



SPECIAL RELEASE

August 2019 Consumer Price Index (CPI), Inflation Rate (IR), Purchasing Power of Peso (PPP) of Central Visayas

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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 1.0 percent

- Central Visayas' inflation decelerated further to 1.0 percent in August 2019. Inflation in July 2019 was recorded at 1.1 percent, and in August 2018, 6.3 percent (*Table A*).

Table A. Year-on-Year Inflation Rates, All Items (2012=100)			
Area	August	July	August
	2019	2019	2018
Central Visayas	1.0	1.1	6.3

- The slowdown of inflation in August 2019 was mainly driven by slower annual rate posted in the index of the heavily-weighted Housing, Water, Electricity, Gas, and Other Fuels at 0.6 percent and lower annual rate for Recreation and Culture at 0.2 percent.
- On the other hand, higher annual rates were registered in the indices of following commodity groups:
 - Food and Non-Alcoholic Beverages, 0.6%
 - Alcoholic Beverages and Tobacco, 2.3%;
 - Clothing and Footwear, 0.4%;
 - Furnishing, Household Equipment and Routine Maintenance of the House, 3.9%;
- Meanwhile, the following commodity groups maintained its previous month's rate (*Table B*).
 - Health, 1.7%;
 - Transport, 2.7%;
 - Communication, 0.1%
 - Education, 3.2%
 - Restaurant and Miscellaneous Goods and Services, 0.4%

Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group, August 2019 and July 2019 (2012 = 100)

Commodity Group	Current	Previous
All Items	1.0	1.1
Food and Non-Alcoholic Beverages	0.6	0.5
Alcoholic Beverages and Tobacco	2.3	2.1
Clothing and Footwear	0.4	0.2
Housing, Water, Electricity, Gas, and Other Fuels	0.6	1.1
Furnishing, Household Equipment and Routine Maintenance of the House	3.9	3.8
Health	1.7	1.7
Transport	2.7	2.7
Communication	0.1	0.1
Recreation and Culture	0.2	2.2
Education	3.2	3.2
Restaurant and Miscellaneous Goods and Services	0.4	0.4

Table C. Year-on-Year Inflation Rates in Central Visayas, All Items January 2015 – August 2019 (2012=100)

MONTH	YEAR				
	2015	2016	2017	2018	2019
January	2.9	1.1	2.5	3.0	4.4
February	2.6	1.1	2.8	3.8	3.5
March	2.5	1.2	2.2	5.2	2.2
April	1.9	1.5	2.3	5.8	1.3
May	1.6	1.8	2.0	6.0	1.5
June	1.1	2.1	2.0	6.4	1.1
July	0.6	2.1	2.2	6.5	1.1
August	0.1	2.5	2.6	6.3	1.0
September	0.4	1.8	3.1	7.0	
October	0.0	2.1	3.1	6.6	
November	0.0	2.1	2.7	6.0	
December	0.9	2.0	2.4	5.3	
Average	1.2	1.8	2.5	5.7	

August 2019 CPI in Central Visayas was recorded at 124.0

- The CPI in Central Visayas was recorded at 124.0 in August 2019. An incline was noted from previous month which was at 123.9. In August 2018, it was at 122.8 and steadily increased in the succeeding months until October 2018. A decline of the CPI was noted in the months of November and December 2018 and a slight increase in January 2019 then decrease until March 2019. Starting April 2019, CPI for Central Visayas steadily increased until August 2019.

Figure 1. Consumer Price Index Central Visayas, All Income Households: August 2018 - August 2019 (2012=100)



- Higher annual rate was noted in the indices of each commodity group from July and August 2019 compared to July and August 2018 (*Table D*).

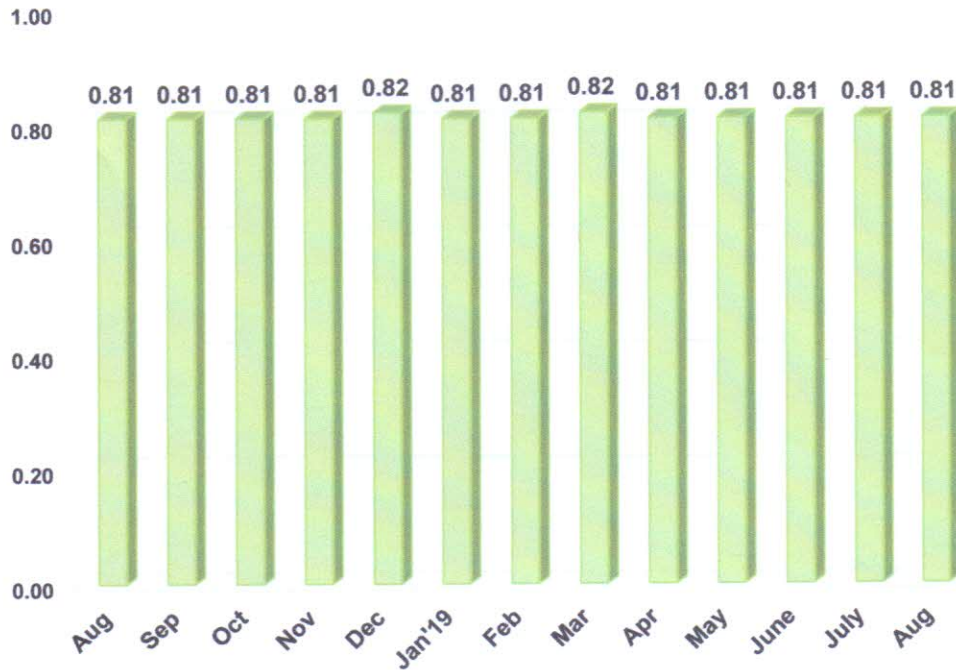
Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group August and July 2019 and 2018 (2012 = 100)

COMMODITY GROUP	AUGUST		JULY	
	2019	2018	2019	2018
All Items	124.0	122.8	123.9	122.6
Food and Non-Alcoholic Beverages	130.1	129.3	129.8	129.1
Alcoholic Beverages and Tobacco	189.1	184.9	188.7	184.9
Clothing and Footwear	121.4	120.9	121.2	120.9
Housing, Water, Electricity, Gas, and Other Fuels	124.6	123.8	124.9	123.6
Furnishing, Household Equipment and Routine Maintenance of the House	128.8	124.0	128.7	124.0
Health	112.6	110.7	112.6	110.7
Transport	112.8	109.8	112.7	109.7
Communication	101.8	101.7	101.8	101.7
Recreation and Culture	106.8	106.6	106.6	104.3
Education	130.8	126.8	130.8	126.8
Restaurant and Miscellaneous Goods and Services	108.1	107.7	108.1	107.7

Purchasing Power of Peso (PPP) was recorded at 0.81 in August 2019

- In August 2018, PPP of Central Visayas was recorded at 0.81 and remain constant until November 2018. In December 2018, the PPP inclined to 0.82 then declined to 0.81 in January 2019 and remain constant for the month of February. PPP for March 2019 increased to 0.82 and declined to 0.81 and remain constant until August 2019.

**Figure 2. Purchasing Power of Peso in Central Visayas:
August 2018- August 2019**



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:

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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