

PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

La Union: December 2023

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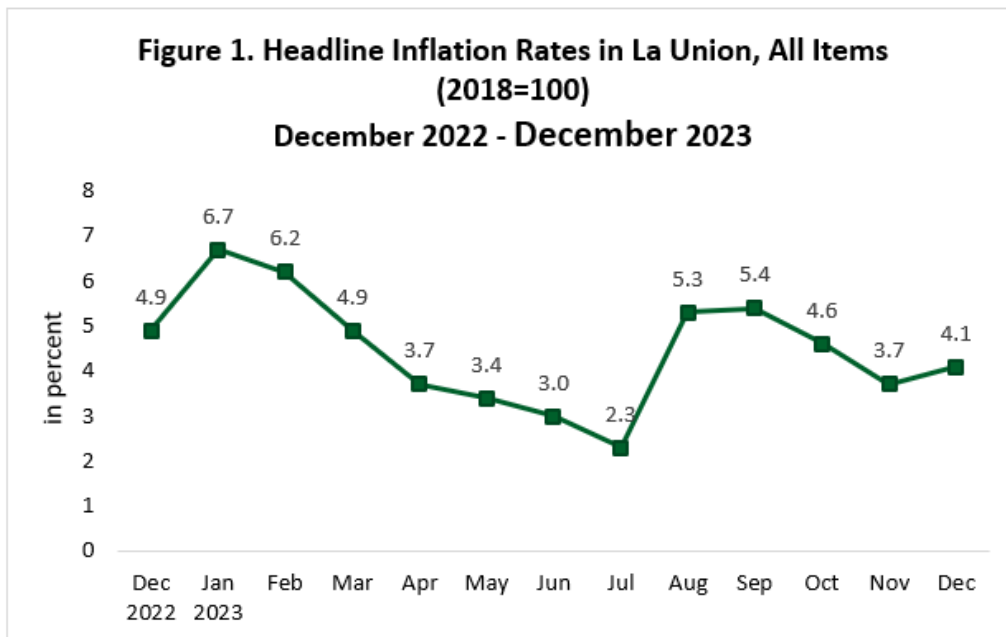
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Table A. Year-on-Year Inflation Rates in La Union, All Items in Percent (2018 = 100)

	December 2022	November 2023	December 2023	Year-to-date*
Headline Inflation	4.9	3.7	4.1	4.4

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

* Year-on-year change of CPI for January to December 2023 vs 2022



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

1. Headline Inflation

La Union's headline inflation accelerated to 4.1 percent in December 2023 from 3.7 percent in November 2023. This brings the provincial average inflation rate from January to December 2023 to 4.4 percent. In December 2022, inflation rate was higher at 4.9 percent. (Table A and Figure1)



1.1 Main Drivers to the Upward Trend of the Headline Inflation

The uptrend in the inflation of the province in December 2023 was primarily brought about by the faster year-on-year inflation in the index of the heavily weighted food and non-alcoholic beverages at 8.8 percent from 8.0 percent in November 2023.

This was followed by transport index with a faster annual growth of 0.5 percent in December 2023 from -0.6 percent in November 2023. The index of alcoholic beverages and tobacco ranked third main contributor to the uptrend of the headline inflation of the province with 4.2 percent inflation in December 2023 from 4.1 percent in the previous month.

In contrast, slower annual increases were noted in the indices of the following commodity groups during the month compared with the previous month:

- a. Housing, water, electricity, gas and other fuels, 1.3 percent from 1.5 percent;
- b. Recreation, sport and culture, 0.7 percent from 0.8 percent; and
- c. Personal care and miscellaneous goods and services, 1.3 percent from 1.5 percent.

Meanwhile, the indices of the following commodity groups retained their respective previous month's annual inflation rates:

- a. Clothing and footwear, 3.8 percent;
- b. Furnishings, household equipment and routine household maintenance, 2.6 percent;
- c. Health, 1.7 percent;
- d. Information and communication, 1.4 percent;
- e. Education services, 0.0 percent;
- f. Restaurants and accommodation services, 0.0 percent; and
- g. Financial services, 0.0 percent.

**Table B. Year-on-Year Inflation Rates in La Union, All Items (in Percent)
January 2019 – December 2023
(2018 = 100)**

Month	Year				
	2019	2020	2021	2022	2023
January	3.3	1.9	3.7	0.9	6.7
February	3.1	1.7	3.0	2.1	6.2
March	3.0	2.0	2.7	3.0	4.9
April	2.3	2.4	2.2	4.4	3.7
May	2.4	1.9	2.5	4.2	3.4
June	1.7	2.0	2.4	4.6	3.0
July	1.3	1.8	3.1	4.3	2.3
August	0.1	1.4	3.8	3.3	5.3
September	-1.7	1.6	3.9	3.8	5.4
October	-1.3	1.5	3.6	4.0	4.6
November	-0.8	2.7	3.1	4.4	3.7
December	0.9	3.1	1.9	4.9	4.1
Average	1.2	2.0	3.0	3.7	4.4

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the December 2023 overall inflation of the province were the following:

- a. Food and non-alcoholic beverages with 81.3 percent share or 3.3 percentage points;
- b. Housing, water, electricity, gas and other fuels with 5.9 percent share or 0.2 percentage point; and
- c. Clothing and footwear with 3.2 percent share or 0.1 percentage point.

2. Food Inflation

Food inflation at the provincial level climbed to 9.4 percent in December 2023 from 8.7 percent in November 2023. In December 2022, food inflation was lower at 5.9 percent.

2.1 Main Drivers to the Uptrend of Food Inflation

The acceleration of food inflation of the province in December 2023 was primarily contributed by higher annual increment in the index of rice at 34.1 percent from 26.1 percent in November 2023. This was followed by fish and other seafood with an inflation rate of 10.6 percent during the month from 7.8 percent in November 2023. The third contributor to the uptrend of food inflation in December 2023 was the higher annual gain in the index of fruits and nuts at 15.1 percent during the month, from 12.5 percent in the previous month.

The following food groups also exhibited higher inflation during the month compared with their previous month's inflation rates:

- a. Milk, other dairy products, and eggs, 6.0 percent from 5.4 percent;
- b. Ready-made food and other food products not elsewhere classified, 2.0 percent from 1.7 percent; and
- c. Flour, bread and other bakery products, pasta products, and other cereals, 4.4 percent from 4.3 percent.

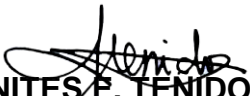
In contrast, lower annual inflation rates during the month were noted in the indices of the following food groups:

- d. Meat and other parts of slaughtered land animals, -1.8 percent from -1.7 percent;
- e. Oils and fats, 1.9 percent from 2.9 percent;
- f. Vegetables, tubers, cooking bananas and pulses, -2.7 percent from 11.8 percent; and
- g. Sugar, confectionery and desserts, -3.6 percent from -2.6 percent.

2.2 Main Contributors to the Food Inflation

Food contributed 79.5 percent or 3.3 percentage points to the overall inflation in December 2023. The food groups with the highest contribution to food inflation during the month were the following:

- a. Cereal and cereal products, which includes rice, corn, flour, bread and other bakery products, pasta products, and other cereals with 81.2 percent share or 7.6 percentage points;
- b. Fish and other seafood, with 13.6 percent share or 1.3 percentage points; and
- c. Fruits and nuts with 5.9 percent share or 0.6 percentage point.


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