

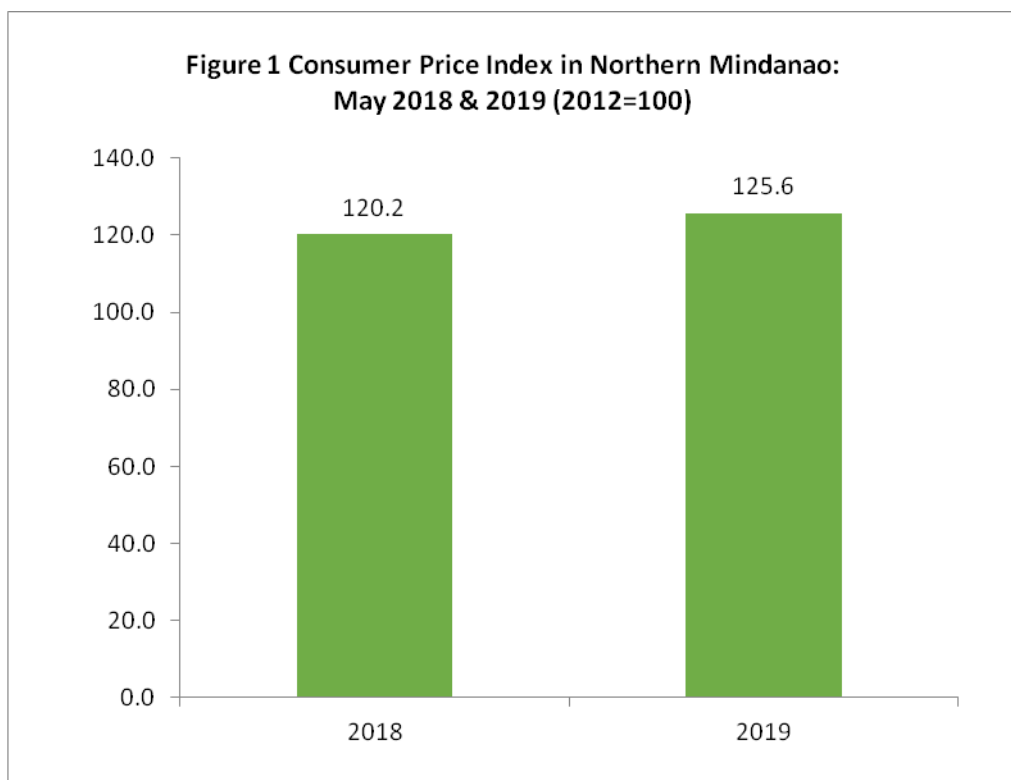


SPECIAL RELEASE

HIGHLIGHTS OF THE CONSUMER PRICE INDEX IN NORTHERN MINDANAO FOR THE MONTH OF MAY 2019 (2012=100)

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The Consumer Price Index in Northern Mindanao for the month of May posted at 125.6 which imply that the price of one basket of goods was 25.6 higher than the price of goods in year 2012. Consumer Price Index (CPI) is used as an indicator to measure the changes in the average retail prices of one basket of goods and services that commonly purchased by a particular group of people. Figure 1 shows the Consumer Price Index in the region for the period of May 2018 & 2019 with 2012 as the base year.

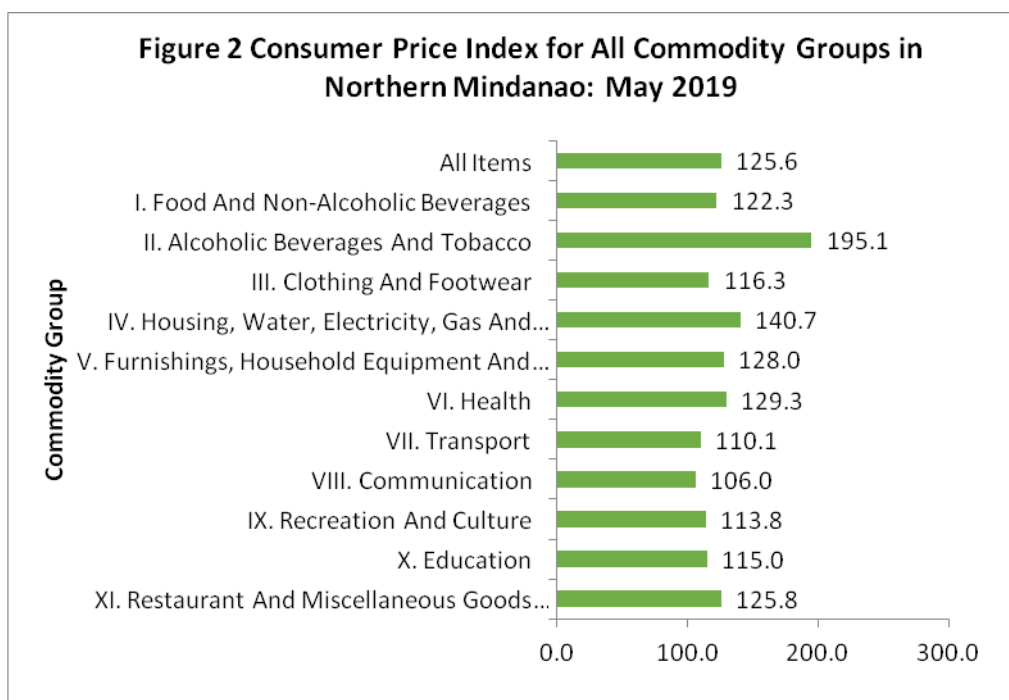


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Among the commodity groups, Alcoholic Beverages and Tobacco registered the highest CPI in May 2019 at 195.1 followed by Housing, Water, Electricity, Gas and Other Fuels at 140.7 and Health at 129.3. On the other hand, Recreation and Culture with 113.8, Transport at 110.1 and Communication at 106.0 were the bottom three with the lowest CPI posted in the month of May 2019 as shown in figure 2.



Presented below in table 1 is the Consumer Price Index for All Commodity Groups by province in Northern Mindanao for the period of May 2018 and May 2019.

Table 1 Consumer Price Index for All Commodity Group, by Provinces in Northern Mindanao: May 2018 and May 2019 (2012=100)		
Province/Year	May	
	2018	2019
Bukidnon	118.5	124.4
Camiguin	117.5	122.4
Lanao del Norte	119.9	124.2
Misamis Occidental	122.3	128.4
Misamis Oriental	120.8	126.0

As shown in the table above, all the provinces exhibited an increase in Consumer Price Index for all items as compared to the same period last year. Across the provinces, the province of Misamis Occidental registered the highest CPI for all items at 128.4 and the province with lowest CPI registered as of May 2019 was Camiguin at 122.4.

Based on the difference from May 2018 to May 2019, Misamis Occidental still ranked first with highest increase in CPI of 6.1 point from 122.3, followed by Bukidnon with an increase of 5.9 points from 118.5 last May of 2018. Misamis Oriental had an increase of 5.2 points in CPI from 120.8 and Camiguin had increase of 4.9 points in CPI from 117.5 on same period last year. Meanwhile the province of Lanao del Norte had the lowest increase of 4.3 points from 119.9 CPI last May 2018.

INFLATION RATE

The inflation rate of the region increased by 0.1 percentage point from 4.4 percent to 4.5 percent same period last year, where the inclined trend were caused by the increase in inflation rates of some items in a commodity groups clothing & footwear; housing, water, electricity, gas and other fuels; health; recreation & culture; and restaurant and miscellaneous.

Figure 3 below presents the Inflation rate for all items in Northern Mindanao from May 2018 to May 2019.

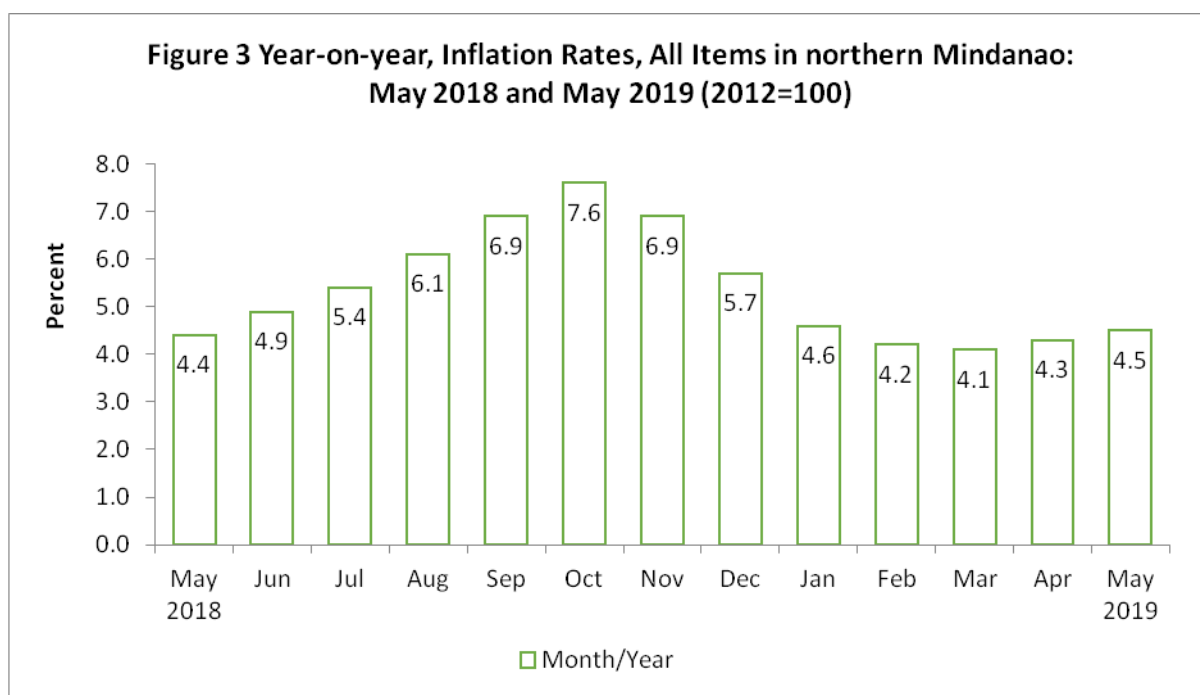
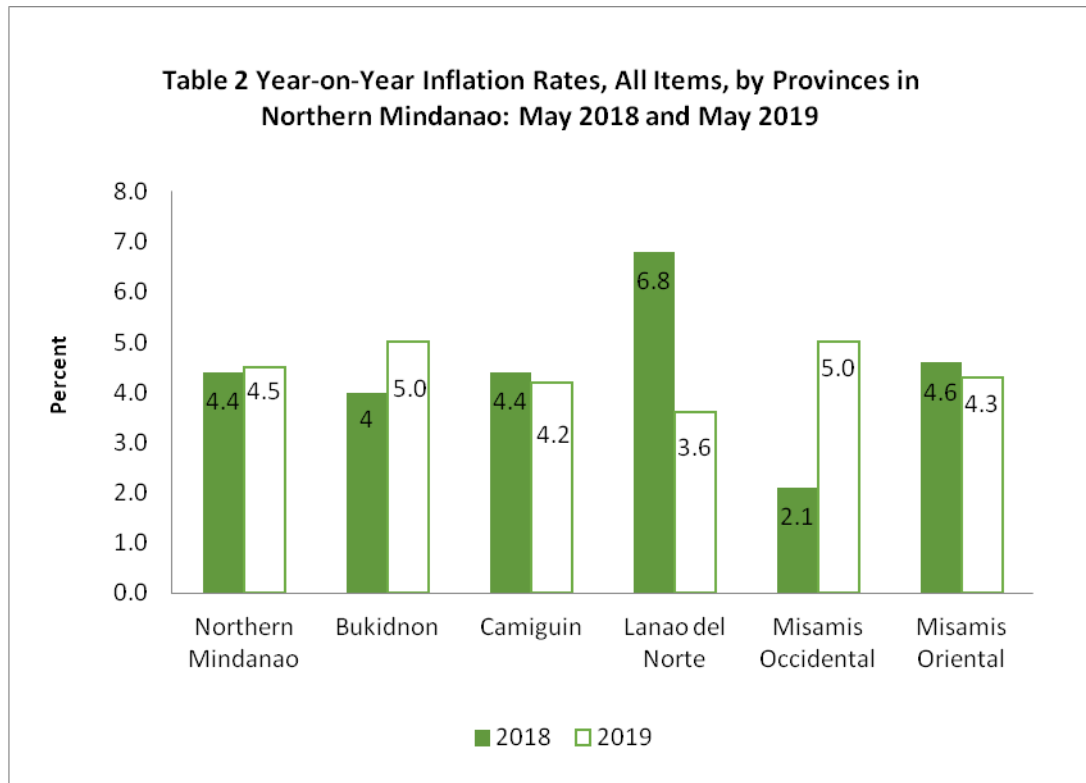


Table 2 displays the year-on-year inflation rates of all items by provinces for the months of April and May 2019.



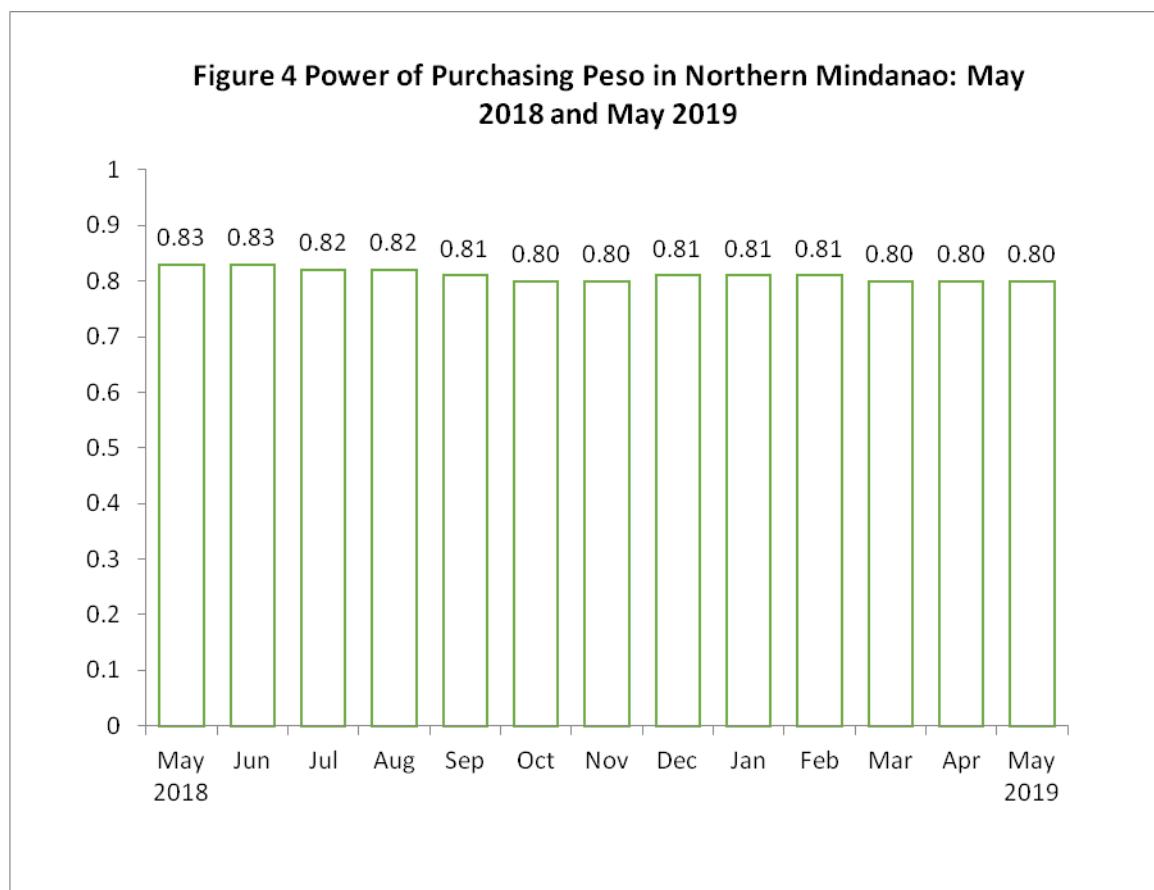
With the inflation rate of 4.5 percent in the region for the month of May, it implies that there is an increase in demand for goods that is relative to the supply that a particular group of people used to purchase within this areas and it implies as well that the value of the existing nominal unit of currency in the country is slowly decreasing.

The provinces of Bukidnon and Misamis Occidental had the highest inflation rate registering at 5.0 percent in May 2019. On the other side, the province registered with the lowest inflation rate was Lanao del Norte at 3.6 percent. Almost all of the provinces demonstrated a decreasing trend as compared to the previous month except for Bukidnon and Misamis Oriental.

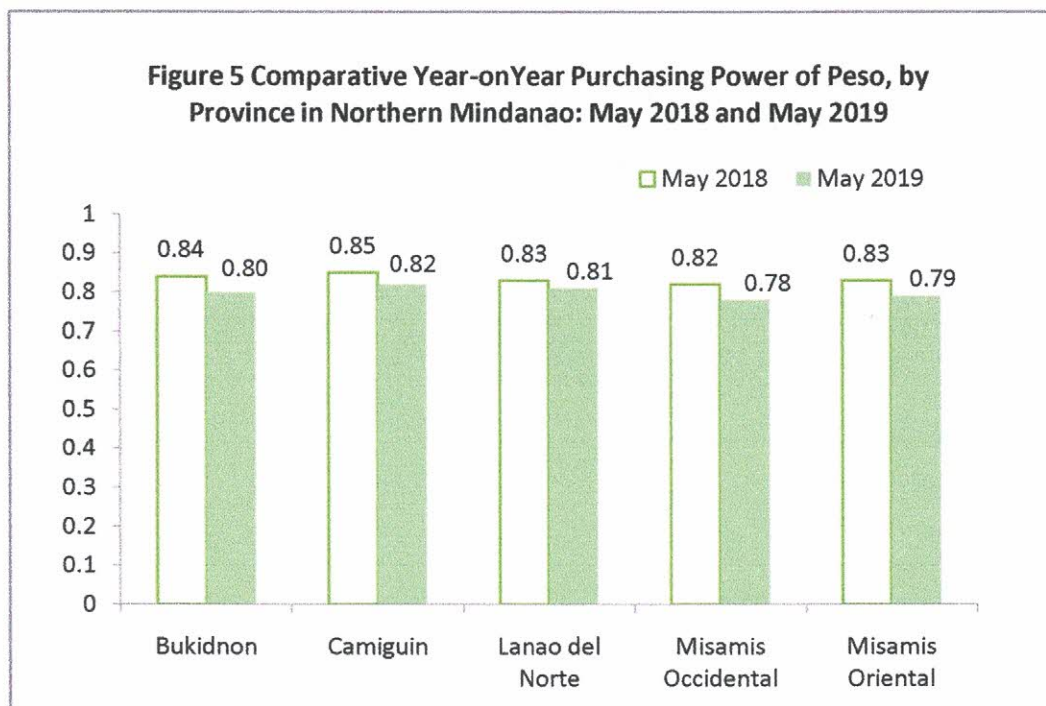
PURCHASING POWER OF PESO (PPP)

The Purchasing Power of Peso (PPP) shows how much the peso in the base period is worth in the current period. The PPP in Northern Mindanao stayed at P0.80 for the month of May 2019. This value means that the goods and services that are worth one peso (P1.00) in the year 2012, the current value of it decreases into eighty centavos (P0.80). And, the value of a basket loaded of goods bought in the year 2012 worth 100 pesos, its today's worth is 125.6 pesos.


Figure 4 below presents the Power Purchasing Peso of Northern Mindanao from May 2018 to May 2019.



This figure shows the comparative year-on-year purchasing power of peso of the provinces in Northern Mindanao from May 2018 to May 2019.



Among the provinces, Lanao del Norte had the lowest declined purchasing power of peso by 0.02 pesos followed by the province of Camiguin with 0.03 pesos for the month of May 2019 while the remaining provinces in the region have the highest declined by 0.04 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.