

# SPECIAL RELEASE

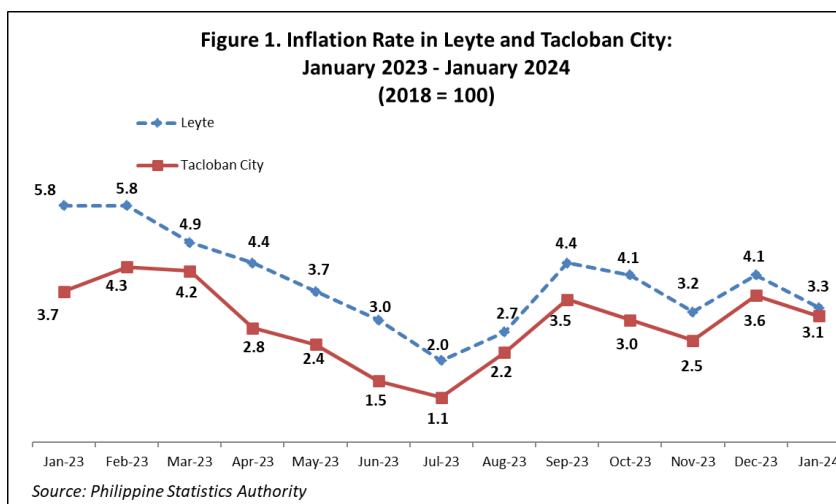
## HIGHLIGHTS OF THE JANUARY 2024 PRICE SITUATION IN TACLOBAN CITY (2018=100)

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### Tacloban City's inflation decelerates at 3.1 percent in January 2024

Tacloban City's inflation rate slows down at 3.1 percent in January 2024 from 3.6 percent in December 2023. In January 2023, the inflation rate was higher at 3.7 percent. Likewise, Leyte recorded a decrease in its inflation rate in January 2024 at 3.3 percent from 4.1 percent in December 2023. Among the provinces and HUC in the region, only Northern Samar, Southern Leyte, and Biliran recorded an increase in their respective inflation rate in January 2024.



#### Main Drivers to the Downward Trend of Tacloban City's Inflation

The downtrend in Tacloban City's inflation in January 2024 was primarily brought about by the slower annual increment of food and non-alcoholic beverages at 7.5 percent during the month from 8.5 percent in December 2023 which was driven by the slower rate of increase in prices of fish and other seafood, milk, other dairy products and eggs, fruits and nuts, sugar, confectionery and desserts, ready-made food and other food products n.e.c., fruit and vegetable juices, coffee and coffee substitutes, cocoa drinks, water, and soft drinks, and the faster rate of decrease in prices of vegetables, tubers, plantains, cooking bananas and pulses and tea, maté and other plant products for infusion. Lower annual increments were also noted in the indices of the following commodity groups during the month:

- a. Furnishings, household equipment and routine household maintenance at 0.7 percent from 1.1 percent due to the slower rate of increase in prices of non-durable household goods and domestic services and household services; and
- b. Health at 3.2 percent from 3.3 percent which was caused by the slower rate of increase in prices of medicines and medical products.

In addition, housing, water, electricity, gas and other fuels and recreation, sport and culture recorded a deflation of -0.3 percent and -0.2 percent, respectively, from an inflation of zero percent and 0.6 percent, respectively. The former was caused by the faster rate of decrease in prices of security equipment and materials for the maintenance and repair of the dwelling and electricity. While the latter was driven by the decrease in prices of stationery and drawing materials. Moreover, transport further recorded a deflation of -3.0 percent in January

2024 from a deflation of -2.7 percent in the previous month due to the faster rate of decrease in prices of fuels and lubricants for personal transport equipment and the decrease in prices of passenger transport by air.

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

- a. Alcoholic beverages and tobacco at 5.3 percent from 5.1 percent which was driven by the faster rate of increase in prices of spirits and liquors, beer, and tobacco and the slower rate of decrease in prices of wine; and
- b. Personal care, and miscellaneous goods and services at 1.8 percent from 1.6 percent due to the faster rate of increase in prices of other appliances, articles and products for personal care.

Meanwhile, the other five (5) major commodity groups maintained their inflation rates from their previous months' rate:

- a. Clothing and footwear at zero percent;
- b. Information and communication at zero percent;
- c. Education services at zero percent;
- d. Restaurants and accommodation services at 4.7 percent; and
- e. Financial services at zero percent.

The top three commodity groups contributing to the January 2024 inflation of Tacloban City were the following:

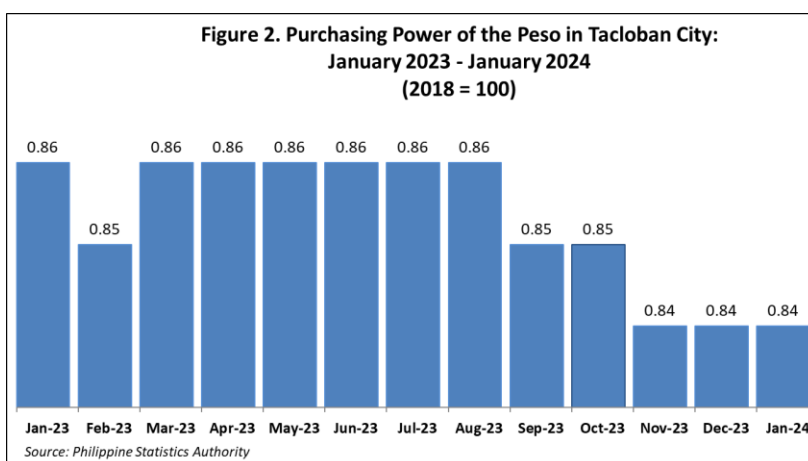
- a. Food and non-alcoholic beverages with 95.1 percent share or 2.95 percentage points;
- b. Restaurants and accommodation services with 9.1 percent share or 0.28 percentage point; and
- c. Alcoholic beverages and tobacco with 3.4 percent share or 0.11 percentage point.

The inflation rate is the general rise in prices over a period. It indicates how fast or how slow price changes over two-time periods. Contrary to common knowledge, low inflation does not necessarily connote that prices are falling instead; it means that prices continue to increase at a slower rate. It is a derived indicator of the Consumer Price Index (CPI).

The CPI is a measure of change in the average retail prices of goods and services commonly purchased by a particular group of people in a specific area. The overall CPI in Tacloban City for January 2024 was 119.5. This implies that the average retail price of goods and services in Tacloban City is 19.5 percent higher than the average retail prices in 2018 (base year).

### Purchasing Power of Peso (PPP) retains at 84 centavos in January 2024

The Purchasing Power of Peso (PPP) in Tacloban City retained at 84 centavos in January 2024. Likewise, the PPP in Leyte retained at 81 centavos during the reference month. The 84 centavos purchasing power of peso in Tacloban City indicates that the same basket of goods and services worth 84 pesos in 2018 (base year) is worth 100 pesos during the reference period.







## TECHNICAL NOTES

Rebasing of the CPI is necessary to ensure that this barometer of economic phenomena is truly reflective of current situation. Consumer taste, fashion and technology change over time causing the fixed market basket of goods and services to become outmoded. To capture such changes for a more meaningful price comparison, revision or updating of the fixed market basket, the sample outlets, the weights and the base year had to be done periodically.

**BASE PERIOD** - refers to the reference period of the index number. It is a period at which the index is set to 100. Current base period is 2018.

**COMPUTING THE CPI** - The formula used in computing the CPI is the weighted arithmetic mean of price relatives, a variant of the Laspeyres formula with fixed base year period weights.

**CONSUMER PRICE INDEX** - is a measure of change in the average retail prices of goods and services commonly purchased by a particular group of people in a particular area.

**INFLATION RATE** - refers to the annual rate of change or year-on-year change in CPI.


**MARKET BASKET** - refers to a sample of goods and services used to represent all goods and services bought by a particular group of consumers in a particular area.

**MONITORING OF PRICES** - is to establish baseline information for prices of the items in the base year and monitoring of the prices of the items on a regular basis. Except for Food, Beverage and Tobacco which is monitored on a weekly basis in NCR, price collection is done twice a month. First collection phase is done during the first five days of the month while the second phase is on the 15th to 17th day of the month.

**PURCHASING POWER PESO** - it is a measure of how much the peso in the base period is worth in another period. It gives an indication of the real value in a given period relative to the peso value in the base period.

**RETAIL PRICE** - refers to the actual price at which retailers sell a commodity on spot or earliest delivery, usually in small quantities for consumption and not for resale. It is confined to transactions on cash basis in the free market and excludes black-market prices and prices of commodities that are on sale as in summer sales, anniversary sales, Christmas sales, etc.

**WEIGHTS** - The weights for the 2018-based CPI were derived from the expenditure data of the 2018 Family Income and Expenditure Survey (FIES). The weight for each item of expenditure is a proportion of that expenditure item to the total national expenditure. The total (all items) national expenditure weights is equal to 100.

  
**SHERYL ANN A. JAMISOLA**  
 Chief Statistical Specialist