

Date Release: 09 August 2021

Reference No. : 65R12-SR2021-29

Sultan Kudarat's Inflation Rate Accelerates at 3.7 in July 2021

The annual headline inflation rate or the year-on-year change in the Consumer Price Index (CPI) of Sultan Kudarat Province accelerated at 3.7 percent in July 2021 from 3.2 percent in June 2021. This is about 0.4 percentage point higher than the rate posted in July last year at 3.3 percent. Purchasing power of peso in the province decreased at Php 0.75. (Table 1)

Table 1. Year-on-Year Inflation Rate (All Items) and Purchasing Power of Peso: Sultan Kudarat, July 2020 and July 2021 (2012=100)

Reference Period	Inflation Rate		Purchasing Power of Peso (PPP)	
	2019	2020	2019	2020
August	2.2	2.9	0.80	0.78
September	2.0	2.6	0.80	0.78
October	2.1	2.2	0.79	0.78
November	2.3	2.2	0.79	0.77
December	3.3	2.4	0.79	0.77
	2020	2021	2020	2021
January	3.4	2.5	0.78	0.76
February	3.3	3.2	0.78	0.76
March	3.3	3.3	0.78	0.76
April	3.5	3.3	0.78	0.75
May	3.6	3.3	0.78	0.75
June	3.1	3.2	0.78	0.76
July	3.3	3.7	0.78	0.75

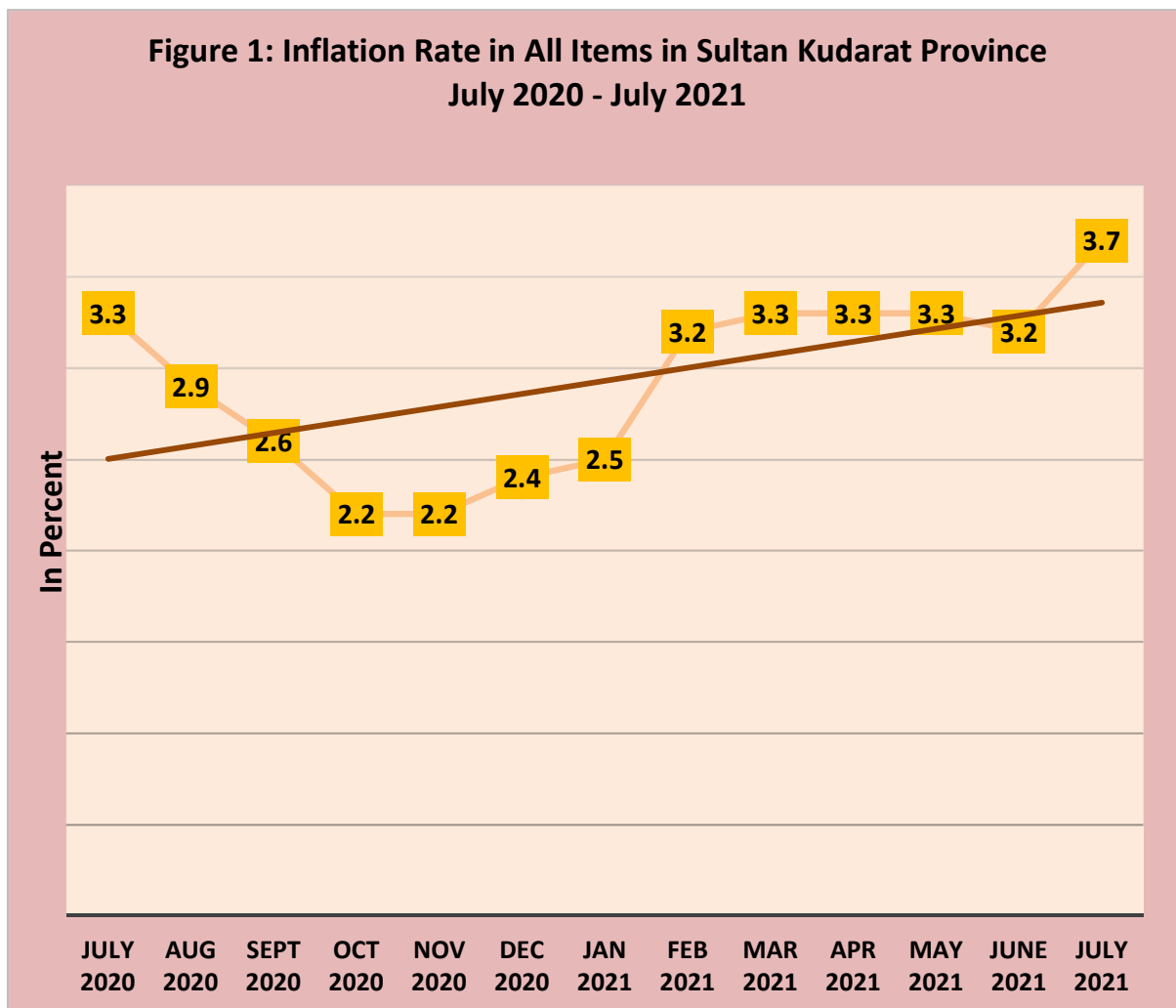
Source: Philippine Statistics Authority, Consumer Price Index



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Figure 1 demonstrates an erratic trend in the inflation rate from July 2020 to July 2021. The inflation rate suddenly decreased by 0.4 percentage point in August 2020 at 2.9 percent from 3.3 percent in July 2020 and gradually decreased until November 2020 at 2.2 percent. A notable increase by 0.7 percentage point was observed in February 2021 at 3.2 percent from 2.5 percent in January 2021. The inflation rate remained at 3.3 percent from March 2021 until May 2021 and finally settled at 3.7 percent in July 2021.



Source: Philippine Statistics Authority, Consumer Price Index

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The upturn of inflation rate was mainly driven by the slower annual increment in the indices of Recreation and Culture at 2.7 percent, Alcoholic Beverages and Tobacco at 17.1 percent, Food and Non-Alcoholic Beverages at 4.3 percent, Furnishings, Household Equipment and Routine Maintenance of the House at 4.1 percent,

Clothing and Footwear at 3.0 percent, Health at 0.1 percent, and Restaurant and Miscellaneous Goods and Services at 1.6 percent. . On the other hand, costs declined for Housing, Water, Electricity, Gas and Other Fuels at 1.0 percent, and Transport at 3.2 percent. Meanwhile, costs of Communication and Education remained the same. (Table 2)

**Table 2. CPI and Inflation Rate by Commodity Group:
Sultan Kudarat, June 2020 and 2021 and July 2020 and 2021 (2012=100)**

COMMODITY GROUP	July CPI		Inflation Rate	June CPI		Inflation Rate
	2020	2021		2020	2021	
ALL ITEMS	128.5	133.2	3.7	128.2	132.3	3.2
Food and Non-Alcoholic Beverages	125.6	131.0	4.3	126.4	130.2	3.0
Alcoholic Beverages and Tobacco	319.2	373.8	17.1	315.4	365.0	15.7
Clothing and Footwear	120.8	124.4	3.0	120.4	123.6	2.7
Housing, Water, Electricity, Gas and Other Fuels	115.4	116.5	1.0	113.3	115.8	2.2
Furnishings, Household Equipment and Routine Maintenance of the House	131.9	137.3	4.1	131.5	136.2	3.6
Health	134.3	134.5	0.1	134.2	134.2	0
Transport	111.5	115.1	3.2	110.2	114.3	3.7
Communication	104.6	104.6	0	104.6	104.6	0
Recreation and Culture	125.3	128.7	2.7	125.3	126.7	1.1
Education	135.5	135.5	0	135.5	135.5	0
Restaurant and Miscellaneous Goods and Services	135.1	137.3	1.6	134.7	136.7	1.5

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On selected food items, costs rose further for Vegetables at 13.3 percent, Fruit at 6.4 percent, Food Products N.E.C. at -0.7 percent, Fish at 10.2 percent, Sugar, Jam, Honey, Chocolate and Confectionery at 1.8 percent, Oils and Fats at 9.1 percent, Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products at -1.0 percent and Milk, Cheese and Eggs at 3.1 percent. Meanwhile, prices decline for Meat at 15.7 percent, Corn at 4.7 percent, Rice at -3.1 percent, and Bread and Cereals at -1.9 percent. (Table 3)



**Table 3. CPI and Inflation Rate of Selected Food Items:
Sultan Kudarat, June 2020 and 2021 and July 2020 and 2021 (2012=100)**

SELECTED ITEMS	July		Inflation Rate	June		Inflation Rate
	2020	2021		2020	2021	
Bread and Cereals	112.0	109.9	-1.9	111.3	109.4	-1.7
Rice	105.6	102.4	-3.1	105.0	101.9	-2.9
Corn	119.5	125.2	4.7	118.2	124.4	5.3
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	141.5	140.1	-1.0	141.3	139.5	-1.3
Meat	121.4	140.4	15.7	121.0	141.3	16.8
Fish	143.7	158.3	10.2	147.0	159.8	8.7
Milk, Cheese and Eggs	120.1	123.8	3.1	120.0	123.6	3.0
Oils and Fats	116.7	127.3	9.1	117.2	127.5	8.8
Fruit	146.1	155.4	6.4	151.7	149.6	-1.4
Vegetables	144.1	163.2	13.3	147.2	154.0	4.6
Sugar, Jam, Honey, Chocolate and Confectionary	122.0	124.2	1.8	123.3	124.3	0.8
Food Products N.E.C	152.1	151.0	-0.7	154.0	149.6	-2.9

Source: Philippine Statistics Authority, Consumer Price Index



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TECHNICAL NOTES

Consumer Price Index (CPI):

- ❖ A measure of the change in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to base year.
- ❖ It measures the composite change in the consumer prices of various commodities overtime.
- ❖ It stands for the percentage change in the average prices of goods and services commonly bought by a group of consumers from the base year.

Components of the CPI:

Market Basket

- ❖ refers to sample of goods and services commonly purchased by a particular group of consumers in a particular area.

Weight

- ❖ a value attached to a commodity or group of commodities to indicate the relative importance of that commodity or group of commodities in the market basket.

Base Period

- ❖ a period usually a year, at which the index number is set to 100 or it is the reference point of the index number series.

Index Method

- ❖ gives the formula used in computing the index number.

Sample Outlets

- ❖ establishment or retail outlets where prices of commodities/services are collected or quoted.

Indicators Derived from the CPI

Inflation Rate (IR)

- ❖ rate of change in the average price level as measured by the CPI between two periods.
- ❖ it is equivalent to the decline in the internal purchasing of the peso.
- ❖ it is derived indicator by comparing the CPI between two periods, usually a year.

Purchasing Power of Peso (PPP)

- ❖ shows how much the peso in the base year (2006) is worth in another year or in the current period.

Approved for Release:

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