



SPECIAL RELEASE

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

Date of Release: 21 January 2020
Reference No. 2020-SR07-002

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 2.2 percent

- Central Visayas' inflation further accelerated to 2.2 percent in December 2019. Inflation in November 2019 was recorded at 1.1 percent, and in December 2018, 5.3 percent (*Table A*).

**Table A. Year-on-Year Inflation Rates, All Items
(2012=100)**

Area	December	November	December
	2019	2019	2018
Central Visayas	2.2	1.1	5.3

- The uptrend of the inflation in December 2019 was mainly driven by higher annual rate posted in the heavily-weighted food and non-alcoholic beverages at index of 1.3 percent.
- Higher annual rates were registered also in the indices of the following commodity groups:
 - Alcoholic Beverages and Tobacco, 11.6%;
 - Housing, Water, Electricity, Gas, and Other Fuels, 1.2%
 - Transport, 6.2%
 - Restaurant and Miscellaneous Goods and Services, 0.4%
- Lower annual rate was registered in the index of Health at 5.9 percent.
- Meanwhile, the following commodity groups maintained its previous month's rate (*Table B*).
 - Clothing and Footwear, 0.6%;
 - Furnishing, Household Equipment and Routine Maintenance of the House, 6.3%;
 - Communication, 0.2%
 - Recreation and Culture, 0.2%;
 - Education, 3.2%;

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

Commodity Group	Current	Previous
All Items	2.2	1.1
Food and Non-Alcoholic Beverages	1.3	0.7
Alcoholic Beverages and Tobacco	11.6	5.2
Clothing and Footwear	0.6	0.6
Housing, Water, Electricity, Gas, and Other Fuels	1.2	-0.7
Furnishing, Household Equipment and Routine Maintenance of the House	6.3	6.3
Health	5.9	6.0
Transport	6.2	1.7
Communication	0.2	0.2
Recreation and Culture	0.2	0.2
Education	3.2	3.2
Restaurant and Miscellaneous Goods and Services	0.4	0.3

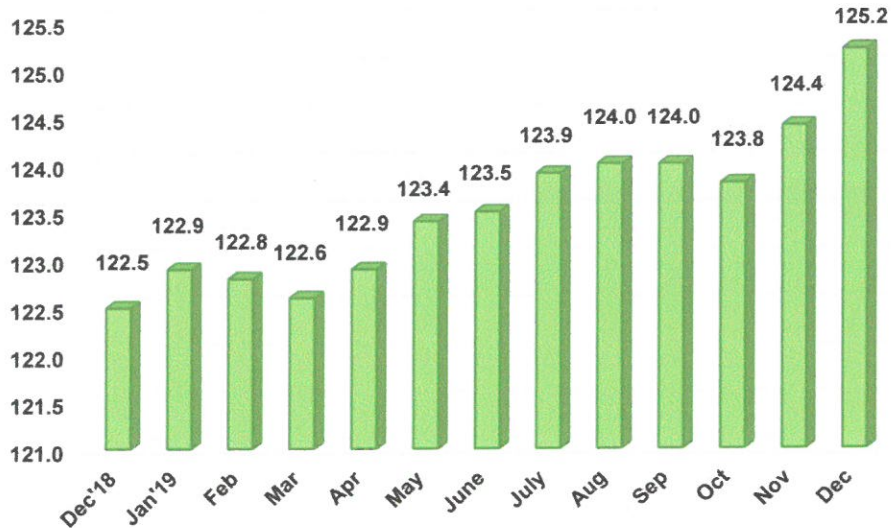
Table C. Year-on-Year Inflation Rates in Central Visayas, All Items January 2015 –December 2019 (2012=100)

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	0.2
October	0.0	2.1	3.1	6.6	-1.0
November	0.0	2.1	2.7	6.0	1.1
December	0.9	2.0	2.4	5.3	2.2
Average	1.2	1.8	2.5	5.7	1.6

December 2019 CPI in Central Visayas was recorded at 125.2

- The CPI in Central Visayas was recorded at 125.2 in December 2019 with slight increase from the previous month which was at 124.4. An up and down movement of the CPI was also recorded from December 2018 to March 2019 but increase steadily until August 2019. It remained constant at 124.0 in September 2019 but declined in October 2019 to 123.8. An increase is further recorded starting November 2019 to December 2019.

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



- Higher annual rate was noted in the indices of each commodity group from November and December 2019 compared to November and December 2018 except for Housing, Water, Electricity, Gas, and Other Fuels which posted a lower annual rate for November 2019 compared to November 2018 (*Table D*).

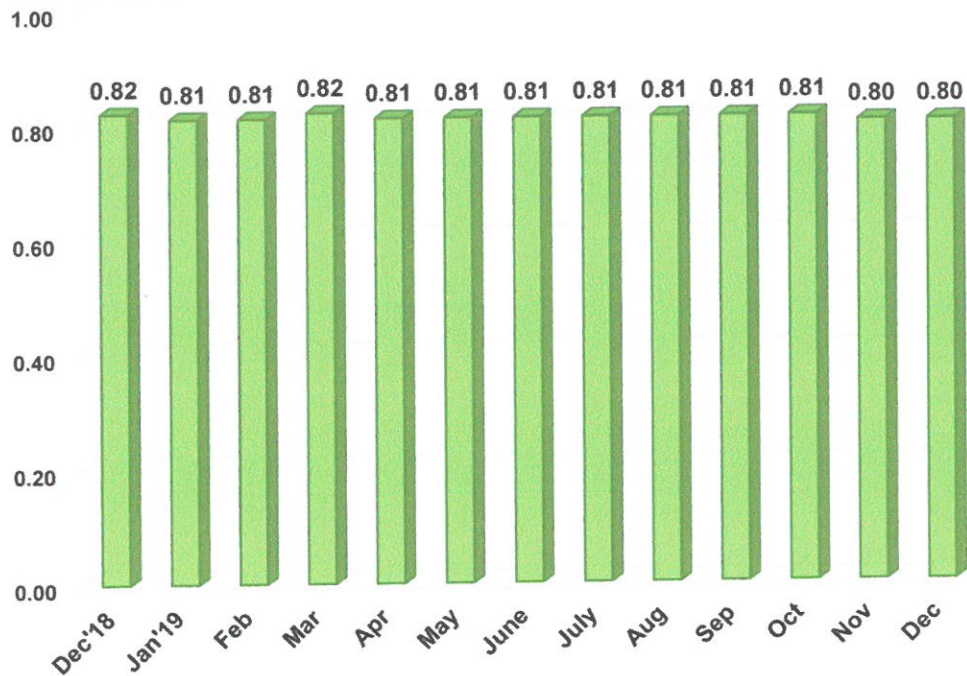
Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group December and November 2019 and 2018 (2012 = 100)

COMMODITY GROUP	DECEMBER		NOVEMBER	
	2019	2018	2019	2018
All Items	125.2	122.5	124.4	123.1
Food and Non-Alcoholic Beverages	131.2	129.5	130.2	129.3
Alcoholic Beverages and Tobacco	207.7	186.1	195.8	186.1
Clothing and Footwear	121.7	121.0	121.6	120.9
Housing, Water, Electricity, Gas, and Other Fuels	124.5	123.0	124.1	125.0
Furnishing, Household Equipment and Routine Maintenance of the House	132.6	124.7	132.4	124.6
Health	117.7	111.1	117.6	110.9
Transport	114.7	108.0	113.2	111.3
Communication	101.9	101.7	101.9	101.7
Recreation and Culture	106.8	106.6	106.8	106.6
Education	130.8	126.8	130.8	126.8
Restaurant and Miscellaneous Goods and Services	108.2	107.8	108.1	107.8

Purchasing Power of Peso (PPP) was recorded at 0.80 in December 2019

- In December 2018, PPP of Central Visayas was recorded at 0.82 and decreased in the succeeding two months which was at 0.81 then reverted to 0.82 in March 2019. In April 2019, the PPP then decreased to 0.81 and remained constant until October 2019. The PPP further decline to 0.80 in the last two months of 2019.

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