SPECIAL RELEASE

**Summary Inflation Report
Consumer Price Index
(2018 = 100)
May 2024**

Date of Release: **06 June 2024**

Reference No. **2024-07**

A. INFLATION RATES FOR ALL ITEMS

**Table 1. Year-on-Year Inflation Rates for All Items, BARMM:
May 2024, April 2024, and May 2023
(In percent, 2018=100)**

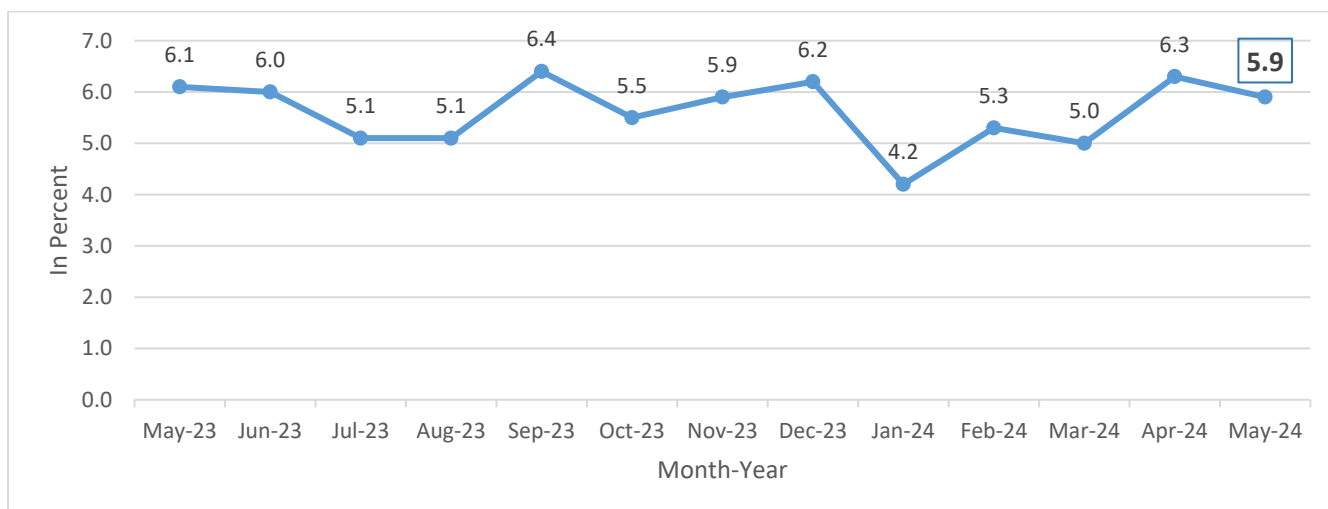| Area	May	April	May	Year-to-Date
	2024	2024	2023	
BARMM	**5.9**	**6.3**	**6.1**	5.3
Basilan	6.1	4.9	7.0	3.6
Lanao del Sur	5.7	5.3	4.6	4.0
Maguindanao	8.4	10.3	6.5	8.7
Sulu	3.4	2.8	5.9	2.6
Tawi-Tawi	2.9	2.2	8.4	4.0
Cotabato City	4.9	4.4	4.3	3.7

*Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority*

The May 2024 headline inflation in BARMM decelerated at 5.9 percent from 6.3 percent in April 2024. Inflation in May 2023 was higher at 6.1 percent. Table 1 shows that in May 2024, Maguindanao slowed down at 8.4 percent from 10.3 percent inflation. The province, however, posted the highest inflation rate among BARMM provinces. On the other hand, the other provinces posted higher movements of prices in May 2024: Basilan at 6.1 percent, Lanao del Sur at 5.7 percent, Sulu at 3.4 percent, and Tawi-Tawi at 2.9 percent. Cotabato City, an Independent Component City (ICC), also posted a higher inflation rate with 4.9 percent from 4.4 percent in April 2024.

**Figure 1. Headline Inflation Rates for All Items, BARMM:
May 2023 to May 2024
(In percent, 2018=100)**

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
              Philippine Statistics Authority

The following commodity groups that posted decreases from their previous month's inflation rates were:

   a. Food and Non-Alcoholic Beverages, 6.8 percent;
   b. Alcoholic Beverages and Tobacco at 3.9 percent;
   c. Clothing and Footwear at 3.0 percent;
   d. Furnishings, Household Equipment and Routine Household Maintenance, 2.7 percent; and
   e. Recreation, Sport and Culture, 6.4 percent;

Meanwhile, the commodity groups that posted higher inflation rates from their previous month's inflation rates were:
   a. Housing, Water, Electricity, Gas and Other Fuels, 3.5 percent;
   b. Health, 2.6 percent;
   c. Transport, 6.7 percent; and
   d. Restaurants and Accommodation Services, 8.5 percent

On the other hand, the commodity groups that remain constant at their April's 2024 inflation rates were:
   a. Information and Communication, 0.5 percent;
   b. Education Services, 7.5 percent;
   c. Financial Services, 0.0 percent; and
   d. Personal Care and Miscellaneous Goods and Services, 5.2 percent.

**Table 2. Inflation Rates by Commodity Group for All Income Households
BARMM: May 2024, April 2024, and May 2023
(In percent, 2018=100)**

Commodity Group	May 2024	April 2024	May 2023
All Items	**5.9**	**6.3**	**6.1**
Food and Non-Alcoholic Beverages	6.8	7.4	7.6
Alcoholic Beverages and Tobacco	3.9	7.2	9.5
Clothing and Footwear	3.0	3.1	3.1
Housing, Water, Electricity, Gas and Other Fuels	3.5	3.0	3.6
Furnishing, Household Equipment and Routine Maintenance of the House	2.7	3.2	4.1
Health	2.6	2.5	0.7
Transport	6.7	5.0	-2.8
Information and Communication	0.5	0.5	1.6
Recreation, Sports and Culture	6.4	6.6	3.6
Education Services	7.5	7.5	3.7
Restaurant and Accommodation Services	8.5	7.9	12.4
Financial Services	0.0	0.0	0.0
Personal Care, Miscellaneous Goods and Services	5.2	5.2	3.2

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority

B. INFLATION RATES FOR FOOD ITEMS

For food commodities, inflation decreased to 7.0 percent in May 2024 from 7.6 percent in the previous month. In May 2023, inflation of food items was higher at 7.3 percent.

The decreased in the region's food inflation was mainly brought about by the lower indices for Cereals and cereal products (ND) at 15.7 percent, Meat and other parts of slaughtered land animals (ND) at 2.0 percent, and Fruits and nuts (ND) at negative 3.7 percent**,** (see Table 3).

Also contributing to the downtrend in the overall inflation during the period were the lower annual increments in the indices of the following food commodity groups as compared with their previous month's inflation rates:

a. Corn, negative 5.9;

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b. Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals, 3.1 percent;
c. Fish and other seafood (ND), 0.6 percent;
d. Milk, other dairy products and eggs (ND) at 5.6 percent;
e. Oils and fats, negative 0.8 percent;

On the other hand, the food group posted higher inflation rates from April 2024, were the Vegetables, tubers, plantains, cooking bananas and pulses (ND) at negative 0.8 percent, Sugar, confectionery and desserts (ND) at negative 3.3 percent, and Ready-made food and other food products n.e.c. (ND) at 6.7 percent.

Table 3. Inflation Rates by Commodity Group for Food, BARMM: May 2024, April 2024, and May 2023 (In percent, 2018=100)

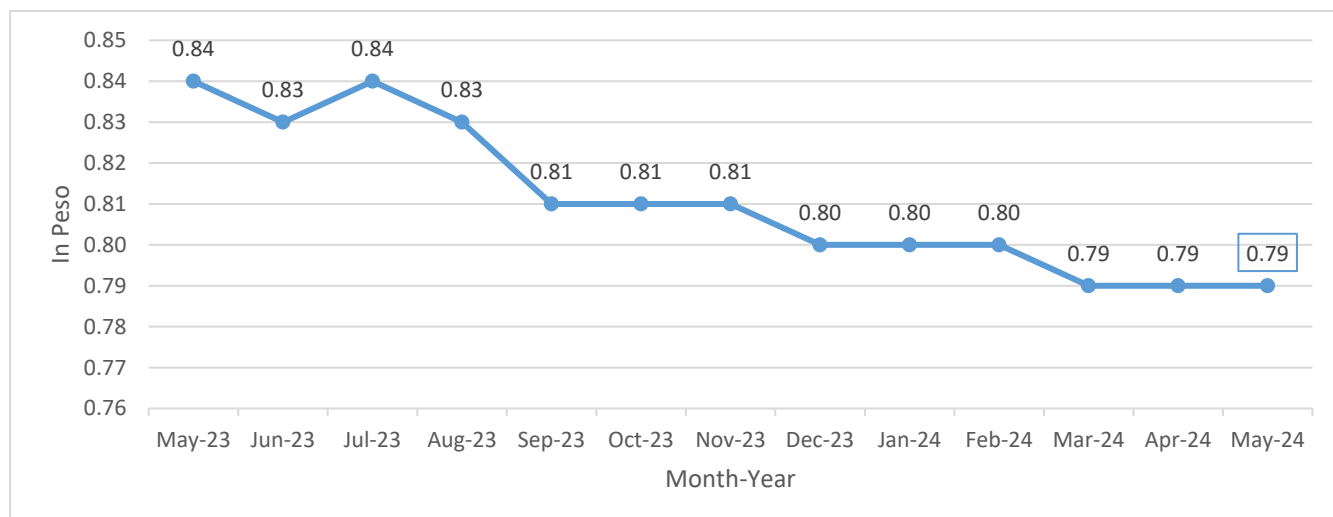| Commodity Group	May 2024	April 2024	May 2023
FOOD	**7.0**	**7.6**	**7.3**
Cereals and cereal products (ND)	15.7	16.6	4.8
Cereals (ND)	23.4	25.0	2.0
Rice	23.9	25.5	2.0
Corn	-5.9	-5.2	6.3
Flour, Bread and Other Bakery Products, Pasta Products, and Other Cereals	3.1	3.2	9.7
Meat and other parts of slaughtered land animals (ND)	2.0	4.9	11.4
Fish and other seafood (ND)	0.6	0.9	6.8
Milk, other dairy products and eggs (ND)	5.6	6.6	7.1
Oils and fats (ND)	-0.8	-0.4	5.8
Fruits and nuts (ND)	-3.7	-1.8	2.2
Vegetables, tubers, plantains, cooking bananas and pulses (ND)	-0.8	-1.7	10.7
Sugar, confectionery and desserts (ND)	-3.3	-4.7	38.4
Ready-made food and other food products n.e.c. (ND)	6.7	5.0	-0.6

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority

C. PURCHASING POWER OF PESO

Purchasing Power of Peso (PPP) is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines, as shown in Figure 2. In BARMM, PPP is at PhP 0.79 as of May 2024.

Figure 2. Purchasing Power of Peso in BARMM:
May 2023 – May 2024
(In peso, 2018=100)

Source: Retail Price Survey of Commodities for the Generation of Consumer Price Index
Philippine Statistics Authority

TECHNICAL NOTES:

Consumer Price Index (CPI)

The CPI is an indicator of the changes in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to a base year.

Uses of CPI

The CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is a major statistical series used for economic analysis and as a monitoring indicator of government economic policy.

Computation of CPI

The computation of the CPI involves consideration of the following important points:

a. Base Period

The reference date or base period is the benchmark or reference date or period at which the index is taken as equal to 100.

b. Market Basket

A sample of the thousands of varieties of goods purchased for consumption and services availed by the households in the country selected to represent the composite price behavior of all goods and services purchased by consumers.

c. Weighting System

The weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditure.

d. Formula

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.

e. Geographic Coverage

CPI values are computed at the national, regional, and provincial levels, and for selected cities.

Inflation Rate

the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso.
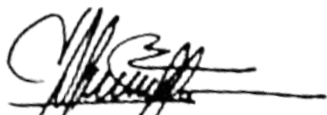
Headline Inflation

refers to the rate of change in the CPI, a measure of the average standard "basket" of goods and services consumed by a typical family.

Purchasing Power of Peso

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

Note: The dataset used in the special release is exclusive for BARMM provinces including Cotabato City and excluding 63 barangays.

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EDFE/BMB