



SPECIAL RELEASE

Summary Inflation Report in the City of Cebu Consumer Price Index (2018=100) July 2024

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Starting February 2022, the Philippine Statistics Authority (PSA) released the rebased Consumer Price Index (CPI) for all income households to base year 2018, from base year 2012 as announced in the press release number 2022-01 dated 04 January 2022. The CPI series for all income households for January 2022 onwards will be 2018-based.

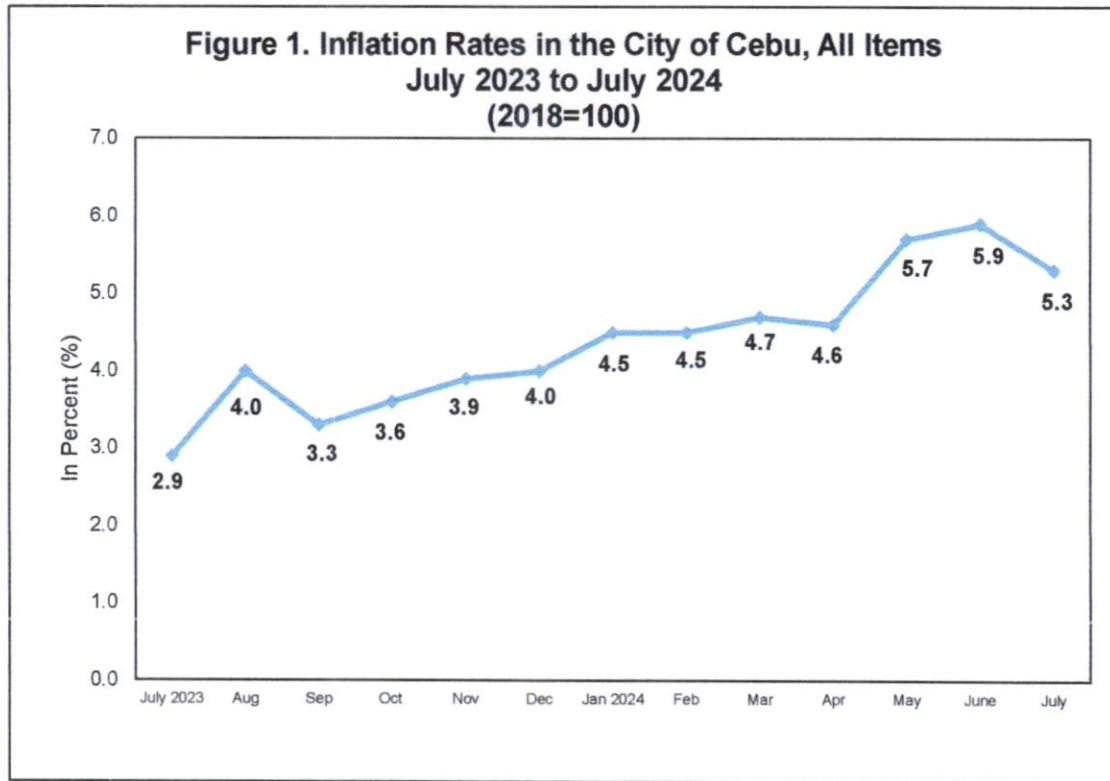
**Table A. Year-on-Year Inflation Rates, All Items
 In Percent
 (2018=100)**

| Area | July | June | July | Year-to-date* |
|------------------------|------|------|------|---------------|
| | 2023 | 2024 | 2024 | |
| Philippines | 4.7 | 3.7 | 4.4 | 3.7 |
| Central Visayas | 4.1 | 4.8 | 4.5 | 3.6 |
| City of Cebu | 2.9 | 5.9 | 5.3 | 5.0 |

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 July 2024 vs. 2023





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

A. The Philippines

The Philippines' headline inflation or overall inflation increased to 4.4 percent in July 2024 from 3.7 percent in June 2024. This brings the national average inflation from January to July 2024 at 3.7 percent. In July 2023, inflation rate was higher at 4.7 percent. (Table A)

B. Central Visayas

1. Regional Inflation

Inflation in Central Visayas decreased to 4.5 percent in July 2024 from 4.8 percent in June 2024. This brings the regional average inflation from January 2024 to July 2024 at 3.6 percent. In July 2023, inflation rate recorded at 4.1 percent. (Table A)

C. City of Cebu

1. Headline Inflation

Inflation rate in the City of Cebu decreased to 5.3 percent in July 2024 from 5.9 percent in June 2024. The city's average inflation rate from January to July 2024 stood at 5.0



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percent. While in July 2023, the inflation rate in the city recorded at 2.9 percent. (Table A and Figure 1)

1.1 Main Drivers to the Downward Trend of the Headline Inflation

The downtrend of the headline inflation in July 2024 was primarily influenced by the year-on-year slower increases in housing, water, electricity, gas and other fuels at 2.5 percent, alcoholic beverages and tobacco at 3.7 percent, and clothing and footwear at 2.1 percent from their previous month's respective inflation rate at 5.8 percent, 4.4 percent and 2.3 percent. (Table 3)

Additional slower annual increments were also observed during the month in the indices of personal care, and miscellaneous goods and services at 5.4 percent and health at 4.5 percent from their respective inflation rate at 5.5 percent and 4.6 percent in June 2024. (Table 3)

On the other hand, the following commodity groups recorded a faster annual increase during the month:

- a. Food and non-alcoholic beverages, 9.9 percent from 9.6 percent;
- b. Furnishings, household equipment and routine household maintenance, 2.7 percent from 1.7 percent;
- c. Recreation, sport and culture, 10.5 percent from 10.3 percent; and
- d. Education services, 6.7 percent from 2.3 percent. (Table 3)

Moreover, the indices of the following commodity groups retained their previous month's annual growth rates:

- a. Transport, 3.7 percent;
- b. Information and communication, 0.7 percent;
- c. Restaurants and accommodation services, 1.8 percent; and
- d. Financial services, -0.3 percent. (Table 3)

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the July 2024 headline inflation were the following:

- a. Food and non-alcoholic beverages with 61.9 percent share or 3.3 percentage points;
- b. Housing, water, electricity, gas and other fuels with 12.4 percent share or 0.7 percentage point; and
- c. Transport with 5.6 percent share or 0.3 percentage point.



2. Food Inflation

Food inflation in the City of Cebu increased to 10.6 percent in July 2024 from 10.3 percent in June 2024. In July 2023, food inflation stood at 2.5 percent. (Table 7)

2.1 Main Drivers to the Upward Trend of Food Inflation

The acceleration of food inflation in the city was mainly brought by the faster annual increments of corn at 35.4 percent, rice at 22.2 percent, vegetables, tubers, plantains, cooking bananas and pulses at 51.5 percent, and meat and other parts of slaughtered land animals at 7.8 percent from their previous month's inflation rate at 18.8 percent, 21.1 percent, 46.3 percent and 6.8 percent. (Table 5)

In addition, a faster annual increase also noted in the index of ready-made food and other food products not elsewhere classified at 7.9 percent in July 2024 from 7.3 percent in June 2024. (Table 5)

In contrast, lower inflation rates were recorded in the following food groups:

- a. Flour, bread and other bakery products, pasta products, and other cereals, 2.3 percent from 3.2 percent;
- b. Fish and other seafood, -0.1 percent from 0.6 percent;
- c. Milk, other dairy products and eggs, 4.6 percent from 5.3 percent;
- d. Fruits and nuts, 3.0 percent from 8.4 percent; and
- e. Sugar, confectionary and desserts, -1.3 percent from -1.1 percent. (Table 5)

Moreover, oils and fats food group retained its previous month's inflation rate at -2.1 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

Food inflation shared 60.6 percent or 3.2 percentage points to the overall inflation in July 2024. The top three food groups in terms of contribution to the food inflation during the month were the following:

- a. Cereals and cereals products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals, with 55.0 percent share or 5.8 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses, with 24.5 percent share or 2.6 percentage points; and
- c. Meat and other parts of slaughtered land animals, with 13.6 percent share or 1.4 percentage points.



**Table B. Year-on-Year Inflation Rates in the City of Cebu, All Items
 In Percent
 January 2020 – July 2024
 (2018=100)**

| Month | Year | | | | |
|----------------|------|------|------|------|------|
| | 2020 | 2021 | 2022 | 2023 | 2024 |
| January | 2.3 | -0.2 | 2.8 | 4.5 | 4.5 |
| February | 1.7 | 0.3 | 1.7 | 5.7 | 4.5 |
| March | 1.8 | 1.0 | 1.9 | 4.3 | 4.7 |
| April | 1.3 | 1.7 | 1.6 | 4.3 | 4.6 |
| May | 1.1 | 1.9 | 1.5 | 4.1 | 5.7 |
| June | 2.1 | 1.3 | 2.3 | 3.2 | 5.9 |
| July | 1.7 | 1.8 | 2.4 | 2.9 | 5.3 |
| August | 1.1 | 1.5 | 3.2 | 4.0 | |
| September | 0.5 | 1.8 | 4.4 | 3.3 | |
| October | 0.7 | 1.3 | 5.0 | 3.6 | |
| November | 0.5 | 1.0 | 5.5 | 3.9 | |
| December | 0.5 | 1.1 | 5.1 | 4.0 | |
| Average | 1.3 | 1.2 | 3.1 | 4.0 | 5.0 |

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



TECHNICAL NOTES

The Philippine Statistics Authority generates and announces the monthly Consumer Price Index (CPI) based on a nationwide survey of prices for a given basket of goods and services. Two important indicators, the inflation rate and purchasing power of the peso (PPP), are derived from the CPI which are important in monitoring price stability and the value of the country's currency.

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 relative to a base year.

Retail Price is the price at which a commodity is sold for spot in small quantities for consumption.

Base Period/Base Year is the period, usually a year, at which the index number is set to 100. It is the reference point of the index number series.

Market Basket is a term used to refer to a sample of goods and services that are commonly purchased and bought by an average Filipino household.

Weight is a value attached to a commodity or group of commodities to indicate the relative importance of that commodity or group of commodities in the market basket.

Inflation Rate is equivalent to a decline in the purchasing power of the peso. It is the change in the CPI over a specific period of time (usually a month or a year). That is,

$$\text{Inflation Rate} = \frac{CPI_2 - CPI_1}{CPI_1} * 100$$

where:

CPI₁ - is the CPI in the previous period

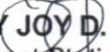
CPI₂ - is the CPI in the current period

The **Purchasing Power of the Peso (PPP)** is a measure of the real value of the peso in a given period relative to a chosen reference period. It is computed by getting the reciprocal of the CPI and multiplying the result by 100. That is,

$$PPP = \frac{1}{CPI} * 100$$

Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

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