



SPECIAL RELEASE

Summary Inflation Report and Consumer Price Index (2018=100) of Romblon: May 2024

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Table 1. Year-on-Year Inflation Rates: Philippines, MIMAROPA, and Romblon:
All Items (2018=100)

Area	May 2024	April 2024	May 2023	Year-to-Date
Philippines	3.9	3.8	6.1	3.5
MIMAROPA	4.6	4.4	7.2	4.0
Romblon	5.6	5.6	6.9	6.2

Source: Philippine Statistics Authority, Retail Price Survey of Commodities

The headline inflation rate of Romblon remained at 5.6 percent in May 2024. Compared to the previous year, the inflation rate is also lower than the registered 6.9 percent in May 2023. Meanwhile, the province's year-to-date slowed down to 6.2 percent compared to last month's 6.4 percent.

The sustained inflation rate for the month indicates that no changes in the overall year-on-year rate of change of prices of goods and services in the province in May 2024. An acceleration in the inflation rate of some commodity groups in May 2024 was observed such as:

- Food and Non-alcoholic Beverages, 7.7% (67.3 share to overall inflation)
- Housing, Water, Electricity, Gas and Other Fuels, 3.6% (11.6% share to overall inflation)
- Information and Communication, -0.2% ((0.1%) share to overall inflation)

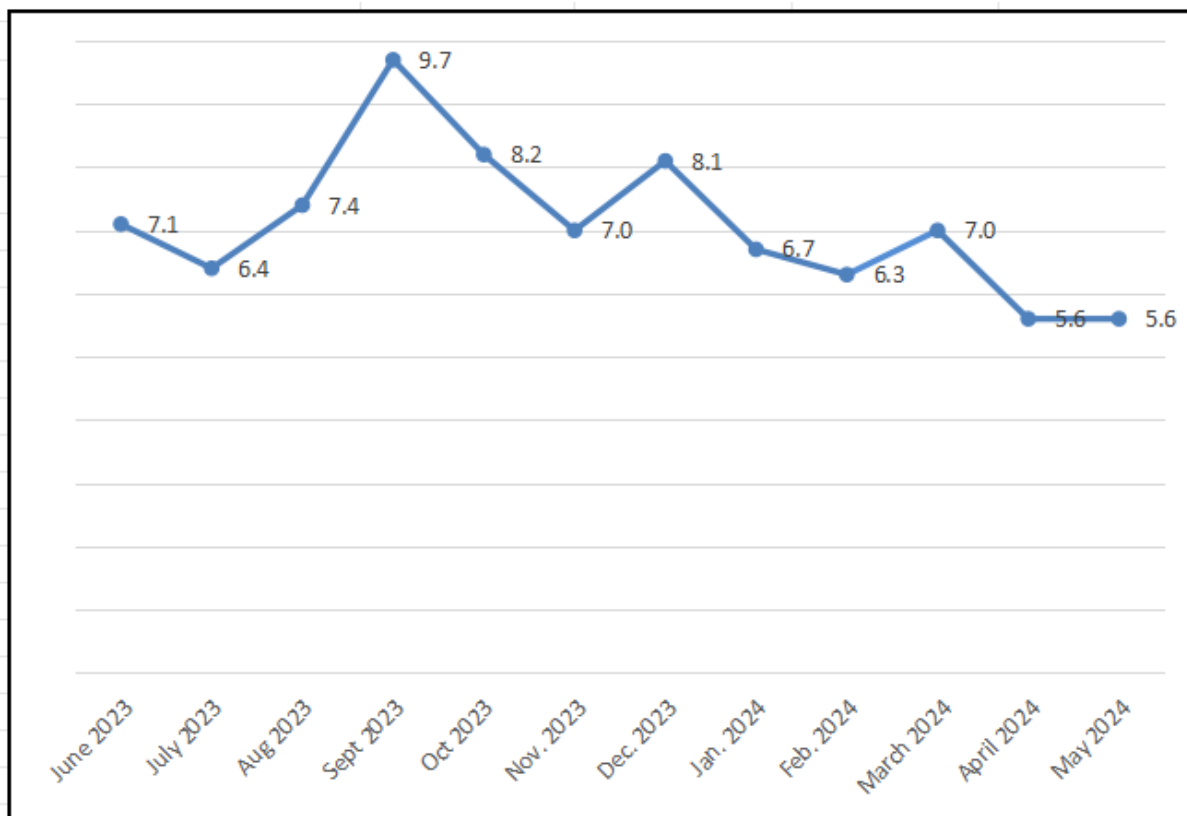
On the other hand, there was an observed slowing down of the year-on-year growth rate in the indices of the commodity group such as:

- Alcoholic Beverages and Tobacco, 8.2% (2.9% share to overall inflation)
- Clothing and Footwear, 4.0% (2.6% share to overall inflation)
- Furnishing, Household Equipment, and Routine Maintenance of the House, 5.5% (4.0% share to overall inflation)
- Health, 2.1% (1.0% share to overall inflation)
- Transportation, -0.1% (0.1% share to overall inflation)
- Recreation, Sports and Culture, 4.0%, (1.0% share to overall inflation)
- Restaurant & Accommodation Services, 8.6%(7.8% share to overall inflation)
- Personal Care, and Miscellaneous Goods and Services, 2.3% (2.0% share to inflation trend)

On the other hand, Education Services (2.6%) and Financial Services (-11.1%) remained at their previous month's rate.

In the past 12 months, the highest inflation rate was observed in the month of September 2023 computed at 9.7 percent while the lowest was observed in April and May 2024 at 5.6 percent (Figure 1).

Figure 1. 1-Year Monthly Inflation Rate of Romblon: June 2023 – May 2024



Source: Philippine Statistics Authority, Retail Price Survey of Commodities

Table 2 shows that the month-on-month price index for all items in the province creased by 0.1 percent (132.8 to 132.9). It also shows that Alcoholic Beverages and Tobacco registered the highest increment with reference to the price situation in the previous month, increased by 1.2 percent (194.8 to 197.2). It was followed by the observed price situation of Information and Communication Technology with 0.6 percent (108.0 to 108.7), House, Water, Electricity and Other Fuels with 0.4 percent (116.7 to 117.2), Recreation Sports and Culture with 0.4 percent (120.5 to 121.0), Restaurant and Accommodation Services with 0.4 percent (147.2 to 147.8), and Clothing and Footwear with 0.2 percent (125.2 to 125.4).

On the other hand, commodity groups that showed decreased indices include Food and Non-Alcoholic Beverages with -1.1 percent (137.6 to 137.5), Furnishing, Household Equipment and Routine Maintenance of the House with -0.7 percent (138.0 to 137.1), Health with -0.5 percent (126.5 to 125.9), Transportation with -0.4 percent (136.8 tp 136.2), and Personal Care an Miscellaneous Goods and Services with -0.2 percent (121.6 to 121.4). Meanwhile, there is no observed month-on-month changes in average prices of Education Services, and Financial Services.

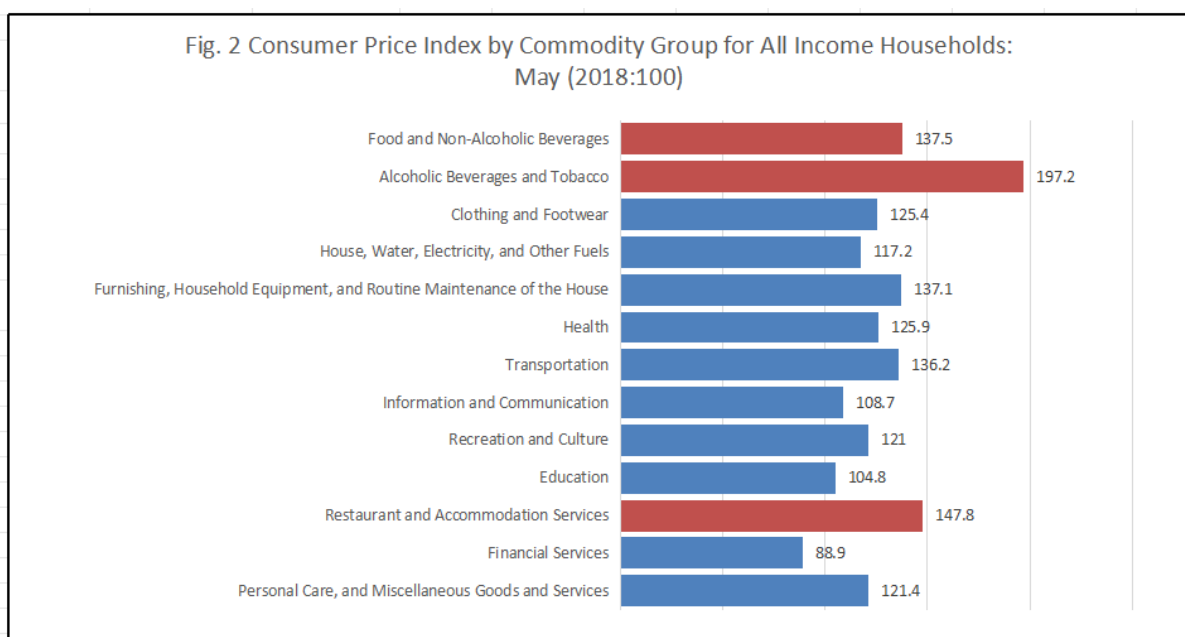
The average monthly CPI for all income households in the province in May 2024 was recorded at 132.9, increased by 5.6 percent from the price level on the same month of the past year (125.8).

Table 2. Consumer Price Index by Commodity Group for All Income Households (2018=100)

Commodity Group	May 2024	April 2024	May 2023	Month-on-Month Percentage	Year-on-Year Percentage
ALL ITEMS	132.9	132.8	125.8	0.1	5.6
Food and Non-Alcoholic Beverages	137.5	137.6	127.7	-1.1	7.7
Alcoholic Beverages and Tobacco	197.2	194.8	182.3	1.2	8.2
Clothing and Footwear	125.4	125.2	120.6	0.2	4.0
House, Water, Electricity, and Other Fuels	117.2	116.7	113.1	0.4	3.6
Furnishing, Household Equipment, and Routine Maintenance of the	137.1	138.0	130.0	-0.7	5.5
Health	125.9	126.5	123.3	-0.5	2.1
Transportation	136.2	136.8	136.3	-0.4	-0.1
Information and Communication	108.7	108.0	108.9	0.6	-0.2
Recreation, Sports and Culture	121.0	120.5	116.4	0.4	4.0
Education Services	104.8	104.8	102.1	0.0	2.6
Restaurant and Accommodation Services	147.8	147.2	136.1	0.4	8.6
Financial Services	88.9	88.9	100.0	0.0	-11.1
Personal Care, and Miscellaneous Goods and Services	121.4	121.6	118.7	-0.2	2.3

Source: Philippine Statistics Authority, Retail Price Survey of Commodities





Meanwhile, Figure 2 shows the Consumer Price Indices of different commodity groups in May 2024. The commodity group of Alcoholic Beverages and Tobacco registered 197.2, the highest value of the CPI in the province during the period. It means that the commodity group increased its average prices by 97.2 percent from its 2018 prices. It was followed by Restaurant and Accommodation Services (147.8) and Food and Non-alcoholic Beverages (137.5).



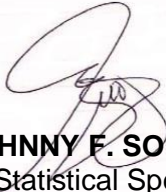
Source: Philippine Statistics Authority, Retail Price Survey of Commodities

Purchasing Power of Peso

CPI is further used in the computation of Purchasing Power of Peso (PPP). PPP measures the “true” value of money using a given base year.

2018	May 2024
 = P1.00	 = P 0.75
 = P100.00	 = P132.90

May 2024, the PPP was calculated to have a value of P0.75 on the average, which means that P1.00 in 2018 is only worth 75 centavos. Also, on the average, an individual needs P132.80, or P32.80 more, to buy the same basket of goods that was worth P100.00 in 2018.



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TECHNICAL NOTES

Consumer Price Index (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.
- is widely used in the calculation of the inflation rate and purchasing power of the peso.
- is used to adjust other economic series for price changes. Example, CPI components are used as deflators for most personal consumption expenditures (PCE) in the calculation of the Gross National Product (GNP).
- is used as basis to adjust wages in labor management contracts as well as pensions and retirement benefits. Thus, increases in wages through collective bargaining agreements use the CPI as one of their bases.

Inflation Rate (IR)

- interpreted in terms of declining purchasing power of peso.
- is the annual rate of change or the year-on-year change of the CPI expressed in percent.

Inflation Rate (reference month, reference year)

$$= \left[\frac{\text{CPI}_{(\text{reference month, reference year})} - \text{CPI}_{(\text{reference month, previous year})}}{\text{CPI}_{(\text{reference month, previous year})}} \right] \times 100\%$$

Purchasing Power of Peso

- shows how much the peso in the base period is worth in the current period.
- computed as the reciprocal of the CPI for the period under review multiplied by 100.

Market Basket

- is a sample of goods and services, which is meant to represent the totality of all the goods and services purchased by households relative to a base year.
 - To determine the commodities that will form the market basket for the 2018-based CPI, the Survey of Key Informants (SKI) was conducted in March 2021. The survey, which was conducted nationwide to store managers, sellers or proprietors, obtained information on the most commonly purchased of goods and availed of services by the households.
 - The commodities in the 2018-based CPI market basket are grouped/classified according to the 2020 Philippine Classification of Individual Consumption According to Purpose (PCOICOP) which is based on the United Nations COICOP. Meanwhile, the commodities in the 2012-based CPI market basket used the 2009 PCOICOP version of classification of commodities.

Base year

- is a reference period, usually a year, at which the index number is set to 100. It is the reference point of the index number series. The CPI is rebased from base year 2012 to base year 2018.