



SPECIAL RELEASE

February 2020 Consumer Price Index (CPI), Inflation Rate (IR) and Purchasing Power of Peso (PPP) of Siquijor

Date of Release: 30 March 2020
Reference Number: 2020-SR61- 001

Siquijor CPI increases at 128.5

Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a CPI of 128.5 as of February 2020, using 2012 as the base year. It has a slight increase of 0.1 from January 2020 which posted a CPI of 128.4. During the same period in 2019, the CPI was at 121.7. The CPI for February 2020 period implied that the cost of a basket of goods and services commonly purchased by typical Filipino households in Siquijor was at an average of P128.5.

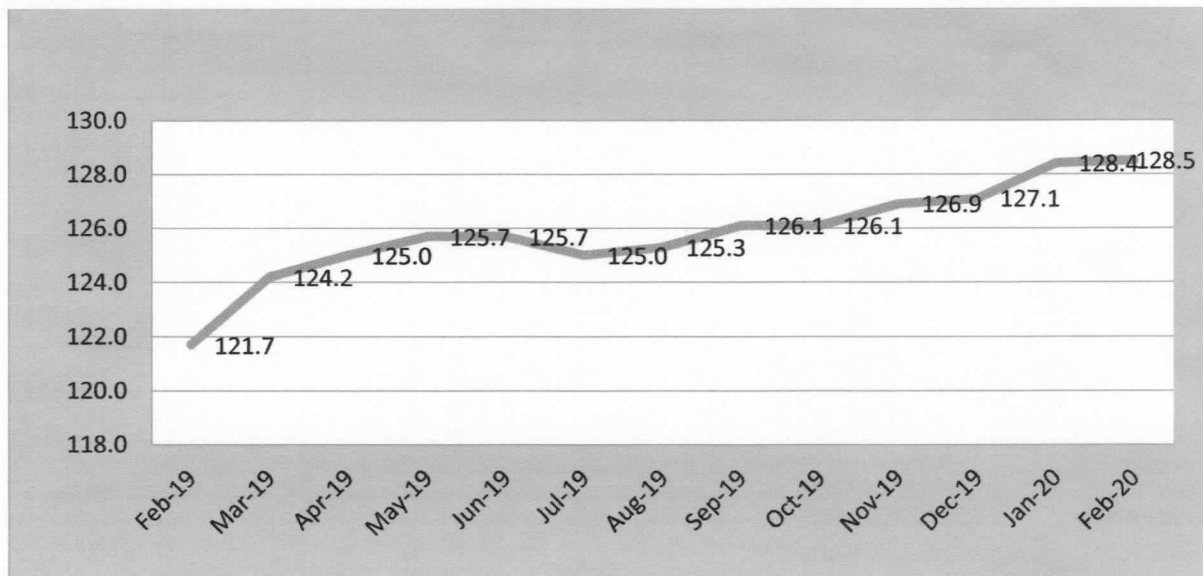
Price indices are used for economic analysis and as a monitoring indicator of government's economic policy. CPI is most widely used in the calculation of the inflation rate and purchasing power of peso. It is an indicator of the changes in the average retail prices of a fixed basket of goods and services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

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

Commodity Group	February 2020	January 2020	February 2019
Consumer Price Index (CPI) – All Items	128.5	128.4	121.7
Food and Non-Alcoholic Beverages	124.1	124.9	122.6
Alcoholic Beverages and Tobacco	174.1	173.8	153.6
Clothing and Footwear	118.7	118.6	116.0
Housing, Water, Electricity, Gas and Other Fuels	134.0	132.6	125.4
Furnishings, Household Equipmt. & Maint. Of the House	141.8	141.8	141.0
Health	112.1	112.1	111.1
Transport	115.3	119.9	99.3
Communication	103.2	103.2	103.2
Recreation and Culture	115.1	115.1	114.6
Education	112.6	112.6	108.4
Restaurant and Miscellaneous Goods & Services	118.8	118.7	118.2

In February 2020, commodities under Alcoholic Beverages and Tobacco had the highest CPI at 174.1 (See Table 1). This was followed by the commodity group of Furnishings, Household Equipment and Maintenance of the Households (141.8) and Housing, Electricity, Gas and other Fuels (134.0). The rest of the commodity groups had CPI lower than the provincial average. The three lowest CPI were, Communication (103.2), Health (112.1) and Education (112.6).

Figure 1: Consumer Price Index (CPI) for all Items: Siquijor, February 2019 to February 2020



Siquijor Province Inflation is up by 5.6% in February 2020

Siquijor inflation in February 2020 increased to 5.6% from the previous month with inflation at 4.6%. It also increased from the same period in 2019 with an inflation of 3.4% in February 2019. The purchasing power of peso in the province remained at 78 centavos lower from last year same period at 82 centavos.

Inflation Rate is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso. 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)
February 2020	5.6	.78
January 2020	4.6	.78
February 2019	3.4	.82

The increase of inflation was mainly driven by the commodity groups that marks a higher figures such as Transportation with an inflation of 16.1% and Alcoholic Beverages and Tobacco that marks an inflation of 13.3%. See Table 3.

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

Commodity Group	February 2020	February 2019	Inflation Rate
All Items (2012 = 100)	128.5	121.7	5.6
Food and Non-Alcoholic Beverages	124.1	122.6	1.2
Alcoholic Beverages and Tobacco	174.1	153.6	13.3
Clothing and Footwear	118.7	116.0	2.3
Housing, Water, Electricity, Gas and Other Fuels	134.0	125.4	7.2
Furnishings, Household Equip. & Maint. Of the House	141.8	141.0	0.6
Health	112.1	111.1	0.9
Transport	115.3	99.3	16.1
Communication	103.2	103.2	0
Recreation and Culture	115.1	114.6	0.4
Education	112.6	108.4	3.9
Restaurant and Miscellaneous Goods & Services	118.8	118.2	0.5

On the selected food items, highest inflation was recorded in Vegetable at 20.4% followed by Food Products not elsewhere classified at 9.2%. Fish (7.6%) Fruit (5.7%) Milk, Cheese and Eggs (1.7%) and Meat (.8%) products had increased also. All other food groups have remarkable decrease in February 2020 with negative inflation. These are the following:

- Rice (-9.4%)
- Corn (-9.1%)
- Other Cereals and Bakery Products (-7.3%)
- Bread and Cereals (-7.2%)
- Oils and Fats (-3.6%)
- Sugar, Jam, Honey, Chocolates and Confectionery (-2.3%)

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

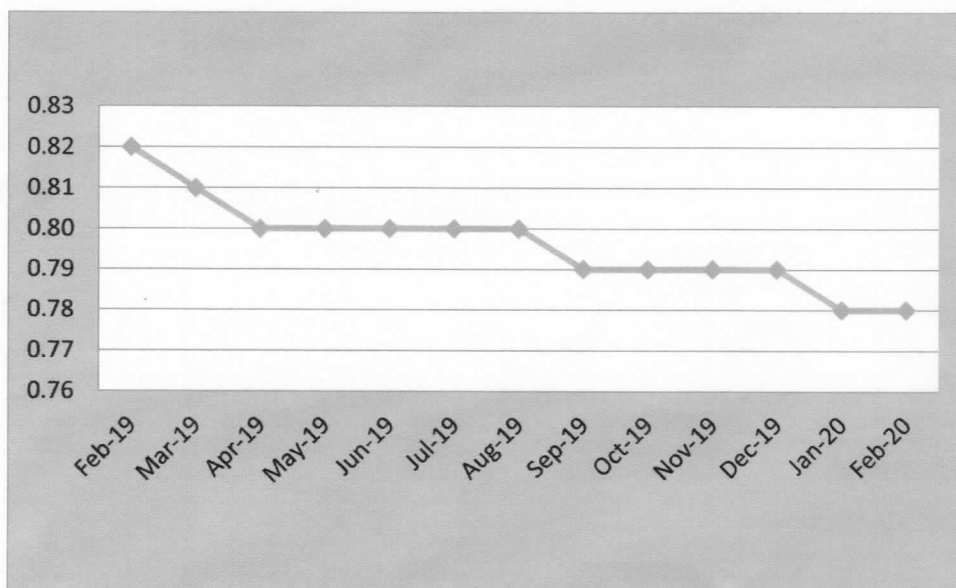
Table 4. Consumer Price Index (CPI) and Inflation Rates of Selected Food Items: Siquijor (2012=100)

Commodity Group	February 2020	February 2019	Inflation Rate
Bread and Cereals	111.9	120.6	-7.2
Rice	114.3	126.2	-9.4
Corn	101.3	111.4	-9.1
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	101.2	109.2	-7.3
Meat	118.3	117.3	0.8
Fish	143.1	133.0	7.6
Milk, Cheese and Eggs	121.0	119.0	1.7
Oils and Fats	98.0	101.7	-3.6
Fruits	143.2	135.5	5.7
Vegetables	150.9	125.3	20.4
Sugar, Jam, Honey, Chocolates and Confectionery	107.4	109.9	-2.3
Food Products N.E.C.	129.7	118.8	9.2

Purchasing Power of Peso (PPP) remains at 0.80

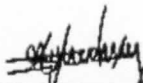
The PPP in February 2020 was 0.78. This implied that the Php 1.0 in 2012, as the base year, values only at Php 0.78 in February 2020. The same PPP was recorded in January 2020. See Figure 2.

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




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.

Prepared by:


JOSELITO C. MAGHANOY
Statistical Specialist II

Approved by:


AURELIA M. CANDA
Chief Statistical Specialist


RTGP/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.