



SPECIAL RELEASE

May 2019 Consumer Price Index (CPI), Inflation Rate (IR) and Purchasing Power of Peso (PPP) of Siquijor

Date of Release: 19 June 2019
Reference Number: 2019-SR61-011

Siquijor CPI increases at 125.7

Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a CPI of 125.7 as of May 2019, using 2012 as the base year. This implies that the cost of a basket of goods and services commonly purchased by typical Filipino households in Siquijor was at an average of P125.7 during the period. It had an increase of 0.7 from April 2019 which posted a CPI of 125. During the same period in 2018, the CPI was at 125.

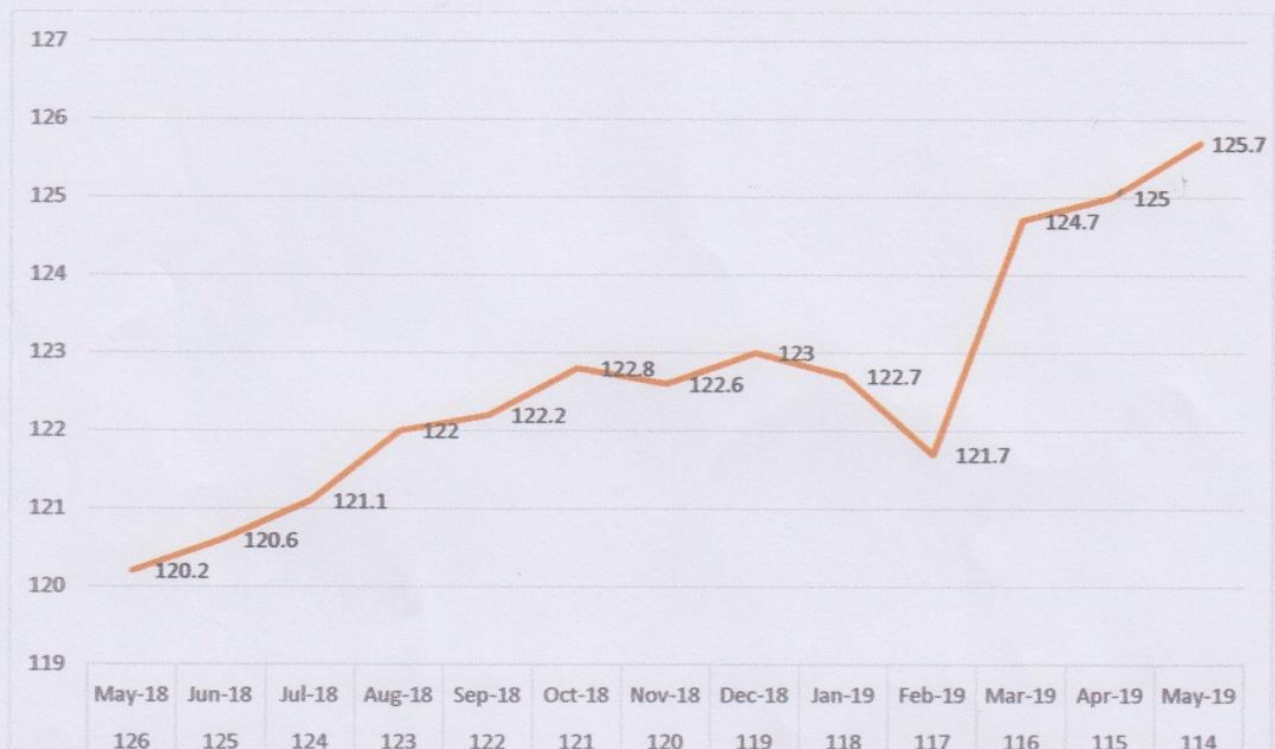
Price indices are used for economic analysis and as a monitoring indicator of government's economic policy. CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is an indicator of the changes in the average retail prices of a fixed basket of goods and services commonly purchased by households relative to the base year.

Table 1. Consumer Price Index (CPI) by Commodity Group: Siquijor (2012=100)

Commodity Group	May 2019	Apr 2019	May 2018
Consumer Price Index (CPI) – All Items	125.7	125	120.2
Food and Non-Alcoholic Beverages	121.8	121.3	120.3
Alcoholic Beverages and Tobacco	159.6	158	151.6
Clothing and Footwear	116.9	116.4	114.4
Housing, Water, Electricity, Gas and Other Fuels	129.4	129.4	122.5
Furnishings, Household Equipt. & Maint. Of the House	141.5	141.4	135.4
Health	111.3	111.2	109.6
Transport	120.3	113.7	107.3
Communication	103.2	103.2	103.2
Recreation and Culture	115	114.9	109.8
Education	108.4	108.4	122
Restaurant and Miscellaneous Goods & Services	118.5	118.4	117.4

In May 2019, commodities under Alcoholic Beverages and Tobacco had the highest CPI at 159.0. This was followed by the commodity group of Furnishings, Household Equipment and Maintenance of the Households (141.5) and Housing, Electricity, Gas and other Fuels (129.4). The rest of the commodity groups had CPI lower than the provincial average. The three lowest CPI were, Communication (103.2), Education (108.4) and Health (111.3).

Figure 1: Consumer Price Index (CPI) for all Items: Siquijor, May 2018 to May 2019



Siquijor Province Inflation is up by 4.6 % in May 2019

Inflation Rate is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso.

Siquijor inflation in May 2019 grew slightly by 4.6% from the previous month at 4.3% but it decreased from the same period in 2018 with an inflation of 10.8% in May 2018. The purchasing power of peso in the province remained at 80 centavos lower from last year same period at 83 centavos. See Table 2.

Table 2. Year on Year Inflation Rate (All Items) and Purchasing Power of Peso (2012=100)

Reference Period	Inflation Rate (%)	Purchasing Power of Peso (PPP)
May 2019	4.6	.80
April 2019	4.3	.80
May 2018	10.8	.83

The slow increase of inflation was mainly driven by the commodity groups of Transport (12.1%) Housing, Water, Electricity, Gas and Other Fuels (5.6%), Alcoholic Beverages and Tobacco (5.5%), Recreation and Culture (4.7%) and Furnishings, Household Equipment and Maintenance of the House (4.5%). See Table 3.

The difference of inflation from the same period last year was due to the decrease in Education with -11.2.

Table 3. Consumer Price Index (CPI) and Inflation Rates by Commodity Group: Siquijor (2012=100)

Commodity Group	May 2019	May 2018	Inflation Rate
All Items (2012 = 100)	125.7	120.2	4.6
Food and Non-Alcoholic Beverages	121.8	120.3	1.2
Alcoholic Beverages and Tobacco	159.6	151.6	5.5
Clothing and Footwear	116.9	114.4	-2.8
Housing, Water, Electricity, Gas and Other Fuels	129.4	122.5	5.6
Furnishings, Household Equipt. & Maint. Of the House	141.5	135.4	4.5
Health	111.3	109.6	1.6
Transport	120.3	107.3	12.1
Communication	103.2	103.2	0
Recreation and Culture	115	109.8	4.7
Education	108.4	122	-11.2
Restaurant and Miscellaneous Goods & Services	118.5	117.4	0.9

On the selected food items, highest increase was recorded in Food Products N.E.C. at 13.1%. Other food group which increased in May 2019 were the following:

- Fish (7.0%)
- Vegetables (5.1%)
- Oils and Fats (2.5%)

- Fruits (1.5%)
- Milk, Cheese and Eggs (1.46%)

The rest of the food items decreased in May 2019. See Table 4 below.

Table 4. Consumer Price Index (CPI) and Inflation Rates of Selected Food Items: Siquijor (2012=100)

Commodity Group	May 2019	May 2018	Inflation Rate
Bread and Cereals	118.7	122.3	-2.9
Rice	123.9	127.4	-2.7
Corn	106.4	119.9	-11.3
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	110.5	107.9	-2.4
Meat	117.3	118.2	-0.8
Fish	131.2	122.6	7.0
Milk, Cheese and Eggs	117.4	115.7	1.5
Oils and Fats	101.7	99.2	2.5
Fruits	132.2	130.2	1.5
Vegetables	125.8	119.7	5.1
Sugar, Jam, Honey, Chocolates and Confectionery	107.2	107.5	-0.3
Food Products N.E.C.	123.7	109.4	13.1

Purchasing Power of Peso (PPP) remains at 0.82

Purchasing Power of Peso (PPP) shows how much the peso in the base period is worth in the current period. It is computed as the reciprocal of the CPI for the period under review multiplied by 100. The PPP is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines.

The PPP in May 2019 was 0.82. This implied that the Php 1.0 in 2012, as the base year, values only at Php 0.82 in May 2019. The same PPP was recorded in April 2019. See Figure 2.

Figure 2: Purchasing Power of Peso (PPP): Siquijor, 2012 = Php 1.00




Prepared by:

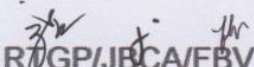


JOSELITO C. MAGHANOY
Statistical Specialist II

Approved by:



AURELIA M. CANDA
Chief Statistical Specialist



R/GP/JBCA/FBV

TECHNICAL NOTES

Uses of CPI

The CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is a major statistical series used for economic analysis and as monitoring indicator of the government economic policy.

Computation of CPI

The computation of CPI involves consideration of the following important points:

- a. **Base Period** – The reference date or base period is the benchmark or reference date or period at which the index is taken as equal to 100.
- b. **Market Basket** – A sample of the thousands of varieties of goods purchased for consumption and the services availed by the households in the country selected to represent the composite price behavior of all goods and services purchased by consumers.
- c. **Weighting System** – The weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditure.
- d. **Formula** – The formula used in computing the CPI is the weighted arithmetic mean of price relatives, the Laspeyre's formula with a fixed base year period (2012) weights.
- e. **Geographic Coverage** – CPI values are computed at the national, regional, and provincial levels, and or selected cities.