



Republic of the Philippines

Philippine Statistics Authority

REGION VII- CENTRAL VISAYAS

SPECIAL RELEASE

January 2018 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 December 2017 and remained constant in January 2018 (*Table A*). The previous year's rate showed an increase of 3.4 percent from 3.0 in December 2016. (*Table C*).

Table A. Year-on-Year Inflation Rates, All Items

Area	January	December	January
	2018	2017	2017
Central Visayas	3.0	3.0	3.4

- The index for Food and Non-Alcoholic Beverages, Alcoholic Beverages and Tobacco, Housing, Water, Electricity, Gas, and Other Fuels, Furnishing, Household Equipment and Routine Maintenance of the House, Transport and Restaurant and Miscellaneous Goods and Services increased to 3.8 percent, 1.9 percent, 5.0 percent, 2.0 percent, 3.2 percent and 3.7 percent respectively. Two commodity groups have lower indices including Health (1.0%) and Recreation (1.4%). The rest of the commodities retained their previous month's rates. (*Table B*)

Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group, January 2018 and December 2017 (2006 = 100)

Commodity Group	Current	Previous
All Items	3.0	3.0
Food and Non-Alcoholic Beverages	3.8	3.7
Alcoholic Beverages and Tobacco	1.9	1.8
Clothing and Footwear	0.6	0.6
Housing, Water, Electricity, Gas, and Other Fuels	5.0	4.9
Furnishing, Household Equipment and Routine Maintenance of the House	2.0	1.4
Health	1.0	1.1
Transport	3.2	2.4
Communication	0.4	0.4
Recreation and Culture	1.4	1.5
Education	2.2	2.2
Restaurant and Miscellaneous Goods and Services	3.7	3.0

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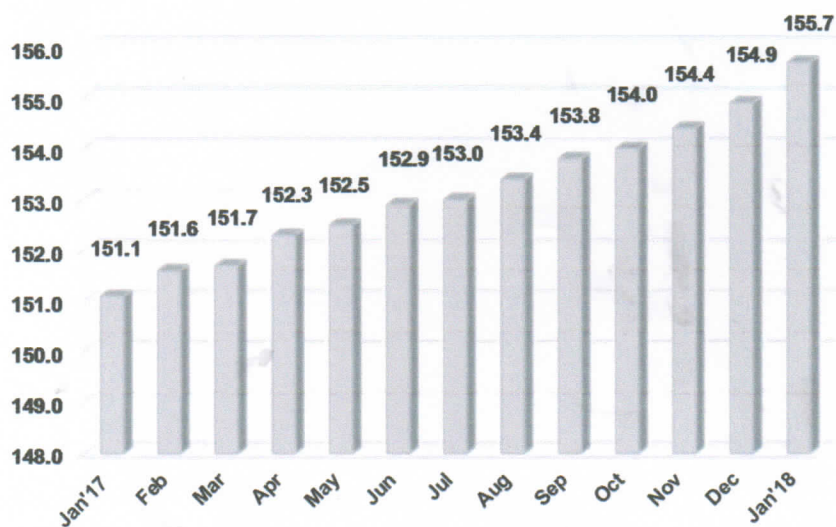
**Table C. Year-on-Year Inflation Rates in Central Visayas,
All Items
January 2017 – January 2018
(2006=100)**

MONTH	YEAR		
	2016	2017	2018
January	2.1	3.4	3.0
February	2.0	3.7	
March	2.3	3.3	
April	2.6	3.4	
May	2.8	3.1	
June	3.1	2.9	
July	3.0	3.0	
August	3.0	3.2	
September	3.3	3.2	
October	3.4	3.0	
November	3.2	3.0	
December	3.0	3.0	
Average	2.8	3.2	

Central Visayas CPI's recorded an increase of 155.7 compared to the previous month

- The consumer price index in Central Visayas was recorded at 155.7 in January 2018. An increment was noted from previous month which was at 154.9. In January 2017, it was at 151.1 and steadily increased in the succeeding months.

**Figure 1. Consumer Price Index Central Visayas, All Income Households: January 2017 - January 2018
(2006=100)**



- Higher annual rate was noted in the indices of all items by commodity groups from January 2017 to January 2018 except for Transport. (Table D)

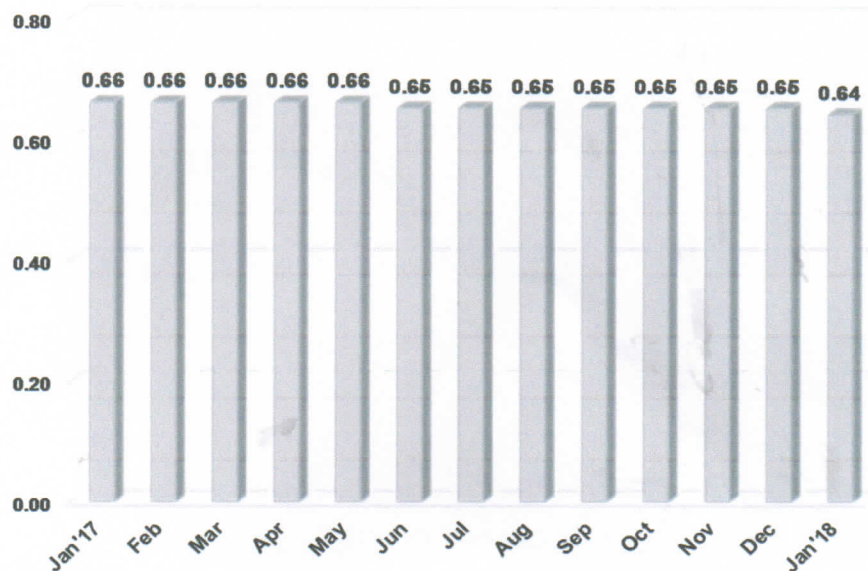
Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group

COMMODITY GROUP	JANUARY		DECEMBER	
	2018	2017	2017	2016
All Items	155.7	151.1	154.9	150.4
Food and Non-Alcoholic Beverages	171.0	164.8	169.7	163.7
Alcoholic Beverages and Tobacco	202.1	198.4	201.9	198.3
Clothing and Footwear	144.7	143.9	144.7	143.9
Housing, Water, Electricity, Gas, and Other Fuels	155.4	148.0	154.6	147.4
Furnishing, Household Equipment and Routine Maintenance of the House	141.2	138.4	140.4	138.4
Health	132.5	131.2	132.5	131.1
Transport	145.3	145.7	143.8	144.8
Communication	90.9	90.6	90.9	90.6
Recreation and Culture	107.5	107.3	107.5	107.3
Education	176.6	172.4	176.6	172.4
Restaurant and Miscellaneous Goods and Services	121.7	120.7	121.7	120.7

Purchasing Power of Peso (PPP) was recorded at 0.64 in January 2018

- For the past seven months, the PPP in Central Visayas was steady at 0.65 and dropped to 0.64 in January 2018. At the start of 2017, it was recorded at 0.66 then remained constant until May 2017.

Figure 2. Purchasing Power of Peso in Central Visayas: January 2017- January 2018



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,

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

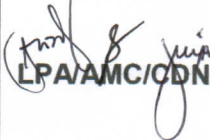
Headline Inflation is the rate of change in the weighted average prices of all goods and services in the CPI basket.

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