



SPECIAL RELEASE

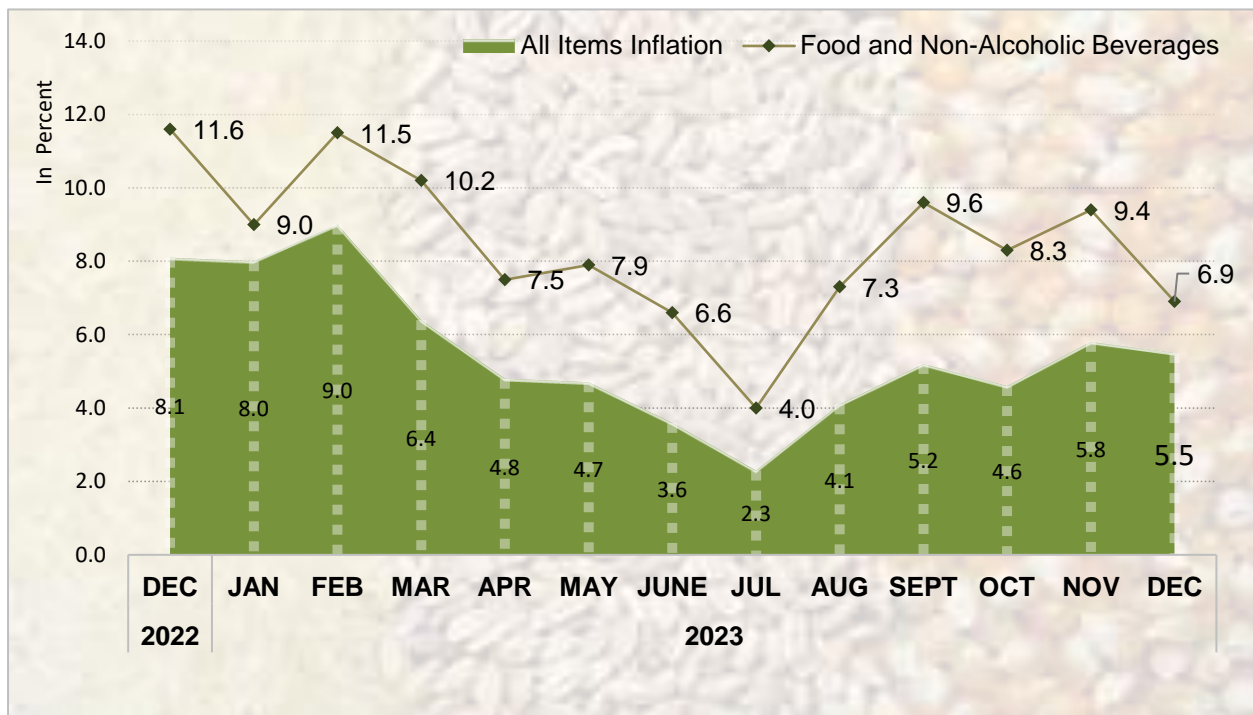
Guimaras' Inflation, Consumer Price Index Report (2018=100): December 2023

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Guimaras' inflation plunges to 5.5%

The headline inflation of Guimaras province plunged to 5.5 percent in December 2023 against 5.8 percent a month ago and 8.1 percent in December 2022, based on the latest price statistics released by the Philippines Statistics Authority (PSA).

Figure 1: Headline Inflation Rates in Guimaras (All Income Households), All Items vs. Food & Non-Alcoholic Beverages: December 2022- December 2023



Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index, PSA

The downtrend in December inflation was due to the slower price change on Food and Non-Alcoholic Beverages at 6.9 percent; Personal Care, and Miscellaneous Goods and Services at 3.8 percent; Recreation, Sport, and Culture with 5.4 percent inflation, showing large shares of 91.1, 7.5 and 0.6 percent, respectively.



Table 1. Top 3 major sources and contributors to Guimaras Headline inflation rate in December 2023

MAJOR SOURCES OF INFLATION TREND				MAJOR CONTRIBUTORS TO INFLATION			
COMMODITY	INFLATION	%SHARE	RANK	COMMODITY	INFLATION	%CONT.	RANK
Food And Non-Alcoholic Beverages	6.9	91.1	1	Food And Non-Alcoholic Beverages	6.9	64.4	1
Personal Care, And Miscellaneous Goods and Services	3.8	7.5	2	Restaurant and Accommodation Services	15.1	13.9	2
Recreation, Sport, and Culture	5.4	0.6	3	Alcoholic Beverages & Tobacco	13.5	8.8	3

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index, PSA

The slower inflation on Food and Non-Alcoholic Beverages was due to the sluggish price change of food items from 10.1 percent in November 2023 to 7.3 percent in December 2023. Personal Care and Miscellaneous Goods and Services posted a 3.8 percent was pulled down by the dwindling prices of Personal Care items from 6.7 to 4.2 percent. Moreover, the 5.4 inflation of Recreation Sports and Culture was driven by decelerating retail prices of Newspaper, Books and Stationery from 7.5 to 5.7 percent.

In terms of contributions to December headline inflation, Food and Non-Alcoholic Beverages still topped the rank with 64.4 *percent* share, followed by Restaurant and Accommodation Services with 15.1 *percent* inflation and Alcoholic Beverages and Tobacco with 13.5 *percent* inflation posting a significant cut of 13.9 and 8.8 percent, respectively.

The data showed that cereals, with a 16.7 percent inflation contributed 36.2 percent to the Food and Non-Alcoholic Beverages. Moreover, then Fruit-bearing vegetables, fresh or chilled with 16.0 percent inflation contributed 12.5 percent and Meat, fresh, chilled or frozen with 15.0 inflation, sliced 11.6 percent.

Food and Beverage Serving Services, with 15.2 percent inflation, had a notable contribution to Restaurants and Accommodation Services, a portion of 13.7 percent, while the prices of Spirits and liquors, with 18.9 percent inflation, supplied 5.5 percent to the December inflation of Alcoholic Beverages and Tobacco.

The price statistics results also showed that among the 13 commodity groups, five of which posted a downtrend inflation from November to December 2023 (Food and Non-Alcoholic Beverages; Clothing and Footwear; Furnishings, Household Equipment and Routine Household Maintenance; Recreation, Sports and Culture; and Personal Care, and Miscellaneous Goods and Services). See table 2

Table 2: Major share to the year-on-year inflation Trend for December 2023: All Income Households, Guimaras

COMMODITY GROUP	% to Philippines	ALL INCOME INFLATION RATE			Trend
	Weight	Dec '22	Nov '23	Dec '23	
ALL ITEMS	0.1463	8.1	5.8	5.5	Down
FOOD AND NON-ALCOHOLIC BEVERAGES	0.0734	11.6	9.4	6.9	Down
ALCOHOLIC BEVERAGES AND TOBACCO	0.0051	8.5	11.3	13.5	Up
CLOTHING AND FOOTWEAR	0.0059	2.7	1.6	1.4	Down
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	0.0233	4.0	(0.4)	1.7	Up
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HOI	0.0050	5.5	7.2	7.1	Down
HEALTH	0.0043	0.6	3.9	5.1	Up
TRANSPORT	0.0101	1.6	(4.7)	(1.4)	Up
INFORMATION AND COMMUNICATION	0.0029	0.6	(0.7)	(0.7)	Equal
RECREATION, SPORT AND CULTURE	0.0008	20.2	6.9	5.4	Down
EDUCATION SERVICES	0.0020	(0.3)	(7.3)	(7.3)	Equal
RESTAURANTS AND ACCOMMODATION SERVICES	0.0072	11.5	9.1	15.1	Up
FINANCIAL SERVICES	0.0000	0.0	0.0	0.0	Equal
PERSONAL CARE, AND MISCELLANEOUS GOODS AND SERV	0.0063	8.5	6.2	3.8	Down

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index, PSA

Likewise, 5 of 13 commodity groups posted uptrend inflation: Alcoholic Beverages and Tobacco from 8.5% to 11.3%; Housing, Water, Electricity, Gas, and Other Fuels from -0.4% to 1.7%; Health from 3.9% to 5.1%; Transport from -4.7% to -1.4%; and Restaurants and Accommodation Services from 9.1% to 15.1%. See table 2

Inflation Rate is the rate of change in the Consumer Price Index (CPI) derived by computing the indices relative to the same period in the previous year or month, and *currently, Guimaras Province posted a 130.4 CPI, this indicates that a typical Guimarasnon household needs 1,304 pesos in December 2023 to purchase a basket of goods and services worth 1000 pesos in 201.*

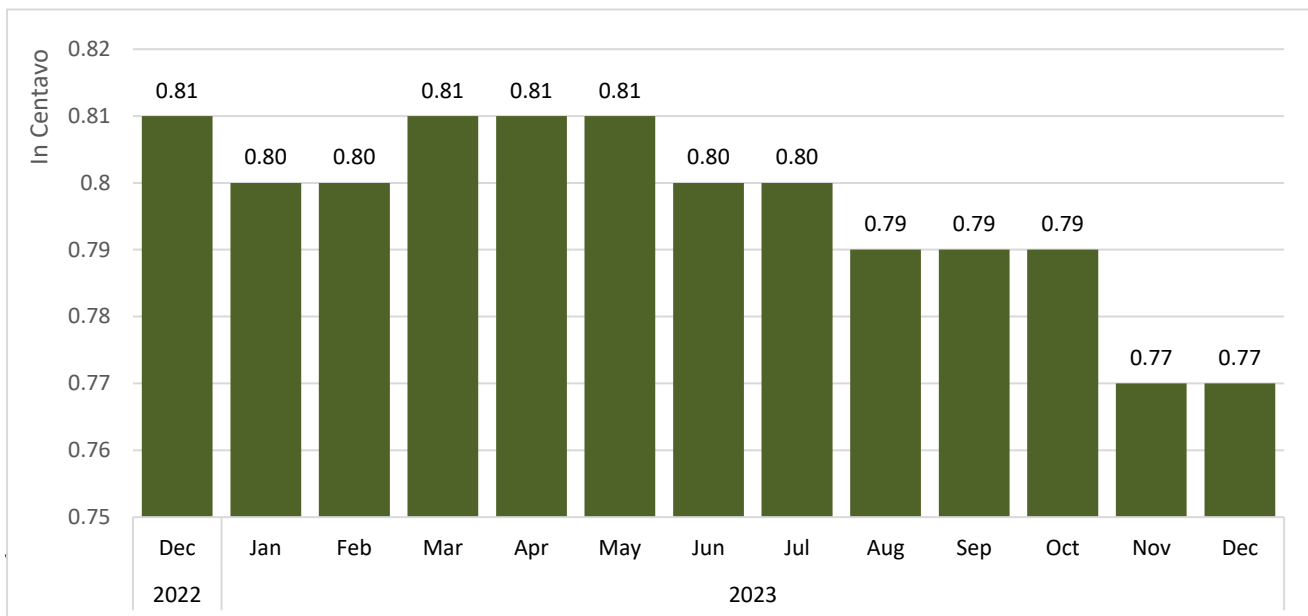
Guimaras Purchasing Power of the Peso (PPP)

The average purchasing power of the peso (PPP) in Guimaras in December 2023 was 0.77; this indicates that one peso in 2018 is now valued at 0.77 centavos. A 0.04 percentage point depreciation was also noted against the 0.81 centavo PPP in December 2022.

The data also showed that there has been an erratic movement in the PPP since the last month of 2022. From 0.81 PPP in December 2022, it gradually slackened until 0.80 PPP in February 2023.

The PPP remained unchanged from March until May 2023 with 0.81 centavos, then slowly moved downward to 0.80 from June until it settled at 0.77 in December 2023. The 0.77 was the slowest PPP recorded for the past 12 months. See Figure 2.

Figure 2. Purchasing Power of Peso (PPP) in Guimaras: December 2022-December 2023 (in centavo) (2018=100)



DEFINITION OF TERMS

Inflation Rate

Rate of change in the Consumer Price Index. Its formula is given by:

$$\text{Inflation rate} = \frac{CPI_2 - CPI_1}{CPI_1} \times 100$$

Where: CPI_2 is the current period

CPI_1 is the CPI in the previous period.

Year-on-year inflation

Rate of change in the Consumer Price Index in a specific period of the current year relative to the same period in the previous year.

Month-on-Month inflation

Rate of change in the Consumer Price Index in a specific period of the current month relative to the previous month in the current year.

Consumer Price Index

Indicator of the change in the average prices of a fixed basket of goods and services commonly purchased by an average Filipino household for their day-to-day consumption relative to a base year. It is most widely used in the calculation of the inflation rate and purchasing power of the peso (PPP).

Relative to this, daily, weekly, and bi-monthly price surveys are conducted nationwide at the provincial offices including the District Offices of the National Capital Region (NCR) to be able to generate monthly CPI for All Income Households and CPI for the Bottom 30% Income Households. Indicators produced from price surveys are regarded as designated statistics.

The seasonally adjusted CPI provides comparisons after removing the seasonal variations that may affect the series. The formula used in computing the CPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base year period (2018) weights given by.

Purchasing Power of Peso (PPP)

Indicates how much the Philippine Peso is worth in each period relative to its value in a base period. It is computed by getting the reciprocal of the CPI and multiplying the result by 100 given by the equation:

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

Headline Inflation

Defined as the rate of change in the weighted average prices of all goods and services in the CPI basket while Core Inflation refers to the rate of change in the CPI which excludes the following item/commodity groups: rice, corn, fruits and vegetables, and fuel items.


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