# SPECIAL RELEASE

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

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Guimaras' erratic annual inflation settles to 5.3 pct in 2023

The annual inflation rate of the Guimaras province settled at 5.3 percent after the five-year erratic price changes, based on the latest price statistics released by the Philippines Statistics Authority (PSA).

Figure 1: Annual Inflation Rates in Guimaras (All Income Households): 2018-2023 (2018=100)
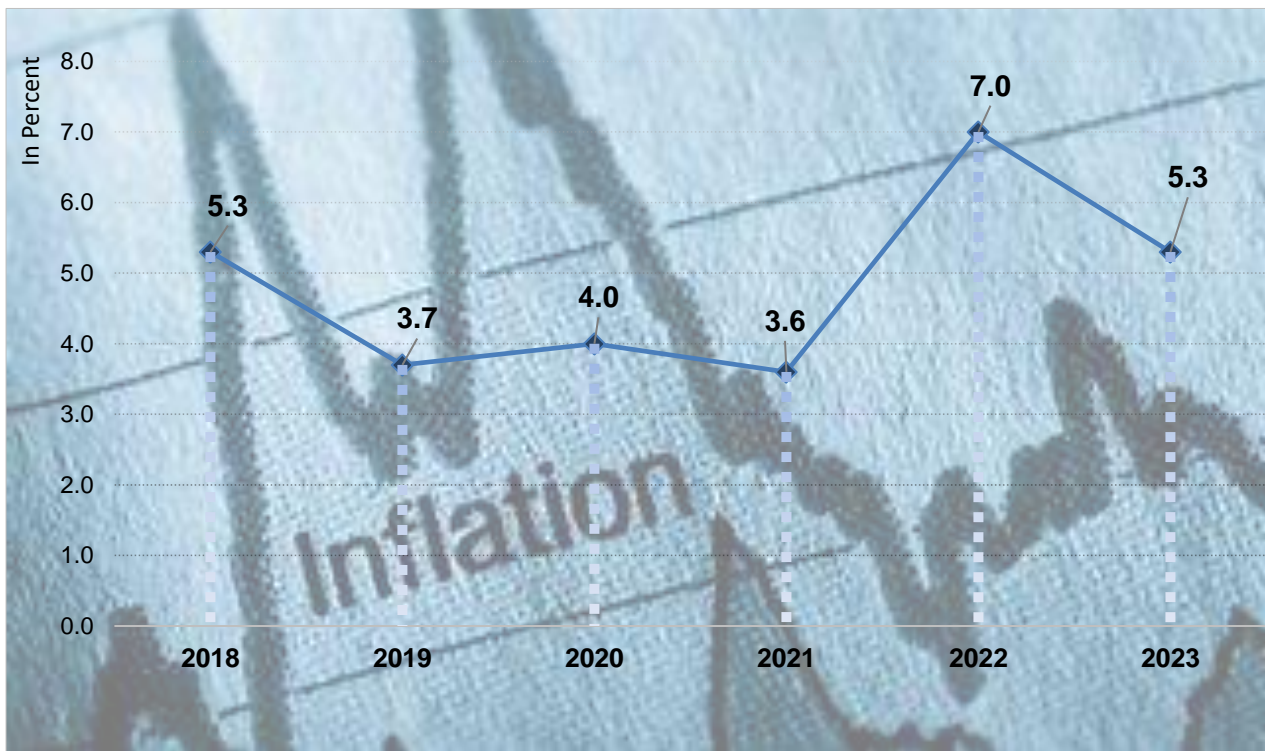
Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index, PSA

The data showed that the trend of the average annual inflation in the Province of Guimaras slowed in 2023 due to the slower price change of Transport at -6.9 percent; Food and Non-Alcoholic Beverages with 8.2 percent inflation; and Housing, Water, Electricity, Gas, and Other Fuels with 1.8 percent inflation, showing a huge share of 52.4, 16.1 and 13.8 percent, respectively.

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

MAJOR SOURCES OF INFLATION TREND				MAJOR CONTRIBUTORS TO INFLATION			
COMMODITY	INFLATION	%SHARE	RANK	COMMODITY	INFLATION	% CONT.	RANK
Transport	-6.9	52.4	1	Food And Non-Alcoholic Beverages	8.2	75.2	1
Food And Non-Alcoholic Beverages	8.2	16.1	2	Restaurant and Accommodation Services	11.9	10.7	2
Housing, Water, Electricity, Gas and Other Fuels	1.8	13.8	3	Alcoholic Beverages & Tobacco	10.1	6.4	3

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

The slower inflation of Transport was due to the sluggish price change of Operation of Personal Transport Equipment from 31.4 percent in 2022 to -8.8 percent 2023, while inflation on Food and Non-Alcoholic Beverages, pushed by the dwindling retail costs of Food items from 8.8 to 8.5 percent. Moreover, slower inflation of Housing, Water, Electricity, Gas and Other Fuels was driven by the decelerating market value of Maintenance, Repair, and Security from 4.5 to -0.8 percent price increase.

In terms of contributions to the 2023 inflation of Guimaras, Food, and Non-Alcoholic Beverages with 8.2 inflation topped the rank posting a 75.2 percent splits followed by Restaurant and Accommodation Services with 11.9 *percent* inflation, recording a 10.7 percent cut, and Alcoholic Beverages and Tobacco with 10.1 *percent* inflation, shared 6.4 percent.

The data showed that Cereals and cereal products, with a 7.3 percent inflation, significantly contributed 24.6 percent to the Food and Non-Alcoholic Beverages, followed by Vegetables, tubers, plantains, cooking bananas and pulses, with a 17.4 percent inflation contributing 11.0 percent, and Meat and other parts of slaughtered land animals with 7.0 inflation sliced 8.1 percent.

Losare also expounded that Food and Beverage Serving Services, with 12.1 percent inflation, contributed 10.7 percent to Restaurants and Accommodation Services. The prices of Spirits and liquors, with a 12.1 percent inflation supplied 3.6 percent to the 2023 inflation of Alcoholic Beverages and Tobacco.

The price statistics results also showed that among the thirteen commodities, eight (8) of which posted a downtrend inflation from 2022 to 2023 (Food and Non-Alcoholic Beverages; Clothing and Footwear; Housing, Water, Electricity, Gas and Other Fuels; Health; Transport; Recreation, Sport and Culture; Education Services; Furnishings, and Financial Services). See Table 2

Table 2: Major share to Average Consumer Price Index for 2023: All Income Households, Guimaras

COMMODITY GROUP	% to Philippines Weight	ALL INCOME INFLATION RATE			Trend
		Ave '21	Ave '22	Ave '23	
ALL ITEMS	0.1463	3.6	7.0	5.3	Down
FOOD AND NON-ALCOHOLIC BEVERAGES	0.0734	(0.1)	8.9	8.2	Down
ALCOHOLIC BEVERAGES AND TOBACCO	0.0051	10.9	6.7	10.1	Up
CLOTHING AND FOOTWEAR	0.0059	3.5	2.5	0.9	Down
HOUSING, WATER, ELECTRICITY, GAS AND OTHER FUELS	0.0233	1.5	3.7	1.8	Down
FURNISHINGS, HOUSEHOLD EQUIPMENT AND ROUTINE HO[I]	0.0050	7.9	4.3	6.9	Up
HEALTH	0.0043	0.2	3.9	1.3	Down
TRANSPORT	0.0101	21.6	9.6	(6.9)	Down
INFORMATION AND COMMUNICATION	0.0029	(1.1)	(0.1)	0.1	Up
RECREATION, SPORT AND CULTURE	0.0008	8.0	15.7	8.1	Down
EDUCATION SERVICES	0.0020	7.9	10.7	(3.7)	Down
RESTAURANTS AND ACCOMMODATION SERVICES	0.0072	10.6	3.7	11.9	Up
FINANCIAL SERVICES	0.0000	47.7	10.8	0.0	Down
PERSONAL CARE, AND MISCELLANEOUS GOODS AND SERVI[CES]	0.0063	6.1	5.2	7.1	Up

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

Likewise, five (5) items posted an uptrend in 2023 inflation: Alcoholic Beverages and Tobacco; Furnishings, Household Equipment and Routine Household Maintenance; Information and Communication; Restaurant and Accommodation Services; and Personal Care, and Miscellaneous Goods and Services See Table 2

The 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 125.8 CPI, this indicates that a typical Guimarasnon household needs 1,258.00 pesos in 2023 to purchase a basket of goods and services worth 1,000.00 pesos in 2018.

Guimaras Purchasing Power of the Peso (PPP)

The average purchasing power of the peso (PPP) in Guimaras in 2023 was 0.79; this indicates that one peso in 2018 is now valued at 0.79 centavos. A 0.05 percentage point depreciation was also noted against the 0.84 centavo PPP in 2022.

The data also showed that there has been decreasing movement in the PPP for five consecutive years. From 0.96 PPP in 2019, it gradually slackened to 0.93, 0.90, and 0.84 centavos in 2020, 2021, and 2022, respectively.

The dwindling PPP of Guimaras reached 0.79 in 2023, the slowest PPP recorded for the past five months. *See Figure 2.*

Figure 2. Purchasing Power of Peso (PPP) in Guimaras: 2019- 2023
(2018=100)
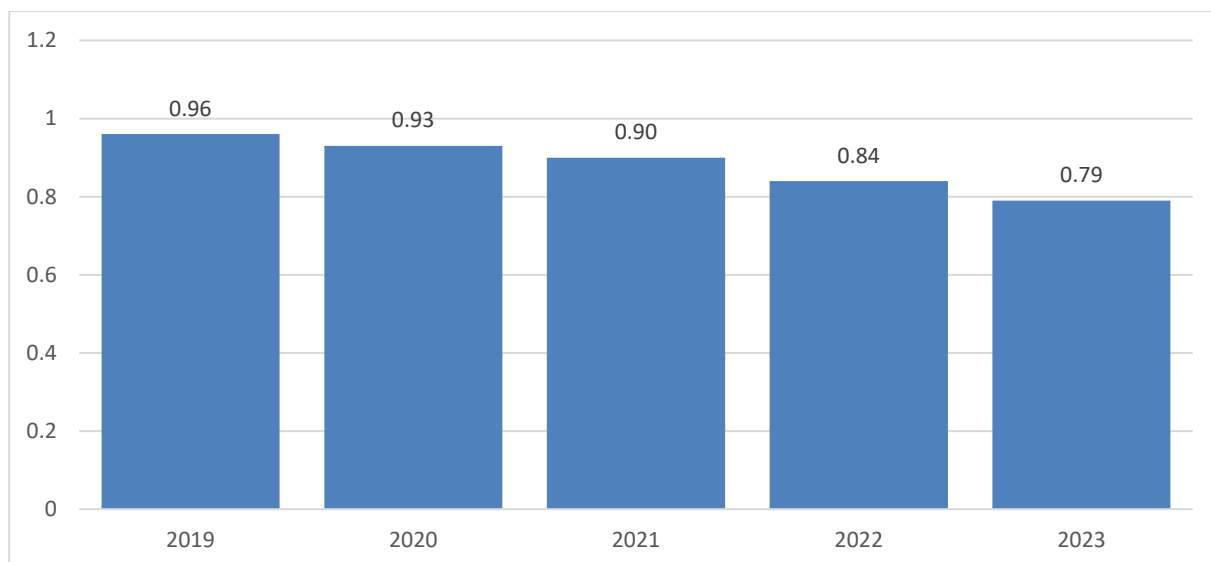
Source: Retail Price Survey of Commodities for the Generation of Consumer Philippine Statistics Authority

DEFINITION OF TERMS

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

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

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:

$$PPP = \frac{1}{CPI} \, x \, 100$$

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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