

PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

La Union: January 2024

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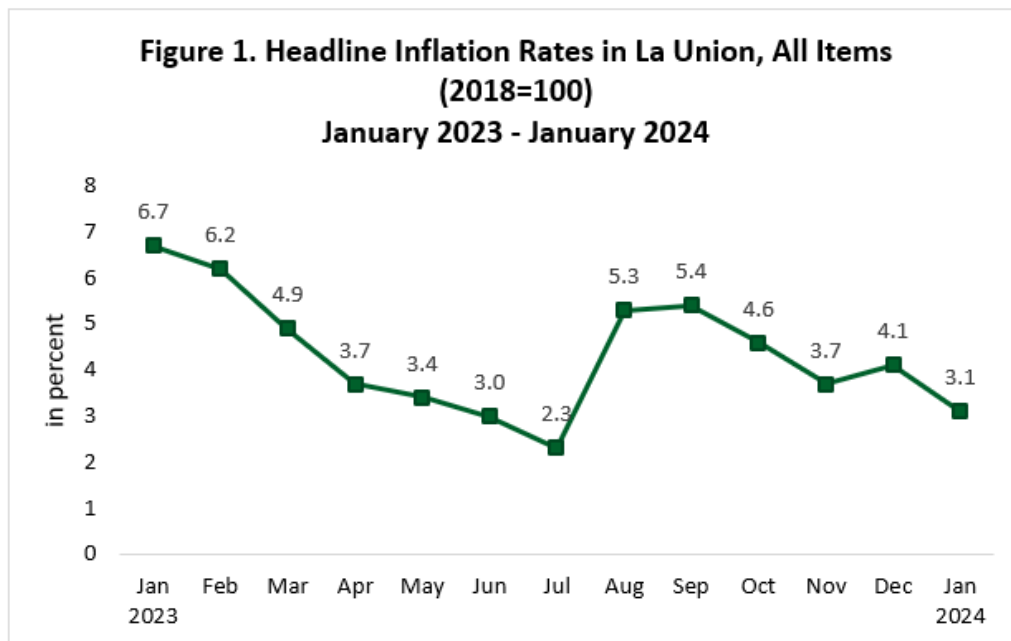
Reference No: 2024-10

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

	January 2023	December 2023	January 2024	Year-to-date*
Headline Inflation	6.7	4.1	3.1	3.1

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 January 2024 vs 2023



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

1. Headline Inflation

La Union's headline inflation slowed down to 3.1 percent in January 2024. This is the lowest inflation rate in the province since the 2.3 percent inflation recorded in July 2023. Inflation rate in the province was recorded at 4.1 percent in December 2023 and at 6.7 percent in January 2023. (Table A and Figure1)



1.1 Main Drivers to the Downward Trend of the Headline Inflation

The downtrend in the inflation of the province in January 2024 was primarily brought about by the slower annual uptick in the index of the heavily weighted food and non-alcoholic beverages at 7.1 percent from 8.8 percent in December 2023.

This was followed by transport with an annual decline of -1.6 percent in January 2024 from 0.5 percent annual growth in December 2023. Housing, water, electricity, gas and other fuels ranked third main contributor to the downtrend of the headline inflation of the province with 0.5 percent inflation in January 2024 from 1.3 percent in the previous month.

Slower annual growths were also noted in the indices of the following commodity groups during the month:

- a. Clothing and footwear, 2.5 percent from 3.8 percent;
- b. Alcoholic beverages and tobacco, 2.3 percent from 4.2 percent;
- c. Furnishings, household equipment and routine household maintenance, 1.8 percent from 2.6 percent; and
- d. Information and communication, 0.7 percent from 1.4 percent.

In addition, annual decreases were noted in the indices of recreation, sport and culture at -0.6 percent in January 2024 from 0.7 percent in December 2023, and financial services at -0.1 percent during the month from zero percent annual rate in the previous month.

In contrast, faster annual increments were observed in the indices of the following commodity groups during the month compared with the previous month:

- a. Health, 1.8 percent from 1.7 percent;
- b. Education services, 0.8 percent from 0.0 percent; and
- c. Personal care, and miscellaneous goods and services, 1.5 percent from 1.3 percent.

Meanwhile, the index of restaurant and accommodation services remained at its previous month's zero percent annual inflation rate.

1.2 Main Contributors to the Headline Inflation

The top three commodity groups contributing to the January 2024 overall inflation of the province were the following:

- a. Food and non-alcoholic beverages with 89.7 percent share or 2.8 percentage points;
- b. Housing, water, electricity, gas and other fuels with 3.1 percent share or 0.10 percentage point; and
- c. Clothing and footwear with 2.9 percent share or 0.09 percentage point.

**Table B. Year-on-Year Inflation Rates in La Union, All Items (in Percent)
January 2020 – January 2024
(2018 = 100)**

Month	Year				
	2020	2021	2022	2023	2024
January	1.9	3.7	0.9	6.7	3.1
February	1.7	3.0	2.1	6.2	
March	2.0	2.7	3.0	4.9	
April	2.4	2.2	4.4	3.7	
May	1.9	2.5	4.2	3.4	
June	2.0	2.4	4.6	3.0	
July	1.8	3.1	4.3	2.3	
August	1.4	3.8	3.3	5.3	
September	1.6	3.9	3.8	5.4	
October	1.5	3.6	4.0	4.6	
November	2.7	3.1	4.4	3.7	
December	3.1	1.9	4.9	4.1	
Average	1.2	2.0	3.0	3.7	

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

2. Food Inflation

Food inflation at the provincial level slowed down to 7.6 percent in January 2024 from 9.4 percent in December 2023. In January 2023, food inflation was higher at 9.4 percent.

2.1 Main Drivers to the Downtrend of Food Inflation

The deceleration of food inflation of the province in January 2024 was primarily contributed by lower annual increment in the index of fish and other seafood at 4.2 percent from 10.6 percent in December 2023. This was followed by fruits and nuts with an inflation rate of 2.2 percent during the month from 15.1 percent in December 2023. The third contributor to the downtrend of food inflation in January 2024 was the faster annual decline in the index of vegetables, tubers, cooking bananas and pulses at -8.6 percent during the month, from -2.7 percent in the previous month.

Moreover, lower inflation rates were also observed in the indices of the following food groups during the month:

- a. Milk, other dairy products, and eggs, 2.2 percent from 6.0 percent;
- b. Flour, bread and other bakery products, pasta products, and other cereals, 2.2 percent from 4.4 percent; and
- c. Ready-made food and other food products not elsewhere classified, 1.3 percent from 2.0 percent.

In addition, annual decline was noted in the index of oils and fats at -3.1 percent in January 2024 from 1.9 percent annual increase in the previous month.

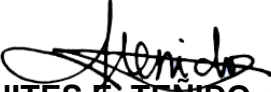
On the contrary, rice inflation increased further to 38.5 percent during the month from 34.1 percent in December 2023. Corn also posted an annual increase of 10.7 percent from an annual decrease of -6.1 percent.

Meanwhile, lower annual annual declines were noted in the indices of meat and other parts of slaughtered land animals at -1.4 percent in January 2024 from -1.8 percent in December 2023, and sugar, confectionery and desserts at -3.0 percent during the month from -3.6 percent in the previous month.

2.2 Main Contributors to the Food Inflation

Food contributed 87.8 percent or 2.7 percentage points to the overall inflation in January 2024. 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 101.6 percent share or 7.7 percentage points;
- b. Fish and other seafood, with 6.1 percent share or 0.5 percentage points; and
- c. Milk, other dairy products and egg, with 1.9 percent share or 0.1 percentage point.


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