



SPECIAL RELEASE

February 2020 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 2.5 percent

- Inflation in Central Visayas for February 2020 slowed down to 2.5 percent. Inflation rate in January 2020 was recorded at 2.6 percent and 3.5 percent in February 2019 (Table A).

Table A. Year-on-Year Inflation Rates, All Items (2012=100)			
Area	February	January	February
	2020	2020	2019
Central Visayas	2.5	2.6	3.5

- The downtrend of the inflation in February 2020 was mainly driven by slower annual increase posted in the index of Food and Non-Alcoholic Beverages at 2.1 percent.
- Inflation in the following commodity groups were lower during the month:
 - Health, 5.8%;
 - Housing, Water, Electricity, Gas, and Other Fuels, 0.9%
- Inflation in the following commodity groups were higher during the month:
 - Alcoholic Beverages and Tobacco, 13.5%;
 - Furnishing, Household Equipment and Routine Maintenance of the House; 6.5%;
 - Transport, 8.3%;
 - Recreation and Culture, 0.3%;
 - Restaurant and Miscellaneous Goods and Services, 0.6%
- Constant inflation from the previous month were carried over by the following commodity groups:
 - Clothing and Footwear, 0.6%;
 - Communication, 0.3%;
 - Education, 3.2%;

Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group, February 2020 and January 2020 (2012 = 100)

Commodity Group	Current	Previous
All Items	2.5	2.6
Food and Non-Alcoholic Beverages	2.1	2.0
Alcoholic Beverages and Tobacco	13.5	12.4
Clothing and Footwear	0.6	0.6
Housing, Water, Electricity, Gas, and Other Fuels	0.9	1.9
Furnishing, Household Equipment and Routine Maintenance of the House	6.5	5.6
Health	5.8	5.9
Transport	8.3	7.0
Communication	0.3	0.3
Recreation and Culture	0.3	0.2
Education	3.2	3.2
Restaurant and Miscellaneous Goods and Services	0.6	0.5

Table C. Year-on-Year Inflation Rates in Central Visayas, All Items February 2016 – February 2020 (2012=100)

MONTH	YEAR				
	2016	2017	2018	2019	2020
January	1.1	2.5	3.0	4.4	2.6
February	1.1	2.8	3.8	3.5	2.5
March	1.2	2.2	5.2	2.2	
April	1.5	2.3	5.8	1.3	
May	1.8	2.0	6.0	1.5	
June	2.1	2.0	6.4	1.1	
July	2.1	2.2	6.5	1.1	
August	2.5	2.6	6.3	1.0	
September	1.8	3.1	7.0	0.2	
October	2.1	3.1	6.6	-1.0	
November	2.1	2.7	6.0	1.1	
December	2.0	2.4	5.3	2.2	
Average	1.8	2.5	5.7	1.6	

February 2020 CPI in Central Visayas was recorded 125.9

- February 2020 CPI in Central Visayas was recorded at 125.9. A decline was noted from the previous month which was at 126.1. There was an increasing movement of the CPI from February 2019 to February 2020 except for the month of March 2019, October 2019 and February 2020.

Figure 1. Consumer Price Index Central Visayas, All Income Households: February 2019 - February 2020 (2012=100)



- Higher annual rate was noted in the indices of each commodity group from February and January 2020 compared to February and January 2019 (*Table D*).

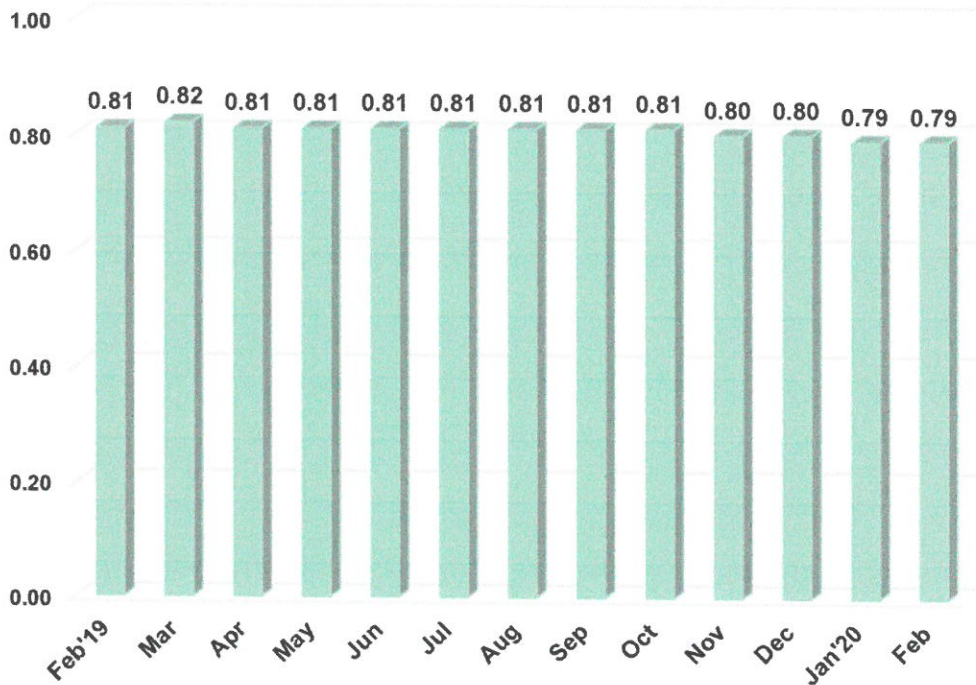
Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group February 2020 and 2019 and January 2020 and 2019 (2012 = 100)

COMMODITY GROUP	FEBRUARY		JANUARY	
	2020	2019	2020	2019
All Items	125.9	122.8	126.1	122.9
Food and Non-Alcoholic Beverages	132.8	130.1	132.8	130.2
Alcoholic Beverages and Tobacco	211.6	186.5	209.3	186.2
Clothing and Footwear	121.7	121.0	121.7	121.0
Housing, Water, Electricity, Gas, and Other Fuels	124.9	123.8	125.3	123.0
Furnishing, Household Equipment and Routine Maintenance of the House	136.2	127.9	134.8	127.7
Health	117.8	111.3	117.8	111.2
Transport	112.7	104.1	114.8	107.3
Communication	102.0	101.7	102.0	101.7
Recreation and Culture	106.9	106.6	106.8	106.6
Education	130.8	126.8	130.8	126.8
Restaurant and Miscellaneous Goods and Services	108.5	107.9	108.3	107.8

Purchasing Power of Peso (PPP) was recorded at 0.79 in February 2020

- Purchasing Power of Peso in Central Visayas remained at 0.79 in February 2020. From February 2019 to January 2020, an increase in the PPP was recorded in the month of March 2019 at 0.82. There was a decreasing movement of the PPP from 0.81 in February 2019 to 0.79 in February 2020.

Figure 2. Purchasing Power of Peso in Central Visayas:
February 2019- February 2020



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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