

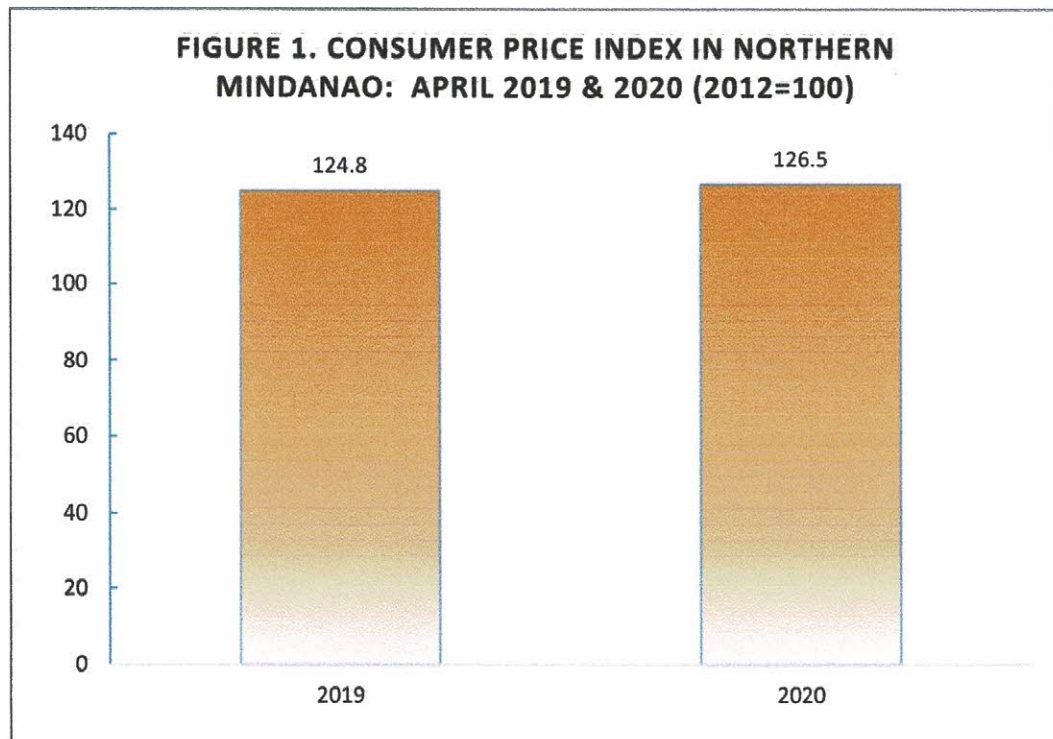


SPECIAL RELEASE

HIGHLIGHTS OF THE CONSUMER PRICE INDEX IN NORTHERN MINDANAO FOR THE MONTH OF APRIL 2020 (2012=100)

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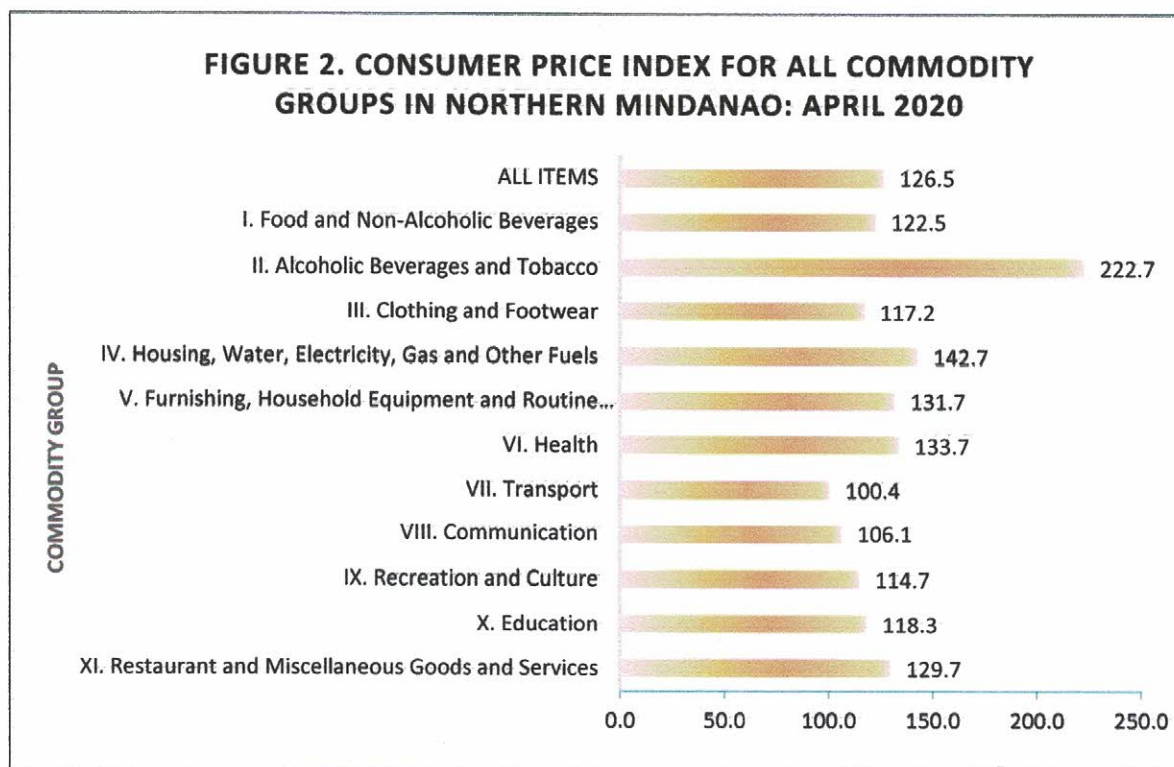
The Consumer Price Index in Northern Mindanao for the month of April posted at 126.5 which implies that the price of a basket of goods was 26.5 higher than its prices in 2012. Consumer Price Index (CPI) is used as an indicator to measure the changes in the average retail prices of one basket of goods and services commonly purchased by a particular group of people. Figure 1 shows the Consumer Price Index in the region for the month of April in years 2019 and 2020, with 2012 as the base year.



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Among the commodity groups, Alcoholic Beverages and Tobacco registered the highest CPI in April 2020 at 222.7 followed by Housing, Water, Electricity, Gas and Other Fuels at 142.7 and Health at 133.7. On the other hand, Recreation and Culture with 114.7, Communication at 106.1 and Transport at 100.4 was the bottom three with the lowest CPI posted in the month of April 2020 as shown in Figure 2.



Presented below in Table 1 is the Consumer Price Index for All Income Households by province in Northern Mindanao for the period of April 2019 and April 2020.

Table 1. Consumer Price Index for All Income Households by Province in Northern Mindanao: April 2019 and April 2020 (2012=100)		
Province	2019	2020
Bukidnon	123.9	127.2
Camiguin	121.8	122.0
Lanao del Norte	124.1	125.0
Misamis Occidental	127.0	127.9
Misamis Oriental	125.0	126.4

As shown in Table 1,. the province of Misamis Occidental registered the highest CPI for all items at 128.9 and the province with lowest CPI registered as of April 2020 was in Camiguin at 123.4.

INFLATION RATE

Inflation rate refers to the percent change in the average prices of goods and services typically purchased by consumers compared to prices a year ago. Figure 3 below displays the inflation rate for all items in Northern Mindanao from April 2019 to April 2020. The inflation rate of the region decreases by 2.9 percentage points, from 4.3 percent in the same period of last year to 1.4 percent at current year.

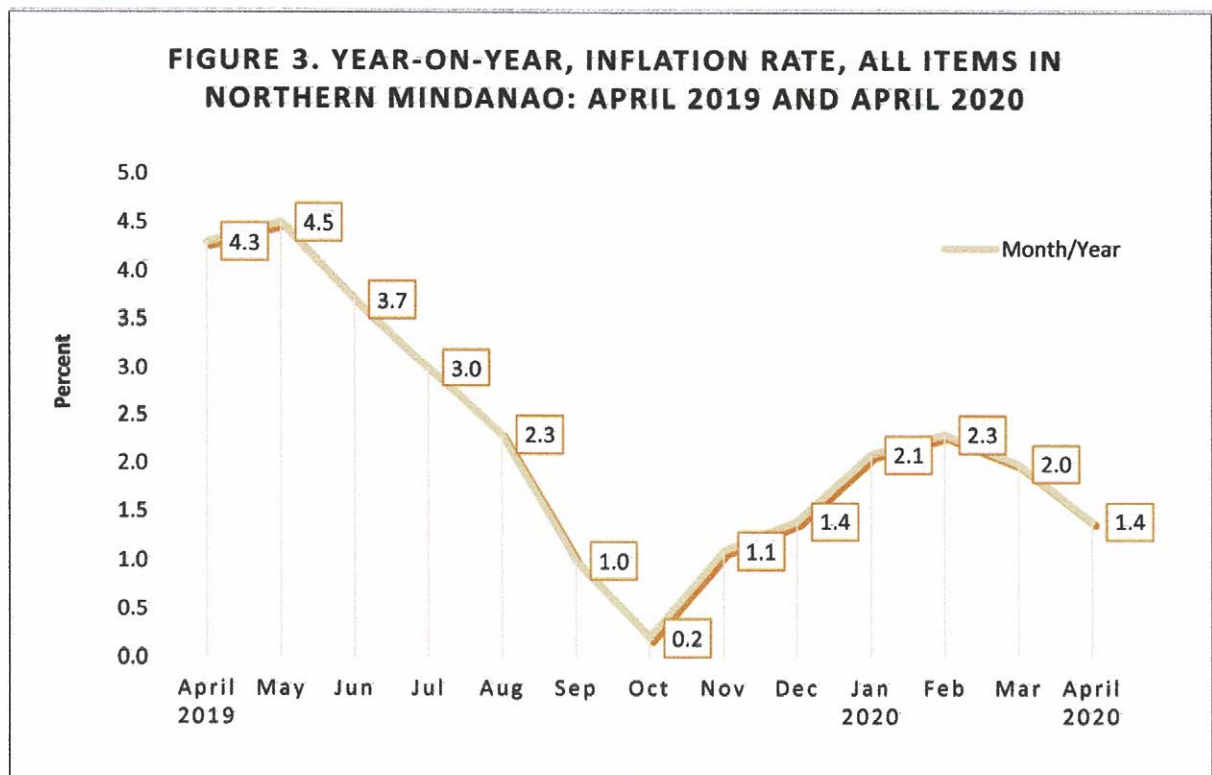
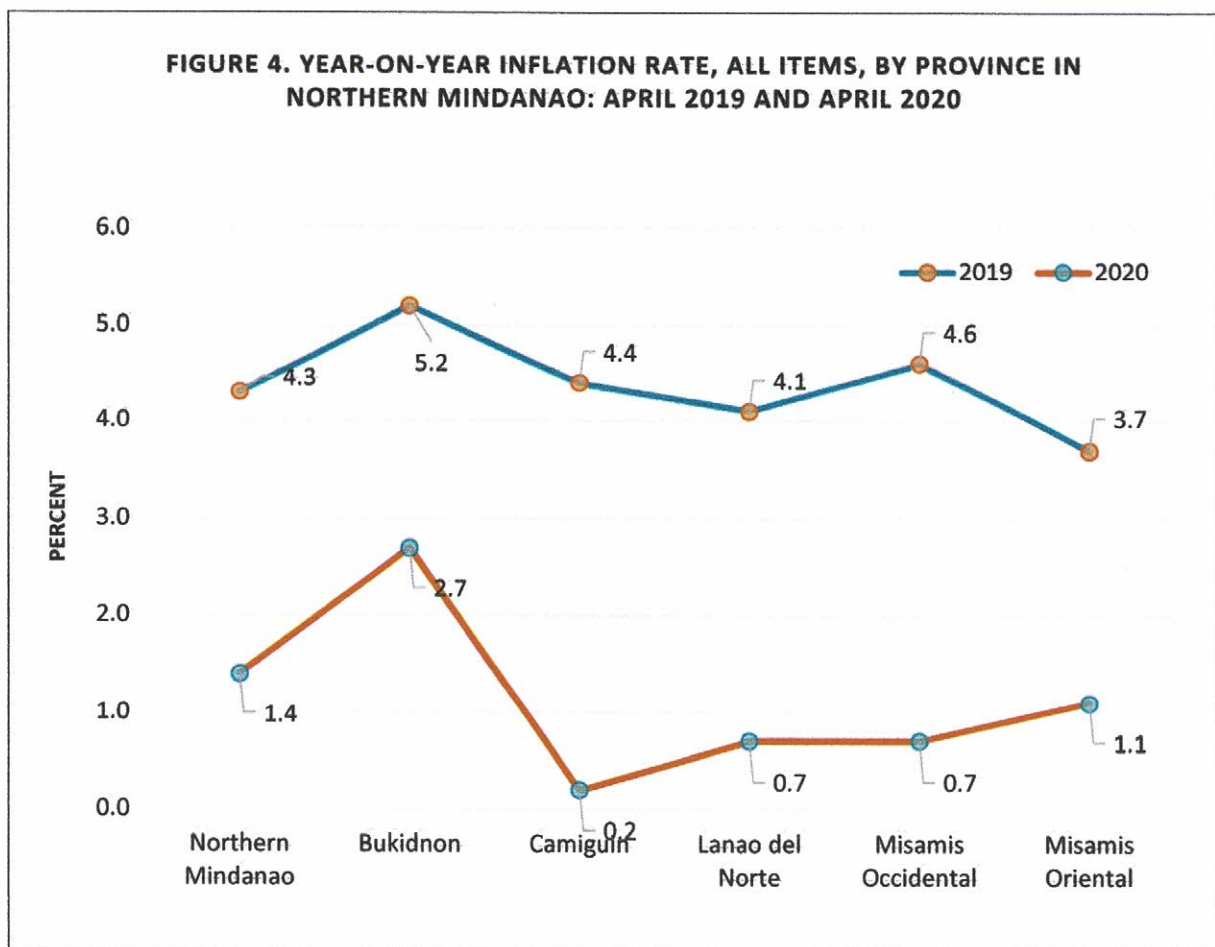


Figure 4 displays the year-on-year inflation rate of all items by province for the month of April 2019 and 2020.

FIGURE 4. YEAR-ON-YEAR INFLATION RATE, ALL ITEMS, BY PROVINCE IN NORTHERN MINDANAO: APRIL 2019 AND APRIL 2020



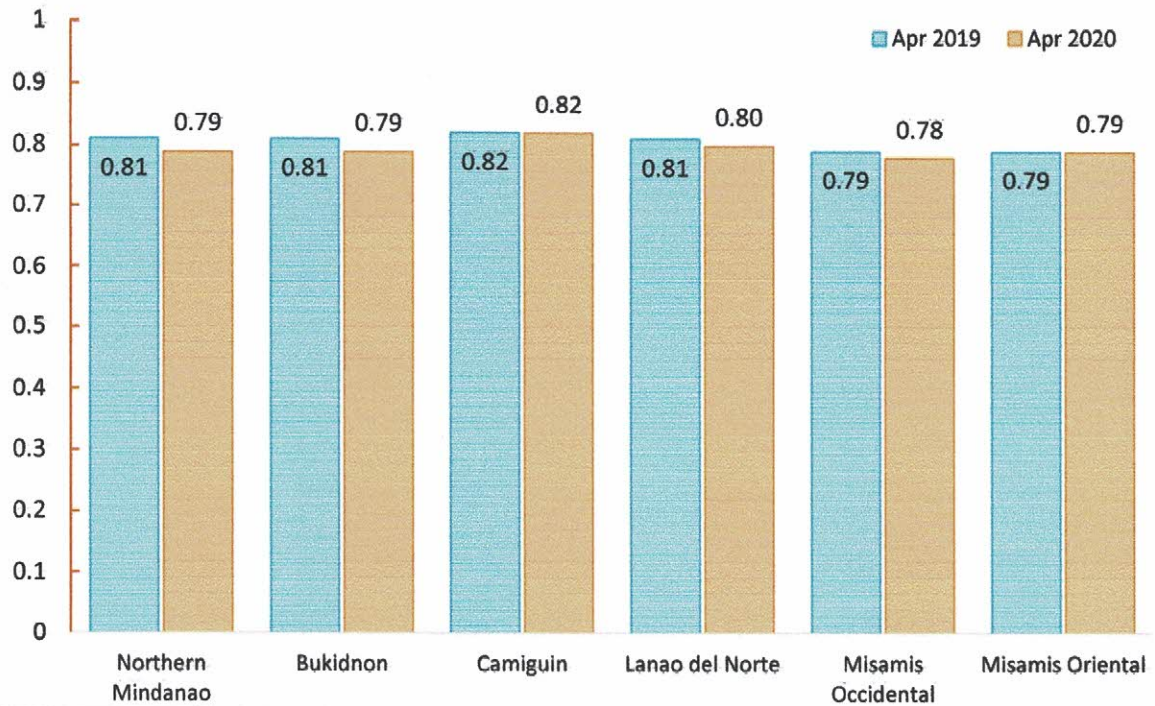
The province of Bukidnon had the highest inflation rate registering at 2.7 percent in April 2020. On the other hand, the province registering the lowest inflation rate in April 2020 was Camiguin at 0.2 percent. All the provinces demonstrated a decrease in inflation rates as compared to the same period in the previous year. This means that prices of goods increased at a slower rate in April 2020 as compared to its rate of increase in April 2019.

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 is at P0.79 for the month of April 2020. 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 seventy-nine centavos (P0.79).

This figure shows the comparative year-on-year purchasing power of peso of the provinces in Northern Mindanao from April 2019 and 2020.

FIGURE 5. COMPARATIVE YEAR-ON-YEAR PURCHASING POWER OF PESO, BY PROVINCE IN NORTHERN MINDANAO: APRIL 2019 AND APRIL 2020



Among the provinces, Bukidnon posted the biggest decline in purchasing power of peso by 0.02 pesos for the month of April 2020. On the other hand, Lanao del Norte and Misamis Occidental had a reduced purchasing power of peso by 0.01 pesos while Camiguin and Misamis Oriental recorded the same value as compared to the same period last year.

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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.

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