



REPUBLIC OF THE PHILIPPINES

**PHILIPPINE STATISTICS AUTHORITY**

REGION VII- CENTRAL VISAYAS

# SPECIAL RELEASE

## June 2020 Consumer Price Index (CPI), Inflation Rate (IR), Purchasing Power of Peso (PPP) of Central Visayas

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Reference No. 2020-SR07-018

Starting March 2018, the Philippine Statistics Authority (PSA) released the rebased CPI series as announced in the press release number 2018-031 dated 22 February 2018. The CPI series for July 2018 onwards shall be 2012-based.

### Year on Year Inflation rate in Central Visayas was recorded at 2.7 percent

- Inflation in Central Visayas for June 2020 went up to 2.7 percent which was higher than the 2.2 percent annual increase in May 2020. In June 2019, inflation was at 1.1 percent (Table A).

Area	June	May	June
	2020	2020	2019
<b>Central Visayas</b>	2.7	2.2	1.1

- The uptrend of the June 2020 inflation was mainly driven by the by the increase in the inflation of the Transport index at -0.7 percent during the month from -4.5 percent in May 2020. The uptrend in the inflation was also brought about by the increase in the annual increments recorded in the indices of the following commodity groups during the month:
  - Food and Non-Alcoholic Beverages, 4.6%;
  - Restaurant and Miscellaneous Goods and Services, 1.3%
- On the contrary, lower annual increase was noted in the indices of following commodity groups:
  - Alcoholic Beverages and Tobacco, 13.6%;
  - Furnishing, Household Equipment and Routine Maintenance of the House; 6.9%;
  - Education, 1.0%
- Indices of the rest of the commodity groups retained their previous month's annual growth rates:
  - Clothing and Footwear, 0.6%;
  - Housing, Water, Electricity, Gas, and Other Fuels, -1.0%;
  - Health, 5.4%;
  - Communication, 0.2%;
  - Recreation and Culture, 0.3%;

**Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group,  
June and May 2020 and June 2019  
(2012 = 100)**

Commodity Group	June 2020	May 2020	June 2019
All Items	2.7	2.2	1.1
Food and Non-Alcoholic Beverages	4.6	4.4	1.1
Alcoholic Beverages and Tobacco	13.6	13.7	2.9
Clothing and Footwear	0.6	0.6	0.3
Housing, Water, Electricity, Gas, and Other Fuels	-1.0	-1.0	1.1
Furnishing, Household Equipment and Routine Maintenance of the House	6.9	7.0	4.6
Health	5.4	5.4	2.6
Transport	-0.7	-4.5	1.3
Communication	0.2	0.2	0.2
Recreation and Culture	0.3	0.3	2.3
Education	1.0	3.2	-0.4
Restaurant and Miscellaneous Goods and Services	1.3	1.1	0.6

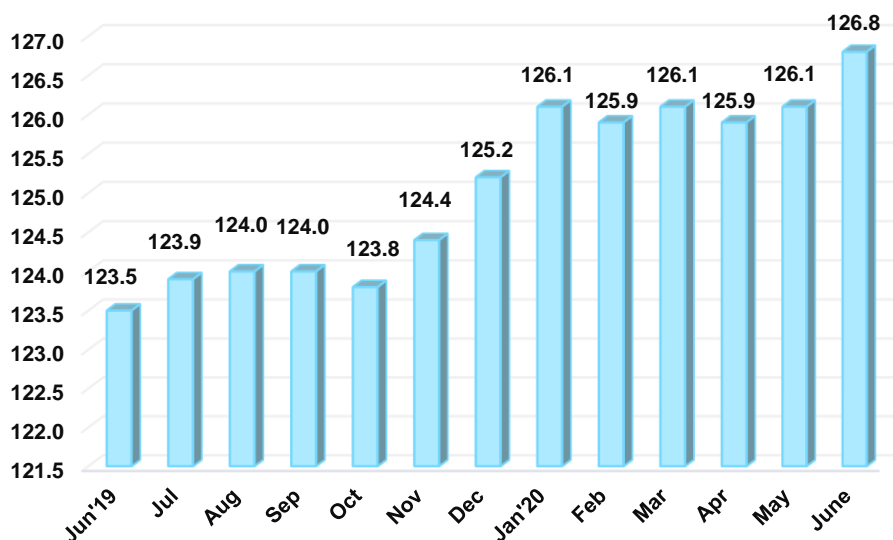
**Table C. Year-on-Year Inflation Rates in Central Visayas, All Items  
January 2016 – June 2020  
(2012=100)**

MONTH	YEAR				
	2016	2017	2018	2019	2020
January	1.1	2.5	3.0	4.4	2.6
February	1.1	2.8	3.8	3.5	2.5
March	1.2	2.2	5.2	2.2	2.9
April	1.5	2.3	5.8	1.3	2.4
May	1.8	2.0	6.0	1.5	2.2
June	2.1	2.0	6.4	1.1	2.7
July	2.1	2.2	6.5	1.1	
August	2.5	2.6	6.3	1.0	
September	1.8	3.1	7.0	0.2	
October	2.1	3.1	6.6	-1.0	
November	2.1	2.7	6.0	1.1	
December	2.0	2.4	5.3	2.2	
Average	1.8	2.5	5.7	1.6	

**June 2020 CPI in Central Visayas was recorded 126.8**

- June 2020 CPI in Central Visayas was recorded at 126.8. An increasing trend of the CPI was recorded from June 2019 to January 2020, except a dip in October 2019 at 123.8. A back and forth movement of the CPI from 126.1 to 125.9 to 126.1 was recorded from the start of year to May 2020 then moved up to 126.8 for June 2020.

**Figure 1. Consumer Price Index Central Visayas, All Income Households: June 2019 - June 2020 (2012=100)**



- Higher annual rate was noted in the indices of each commodity group from May and June 2020 compared to May and June 2019 except for Housing, Water, Electricity, Gas, and Other Fuels and Transport which posted a decrease in the indices in May and June 2020 (*Table D*).

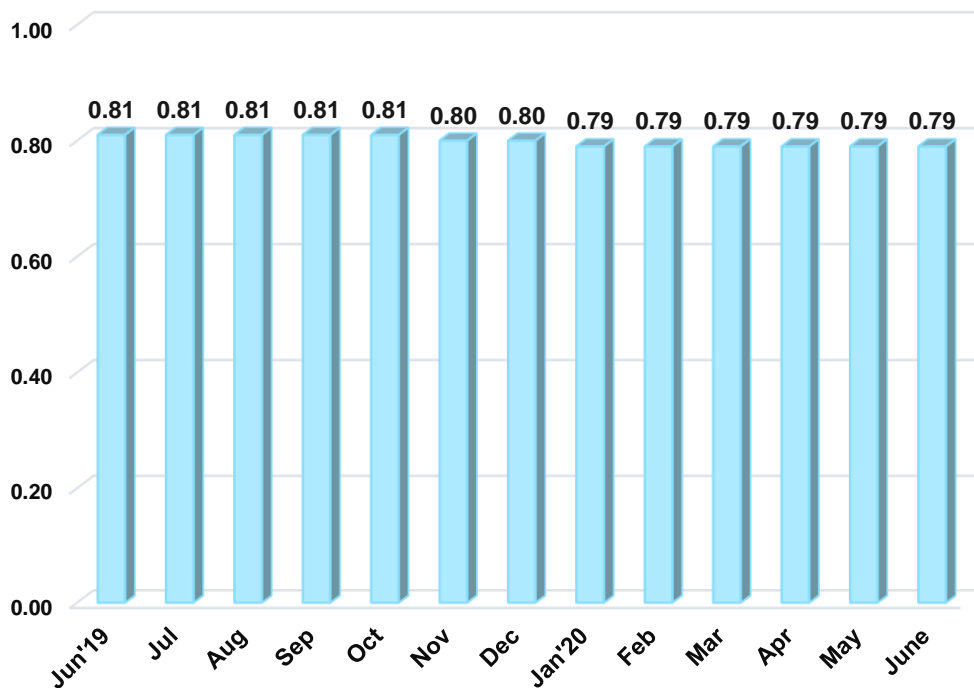
**Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group May and June 2019 and 2020 (2012 = 100)**

COMMODITY GROUP	JUNE		MAY	
	2020	2019	2020	2019
All Items	126.8	123.5	126.1	123.4
Food and Non-Alcoholic Beverages	135.3	129.3	134.8	129.1
Alcoholic Beverages and Tobacco	214.0	188.4	212.9	187.2
Clothing and Footwear	121.8	121.1	121.8	121.1
Housing, Water, Electricity, Gas, and Other Fuels	123.3	124.6	123.5	124.8
Furnishing, Household Equipment and Routine Maintenance of the House	137.4	128.5	137.3	128.3
Health	118.2	112.1	118.1	112.0
Transport	112.2	113.0	107.2	112.3
Communication	102.0	101.8	102.0	101.8
Recreation and Culture	106.9	106.6	106.9	106.6
Education	130.8	129.5	130.8	126.8
Restaurant and Miscellaneous Goods and Services	109.4	108.0	109.1	107.9

### Purchasing Power of Peso (PPP) was recorded at 0.79 in June 2020

- Purchasing Power of Peso in Central Visayas was recorded at 0.79 in June 2020. The PPP in June 2019 to June 2020 recorded downtrend movement from 0.81 to 0.79. In June 2019, PPP was at 0.81 and remained constant until October 2019. A decline was recorded from 0.81 to 0.80 in the months of November and December 2019. Starting January 2020, the PPP further decelerated to 0.79 and remained constant until June 2020.

**Figure 2. Purchasing Power of Peso in Central Visayas:  
June 2019- June 2020**



## TECHNICAL NOTES

The Philippine Statistics Authority generates and announces the monthly Consumer Price Index (CPI) based on a nationwide survey of prices for a given basket of goods and services. Two important indicators, the inflation rate and purchasing power of the peso (PPP), are derived from the CPI which are important in monitoring price stability and the value of the country's currency.

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

**Retail Price** is the price at which a commodity is sold for spot in small quantities for consumption.

**Base Period/Base Year** is the period, usually a year, at which the index number is set to 100. It is the reference point of the index number series.

**Market Basket** is a term used to refer to a sample of goods and services that are commonly purchased and bought by an average Filipino household.

**Weight** is 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.

**Inflation Rate** is equivalent to a decline in the purchasing power of the peso. It is the change in the CPI over a specific period of time (usually a month or a year). That is,

$$\text{Inflation Rate} = \frac{CPI_2 - CPI_1}{CPI_1} * 100$$

where:

CPI<sub>1</sub> - is the CPI in the previous period


CPI<sub>2</sub> - is the CPI in the current period

The **Purchasing Power of the Peso (PPP)** is a measure of the real value of the peso in a given period relative to a chosen reference period. It is computed by getting the reciprocal of the CPI and multiplying the result by 100. That is,

$$PPP = \frac{1}{CPI} * 100$$

**Headline Inflation** is the rate of change in the weighted average prices of all goods and services in the CPI basket.

Prepared by:

  
**ERAH MHAY QUIÑONES**  
Assistant Statistician

Approved by:

  
**ARIEL E. FLORENDO**  
Regional Director

  
LPA/CDN/JDA