



Republic of the Philippines

Philippine Statistics Authority

REGION VII- CENTRAL VISAYAS

SPECIAL RELEASE

October 2017 Consumer Price Index (CPI), Inflation Rate (IR), Purchasing Power of Peso (PPP) of Central Visayas

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Inflation rate in Central Visayas was recorded at 3.0 percent

- The inflation rate in Central Visayas was recorded at 3.0 percent in September 2017 and remained constant in October 2017 (*Table A*). The previous year's rate showed the increase of 3.3 percent from 3.0 in September 2016. (*Table C*).

Area	October 2017	September 2017	October 2016
Central Visayas	3.0	3.0	4.0

Note: Excludes the province of Negros Oriental

- The index for Food and Non-Alcoholic Beverages and Communication increased to 3.3 percent and 0.1 percent respectively. Five commodity groups have lower indices including Alcoholic Beverages and Tobacco (1.9%); Housing, Water, Electricity, Gas, and Other Fuels (4.6%); Furnishing, Household Equipment and Routine Maintenance of the House (1.6%); Health (0.8%) and Transport (2.7%). The rest of the commodities retained their previous month's rates. (*Table B*)

Commodity Group	Current	Previous
All Items	3.0	3.0
Food and Non-Alcoholic Beverages	3.3	3.1
Alcoholic Beverages and Tobacco	1.9	2.0
Clothing and Footwear	0.6	0.6
Housing, Water, Electricity, Gas, and Other Fuels	4.6	4.9
Furnishing, Household Equipment and Routine Maintenance of the House	1.6	1.8
Health	0.8	0.9
Transport	2.7	3.5
Communication	0.1	0.0
Recreation and Culture	0.1	0.1
Education	3.1	3.1
Restaurant and Miscellaneous Goods and Services	0.8	0.8

Note: Excludes the province of Negros Oriental

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MONTH	YEAR		
	2015	2016	2017
January	3.1	1.8	3.4
February	3.1	1.6	3.8
March	2.6	2.2	3.2
April	2.3	2.4	3.1
May	2.0	2.5	3.0
June	1.6	2.8	2.8
July	1.2	2.7	3.0
August	1.0	2.8	3.0
September	0.9	3.0	3.0
October	1.0	3.3	3.0
November	1.3	2.9	
December	1.9	2.7	
Average	1.8	2.5	

Note: Excludes the province of Negros Oriental

Central Visayas CPI's recorded an increase of 153.8 compared to the previous month

- The consumer price index in Central Visayas was recorded at 153.8 in October 2017. An increment was noted from previous month which was at 153.3. In October 2016, it was at 149.3 and steadily increased in the succeeding months. Higher annual rates were noted in the indices of all items by commodity groups from October 2016 to October 2017. (Table D)

**Figure 1. Consumer Price Index Central Visayas, All Items:
October 2016- October 2017
(2006=100)**



Note: Excludes the province of Negros Oriental

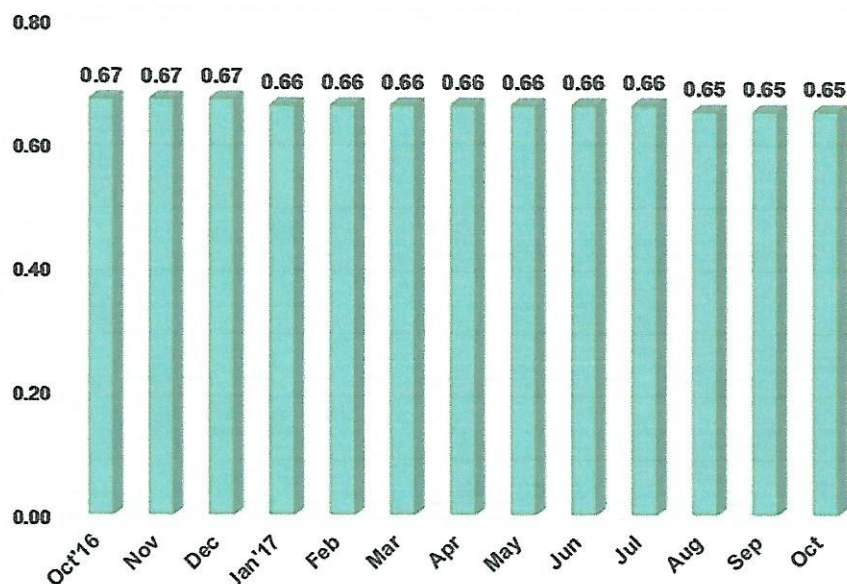
COMMODITY GROUP	OCTOBER		SEPTEMBER	
	2017	2016	2017	2016
All Items	153.8	149.3	153.3	148.8
Food and Non-Alcoholic Beverages	167.6	162.3	167.0	162.0
Alcoholic Beverages and Tobacco	211.8	207.8	211.8	207.6
Clothing and Footwear	145.0	144.2	144.9	144.0
Housing, Water, Electricity, Gas, and Other Fuels	155.7	148.8	155.1	147.8
Furnishing, Household Equipment and Routine Maintenance of the House	138.7	136.5	138.6	136.2
Health	131.7	130.6	131.7	130.5
Transport	140.2	136.5	140.7	135.9
Communication	89.5	89.4	89.4	89.4
Recreation and Culture	106.1	106.0	106.1	106.0
Education	188.6	183.0	188.6	183.0
Restaurant and Miscellaneous Goods and Services	120.5	119.5	120.5	119.5

Note: Excludes the province of Negros Oriental

Purchasing Power of Peso (PPP) remains stable at 0.65 in October 2017

- For the past two months, the PPP in Central Visayas was steady at 0.65. At the start of 2017 it was at 0.66 then remained constant until July 2017.

Figure 2. Purchasing Power of Peso in Central Visayas: October 2016-October 2017



Note: Excludes the province of Negros Oriental

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 **Consumer Price Index (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:

CPI₁ - is the CPI in the previous period

CPI₂ - 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.

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