

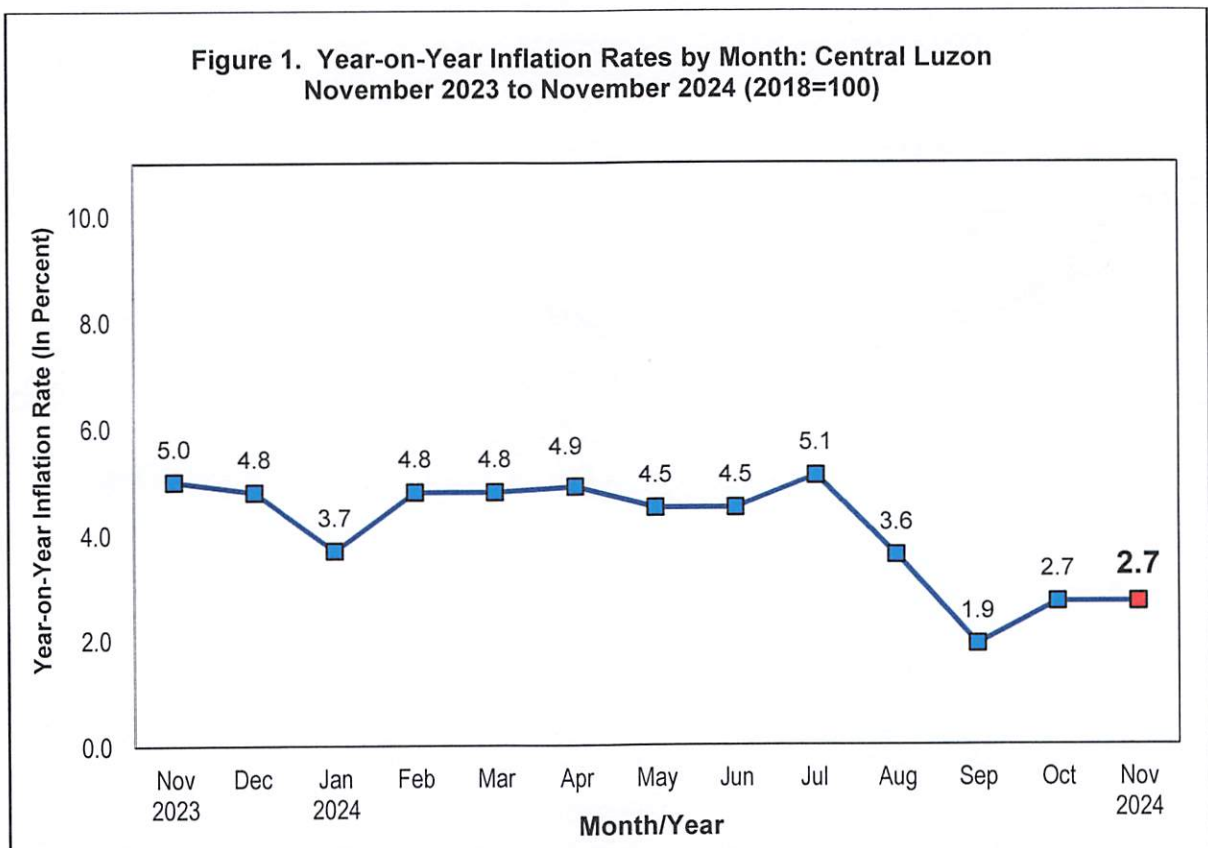
SPECIAL RELEASE

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

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Central Luzon's Inflation Remained at 2.7 Percent

The annual inflation rate of Central Luzon remained steady at 2.7 percent in November 2024. This results to the region's average inflation rate of 3.9 percent from January to November 2024. Meanwhile, inflation was higher in November 2023 at 5.0 percent. (Figure 1)



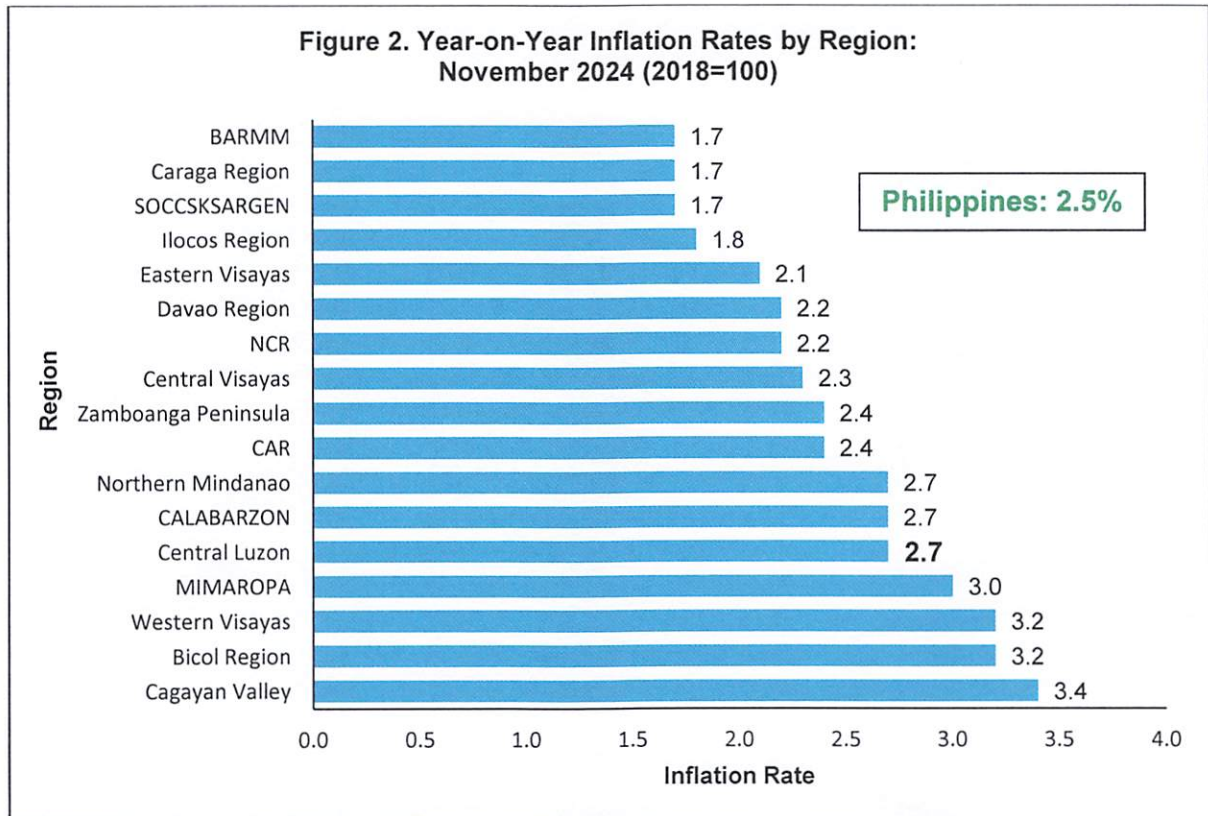
Source: Survey of Retail Prices of Commodities for the Generation of CPI, PSA

Among the 17 regions, Cagayan Valley recorded the highest inflation rate in November 2024 at 3.4 percent. Bicol Region and Western Visayas followed with an inflation rate of 3.2 percent. Central Luzon ranked fifth highest, alongside CALABARZON and Northern Mindanao, with an inflation rate of 2.7 percent each. In contrast, SOCCSKSARGEN, Caraga Region, and the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) recorded the lowest inflation rates, each at 1.7 percent. (Figure 2)

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Meanwhile, the country's inflation rate increased to 2.5 percent in November 2024 from 2.3 percent in October 2024.

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



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

The top three commodity groups contributing to the Central Luzon's overall inflation rate in November 2024 were the following:

- Food and non-alcoholic beverages, 2.8 percent inflation with 37.4 percent share or 1.0 percentage point;
- Restaurants and accommodation services, 6.9 percent inflation with 27.0 percent share or 0.7 percentage point; and
- Housing, water, electricity, gas and other fuels, 2.7 percent inflation with 19.6 percent share or 0.5 percentage point.

Furthermore, higher annual increment was observed in the index of alcoholic beverages and tobacco at 3.3 percent from 2.8 percent and personal care and miscellaneous goods at 3.5 percent from 3.4 percent. Transport recorded slower annual decline of 1.3 percent in November 2024 from 1.8 percent annual decrease in the previous month.

In contrast, lower annual increment was observed in following commodity groups:

- Clothing and footwear, 2.2 percent from 2.4 percent;
- Furnishings, household equipment and routine household maintenance, 2.4 percent from 2.6 percent;
- Health, 2.7 percent from 2.9 percent;
- Information and communication, 0.5 percent from 0.7 percent; and
- Recreation, sport and culture, 3.0 percent from 3.1 percent.

Meanwhile, the indices of education services at financial services retained their respective previous month's inflation rate in November 2024 at 2.2 percent and -0.3 percent, respectively. (Table 1)

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

Commodity Group	November 2023	October 2024	November 2024
All Items	5.0	2.7	2.7
Food and Non-Alcoholic Beverages	5.5	2.4	2.8
Alcoholic Beverages and Tobacco	11.1	2.8	3.3
Clothing and Footwear	7.4	2.4	2.2
Housing, Water, Electricity, Gas, and Other Fuels	3.6	3.4	2.7
Furnishings, Household Equipment and Routine Household Maintenance	6.6	2.6	2.4
Health	6.7	2.9	2.7
Transport	-0.8	-1.8	-1.3
Information and Communication	0.8	0.7	0.5
Recreation, Sport, and Culture	8.5	3.1	3.0
Education Services	6.3	2.2	2.2
Restaurants and Accommodation Services	7.5	6.7	6.9
Financial Services	0.0	-0.3	-0.3
Personal Care, and Miscellaneous Goods and Services	8.5	3.4	3.5

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

Food inflation in Central Luzon also moved at a faster pace from 2.6 percent in October 2024 to 3.0 percent in November 2024. In November 2023, food inflation was significantly higher at 5.3 percent.

The top three food groups in terms of contribution to the food inflation in November 2024 were the following:

- Vegetables, tubers, plantains, cooking bananas, and pulses at 10.3 percent from an annual decline of 7.9 percent in the previous month;
- Meat and other parts of slaughtered land animals, 3.7 percent from from 3.1 percent; and
- Cereals and cereal products, 1.7 percent from 6.5 percent.

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

Commodity Group	November 2023	October 2024	November 2024
Food	5.3	2.6	3.0
Cereals and cereal products	15.0	6.5	1.7
Cereals	17.0	8.4	1.4
Rice	17.3	8.2	1.2
Corn	0.5	15.7	17.4
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	10.8	2.5	2.3
Meat and Other Parts of Slaughtered Land Animals	-3.0	3.1	3.7
Fish and Other Seafood	5.2	-0.4	0.9
Milk, Other Dairy Products, and Eggs	8.0	3.4	2.0
Oils and Fats	-2.1	-0.1	0.7
Fruits and Nuts	19.3	11.0	5.4
Vegetables, Tubers, Plantains, Cooking Bananas, and Pulses	-8.5	-7.9	10.3
Sugar, Confectionery and Desserts	5.5	-1.9	-1.8
Ready-Made Food and Other Food Products N.E.C.	7.6	4.4	4.1

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

Moreover, the following food indices posted higher inflation rates in November 2024:

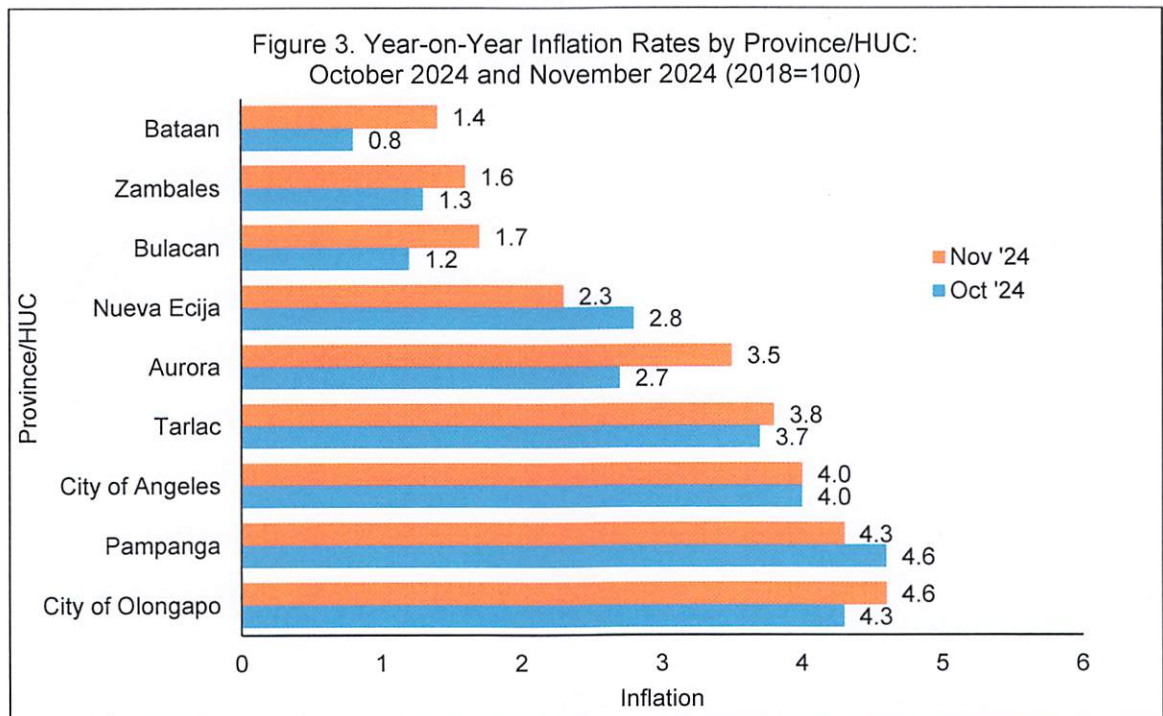
- Fish and other seafood, 0.9 percent from -0.4 percent; and
- Oils and fats, 0.7 percent from -0.1 percent.

Slower annual decline was observed in sugar, confectionery and desserts index at 1.8 percent in November 2024 from a 1.9 percent annual decrease in the previous month.

On the other hand, slower annual hikes were noted in the index of fruits and nuts (5.4% from 11.0%), ready-made food and other food products n.e.c. (4.1% from 4.4%), and milk, other dairy products and eggs (2.0% from 3.4%). (Table 1a)

Compared to October 2024 inflation rates, five provinces in Central Luzon and the City of Olongapo reported higher inflation in November 2024. Meanwhile, Pampanga and Nueva Ecija reported lower inflation rates in November 2024. The City of Angeles maintained its previous month's inflation rate of 4.0 percent.

Among all provinces and HUCs in Central Luzon, the City of Olongapo exhibited the highest inflation at 4.6 percent in November 2024, followed by Pampanga at 4.3 percent and the City of Angeles at 4.0 percent. On the other hand, Bataan recorded the lowest inflation 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 November 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 April 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.