

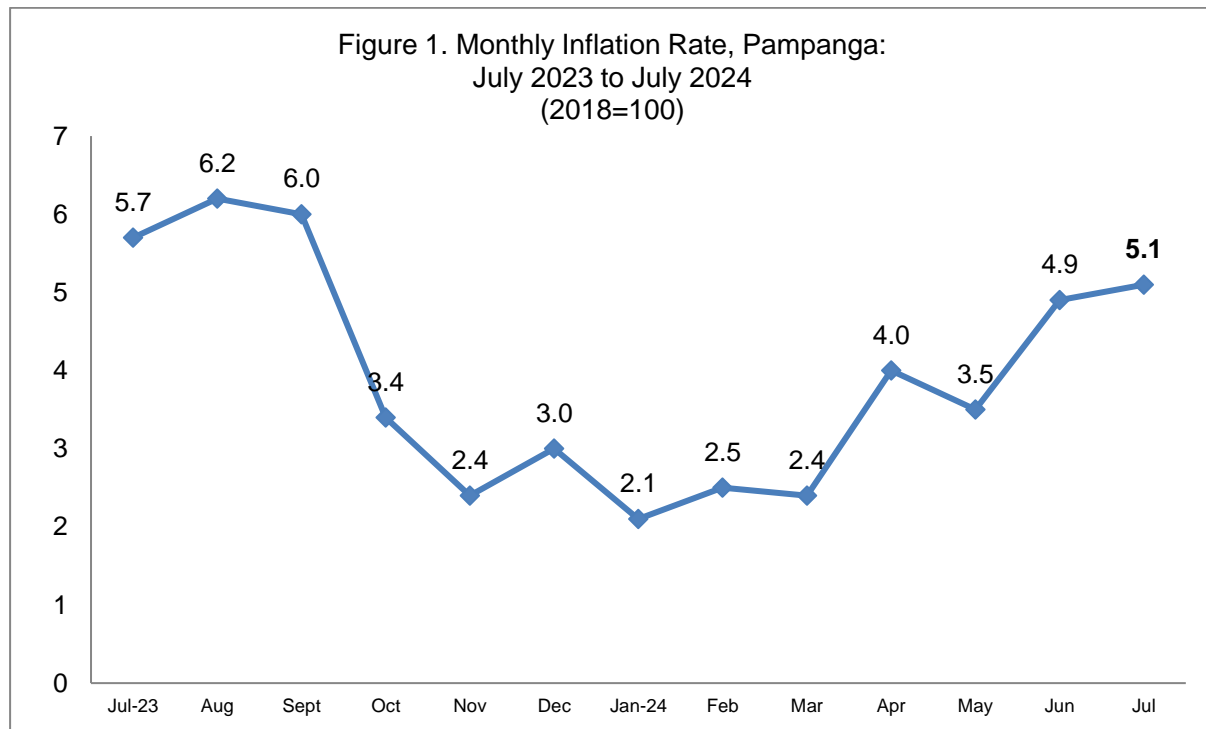
# SPECIAL RELEASE

## July 2024 Inflation Rate (IR), Consumer Price Index (CPI) and Purchasing Power of Peso (PPP) in Pampanga

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### The inflation rate in Pampanga went up to 5.1 percent

The inflation rate in Pampanga increased to 5.1 percent in July 2024, up from 4.9 percent in June 2024. July's inflation rate was 0.6 percentage points lower than the 5.7 percent recorded in July 2023 (Figure 1).



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

The uptrend of July 2024 inflation in Pampanga was mainly brought about by the higher weighted rate in the index of Food and Non-Alcoholic Beverages, which recorded a higher inflation rate of 5.1 percent from 4.7 percent in June 2024. Housing, Water, Electricity, Gas and other Fuels was the second top contributor with an inflation rate of -0.6 percent from -1.4 percent in June 2024. The third contributor in the uptrend of the July 2024 inflation was the index of Personal Care, and Miscellaneous Goods and Services, which recorded 4.6 percent inflation from 4.2 percent in June 2024.

In addition, higher inflation rates were observed in the following indices:

- Transport at 6.8 percent inflation from 6.6 percent inflation in June 2024;
- Clothing and Footwear at 3.8 percent inflation from 3.3 percent;

- Furnishings, Household Equipment and Routine Household Maintenance at 4.0 percent inflation from 3.5 percent; and
- Recreation, Sport and Culture at 3.6 percent inflation from 3.2 percent.

Meanwhile, lower inflation rates were observed on the following indices:

- Restaurants and Accommodation Services at 14.9 percent inflation from 15.0 percent inflation in June 2024;
- Health at 7.2 percent inflation from 7.4 percent;
- Alcoholic Beverages and Tobacco at 5.3 percent inflation from 5.9 percent; and
- Education Services at 3.6 percent inflation from 4.8 percent.

Lastly, the following indices retained their corresponding previous month's annual increments:

- Information and Communication at 0.2 percent; and
- Financial Services at 0.0 percent; (Table 1)

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

Commodity Group	July 2023	June 2024	July 2024
All Items	5.7	4.9	5.1
Food and Non-Alcoholic Beverages	5.6	4.7	5.1
Alcoholic Beverages and Tobacco	11.6	5.9	5.3
Clothing and Footwear	5.8	3.3	3.8
Housing, Water, Electricity, Gas, and Other Fuels	7.9	-1.4	-0.6
Furnishings, Household Equipment and Routine Household Maintenance	10.3	3.5	4.0
Health	3.5	7.4	7.2
Transport	-3.6	6.6	6.8
Information and Communication	0.2	0.2	0.2
Recreation, Sport and Culture	7.0	3.2	3.6
Education Services	8.0	4.8	3.6
Restaurants and Accommodation Services	6.7	15.0	14.9
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	7.7	4.2	4.6

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

### Monthly Inflation Rate in Pampanga from January 2021 to July 2024

Since January 2021, the months of November 2022, January 2023 and March 2023 were the months with the highest recorded inflation of Pampanga at 10.2 percent. On the other hand, the month of January 2024 was the month with the lowest recorded inflation rate of Pampanga at 2.1 percent since January 2021. (Table 2)

Table 2. Monthly Inflation Rate in Pampanga;  
All Items from January 2021 to July 2024  
(2018 = 100)

	YEAR			
	2021	2022	2023	2024
January	5.2	2.9	<b>10.2</b>	<b>2.1</b>
February	4.7	3.8	9.8	2.5
March	4.4	4.7	<b>10.2</b>	2.4
April	4.7	5.9	8.9	4.0
May	4.9	6.2	8.3	3.5
June	4.0	7.6	6.7	4.9
July	4.2	8.2	5.7	<b>5.1</b>
August	6.5	7.0	6.2	
September	6.7	7.5	6.0	
October	6.2	9.3	3.4	
November	4.9	<b>10.2</b>	2.4	
December	3.4	10.0	3.0	

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

## Consumer Price Index

The Consumer Price Index (CPI) of all items in Pampanga as of July 2024 was posted at 132.90 percent. This means that one needs 132.90 pesos to same set of goods and services that were worth 100.00 pesos in 2018. July 2024 CPI was higher 6.5 pesos than the posted at 126.4 in July 2023. (Table 3).

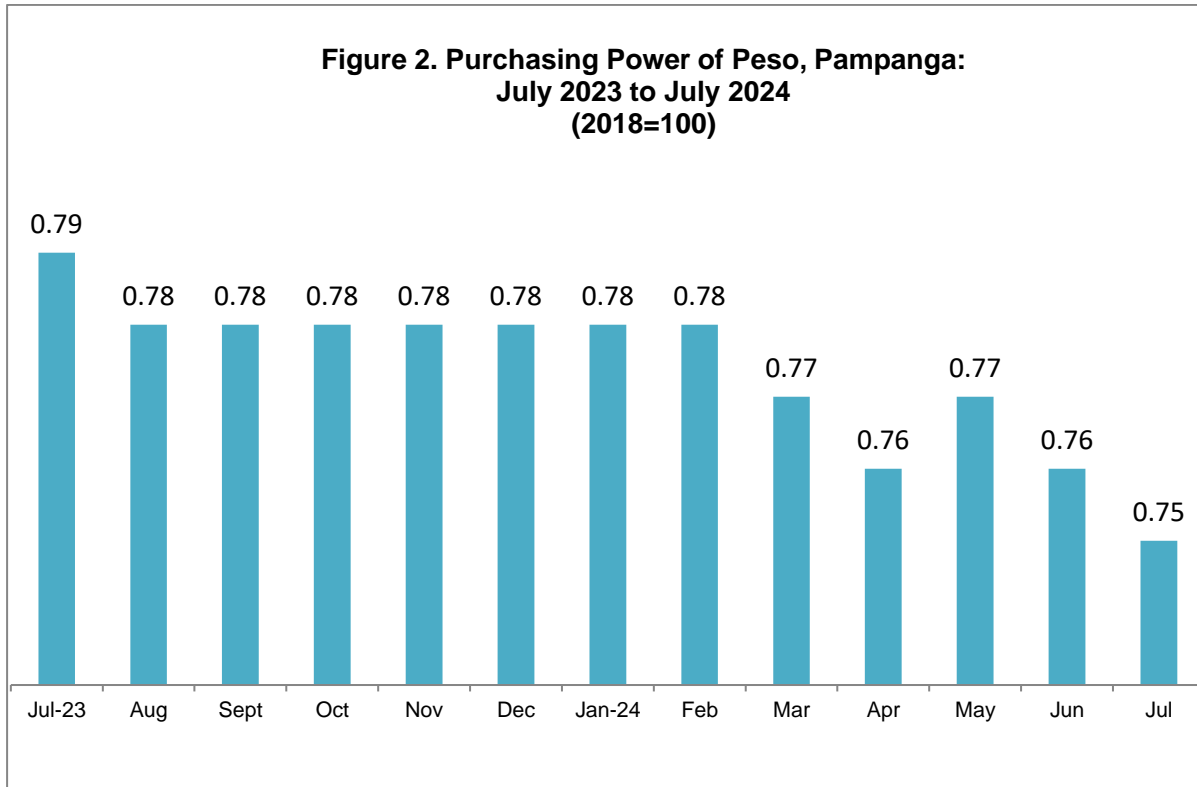
Table 3. Monthly Consumer Price Index for All Households:  
Pampanga (2018 = 100)  
by Commodity Group

Commodity Group	July 2023	June 2024	July 2024
All Items	<b>126.4</b>	<b>131.8</b>	<b>132.9</b>
Food and Non-Alcoholic Beverages	127.2	131.7	133.7
Alcoholic Beverages and Tobacco	190.3	200.5	200.4
Clothing and Footwear	114.3	118.1	118.6
Housing, Water, Electricity, Gas, and Other Fuels	124.6	123.3	123.8
Furnishings, Household Equipment and Routine Household Maintenance	118.6	122.7	123.4
Health	122.9	132.1	131.8
Transport	131.3	139.3	140.2
Information and Communication	102.0	102.2	102.2
Recreation, Sport and Culture	114.3	118.0	118.4
Education Services	117.2	121.2	121.4
Restaurants and Accommodation Services	121.8	139.2	139.9
Financial Services	146.0	146.0	146.0
Personal Care, and Miscellaneous Goods and Services	120.6	125.3	126.2

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

## Purchasing Power of Peso

Purchasing Power of Peso (PPP) in Pampanga is 0.75 in July 2024. July 2024 PPP was lower by 0.04 than the 0.79 in July 2023. PPP implies that 1.00 peso in 2018 (based year) is now worth 75 centavos in July 2024. (Figure 2)



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

Approved for Release:



**MARIA VIRGINIA R. OLVEÑA**  
Chief Statistical Specialist  
PSA Pampanga



## 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 July 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.

**Purchasing Power of Peso (PPP)** - a measure of the volume of goods and services which the currency can buy at any given period relative to that which it could purchase during the base year. It is computed as the reciprocal of the CPI for the period under review multiplied by 100.