5.4 percent. Olongapo City and Tarlac ranked 3<sup>rd</sup> and 4<sup>th</sup> at 4.8 percent and 4.4 percent, respectively. This was followed by Pampanga at 3.5 percent, Bataan at 3.3 percent, and Angeles City that remained at 3.0 percent.

Zambales recorded an inflation rate of 2.9 percent which is higher compared to 2.8 percent in April 2024. Aurora recorded the lowest inflation rate in the region at 1.6 percent. (Refer to 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 November 2023.

### 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.

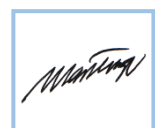


Table 1 below presents the comparison of the commodity classification based on 2009 and 2020 PCOICOP which are adopted in the 2012-based and 2018-based CPI market baskets, respectively.

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 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.

