

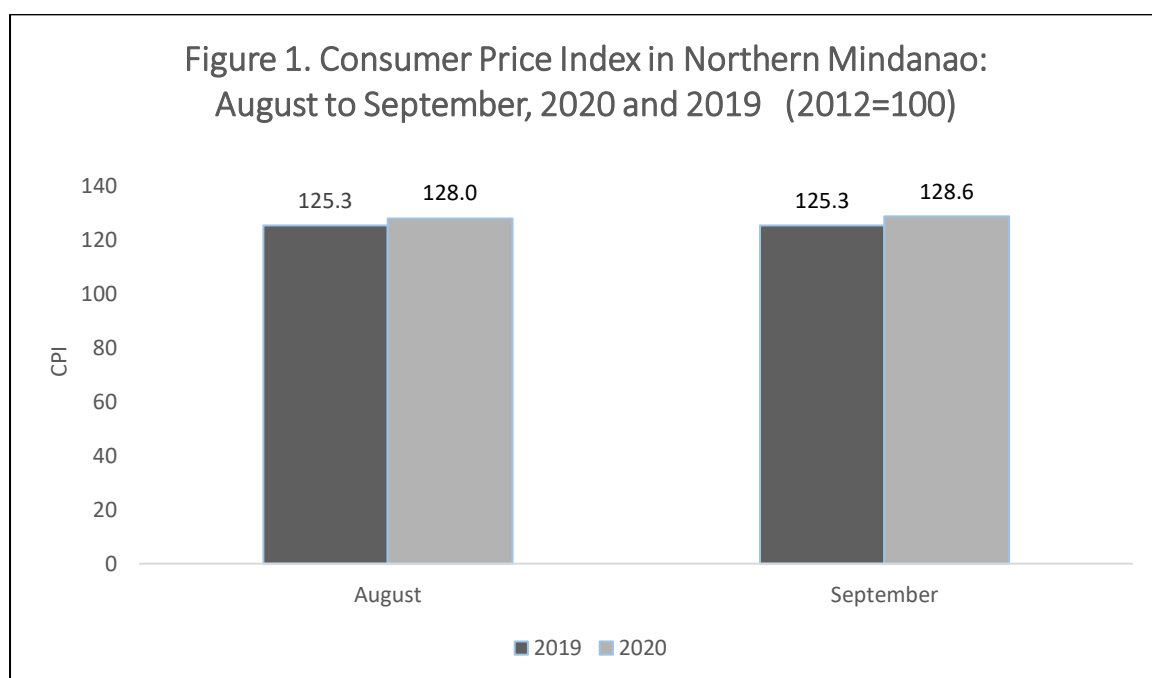


SPECIAL RELEASE

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

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The Consumer Price Index (CPI) in Northern Mindanao for the month of September 2020 registered at 128.6 which implies that the price of a basket of goods in September 2020 was 28.6 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 year. Figure 1 shows the CPI for Northern Mindanao for August to September, 2019 and 2020.



Among the commodity groups, Alcoholic Beverages and Tobacco posted the highest CPI in September 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 116.7, 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 September 2020. (See Figure 2)

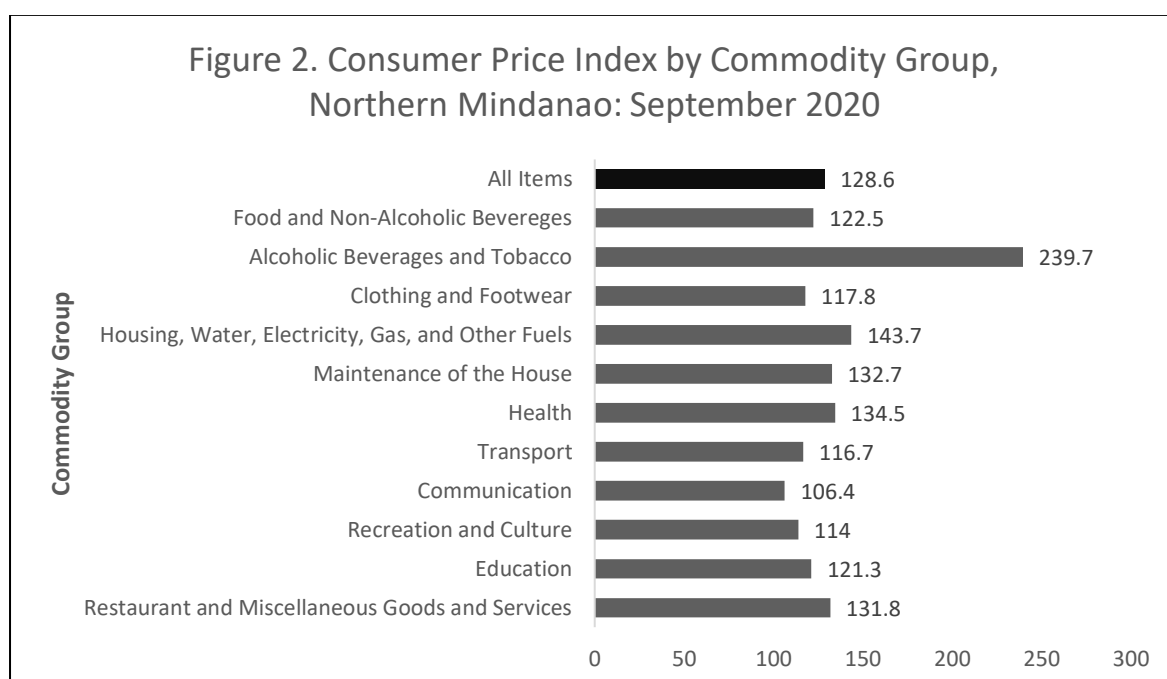


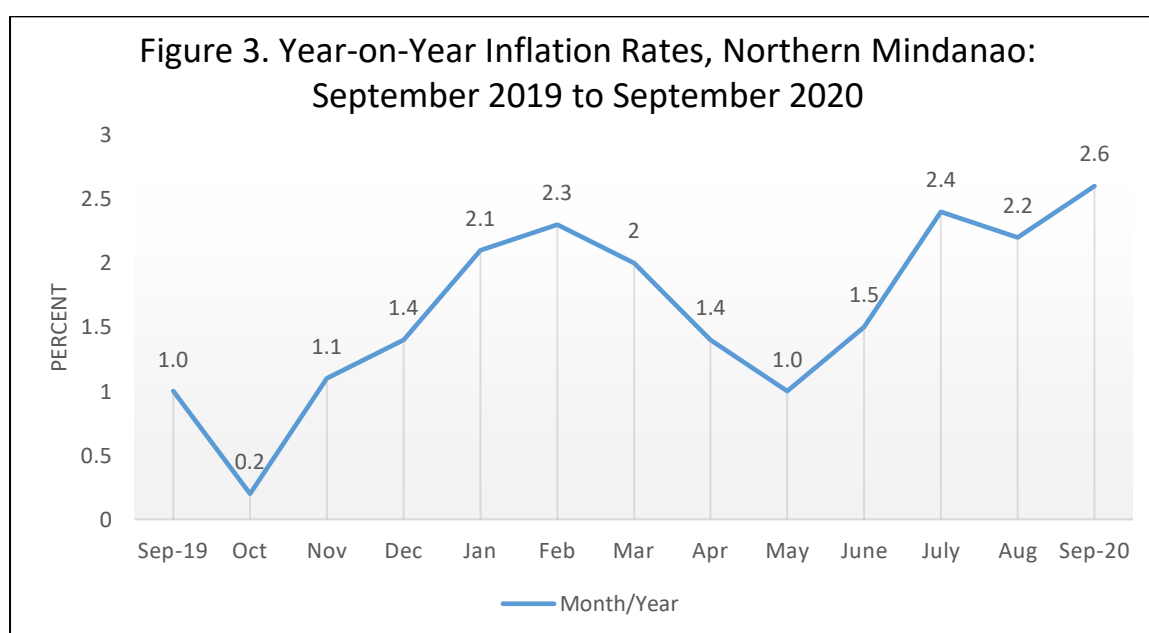
Table 1 presents the CPI for all commodity groups in Northern Mindanao by province for the month of September 2019 and September 2020. All provinces demonstrated an increase in CPI for September 2020 with Misamis Occidental posting the highest CPI at 132.9 and Camiguin posting the lowest at 125.8.

Table 1. Consumer Price Index by Province, Northern Mindanao:
 September, 2020 and 2019 (2012=100)

Region/Province	September 2020	September 2019
Northern Mindanao	128.6	125.3
Bukidnon	128.2	124.3
Camiguin	125.8	121.8
Lanao del Norte	126.4	124.6
Misamis Occidental	132.9	127.2
Misamis Oriental	128.3	125.8

Regional inflation accelerates in September 2020

Inflation rate in the region registered at 2.6 percent, faster than the recorded inflation in the previous year. This means that prices of goods in September this year increased at a faster pace than the recorded rate of increase in September 2019.



Among the provinces, Misamis Occidental posted the highest inflation rate at 4.5 percent, followed by Camiguin at 3.3 percent. (See Table 2)

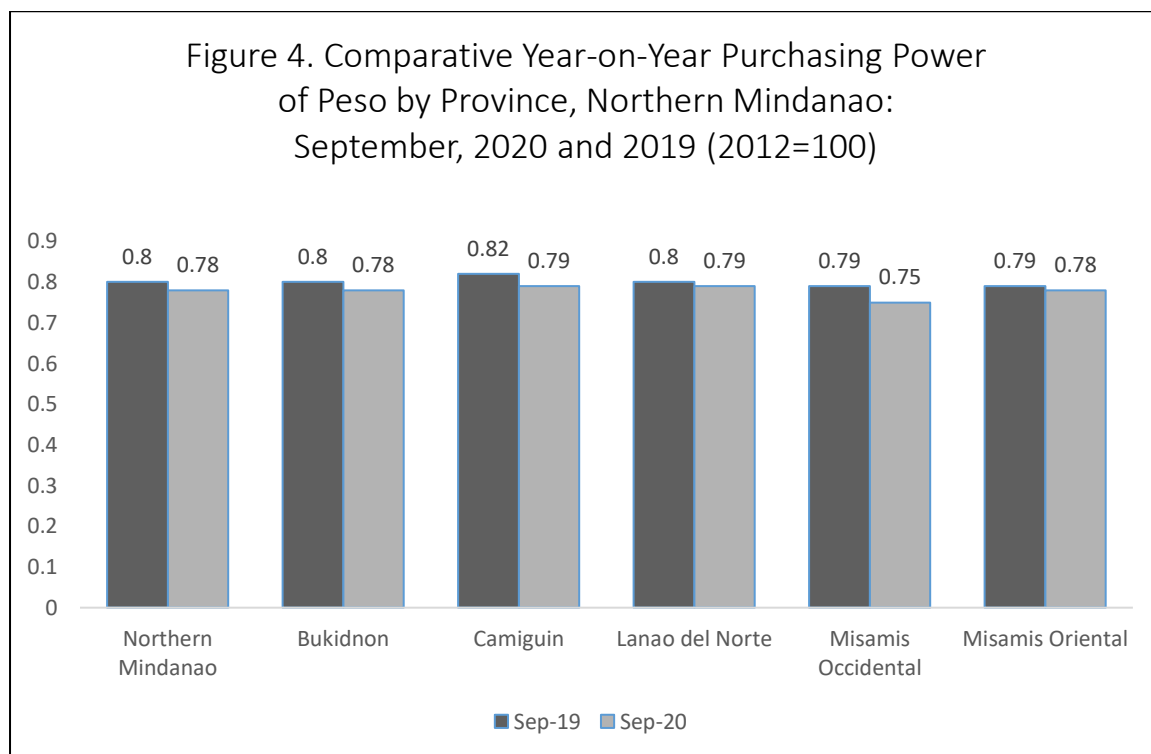
Table 2. Year-on-Year Inflation Rates by Province, Northern Mindanao: September, 2020 and 2019 (2012=100)

Region/Province	September 2020	September 2019
Northern Mindanao	2.6	1.0
Bukidnon	3.1	0.5
Camiguin	3.3	0.3
Lanao del Norte	1.4	0.0
Misamis Occidental	4.5	1.0
Misamis Oriental	2.0	1.9

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 dropped to PhP 0.78 in September 2020. This means that a consumer's PhP 100 in 2012 can only purchase PhP 78 worth of goods and services in September 2020.

All provinces showed a lower PPP in September 2020 compared to September 2019. Misamis Occidental posted the highest decline of 0.04 pesos, followed by Camiguin which declined by 0.03 pesos. The PPP of Bukidnon declined by 0.02 and both Misamis Oriental and Lanao del Norte declined by 0.01 pesos in September 2020.



For the Regional Director:

VIRGIE A. GAYLA
(Chief Administrative Officer)
Officer-in-Charge

SSB/RMND/MLDS

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.