

PRESS RELEASE

Summary Inflation Report Consumer Price Index (2018=100)

La Union: August 2024

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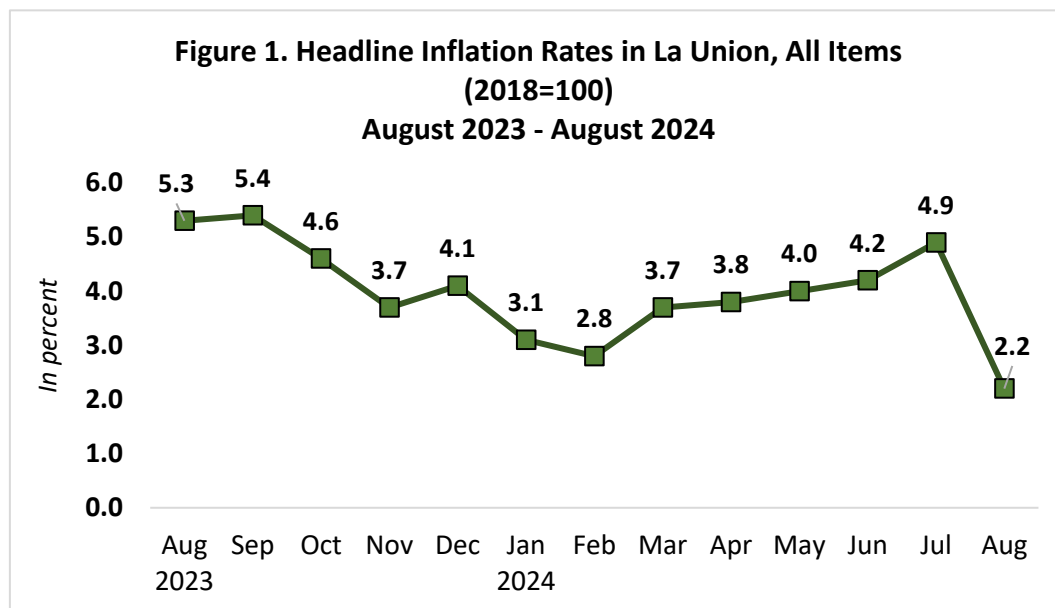
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**Table A. Year-on-Year Inflation Rates in La Union, All Items
in Percent
(2018 = 100)**

	August 2023	July 2024	August 2024	Year-to-date*
Headline Inflation	5.3	4.9	2.2	3.6

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 August 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 decelerated to 2.2 percent in August 2024 from 4.9 percent in July 2024. This was the lowest recorded inflation in the province since February 2022. This brings the provincial average inflation from January to August 2024 at 3.6 percent. In August 2023, inflation rate was higher at 5.3 percent. (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 August 2024 was primarily influenced by the slower annual increment in the heavily weighted food and non-alcoholic beverages at 3.6 percent during the month from 9.4 percent in July 2024.

This was followed by transport with a slower annual mark up of 0.7 percent in August 2024 from 5.3 percent in July 2024. Housing, water, electricity, gas and other fuels ranked third main contributor to the deceleration of the headline inflation of the province as it recorded a slower year-on-year increase of 2.3 percent in August 2024 from 3.1 percent inflation in the previous month.

In addition, furnishings, household equipment and routine household maintenance also recorded a deceleration of 0.3 percent in August 2024 from 0.5 percent in July 2024.

On the contrary, faster annual growths were recorded in the following commodity groups:

- a. Alcoholic beverages and tobacco, at 2.1 percent inflation from 2.0 percent;
- b. Clothing and footwear, at 1.8 percent inflation from 1.3 percent;
- c. Health, at 0.9 percent inflation from 0.8 percent;
- d. Education services, at 3.2 percent inflation from 1.1 percent; and
- e. Restaurants and accommodation services, at 0.5 percent inflation from 0.0 percent.

Meanwhile, the annual inflation of information and communication and personal care and miscellaneous goods and services remained at their respective previous month's rates of 0.3 percent and 0.5 percent, respectively. Financial services also retained an annual decline of 0.1 percent in August 2024.

1.2 Main Contributors to the Headline Inflation

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

- a. Food and non-alcoholic beverages with 62.8 percent share or 1.4 percentage points;
- b. Housing, water, electricity, gas and other fuels with 19.7 percent share or 0.4 percentage point; and
- c. Restaurants and accommodation services with 3.1 percent share or 0.1 percentage point.

**Table B. Year-on-Year Inflation Rates in La Union, All Items (in Percent)
January 2020 – August 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	2.8
March	2.0	2.7	3.0	4.9	3.7
April	2.4	2.2	4.4	3.7	3.8 _r
May	1.9	2.5	4.2	3.4	4.0
June	2.0	2.4	4.6	3.0	4.2
July	1.8	3.1	4.3	2.3	4.9
August	1.4	3.8	3.3	5.3	2.2
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	3.6

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

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2. Food Inflation

Food inflation at the provincial level slowed down to 3.7 percent in August 2024 from 10.1 percent in July 2024. In August 2023, food inflation was recorded at 10.9 percent.

2.1 Main Drivers to the Downward Trend of Food Inflation

The deceleration of food inflation in the province in August 2024 was primarily contributed by the slower annual increase in the rice index at 9.7 percent during the month from 35.1 percent in July 2024. This was followed by vegetables, tubers, plantains, cooking bananas and pulses with an annual drop of 2.4 percent during the month from an annual gain of 6.1 percent in July 2024. The third contributor to the downtrend of food inflation in the province in August 2024 was observed in fruits and nuts with a slower year-on-year mark up of 2.2 percent during the month from 14.4 percent in the previous month.

In addition, slower annual increases were noted in the indices of meat and other parts of slaughtered land animals at 5.6 percent and ready-made food and other food products not elsewhere classified at 1.8 percent from their respective annual inflation of 6.1 percent and 1.9 percent, respectively.

Moreover, an annual decrease of 0.8 percent in August 2024 from an annual increase of 0.6 percent in July 2024 was noted in the fish and other seafood index. Vegetables, tubers, plantains, cooking bananas and pulses also recorded an annual drop of 2.4 percent from an annual increment of 6.1 percent.


In contrast, faster annual growth was observed in the index of flour, bread and other bakery products, pasta products and others at 3.6 percent in August 2024 from 2.2 percent in July 2024. Faster annual increment was also recorded in the index of milk, other dairy products and eggs at 3.1 percent during the month from 0.3 percent in the previous month.

Meanwhile, the annual increase of 17.9 percent in the corn index remained in August 2024. Oils and fats, and sugar, confectionery and dessert retained annual declines of 1.8 percent and 4.3 percent, respectively.

2.2 Main Contributors to the Food Inflation

Food inflation contributed 60.8 percent or 1.3 percentage points to the overall inflation in August 2024. The top three food groups in terms of contribution to the 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 71.2 percent share or 2.6 percentage points;
- b. Meat and other parts of slaughtered land animals, with 29.5 percent share or 1.1 percentage point; and
- c. Milk and other dairy products and eggs, with 6.5 percent share or 0.2 percentage point.


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