

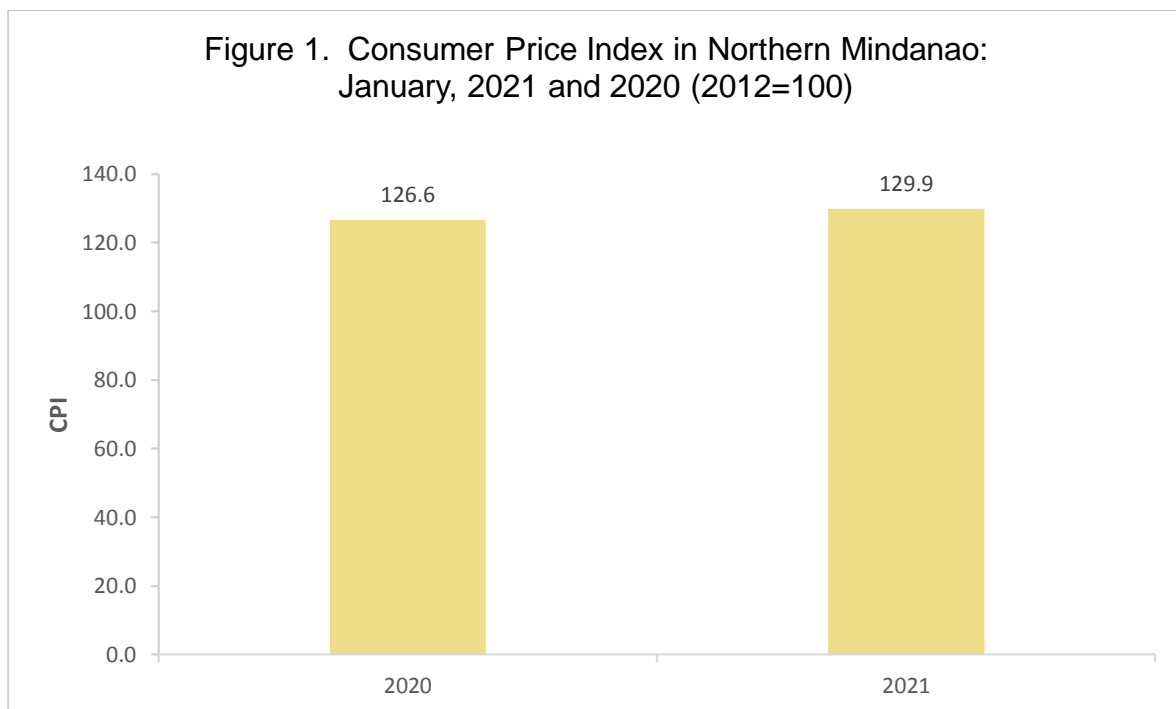


SPECIAL RELEASE

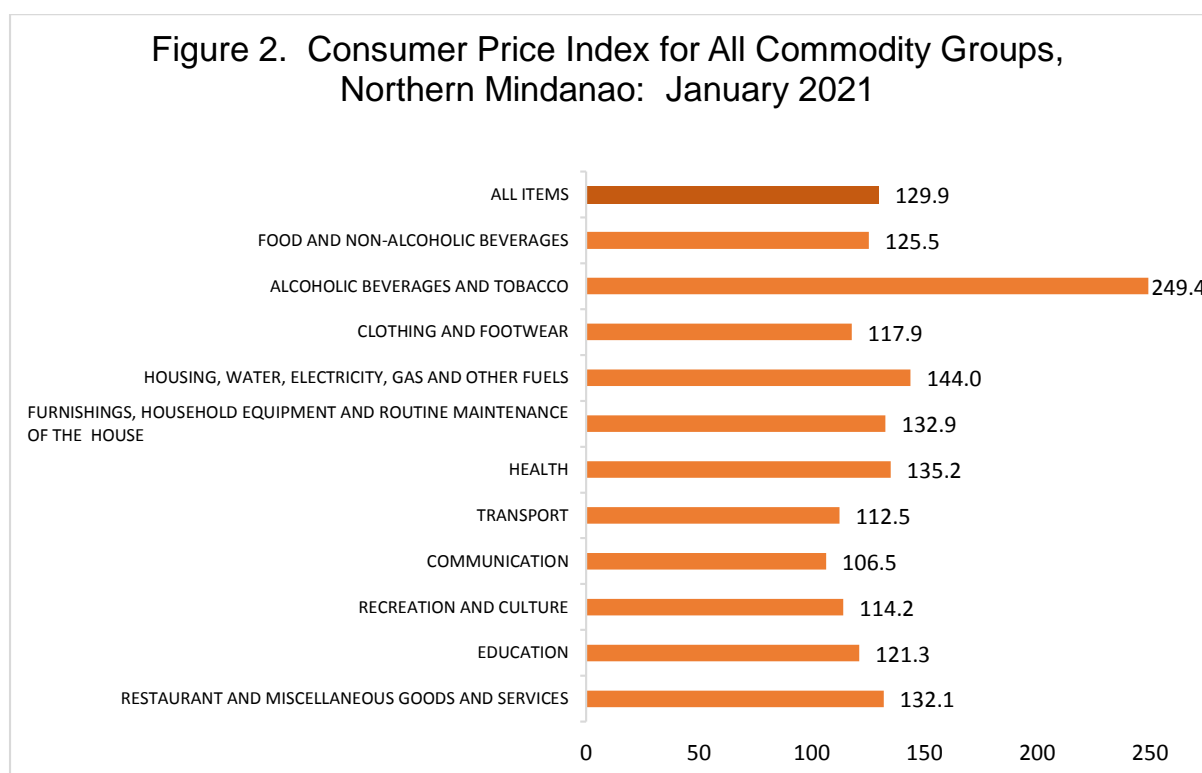
Highlights of the Consumer Price Index in Northern Mindanao for the Month of January 2021 (2012=100)

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The Consumer Price Index (CPI) in Northern Mindanao for the month of January 2021 registered at 129.9, which implies that the price of a basket of goods in January 2021 was 29.9 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)



Among the commodity groups, Alcoholic Beverages and Tobacco posted the highest CPI in January 2021 at 249.4, followed by Housing, Water, Electricity, Gas, and Other Fuels at 144.0, and Health at 135.2. On the other hand, Recreation and Culture at 114.2, Transport at 112.5, and Communication at 106.5 were the bottom three commodity groups with the lowest CPI recorded in the month of January 2021. (Figure 2)



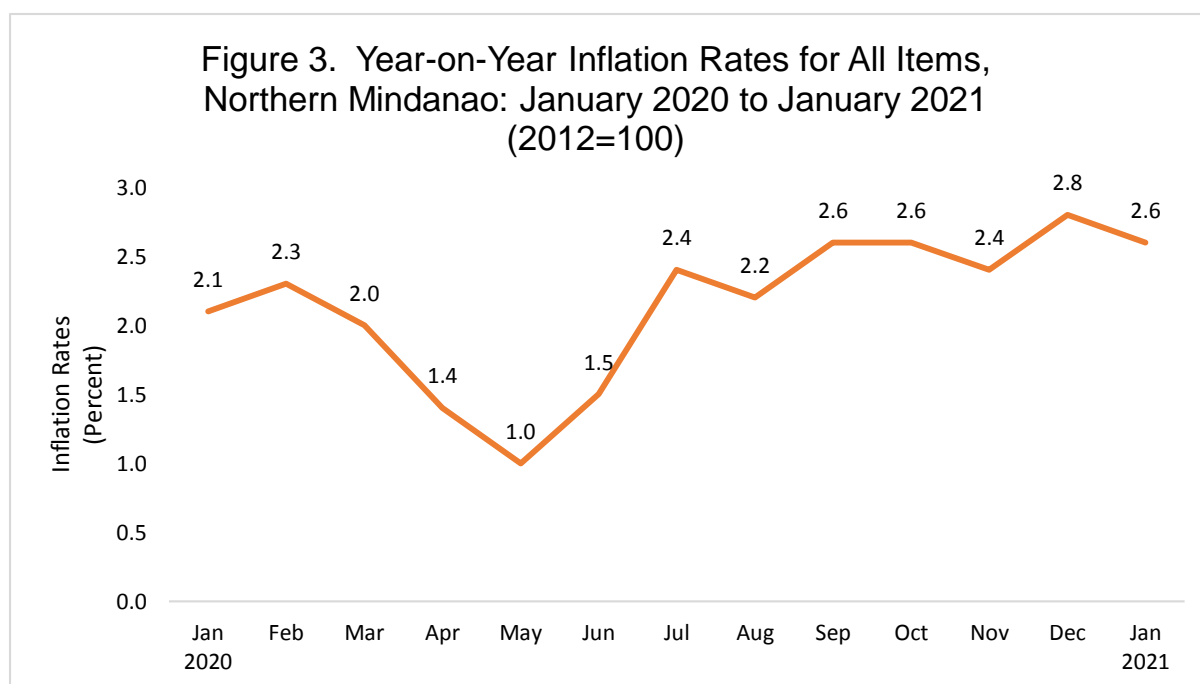
All provinces demonstrated an increase in CPI for January 2021 with Misamis Occidental posting the highest CPI at 134.1 and Camiguin posting the lowest at 126.5. (Table 1)

Table 1. Consumer Price Index for All Commodity Groups by Province, Northern Mindanao: January, 2021 and 2020 (2012=100)

Region/Province	January 2021	January 2020
Northern Mindanao	129.9	126.6
Bukidnon	129.1	126.1
Camiguin	126.5	123.4
Lanao del Norte	127.7	125.3
Misamis Occidental	134.1	128.9
Misamis Oriental	129.9	126.9

Regional inflation takes a faster pace in January 2021

Regional inflation in January 2021 registered at 2.6 percent, faster than the recorded inflation in the same quarter of the previous year. This means that prices of goods in January this year increased at a faster pace than the recorded rate of increase in January 2020.



Among the provinces, Misamis Occidental posted the highest inflation rate at 4.0 percent, while Lanao del Norte posted the lowest at 1.9 percent. (Table 2)

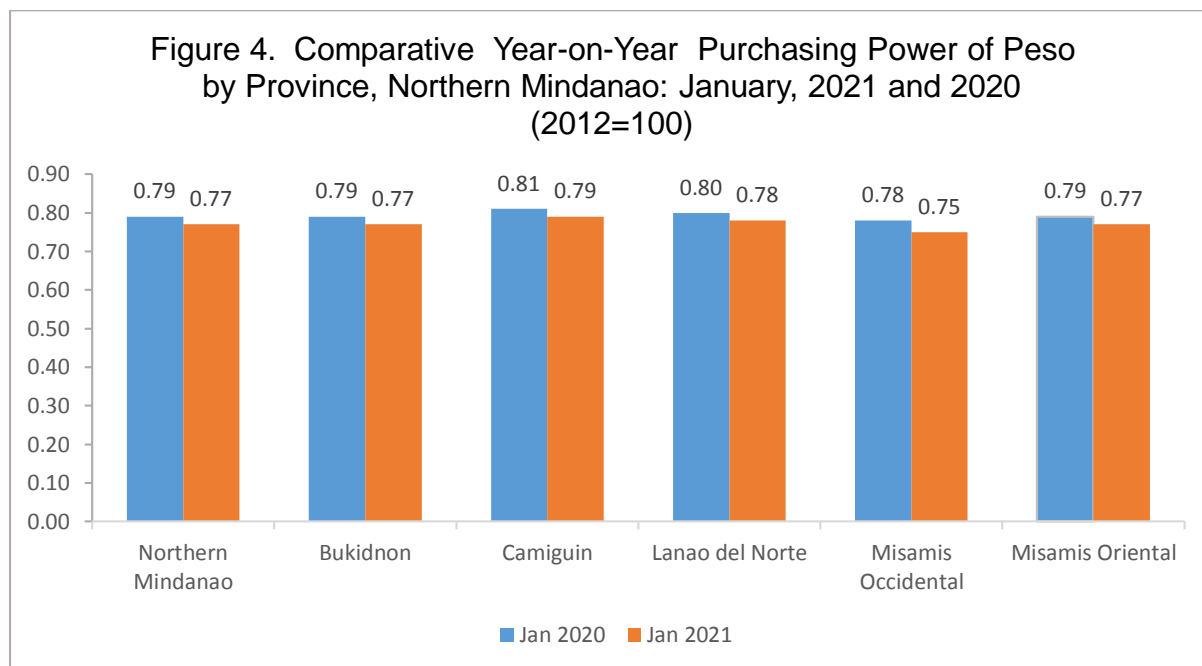
Table 2. Year-on-Year Inflation Rates for All Items by Province, Northern Mindanao: January, 2021 and 2020 (2012=100)

Region/Province	January 2021	January 2020
Northern Mindanao	2.6	2.1
Bukidnon	2.4	1.7
Camiguin	2.5	2.1
Lanao del Norte	1.9	1.8
Misamis Occidental	4.0	2.7
Misamis Oriental	2.4	2.3

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 0.77 in January 2021. This means that a consumer's Php 100 in 2012 can only purchase Php 77.0 worth of goods and services in January 2021.

All provinces showed a lower PPP in January 2021 compared to January 2020. Misamis Occidental posted the highest decline of 0.03 pesos and all the remaining provinces had a decline of 0.02 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.