

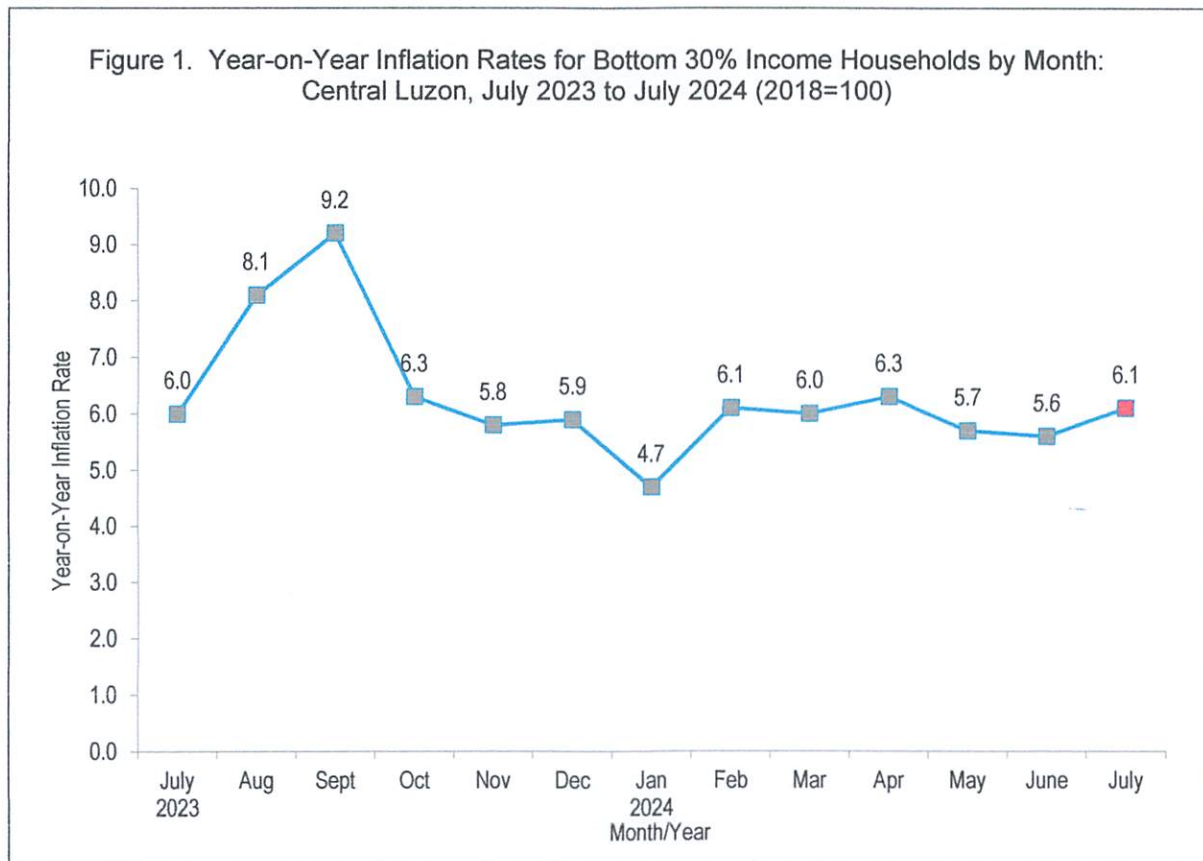
Special Release

Central Luzon's Consumer Price Index (CPI) for Bottom 30% Income Households July 2024

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Inflation Rate for Central Luzon's Bottom 30 Percent Income Households Accelerated to 6.1 Percent

Central Luzon's inflation rate for the bottom 30 percent income households accelerated to 6.1 percent in July 2024 from 5.6 percent in June 2024. This was a 0.5 percentage point higher than June 2024 and 0.1 percentage point higher than July 2023 inflation rate. (Figure 1)



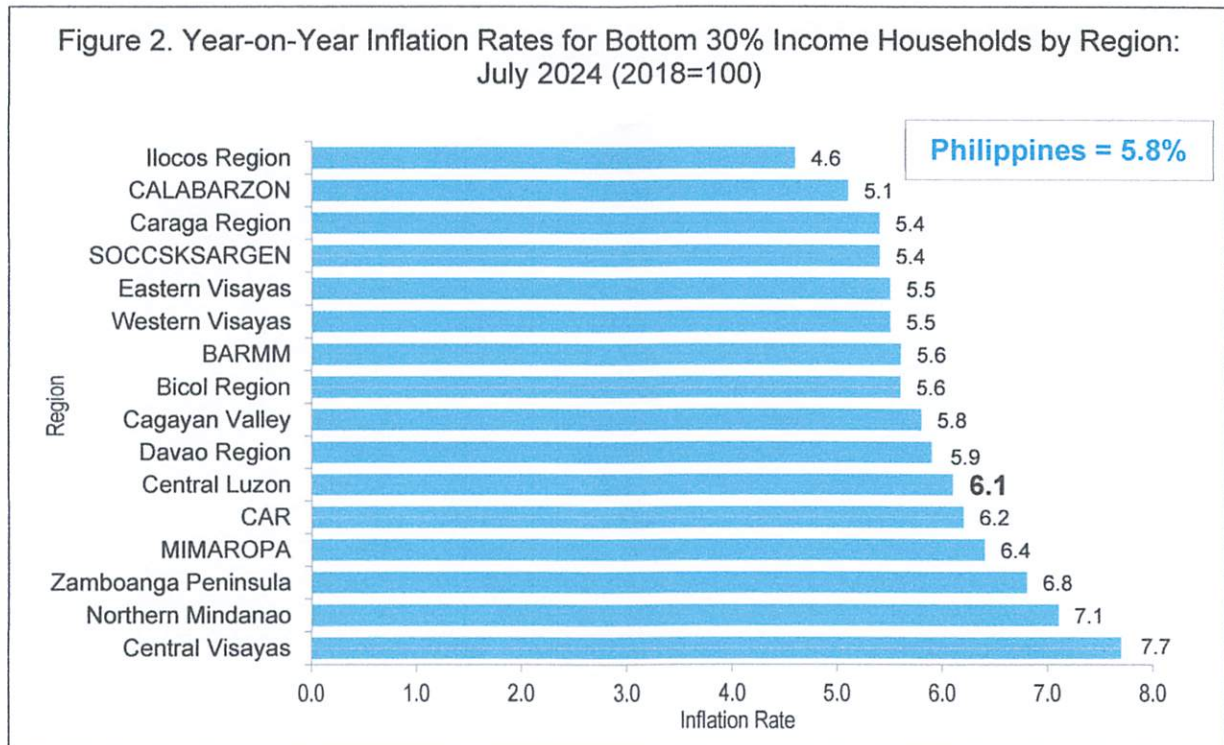
Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

Across regions, Central Luzon ranked sixth with the highest inflation rate for bottom 30 percent income households in July 2024. Central Visayas recorded the highest inflation rate at 7.7 percent, followed by Northern Mindanao and Zamboanga

Peninsula at 7.1 percent and 6.8 percent, respectively. Meanwhile, Ilocos Region registered the lowest inflation rate at 4.6 percent. (Figure 2)

Furthermore, the headline inflation for bottom 30 percent income households in the Philippines accelerated from 5.5 percent in June 2024 to 5.8 percent in July 2024.

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



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

The acceleration in inflation rate for bottom 30 percent income households in Central Luzon could be attributed to the faster increments in the indices of education services at 10.4 percent in July 2024 from 7.0 percent in June 2024, housing, water, electricity gas and other fuels at 7.6 percent in July 2024 from 3.7 percent in June 2024, and transport at 3.4 percent in July 2024 from 3.0 percent in June 2024.

On the other hand, slower annual increments were recorded in the following indices:

- alcoholic beverages and tobacco, 3.4 percent from 3.8 percent;
- clothing and footwear, 3.6 percent from 3.9 percent;
- furnishings, household equipment and routine household maintenance, 2.5 percent from 3.1 percent;
- health, 2.4 percent from 3.1 percent;
- information and communication, 0.3 percent from 0.4 percent;
- recreation, sport and culture, 6.2 percent from 7.2 percent; and
- restaurants and accommodation services, 4.9 percent from 5.3 percent.

Moreover, the indices of food and non-alcoholic beverages (7.5%), financial services (-0.1%), and personal care, and miscellaneous goods and services (3.9%) recorded the same inflation in July 2024 from June 2024. (Table 1)

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**Table 1 Year-on-Year Changes of the Inflation Rate
for Bottom 30% Income Households by Commodity Group
Central Luzon: July 2023, June and July 2024 (2018 = 100)**

Commodity Group	Jul-23	Jun-24	Jul-24
All Items	6.0	5.6	6.1
Food and Non-Alcoholic Beverages	7.8	7.5	7.5
Alcoholic Beverages and Tobacco	13.0	3.8	3.4
Clothing and Footwear	8.3	3.9	3.6
Housing, Water, Electricity, Gas and Other Fuels	-1.2	3.7	7.6
Furnishings, Household Equipment and Routine Household Maintenance	9.0	3.1	2.5
Health	6.5	3.1	2.4
Transport	-1.9	3.0	3.4
Information and Communication	1.2	0.4	0.3
Recreation, Sport and Culture	10.9	7.2	6.2
Education Services	1.5	7.0	10.4
Restaurants and Accommodation Services	8.2	5.3	4.9
Financial Services	0.0	-0.1	-0.1
Personal Care, and Miscellaneous Goods and Services	8.9	3.9	3.9

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

The annual growth rate in the regional food index recorded the same in June 2024 and July 2024 at 8.0 percent.

Meanwhile, faster increments were recorded in the food indices of corn at 14.1 percent in July 2024 from 3.9 percent in June 2024, fruits and nuts at 7.6 percent in July 2024 from 3.7 percent in June 2024, meat and other parts of slaughtered land animals at 6.0 percent in July 2024 from 3.6 percent in June 2024, and ready-made food and other food products n.e.c. at 5.9 percent in July 2024 from 5.5 percent in June 2024.

On the other hand, slower annual increments were recorded in the following:

- rice, 23.5 percent from 26.7 percent;
- flour, bread and other bakery products, pasta products, and other cereals, 3.3 percent from 4.0 percent; and
- vegetables, tubers, cooking bananas and pulses, 8.3 percent from 11.1 percent.

Moreover, slower deceleration were recorded in the food indices of fish and other seafood (-1.1% from -2.0%), milk, other dairy products, and eggs (-0.1% from -2.5%), and oils and fats (-5.8% from -6.2%).

Furthermore, faster deceleration was recorded in the food index of sugar, confectionery and desserts (-2.2% from -1.8%) (Table 2)

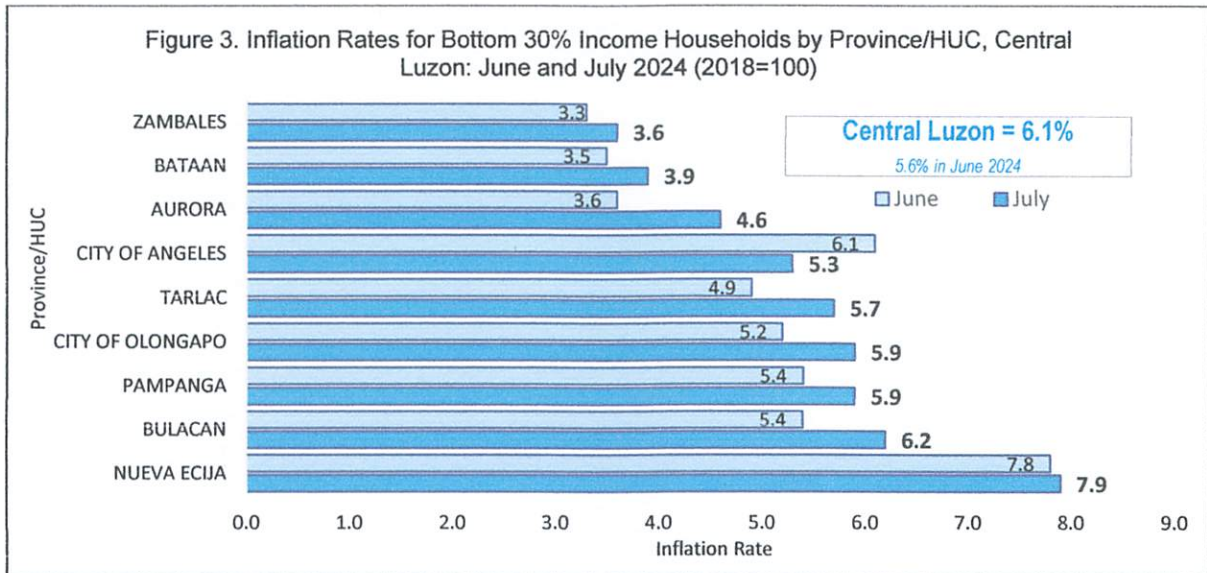
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Table 2 Year-on-Year Changes of the Inflation Rate
for Bottom 30% Income Households by Food Group
Central Luzon: July 2023, June and July 2024 (2018 = 100)

Commodity Group	Jul-23	Jun-24	Jul-24
FOOD	7.8	8.0	8.0
Cereals and Cereal Products	8.0	20.3	18.1
Cereals	6.4	26.4	23.4
Rice	6.4	26.7	23.5
Corn	7.5	3.9	14.1
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	12.9	4.0	3.3
Meat and Other Parts of Slaughtered Land Animals	-3.6	3.6	6.0
Fish and Other Seafood	6.2	-2.0	-1.1
Milk, Other Dairy Products, and Eggs	10.7	-2.5	-0.1
Oils and Fats	4.8	-6.2	-5.8
Fruits and Nuts	14.7	3.7	7.6
Vegetables, Tubers, Cooking Bananas and Pulses	29.2	11.1	8.3
Sugar, Confectionery and Desserts	19.7	-1.8	-2.2
Ready-Made Food and Other Food Products N.E.C.	9.6	5.5	5.9

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

Among the provinces and Highly Urbanized Cities (HUCs) in the region, Nueva Ecija registered the highest inflation rate for bottom 30 percent income households at 7.9 percent, followed by Bulacan at 6.2 percent, and Pampanga and City of Olongapo both at 5.9 percent. Meanwhile, Zambales had the lowest inflation rate for the bottom 30 percent income households at 3.6 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 July 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, 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 A 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 A. 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 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.