



# SPECIAL RELEASE

## April 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 2.4 percent

- Inflation in Central Visayas for April 2020 settled at 2.4 which was slower than the 2.9 percent annual increase in March 2020. In April 2019, inflation was lower at 1.3 percent (Table A).

Table A. Year-on-Year Inflation Rates, All Items (2012=100)			
Region	April	March	April
	2020	2020	2019
Central Visayas	2.4	2.9	1.3

- Contributing to the downtrend of the inflation in April 2020 was the further decrease in the annual rate of Housing, Water, Electricity, Gas, and Other Fuels index at -0.3 percent and index of transport at -2.6 percent.
- Inflation in the following commodity groups were higher during the month:
  - Food and Non-Alcoholic Beverages, 4.3%
  - Health, 5.8%;
- Constant inflation from the previous month were carried over by the following commodity groups:
  - Alcoholic Beverages and Tobacco, 13.6%;
  - Clothing and Footwear, 0.6%;
  - Furnishing, Household Equipment and Routine Maintenance of the House; 7.1%;
  - Communication, 0.3%;
  - Recreation and Culture, 0.3%;
  - Education, 3.2%;
  - Restaurant and Miscellaneous Goods and Services, 0.9%

**Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group, April and March 2020 and April 2019 (2012 = 100)**

Commodity Group	April 2020	March 2020	April 2019
All Items	2.4	2.9	1.3
Food and Non-Alcoholic Beverages	4.3	3.3	1.5
Alcoholic Beverages and Tobacco	13.6	13.6	3.4
Clothing and Footwear	0.6	0.6	0.5
Housing, Water, Electricity, Gas, and Other Fuels	-0.3	0.4	1.3
Furnishing, Household Equipment and Routine Maintenance of the House	7.1	7.1	4.2
Health	5.8	5.7	2.9
Transport	-2.6	4.2	0.4
Communication	0.3	0.3	0.1
Recreation and Culture	0.3	0.3	2.6
Education	3.2	3.2	-2.2
Restaurant and Miscellaneous Goods and Services	0.9	0.9	0.5

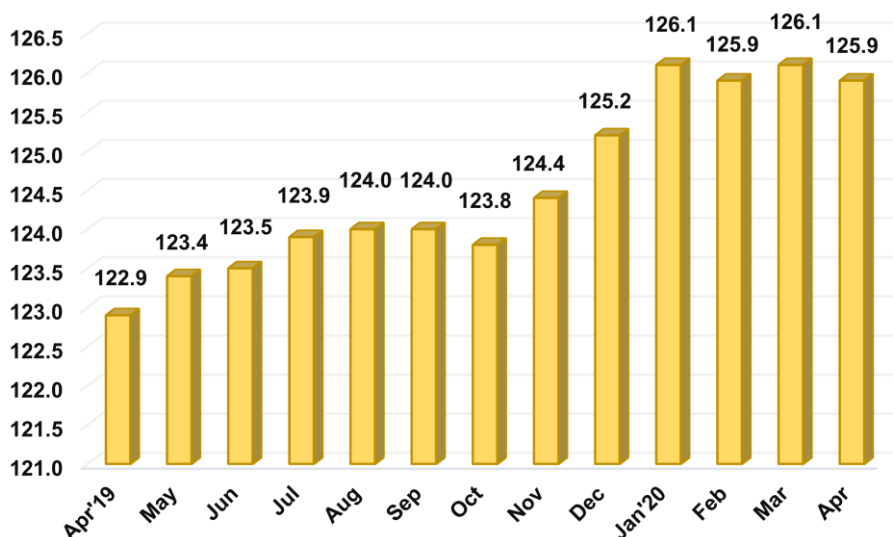
**Table C. Year-on-Year Inflation Rates in Central Visayas, All Items January 2016 – April 2020 (2012=100)**

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	2.9
April	1.5	2.3	5.8	1.3	2.4
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	

**April 2020 CPI in Central Visayas was recorded 125.9**

- April 2020 CPI in Central Visayas was recorded at 125.9. A decline was observed from the previous month which was at 126.1. There was an increasing movement of the CPI from April 2019 to April 2020 except for the months of October 2019 and February and April 2020 which posted a dropped in the movement of CPI.

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



- Higher annual rate was noted in the indices of each commodity group from March and April 2020 compared to March and April 2019 except for Housing, Water, Electricity, Gas, and Other Fuels and Transport which posted a decrease in the indices in April 2020. (Table D).

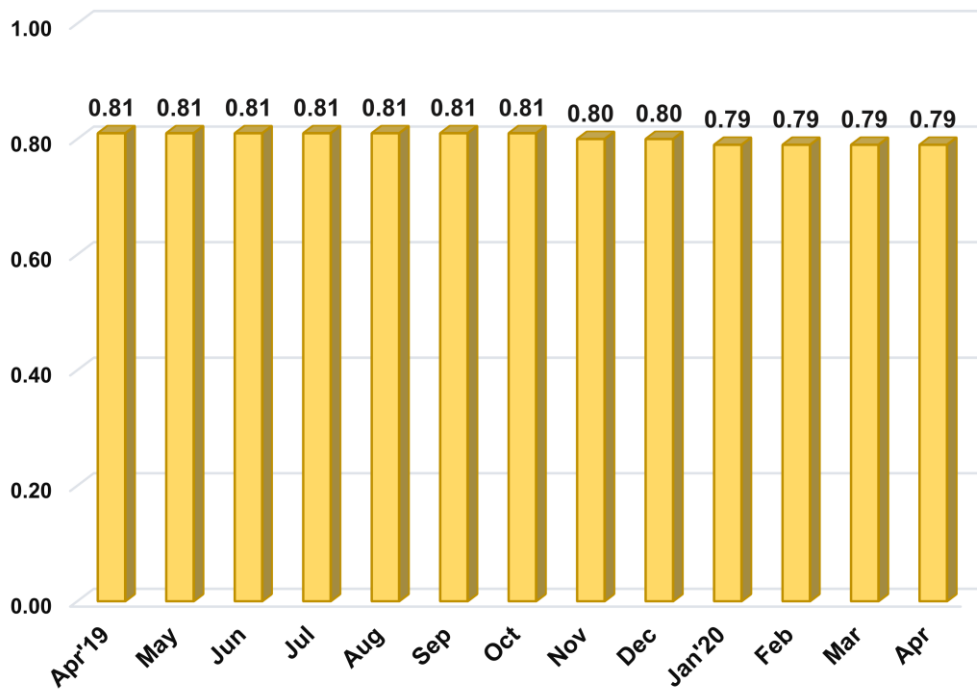
**Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group April and March 2019 and 2020 (2012 = 100)**

COMMODITY GROUP	APRIL		MARCH	
	2020	2019	2020	2019
All Items	125.9	122.9	126.1	122.6
Food and Non-Alcoholic Beverages	134.2	128.7	133.4	129.1
Alcoholic Beverages and Tobacco	212.4	186.9	212.0	186.7
Clothing and Footwear	121.7	121.0	121.7	121.0
Housing, Water, Electricity, Gas, and Other Fuels	123.9	124.3	124.7	124.2
Furnishing, Household Equipment and Routine Maintenance of the House	137.0	127.9	137.0	127.9
Health	118.0	111.5	117.9	111.5
Transport	107.3	110.2	110.9	106.4
Communication	102.0	101.7	102.0	101.7
Recreation and Culture	106.9	106.6	106.9	106.6
Education	130.8	126.8	130.8	126.8
Restaurant and Miscellaneous Goods and Services	108.9	107.9	108.9	107.9

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

- Purchasing Power of Peso in Central Visayas was recorded at 0.79 in April 2020. Movement of PPP in April 2019 to April 2020 exhibited a downtrend movement from 0.81 to 0.79. The PPP from April 2019 at 0.81 remained constant until October 2019. A decline was recorded from 0.81 to 0.80 in the months of November and December 2019. It further decelerated to 0.79 in the start of 2020 and remained constant until April 2020.

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

CPI<sub>1</sub> - is the CPI in the previous period

CPI<sub>2</sub> - 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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