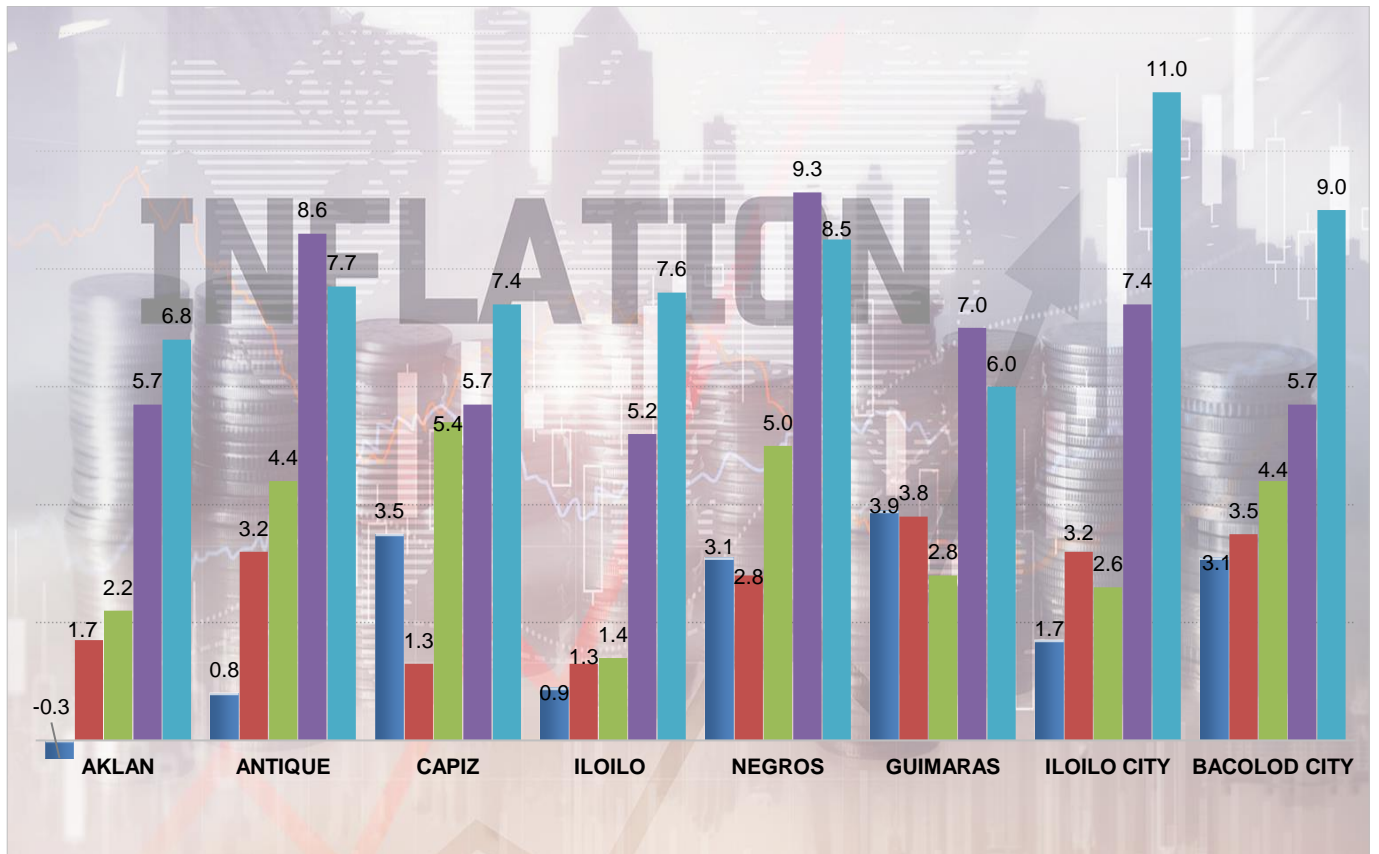# SPECIAL RELEASE

Guimaras Inflation, Consumer Price Index Report for Bottom 30% Income HHs (2018=100): 2023

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Guimaras posts slowest inflation for low-income HHs amongst WV's provinces, HUCs in 2023

The Province of Guimaras posted the slowest inflation for low-income households among the five (5) Provinces and two (2) Highly Urbanized Cities (HUCs) of Western Visayas in 2023, based on the latest price statistics released by the Philippines Statistics Authority (PSA).

Figure 1: Inflation Rates in Western Visayas (Bottom 30% Income Households), by Province: 2023 (2018=100)

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

The annual inflation for low-income households in Guimaras moved slowly due to the sluggish retail price change of Transport from an inflation rate of 11.5 in 2022 to -5.8 in 2023 with a 66.1 percent share to trend. This was followed by Housing, Water, Electricity, Gas, and Other Fuels with 3.8 to 2.1 percent inflation and Education Services with 10.4 to 3.9 percent inflation sharing 14.9, and 7.2 percent, respectively.

Losare further explained that in terms of contributions to the bottom 30% income inflation in 2023, Food and Non-Alcoholic Beverages, with 7.6 percent inflation topped the rank with 77.8 percent splits followed by Alcoholic Beverages and tobacco with 12.0 percent inflation, and Restaurants and Accommodation Services with 12.1 percent inflation posting a significant cut of 7.6 and 7.1 percent, correspondingly.

Table 1. Major contributors to the inflation rate for the bottom 30% income HHs in Western Visayas: 2023

	COMMODITY	INFLATION	%SHARE	RANK	COMMODITY	INFLATION	% CONT.	RANK
Aklan	Food & Non-Alcoholic Beverages	11.1	82.2	1	Food & Non-Alcoholic Beverages	11.1	91.4	1
Antique	Housing, Water, Electricity, Gas & Other Fuels	5.3	72.4	1	Food & Non-Alcoholic Beverages	8.9	70.6	1
Capiz	Food And Non-Alcoholic Beverages	10.1	75.9	1	Food & Non-Alcoholic Beverages	10.1	75.2	1
Iloilo	Food And Non-Alcoholic Beverages	8.7	62.9	1	Food & Non-Alcoholic Beverages	8.7	66	1
Negros Occ.	Food And Non-Alcoholic Beverages	8.6	60.8	1	Food & Non-Alcoholic Beverages	8.6	57.8	1
Guimaras	Transport	-5.8	66.1	1	Food & Non-Alcoholic Beverages	7.6	77.8	1
Iloilo City	Food And Non-Alcoholic Beverages	7.6	51.3	1	Food & Non-Alcoholic Beverages	7.6	39.1	1
Bacolod City	Food & Non-Alcoholic Beverages	8.7	38.0	1	Food And Non-Alcoholic Beverages	8.7	49.8	1

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

Housing, Water, Electricity, Gas, and Other Fuels; and Transport were the main source of 2023 inflation trend for bottom 30 percent income households in Antique and Guimaras.

The major contributor to the 2023 inflation for low-income households in all the provinces including the 2 HUCs of Region VI was the Food and Non-Alcoholic Beverages.

Likewise, the data revealed that inflation rates for the bottom 30 percent income household in Western Visayas posted an erratic trend in 5 consecutive years (2019- 2023) except for Aklan and Iloilo (province) and Bacolod City (HUC) with an increasing annual price movement.

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.

Currently, the bottom 30% income HHs in Guimaras posted a 125.8 CPI, 0.4 higher than the 2023 CPI of Western Visayas. 125.4.
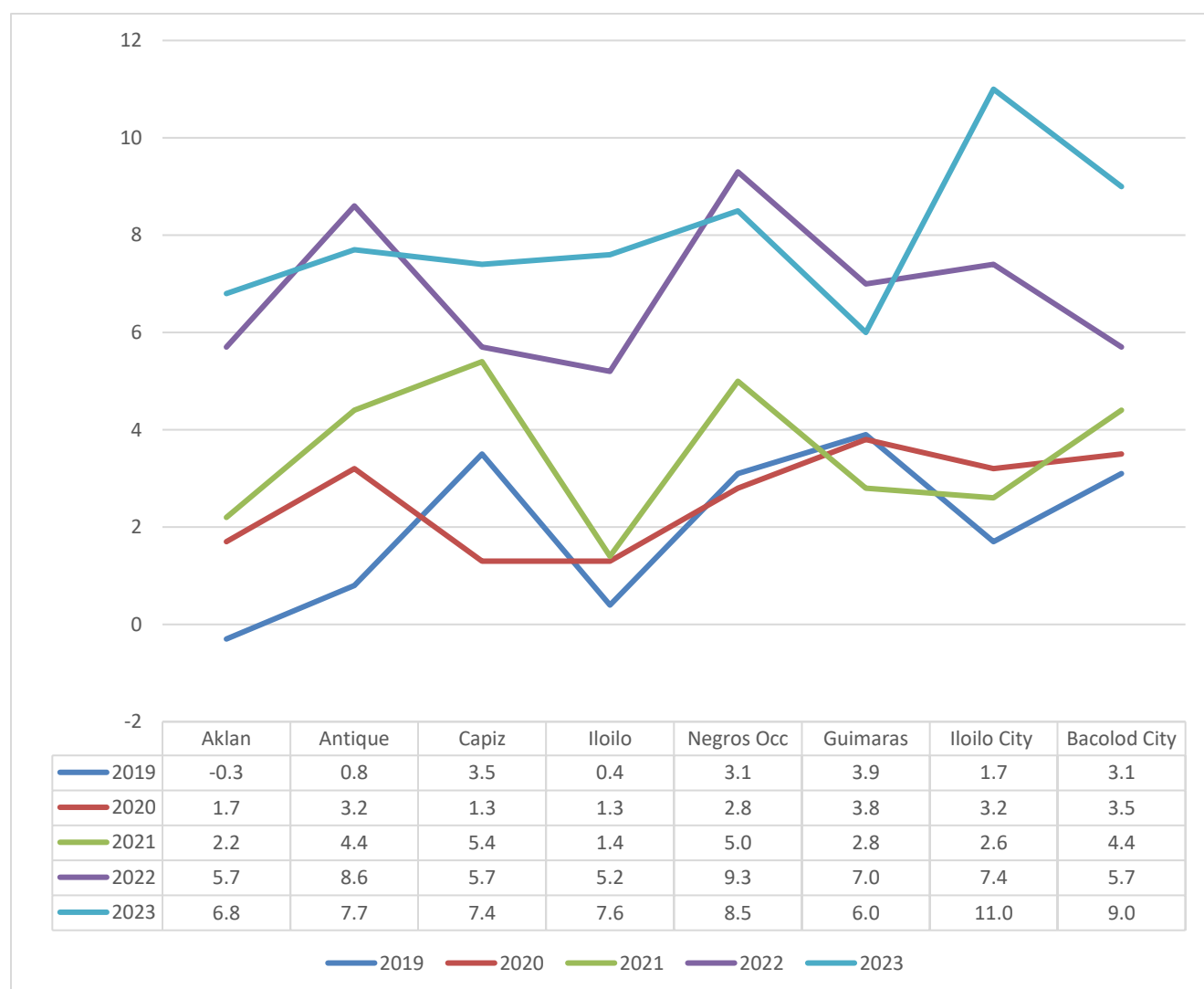
This indicates that a typical low-income Guimarasnon household needs 1,258 pesos in 2023 to purchase a basket of goods and services worth 1,000.00 pesos in 2018.

Losare also highlighted that based on the relative poverty concept, households whose per capita income falls below the bottom 30 percent of the cumulative per capita distribution belong to the low-income group.

The inflation rate for the bottom 30 percent of income households, who are the most vulnerable to economic and social difficulties, was computed to monitor their welfare.

Guimaras posts lowest inflation for low-income HHs in WV

Figure 2: Bottom30 % Income Household's Inflation in Region VI (2018=100): December (2022 - 2023)

	Aklan	Antique	Capiz	Iloilo	Negros Occ	Guimaras	Iloilo City	Bacolod City
2019	-0.3	0.8	3.5	0.4	3.1	3.9	1.7	3.1
2020	1.7	3.2	1.3	1.3	2.8	3.8	3.2	3.5
2021	2.2	4.4	5.4	1.4	5.0	2.8	2.6	4.4
2022	5.7	8.6	5.7	5.2	9.3	7.0	7.4	5.7
2023	6.8	7.7	7.4	7.6	8.5	6.0	11.0	9.0

Guimaras posted the lowest inflation for low-income Guimarasnons in 2023 followed by Aklan with a 6.8 percent price increase.

Moreover, the lowest inflation was also noted in Capiz, Iloilo, and Antique with 7.4, 7.6, and 7.7 percent inflation rates, respectively.

The highest bottom 30 percent income households' inflation in Region VI in 2023 was seen in the two Highly Urbanized Cities (HUCs) topped the rank with the highest inflation rate in 2023 with 11.0 and 9.0 percent, respectively. Negros Occidental also showed the highest inflation of 8.5 percent.

In terms of inflation trend for low-income households, only Antique, Negros Occidental showed slower price increment, while Aklan, Iloilo, including the Cities of Iloilo and Bacolod showed faster rates from 2022 to 2023. Likewise, for the last five years (2019-2023), all provinces including the two HUCs showed erratic trends.

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.

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.

NELIDA B. LOSARE
Provincial Statistics Officer