



SPECIAL RELEASE

Summary Inflation Report in Province of Cebu Consumer Price Index for the Bottom 30% Income Households (2018=100)

August 2024

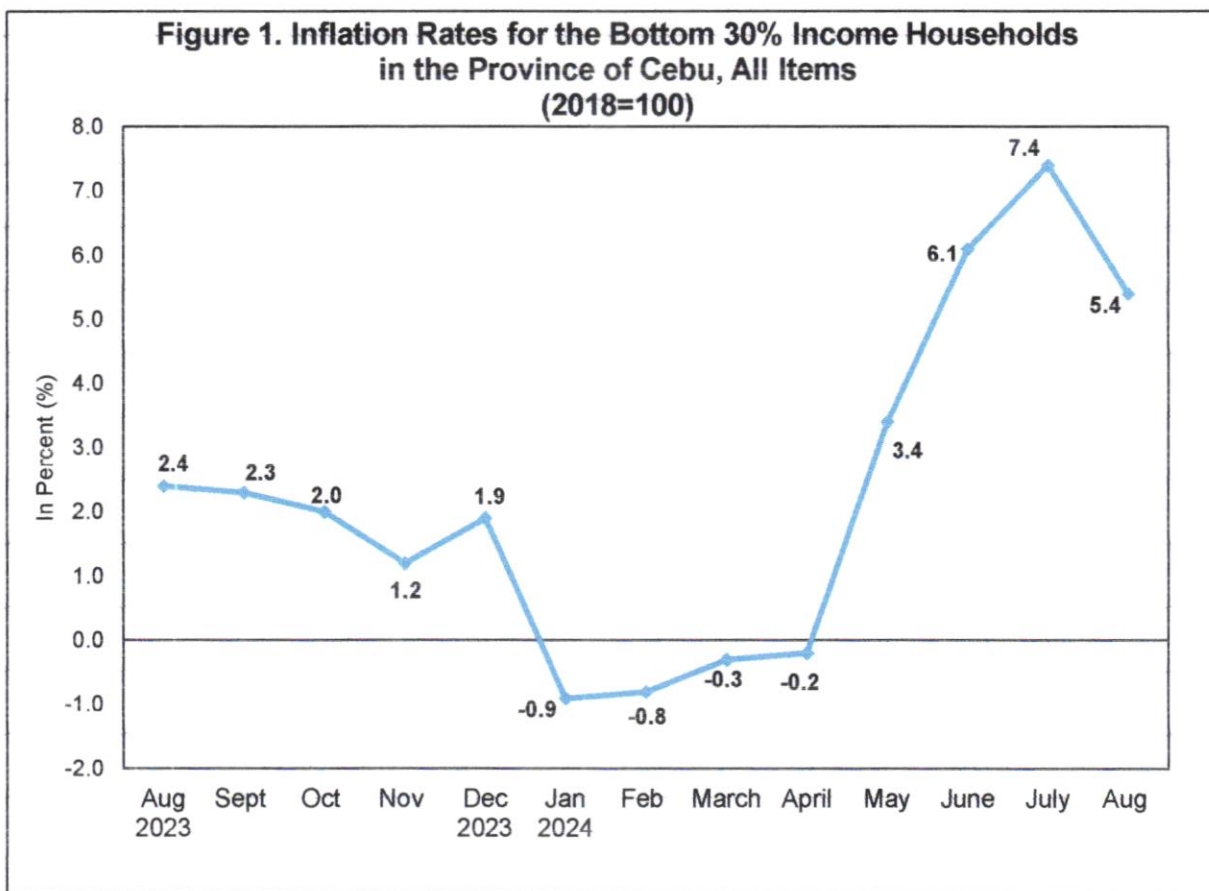
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**Table A. Year-on-Year Inflation Rates
 for the Bottom 30% Income Households, All Items
 In Percent
 (2018=100)**

Area	August	July	August	Year-to-date*
	2023	2024	2024	
Philippines	5.6	5.8	4.7	4.9
Central Visayas	5.7	7.7	5.2	4.8
Cebu	2.4	7.4	5.4	2.5

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 country's inflation rate for the bottom 30% income households slowed down to 4.7 percent in August 2024 from 5.8 percent in July 2024. This brings the average inflation from January to August 2024 for this income group to 4.9 percent. In August 2023, inflation rate was posted at 5.6 percent. (Table A)

B. Central Visayas

1. Regional Inflation

Following the trend at the national level, inflation rate for the bottom 30% income households in Central Visayas eased to 5.2 percent in August 2024 from 7.7 percent in August 2024. The region's average inflation for this income group from January to August 2024 stood at 4.8 percent. In August 2023, the inflation rate in the region recorded at 5.7 percent. (Table A)



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C. Province of Cebu

1. Headline Inflation

The headline inflation rate for the bottom 30% income households in the Province of Cebu eased to 5.4 percent in August from 7.4 percent in July 2024. This brings the province's average inflation at 2.5 percent from January to August 2024. In August 2023, the inflation rate was recorded at 2.4 percent. (Table A and Figure 1)

1.1 Main Drivers to the Downward Trend of Headline Inflation in the Province of Cebu

The main drivers to the downward trend of the headline inflation in August 2024 for bottom 30% income households was the faster year-on-year decrease of transport index at 18.6 percent from 2.1 percent annual drop in July 2024. This was followed by the slower annual increases in the indices of food and non-alcoholic beverages at 9.9 percent and housing, water, electricity, gas and other fuels at 3.5 percent from their respective inflation rates at 11.7 percent and 3.9 percent in July 2024. (Table 3)

In addition, slower annual increments were also noted in the indices of furnishings, household equipment and routine household maintenance at 1.9 percent and health at 4.4 percent in August 2024 from their previous month's respective inflation rates at 2.0 percent and 4.5 percent. (Table 3)

In contrast, faster annual increases were observed in the indices of recreation, sport and culture at 5.5 percent and education services at 9.2 percent during the month from their respective inflation rates at 4.8 percent and 0.2 percent in July 2024. (Table 3)

Moreover, indices of commodity groups that retained their previous month's inflation were as follows:

- a. Alcoholic beverages and tobacco, 4.7 percent;
- b. Clothing and footwear, 1.1 percent;
- c. Information and communication, 0.0 percent;
- d. Restaurants and accommodation services, 2.7 percent;
- e. Financial services, 0.0 percent; and
- f. Personal care, and miscellaneous goods and services, 2.3 percent. (Table 3)

1.2 Main Contributors to the Headline Inflation

The following commodity groups were the top contributors to the August 2024 overall inflation for the bottom 30% income households in the Province of Cebu:

- a. Food and non-alcoholic beverages with 95.0 percent share or 5.1 percentage points.



- b. Housing, water, electricity, gas and other fuels with 11.3 percent share or 0.6 percentage point; and
- c. Restaurants and accommodation services with 4.9 percent share or 0.3 percentage point.

2. Food Inflation

Food inflation rate for the bottom 30% income households in the Province of Cebu decreased to 10.4 percent in August 2024 from 12.3 percent in July 2024. In August 2023, food inflation stood at -1.4 percent. (Table 7)

2.1 Main Drivers to the Downtrend of Food Inflation

The main drivers to the downtrend of food inflation in August 2024 were mainly brought by the slower year-on-year increases of the indices in vegetables, tubers, plantains, cooking bananas and pulses at 8.8 percent and meat and other parts of slaughtered land animals at 6.2 percent from their previous month's respective inflation rates at 16.4 percent and 9.6 percent. Also contributing to the downtrend in the food inflation was the faster annual decreases of fish and other seafood index at 9.2 percent from 7.3 percent annual decline in July 2024. (Table 5)

In addition, slower annual increments were also noted in the indices of the following food groups:

- a. Rice, 10.8 percent from 14.5 percent;
- b. Flour, bread and other bakery products, pasta products, 5.6 percent from 6.1 percent; and
- c. Ready-made food, and other food products not elsewhere classified, 8.6 percent from 10.2 percent. (Table 5)

On the contrary, faster year-on-year increases were recorded in the indices of the following food groups:

- a. Corn, 36.5 percent from 31.8 percent;
- b. Milk, other dairy products and eggs, 4.5 percent from 2.9 percent; and
- c. Fruits and nuts, 9.7 percent from 5.9 percent. (Table 5)

Moreover, slower annual decrease of 6.0 percent in sugar, confectionery and desserts index during the month from 7.2 percent annual drop in July 2024. (Table 5)

Meanwhile, oils and fats retained its previous month's inflation rate at 0.5 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

Food inflation contributed 92.5 percent share or 5.0 percentage points to the August 2024 overall inflation for this particular income group.



Among the food groups, the main contributors 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 95.6 percent share or 10.0 percentage points;
- b. Meat and other parts of slaughtered land animals with 7.1 percent share or 0.7 percentage point; and
- c. Vegetables, tubers, plantains, cooking bananas and pulses with 5.7 percent share or 0.6 percentage point.

Table B. Year-on-Year Inflation Rates for the Bottom 30% Income Households in the Province of Cebu, All Items In Percent January 2019 – August 2024 (2018=100)

Month	Year					
	2019	2020	2021	2022	2023	2024
January	5.1	2.1	1.0	11.5	9.1	-0.9
February	3.0	2.9	0.8	13.5	8.2	-0.8
March	1.4	2.4	0.4	12.5	9.0	-0.3
April	1.9	0.3	2.2	13.5	6.1	-0.2
May	1.7	0.5	2.1	13.3	5.6	3.4
June	0.0	3.6	0.3	13.6	5.9	6.1
July	0.2	3.6	-0.9	15.6	5.8	7.4
August	0.6	2.4	1.1	15.2	2.4	5.4
September	0.4	1.5	1.6	17.1	2.3	
October	-0.7	2.7	2.1	16.0	2.0	
November	-0.4	2.5	3.6	15.0	1.2	
December	1.3	2.6	2.7	14.9	1.9	
Average	1.2	2.2	1.4	14.3	4.9	2.5

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



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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,

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

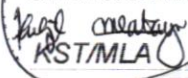
Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

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