



SPECIAL RELEASE

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

August 2024

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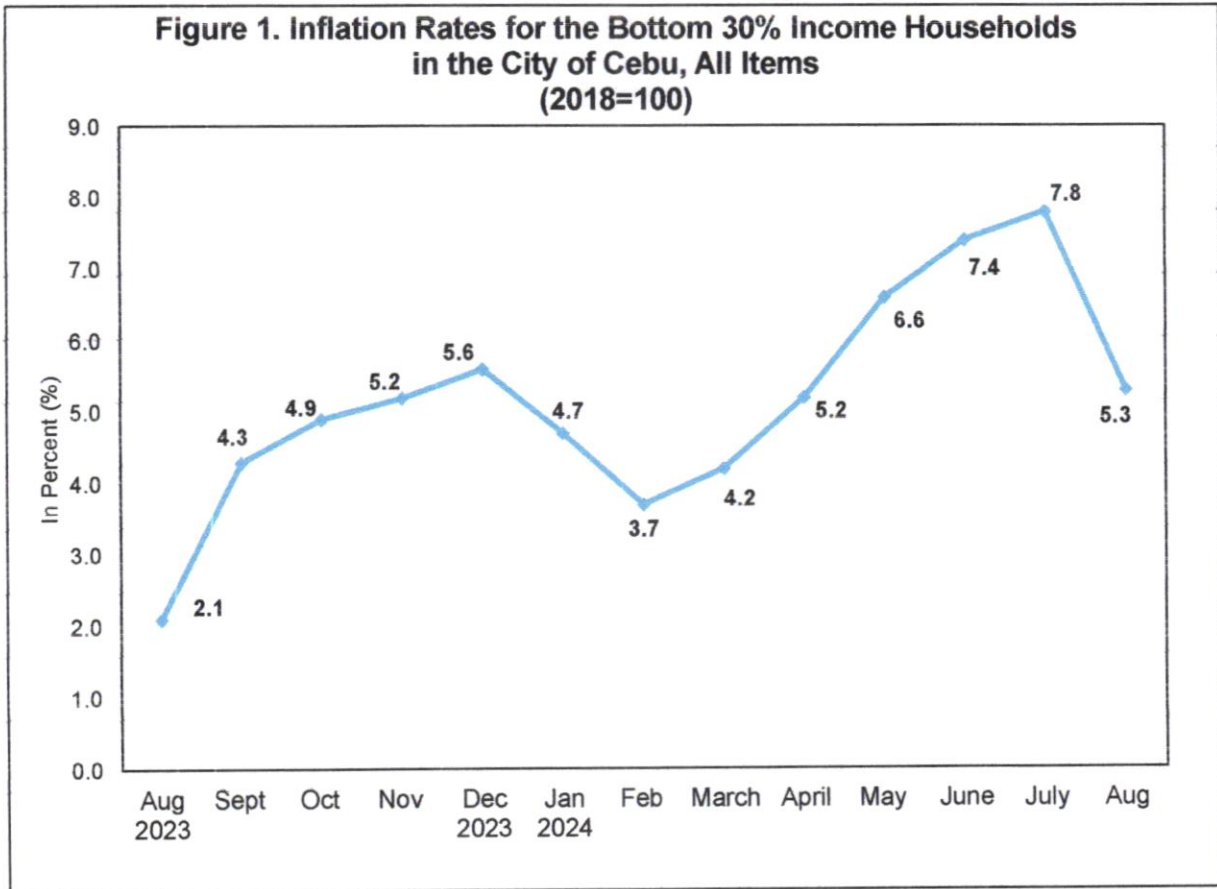
**Table A. Year-on-Year Inflation Rates
 for the Bottom 30% Income Households, All Items
 In Percent
 (2018=100)**

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
City of Cebu	2.1	7.8	5.3	5.6

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. City of Cebu

1. Headline Inflation

The headline inflation rate for the bottom 30% income households in the City of Cebu had a slower increase of 5.3 percent in August 2024 from 7.8 percent in July 2024. This brings the city's average inflation at 5.6 percent from January to August 2024. In August 2023, the inflation rate was recorded 2.1 percent. (Table A and Figure 1)

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

The main sources to the downward trend of the headline inflation rate for this income group in August 2024 were the slower year-on-year increases of food and non-alcoholic beverages at 5.9 percent, housing, water, electricity, gas and other fuels at 9.1 percent, and transport at 2.3 percent from their previous month's respective inflation rates at 9.7 percent, 11.7 percent and 3.9 percent. (Table 3)

In addition, slower annual increases were also noted in the indices of the following commodity groups during the month:

- a. Personal care, and miscellaneous goods and services, 4.3 percent from 5.1 percent;
- b. Health, 2.6 percent from 3.4 percent;
- c. Alcoholic beverages and tobacco, 2.6 percent from 2.9 percent ;
- d. Clothing and footwear, 0.6 percent from 0.7 percent;
- e. Recreation, sport and culture, 17.4 percent from 18.1 percent; and
- f. Furnishing, household equipment and routine household maintenance, 4.5 percent from 4.6 percent. (Table 3)

Moreover, slower inflation was also brought by the annual decline in the education services index at 0.5 percent during the month from 6.6 percent annual increase in July 2024. (Table 3)

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

- a. Information and communication, 0.0 percent;
- b. Restaurants and accommodation services, 2.1 percent; and
- c. Financial services, 0.0 percent. (Table 3)

1.2 Main Contributors to the Headline Inflation

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

- a. Food and non-alcoholic beverages with 50.7 percent share or 2.7 percentage points;



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- b. Housing, water, electricity, gas and other fuels with 34.2 percent share or 1.8 percentage points; and
- c. Restaurants and accommodation services with 5.4 percent share or 0.3 percentage point.

2. Food Inflation

Food inflation rate for the bottom 30% income households in the City of Cebu had a slower annual increase at 6.3 percent in August 2024 from 10.5 percent in July 2024. In August 2023, the food inflation was lower at 3.4 percent. (Table 7)

2.1 Main Drivers to the Downtrend of Food Inflation

The downtrend in the food inflation during the month was primarily driven by the slower annual increases in the indices of rice at 10.7 percent and vegetables, tubers, plantains, cooking bananas and pulses at 31.0 percent from their previous month's respective inflation rates at 15.8 percent and 54.7 percent. Slower inflation was also brought by the faster annual decrease in the fish and other seafood index at 9.3 percent in August 2024 from 1.2 percent annual increase in July 2024. (Table 5)

In addition, lower inflation rates during the month were observed in the following food groups:

- a. Meat and other parts of slaughtered land animals, 5.6 percent from 7.8 percent;
- b. Ready-made food and other food products not elsewhere classified, 6.1 percent from 7.6 percent;
- c. Sugar, confectionary and desserts, -3.3 percent from -2.8 percent; and
- d. Flour, bread and other bakery products, pasta products, and other cereals, 1.3 percent from 1.9 percent. (Table 5)

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

- a. Corn, 42.5 percent from 35.4 percent;
- b. Milk, other dairy products and eggs, 5.9 percent from 4.6 percent;
- c. Oils and fats, -2.3 percent from -2.4 percent; and
- d. Fruits and nuts, 13.8 percent from 4.6 percent. (Table 5)

2.2 Main Contributors to the Food Inflation

Food inflation contributed 49.3 percent share or 2.6 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:



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- a. Cereals and cereal products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals with 71.8 percent share or 4.5 percentage points;
- b. Vegetables, tubers, plantains, cooking bananas and pulses with 21.9 percent share or 1.4 percentage points; and
- c. Meat and other parts of slaughtered land animals with 11.4 percent share or 0.7 percentage point.

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

Month	Year					
	2019	2020	2021	2022	2023	2024
January	4.2	3.5	-1.3	4.3	3.8	4.7
February	3.9	1.9	1.5	1.6	6.6	3.7
March	2.9	1.1	2.8	2.6	3.8	4.2
April	2.4	-2.7	5.5	4.0	2.3	5.2
May	1.9	-2.3	5.3	3.1	2.2	6.6
June	-0.2	0.7	3.5	3.3	1.2	7.4
July	-2.1	1.6	4.1	3.1	0.4	7.8
August	-2.4	0.7	3.8	3.7	2.1	5.3
September	-3.0	0.6	3.7	3.7	4.3	
October	-3.3	0.5	3.3	3.8	4.9	
November	-2.2	1.1	2.9	4.2	5.2	
December	1.2	1.5	2.1	4.3	5.6	
Average	0.2	0.7	3.1	3.5	3.5	5.6

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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