



SPECIAL RELEASE

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

August 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.

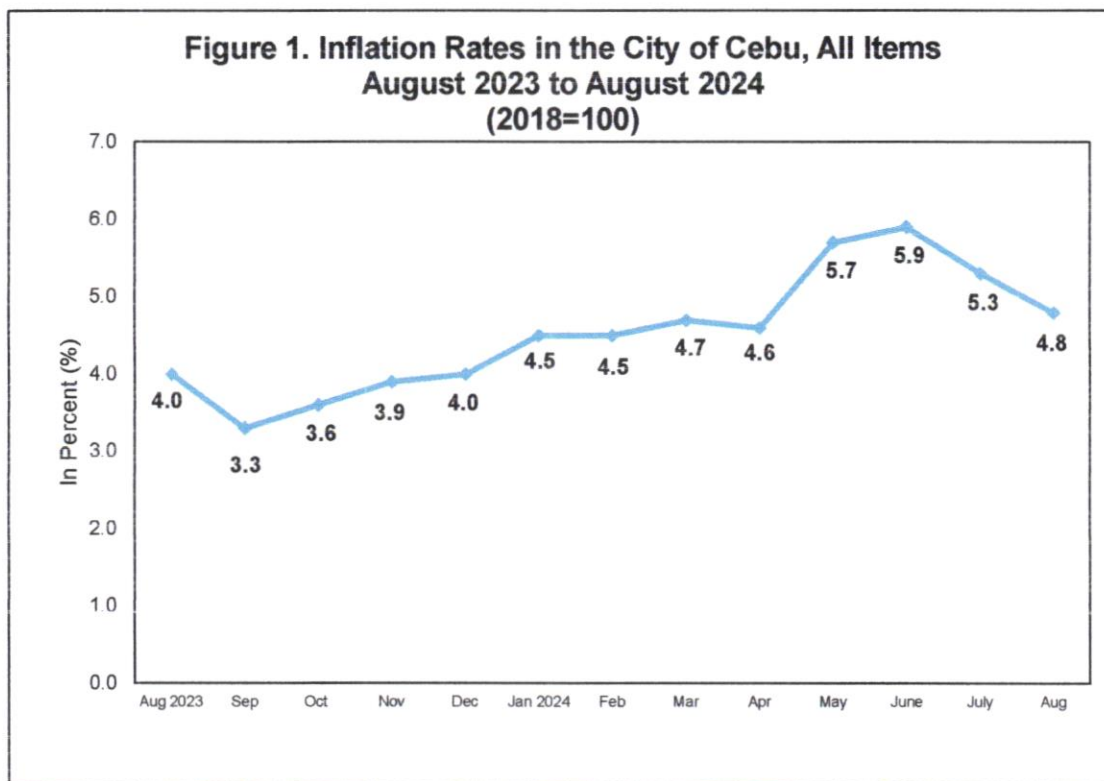
**Table A. Year-on-Year Inflation Rates, All Items
 In Percent
 (2018=100)**

| Area | August | July | August | Year-to-date* |
|------------------------|--------|------|--------|---------------|
| | 2023 | 2024 | 2024 | |
| Philippines | 5.3 | 4.4 | 3.3 | 3.6 |
| Central Visayas | 4.1 | 4.5 | 3.4 | 3.6 |
| City of Cebu | 4.0 | 5.3 | 4.8 | 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 August 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 eased to 3.3 percent in August 2024 from 4.4 percent in July 2024. This brings the national average inflation from January to August 2024 at 3.6 percent. In August 2023, inflation rate was higher at 5.3 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)

B. City of Cebu

1. Headline Inflation

Inflation rate in the City of Cebu had a slower increase to 4.8 percent in August 2024 from 5.3 percent in July 2024. The city's average inflation rate from January to August 2024 stood at 5.0 percent. In August 2023, the inflation rate in the city recorded at 4.0 percent. (Table A and Figure 1)



2nd Flr., Martina Sugbo Center, P. Burgos St., San Roque, Cebu City, Philippines
 Telephone: 255-8573/415-9449/412-1337 Email: cebu@psa.gov.ph

www.rss07.psa.gov.ph/cebu

1.1 Main Drivers to the Downward Trend of the Headline Inflation

The downtrend of the headline inflation in August 2024 was primarily influenced by the slower annual increment of food and non-alcoholic beverages at 6.6 percent from 9.9 percent in the previous month. This was followed by transport with a year-on-year decline of 1.5 percent in August 2024 from 3.7 percent annual increase in July 2024. Also contributed to the downtrend was education services with a slower annual increase of 4.3 percent during the month from 6.7 percent in July 2024. (Table 3)

Slower annual increases were also noted in the indices of the following commodity groups in August 2024:

- a. Personal care, and miscellaneous goods and services, 4.6 percent from 5.4 percent;
- b. Alcoholic beverages and tobacco, 2.5 percent from 3.7 percent;
- c. Health, 4.0 percent from 4.5 percent;
- d. Furnishings, household equipment and routine household maintenance, 2.5 percent from 2.7 percent; and
- e. Recreation, sport and culture, 10.0 percent from 10.5 percent. (Table 3)

On the contrary, faster year-on-year increases were observed during the month in the indices of housing, water, electricity, gas and other fuels at 7.3 percent and information and communication at 1.0 percent from their respective inflation rates at 2.5 percent and 0.7 percent in July 2024. (Table 3)

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

- a. Clothing and footwear, 2.1 percent;
- b. Restaurants and accommodation services, 1.8 percent; and
- c. Financial services, -0.3 percent. (Table 3)

1.2 Main Contributors to the Headline Inflation

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

- a. Food and non-alcoholic beverages with 44.5 percent share or 2.1 percentage points;
- b. Housing, water, electricity, gas and other fuels with 38.9 percent share or 1.9 percentage points; and
- c. Restaurants and accommodation services with 4.6 percent share or 0.2 percentage point.

2. Food Inflation

Food inflation in the City of Cebu eased to 7.0 percent in August 2024 from 10.6 percent in July 2024. In August 2023, food inflation stood at 4.5 percent. (Table 7)



2nd Flr., Martina Sugbo Center, P. Burgos St., San Roque, Cebu City, Philippines
Telephone: 255-8573/415-9449/412-1337 Email: cebu@psa.gov.ph

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2.1 Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in the city was mainly brought by the slower year-on-year increase of vegetables, tubers, plantains, cooking bananas and pulses at 22.0 percent and rice at 18.5 percent from their previous month's respective inflation rates at 51.5 percent and 22.2 percent. Faster annual decrease was also observed in fish and other seafood at 8.2 percent in August from 0.1 percent annual drop in July 2024. (Table 5)

Moreover, slower annual increments were posted in the following commodity groups:

- a. Meat and other parts of slaughtered land animals , 5.8 percent from 7.8 percent;
- b. Ready-made food and other food products not elsewhere classified, 6.6 percent from 7.9 percent; and
- c. Flour, bread and other bakery products, pasta products, and other cereals, 1.8 percent from 2.3 percent. (Table 5)

Meanwhile, faster annual decrease was observed in sugar, confectionary and desserts index at 1.9 percent during the month from 1.3 percent annual drop in July 2024. (Table 5)

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

- a. Corn, 42.5 percent from 35.4 percent;
- b. Milk, other dairy products and eggs, 5.6 percent and 4.6 percent;
- c. Oils and fats, -2.0 percent from -2.1 percent; and
- d. Fruits and nuts, 10.5 percent from 3.0 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

Food inflation shared 43.2 percent or 2.1 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 cereals products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals, with 69.9 percent share or 4.9 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses, with 15.5 percent share or 1.1 percentage points; and
- c. Meat and other parts of slaughtered land animals, with 14.9 percent share or 1.0 percentage points.



**Table B. Year-on-Year Inflation Rates in the City of Cebu, All Items
 In Percent
 January 2020 – August 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 | 4.8 |
| 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.

Prepared by:


MARY JOY D. GENTICA
Assistant Statistician - COSW

Approved by:


MELCHOR B. BAUTISTA
Chief Statistical Specialist


MELCHOR B. BAUTISTA



2nd Flr., Martina Sugbo Center, P. Burgos St., San Roque, Cebu City, Philippines
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