



# SPECIAL RELEASE

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

Date of Release: 24 April 2020  
 Reference Number: 2020-SR61- 002

### Siquijor CPI increases at 128.7

As of March 2020 the survey of retail prices of commodities conducted by Philippine Statistics Authority (PSA) has generated a CPI of 128.7 using 2012 as the base year. It has a slight increase of 0.2 from February 2020 which posted a CPI of 128.5. During the same period in 2019, the CPI was at 124.2. The CPI for March 2020 period implied that the cost of a basket of goods and services commonly purchased by typical Filipino households in the Province of Siquijor was at an average of P128.7.

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 below shows the CPI result of Siquijor by commodity group.

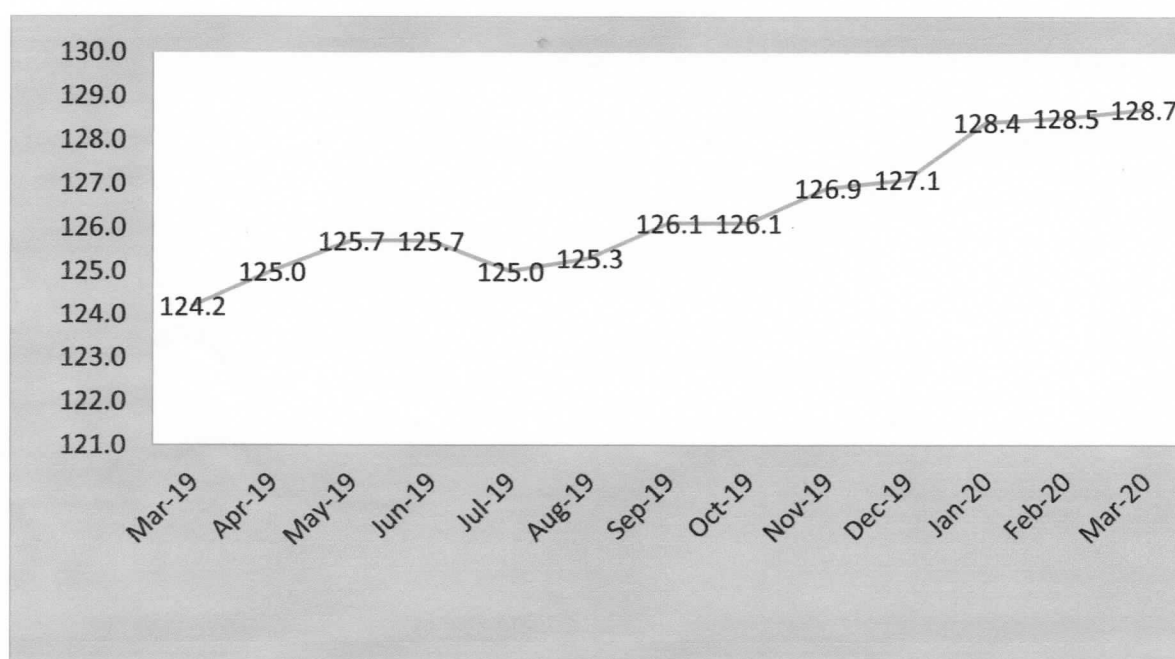
**Table 1. Consumer Price Index (CPI) by Commodity Group: Siquijor (2012=100)**

Commodity Group	March 2020	February 2020	March 2019
Consumer Price Index (CPI) – All Items	128.7	128.5	124.2
Food and Non-Alcoholic Beverages	124.8	124.1	122.2
Alcoholic Beverages and Tobacco	174.8	174.1	157.7
Clothing and Footwear	118.7	118.7	116.3
Housing, Water, Electricity, Gas and Other	133.9	134.0	129.4
Fuels			
Furnishings, Household Equipt. & Maint. Of the House	141.8	141.8	141.4
Health	112.1	112.1	111.2
Transport	115.7	115.3	103.8
Communication	103.2	103.2	103.2
Recreation and Culture	115.4	115.1	114.8
Education	112.6	112.6	108.4
Restaurant and Miscellaneous Goods & Services	118.8	118.8	118.4

As shown in Table 1, commodities under Alcoholic Beverages and Tobacco remains with the highest CPI at 174.8 and followed the commodity group of Furnishings, Household Equipment and Maintenance of the House which recorded a CPI at 141.8. Housing, Electricity, Gas and other Fuels recorded at 133.9. The rest of the commodity groups had CPI lower than the provincial average of 128.7 for all items.

Figure 1 below shows the graph of CPI for all items from March 2019 to March 2020.

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



**Siquijor Province Inflation lowered at 3.6% in March 2020**

Siquijor inflation in March 2020 decreased to 3.6% from the previous month with inflation at 5.6%. It also decreased from the same period in 2019 with an inflation of 3.8%. The purchasing power of peso in the province remained at 78 centavos lower from last year same period at 81 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 for the year on year Inflation rate for all items.

**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)
March 2020	<b>3.6</b>	<b>.78</b>
February 2020	<b>5.6</b>	<b>.78</b>
March 2019	<b>3.8</b>	<b>.81</b>

The decrease of inflation was mainly driven by most of the commodities that showed little increase in March 2020 from the same period last year (March 2019). See Table 3 below for the complete list of commodity group and its corresponding inflation rate.

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

Commodity Group	March 2020	March 2019	Inflation Rate
All Items (2012 = 100)	128.7	124.2	3.6
Food and Non-Alcoholic Beverages	124.8	122.2	1.5
Alcoholic Beverages and Tobacco	174.8	157.7	10.8
Clothing and Footwear	118.7	116.3	2.1
Housing, Water, Electricity, Gas and Other Fuels	133.9	129.4	3.5
Furnishings, Household Equipt. & Maint. Of the House	141.8	141.4	0.3
Health	112.1	111.2	0.8
Transport	115.7	103.8	11.5
Communication	103.2	103.2	0
Recreation and Culture	115.4	114.8	0.5
Education	112.6	108.4	3.9
Restaurant and Miscellaneous Goods & Services	118.8	118.4	0.3

### **Consumer Price Index and Inflation Rates of Selected Food Items**

On the selected food items, highest inflation was recorded in Vegetable at 23.0% followed by Food Products not elsewhere classified at 9.6% and Fish at 7.9%. Other food items but with lower inflation are Fruit (3.8%) Milk, Cheese and Eggs (3.1%) Other cereals (1.7%) and Meat (0.9%). All other food groups have negative inflation in March 2020. These are the following:

- Sugar, Jam, Honey, Chocolates and Confectionery (-0.9%)
- Oils and Fats (-3.6%)
- Corn (-5.3%)
- Bread and Cereals (-5.6%)
- Rice (-7.8%)

Table 4 below is the complete list of inflation rates of selected food items for March 2020..

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

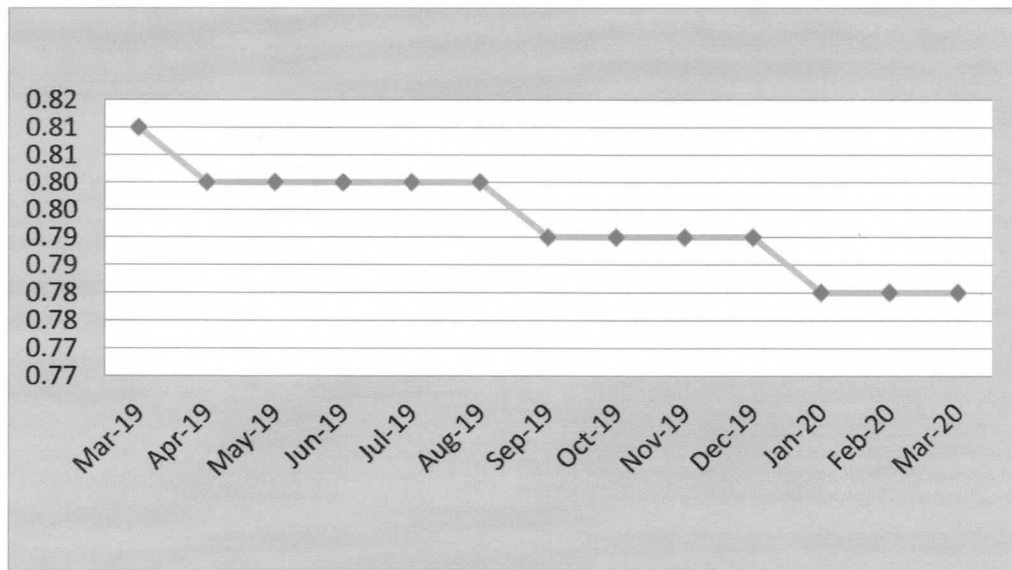
<b>Commodity Group</b>	<b>March 2020</b>	<b>March 2019</b>	<b>Inflation Rate</b>
Bread and Cereals	112.5	119.2	-5.6
Rice	115.4	125.1	-7.8
Corn	100.6	106.2	-5.3
Other Cereals, Flour, Cereal Preparation, Bread, Pasta and Other Bakery Products	111.3	109.4	1.7
Meat	118.2	117.1	0.9
Fish	145.6	135.0	7.9
Milk, Cheese and Eggs	121.0	117.4	3.1
Oils and Fats	98.0	101.7	-3.6
Fruits	141.1	136.0	3.8
Vegetables	152.4	123.9	23.0
Sugar, Jam, Honey, Chocolates and Confectionery	107.1	108.1	-0.9
Food Products N.E.C.	130.1	118.7	9.6

### **Purchasing Power of Peso (PPP) remains at 0.78**

For the past 3 months, from January 2020 to March 2020 the purchasing power of peso in Siquijor Province remains at 0.78. It has a difference of 3 centavos from March 2019 with a PPP of 81 centavos. With the value of Php 1.0 in 2012, as the base year, PPP values only at Php 0.78 in March 2020.

Figure 2 shows the declining graph of purchasing power of peso from March 2019 to March 2020.

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



Purchasing Power of Peso (PPP) 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.

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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.