



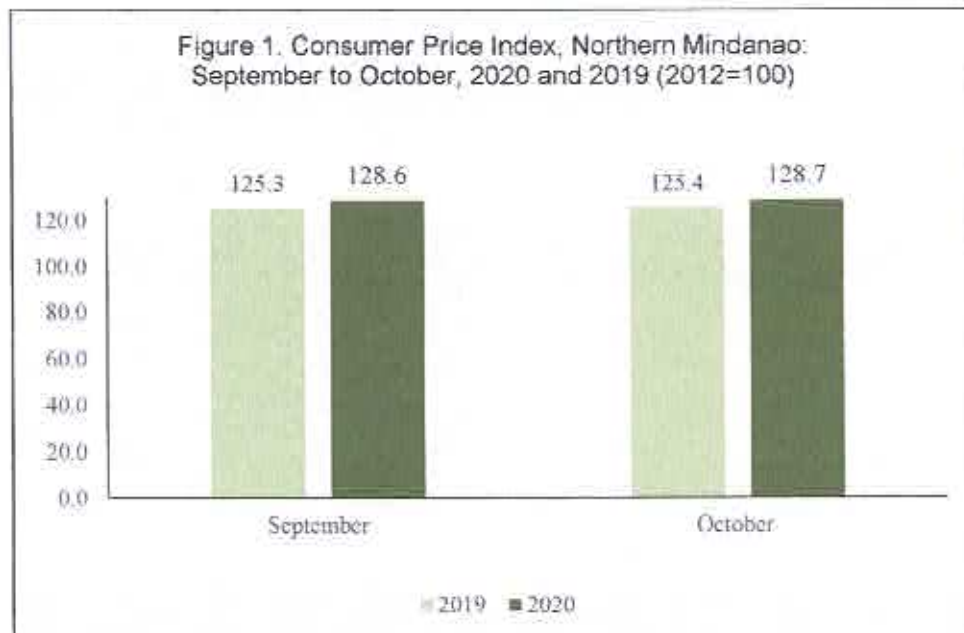
SPECIAL RELEASE

Highlights of the Consumer Price Index in Northern Mindanao for the Month of October 2020 (2012=100)

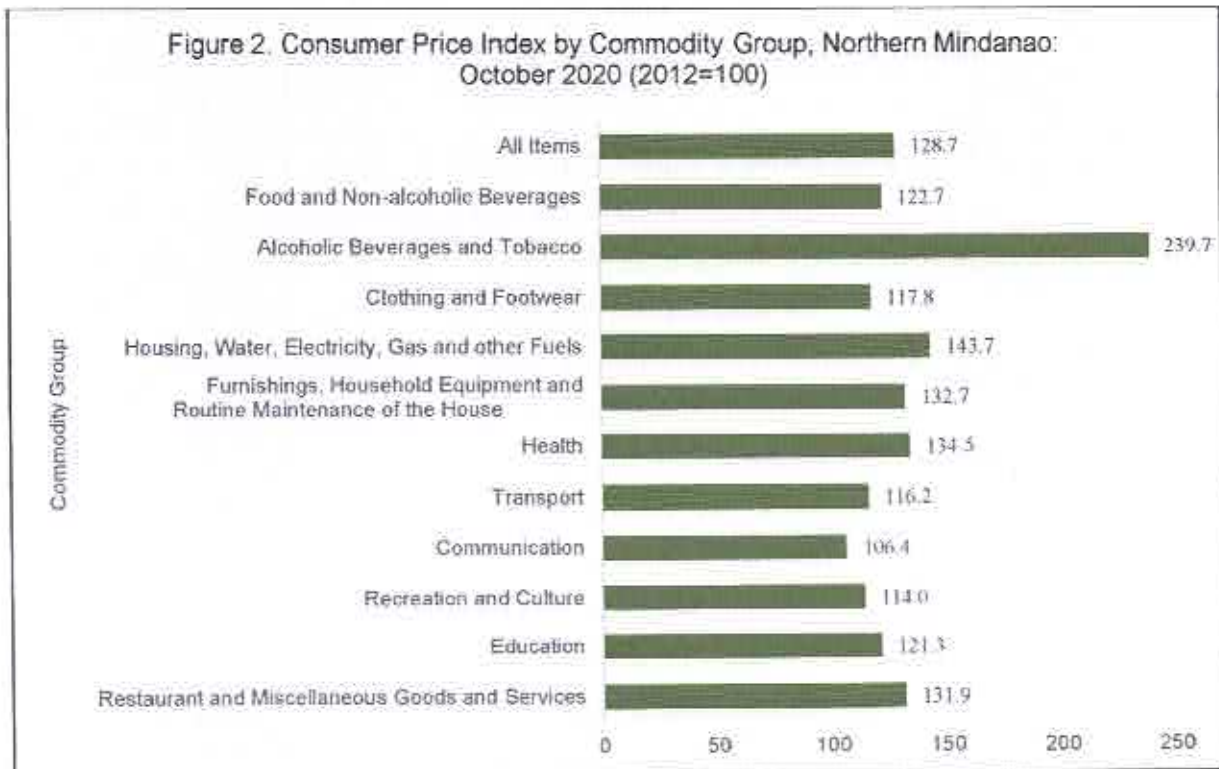
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The price of a basket of goods in October 2020 in Northern Mindanao is higher than its price in 2012 by 28.7 percent

The Consumer Price Index (CPI) in Northern Mindanao for the month of October 2020 registered at 128.7 which implies that the price of a basket of goods in October 2020 was 28.7 percent higher than its price in 2012. 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 . (Figure 1)

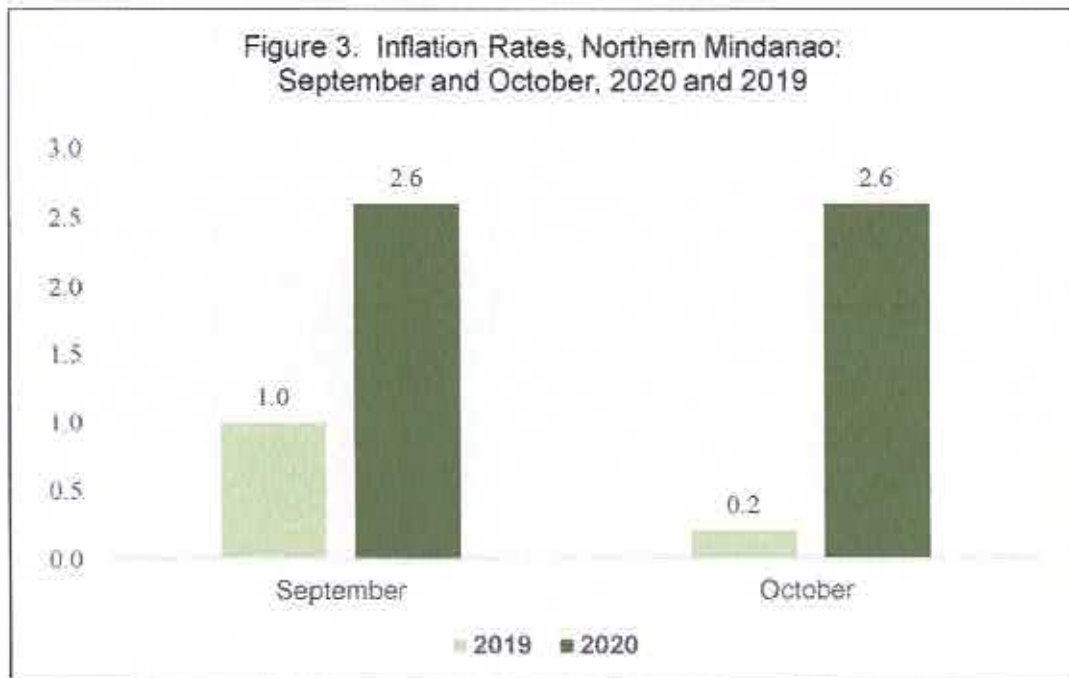


Among the commodity groups, Alcoholic Beverages and Tobacco posted the highest CPI in October 2020 at 239.7, followed by Housing, Water, Electricity, Gas, and Other Fuels at 143.7, and Health at 134.5. On the other hand, Transport at 116.2, Recreation and Culture at 114.0, and Communication at 106.4 were the three commodity groups with the lowest CPI recorded in the month of October 2020. (See Figure 2)



Regional inflation remains at 2.6 percent in October 2020

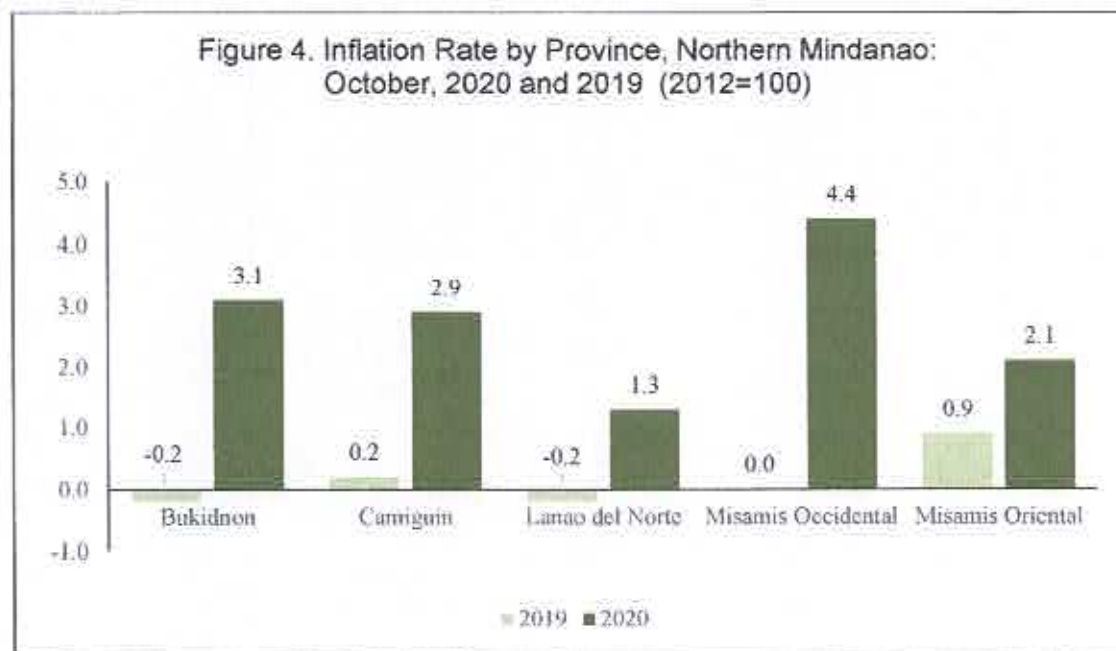
Regional inflation in October 2020 was posted at 2.6 percent, the same rate as in the previous month but faster than the recorded inflation in the same period of the previous year. The faster inflation rate in October 2020 implies that prices in October 2020 increased at a faster pace compared to the prices in October 2019. (Figure 3)



Misamis Occidental posted the highest inflation rate of 4.4 percent year-on-year

In terms of inflation rate in October 2020, Misamis Occidental posted the highest inflation rate of 4.4 percent. This was followed by Bukidnon, Camiguin and Misamis Oriental. Lanao del Norte, on the other hand, posted the lowest inflation rate of 1.3 percent. (Figure 4)

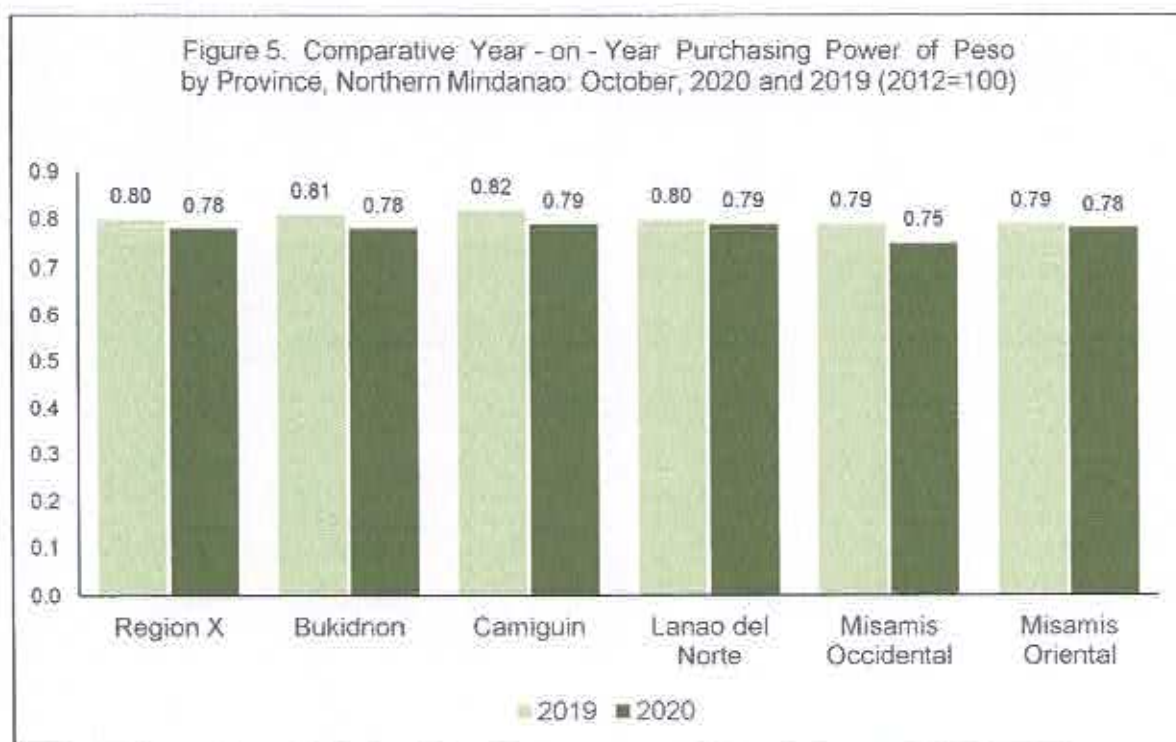
All provinces registered higher inflation rates in October 2020 as compared to the same period in the previous year.

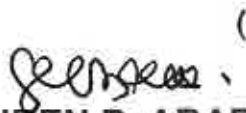


PURCHASING POWER OF PESO (PPP)

The Purchasing Power of Peso (PPP) shows the real value of the peso relative to the base period. The PPP in Northern Mindanao was posted at PhP 0.78 in October 2020. This means that a consumer's PhP 100 in 2012 can only purchase PhP 78 worth of goods and services in October 2020. (Figure 5)

All provinces showed a lower PPP in October 2020 compared to October 2019. Misamis Occidental posted the highest decline of 0.04 pesos, followed by Bukidnon and Camiguin which declined by 0.03 pesos.




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TECHNICAL NOTES

Consumer Price Index (CPI) – The CPI 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 a base year.

Used of CPI – 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 a monitoring indicator of government economic policy.

Computation of CPI – The computation of the CPI involves consideration of the following important points:

- a. **Base Period** – The reference data 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 services availed by the households in the country selected to represent the composite price behavior of all goods and services purchased by consumers.
- c. **Weighing System** – The weighing 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 for selected cities.

Inflation Rate (IR) – is the rate of change of the CPI expressed in percent. Inflation is interpreted in terms of declining purchasing power of peso.

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.

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