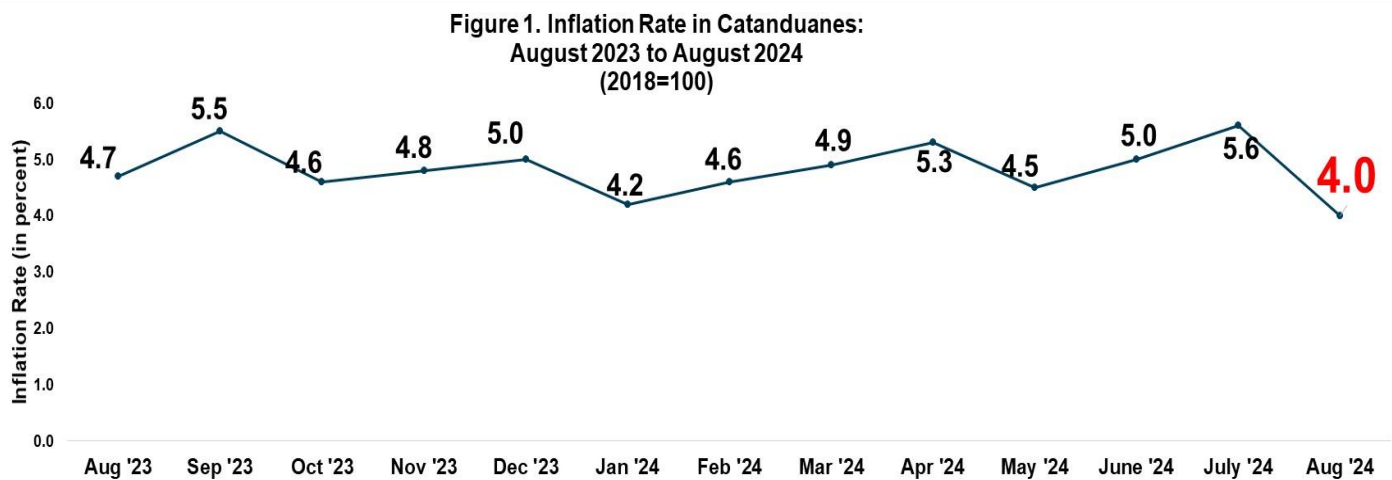


SPECIAL RELEASE

CONSUMER PRICE INDEX FOR ALL INCOME HOUSEHOLDS IN CATANDUANES AUGUST 2024 (2018=100)

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Headline Inflation

The province's headline inflation or overall inflation decelerated to 4.0 percent in August 2024 from 5.6 percent in July 2024. This brings the provincial average inflation from January to August 2024 to 4.8 percent. In August 2023, inflation rate was higher at 4.7 percent.

Table 1. Year on Year Inflation Rates, All Items: Catanduanes
In Percent
(2018=100)

August 2023	July 2024	August 2024	Year-to-Date*
4.7	5.6	4.0	4.8

Source: Philippine Statistics Authority, Retail Price Survey of Commodities for the Generation of Consumer Price Index

*Year-on-year change of CPI for January to August 2024 vs. 2023

Main Drivers to the Downward Trend of the Headline Inflation

The downtrend in the overall inflation in August 2024 was primarily influenced by the decrease in the index of Food and Non-alcoholic Beverages at 5.4 percent during the month from 7.9 percent in July 2024. Also contributing to the uptrend were the slower annual increases in the indices of Transport with 1.9 percent in August 2024 from 4.9 percent in July 2024, and Housing, Water, Electricity, Gas and Other Fuels with 0.4 percent in August 2024 from 1.2 percent inflation in the previous month.

Moreover, lower inflation rates during the month were also noted in the indices of the following commodity groups during the month:

- a. Furnishings, Household Equipment and Routine Household Maintenance, 4.1 percent from 4.7 percent;
- b. Information and Communication, 0.1 percent from 0.2 percent;
- c. Education Services, 0.3 percent from 1.0 percent;
- d. Restaurant and Accommodation Services, 3.3 percent from 4.9 percent; and
- e. Personal Care, and Miscellaneous Goods and Services, 6.5 percent from 6.6 percent.

In contrast, the following commodity groups registered higher inflation rates during the month:

- a. Clothing and Footwear, 7.9 percent from 6.2 percent; and
- b. Recreation, Sport and Culture, 5.4 percent from 4.1 percent.

The indices of the rest of the commodity groups retained their respective previous month's annual rates. (Table 3)

Main Contributors to the Headline Inflation

The top three commodity groups contributing to the August 2024 overall inflation were the following:

- a. Food and non-alcoholic beverages with 63.0 percent share or 5.4 percentage points;
- b. Personal Care, and Miscellaneous Goods and Services with 7.6 percent share or 6.5 percentage point; and
- c. Clothing and Footwear with 7.1 percent share or 7.9 percentage point

Food Inflation

Food inflation at the provincial level decrease to 5.7 percent in August 2024 from 8.4 percent in July 2024. In August 2023, food inflation was higher at 7.6 percent.

Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in August 2024 was mainly brought about by the year-on-year decrease in Rice index at 16.6 percent in August 2024 from 31.3 percent in the previous month. The index of Ready-Made Food and Other Food Products Not Elsewhere Classified also contributed to the downtrend with an inflation rate of 6.2 percent during the month from 6.3 percent in July 2024.



Meanwhile, faster annual increase was noted in the indices of the following:

- a. Meat and Other Parts of Slaughtered Land Animals at 7.1 percent from 5.1 percent;
- b. Milk, Other Dairy products and Eggs at 9.2 percent in August 2024 from 7.3 percent;
- c. Fruits and Nuts at 3.6 percent from 0.9 percent; and
- d. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals at 0.9 percent from 0.1 percent.

A decline in the index of Fish and Other Seafood was noted at -0.9 percent in August 2024 from 0.5 in July 2024

On the contrary, a slower annual decline were observed in the indices of the following food groups:

- a. Corn, -28.6 percent from -33.3 percent;
- b. Oils and Fats, -0.8 percent from -2.3 percent.

A faster annual decrease in August 2024 were observed in the indices of vegetables, tubers, plantains, cooking bananas and pulses with -2.7 percent during the month from -1.4 percent in previous month, and sugar, confectionary and desserts with -7.8 percent during the month from -6.2 percent from the previous month

Main contributors to the Food Inflation

Food inflation shared 61.9 percent or 2.5 percentage points to the overall inflation in August 2024.

The top three food groups in terms of contribution to the food inflation during the month were the following:

- a. Cereals and cereal products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals, with a share of 43.7 percent or 1.8 percentage points;
- b. Meat and other parts of slaughtered land animals with a share of 12.4 percent or 0.5 percentage point; and
- c. Milk, other dairy products and eggs with a share of 7.3 percent or 0.3 percentage point.



**Table 2. Consumer Price Index for All Income Households in Catanduanes
August 2023 and August 2024 (2018=100)**

Commodity Groups	August 2023	August 2024	Year-on-Year Change (%)
ALL ITEMS	126.7	131.8	4.0
Food and Non-Alcoholic Beverages	121.5	128.1	5.4
Alcoholic Beverages, Tobacco	203.7	211.2	3.7
NON-FOOD	127.3	130.9	2.8
Clothing and Footwear	133.5	144.1	7.9
Housing, Water, Electricity, Gas and Other Fuels	110.1	110.5	0.4
Furnishings, Household Equipment and Routine Household Maintenance	123.0	128.0	4.1
Health	115.7	122.4	5.8
Transport	160.4	163.4	1.9
Information and Communication	108.7	108.8	0.1
Recreation, Sport and Culture	124.0	130.7	5.4
Education Services	124.9	125.3	0.3
Restaurants and Accommodation Services	159.0	164.3	3.3
Financial Services	163.6	163.6	0.0
Personal Care, and Miscellaneous Goods and Services	123.0	131.0	6.5

**Table 3. Inflation Rate for All Income Households in Catanduanes
August 2023, July 2024 and August 2024 (2018=100)**

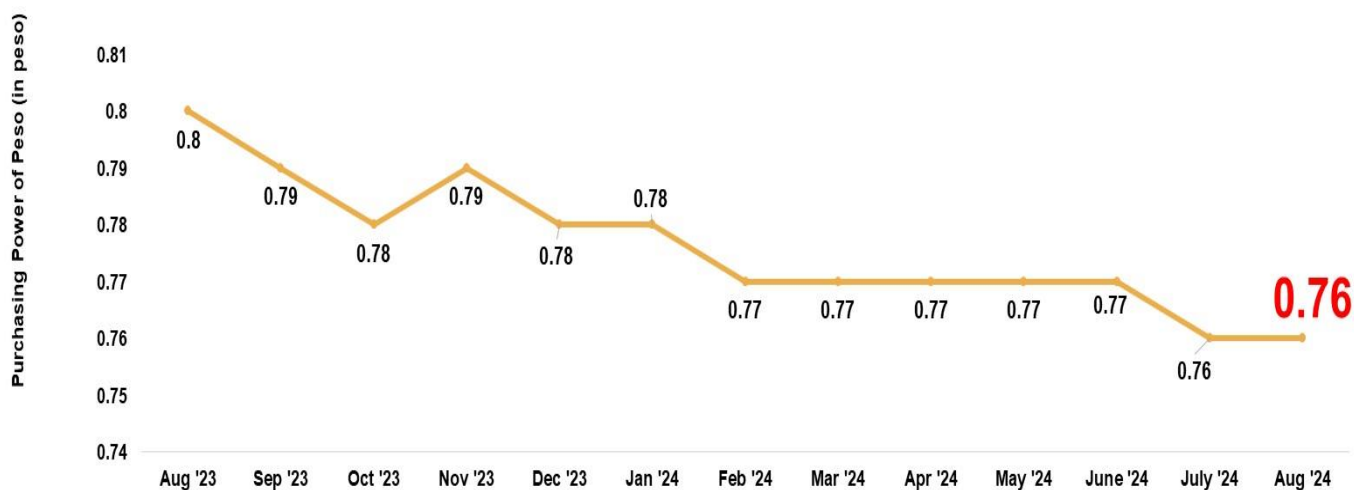
Commodity Groups	August 2023	July 2024	August 2024
ALL ITEMS	4.7	5.6	4.0
Food and Non-Alcoholic Beverages	7.4	7.9	5.4
Alcoholic Beverages, Tobacco	11.1	3.7	3.7
NON-FOOD	1.8	3.8	2.8
Clothing and Footwear	7.2	6.5	7.9
Housing, Water, Electricity, Gas and Other Fuels	0.4	1.2	0.4
Furnishings, Household Equipment and Routine Household Maintenance	5.0	4.7	4.1
Health	0.8	5.8	5.8
Transport	-2.2	4.9	1.9
Information and Communication	0.3	0.2	0.1
Recreation, Sport and Culture	5.4	4.1	5.4
Education Services	1.0	1.0	0.3
Restaurants and Accommodation Services	4.5	0.9	3.3
Financial Services	0.0	0.0	0.0
Personal Care, and Miscellaneous Goods and Services	5.4	6.6	6.5

Table 4. Consumer Price Index by Subgroup, Month-on-Month and Year-on-Year Percent Changes in Catanduanes (2018=100)

Commodity Group	CPI			Inflation Rates	
	Aug 2023	Jul 2024	Aug 2024	Month-on-Month	Year-on-Year
ALL ITEMS	126.7	131.6	131.8	0.2	4.0
I. FOOD AND NON-ALCOHOLIC BEVERAGES	121.5	127.7	128.1	0.3	5.4
* Food	121.5	128.0	128.4	0.3	5.7
Cereals and Cereal Products	111.4	126.8	124.4	-1.9	11.7
Cereals	105.3	126.4	122.7	-3.0	16.5
Rice	105.2	126.5	122.7	-3.0	16.6
Corn	151.2	100.9	108.0	7.1	-28.6
Flour, Bread and Other Bakery Products, Pasta Products	127.7	127.9	128.9	0.8	0.9
Meat and Other Parts of Slaughtered Land Animals	119.1	126.7	127.5	0.6	7.1
Fish and Other Seafood	129.8	126.6	128.6	1.6	-0.9
Milk, Other Dairy Products, and Eggs	125.4	136.2	136.9	0.5	9.2
Oils and Fats	122.1	121.1	121.1	0.0	-0.8
Fruits and Nuts	109.0	113.9	112.9	-0.9	3.6
Vegetables, Tubers, Cooking Bananas and Pulses	147.5	131.5	143.5	9.1	-2.7
Sugar, Confectionery and Desserts	157.2	147.2	144.9	-1.6	-7.8
Ready-Made Food and Other Food Products N.E.C.	125.2	132.0	133.0	0.8	6.2
* Non-alcoholic Beverages	122.2	124.2	123.9	-0.2	1.4

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index, Philippine Statistics Authority

Figure 1. Purchasing Power of Peso in Catanduanes: August 2023 to August 2024 (2018=100)



CONCEPTS AND DEFINITIONS

CONSUMER PRICE INDEX (CPI) is an indicator of the change in the average retail prices of a fixed basket goods and services commonly bought by a specific group of consumers for their day-to-day consumption in a given area in a given period of time. It is most widely used in the calculation of the inflation rate and purchasing power of the peso.

The CPI is computed using the weighted arithmetic mean of price relatives, a variant of Laspeyres formula with fixed base year period weights.



- a. **Base Period.** This is a reference date or a benchmark to which a continuous series of index numbers can be related. Since the CPI measure the average changes in the retail prices of a fixed basket of goods, it is necessary to compare movement in prices in the current year to movements in previous years back to a reference data at which the index is taken as equal to 100. The present series uses 2018 as the base year.
- b. **Market Basket.** This is a sample of all the goods purchased for consumption and services availed of by households in the province. This was selected to represent the composite price behavior of all goods and services purchased by consumers.
- c. **Weighting System.** This is a system that considers the relevance of the components of the index. For CPI, the weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditure. The weight of a commodity or group of commodities was based on the magnitude of its contribution to the index.

BASE PERIOD - reference date at which the index is equal to 100. Base year is 2018.



INFLATION RATE - The inflation rate is the annual rate of change or the year-on-year change of the CPI expressed in percent. It is interpreted in terms of declining purchasing power of money.

If you pay Php23.00 for a can of sardines in August 2023 and if the average prices went up by 4.0% after a year's time, you will need Php 23.92 to pay the same type of sardines in August 2024.



PURCHASING POWER OF THE PESO (PPP)

The purchasing power of the peso shows how much the peso in the base period is worth in the current period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100.

A peso in August 2018 worth's only 76 centavos in August 2024.

Collection of price quotations for the market basket

For Catanduanes, two price quotations for the market basket are collected from the sample outlets (establishments) at the capital, Virac, while four other price quotations are collected from the sample outlets in the municipalities outside Virac during the first five days of the month. However, only two price quotations are collected from Virac during the middle of each month.

For petroleum products, two price quotations for each commodity are collected in Virac every Friday, while four other price quotations for each commodity are collected from the municipalities outside Virac during the first five days of the month.

The arithmetic average of these price quotations is used in the computation of the index.

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CONSUMER PRICE INDEX (CPI) for August 2024 is 131.8. This means that for an average Filipino household to afford same basket of goods and services in August 2018 purchased @ Php 100.00 needs an additional Php 31.80 in August 2024.



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