



SPECIAL RELEASE

Date of Release: 7 May 2021

Reference No. : SR-2021-009

IFUGAO CONSUMER PRICE INDEX AS OF MARCH 2021

Ifugao CPI at 126.2 in March 2021



Survey of Retail Prices of Commodities conducted by Philippine Statistics Authority (PSA) has generated a Consumer Price Index (CPI) of 126.2 in Ifugao as of March 2021, using 2012 as the base year. This indicates that the average cost of a basket of goods and services commonly purchased by a typical Filipino household in the different municipalities of Ifugao increased during the reference month. This is -0.3 index points compared in February 2021 with CPI=126.5 and 7.0 index points higher a year ago.

Table 1. Monthly Consumer Price Index for All Income Households by Commodity Group, Ifugao: February 2021 (2012 = 100)

Commodity Group	March 2021	March 2020	February 2021	February 2020
All Items	126.2	119.2	126.5	119.8
Food and non-alcoholic beverages	125.0	114.5	126.5	115.8
Alcoholic beverages and tobacco	265.3	241.8	263.4	237.2
Clothing and footwear	135.8	133.0	135.4	130.9
Housing, water, electricity, gas, and other fuels	128.6	127.6	129.8	128.2
Furnishing, household equipment and routine maintenance of the house	117.0	114.9	116.5	114.9
Health	135.1	131.9	135.0	131.4
Transport	106.9	104.3	104.8	105.3
Communication	101.4	101.5	101.4	101.5
Recreation and culture	110.3	110.0	110.2	109.7
Education	108.7	107.1	108.7	107.1
Restaurant and miscellaneous goods and services	124.5	119.1	121.4	119.0

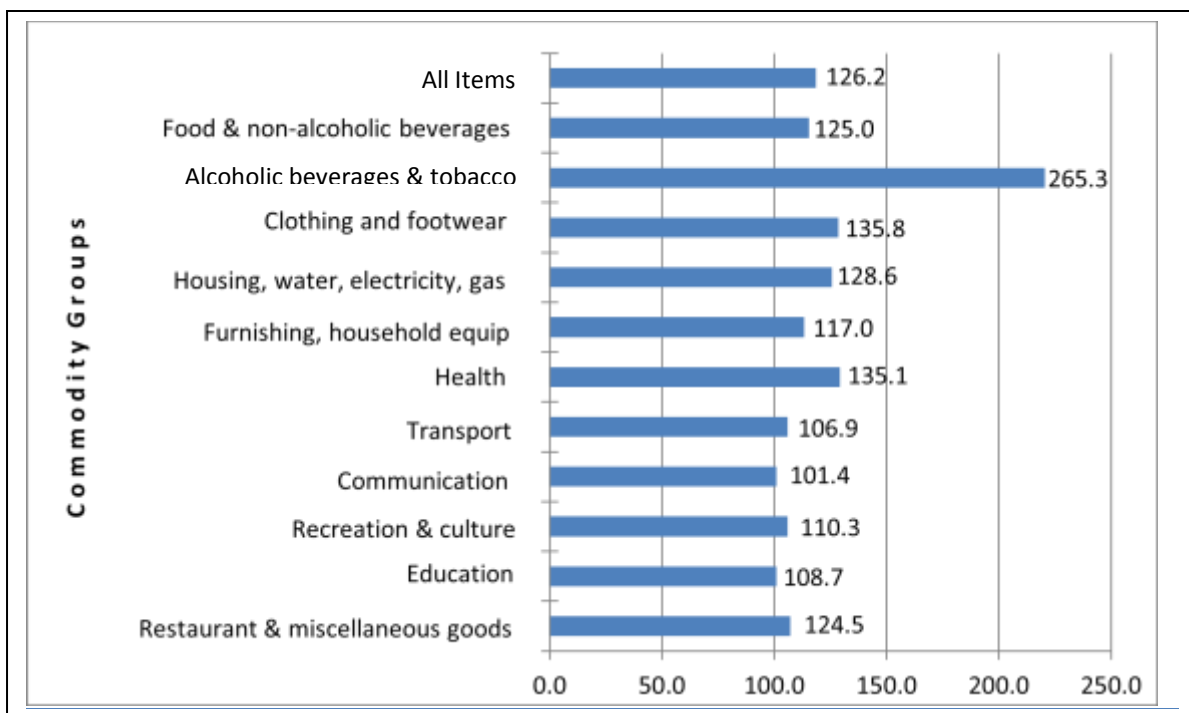
Source of data: PSA, Price Statistics Division

Figure 1, shows that commodity under the groups of the Alcoholic beverages and tobacco, Clothing & footwear, Health, and Housing, water, electricity, gas and other fuel had the highest corresponding CPI's of 265.3, 135.8, 135.1, and 128.6 in March 2021, respectively. These four commodity groups have CPI's higher than the total average CPI of all items in the province.



On the other hand, Education and Communication with CPI's 108.7 and 101.4, respectively, had no significant changes across the months. These mean that price of Communication did not moved from the past month and cost of Education in the province slightly increased from the base year.

Figure 1. Consumer Price Index for All Income Households in Ifugao: March 2021 (2012=100)



Source of data: PSA, Price Statistics Division

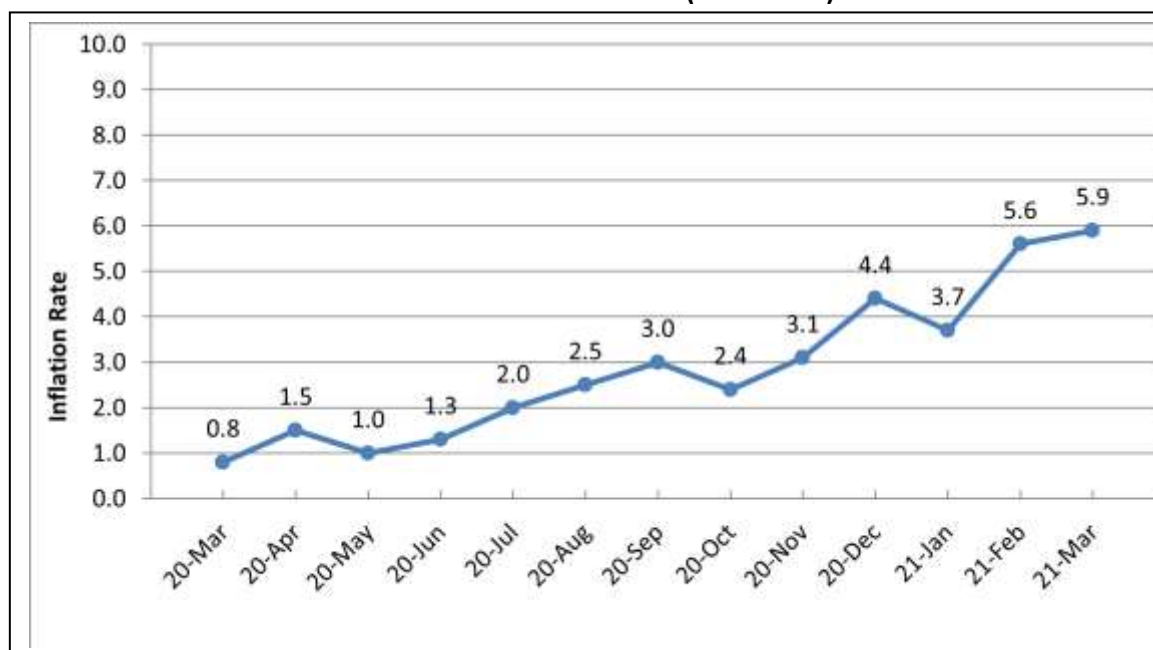
INFLATION RATE



The average headline Inflation Rate (IR) in Ifugao accelerated to 5.9 percent as of March 2021 as compared to the same period in the previous year. This was realized because of the unstable prices of goods and services commonly purchased by all income households in the province for the past months.

As shown in Figure 2, the trend has been a roller coaster and it is in upward motion. The result for March 2021 posted 0.30 index points increased from the previous month and posted the highest in the last fourteen months.

Figure 2. Year-on-Year Headline Inflation Rate, All Items by Commodity Group, Ifugao, March 2020 – March 2021 (2012 = 100)



Source of data: PSA, Price Statistics Division

As shown in Table 2, Restaurant and miscellaneous goods and services (2.6 percent) was the commodity group that posted the higher growth rates in March 2021. In the same way, Restaurant and miscellaneous goods and services had the most rapidly changing average price between the month of March 2021 and February 2021 with an increased of 3.1 index points.

Table 2. Month-on- Month Headline Inflation Rate, All items by Commodity Group, Ifugao: March 2021 - February 2021 (2012=100)

Commodity Group	March 2021	February 2021
All Items	-0.2	-0.5
Food and non - alcoholic beverages	-1.2	-1.1
Alcoholic beverages and tobacco	0.7	1.9
Clothing and footwear	0.3	1.6
Housing, water, electricity, gas and other fuels	-0.9	-0.1
Furnishing, household equipment and routine maintenance of the house	0.4	0.0
Health	0.1	0.4
Transport	2.0	-0.1
Communication	0.0	0.0
Recreation and culture	0.1	0.3
Education	0.0	0.0
Restaurant and miscellaneous goods and services	2.6	0.1

Source of data: PSA, Price Statistics Division

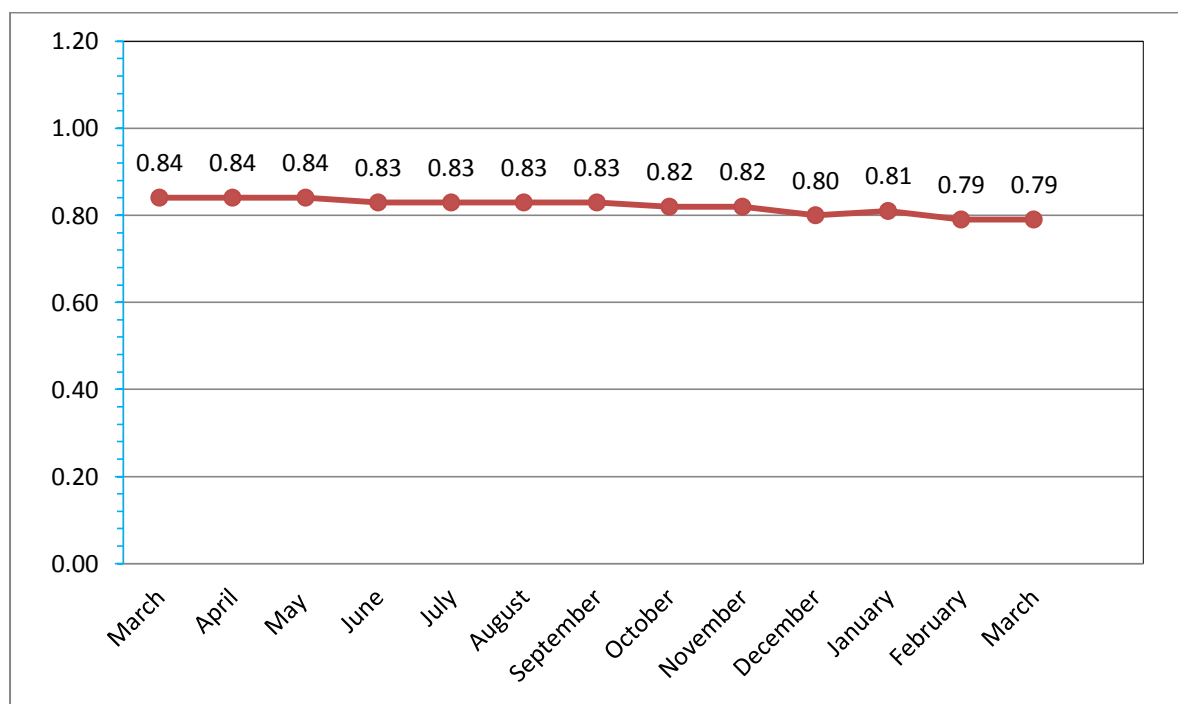
PURCHASING POWER OF PESO (PPP)



The Purchasing Power of the Peso (PPP) is inversely related to inflation rate. Thus, as the inflation rate increases, PPP declines. The average PPP in Ifugao in 2020 is at Php 0.83. This implies that Php 1.00 in 2012, as the base year, values only Php 0.83 in 2020.

As a result of the price changes of prime commodities commonly purchased by all income households in Ifugao as reflected in the CPI, the provincial Purchasing Power of the Peso plunged into a very alarming situation to Php 0.79 as shown in figure 3.

**Figure 3. Monthly Purchasing Power of Peso in Ifugao:
March 2020 – March 2021 (2012=100)**



Source of data: PSA, Price Statistics Division

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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 that most people buy for their day to day consumption relative to a base year.

Uses of CPI

The CPI is most widely used to calculate inflation rate and the purchasing power of peso. It is a major statistical series used for economic analysis and as monitoring indicator of government economic policy. It is also used to adjust other economic series for price changes. For example, CPI components are used as deflators for most personal consumption expenditures (PCE) in the calculation in the gross national product (GNP). Another major importance of the CPI is its use as basis to adjust wages in labor management contracts as well as pensions and retirement benefits. Increases in wages through collective bargaining agreements used the CPI as one of their bases.

Computation of the CPI

The computation of the CPI involves consideration of the following important points:

a. Based Period.

The reference date or 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 was selected to represent the composite price behavior of all goods and services purchased by consumers.

c. Weighting System

The weighting pattern uses the expenditures on various consumer item purchased by households as 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)

The Inflation Rate is the rate of change or the year-on-year change of the CPI. Inflation is interpreted in terms of declining purchasing power of peso.

a. Headline Inflation

Headline inflation refers to the rate of change in CPI. It captures the changes in the cost of living based on the movements of prices of items in the basket of commodities and services consumed by the typical Filipino households.

b. Core Inflation

Core inflation measures the change in average consumer prices after excluding from the CPI certain items with volatile price movements. By stripping out the volatile components of the CPI, core inflation allows us to see the broad underlying trend in consumer prices. Core inflation is often used as an indicator of the long-term inflation trend and as indicator of future inflation. It is usually affected by the amount of money in the economy relative to production, or by monetary policy.

Purchasing Power of the Peso (PPP)

The purchasing power of the peso (PPP) shows how much 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.