



SPECIAL RELEASE

HIGHLIGHTS OF CONSUMER PRICE INDEX IN NORTHERN MINDANAO DECEMBER 2019 (2012=100)

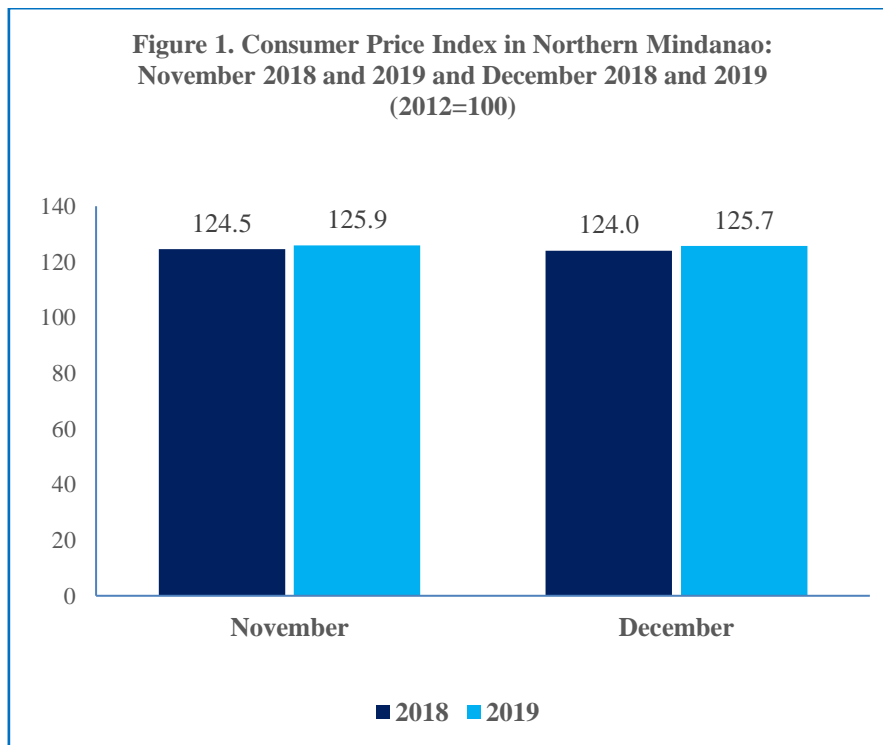
Date of Release: 24 January 2020

Reference No. PSAX-SR-2020-01

CONSUMER PRICE INDEX

The price of a basket of goods in December 2019 in Northern Mindanao is higher than its prices in 2012 by 25.7 percent...

Figure 1 shows the year-on-year Consumer Price Index (CPI) in Northern Mindanao for the period of November 2018 and 2019 and December 2018 and 2019. December 2019 CPI recorded at 125.7. This implies that the price of goods in December 2018 was 25.7 percent higher than the price of goods in 2012.



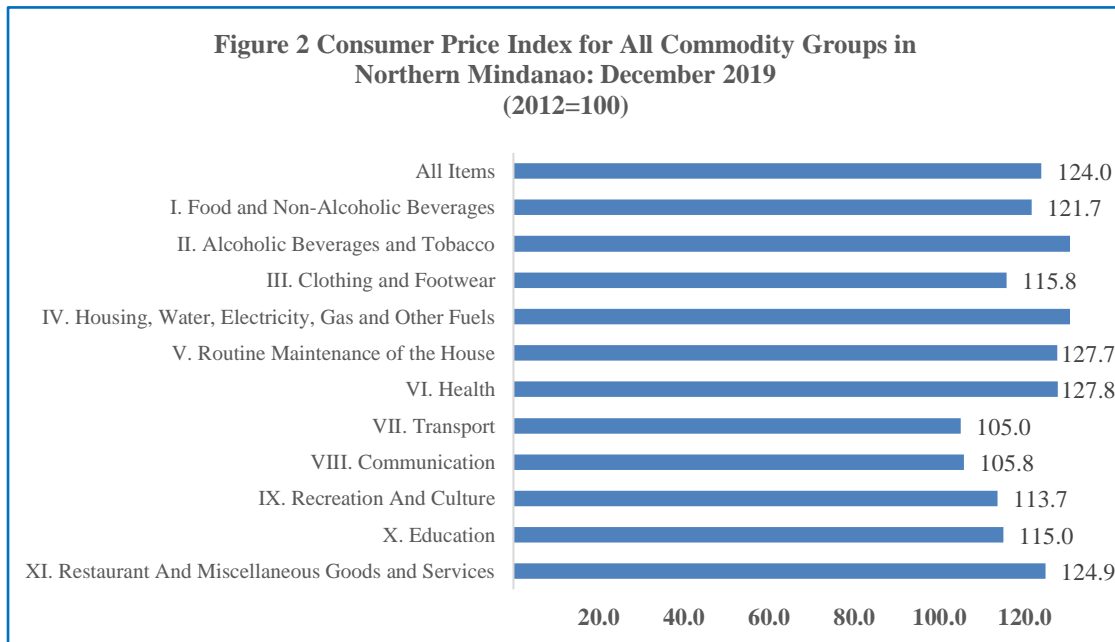
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Among the commodity groups, Health registered the highest CPI in December 2019 at 127.8. This means that the prices of Health in December 2019 were 27.8 percent higher than its prices recorded in 2012. On the other hand, Transport registered the lowest CPI at 105.0, showing the slowest movement of price from the base year 2012. (See Figure 2)



INFLATION RATE

December 2018 inflation rate decelerates by 4.3 percentage points from the recorded inflation in the previous year...

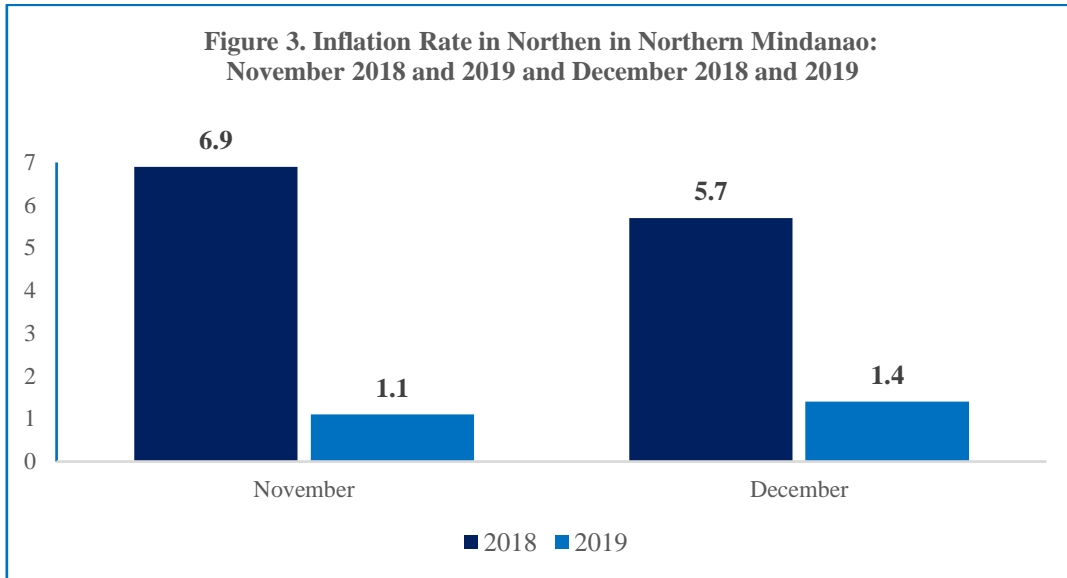
Figure 3 shows that December 2019 inflation rate decelerated by 4.3 percentage points from the recorded rate in the previous year. This means that prices in December 2019 increased at a slower rate of 1.4 percent from its recorded inflation of 5.7 percent of the same period in the previous year.



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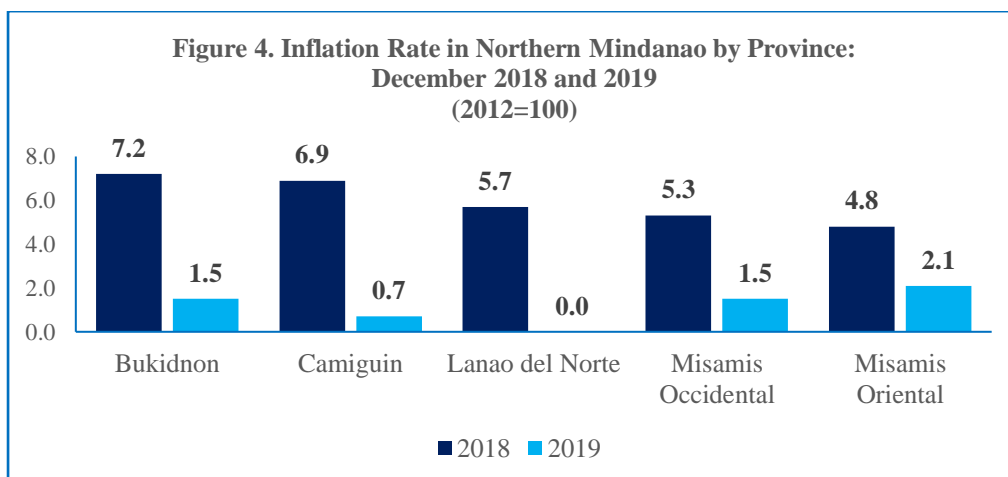
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Camiguin posted the highest increase of inflation by 5.4 percentage points from 1.5 percent of the previous year...

In terms of inflation rate in December 2019, Misamis Oriental had the highest inflation of 2.1 percent. Lanao del Norte, on the other hand, posted 0.0 inflation which means that same prices of goods were observed in the province for the month of December 2019 compared to December 2018.

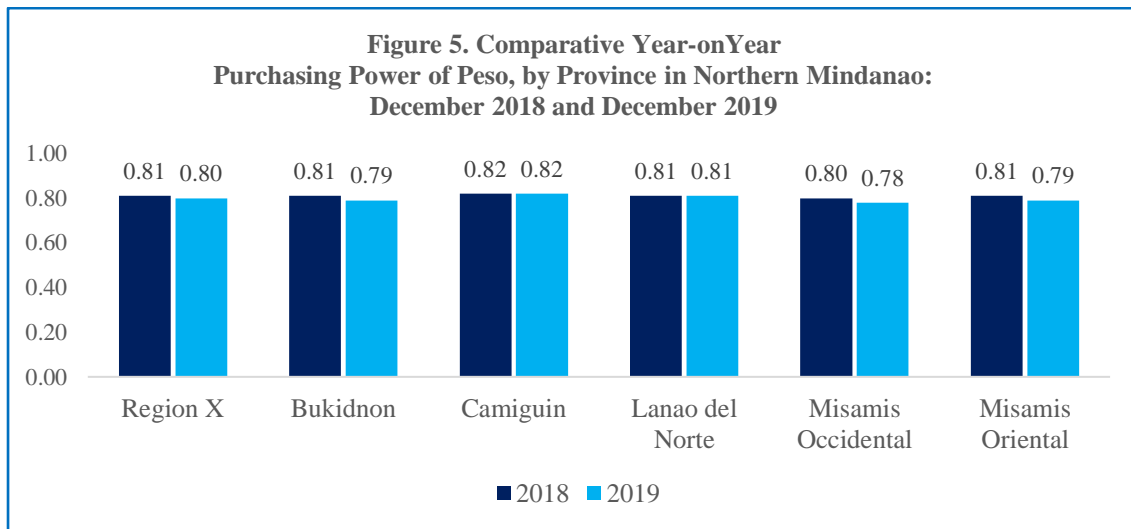
All provinces registered lower inflation rates in December 2019 as compared to the same period in the previous year. This means that prices in December 2019 increased at a slower rate as compared to the rates of the same period in the previous year. (See Figure 4)





PURCHASING POWER OF PESO (PPP)

The real value of the peso in Northern Mindanao in December 2019 is 81 centavos, a decrease of 1 centavo from its value last December 2018 of 85 centavos. Among the provinces, Camiguin recorded the highest PPP at 82 centavos while Misamis Occidental recorded the lowest PPP at 78 centavos as shown in Figure 5.



RUBEN D. ABARO, JR., CESE
Regional Director

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.

Uses 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:

- Base Period -The reference date or base period is the benchmark or reference date or period at which the index is taken as equal to 100.
- 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.
- Weighting System -The weighting pattern uses the expenditures on various consumer items purchased by households as a proportion to total expenditure.
- 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.
- Geographic Coverage- CPI values are computed at the national, regional, and provincial levels, and for selected cities.



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REGION X – NORTHERN MINDANAO

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- 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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