



SPECIAL RELEASE

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

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Siquijor CPI increases at 125

Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a CPI of 125 as of July 2019, using 2012 as the base year. But had a decrease of 0.7 from June 2019 which posted a CPI of 125.7. During the same period in 2018, the CPI was at 121.1. This implied that the cost of a basket of goods and services commonly purchased by typical Filipino households in Siquijor was at an average of P125 during the period.

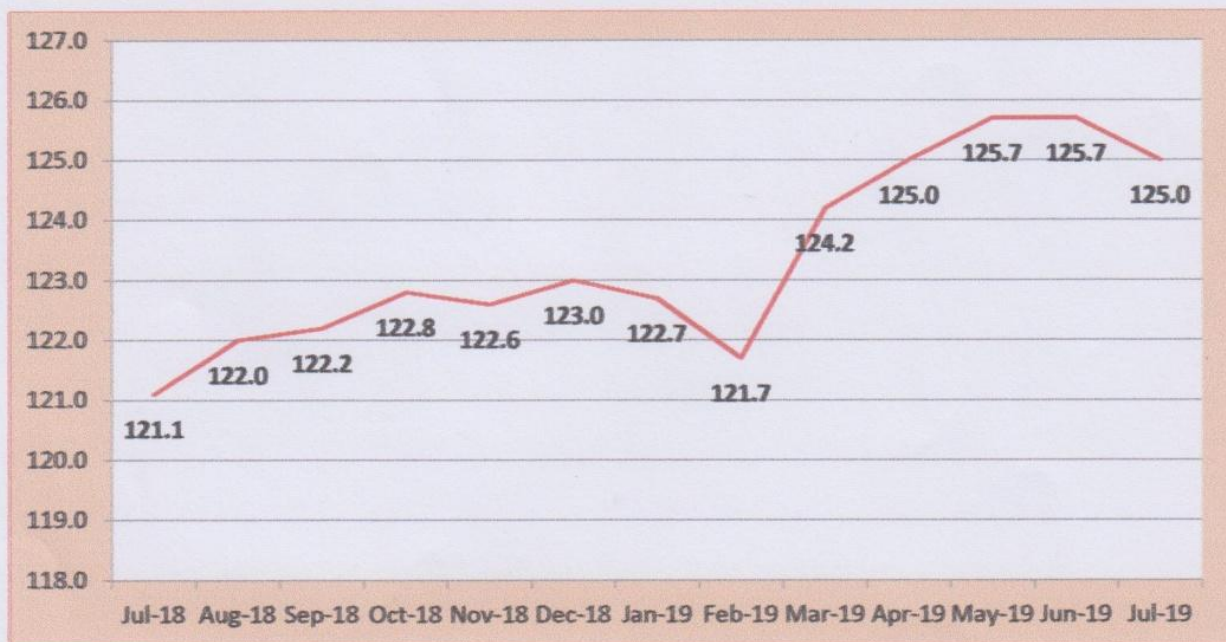
Price indices are used for economic analysis and as a monitoring indicator of government's economic policy. CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is an indicator of the changes in the average retail prices of a fixed basket of goods and services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

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

Commodity Group	July 2019	June 2019	July 2018
Consumer Price Index (CPI) – All Items	125	125.7	121.1
Food and Non-Alcoholic Beverages	121.1	121.8	122.8
Alcoholic Beverages and Tobacco	160.7	159.7	152.3
Clothing and Footwear	117.2	117.1	115.5
Housing, Water, Electricity, Gas and Other Fuels	129.3	129.4	122.5
Furnishings, Household Equipt. & Maint. Of the House	141.6	141.6	139
Health	111.8	111.8	109.7
Transport	113.5	120.0	109.9
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 July 2019, commodities under Alcoholic Beverages and Tobacco had the highest CPI at 160.7 (See Table 1). This was followed by the commodity group of Furnishings, Household Equipment and Maintenance of the Households (141.6) and Housing, Electricity, Gas and other Fuels (129.3). 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 (111.8).

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



Siquijor Province Inflation is down by 3.2% in July 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 July 2019 decreased slightly by 3.2% from the previous month at 4.2%. It also decreased from the same period in 2018 with an inflation of 11.9% in July 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 below.

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)
July 2019	3.2	.80
June 2019	4.2	.80
July 2018	11.9	.83

The slow decrease of inflation was mainly driven by the commodity groups of Education (-11.2%) and Food and Non-Alcoholic Beverages (-1.4%). See Table 3.

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

Commodity Group	July 2019	July 2018	Inflation Rate
All Items (2012 = 100)	125.7	121.1	3.8
Food and Non-Alcoholic Beverages	121.1	122.8	-1.4
Alcoholic Beverages and Tobacco	160.7	152.3	5.5
Clothing and Footwear	117.2	115.5	1.5
Housing, Water, Electricity, Gas and Other Fuels	129.3	122.5	5.6
Furnishings, Household Equipmt. & Maint. Of the House	141.6	139	1.87
Health	111.8	109.7	1.9
Transport	113.5	109.9	3.3
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 17.8%. But other food groups have remarkable decrease in July 2019 that contributed to the decrease of CPI. These are the following:

- Sugar, Jam, Honey, Chocolates and Confectionery (-13.9%)
- Corn (-12.6%)
- Fruits (-8.4%)
- Rice (-5.1%)
- Bread and Cereals (-4.8%)
- Meat (-2.0)

See Table 4 for the complete list of inflation rates of selected food items.

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

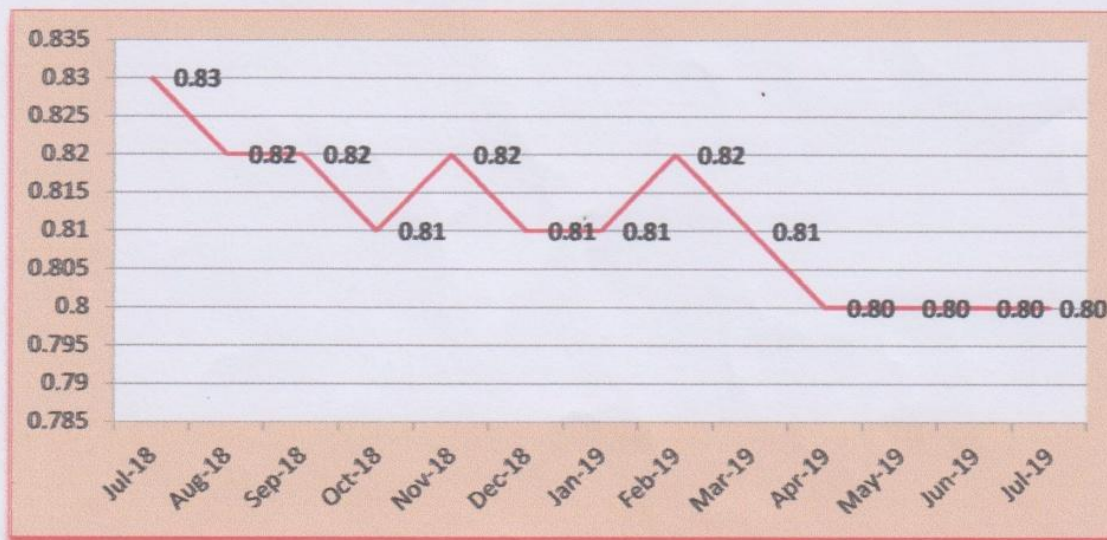
Commodity Group	July 2019	July 2018	Inflation Rate
Bread and Cereals	117.7	123.6	-4.8
Rice	121.9	128.4	-5.1
Corn	108.2	123.8	-12.6
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	108.2	108.4	-0.2
Meat	118.2	120.6	-2
Fish	126.7	124	2.2
Milk, Cheese and Eggs	117.5	117	0.4
Oils and Fats	97.8	99.7	-1.9
Fruits	125.5	137	-8.4
Vegetables	133	126.9	4.8
Sugar, Jam, Honey, Chocolates and Confectionery	107	124.3	-13.9
Food Products N.E.C.	130.8	111	17.8

Purchasing Power of Peso (PPP) remains at 0.80

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 July 2019 was 0.80. This implied that the Php 1.0 in 2012, as the base year, values only at Php 0.80 in July 2019. The same PPP was recorded in June 2019. See Figure 2.

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




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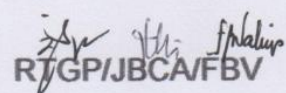


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TECHNICAL NOTES

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.