

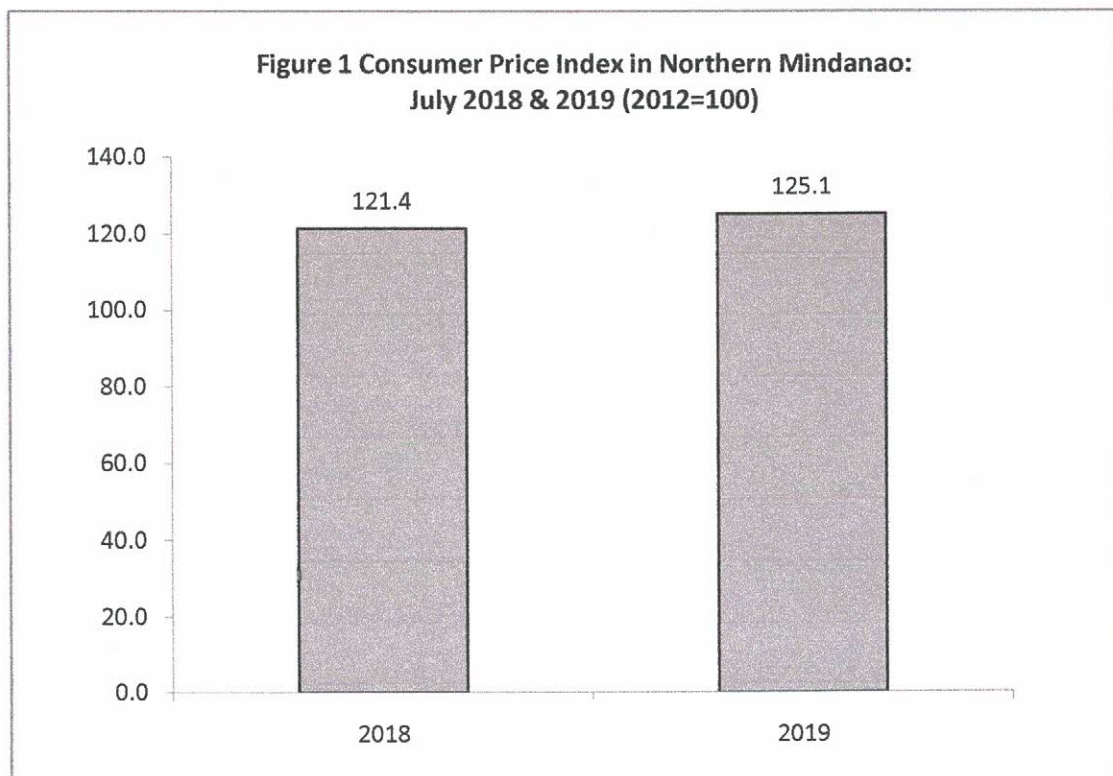


SPECIAL RELEASE

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

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The Consumer Price Index in Northern Mindanao for the month of July posted at 125.1 which implies that the price of one basket of goods was 25.1 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 July 2018 & 2019 with 2012 as the base year.

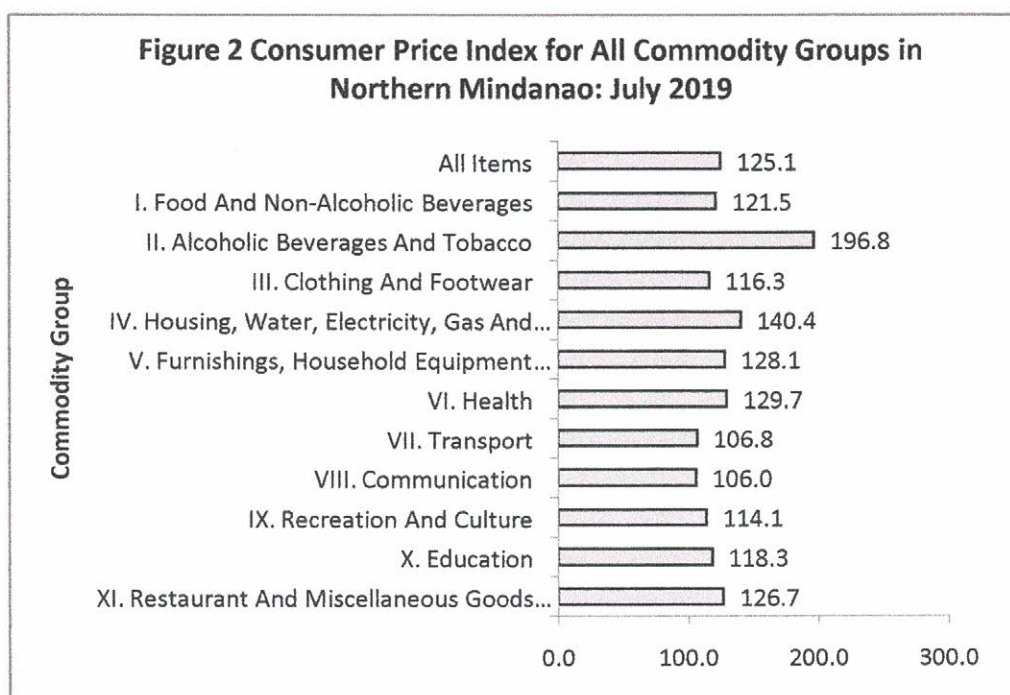


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Among the commodity groups, Alcoholic Beverages and Tobacco registered the highest CPI in May 2019 at 196.8 followed by Housing, Water, Electricity, Gas and Other Fuels at 140.4 and Health at 129.7. On the other hand, Recreation and Culture with 114.1, Transport at 106.8 and Communication at 106.0 were the bottom three with the lowest CPI posted in the month of July 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 July 2018 and July 2019. Misamis Occidental had the fastest movement of commodity prices in July 2019, with CPI of 127.8.

Table 1 Consumer Price Index for All Commodity Group, by Provinces in Northern Mindanao: July 2018 and July 2019 (2012=100)

Province/Year	July	
	2018	2019
Bukidnon	120.6	123.9
Camiguin	118.1	121.3
Lanao del Norte	122.1	124.1
Misamis Occidental	123.4	127.8
Misamis Oriental	120.8	125.6

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 127.8 and the province with lowest CPI registered as of July 2019 was Camiguin at 121.3

INFLATION RATE

The inflation rate of the region slowed down by 2.4 percentage points from 5.4 percent of the same period in the previous year to 3.0 percent in 2019. The deceleration of inflation were brought about by the slower increase of prices in eight of the eleven commodity groups. The commodity groups with the biggest deceleration in inflation are the following: (1) Alcoholic Beverages and Tobacco, (2) Transport, (3) Food and Non-Alcoholic Beverages, (4) Restaurant and Miscellaneous Goods and Services and (5) Health as shown in Figure 3.

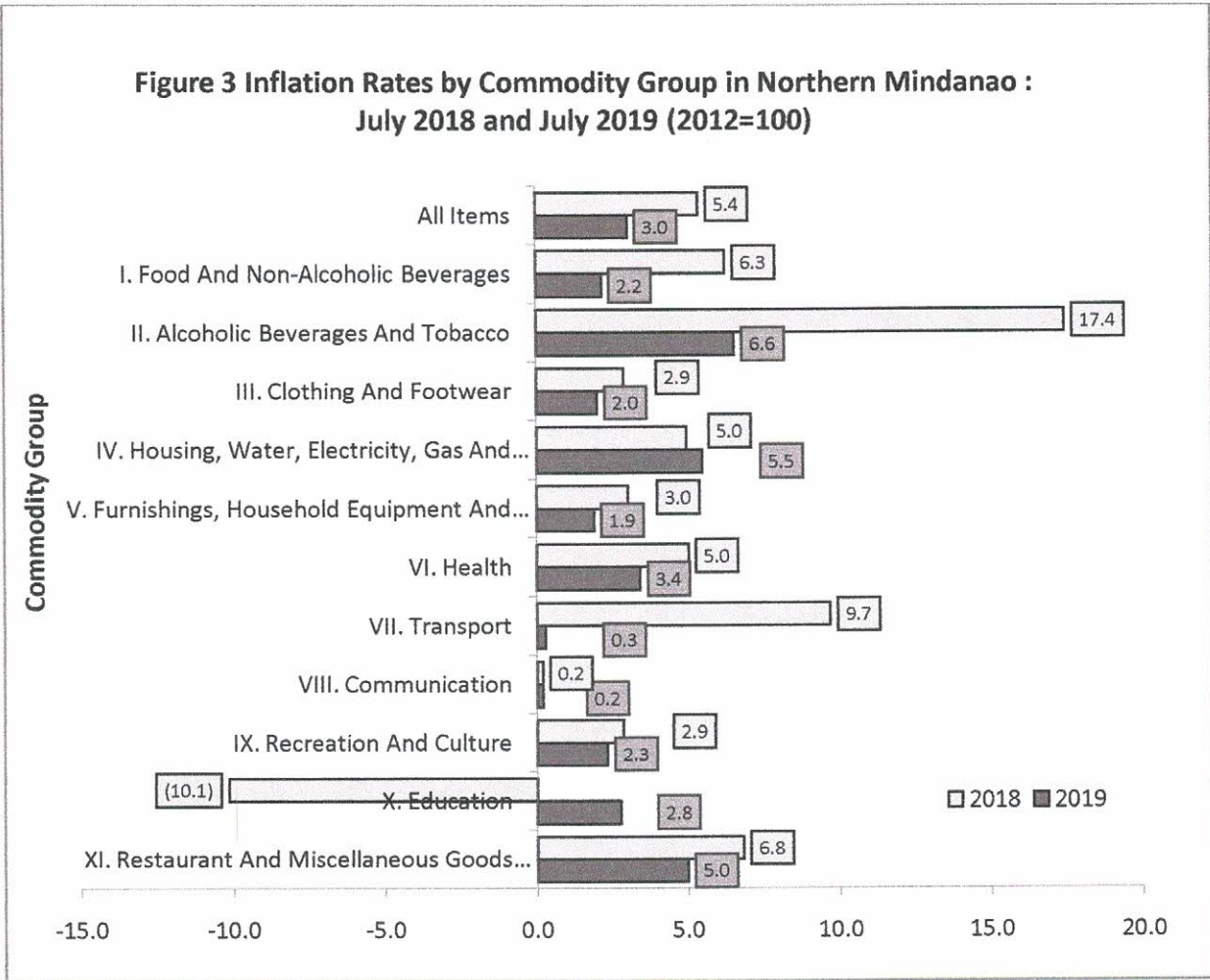
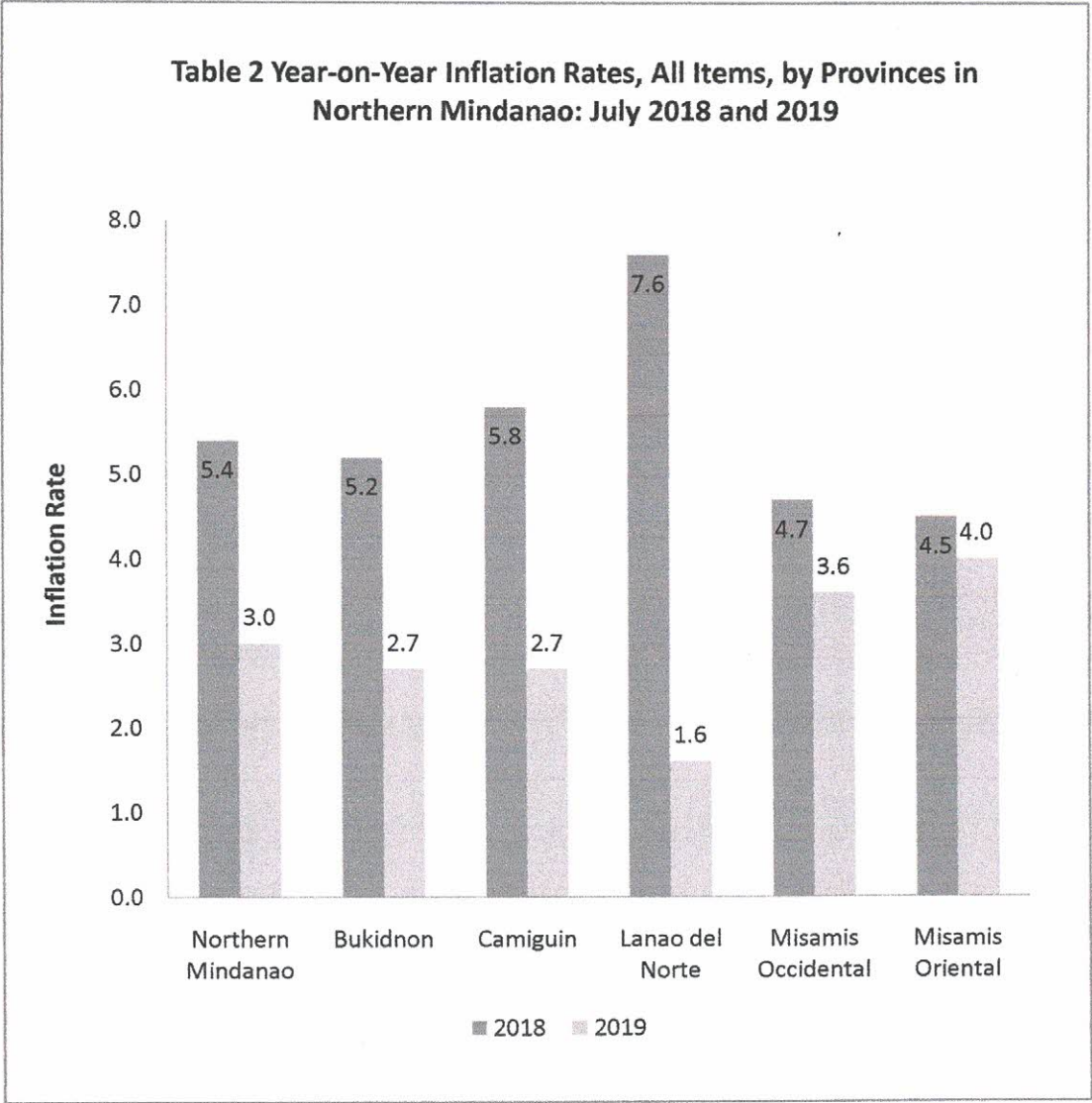


Table 2 displays the year-on-year inflation rates of all items by provinces for the month of July 2019. Lanao del Norte posted the biggest deceleration of inflation during the period with an inflation of 1.6 percent from 7.6 percent in the previous year.

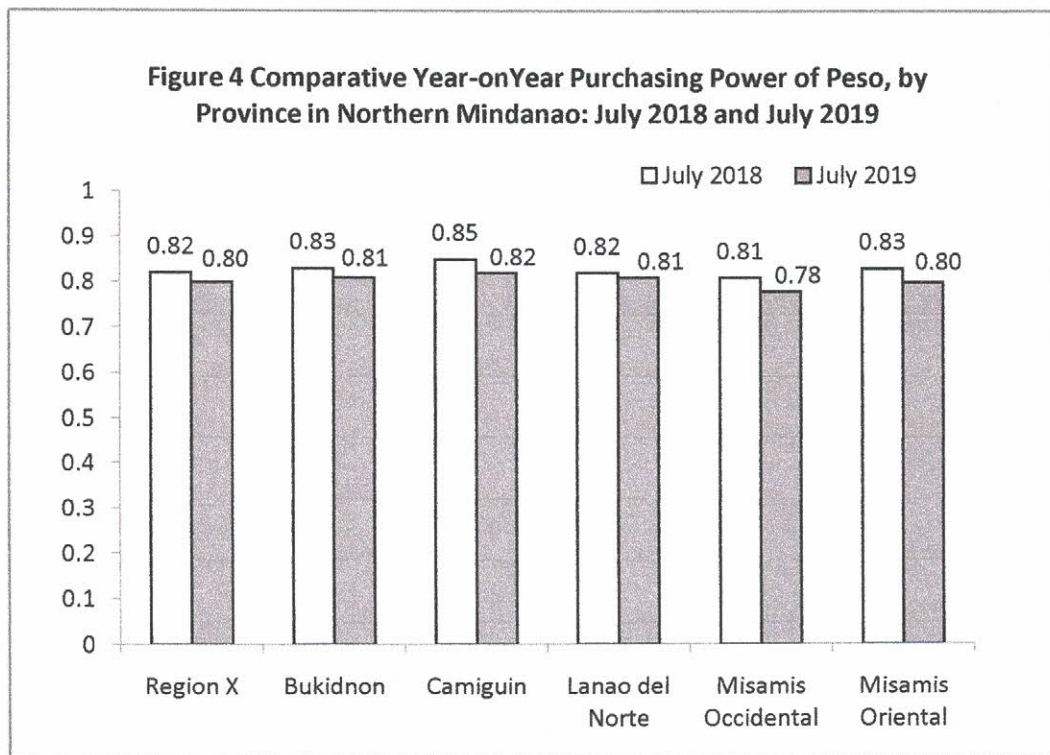


Meanwhile, Misamis Oriental had the highest inflation rate of 4.0 percent followed by Misamis Occidental at 3.6 percent.


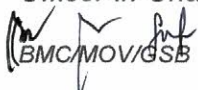
PURCHASING POWER OF PESO (PPP)

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 July 2019. Such value means that the P100 value of money in July 2012 can actually purchase worth of P80 – value of goods and services in July 2019.

Figure 4 shows the comparative year-on-year purchasing power of peso of the provinces in Northern Mindanao from July 2018 to July 2019. Misamis Oriental and Misamis Occidental posted the biggest drop of the PPP.



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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.