



SPECIAL RELEASE

May 2019 Price Situation in the Cordillera (Base Year: 2012)

Date of Release: 24 June 2019
Reference No. SR 2019-26

Consumer Price Index

- Consumer Price Index (CPI) is the general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.
- The CPI of the Cordillera Administrative Region (CAR) in May 2019 was 117.9. This was higher by 2.7 index points from the 115.2 CPI of May 2018 using 2012 as base year.
- In general, the CPI increased reflecting the rise in the average prices of goods and services in all the six provinces of CAR.

**Figure 1. Consumer Price Index by Province, CAR:
May 2019
(2012=100)**



Source: Philippine Statistics Authority

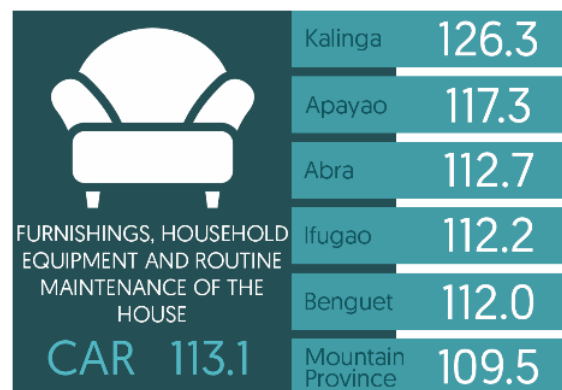
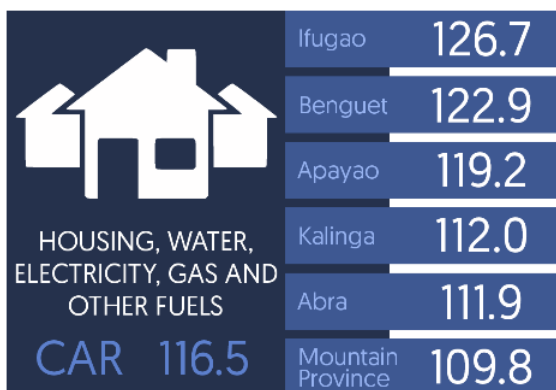
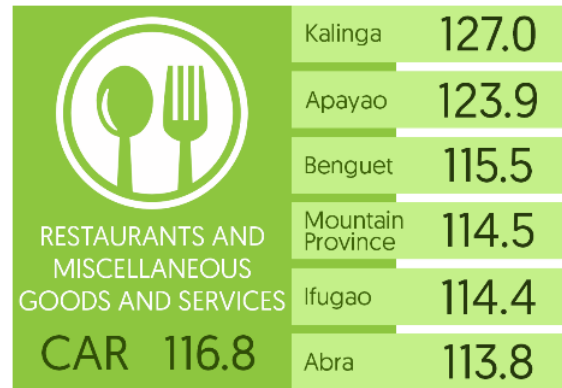
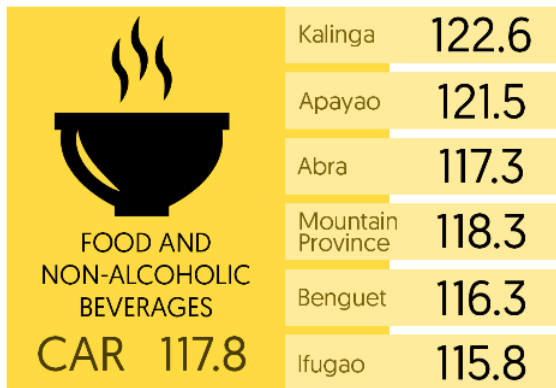
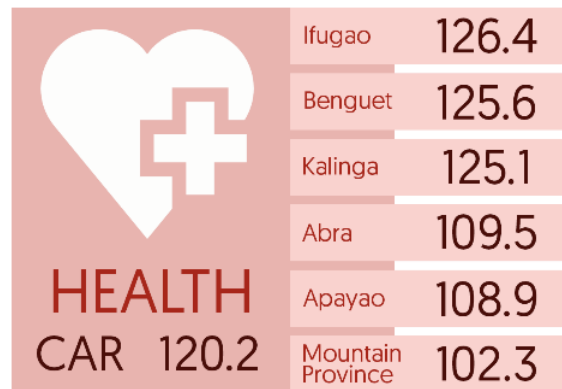
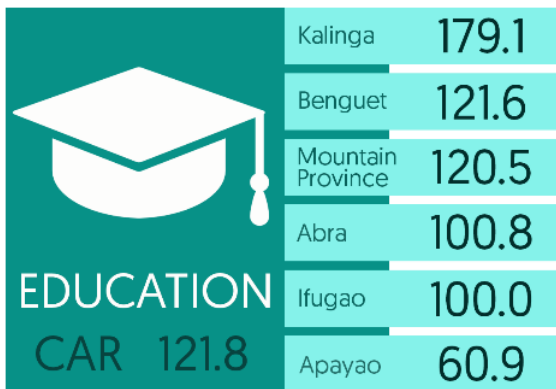
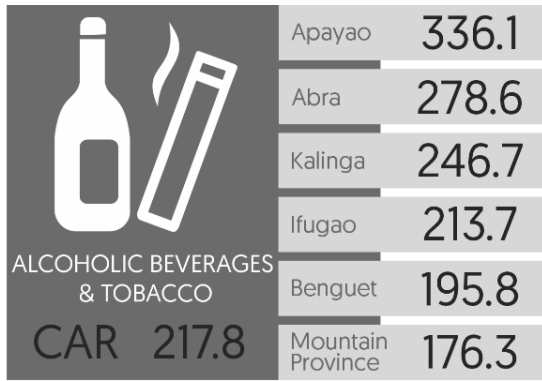
- Among the CAR provinces, Kalinga posted the highest CPI for May 2019 at 122.6, followed by Apayao at 121.8, and Benguet at 118.5 while Mountain Province posted the lowest CPI at 112.2.

CPI by Commodity Groups

- Among the commodity groups, Alcoholic Beverages and Tobacco had the highest CPI in the region with 217.8. The province of Apayao incurred the highest CPI on this commodity with 336.1, followed by Abra, Kalinga, and Ifugao at 278.6, 246.7, and 213.7, respectively.
- Clothing and footwear registered the second highest CPI among the commodity groups in the region for May 2019 at 122.3 index points. Among the provinces, Ifugao had the highest index on clothing and footwear at 126.0, while Apayao had the least at 116.0.
- Education ranked third at 121.8 index points. Kalinga recorded the highest index on education at 179.1, followed by Benguet and Mountain Province at 121.6 and 120.5 index points, respectively.
- Communication continued to have the lowest CPI among the commodity groups in the region with 101.4 index points. The province of Apayao incurred the highest index on communication with 105.5 index points, while Mountain Province had the lowest with 100.1 index points.
- Among the CAR provinces, Kalinga incurred the highest CPI for all items with 122.6, while Mountain Province garnered the least index at 112.2 in May 2019.

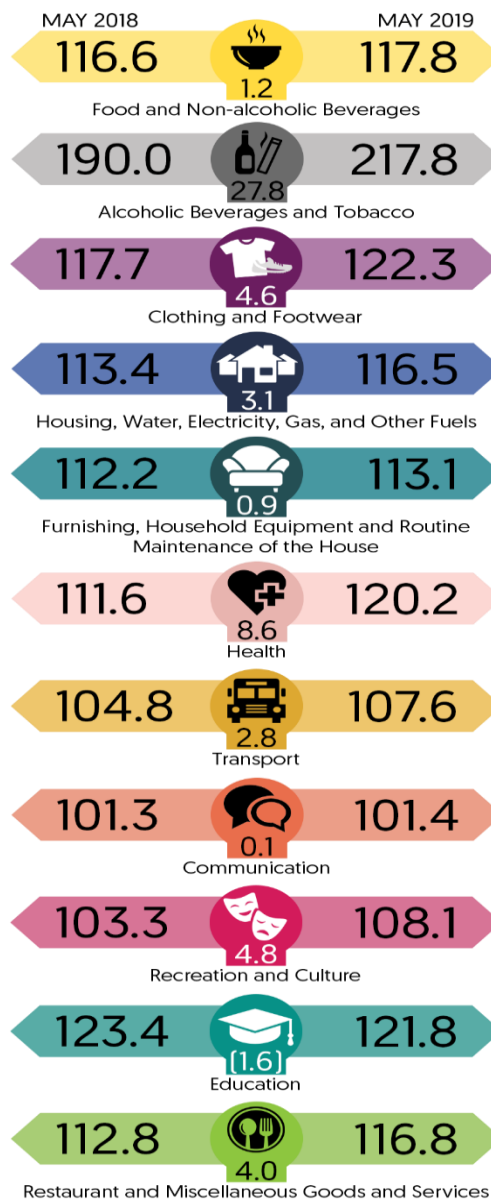
Figure 2. Consumer Price Index by Commodity Group and by Province, CAR: May 2019 (2012=100)







**Figure 3. Year-on-Year Consumer Price Index by Commodity Group, CAR:
May 2018 and 2019
(2012=100)**



- By index point change, Alcoholic Beverages and Tobacco recorded the highest increase at 27.8. Increases were also incurred in Health (9.3 points), Recreation and Culture (4.6 points), and Clothing and Footwear (4.4 points). The rest of the commodity groups reported minimal annual increases.

Inflation Rate

- The average increase in the prices of goods and services in the region slowed down to 2.3% in May 2019 from the 3.8 inflation rate in May 2018.
- Apayao and Ifugao posted the highest inflation rate in May 2019 at 5.6% each, followed by Abra at 4.7%, and Kalinga at 3.9%. Mountain Province remained to have the lowest inflation among all provinces, with 1.0%.
- Inflation surpassed the May 2018 rate for the provinces of Abra, Apayao, and Ifugao while other provinces had lower inflation rates in May 2019 relative to the same month last year.

**Figure 4. Year-on-Year Inflation Rates by Province, CAR:
May 2018 and 2019
(2012=100)**



Source: Philippine Statistics Authority

By Commodity Group

- Inflation rate of the heavily-weighted Food and Non-Alcoholic Beverages index in the region decreased from the April 2019 rate of 1.3 to the 1.0 of May 2019.
- Alcoholic Beverages and Tobacco remained to have the highest inflation in May 2019 among other commodities in the region with 14.6%, followed by Health and Recreation and Culture with 7.7% and 4.6%, respectively.
- Among all other commodities, only Education incurred a negative inflation rate of 1.3%.

**Figure 5. Inflation Rates by Commodity Groups, CAR: May 2019
(2012=100)**

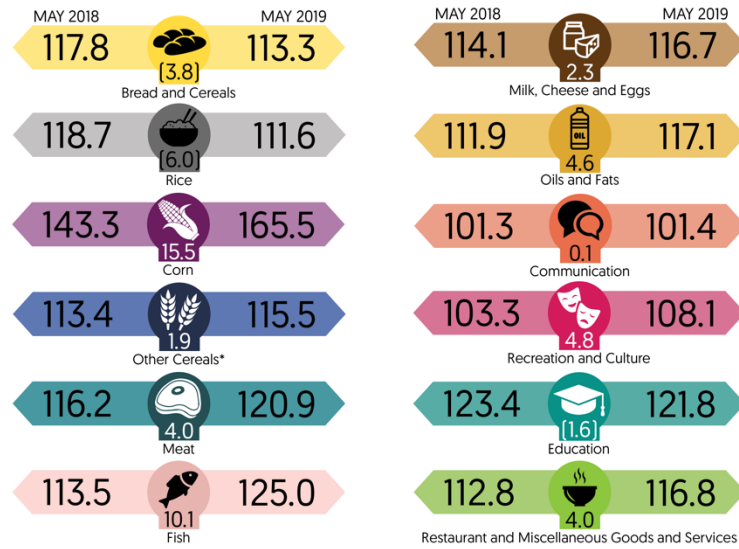


Source: Philippine Statistics Authority

By Food Items, Year-on-Year

- Among the food items, Corn recorded the highest CPI in the region in May 2019 with 165.5. This was followed by Fruits, Fish, and Meat with 134.7, 125.0, and 120.9 index points, respectively.
- By index point change, Corn recorded the highest increase at 22.8. Fish followed with an 11.5 index point increase and Oils and Fats with 5.2.

Figure 6. Year-on-Year CPI and Inflation Rates of Selected Food Items, CAR: May, Year 2018 and 2019 (2012=100)



*Includes flour, cereal preparation, bread, pasta and other bakery products
Source: Philippine Statistics Authority

Purchasing Power of the Peso (PPP)

Figure 7. Purchasing Power of the Peso by Province, CAR: May 2018 and 2019 (2012=100)



Source: Philippine Statistics Authority

- The value of the peso in the region was 85 centavos in May 2019. It dropped by two centavos from 87 centavos in May 2018. This means that one peso in 2012 is worth 85 centavos in May 2019.
- In other words, a basket of goods that can be bought with 100 pesos in December 2012 is worth 117.4 pesos in May 2019.
- The PPP in all the provinces generally weakened in May 2019 compared to the same month of the previous year.
- Mountain Province had the highest peso value at 89 centavos, followed by Abra and Ifugao with 85 centavo-peso value each. Meanwhile, Apayao and Kalinga both had the lowest peso value at 82 centavos.

VILLAFE P. ALIBUYOG

Regional Director

Technical Notes

Consumer Price Index (CPI) is a general measure of the change in the average retail prices of a market basket or collection of goods and services commonly purchased by the average Filipino household.

Inflation Rate (IR) is the rate of change in the average price level between two periods (year-on year/month-on-month as measured by the CPI).

Purchasing Power of the Peso (PPP) measures how much the peso in the reference year is worth in another year.

Base Year (BY) is the reference point of the index number series, at which the index number is set to 100. It is the reference point of the index number series.

The CPI is now rebased to 2012 base year from the current 2006 base year. The year 2012 was chosen as the next base year because it was the latest year when the Family Income and Expenditure Survey (FIES) results were made available. It is also the synchronized rebasing of the price indices to base year 2006 and every six years thereafter.

Rebasing CPI is necessary to ensure that this barometer of economic phenomena is truly reflective of current situation. Consumer taste, fashion and technology change over time causing the fixed market basket of goods and services to become outmoded. To capture such changes for a more meaningful price comparison, revision or updating of the fixed market basket, sample outlets, weights, and base year had to be done periodically. The CPI is an indicator that derives its usefulness in its representation of how much a typical market basket behaves over a specific period.

Market Basket (MB) is a sample of goods and services used to represent all goods and services produced or bought.