



SPECIAL RELEASE

December 2021 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 4.6 percent

- The inflation in Central Visayas for December 2021 went up to 4.6 percent which was higher than the 4.5 percent annual increase in November 2021. In December 2020, inflation was at 0.9 percent. *(Table A)*
- The average inflation for the year 2021 at 2.5 percent was higher relative to the average inflation in 2020 at 1.9 percent. *(Table C)*

Table A. Year-on-Year Inflation Rates, All Items In Percent (2012=100)			
AREA	DECEMBER 2020	NOVEMBER 2021	DECEMBER 2021
Central Visayas	0.9	4.5	4.6

Source: *Philippine Statistics Authority*

- The uptrend of the December 2021 inflation was mainly driven by the increase in the inflation of the Food and Non-Alcoholic Beverages index at 6.6 percent during the month from 5.9 percent in November 2021. The uptrend in the inflation was also brought about by the increase in the annual increment recorded in the Housing, Water, Electricity, Gas, and Other Fuels index at 4.1 percent. *(Table B)*
- Meanwhile, annual mark-ups slowed down in the indices of the following commodity groups during the period: *(Table B)*
 - Transport; 3.6 percent; and
 - Health, 2.8 percent.



- Indices of the rest of the commodity groups retained their previous month's annual growth rates: *(Table B)*
 - Furnishing, Household Equipment and Routine Maintenance of the House, 8.1 percent;
 - Alcoholic Beverages and Tobacco, 5.1 percent;
 - Restaurant and Miscellaneous Goods and Services, 1.8 percent;
 - Clothing and Footwear, 0.4 percent;
 - Recreation and Culture, 0.1 percent;
 - Communication, 0.0 percent; and
 - Education, 0.0 percent.
- For three consecutive months now, inflation for Education and Communication indices were posted at 0.0 percent.

Table B. Year-on-Year Inflation Rates in Central Visayas by Commodity Group, In Percent
December 2020 and November and December 2021
(2012 = 100)

COMMODITY GROUP	DECEMBER 2020	NOVEMBER 2021	DECEMBER 2021
All Items	0.9	4.5	4.6
Food and Non-Alcoholic Beverages	1.5	5.9	6.6
Alcoholic Beverages and Tobacco	3.9	5.1	5.1
Clothing and Footwear	0.2	0.4	0.4
Housing, Water, Electricity, Gas, and Other Fuels	-1.0	3.9	4.1
Furnishing, Household Equipment and Routine Maintenance of the House	3.8	8.1	8.1
Health	0.7	3.0	2.8
Transport	0.7	6.0	3.6
Communication	0.1	0.0	0.0
Recreation and Culture	-2.0	0.1	0.1
Education	0.3	0.0	0.0
Restaurant and Miscellaneous Goods and Services	1.6	1.8	1.8

Source: Philippine Statistics Authority



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**Table C. Year-on-Year Inflation Rates in Central Visayas, All Items
In Percent
January 2017 – December 2021
(2012=100)**

MONTH	YEAR				
	2017	2018	2019	2020	2021
January	2.5	3.0	4.4	2.6	0.6
February	2.8	3.8	3.5	2.5	1.0
March	2.2	5.2	2.2	2.9	1.5
April	2.3	5.8	1.3	2.4	1.9
May	2.0	6.0	1.5	2.2	2.1
June	2.0	6.4	1.1	2.7	1.7
July	2.2	6.5	1.1	2.3	2.0
August	2.6	6.3	1.0	1.3	3.1
September	3.1	7.0	0.2	1.1	3.5
October	3.1	6.6	-0.1	1.3	3.8
November	2.7	6.0	1.1	1.1	4.5
December	2.4	5.3	2.2	0.9	4.6
Average	2.5	5.6	1.6	1.9	2.5

Source: Philippine Statistics Authority

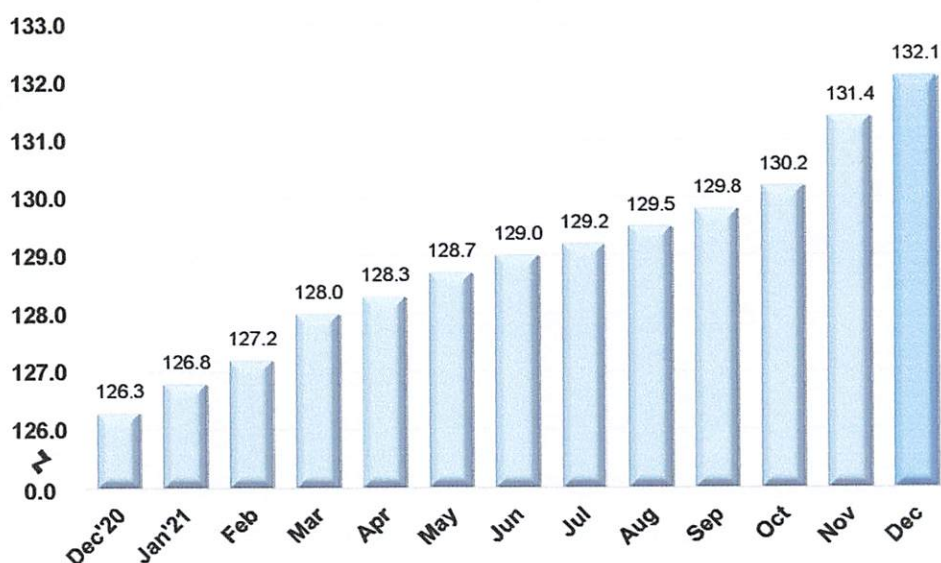
December 2021 CPI in Central Visayas was recorded 132.1

- The CPI for Central Visayas was recorded at 132.1 for December 2021 which was higher than the 131.4 from the previous month. An increasing trend of the CPI was recorded from December 2020 at 126.3 to December 2021 at 132.1. (Figure 1)



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**Figure 1. Consumer Price Index Central Visayas, All Income Households
December 2020 - December 2021
(2012=100)**



Source: Philippine Statistics Authority

**Table D. Monthly Consumer Price Index for All Income Households in Central Visayas, by Commodity Group
November and December 2020 and 2021
(2012 = 100)**

COMMODITY GROUP	NOVEMBER		DECEMBER	
	2020	2021	2020	2021
All Items	125.8	131.4	126.3	132.1
Food and Non-Alcoholic Beverages	132.3	140.1	133.2	142.0
Alcoholic Beverages and Tobacco	215.6	226.6	215.7	226.7
Clothing and Footwear	122.0	122.5	122.0	122.5
Housing, Water, Electricity, Gas, and Other Fuels	123.2	128.0	123.2	128.2
Furnishing, Household Equipment and Routine Maintenance of the House	137.6	148.8	137.7	148.8
Health	118.3	121.8	118.5	121.8
Transport	114.1	121.0	115.5	119.7
Communication	102.0	102.0	102.0	102.0
Recreation and Culture	104.7	104.8	104.7	104.8
Education	131.2	131.2	131.2	131.2
Restaurant and Miscellaneous Goods and Services	109.9	111.9	109.9	111.9

Source: Philippine Statistics Authority



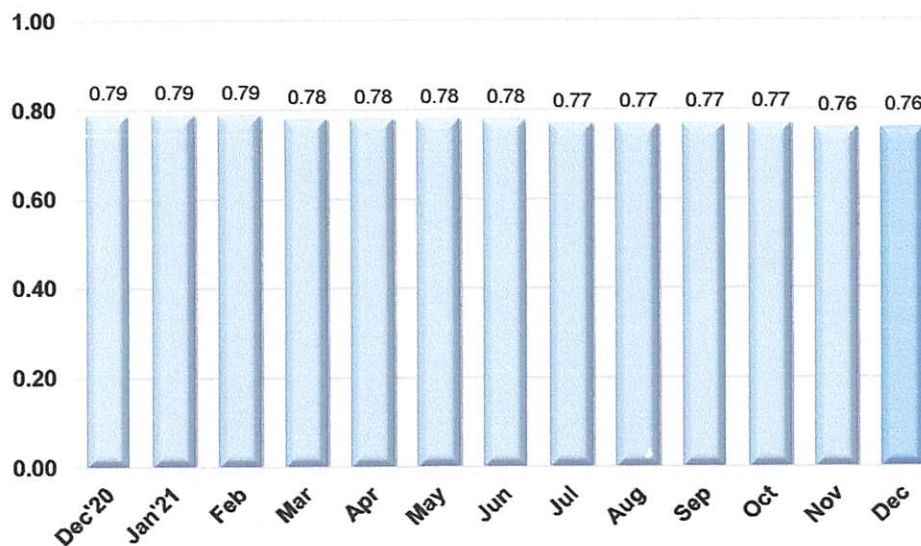
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- Higher annual rate was noted in the indices of each commodity group from November and December 2021 compared to November and December 2020. Education and Communication posted a constant index at 131.2 and 102.0, respectively. (Table D)

Purchasing Power of Peso (PPP) was recorded at 0.76 in December 2021

- Purchasing Power of Peso in Central Visayas was recorded at 0.76 in December 2021. The PPP in December 2020 to December 2021 recorded downtrend movement from 0.79 to 0.76. In March 2021 PPP was at 0.78 and remained constant until June 2021. A decline was recorded from 0.77 to 0.76 in the months of October to November 2021. (Figure 2)

**Figure 2. Purchasing Power of Peso in Central Visayas:
December 2020 - December 2021**



Source: Philippine Statistics Authority



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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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